NOTICE OF TIMBER SALE

(Recovery – Scaled Sale)

SALE NAME/NO.:	Cannonball Chip Sale	343-16-843
AUCTION DATE/TIME:	January 19, 2016, starting at 2:00 p.m.	
AUCTION LOCATION:	Walker Range Forest Protective Association 135393 Hwy. 97 N Crescent, OR 97733	
DISTRICT/UNIT OFFICE (MAILING ADDRESS FOR BIDS):	Klamath Lake District 3200 Delap Road Klamath Falls, Oregon 97601 541-883-5681 FAX (541) 883-5555	
HARVEST TYPE:	605-Acre Selection Harvest.	
SALE LOCATION:	T23S R9E – Portions of Sections 35 and 36. T23S R10E – Portions of Section 31. T24S R9E – Portions of Section 1. W.M., Klamath County, Oregon.	
DIRECTIONS TO TIMBER SALE AREA:	From Klamath Falls, proceed north on Highway 97 to the BSR Road (6 miles north of Gilchrist, Oregon). Turn right on the BSR Road and proceed 0.75 mile. The Cannonball Chip Sale will be on the right.	

APPRAISED VOLUMES AND QUALITY:

SPECIES	AVG DBH	TOTAL Green Tons	GRADES BY MBF																
			1P	2P	3P	P	SM	1S	2S	3S	4S	5S	6S	SEL	SC	UT	CR	WRM	PLP
Pulp	-	5,596																	5,596
Sale Total		5,596																	

MINIMUM BID: BID SPECIES All Conifer and other species ..... $3.00 per Green Ton

PERFORMANCE SECURITY:	**$2,500.00**		
EXPIRATION DATE:	October 15, 2018	BID METHOD:	Sealed Bids
BID DEPOSIT:	$1,000.00	SALE TYPE:	Recovery/BOF - 100%
INSURANCE:	$2,000,000 Commercial General Liability; $2,000,000 Automobile Liability; $2,000,000 Logger's Broad Form.		
HARVEST METHOD:	100% tractor logging, a feller-buncher with a lateral reaching boom is required for all felling.		
PROJECTS (non-credit):	Road Maintenance. Road Closures on select interior roads.		
FEES:	None.		

ENDANGERED SPECIES ACT COMPLIANCE STATEMENT:

The Oregon Department of Forestry (ODF) is engaged in an active threatened and endangered (T&E) species survey program. Surveys, determinations, and management measures are developed and implemented in good faith compliance with federal and state Endangered Species Act (ESA) requirements. Restrictions on operations due to T&E species considerations are included in the prospectus. Purchasers are required to comply with all federal and state laws, including the Endangered Species Act. Purchaser should take steps to be certain that no ESA violations occur. Prospective purchasers of timber sales are reminded that ODF surveying efforts may take place any time during the term of a timber sale contract. In some cases, ODF may require that initiation of operations be delayed to allow for completion of spot check surveys, as recommended by the USFWS survey protocol and required by ODF policy. As part of the survey program, ODF surveys its lands on a continuing basis for land management, species protection, research, and other reasons. During the contract term, T&E survey work and/or the discovery of a threatened or endangered species within or in the vicinity of a timber sale may affect operations contemplated under the contract. Also, legal challenges and other litigation regarding ODF threatened and endangered species related processes may occur and may affect operations contemplated under the contract. In the event a threatened or endangered species is found within or near this sale, or efforts are required to respond to legal issues, ODF may take steps necessary to protect the interests of the State, including contract alteration, suspension, or termination.

Prospective purchasers are encouraged to contact the Klamath Lake District at 3200 Delap Road, Klamath Falls, Oregon 97601 for further information or questions relative to threatened or endangered species surveys, future planned survey information, or other threatened or endangered species information.

SPECIAL REMARKS:

NO PERSONAL OR COMPANY CHECKS ACCEPTED FOR THE BID DEPOSIT.

A feller-buncher with a lateral reaching boom is required for all mechanical felling.

Refer to Section 2310, "Felling" for details.

Snag Creation, Section 2335.

The information shown on the Exhibit A map(s) are approximate locations. Exact locations of features represented by map symbols shall be determined on site and shall depend upon the conditions that exist on site. Activities shall be conducted based upon features determined on site rather than features shown on maps.

See inside front cover of Timber Sale Schedule handbook for disclaimer regarding all governmental regulatory actions.

SALE NAME:	**Cannonball**
COUNTY:	**Klamath**
CONTRACT NO.:	**343-16-843**

TIMBER SALE NAME: **Cannonball Chip Sale**

TIMBER SALE NO**.: 343-16-843**

OPENING DATE: **January 19, 2015**

FORM OF PROPOSAL

The undersigned agrees to accept and perform all of the above terms and conditions as stated in the form of contract for the above-cited timber sale, and bids, and will pay:

Bid Species:

Pulp Material (4" and greater), _____ Dollars **$**_____ per Green Ton.

No-bid species will remain as shown:

All other wood products ..... at price above

Enclosed is a bid deposit as required, consisting of a _____ in the amount of **$1,000.00** payable to the Oregon Department of Forestry.

The undersigned agrees to execute and deliver the contract, initial payment, required certificates of insurance, and performance bond, within thirty (30) days of the date of the written notice of intent to award; and that any cash bid deposit may be applied to the first required timber sale payment.

The undersigned understands that the bid is irrevocable and further agrees that if they fail to qualify under the terms of the contract within the thirty-day period, the bid deposit shall become the property of the Oregon Department of Forestry as liquidated damages. **If the undersigned fails to qualify within the thirty-day period, STATE may disqualify the undersigned from submitting another bid on this timber sale.**

BIDDER _____
(Name of Individual or Company and Authorized Official)

EMPLOYER IDENTIFICATION NUMBER (EIN) _____

ADDRESS _____

_____

PHONE _____

BY _____
(Signature of Authorized Official & Title)

COMPLETE PURCHASER'S STATUS ON PAGE 2

PURCHASER'S STATUS

Purchaser is a corporation Check ( ) Incorporated in the State of

President's Name _____ _____

Secretary's Name _____

Purchaser is: ( ) a partnership ( ) an individual ( ) an assumed (business) name ( ) company

List names of all persons doing business under the partnership or assumed name:

_____ _____

_____ _____

_____ _____

If assumed name is subsidiary to a corporation, fill in data requested of corporation also and write in corporation name here:

_____

CERTIFICATION OF ELIGIBILITY TO BID ON STATE TIMBER

_____ hereby certifies that they:

EXPORT

(a) Will not directly or indirectly export the unprocessed State timber as defined in OAR 629-031-0020 which is the subject of this transaction.

(b) Shall not engage in export of unprocessed timber originating from private lands in Oregon until such time as all interests in contracts for State timber held by the above have terminated, per OAR 629-031-0010(1)(d).

(c) Will not sell, transfer, exchange, or otherwise convey the unprocessed timber as defined above which is the subject of this transaction to any other person that is not a STATE's approved location.

(d) Are not prohibited by OAR's 629-031-0005 through 0045 from bidding for unprocessed State timber as defined above directly from the State Forester.

(e) Understand that falsely entering into this certification is a violation of the Forest Resources Conservation Amendments Act of 1993 and OAR Chapter 629, Division 31, and is subject to any and all penalties contained therein.

(f) Have not directly or indirectly exported unprocessed timber originating from private lands in Oregon in the last 24 months, **or if bidding only on STATE hardwood timber or logs, HAVE** exported unprocessed timber originating from private lands in Oregon in the last 24 months, but **HAVE NOT** exported unprocessed **hardwood** timber originating from private lands in Oregon in the last 24 months **and** meet the requirements of OAR 629-031-0010(2).

DEFAULT, TERMINATION, AND OTHER RELATED MATTERS

(a) Are not currently in default status under any timber sale contract sold by the State Forester.

(b) Has not, within a 3-year period preceding this bid, had one or more Federal, State, or local timber sales terminated for cause or default.

(c) If (b) above is Yes, has submitted an explanation, in writing, with this bid for consideration by STATE. Any such explanation shall be submitted at the time of bid on a separate piece of paper.

_____
Signed

_____
Title

_____
Dated

[NOTE: For the purpose of this form, the definition of unprocessed timber is the same as in OAR 629-031-0005.]

Oregon
Kate Brown, Governor

Department of Forestry
State Forester's Office
2600 State Street
Salem, OR 97310
503-945-7200
FAX 503-945-7212
TTY 503-945-7213 / 800-437-4490
http:/ /www.odf.state.or.us

"STEWARDSHIP IN FORESTRY"

Biological Survey Report

Project: All 342 and 343 Fiscal Year 2016 Sales on the Gilchrist State Forest

Date: September 29, 2015

To: John Pellissier

CC: Greg Pittman, District Sale File

From: Matt Gostin

Habitat Suitability

The Gilchrist State Forest is beyond the known range of the northern spotted owl.

Known T&E Resources

There are no known T&E resource sites on the Gilchrist State Forest.

Operational Considerations

There are no seasonal operating restrictions for threatened or endangered species resource sites.

Future Survey Plans

ODF has no plans to conduct wildlife surveys in the Gilchrist State Forest at this time.

STATE OF OREGON

DEPARTMENT OF FORESTRY

Oregon Department of Forestry
State Forests Division
2600 State Street, Building D
Salem, Oregon 97310

TIMBER SALE CONTRACT

SALE NAME: Cannonball
CONTRACT NO 343-16-843
ODF DISTRICT: Klamath Lake

Section 1000. Signatures of Contract Parties.

This Contract (the "Contract") is by and between the STATE OF OREGON, acting by and through the State Forester on behalf of the DEPARTMENT OF FORESTRY ("STATE") and _____ ("PURCHASER"). The Contract shall be effective as of the latest date signed below. The parties do hereby agree as follows:

(1) Signature of STATE means he/she is a duly Authorized Representative of the STATE and is authorized by STATE to make all representations, attestations, and certifications contained in this Contract and all addenda, if any, issued, and to execute this Contract document on behalf of STATE;

(2) Signature of PURCHASER means he/she is a duly Authorized Representative of the PURCHASER, has been authorized by PURCHASER to make all representations, attestations, and certifications contained in this bid/proposal document and all addenda, if any, issued, and to execute this bid/proposal document on behalf of PURCHASER;

(3) PURCHASER, acting through its Authorized Representative, has read, understands, and agrees to all Contract instructions, specifications, and terms and conditions contained in this Contract document (including all listed attachments and addenda, if any, issued);

(4) PURCHASER is bound by and shall comply with all requirements, specifications, and terms and conditions contained in this Contract document (including all listed attachments and addenda, if any, issued);

(5) PURCHASER shall furnish the designated item(s) and/or service(s) in accordance with the bid/proposal specifications and requirements, and shall comply in all respects with the terms of the resulting agreement upon award.

IN WITNESS WHEREOF, the State of Oregon hereby awards the Contract to the above Purchaser for the item(s) and/or service(s) contained in the Contract, including all terms, conditions, and specifications. The Parties have affixed their signatures as of the latest date indicated below.

STATE:
State of Oregon, acting by and through the
DEPARTMENT OF FORESTRY

_____
Chief, State Forests Division

Date: _____

PURCHASER:
(Purchaser Name) (SEAL)

By: _____
(Signature of Purchaser Authorized Representative)

Printed Name: _____

As its: _____

Date: _____

PART I: SALE OF TIMBER

GENERAL

Section 1010. Definitions of Terms.

Anchor Stump - a stump used to tie off or wrap a cable or line to firmly secure it.

Archaeological or Historical Resource - those sites, buildings, structures, and artifacts, which possess material evidence of human life and culture of prehistoric and historic past.

Areas of Operations - the locations where PURCHASER performs the Operations described in the Contract. Each Area of Operation usually has specific operating requirements.

At Price Above – material will be charged at the highest rate for that species.

Authorized Representative - a representative of the PURCHASER authorized to receive any notice or instructions from STATE on behalf of PURCHASER and to take any action required in regard to performance of PURCHASER under this Contract.

