

INTERAGENCY AGREEMENT
between
THE REGENTS OF WASHINGTON STATE UNIVERSITY
and
THE REGENTS OF THE UNIVERSITY OF IDAHO

THIS AGREEMENT is made and entered into by and between the Board of Regents of Washington State University, hereinafter referred to as "WSU" through its Wood Materials & Engineering Laboratory (WMEL), and the Regents of the University of Idaho, hereinafter referred to as "UI" on behalf of its Forest Products Department (FPD). Together they are referred to as the PARTIES to this AGREEMENT.

PURPOSE OF THIS AGREEMENT: The PARTIES entered into a Consortium Agreement on September 4, 1996, to organize people, facilities, and equipment to address issues affecting the Inland-Northwest forest products manufacturing region and to facilitate the movement of new processes and products from inception to the market place (see Appendix A).

As part of that Consortium Agreement, these PARTIES each have a need for part-time use of a gas chromatograph-mass spectrometer research instrument, hereinafter referred to as "GC-MS," for instructional and research purposes. In furtherance of the existing cooperative relationship between WMEL and FPD, and with the intent of reducing their individual costs, the PARTIES wish to jointly own and use a GC-MS. It is the purpose of this AGREEMENT to provide the terms and conditions for that joint ownership and use.

AUTHORITY: The authority for WSU to enter into this cooperative agreement is found in RCW 39.34, the Interlocal Cooperation Act. RCW 39.34.030. The Board of Regents of WSU has the authority to enter into contracts pursuant to RCW 28B.30.150(19). The authority for UI is found in Article IX, Section 10, Idaho Constitution.

In furtherance of this undertaking, the PARTIES mutually agree to the following.

I. STATEMENT OF WORK

The Parties will each pay for one-half of the purchase price of a GC-MS, and shall each own a one-half interest in the GC-MS. The GC-MS will be housed at the UI and shall be equally available for use by WSU and UI when needed in accordance with a scheduling plan jointly agreed upon by the PARTIES as provided below. Each PARTY shall pay a fee per use to be applied to the cost of maintaining, repairing, and operating the GC-MS, as set forth below. The PARTIES also shall do all things necessary for or incidental to the performance of the duties set forth below.

A. Duties of Both Parties

- (1) The PARTIES will each pay an approximately equal share of the purchase cost of the GC-MS, with the WSU portion not to exceed forty thousand dollars (\$40,000). The PARTIES will each own a one-half interest share in the GC-MS. This AGREEMENT shall evidence each PARTY's ownership in the GC-MS.
- (2) The PARTIES will cooperate to ensure that the GC-MS will be equally accessible to faculty and students from UI - FPD and WSU - WMEL, and shall jointly develop policies governing its use by UI, WSU, and any other persons or entities that are jointly determined by the PARTIES to meet the criteria for use.
- (3) The PARTIES will jointly determine the user schedules for the GC-MS and the user fees for each use of the GC-MS. The fees shall be determined on an annual basis based on an instructional year, and shall be in an amount deemed sufficient by the PARTIES to pay for the UI's costs of operating, maintaining, insuring, and repairing the GC-MS. The fees charged in any given year will not exceed the fee schedule established for that year unless otherwise agreed to in writing by the PARTIES. PARTIES shall set higher fees for non-party users in recognition of the capital investment by the PARTIES in the GC-MS.
- (4) The PARTIES shall jointly approve of who shall be the primary person at each institution responsible for administering and performing each institution's respective duties under this AGREEMENT.
- (5) The PARTIES shall jointly determine whether to make any modifications to the GC-MS.

B. Duties of WSU

- (1) WSU will contribute up to forty thousand dollars (\$40,000) towards the purchase of the GC-MS.
- (2) WSU will participate in the development of the specifications for the GC-MS and will consult with UI in UI's selection of the successful bid.
- (3) WSU will pay the user fees for WSU users on a quarterly basis as set forth in paragraph 4 below.
- (4) WSU will do any and all things necessary to accomplish its joint duties with UI under this AGREEMENT.

C. Duties of UI

- (1) UI will develop the specifications for the GC-MS in cooperation with WSU.