Basal Area - a measure of the cross-sectional area of a Tree Bole, in square feet, measured 4½ feet above the ground on the uphill side of the tree.

Bidder – is a person, business, corporation, or other entity recognized by the STATE that submits a bid to enter into a contract with the STATE to purchase forest products, and that certifies that the timber will be harvested.

Bunk – a bed for logs with a pair of stakes at each end.

Contract - the entire written agreement between the parties, including but not limited to the Notice of Timber Sale, Invitation to Bid or Request for Proposal, Instructions to Bidders, specifications, terms, and conditions, Exhibits, Operations Plan, change notices, if any, and the accepted bid.

Cultural Resource - an Archaeological or Historical Resource. They may include objects, structures, or sites used by people in the past.

DBH (Diameter at Breast Height) - the diameter of a standing tree inclusive of the bark measured 4½ feet above the ground on the uphill side of the tree.

Down Timber - timber that is down as of the date of this Contract, as determined by STATE.

Down Wood - trees and logs on the ground.

Fire Season - when the State Forester has declared that conditions of fire hazard exist in a forest protection district or any part thereof. The State Forester designates for each district or any part thereof the date of the beginning of a Fire Season for that year. The Fire Season continues for each district or part thereof until ended by order of the State Forester when conditions of fire hazard no longer exist in that district or part thereof.

Green Tree Retention - the practice of leaving live, growing trees on a site during timber harvest as a future source of Snags, old growth trees, large diameter wood, and native seed.

Group Selection Area (GSA) – an area within the Timber Sale Area that has a unique prescription as described in this Contract. Group Selection Areas are less than five acres in most circumstances and are usually marked on the ground with boundary signs. Prescription trees are marked with paint within the Group Selection Area.

Guy Stump - a stump used to tie off or wrap a cable or line to firmly secure it.

Guyline - a cable or rope attached to something to brace, steady, or guide it.

Hazardous Substances - any substance or material that is hazardous or toxic to health or otherwise regulated or controlled under any applicable federal, state or local statute, regulation, ordinance or law.

Improvements - a permanent addition or change to real property, such as a road, structure, or utility, which increases the value of the property.

Landing - a collecting point for logs; the place to which logs are yarded for loading and transportation from the woods.

Live Crown Ratio - the length of a Tree Bole supporting the growth of live branches compared to total tree height, expressed as a percentage.

"Live" Stream - a stream with water flowing through it.

Log Load Receipt Book - a book issued by the STATE used for log load accountability. In each book there are sequentially numbered multipart pages (tickets). Each page is a four-part form. Each of the four parts, on each page, has the same identifying number. The four parts are:

> Woods Receipt
> Turned in to the ODF District Office that the timber sale is in.
>
> Trucker Receipt
> Retained by the log truck driver.
>
> Load Receipt
> Stapled to the log load on the truck before the truck leaves the Timber Sale Area Landing. Stays with the log load until the load is dispersed and processed at the mill.
>
> Scaler Receipt
> Stapled to the log load on the truck before the truck leaves the Timber Sale Area Landing. When the load is scaled (measured) the Scaler Receipt is transferred to the Scaling Bureau's printout of the log breakdown of the load. This log breakdown (which shows number of logs, species of logs, grades of logs, and board foot volume), along with the Scaler Receipt is sent to ODF headquarters in Salem.

Low Relative Density – an area of heavy thinning where the Relative Density of the residual stand is less than 15.

Major Catastrophes - windstorms, floods, fire, landslides, or other acts of God, which are beyond the control of PURCHASER and in no way connected with negligent acts or omissions of PURCHASER, its officers, employees, agents, or subcontractors.

MBF - thousand board feet.

Operations - all the activities conducted by PURCHASER under this Contract, including Project Work, logging, or post-harvest activities; or the furnishing of all materials, equipment, labor, and incidentals necessary to successfully complete any individual item or the entire Contract.

Operations Plan - the document by which PURCHASER notifies STATE of the plans and schedule for completing the Operations described in the Contract. It also contains the names of the subcontractors, PURCHASER's Authorized Representatives, and STATE's Authorized Representatives.

Patchcut – a small clearcut area; 0.5 to 2 acres in size.

Permit - any Permit required by a federal, STATE, or local government agency before Operations under this Contract may lawfully begin or continue. Permit includes an incidental take Permit under the federal Endangered Species Act.

Pre-Operations Meeting – the initial meeting between the Authorized Representatives of PURCHASER and STATE to discuss operational issues and requirements of the Contract, and to identify the elements to be addressed in the Operations Plan.

Project Location - the points or areas designated as such on Exhibit A and located on the ground by reference to points, stations, natural land features, Improvements, or area boundary signs. The location(s) where project activities occur.

Project Work - work required of the PURCHASER in addition to normal log removal and hauling activities. The PURCHASER is usually compensated for Project Work with Project Work Credits. Project Work can include, but is not limited to, road building, road improvement, rock quarry development, stream enhancement, site preparation, soil stabilization, and water runoff control measures.

Protected Genetic Parent Tree - a seed tree selected for its desirable characteristics that is designated not to be cut or harmed.

Pulp – any log that does not meet the minimum requirements for removal in Section 2040 or 2045, Log Removal.

Purchase Price - for each species sold on a recovery basis, "Purchase Price" is defined as the price per MBF listed in Section 1740, "Log Prices." If species is not listed in Section 1740, "Log Prices," the highest price listed in Section 1740, "Log Prices," shall apply.

For bid species sold on a lump sum basis, the Purchase Price for each species shall be determined by using STATE's unamortized timber appraisal value, multiplied by the bid-up factor. Bid-up factor shall be calculated by STATE using the following calculation: Bid value all species/appraised value all species = bid-up factor.

For no-bid species sold on a lump sum basis, the Purchase Price for each species shall be determined by using STATE's unamortized timber appraisal value.

PURCHASER's Authorized Representatives - the representatives authorized by PURCHASER to receive any notice or instructions from STATE on behalf of PURCHASER and to take any action required in regard to performance of PURCHASER under the Contract. PURCHASER's Authorized Representatives are identified in the Operations Plan.

PURCHASER's Deposit Account - an account where PURCHASER timber sale payments are deposited. This is an account set up by the State of Oregon to accept regular and advance timber sale payments from the PURCHASER. Advance payments are defined in the Payment Schedule section of the Contract.

Relative Density - a measure of the degree of closeness of trees growing side by side in a stand, in relationship with their size. The measure is expressed as a ratio of actual stand density to the maximum stand density attainable in a stand with the same mean tree volume. Relative Density is calculated by dividing the residual Basal Area by the square root of the average residual stand DBH.

Residual Tree - green tree left standing on an Area of Operation or Timber Sale Unit.

Right-of-Way Timber - trees harvested from a strip of land to enable a road to be constructed.

Setting - the area of a logging operation from which logs are yarded to a single Landing.

Slash - all woody debris resulting from logging Operations, construction of roads, or other Improvements.

Snag - a standing dead tree, or portion of a tree, from which most of the foliage and limbs have fallen.

Stand Density Index – a measure of the degree of closeness of trees growing side by side in a stand, in relationship with their size. Stand Density Index (SDI) is calculated by dividing the average stand diameter by 10 taken to the 1.605 power, multiplied by the average trees per acre (TPA), and divided by the maximum SDI of that species. SDI = TPA x $(\text{Diameter}/10)^{1.605}$

STATE - the Oregon Department of Forestry, State Forester, or a duly Authorized Representative of the State Forester.

Stream Buffer - designated areas adjacent to a stream where timber is left uncut, or there are other special management or operational requirements. Stream Buffer may be marked in the field.

SUB - Submerchantable materials. SUB, as used by STATE, references that material containing at least 10 board feet (net) but less than the lower merchantable net volume limit or grade requirements for other merchantable material, as defined in Section 2045, “Log Removal.”

Subcontract - assign responsibility for work required under the Contract to a party other than the PURCHASER.

SUM - lump sum material.

Tailblock - a pulley that is attached to an Anchor Stump, Guy Stump, Tailhold Stump, tree, or other sturdy object, through which a cable is passed and used to return the mainline and chokers to the cutting area from the Landing.

Tailhold - a stump, tree, or other sturdy object to which a Tailblock, cable, or line is attached.

Tailhold Stump - a stump used to tie off or wrap a cable or line to firmly secure it.

Timber Harvesting Operations - activities conducted by the PURCHASER on a timber sale to remove logs from the woods. These activities can include, but are not limited to, felling, bucking, Yarding, loading, and hauling.

Timber Sale Area - the area or areas designated as such on Exhibit A and located on the ground by reference to legal subdivisions, monuments, natural land features, Improvements, or sale boundary signs. It is the entire area encompassing the material that is required to be harvested.

Timber Sale Unit - a sub-area within an Area of Operation. A Timber Sale Unit usually has more operational requirements, in addition to the operational requirements of the Area of Operation.

Total Purchase Price - For sales with species sold on a recovery basis or a combination recovery basis and lump sum, Total Purchase Price is the sum of each recovery basis species’ volume multiplied by the price per MBF listed in Section 1740, “Log Prices,” and each lump sum basis species’ lump sum price.

For sales with all species sold on a lump sum basis, Total Purchase Price is the total bid price.

TPSO (Third-Party Scaling Organization) - a scaling organization not affiliated with either the PURCHASER or STATE.

Tree Bole - the trunk of a tree.

Unsurfaced Road - A road in which the running surface consists of the same materials as the surrounding native soils. Unsurfaced roads may also include those roads that have had some minimal surfacing added but are inadequate for use during wet weather as determined by ODF.

Utilization Scale - scaling of logs to account for merchantable material that has been lost due to logs not removed from the harvest area, or from improper logging practices that resulted in breakage or wastage to otherwise merchantable logs.

Written Plan - a plan that describes how an operation will be conducted, including the means to protect resource sites described in ORS 527.710(3)(a) (relating to the collection and analysis of resource site inventories), if applicable.

Yarding - the process of conveying logs from the cutting area to the Landing.

YUM (Yarding Unmerchantable Material) - to yard logging residue to a Landing or other specified location.

Section 1020. Sale of Timber. Under the terms and conditions of this Contract, STATE sells to PURCHASER, and PURCHASER buys from STATE, that Board of Forestry timber designated and described in Section 2210, "Designated Timber," which for all purposes of this Contract is hereinafter referred to as "timber." The location of

Designated Timber is shown on Exhibit A. PURCHASER shall pay STATE the Total Purchase Price for timber set forth in Section 1710, "Purchase Price," or 1740, "Log Prices." The Total Purchase Price shall be paid to STATE in accordance with the payment schedule in Section 1720, 1751, 1752, or 1753, "Payment Schedule."

This is a sale of "State Timber" as defined in OAR 629-031-0005 and timber harvested or sold under this Contract must not be exported from the United States. PURCHASER must comply with the provisions of the Forest Resources Conservation and Shortage Relief Amendments Act of 1993, which authorizes Oregon and other western states to prohibit the export of unprocessed timber from public lands, and with ORS 526.801 through 526.831 and OAR 629-031-0005 through 629-031-0045, in disposing of timber from this timber sale.

Section 1030. Title to Timber. During the period of this Contract, and any extension, PURCHASER shall have the right to cut and remove the timber. Such right shall be conditioned upon PURCHASER complying with the provisions of this Contract.

The ownership of and title to the timber shall pass to PURCHASER as the timber is paid for following removal from the Timber Sale Area. Any right of PURCHASER to cut and remove the timber shall expire and end at the time this Contract, or any extension, terminates. All rights and interests of PURCHASER in and to timber and logs remaining on the Timber Sale Area shall, at that time, automatically revert to and revest in STATE, without compensation to PURCHASER.

Section 1040. Quality and Quantity of Timber. STATE makes no guarantee or warranty to PURCHASER as to the quality or quantity of the Designated Timber. PURCHASER shall be liable to STATE for the Total Purchase Price set forth in Section 1710, "Purchase Price," or 1740, "Log Prices," even if the quantity or quality of Designated Timber actually cut, removed, or designated for taking is more or less than that estimated by STATE to be available for harvesting on the Timber Sale Area.

Further, STATE makes no representation, warranty, or guarantee of the accuracy of any information either provided by STATE or made available by STATE under the Public Records Law with respect to this Contract. PURCHASER agrees to bear exclusive responsibility for, and to accept all risks associated with, the actual conditions on the Areas of Operations and PURCHASER's computation of its bid for this Contract.

Section 1050. Examination of Plans, Exhibits, and Areas of Operations. PURCHASER acknowledges and agrees that, before submitting a bid, PURCHASER: (i) has made a careful examination of the terms and conditions of the Contract; (ii) has become fully informed as to the quality and quantity of materials and the character of the Operations required; and (iii) has made a careful examination of the Areas of Operations and the location and conditions of the Operations, including the sources of supply for materials. STATE will in no case be responsible for any loss or for any unanticipated costs that may be suffered by PURCHASER as a result of PURCHASER's failure to acquire full information in advance in regard to all conditions pertaining to the Operations.

COMMENCEMENT AND COMPLETION OF CONTRACT

Section 1110. Commencement of Work. PURCHASER shall not commence work under the Contract until STATE provides written notification to PURCHASER that STATE has received and accepted the following:

(a) The performance bond required under Section 1210, "Performance Bond";

(b) The certificate of insurance required under Section 1240, "Insurance," subpart (i);

(c) The first payment on the Contract specified in Section 1751, 1752, or 1753, "Payment Schedule"; and

(d) A fully executed original of the Contract.

Further, PURCHASER shall not commence work under the Contract until PURCHASER has attended the Pre-Operations Meeting and STATE has approved the Operations Plan as specified in Section 1140, “Operations Plan.”

Section 1120. Completion Date of Contract. Time is of the essence in this Contract. PURCHASER shall complete and fully perform all Operations under this Contract no later than **October 15, 2018**, unless the term of the Contract is extended in accordance with Section 1530, "Extension of Time." PURCHASER may be required to perform uncompleted Contractual obligations at a time later than stated above or in Section 1530, "Extension of Time." STATE shall notify PURCHASER in writing of these obligations and their required completion date. Upon completion of final Operations, PURCHASER shall notify STATE as required under Section 1315, "Inspection and Acceptance." The Contract will not be complete until STATE has inspected and accepted PURCHASER's performance as specified in Section 1315, "Inspection and Acceptance."

Section 1130. Pre-Operations Meeting. PURCHASER shall meet with STATE prior to STATE approval of the initial Operations Plan required by Section 1140, “Operations Plan,” and prior to commencement of operations, to discuss Contract matters, including Threatened and Endangered Species protection efforts, protection of Timber Sale Area resources, and to identify key issues to be addressed in the Operations Plan.

Section 1140. Operations Plan. PURCHASER shall prepare an Operations Plan for all Operations to be conducted under this Contract and shall submit the plan to STATE at least fifteen (15) calendar days prior to commencement of any Operations. This plan shall be prepared on a form provided by STATE, and shall be used for all types of Operations, including road maintenance, Project Work, logging, and post-harvest requirements. In addition to the Pre-Operations Meeting required by Section 1130, “Pre-Operations Meeting, “ STATE may require an on-site meeting prior to approval of the Plan, to be attended by PURCHASER, subcontractor, and STATE representatives. STATE's approval of the Plan must be obtained prior to commencement of any Operations. Upon approval by STATE, the Operations Plan(s) shall automatically be incorporated into, and made part of, this Contract as Exhibit B. Each Operations Plan shall be dated.

PURCHASER shall notify STATE prior to any period of inactivity of Operations for more than three (3) days, and again prior to resumption of Operations.

BONDING AND INSURANCE

Section 1220. Claims Against PURCHASER's Performance Bond.

(a) Claims against PURCHASER's performance bond for failure to make payments when due to suppliers, materialmen, Contractors, and subcontractors of PURCHASER shall be processed in the following manner:

(1) Upon receiving notice from a supplier, materialman, Contractor, or subcontractor of an unpaid obligation of PURCHASER, STATE shall notify PURCHASER and PURCHASER's surety in writing, describing the claim and specifying a date not later than fifteen (15) days from the date of the notice within which PURCHASER shall be expected to respond to the claim.

(2) PURCHASER shall provide, within the time requested by STATE, verification reasonably satisfactory to STATE that the claim has been satisfied or is being addressed in a manner reasonably satisfactory to STATE. If PURCHASER fails to provide such evidence within the time requested, PURCHASER shall be deemed to be in default of the Contract, and STATE shall be entitled to make a claim against PURCHASER's performance bond on behalf of the claimant.

(b) Claims against PURCHASER's performance bond for failure to comply with or perform other obligations under the Contract shall be processed in the following manner:

(1) STATE shall provide notice in writing to PURCHASER and PURCHASER's surety of the nature of the failure to comply or the unperformed obligation, and shall specify a date by which the failure must be remedied.

(2) If PURCHASER fails to remedy the failure or to respond in writing with reasons adequate in STATE's judgment to waive the failure within the time specified in STATE's notice, PURCHASER shall be deemed to be in default and STATE shall be entitled to make a claim against PURCHASER's performance bond on behalf of STATE for an amount deemed reasonably sufficient to cure the failure.

(c) STATE reserves the right to invoke any remedy available to it under the Contract or at law or in equity in the event STATE is required to seek redress from PURCHASER's surety for a Contract violation or default by PURCHASER including, without limitation, termination of the Contract.

Section 1240. Insurance. PURCHASER shall secure, at PURCHASER's expense, and keep in effect during the term of this Contract, the following insurance coverages, in a policy or policies issued by an insurance company or companies authorized to do business in the State of Oregon. The issuing company or companies shall indicate on the insurance certificates required below that STATE shall be given not less than thirty (30) days' notice of any cancellation, material change, or intent not to renew such policy. Any failure to comply with the reporting provisions of this insurance, except for the potential exhaustion of aggregate limits, shall not affect the coverage(s) provided to the State of Oregon, STATE, and their divisions, officers, and employees. PURCHASER shall be financially responsible for all deductibles included hereunder.

The coverage shall be as follows:

(a) Commercial General Liability insurance covering personal injury**,** death, and property damage or destruction in an amount not less than $2,000,000 combined single limit per occurrence and an amount not less than $4,000,000 per aggregate, with Contractual liability coverage to include all Contracts involving the work to be performed under this Contract, Premises Operations, Products and Completed Operations, and Independent Contractors. Required coverage shall be for explosion, collapse, and underground damage if blasting or excavation is required or performed under the Contract. **Excess or Umbrella Liability policies may be used in combination with the Commercial General Liability insurance to cover the required liability limits.**

(b) Automobile Liability insurance in an amount not less than $2,000,000 combined single limit per accident. This required insurance coverage shall include Business Automobile, an endorsement for auto pollution, and shall cover pollutants such as fuel tanks carried in vehicles. **Excess or Umbrella Liability policies may be used in combination with the Automobile Liability insurance to cover the required liability limits.**

(c) Loggers Broad Form coverage in an amount not less than $2,000,000 for costs of fire control, losses or damage from fire, and other causes arising or resulting from activities of PURCHASER, employees, Contractors, subcontractors, and others working or acting for PURCHASER.

(d) Worker's Compensation insurance as statutorily required for persons performing work under the Contract.

(e) Primary Coverage. Insurance carried by PURCHASER under this Contract shall be the primary coverage, and the STATE's insurance is excess and solely for damages or losses for which the STATE is responsible.

(f) "Tail" or "Basis of Occurrence" Coverage. If any of the aforementioned liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of this Contract for a duration of 24 months, or the maximum time period reasonably available in the marketplace if less than 24 months. PURCHASER shall furnish certification of "tail" coverage as described or continuous "claims made" liability coverage for 24 months following Contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage, provided its retroactive date is on or before the effective date of this Contract. If Continuous “claims made” coverage is used, Contractor shall be required to keep the coverage in effect for a duration of not less than 24 months from the end of the Contract.

(g) The Commercial General Liability insurance and the Automobile Liability insurance required under this Contract shall include the State of Oregon, the Oregon Board of Forestry, the Department of Forestry, the State Forester, their officers, agents, employees, and members as additional insureds. **The following language shall be used for naming additional insureds:**

ADDITIONAL INSURED: The State of Oregon, the Oregon Board of Forestry, the Department of Forestry, the State Forester, their officers, employees and agents as Additional Insureds but only with respect to PURCHASER's activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

(h) As evidence of the insurance coverage required by this Contract, PURCHASER shall furnish a certificate or certificates of insurance including all of the foregoing coverages to STATE. PURCHASER must provide this proof of insurance to STATE before the Contract period begins and prior to the commencement of work.

(i) All insurance shall be provided by a company with an A or better rating, as determined by A.M. Best Company, unless otherwise approved in writing by STATE.

GENERAL TERMS AND CONDITIONS

Section 1310. Authorized Representatives. During any period of Operations, PURCHASER shall have a designated representative(s) available to STATE on the Timber Sale Area or Project Location, or both, where such activity is separated. The representative(s) shall be authorized to receive any notice or instructions from STATE on behalf of PURCHASER and to take any action required in regard to performance of PURCHASER under this Contract. STATE shall designate a field representative(s) who shall be authorized to receive notices, inspect progress of the Operations, and issue instructions in regard to performance under the terms of this Contract. Authorized representatives of STATE and PURCHASER shall be designated in the Operations Plan required by Section 1140, "Operations Plan."

Section 1315. Inspection and Acceptance. STATE and its authorized and designated representative shall at all times be allowed access to all parts of the Operations and Areas of Operations of PURCHASER, as STATE may determine to be necessary or desirable to make a complete and detailed inspection of the Operations and PURCHASER's compliance with all terms and conditions of this Contract. STATE shall be furnished operation progress status or other information and assistance by PURCHASER, or the Authorized Representative(s), as STATE may determine necessary to permit STATE to verify PURCHASER's compliance with all terms and conditions of this Contract.

PURCHASER shall notify STATE in writing upon completion of final Operations. STATE will inspect the Operations completed by PURCHASER within twenty (20) business days after receipt of written notification that final Operations are complete. Following inspection, STATE shall notify PURCHASER in writing of STATE's acceptance of PURCHASER's performance of the Contract or, if PURCHASER's Operations are not acceptable to STATE, shall advise PURCHASER in writing of the particular defects to be remedied before final acceptance by STATE can be granted.

Section 1320. Assignment of Contract. PURCHASER shall not assign, sell, or transfer rights, or delegate responsibilities under this Contract, in whole or in part, without the prior consent of the STATE. STATE will consent only when assignment is consistent with STATE's fiduciary duties. No such written approval shall relieve PURCHASER of any obligations under this Contract, and any transferee shall be considered the agent of the PURCHASER and bound to perform in accordance with the Contract. PURCHASER shall remain liable as between the original parties to the Contract as if no assignment had occurred. PURCHASER agrees to pay STATE a $250 administrative fee for processing each assignment.

Section 1325. Subcontracting. PURCHASER acknowledges and agrees that if PURCHASER subcontracts all or any part of the Operations, such subcontracting shall in no way relieve PURCHASER of any responsibility under this Contract. PURCHASER shall notify STATE in writing of the names and addresses of each subcontractor prior to the commencement of any Contract work by the subcontractor.

Section 1330. Conditions of Areas of Operations.

Use of Areas of Operations. PURCHASER shall follow the STATE's Authorized Representative's instructions, if any, regarding use of the Areas of Operations. STATE reserves the right to issue written authorization to others to use the Areas of Operations when, in the determination of STATE, such use will not materially interfere with the Operations of PURCHASER. During the term of this Contract, STATE reserves the right to sell any products or materials from the Areas of Operations, provided that the products or materials are not timber included in this Contract and that removal will not materially interfere with the Operations of PURCHASER. PURCHASER shall not interfere with the use of roads by other authorized users. PURCHASER shall not be held liable for any acts, omissions, or neglect of authorized simultaneous users.