- (2) UI will put the specifications out for bid for the instrument in accordance with its competitive bidding laws and procedures. Final selection of the winning bid will be made by UI in consultation with WSU.
- (3) UI will purchase the GC-MS selected in the bidding process, and shall bill WSU for its share of the purchase price.
- (4) UI will house the GC-MS in a location mutually agreed to by WSU at the UI Forest Products Department on the UI campus in Moscow, Idaho. UI shall not be reimbursed for its facility and utility costs for housing the GC-MS in recognition of the extra costs borne by WSU in having the GC-MS located at the UI campus.
- (5) UI will provide access to the GC-MS to WSU users at all reasonable times subject to the normal hours of operation of the FPD facility and the schedule jointly agreed upon by the PARTIES. Reasonable after-hours access by WSU users will be allowed on an appointment basis.
- (6) UI will be responsible for the GC-MS, will insure the GC-MS, will coordinate any warranty work, and will provide or contract for calibration, cleaning, and all other maintenance and repair work needed for the proper operation of the GC-MS.
- (7) UI will supervise and train users of the GC-MS, including faculty, graduate students, and other approved researchers of UI and WSU, and of any other persons authorized to use the GC-MS under the policies established by the PARTIES.
- (8) UI shall maintain a separate account into which all user fees are deposited and out of which authorized maintenance, operation, and repair expenses are paid. Any excess funds in the account shall be used only to reduce each PARTY's future use fees, unless otherwise jointly agreed in writing by the PARTIES. If there are not sufficient funds in the account to pay necessary expenses, the PARTIES shall agree upon a method for raising sufficient funds, to include increasing user fees and/or special assessments for each party's pro rata share of the excess expenses.
- (9) UI shall accept appointments for after-hours use of GC-MS. After hours are considered to be university sanctioned holidays and times other than 8:00 a.m. to 5:00 p.m. Monday through Friday.
- (10) UI shall insure the GC-MS and provide proof of insurance to WSU.

II. PERIOD OF PERFORMANCE

Subject to its other provisions, the period of performance of this AGREEMENT shall commence on the date all PARTIES have signed this contract and shall end five (5) years later unless terminated earlier as provided in this AGREEMENT. Prior to the end of the contract term, the PARTIES shall meet and confer on whether to extend this AGREEMENT for additional periods. If the PARTIES determine not to extend the AGREEMENT, the GC-MS shall be sold at its then fair market value in accordance with UI procedures, and the proceeds shall be evenly distributed to each PARTY. In the

alternative, either PARTY may purchase the interest of the other PARTY in the GC-MS for one-half of its then fair market value as determined in accordance with UI procedures. If both PARTIES wish to purchase the GC-MS, the decision of who can buy it shall be made by lot.

III. PAYMENT

The user fees for the GC-MS for the first year of operation shall be as follows based on the expense categories listed below:

Estimated annual operating costs are:

▪ Gases (helium and ammonia)	\$ 1,000.00
▪ GC-columns (two)	1,500.00
▪ Consumables (septa, vials, filaments, pump oil)	1,000.00
▪ Detector (electron multiplier)	1,500.00
▪ Servicing (service contract)	<u>5,000.00</u>
Total annual cost	<u>\$10,000.00</u>

Assuming a total of 500 hours of use/year and run time of 1 hour/sample, the base charge rate charged to UI and WSU users for sponsored research will be \$20/sample. Rates for approved non-party users shall be \$40/sample. The PARTIES will review the charges periodically and must jointly decide in writing on any modifications to the usage fees as provided in this document.

IV. BILLING PROCEDURE

The UI shall submit quarterly invoices to WSU for the user fees for the prior quarter with reasonable detail as to the basis for charges in the invoice. WSU shall pay UI for approved charges consistent with the terms of this AGREEMENT within thirty (30) days of the receipt of the invoice.

V. RECORDS MAINTENANCE

The PARTIES to this AGREEMENT shall each maintain books, records, documents, and other evidence which sufficiently and properly reflect all costs expended by either PARTY in the performance of the AGREEMENT described herein. These records shall be retained for six (6) years after termination of the AGREEMENT, and shall be subject to inspection, review, or audit by personnel of both PARTIES, and other persons duly authorized by either PARTY. The Washington State Auditor will have access to UI records in accordance with the Idaho Public Records Law and any other applicable disclosure law, and the UI auditors will have access to WSU records in accordance with the Washington Public Records Law and any other applicable disclosure law.

VI. RIGHTS IN DATA

Unless otherwise provided, data that originates from this AGREEMENT shall be owned by the PARTY that originates the data, or jointly if the data is jointly originated. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, and register, and the ability to transfer these rights.

VII. INDEPENDENT CAPACITY

The employees or agents of each PARTY who are engaged in the performance of this AGREEMENT shall continue to be employees or agents of that PARTY and shall not be considered for any purpose to be employees or agents of the other PARTY.

VIII. LIABILITY

Each PARTY shall be liable for damages to persons or property caused by its own negligent or willful acts or omissions, including those of its officers, employees, or agents. If the PARTIES jointly cause such damages, each PARTY shall be liable for the portion of the total damages determined to be caused by that PARTY, subject to the limitations of applicable law.

IX. MODIFICATION

This AGREEMENT may be modified or amended by mutual agreement of the PARTIES. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the PARTIES.