In an emergency affecting the safety of life or of the Operations or of adjoining property, PURCHASER, without special instruction or authorization from STATE's Authorized Representative, shall act reasonably to prevent threatened loss or injury, and shall so act, without appeal, if instructed by STATE's Authorized Representative. Any compensation claimed by PURCHASER on account of emergency work shall be equitably determined by STATE.

Section 1335. Hazardous Substances Discovered by PURCHASER. Unless disposition of Hazardous Substances is specifically made a part of PURCHASER's Operations under this Contract, PURCHASER shall immediately notify STATE of any Hazardous Substances which PURCHASER discovers or encounters during performance of Operations. PURCHASER shall immediately cease operating in any part of the Area of Operations where Hazardous Substances have been discovered or encountered, if continued Operations in such area would present a bona fide risk or danger to the environment or to the health or well being of PURCHASER's or any subcontractor's work force.

Unless disposition of Hazardous Substances is specifically made a part of PURCHASER's Operations under this Contract, upon being notified by PURCHASER of the presence of Hazardous Substances in the Area of Operations, STATE shall arrange for the proper disposition of such Hazardous Substances.

Section 1340. Hazardous Substances Generated/Aggravated by PURCHASER. PURCHASER shall be held responsible for any and all releases of Hazardous Substances during performance of the Contract which occur as a result of, or are aggravated by, actions of its agents, personnel, or subcontractors. PURCHASER shall immediately notify STATE of any release of Hazardous Substances and, as directed by STATE, shall promptly dispose of or otherwise remediate such spills or leaks to the satisfaction of STATE and proper regulatory agencies in a manner that complies with applicable federal, state, and local laws and regulations. Remediation shall be at no cost to STATE.

PURCHASER, at all times, shall:

(a) Properly handle, use, and dispose of all Hazardous Substances brought onto the Areas of Operations, in accordance with all applicable federal, state, or local statutes, rules, or ordinances;

(b) Be responsible for any spills, releases, discharges, or leaks of (or from) Hazardous Substances which PURCHASER has brought onto the Areas of Operations; and

(c) Promptly remediate, without cost to STATE, such spills, releases, discharges, or leaks to the STATE's satisfaction and in compliance with all applicable federal, state, or local statutes, rules or ordinances.

PURCHASER shall report all reportable quantity releases of Hazardous Substances and petroleum products to applicable federal, state, and local regulatory and emergency response agencies. Reportable quantities are found in 40 CFR, Part 302, Table 302.4 for Hazardous Substances and in OAR 340-142 for petroleum products.

Section 1350. Environmental Indemnification. PURCHASER shall indemnify and hold harmless the STATE from any claims resulting from the use, release or disposal of Hazardous Substances including their removal, encapsulation, transportation, handling, and other disposal, during the performance of this Contract, whether or not such use, release or disposal occurs within or outside the Timber Sale Area.

Section 1355. General Indemnification. PURCHASER shall indemnify, defend and hold harmless the State of Oregon, the Oregon Board of Forestry, the State Forester, their officers, agents, employees, and members ("Indemnified Parties"), from all claims, suits, actions, or liens of any nature resulting from or arising out of the activities of PURCHASER or its subcontractors, agents, or employees under this Contract, including any claim based upon an alleged failure to obtain any necessary Permit, license, or approval, or any claim of liability for premiums, contributions, or taxes payable under any Workers' Compensation, Disability Benefits, Old Age Benefits, including FICA, or tax withholding laws; provided, however, the Oregon Attorney General must give written authorization to any legal counsel purporting to act in the name of, or represent the interests of, any of the Indemnified Parties prior to such action or representation. Further, STATE, acting by and through its Department of Justice, may assume its own defense, including that of its officers, employees and agents, at any time when in STATE's sole discretion it determines that (i) proposed counsel is prohibited from the particular representation contemplated; (ii) counsel is not adequately defending the interests of STATE; (iii) important governmental interests are at stake; or (iv) the best interests of STATE are served thereby. PURCHASER's obligation to pay for all costs and expenses shall include those incurred by STATE in assuming its own defense. All provisions of this Section shall survive the termination of this Agreement.

Section 1360. Severability. If any provision of this Contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular provision held to be invalid.

Section 1365. Waiver. Failure of STATE to enforce any provision of this Contract shall not constitute a waiver or relinquishment by STATE of the right to such performance in the future, nor of the right to enforce any other provision of this Contract.

Section 1370. Choice of Law and Venue. This Contract shall be governed by and construed in accordance with the laws of the State of Oregon, as interpreted by the Oregon courts. Any litigation arising out of this Contract shall be conducted in Marion County, Oregon.

Section 1375. Notices. Any written notice to PURCHASER which may be required under this Contract to be served on PURCHASER by STATE may be served by personal delivery to PURCHASER or designated representative(s) by mailing the notice to the address of PURCHASER as is given in this Contract, or by leaving the notice at said address. Should PURCHASER be required to notify STATE concerning the progress of the Operations, or concerning any matter or complaint which PURCHASER may have regarding the Contract subject matter, or for any other reason, that notification is to be made in writing and delivered or mailed to the designated representative of STATE.

Section 1380. Entire Agreement; No Modification. This Contract consists of the entire written agreement between the parties, including but not limited to the Notice of Timber Sale, Invitation to Bid or Request for Proposal, Instructions to Bidders, specifications, terms, and conditions, Exhibits, Operations Plan, change notices, if any, and the accepted bid. No waiver, consent, modification, or change of terms of this Contract shall bind either party, unless in writing and signed by both parties. Such waiver, consent, modification, or change, if made, shall be effective only for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Contract. PURCHASER, by the signature of its Authorized Representative in Section 1000, "Signatures of Contract Parties," hereby acknowledges that she/he has read this Contract, understands it, and agrees to be bound by its terms and conditions.

OWNERSHIP OF MATERIALS AND IMPROVEMENTS

Section 1410. Materials from State Property. PURCHASER shall not take, sell, use, remove, or otherwise dispose of any sand, gravel, rock, earth, or other material obtained or produced from within the limits of rights-of-way, gravel pits, rock quarries, or other property owned by or held by any agency of the State of Oregon, unless authorized by this Contract or separate written consent of STATE.

Section 1420. Materials and Improvements. Title to materials, Improvements, and other property the Contract requires PURCHASER to provide shall vest in and become the property of STATE at the time such are furnished by PURCHASER and accepted by STATE. All materials, Improvements, and property furnished by PURCHASER shall be free and clear of liens, claims, and encumbrances.

PURCHASER shall keep in good repair all Improvements located on State land and existing at the time of execution of the Contract and any Improvements placed on State land by PURCHASER which become the property of STATE under this Contract. PURCHASER shall promptly repair or replace, without cost to STATE, any Improvement injured, damaged, or removed from the Areas of Operations by PURCHASER or by Contractors of PURCHASER.

Section 1430. Removal of Equipment and Materials. Within thirty (30) days after completion, and as a condition of final acceptance of PURCHASER's Operations, PURCHASER shall remove from the Areas of Operations and other property owned or controlled by STATE, all equipment, materials, and other property PURCHASER has placed or caused to be placed thereon that is not to become the property of STATE. PURCHASER acknowledges and agrees that any such equipment, materials, and other property that is not removed within thirty (30) days shall become the property of STATE and may be used or otherwise disposed of by STATE without notice or obligation to PURCHASER or to any party to whom PURCHASER may transfer title. Nothing in this section shall be construed as relieving PURCHASER from an obligation to clean up and to burn, remove, or dispose of debris, waste materials, and such, in accordance with the provisions of this Contract and applicable law. PURCHASER shall indemnify STATE for any cost or expense incurred by STATE as a result of PURCHASER's failure to satisfy this obligation.

CONTRACT CHANGES: EXTENSIONS, MODIFICATIONS, SUSPENSIONS, CANCELLATIONS, DELAYS, AND DEFAULT

Section 1510. Causes Beyond Control. Neither party of this Contract shall be held responsible for delay or default caused by fire, riot, acts of God, sovereign, public enemy, and/or war which is beyond that party's control. STATE may terminate this Contract upon written notice after determining such delay or default will reasonably prevent successful performance of the Contract.

In the event a cause or causes beyond the control of PURCHASER impact PURCHASER's ability to continue to perform under this Contract, STATE may grant a reasonable extension of time but shall not additionally compensate PURCHASER.

Section 1520. Cooperation With Species Protection Efforts. STATE must comply with federal Endangered Species Act (ESA), including taking measures necessary to determine the presence of threatened and endangered (T&E) species on state forests and to protect such species from disturbance. PURCHASER's agreement under this Section is in addition to, and shall not relieve PURCHASER of, its own independent obligation to comply with all federal and state laws, including the federal ESA, governing threatened and endangered species.

(a) PURCHASER acknowledges that legal challenges involving T&E species may occur and may affect PURCHASER's Operations under the Contract, and PURCHASER agrees to cooperate with STATE's

efforts to respond, as the STATE deems necessary or expedient, to listing of new species or pending and threatened legal action concerning state forest and any T&E species.

(b) STATE is engaged in an active threatened and endangered species (T&E) survey program. As part of the survey program, ODF surveys its lands on a continuing basis for land management, species protection, research and other reasons. Surveying efforts may take place in the Timber Sale Area any time during the term of the Contract. PURCHASER acknowledges that T&E survey work or the discovery of a threatened or endangered species within or in the vicinity of the Timber Sale Area, or both, may affect PURCHASER's Operations under the Contract, and PURCHASER agrees to cooperate with STATE's survey work and other activities designed to identify and protect threatened and endangered species. In the event a T&E species is found within or within the vicinity of the Area(s) of Operations, or the STATE otherwise deems it necessary or expedient to take action in response to any pending or threatened legal action concerning state forest and any T&E species, PURCHASER agrees that STATE may take steps to protect the interests of the State, including imposing restrictions on PURCHASER'S Operations under the Contract to prevent disturbance to T&E species, Contract modification, suspension or termination.

(c) PURCHASER further agrees that solely in the event of Contract modification, suspension, or termination, that the STATE will, in the exercise of its sole discretion, provide to PURCHASER either (a) replacement timber volume in an amount and kind and quality determined by the STATE in its sole discretion; or (b) financial reimbursement for work already completed at time of Notice of Suspension covered under Section 2610, Project Work and Section 2630, Credit for Project Work. PURCHASER acknowledges and agrees that in no event is PURCHASER entitled to, nor is the STATE under any obligation, contractual or otherwise, to provide, lost profits, attorney fees, replacement cost of timber or other materials, or any other anticipatory losses or consequential damages, such as but not limited to reimbursement for interest or lost market opportunities, suffered by PURCHASER as a direct or indirect result of restrictions on Operations due to T&E species considerations, modification, suspension, or termination of Contract in accordance with this provision.

NOTICE OF TIMBER SALE - ENDANGERED SPECIES ACT COMPLIANCE STATEMENT:

As part of the survey program, ODF surveys its lands on a continuing basis for land management, species protection, research, and other reasons. During the contract term, T&E survey work or the discovery of a threatened or endangered species within or in the vicinity of a timber sale, or both, may affect operations or the area(s) of operations contemplated under the contract. In the event a T&E species is found within or in the vicinity of the operations or area(s) of operations, or the STATE deems it necessary or expedient to take measures that modify operations under the Contract to prevent disturbance to T&E species or to take action in response to any pending or threatened legal action, PURCHASER agrees that STATE may take steps to protect the interests of the State, including imposing restrictions on operations, contract modification, suspension, or termination.

Section 1530. Extension of Time. STATE may extend the time for performance of this Contract upon written request from PURCHASER or at STATE's discretion. A request for extension:

- shall be accompanied by the written consent to an extension of the security by PURCHASER's surety;
- shall state the date to which the extension is desired, the Area of Operations to be affected, and the reason(s) for the extension; and
- must be received by STATE no later than thirty (30) days prior to the expiration date of this Contract unless the need for extension occurred within the thirty (30) days prior to the expiration date, in which case the request must be received prior to the expiration date.