X. EARLY TERMINATION

Either PARTY may terminate this AGREEMENT without cause upon one hundred eighty (180) days prior written notification to the other PARTY. If this AGREEMENT is so terminated, the PARTIES shall be liable only for performance rendered or costs incurred in accordance with the terms of this AGREEMENT prior to the effective date of termination. At the time of such termination, the GC-MS shall be disposed of in the same manner as set forth in Paragraph II, Period of Performance. Upon termination, the PARTIES shall sell the GC-MS and equally split the proceeds. Or the PARTIES may mutually negotiate to allow one PARTY to purchase the ownership interest of the other.

XI. DISPUTES

In the event that a dispute arises under this AGREEMENT, the PARTIES shall negotiate in good faith to achieve a fair and reasonable resolution. If good faith negotiation is unsuccessful, the PARTIES may agree to mediate the dispute. If mediation is unsuccessful, the Parties shall submit the dispute to arbitration under such procedures and rules as the PARTIES may agree upon at the time. The decision of the arbitrator(s) shall be final and binding on the PARTIES hereto.

XII. ASSIGNMENT

The work to be provided under this AGREEMENT and any claim arising hereunder is not assignable or delegable by either PARTY in whole or in part without the express prior written consent of the other PARTY, which consent shall not be unreasonably withheld.

XIII. WAIVER

A failure by either PARTY to exercise its rights under this AGREEMENT shall not preclude that PARTY from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this AGREEMENT unless stated to be such in a writing signed by an authorized representative of the PARTY and attached to the original AGREEMENT.

XIV. SEVERABILITY

If any provision of this AGREEMENT or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this AGREEMENT which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this AGREEMENT and to this end the provisions of this AGREEMENT are declared to be severable.

XV. ALL WRITINGS CONTAINED HEREIN

This AGREEMENT contains all the terms and conditions agreed upon by the PARTIES. No other understandings, oral or otherwise, regarding the subject matter of this AGREEMENT shall be deemed to exist or to bind any of the PARTIES hereto.

XVI. NOTICES

The program manager for each of the PARTIES shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this AGREEMENT.

For Washington State University:

Donald Bender
Director and Professor
Wood Materials & Engineering Lab.
PO Box 641806
Pullman, WA 99164-1806
Telephone: (509) 335-2829

For University of Idaho:

Thomas Gorman
Head and Professor
Forest Products Department
PO Box 441132
Moscow, ID 83844-1132
Telephone: (208) 885-7402

XVII. SIGNATURES

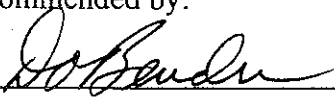
By their signatures below, the PARTIES affirm they have the delegated legal authority on behalf of their respective entities to sign this AGREEMENT and that they have done so voluntarily and with full knowledge of and intent to follow the terms and conditions of this AGREEMENT.

XVIII. NON-DISCRIMINATION

The PARTIES agree not to discriminate against any employee or applicant for employment or student or prospective student in the performance of this AGREEMENT with respect to tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of race, sex, color, religion, national origin, disability, ancestry, or status as a Vietnam veteran. Breach of this covenant may be regarded as a material breach of this AGREEMENT.

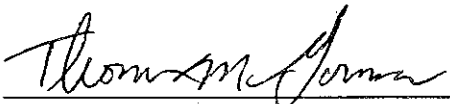
WASHINGTON STATE UNIVERSITY

Recommended by:



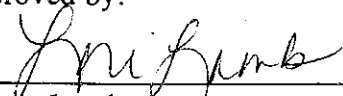
Donald A. Bender
Director, WMEL
Date: 6-20-02

FOR UNIVERSITY OF IDAHO

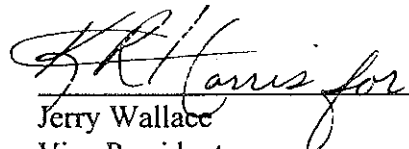


Name: Thomas M. Gorman
Title: Department Head, Forest Products
Date: 14 June 2002

Approved by:



Loretta Lamb
Associate Vice President
Personnel and Administration
Date: 6/20/02



Jerry Wallace
Vice President
Administration and Finance
Date: 6-17-02

APPENDIX A

Memorandum of Understanding for the Inland-Northwest Forest Products Research Consortium University of Idaho - The University of Montana - Washington State University

The Inland Northwest Forest Products Research Consortium represents a cooperative effort between the University of Idaho, The University of Montana and Washington State University. It will utilize multi-disciplinary research teams to address research questions of importance to the forest products industry of the region. An industry-university board will participate in the identification and prioritization of research questions and will recommend program actions. Participants in the Consortium believe that together they can bring critical expertise to the technology and training issues facing the industry and secure funding to perform these important research and outreach activities.

The location, and the diverse and complementary expertise of their scientists make these universities uniquely qualified to address problems and opportunities associated with the harvest, processing, manufacture and use of Inland-Northwest tree species.