Requests for extension will not be granted solely due to changes in timber market conditions. STATE shall grant a request for an extension only when it determines that extension would be in the best interests of STATE. In no event shall an extension exceed one year.

When STATE grants a request for extension, it may condition that grant upon any condition it determines is necessary to protect the interests of the STATE. Such conditions may include, but may not be limited to, the following:

(a) Payment at time of extension of the full amount of the unpaid balance of the Total Purchase Price. In the case of scale or weight sales, such payment shall be an advance deposit, based on remaining volume, as estimated by STATE.

(b) If PURCHASER is not otherwise in arrears in required payments, STATE may grant additional time for payment of the unpaid balance on the condition that PURCHASER make installment payments based on removal of Designated Timber as required by Section 1751, 1752, or 1753 "Payment Schedule," of this Contract, plus interest on all payments received after the original expiration date.

(c) Completion of designated requirements of this Contract, such as fire trail construction, Snag felling, Slash preparation Operations on logged portions of the Timber Sale Area, and road construction or maintenance.

(d) Payment of an extension fee in an amount determined by STATE (not less than $50). Such fee shall be based upon the loss of production, extra reforestation costs, brush control costs, Slash disposal costs, or other costs which may be caused by the extension.

(e) Waiver of full payment or payment of interest on the unpaid balance of the Total Purchase Price, if STATE determines that extenuating circumstances warrant waiver or waiver is otherwise in the best interests of STATE.

(f) PURCHASER-funded T&E species surveys by STATE-approved surveyors. STATE may require that Operations on the Timber Sale Area be suspended during the survey season until the completion of surveys, in order to ensure a valid survey. The survey season begins March 15 and ends August 31, or upon completion of survey visits, annually.

Section 1540. Contract Modifications. PURCHASER and STATE acknowledge that changes are inherent in Operations of the type covered by this Contract. The number of changes, the scope of those changes, and the impact they have on the progress of the original Operations cannot be defined at the outset of the Contract. These changes may include, but are not limited to, changes in project specifications, project completion dates, Exhibit specifications, rock sources, excavator time requirements, seasonal restrictions, Timber Sale Area resource protection requirements, harvest methods, harvest completion dates, thinning prescriptions, tree harvest size limits, removal specifications, Reserved Timber specifications, haul route requirements, scaling requirements, and Timber Sale Area boundaries. PURCHASER acknowledges and agrees that PURCHASER is not entitled to any reduction in the Purchase Price or Total Purchase Price solely due to the number of changes required to be made in the Contract. Each change will be evaluated on its own merit to determine if an extension of the time for performance under the Contract or an increase or decrease in the Purchase Price or Total Purchase Price is warranted.

STATE reserves the right to make, at any time during the Contract, such modifications as is necessary or desirable; provided such modifications shall not change the character of the Operations to be done nor increase the cost to the PURCHASER of performing the Project Work, unless such change in the Operations or cost increase is approved in writing by PURCHASER. Any modifications so made shall not invalidate this Contract nor release PURCHASER from its obligations under the performance bond and payment bond. PURCHASER agrees to complete the modified Operations as if they had been included in the original Contract.

If any change under this section causes an increase or decrease in PURCHASER's cost of performance or the time required for the performance of any part of the Operations for which PURCHASER wishes to claim a reduction in the Purchase Price or Total Purchase Price, PURCHASER must submit a written statement setting forth the nature and specific extent of the claim. Such claim shall include all time and cost impacts against the Contract and must be submitted as soon as possible following the change, but in any event no later than thirty (30) days after receipt of any written notice of modification of the Contract.

If PURCHASER discovers site conditions which differ materially from what was represented in the Contract or from conditions that would normally be expected to exist and be inherent to the activities defined in the Contract, PURCHASER shall notify STATE's Authorized Representative immediately and before the area has been

disturbed. STATE's Authorized Representative will investigate the area and make a determination as to whether or not the conditions differ materially from either the conditions stated in the Contract or those which could reasonably be expected in execution of this Contract. If it is determined that a differing site condition exists, any compensation or credit will be determined based on an analysis by STATE's Authorized Representative. If PURCHASER does not concur with the decision of STATE's Authorized Representative and/or believes that it is entitled to additional compensation, PURCHASER may proceed to file a claim.

Claims Review Process. All PURCHASER claims shall be referred to STATE's Authorized Representative for review. All claims shall be made in writing to STATE's Authorized Representative not more than ten (10) days from the date of the occurrence of the event which gives rise to the claim or not more than ten (10) days from the date that the PURCHASER knew or should have known of the problem. Any claim not submitted in accordance with these time requirements shall be waived.

All claims shall be submitted in writing and shall include a detailed, factual statement of the basis of the claim, pertinent dates, Contract provisions which support or allow the claim, reference to or copies of any documents which support the claim, the exact dollar value of the claim, and any specific time extension requested for the claim. If the claim involves Operations to be completed by subcontractors, PURCHASER shall analyze and evaluate the merits of the subcontractor's claim. PURCHASER shall forward the subcontractor's claim and PURCHASER's evaluation of such claim to STATE's Authorized Representative. STATE's Authorized Representative will not consider direct claims from subcontractors, suppliers, manufacturers, or others not a party to this Contract.

The decision of STATE shall be final and binding unless PURCHASER requests mediation within ten (10) days following notice of STATE's decision.

Section 1550. Adjustment of Contract. Notwithstanding any other provisions of this Contract, STATE may, pursuant to Oregon law, make adjustments in the Contract when Major Catastrophes or significant changes in state or federal law after the date of this Contract materially affect the volume and value of timber, or Project Work to be done, as specified in Section 2610, "Project Work," under the Contract. Major Catastrophes are defined as windstorms, floods, fire, landslides, or other acts of God, which are beyond the control of PURCHASER and in no way connected with negligent acts or omissions of PURCHASER, its officers, employees, agents, or subcontractors. Market conditions shall not be considered a reason for Contract adjustments. Adjustments made under this Section, if any, shall be for the sole purpose of placing the parties in their original status under the Contract insofar as possible; provided, however, that no adjustment shall be made in response to any loss or cost to PURCHASER that is recoverable from third parties by PURCHASER. PURCHASER shall make written application to STATE within 30 days after discovery of the damage done by the Major Catastrophe.

If, prior to completion of the Contract, a Major Catastrophe (as defined above) caused by a single event or significant changes in state or federal law results in additional Project Work for PURCHASER involving an additional estimated cost of more than: (1) $500 for sales less than one-half million board feet; (2) $1,000 for sales of one-half million to three million board feet; or (3) $3,000 for sales over three million board feet, STATE may adjust the Contract Project Work Credits by the amount listed, in which event STATE will assume responsibility for any additional cost to complete the Project Work which exceeds the above amount. Adjustments by STATE shall be based on advertised volumes and may be accomplished by adjusting stumpage prices or payment of such additional costs to PURCHASER or by STATE assuming responsibility for performing that portion of the Project Work in excess of the amount listed above. The estimated cost of additional work shall be calculated by STATE.

If, prior to completion of the Contract, a change in state or federal law, or a Major Catastrophe (as defined above), materially affects the volume and value of timber, STATE may adjust the volume and value accordingly. STATE shall determine the adjustment volume by either an individual tree sample cruise, or a point sample cruise to a 5 percent sampling error of the volume. For purposes of this Contract, "materially affect" shall mean more than $5,000.

Value adjustment shall be calculated by multiplying the volume adjustment times the Purchase Price.

For each species sold on a recovery basis, the Purchase Price is defined as the price per MBF listed in Section 1740, "Log Prices." If species is not listed in Section 1740, "Log Prices," the highest price listed in Section 1740, "Log Prices," shall apply.

For species sold on a lump sum basis, the Purchase Price for each species shall be determined by using STATE's unamortized timber appraisal value, multiplied by the bid-up factor. Bid-up factor shall be calculated by STATE using the following calculation: Bid value of all species/appraised value of all species = bid-up factor.

Section 1560. Violations; Default; Remedies. Any failure by PURCHASER to comply with the terms and conditions of this Contract is a violation. If PURCHASER commits a violation, STATE may, after giving written notice, suspend any further Operations of PURCHASER under this Contract, except those Operations necessary to remedy any violations.

If PURCHASER fails to remedy a violation within the time allowed and as instructed by STATE, or if PURCHASER fails to complete work as required under any interim Contract completion date or the Contract expiration date, or if PURCHASER injures or severs any timber other than Designated Timber, STATE may declare PURCHASER to be in default by providing notice of the default as required under OAR 629-032-0030. If the default is due to failure of PURCHASER to correct a violation as previously instructed, STATE may terminate the Contract as of the date specified in the earlier instruction. If the default is due to failure by PURCHASER to complete work prior to the expiration date or any interim completion date required under the Contract, or if PURCHASER injures or severs timber that is not Designated Timber, STATE may terminate the Contract without providing PURCHASER an opportunity to cure the default.

As provided in OAR 629-032-0050, within fifteen (15) days following receipt of a notice of default, PURCHASER may request a hearing before the State Forester to determine whether a default has in fact occurred. Hearings shall be governed by ORS 183-413 to ORS 183.497.

The provisions of OAR 629-032-0000 through -0070, and any future amendments, are incorporated into this Contract and made a permanent part hereof by reference as though fully set forth herein. THE PROVISIONS OF OAR 629-032-0000 THROUGH -0070 ARE IN ADDITION TO, AND NOT IN LIEU OF, ANY OTHER REMEDIES STATE MAY HAVE FOR THE PURCHASER'S BREACH OF CONTRACT. In the event of a default STATE may pursue any and all remedies available to STATE. Such remedies include, but are not limited to: (1) making a claim on each bond provided by PURCHASER; (2) suing PURCHASER for all damages STATE incurs as a result of PURCHASER's breach; (3) suing PURCHASER for specific performance of the Contract; or (4) terminating the Contract and reselling the timber.

Section 1570. STATE's Right to Suspend Operations. STATE and/or STATE's Authorized Representative may suspend portions or all of the Operations due to causes including, but not limited to:

(a) Failure of the PURCHASER to correct unsafe conditions;

(b) Failure of the PURCHASER to carry out any provision of the Contract;

(c) Failure of the PURCHASER to carry out written instructions from STATE's Authorized Representative;

(d) Conditions which, in the opinion of STATE's Authorized Representative, are unsuitable for performing the Operations;

(e) Time required by STATE to investigate differing site conditions;

(f) STATE-ordered identification or protection of a state or federally listed threatened or endangered species; or

(g) Any reason considered by STATE to be in the public interest.

In the event a suspension of Operations under (d), (e), (f) or (g) above imposes additional costs on PURCHASER, PURCHASER may submit a request for a modification of the Contract under Section 1540, "Contract Modifications"; provided, however, that no claim for a reduction in the Purchase Price or Total Purchase Price will be allowed due to changes in market conditions or lost market opportunities occurring following any suspension of Operations. In addition, in no event shall STATE be liable for any costs incurred by PURCHASER by reason of

delay or suspension under this section, including but not limited to costs of additional move-in/move-out of equipment and personnel, extra fire and equipment security, and insurance or bonding expenses.

Extension After Suspension. When a suspension occurs under (d), (e), (f) or (g) above, PURCHASER may request an extension of time for performance of this Contract, for a period not to exceed the period of time during which Operations were suspended. The request for extension must be in writing and:

(1) Shall be accompanied by the written consent to an extension of the security by PURCHASER's surety;

(2) Shall state the date to which the extension is desired and the Area(s) of Operations affected; and

(3) Shall be received by STATE no later than ten (10) days following notice to PURCHASER that Operations may recommence.

STATE normally will not withhold approval of reasonable extension requests made under this section.

PURCHASER's Responsibilities. For the duration of the suspension, PURCHASER is responsible to continue maintenance at the Area(s) of Operations just as if Operations were in progress. This includes, but is not limited to, protection of completed Operations, maintenance of access, protection of stored materials, temporary facilities, and clean-up.