Primary participants in the Inland-Northwest Forest Products Research Consortium, include the Forest Products Department, University of Idaho; Bureau of Business and Economic Research, The University of Montana; and Wood Materials and Engineering Laboratory, Washington State University. In addition, participants in Consortium projects would be drawn from other academic and research units of the respective universities and the private sector.

These universities and their programs collectively have strengths in forest economics; collection and forecasting data on the structure and employment of the forest industry; timber harvesting; wood-material engineering; composite wood-product development; lumber production; secondary products processing; and wood construction and design. The Consortium would combine these strengths and build upon them to provide a comprehensive, and cohesive research effort based on an industry guided program strategy.

Goals

The goals of the Inland-Northwest Forest Products Research Consortium are to organize people, facilities, and equipment to effectively address issues affecting the Inland-Northwest forest products manufacturing region and to facilitate the movement of new processes and products from inception to the market place.

Specifically the Inland-Northwest Forest Products Research Consortium will be established to:

1. Develop the timber harvesting systems that will meet the challenges of the Inland-Northwest region created by new silvicultural prescriptions and by increased environmental and safety regulations.
2. Identify incremental improvements in production efficiency, yield, product quality and produce value in both primary and secondary wood products manufacturing through the development of new products and processes.
3. Integrate processing developments with emerging technologies to create marketable solutions for wood products manufacturers.
4. Survey existing business conditions in the forest products industry and identify business opportunities created by product and process research.
5. Analyze the effects of the changing structure of the forest products industry and its influences on regional, state and local economies.
6. Expand the technological base of the forest products industry through seminars, newsletters, technical publications, presentations, and intensive continuing education programs on wood properties, improved production processes, and innovative products and their uses.

Principles of Operations

1. All activities of the Consortium will be conducted within established guidelines and policies of the respective states and universities.
2. The Consortium will be guided by a volunteer, industry-university steering committee consisting of three industry members from each represented state and serving at no cost to the universities, and a representative of the College of Forestry, Wildlife and Range Sciences at the University of Idaho, the College of Business at The University of Montana and the College of Engineering and Architecture at Washington State University.
3. A Consortium director will be selected from the faculty/staff of the member units to serve at the pleasure of the member institutions and the steering committee.
4. Consortium funding will be generated from external sources and will be processed through the home institution of the Consortium director to the lead units at each of the institutions: the Forest Products Departments at the University of Idaho, the Bureau of Business and Economic Research at The University of Montana, and the Wood Materials and Engineering Lab at Washington State University. Specific details for fund transfers will be developed in accordance with policies of the respective institutions.

5. Consortium projects will have an established, maximum overhead rate acceptable to the central administration of each of the three universities for projects funded through the Consortium. Overhead distribution within the universities and colleges will be consistent with distribution guidelines for the lead units of the Consortium.
6. Overhead returns for each of the three universities will be prorated according to the percent of research funds being allocated to research units at each of three participating institutions. Overhead on funds not assigned to a programmed activity at a particular university will be divided equally between the three units.
7. Any disputes between institutions will be reconciled by the deans/directors of the lead units of the three institutions.
8. This Memorandum of Understanding can be terminated upon 60 days written notice by any member institution to the other member institutions. Notice shall be sent to the dean/director of the college or lead unit signing on behalf of the institution and will be effective upon the date sent. Any consortium projects which are on-going at the time of termination will be ended and alternate arrangements will be made to complete them under another agreement worked out between the institutions involved in the project. Any funds owed to a member institution will be paid upon termination of the Memorandum of Understand.
9. To qualify as a Consortium project, it must involve faculty from at least two of the member institutions. Specific Consortium projects will be managed by the principal investigator(s) of the project with general coordination through the Consortium director.
10. Faculty in member units are free to pursue individual and institutional research projects outside of the Consortium.

Signatures

University of Idaho



Charles R. Hatch
Dean, College of Forestry, Wildlife
and Range Sciences

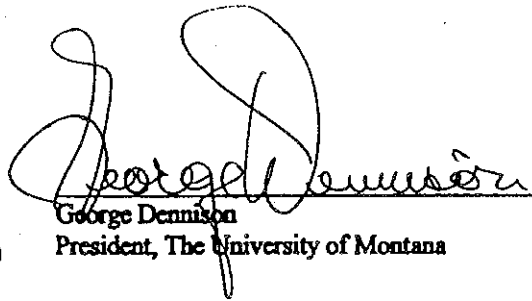


Robert A. Hoover
President, University of Idaho

The University of Montana



Larry Gianchetti
Dean, School of Business Administration



George Dennison
President, The University of Montana

Washington State University



Robert A. Altenkirch
Dean, College of Engineering and
Architecture



Samuel H. Smith
President, Washington State University