When Operations re-commence after the suspension, PURCHASER shall replace or renew any Operations damaged during the suspension, remove any materials or facilities used as part of temporary maintenance, and complete Operations in every respect as though prosecution had been continuous and without suspension.

PURCHASER shall not cut or remove any timber under this Contract during any period of suspension. Any such cutting or removing shall be considered a willful trespass and shall render PURCHASER liable for triple damages in accordance with Section 1580, "Trespass."

Section 1580. Trespass. PURCHASER shall be exclusively responsible for any damage or removal of other than Designated Timber, and for damage to or removal of timber or other property beyond the boundaries of the Areas of Operations resulting from any activities of PURCHASER. Any such activity resulting from the activities of PURCHASER shall constitute a trespass, and a violation of the Contract. In addition to, and without limiting in any way any other remedies that may be available to STATE, PURCHASER shall pay to STATE damages for any trespass as follows:

(a) For each species involved in the trespass, triple the Purchase Price if PURCHASER's action is willful or intentional; or

(b) For each species involved in the trespass, double the Purchase Price if PURCHASER's action is not willful or intentional.

As used in this section, the term "willful" or "intentional" includes, but is not limited to: any voluntary or deliberate activity by PURCHASER, its employees, Contractors, subcontractors, or agents which results in the removal or damage to any timber not described under Section 2210, "Designated Timber," including removal or damage arising from a mistake of law or fact concerning the Designated Timber.

COMPLIANCE WITH LAWS AND REGULATIONS

Section 1610. Permits; Licenses; Safety. PURCHASER shall procure all Permits and licenses, pay all charges and fees, and give all notices necessary and incident to the due and lawful prosecution of the Operations, and shall maintain and keep such Permits and licenses current throughout the term of the Contract.

STATE may at any time require PURCHASER to satisfy STATE that Operations under this Contract comply with state, federal, and local laws, codes, regulations, and ordinances. STATE may require PURCHASER to obtain a

Permit, license, or approval from the governmental body or agency responsible for administering applicable laws before PURCHASER may begin or continue Operations under this Contract.

In the performance of the Operations, PURCHASER shall use every reasonable and practicable means to avoid damage to property and injury to persons. The responsibility of PURCHASER stated herein shall cease upon the Operations being accepted as complete by STATE.

PURCHASER shall take all necessary precautions for the safety of all personnel in the Areas of Operations, and shall comply with the Contract and all applicable provisions of federal, state, and municipal safety laws or regulations designed to prevent accidents or injury to persons on, about, or adjacent to the Areas of Operations. PURCHASER shall erect and properly maintain at all times, as required by the conditions and progress of PURCHASER's Operations, all necessary safeguards for protection of workers and the public against any hazards created by the Operations. The STATE's Authorized Representative has no responsibility for safety in the Areas of Operations. Safety in the Areas of Operations is the sole responsibility of PURCHASER.

Section 1620. Workers' Compensation Insurance (ORS 279.320). PURCHASER shall perform the Operations in accordance with the requirements of the Workers' Compensation Law of the State of Oregon during the term of this Contract. In addition, PURCHASER, its subcontractors, if any, and all employers providing work, labor, or materials under this Contract are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017 and 656.029, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers, unless such employers are exempt under ORS 656.126.

Section 1630. Threatened and Endangered Species. PURCHASER shall at all times observe and comply with all federal and state laws, including the Endangered Species Act of 1973, as amended (16 U.S.C. 1531-1536, 1538-1540), ORS 496.172 to 496.192 (Threatened and Endangered Wildlife Species), and ORS 564.100 to 564.135 (Threatened and Endangered Plants), and lawful regulations issued thereunder, and local bylaws, ordinances, and regulations, which relate to threatened or endangered plant or animal species while performing Operations under this Contract.

Section 1640. Identification and Protection of Cultural Resources. PURCHASER acknowledges that Archeological or Historical Resources may exist within the Timber Sale Area, including within an Area of Operations, and that the existence and location of such Resources may be unknown at the time this Contract is executed. PURCHASER shall exercise due care in its Operations to ensure that in the event any such Resources are discovered in the course of or as a result of PURCHASER's Operations such Resources may be preserved in accordance with the requirements of ORS Chapter 358. Upon discovery of any material suspected to be of Archeological or Historical significance within an Area of Operations, PURCHASER shall immediately halt Operations and shall notify STATE of the potential existence of such material. PURCHASER shall not remove or disturb the material, or resume Operations in the vicinity of the material, until instructed by STATE to do so.

Section 1650. Protection of Soil, Air, and Water Resources. PURCHASER shall comply with Oregon law, including the Oregon Forest Practices Act and rules promulgated thereunder, and with rules and regulations of the, Oregon State Board of Health, the Environmental Quality Commission and other agencies relating to the protection of soil, air, and water resources.

Section 1660. Tax Liability. STATE makes no representations concerning tax liability or consequences arising from this sale of State timber. It is PURCHASER's sole responsibility to determine what tax liability may be incurred as a result of purchasing State timber, regardless of whether the State timber is growing or located on State-owned land or elsewhere. PURCHASER shall be responsible for paying all applicable timber harvest or severance taxes and shall indemnify and hold harmless the STATE against any tax claims arising from the purchase of State timber.

Section 1670. Compliance with Tax Laws. By execution of this Contract, the person signing this Contract on behalf of PURCHASER certifies, under penalty of perjury, that to the best of his or her knowledge, PURCHASER

is not in violation of any Oregon tax laws. For purposes of this section, “Oregon tax laws” means those programs listed in ORS 305.380(4). Examples include the state inheritance tax, personal income tax, withholding tax, corporation income and excise taxes, amusement device tax, timber taxes, cigarette tax, other tobacco tax, 9-1-1 emergency communications tax, the elderly rental assistance program and local taxes administered by the Department of Revenue (Lane Transit District Self-Employment Tax, Lane District Employer Payroll Tax, Tri-Metropolitan Transit District Employer Payroll Tax, and Tri-Metropolitan Transit District Self-Employment Tax).

PAYMENTS

Section 1740. Log Prices. The following price schedule shall be designated as the “Purchase Price” and shall apply to all logs removed from Designated Timber. Payment shall be for net log scale, unless noted.

Log prices shall be:

Conifer Logs	Price per Green Ton
All Conifers and other species	$

Contingent Price Adjustment. As provided in Section 1020, “Sale of Timber,” it is the policy of the State of Oregon, in accordance with the terms of current federal law and the Constitution and the laws of the State of Oregon, that unprocessed timber shall not be exported from lands owned or managed by the State or any of its political subdivisions or agencies. PURCHASER specifically agrees that Section 1020, "Sale of Timber," is a material term of this Contract and is part of the consideration offered to STATE in return for STATE's performance. In the event that any federal law or state constitutional provision or law or any provision of this Contract concerning export of unprocessed timber is declared invalid by any court or administrative tribunal, PURCHASER agrees to pay to STATE, in addition to the Purchase Price, an incremental amount equal to the difference between the Purchase Price set forth in this section and any higher price obtained by PURCHASER for the exported unprocessed timber.

The default provisions of OAR 629-032-0000 through 629-032-0070 shall not apply to exported unprocessed timber. In the event that timber made available under this Contract is exported in violation of this Contract, PURCHASER shall be in material breach of the Contract. In such event, STATE shall be entitled to cease performance of the Contract and bar PURCHASER from the Timber Sale Area, and shall recover, in addition to the Purchase Price and additional increment set out above, a further sum estimated by STATE to compensate for administrative expense and the economic impact of the violation upon the State and its citizens. In no case shall this additional amount be less than $10,000 per incident

Section 1751. Payment Schedule. The Total Purchase Price for timber sold under this Contract shall be paid in advance as follows:

The first payment shall be paid within 30 days of the notice of intent to award or before beginning Operations, whichever occurs first. The first payment shall be 5 percent of the total estimated bid value. The total estimated bid value shall be the sum obtained by multiplying the multiplying the estimated timber weights by the Purchase Prices given in Section 1740, "Log Prices," less the value of the Project Work. Cash bid deposits shall be applied to the initial payment.

Subsequent payments shall be made in advance of timber removal when log hauling begins. Each payment shall be made before the value of timber removed equals one-half of an advance payment or within the time period stated on the billing if PURCHASER is more than one-half of a payment in advance. The amount of each advance payment shall be calculated by dividing the total estimated bid value less the initial payment by 50; with the total estimated bid value being the sum obtained by multiplying the estimated timber volumes by the Purchase Prices given in Section 1740, "Log Prices," less the value of the Project Work.

STATE may accept partial payment, upon written request, if logging is inactive. However, the full amount of advance payment must be paid before Operations resume. Partial payment must be sufficient to maintain a payment deposit equal to one-half of a regular advance payment.

The Total Purchase Price shall be calculated after all log weight is reported by multiplying prices in Section 1740, "Log Prices," by the weighed volume. STATE shall refund any advance payment in excess of the Total Purchase Price, or PURCHASER shall pay any deficit within thirty (30) days of notice. PURCHASER's Deposit Account shall not accrue interest payable to PURCHASER.

Section 1760. Payments and Interest. Payments required of PURCHASER by this Contract or modifications of this Contract must be received by STATE within the time period stated on the instrument requesting payment from PURCHASER.

Payments received after the due date stated on the billing instrument may be subject to an interest charge. The interest rate shall not be less than the established minimum state rate on delinquent accounts. The interest rate applied to overdue payments shall be in accordance with ORS 82.010. ORS 82.010 mandates the collection of interest at the annualized rate of 9 percent. Interest shall be calculated from the original billing due date to the date payment is received by the State Forester.

PART II: SPECIFICATIONS

ACCOUNTABILITY

Section 2015. Log Accountability and Log Load Receipts - Sawlogs.

Load Receipt Books. STATE shall issue to PURCHASER sufficient books of serially numbered pink Log Load Receipts to cover up to 30 days of operation, as determined by STATE. PURCHASER shall sign a receipt for each book of receipts and be fully accountable for all serially numbered Woods Receipt and Scaler Receipt tickets. PURCHASER shall retain all Woods Receipts in each book and return the book to STATE as soon as all receipts in each book have been used. Unused books or portions of books shall be returned to STATE during periods of inactivity lasting over 30 days, and at the completion of timber removal from the Timber Sale Area.

Completion of Load Receipts. PURCHASER shall completely and accurately fill out all portions of the Log Load Receipt before each truck leaves the Landing area. PURCHASER shall require the truck driver of each load of logs to sign the Woods Receipt. PURCHASER shall staple the Load Receipt and Scaler Receipt parts to the load as instructed on the Log Load Receipt directions and as directed by STATE before each truck leaves the Landing area.

PURCHASER shall require the scaler to record the Log Load Receipt number on the scale ticket that is signed by the scaler, attach the Scaler Receipt part to a copy of the scale ticket, and mail the scale ticket with the attached receipt to STATE on the date scaled.

PURCHASER shall account for each and every serially numbered Log Load Receipt. For all Log Load Receipts not accounted for by proof of scaling, STATE shall determine if unaccounted tickets are to be voided or if PURCHASER shall pay damages to STATE. Damages shall consist of full value for each missing receipt, on the basis of the average value of the 10 highest value loads of logs scaled from the Timber Sale Area, or the average value of the 10 highest value loads of logs scaled at a Scaling Location, as determined by STATE.

PURCHASER shall not intermingle STATE timber or logs designated by this Contract with any other timber or logs before log scaling occurs, unless otherwise approved by STATE.

Delivery Destination and Transfer of State Timber. Prior to conveying unprocessed timber sold under this Contract to a delivery destination or prior to selling, trading, exchanging, or otherwise conveying unprocessed timber sold under this Contract to any other person, PURCHASER must first complete an Exhibit C form selecting a delivery destination from the STATE approved scaling locations. All STATE approved scaling locations are eligible to receive unprocessed STATE timber by adhering to the terms and conditions contained in OAR 629-031-0005 through 629-031-0045.

Section 2016. Log Accountability and Log Load Receipts – Pulp Logs.

Load Receipt Books. STATE shall issue to PURCHASER sufficient books of serially numbered yellow Log Load Receipts to cover up to 30 days of operation, as determined by STATE. PURCHASER shall sign a receipt for each book of receipts and be fully accountable for all serially numbered Woods Receipt and Scaler Receipt tickets. PURCHASER shall retain all Woods Receipts in each book and return the book to STATE as soon as all receipts in each book have been used. Unused books or portions of books shall be returned to STATE during periods of inactivity lasting over 30 days, and at the completion of timber removal from the Timber Sale Area.

Completion of Load Receipts. PURCHASER shall completely and accurately fill out all portions of the Log Load Receipt before each truck leaves the Landing area. PURCHASER shall require the truck driver of each load of logs to sign the Woods Receipt. PURCHASER shall staple the Load Receipt and Scaler Receipt parts to the load as instructed on the Log Load Receipt directions and as directed by STATE before each truck leaves the Landing area.

PURCHASER shall require the weigher to sign the machine-printed weight receipt and record the Log Load Receipt number on the weight receipt. The weigher shall mark the delivery location identification on the Scaler Receipt part, attach the weight receipt to it and mail it to the designated Third-Party Scaling Organization (TSPO) weekly.

PURCHASER shall account for each and every serially numbered Log Load Receipt. For all Log Load Receipts not accounted for by proof of weighing, STATE shall determine if unaccounted tickets are to be voided or if PURCHASER shall pay damages to STATE. Damages shall consist of full value for each missing receipt, on the basis of the average value of the 10 highest value loads of logs weighed, based on gross weight, from the Timber Sale Area, or the average value of the 10 highest value loads of logs weighed at a STATE approved delivery location, as determined by STATE.

PURCHASER shall not intermingle STATE timber or logs designated by this Contract with any other timber or logs before log weighing occurs, unless otherwise approved by STATE.

Delivery Destination and Transfer of State Timber. Prior to conveying unprocessed timber sold under this Contract to a delivery destination or prior to selling, trading, exchanging, or otherwise conveying unprocessed timber sold under this Contract to any other person, PURCHASER must first complete an Exhibit C form selecting a delivery destination from the STATE approved delivery locations. All STATE approved delivery locations are eligible to receive unprocessed STATE timber by adhering to the terms and conditions contained in OAR 629-031-0005 through 629-031-0045.

Section 2020. Log Measurement - Sawlogs.

Measurement by Weight. STATE will require both weighing of Logs in addition to log scaling (for all sawlog material) to measure the timber sold by this contract. A conversion factor of 10 tons per MBF (thousand board feet) for all conifers shall be used for determining the number of net board feet from weight. The scales shall be STATE certified and sealed. The gross weight and the truck tare weight for each load shall be machine printed on the weight receipt.

Scaling Locations, Rules, and Organizations: All saw logs from timber sold under this Contract shall be: (1) scaled at a location approved in writing by STATE; (2) scaled by a third-party scaling organization that is a party to a current agreement with STATE; and (3) scaled using the Official Log Scaling and Grading Rules (as adopted by the Northwest Log Rules Advisory Group) and STATE special service scaling instructions in effect at the time the logs are scaled. Utilization scale shall be handled in accordance with Section 2055, "Utilization Scale."

Upon loading at the Timber Sale Areas, a log load shall be directly hauled to an approved scaling location, if required to be scaled. Log loads shall not be stored for late delivery without written approval from STATE.

PURCHASER shall enter into a written agreement with a third-party scaling organization for the scaling of saw logs removed from the Timber Sale Area (the “Scaling Agreement”). PURCHASER shall furnish STATE with a copy of the Scaling Agreement upon request. If logs are delivered when a TPSO scaler is not present, PURCHASER must provide STATE with a method to assure protection and accountability.

Unless other arrangements have been made through a Log Yard Agreement between PURCHASER and STATE, PURCHASER shall provide STATE with remote check scaling opportunities for logs scaled or weighed under this Contract. The last two loads at each delivery point shall be continuously available for checking. They shall remain available for a minimum of 48 hours unless replaced by other STATE loads. They shall be available as originally presented for scaling; i.e., if truck scaled or if the load was weighed, they shall be presented in bunks.

In the event scaling is suspended for any reason, hauling Operations shall be immediately suspended until approved alternate scaling services are provided, or service by the scaling organization is resumed.

Accountability Violations - Scaling Ramp Requirement. If PURCHASER violates any of the log accountability requirements of this Contract, STATE may require all logs from timber sold under this Contract to be scaled at a ramp provided by PURCHASER, in a location designated by STATE. All costs associated with this additional scaling requirement shall be paid by PURCHASER.

Cost of Scaling. All costs of scaling and all costs in connection with reports furnished to STATE shall be paid by PURCHASER.

The Scaling Agreement shall provide, and PURCHASER shall require, that the scaling organization furnish copies each week to STATE, of all scaled certificates showing gross and net volumes, by species and grade, of all logs scaled during the week. Upon request by STATE, PURCHASER shall also require the scaling organization to furnish and attach a log detail listing to each weekly scale certificate showing all STATE logs included on the certificate.

Scaling Instructions. The Scaling Agreement shall authorize STATE to provide instructions to the approved third-party scaling organization for the scaling practices to be used for timber removed from the Timber Sale Area. Instructions shall conform to the terms of this Contract, including special scales as necessary. PURCHASER shall acknowledge and sign such instructions and shall be provided a copy.

Minimum Products Specifications and Special Scale information are shown on Exhibit C.

Logs Damaged During Handling. Mechanical damage to logs shall be prevented during log handling. Deductions for handling damage shall not be allowed.

Add-Back Volume. Scaling deduction for deterioration due to delay in removal of logs from the Timber Sale Area shall not be allowed in determining net volume. Volume of material deteriorated due to delay in removal shall be reported to STATE and paid for at the Purchase Price. Any cost for separate reports shall be paid by PURCHASER.

The Scaling Agreement shall include a provision, and PURCHASER shall require, that the third-party scaling organization that is a party to the Scaling Agreement furnish copies of all weight receipts to STATE, on a bi-weekly basis, with summaries for all truck loads delivered during said week.

Section 2021. Log Measurement – Pulp Logs. All pulp logs shall be weighed at a location approved in writing by STATE. PURCHASER shall require the gross weight and the truck tare weight for each load to be machine printed on the weight receipt. PURCHASER shall also require the weigher to sign the weight receipt and record the Log Load Receipt number on the weight receipt. A conversion factor of 10 short tons per MBF shall be used for determining the number of board feet. PURCHASER shall require that the Pulp facility furnish copies of all weight receipts to STATE on a weekly basis, with summaries for all truck loads delivered.

Upon loading at the Timber Sale Area, a log load shall be directly hauled to an approved Pulp facility. Log loads shall not be stored for late delivery without written approval from STATE.

Accountability Violations: If PURCHASER violates the STATE definition of approved Pulp sort in Exhibit C, STATE may require a TPSO to inspect each Pulp load prior to weighing.

PURCHASER shall enter into an agreement with a third-party scaling organization for the processing of the weight receipts.

Unless other arrangements have been made through an agreement between PURCHASER and STATE, PURCHASER shall provide STATE with remote check scaling opportunities for logs weighed under this Contract. The last two loads at each delivery point shall be continuously available for checking. They shall remain available for a minimum of 48 hours unless replaced by other STATE loads. They shall be available as originally presented; i.e., if the load was weighed, they shall be presented in bunks.

Weighing Instructions. STATE will provide instructions to the approved Pulp facility for the practices to be used for Pulp logs removed from the Timber Sale Areas. Instructions will conform to the terms of this Contract, PURCHASER shall acknowledge and sign such instructions and shall be provided a copy.

Minimum Products Specifications and Weight information are shown on Exhibit C.

Section 2030. Log Branding and Painting – Sawlogs. Unless approved in writing in advance by STATE, at least one end of every saw log removed from the Timber Sale Areas shall be both clearly hammer branded and painted with a minimum 2-inch diameter spot of orange paint. PURCHASER shall use only those brands issued by STATE for use on timber sold under this Contract. Only those brands issued by STATE for use on timber sold under this Contract shall be allowed on the Areas of Operations at any time.

In addition, PURCHASER shall brand and paint all logs left singly or in decks along rights-of-way, and shall brand and paint one end of all logs yarded and left on Landings after termination of Operations each day. PURCHASER shall make every effort to remove logs from roads or Landings within a reasonable period of time, and agrees to notify STATE in advance if it intends to leave logs decked along roads or on Landings for more than 96 hours. STATE may scale such decked logs, and PURCHASER shall be responsible for the costs of such scaling and for any loss due to theft or deterioration.

STATE may issue PURCHASER one or more branding hammers registered to STATE. PURCHASER shall sign a receipt for all branding hammers registered to STATE and issued to PURCHASER, and will return them in good condition within 14 calendar days following completion of log hauling. PURCHASER shall pay a fee of $100 to STATE for each branding hammer returned to STATE in damaged and unusable condition, or $200 for each branding hammer not returned within the time specified by STATE. PURCHASER may replace damaged branding hammer handles, but only with 24" wooden handles, or with handles approved by STATE.

If properly marked timber is subdivided into smaller pieces for any other purpose than immediate processing, each piece shall be branded with a STATE brand specifically used for this purpose, signifying the logs are State timber and ineligible for export. Additional branding hammers registered to STATE, to be used for this purpose, may be obtained from STATE upon request, at cost.

Section 2031. Log Branding – Pulp Logs. At least 10 logs on each Pulp load removed from the Timber Sale Areas shall be clearly hammer branded. PURCHASER shall use only those brands issued by STATE for use on timber sold under this Contract. Only those brands issued by STATE for use on timber sold under this Contract shall be allowed on the Areas of Operations at any time.

Logs that do not meet the Contract definition for Pulp and do not meet the definition of a saw log in the Official Log Scaling and Grading Rules published by the Northwest Log Rules Advisory Group shall be decked separately from all other logs for inspection by STATE. Utility logs approved for removal as Pulp will be marked by STATE with blue paint. **PURCHASER shall not possess any blue paint on the Timber Sale Areas.**

STATE may issue PURCHASER one or more branding hammers registered to STATE. PURCHASER shall sign a receipt for all branding hammers registered to STATE and issued to PURCHASER, and will return them in good condition within 14 calendar days following completion of log hauling. PURCHASER shall pay a fee of $100 to STATE for each branding hammer returned to STATE in damaged and unusable condition, or $200 for each branding hammer not returned within the time specified by STATE. PURCHASER may replace damaged branding hammer handles, but only with 24" wooden handles, or with handles approved by STATE.

Section 2035. Hauling and Operating Time Restrictions. PURCHASER shall not haul logs from the Timber Sale Area on weekends, the following State-observed holidays: New Year's Day, Independence Day, Thanksgiving Day, and Christmas Day, or outside the hours of 3:00 a.m. to 6:00 p.m. daily without notification to and prior approval by STATE.

Section 2045. Log Removal. All material identified under 2210 "designated timber", except those specified in Sections 2220 through 2250, "Reserved Timber," shall be removed as Designated Timber under this Contract, at prices given in Section 1740, "Log Prices"

Section 2050. Route of Haul. PURCHASER shall furnish to STATE, at the time of making request for scaling approval, a map showing the scaling location and the precise route which shall be used to haul logs from the Timber Sale Area to the scaling location. Such route shall be the most direct haul route between the two points,

unless another route is approved by STATE. The route of haul may be changed only with advance written notice to, and prior approval by, STATE.

Section 2055. Utilization Scale. STATE shall scale logs or portions of logs that are broken, wasted, or not removed by PURCHASER due to: (1) improper felling or bucking of the logs; (2) failure to remove the logs prior to deterioration; and (3) logs remaining on the Timber Sale Area after completion of logging, provided the logs were merchantable prior to breakage or wastage. Material used to meet down material requirements in Sections 2220 through 2250, "Reserved Timber," shall not be considered for Utilization Scale. PURCHASER shall pay for the logs at the Purchase Price designated in Section 1740, "Log Prices." STATE shall notify PURCHASER of the volume of logs so scaled. Payment shall be considered due on such volume as if the logs were removed on the date of said notification.

In the event PURCHASER disagrees with the findings made by STATE under this section, PURCHASER may furnish scaling by a third-party scaling organization acceptable to STATE. Costs and expenses of such third party shall be paid for by PURCHASER, and the findings of the third party shall be final.

Section 2060. Special Products. "Special products" are any products not in log or chip form manufactured from material having a price, or listed as "No Charge," under the Contract. PURCHASER shall not sell special products from the Timber Sale Area, or allow firewood, shake, or post cutting, or any other special product manufacturing on the Timber Sale Area without prior written approval of STATE.

ACCESS AND ROAD MAINTENANCE

Section 2120. Access. PURCHASER shall use the roads shown on Exhibit A for access to the Timber Sale Area and Project Locations. If PURCHASER desires to use an alternative route, it shall be PURCHASER's responsibility to secure that access and obtain STATE approval for the route. The use of access roads shall be limited to that necessary to carry out the terms and provisions of this Contract. Except as otherwise provided for in this Contract, PURCHASER shall have the right of access over, in, and through the Timber Sale Area for the purpose of cutting and removing timber or performing other Operations. PURCHASER, in so using, improving, or constructing roads, shall at no time have an interest in the land, other than the temporary right of access during the term of the Contract.

Section 2130. Road Maintenance. PURCHASER is responsible for normal road maintenance on roads used for any activity under this Contract. Normal road maintenance shall provide for safe forest driving conditions, continuous access and road use, protection of roads from damage, water quality, and compliance with all applicable laws.

PURCHASER's responsibility for normal road maintenance commences with PURCHASER's first use of a road for any activity under the Contract period and shall continue until final acceptance of the maintenance is made by STATE. In addition, PURCHASER is responsible for normal road maintenance needs that are caused by public use of the roads.

If other parties are authorized under Section 1330, "Conditions of Areas of Operations," to use roads in the Timber Sale Area, PURCHASER and each party so authorized shall be responsible for a proportionate share of normal maintenance, based upon the ratio of each party's use to total road use, as determined by STATE.

STATE will determine when maintenance is needed and will issue instructions to PURCHASER specifying work to be done and the date by which it must be completed.

"Normal road maintenance" shall include any action needed to prevent and protect the road from soil contamination, seasonal weather damage, protect water quality, repair damage caused by road use, and restore the road to at least the road condition at commencement of use, including, but not limited to:

(a) Cut Banks and Fill Slopes.

(1) Remove Slash created by Operations.

(2) Remove obstructions and fallen timber.

(3) Restore stability impacted by Operations.

(4) All cut bank and fill slope maintenance work shall be performed in such a manner that soil and vegetative material does not contaminate the road surface.

(b) Ditches.

(1) Remove bank slough, minor slides, and obstructions.

(2) Remove Slash created by Operations.

(3) Restore to functional drainage.

(4) Minimize erosion and/or sediment delivery by placement and maintenance of filtering systems.

(5) Soil and vegetative material shall not be pulled across the road surface.

(c) Drainage Systems.

(1) Clear all culverts, including inlets, outlets, half rounds, and sediment catching basins.

(2) Maintain waterbars, drainage dips, and other water diversion measures.

(3) During active use, patrol and maintain functional drainage.

(4) Repair damaged culvert ends.

(d) Road Surfaces.

(1) Grade, shape, crown, and/or outslope surface and shoulders at optimal moisture content.

(2) Provide leveling, patching, and/or reinforcement rock for restoring purposes.

(3) Prevent contamination of road surface materials with soil and vegetative material.

(4) Prevent road surface materials from being bladed off the road.

(5) Temporarily cease road use to prevent and/or protect the road during adverse weather conditions. Examples of adverse weather conditions are freezing and thawing cycles, high soil moisture caused by rainfall events, and accumulation of snow that requires removal to continue hauling activity.

PURCHASER shall apply dust abatement material on the haul route when PURCHASER's activities cause excessive dust, or when instructed by STATE. Water is the dust abatement material to be applied, unless otherwise approved in writing by STATE.

“Extraordinary maintenance” is defined as major repair work and/or damage caused by acts of God or causes beyond the control of PURCHASER, as defined in Section 1550, "Adjustment of Contract." STATE may require PURCHASER to perform extraordinary maintenance in addition to normal road maintenance. STATE shall describe the amount and specifications of work to be done in writing, and make adjustments in the Contract in accordance with Section 1550, "Adjustment of Contract."

TIMBER SALE AREA

Section 2210. Designated Timber. The timber is located on the Timber Sale Areas designated on Exhibit A.

In accordance with Section 1020, "Sale of Timber," the following is Designated Timber, except as excluded by Sections 2220 through 2250, “Reserved Timber,” and may be removed by PURCHASER in accordance with the terms and conditions of this Contract:

(a) All timber cut in accordance with the specifications in Section 2310, "Felling," and Section 2320, "Thinning Specifications," within the Timber Sale Areas.

(b) Areas within the Timber Sale Area where the pre-harvest stand is below the stocking levels identified in sections 2220 through 2250, PURCHASER will proceed at the direction of STATE before avoiding or entering these “optional entry areas.” (See sections 2240 “Reserve Timber” and 2320 “Thinning Specifications.”)

(c) **Designated timber to include but not limited to trees over 4” DBH: (trees under 4” DBH are optional for removal)**

- Lodgepole Pine showing signs of poor vigor including but not limited to:
  - Less than 40% live crown ratio
  - Severe crooks, galls, forking, etc.
  - Fading or thinning crown
  - Excessive Dwarf Mistletoe
  - Evidence of excessive beetle presence within the bole of the tree

- Ponderosa Pine showing poor signs of vigor including but not limited to:
  - Less than 12” DBH
  - Less than 30% live crown ratio
  - Severe crooks, galls, forking, etc.
  - Fading or thinning crown
  - Excessive Dwarf Mistletoe
  - Evidence of excessive beetle presence within the bole of the tree

- All other conifers:
  - Selection based on tree quality and overall condition

(d) All timber within Haul Route R/W as approved by STATE.

(e) STATE will determine specific prescriptive variances and modification across the timber sale area depending on the stand characteristics and desired condition. These variances will be to meet the silvicultural targets outlined in Section 2240: Reserved Timber.

(f) STATE makes no guarantees as to the amount or quality of Designated Timber.

(g) Old blue paint has no bearing in tree selection for harvesting.

Boundary markings are as follows:

(1) The Timber Sale Area is posted with "Timber Sale Boundary" signs, orange flagging, and orange paint.

(2) Gilchrist State Forest property boundary will have additional BLUE flagging.

Section 2220. Reserved Timber. Reserved Timber is that timber, including trees, Snags, and logs, on the Timber Sale Areas which are not sold to PURCHASER. Reserved Timber shall not be damaged, cut, or removed by PURCHASER, unless otherwise approved in writing by STATE. Failure to leave the required Reserved Timber shall be handled as described in Section 2260, “Reserved Timber - Damages.”

Section 2230. Reserved Timber - Down Material.

Down trees and logs.

Section 2240. Reserved Timber - Trees and Snags.

(a) All ponderosa Pine greater than 12” DBH, unless directed by STATE.

(b) Residual Stand Shall be:

(1) 80 sqft BA (basal area) per acre where applicable (determined by STATE).

For example:

- Where average stand DBH is 10.0” and below, variable spaced trees at 200 trees per acre over 4” DBH (approx. 15 ft spacing).
- Where average stand DBH is 10.0” and greater, variable spaced trees at 150 trees per acre (approx. 20 ft spacing).

(2) Preference will be shown to healthy Ponderosa Pine over 4” DBH.

(3) Preference will be shown to healthy trees with good vigor.

(c) Trees reserved for Snag creation in accordance with Section 2335, "Snag Creation."

(d) All Snags unless determined to be a fire or safety hazard.

(e) Conifers with crooks, breaks, missing tops, multiple tops, or other severe defects may be left. Leaving some healthy, high quality trees to meet the number required may be necessary.

(f) Reserved trees may be left individually or in groups, with no more than 180 sq ft Basal Area / ac per group.

Section 2250. Reserved Timber - Boundary Trees.

Trees posted with "Timber Sale Boundary" signs are reserved from cutting.

Section 2260. Reserved Timber - Damages.

PURCHASER shall be exclusively responsible for any damage to, or removal of, Reserved Timber. If damage to Reserved Timber occurs and is determined unavoidable by STATE, no charge will be made for damage.

If PURCHASER's activities result in avoidable damage to Reserved Timber as determined by STATE, PURCHASER shall pay for such damage at the following rates:

(a) The Purchase Price shall be paid when:

(1) "Minor damage" to Reserved Timber occurs during the course of normal logging. Minor damage is defined as bark removed down to the cambium layer of a tree, such removal affecting at least 24 square inches, but less than damage defined as "major damage."

(2) Trees must be cut in order to facilitate Operations, or for safety around Landings, as approved in writing by STATE.

(b) Double the Purchase Price (or $50, whichever is greater,) shall be paid when:

(1) "Major damage" to Reserved Timber is caused by Operations of PURCHASER. Major damage is defined as follows:

(A) Bark removed down to the cambium layer over an area of the bole which has one dimension greater than the diameter of the tree, or any visible bark removal on the tree roots.

(B) Residual Basal Area on any acre is less than the minimum specifications in Section 2320, "Thinning Specifications."

(2) More than 50 percent of live crown is removed.

(3) Tree is knocked down, or leaning more than 10 degrees from vertical.

(c) Triple the Purchase Price or $100, whichever is greater, shall be paid when:

(1) Reserved Timber is intentionally cut or removed.

(2) Reserved Timber is intentionally damaged.

(3) Repeated major damage occurs to Reserved Timber.

(4) Any intentional "notching" or undercutting of Reserved Timber with an axe or saw occurs.

STATE may direct damaged timber to be left. In that case, payment for damage shall be reduced by the Purchase Price of such timber.

Payment for damage to or removal of Reserved Timber shall not release PURCHASER from liability for other damage to property of STATE.

If more than 6 reserved trees on any acre suffer "minor damage," or if any Reserved Timber suffers "major damage" as defined above, STATE reserves the right to:

(A) Suspend felling and/or Yarding until corrective measures have been agreed upon by STATE and PURCHASER.

(B) Require limitations on log length and/or the number of logs in each Yarding turn.

(C) Specify the size and type of equipment to be used.

(D) Require line pulling and winching of logs.

HARVESTING OPERATIONS

Section 2310. Felling. PURCHASER shall comply with the following requirements for felling:

(a) **A feller-buncher with a lateral reaching boom is required for all mechanical felling**.

Due to the stand characteristics of the Timber Sale Areas, STATE may allow PURCHASER to use Rubber Wheel “drive-to” feller-bunchers on a Landing by Landing basis. PURCHASER must have STATE approval prior to using any cutting machine other than a feller-buncher WITH a lateral reaching boom.

(b) Prior to the beginning of felling Operations, PURCHASER shall mark the locations on the ground of all skid roads, subject to STATE approval. Felling shall be "to lead" to those marked trails and those trail locations adhered to.

(c) Bearing witness trees in Area shall be cut above any scribing or as marked.

(d) **Prior to felling in the Timber Sale Area, PURCHASER shall arrange to have all the fallers who will work in the Timber Sale Areas meet with STATE to review the requirements specified in Section 2310, "Felling," Section 2320, "Thinning Specifications," and Sections 2220 through 2250, "Reserved Timber." PURCHASER shall give STATE 48 hours' advance notice before starting a new faller on the Timber Sale Areas to allow STATE the opportunity to brief the faller on these sections**

STATE may require certain trees or Snags, described by the preceding specifications, to be left standing if they are needed for wildlife habitat, or if the Snags do not constitute a fire or safety hazard. STATE shall designate such trees or Snags at the time of timber felling.

Trees shall not be felled across Timber Sale Area boundaries, unless authorized in writing by STATE. Any trees that fall across Timber Sale Area boundaries shall be yarded back into the Timber Sale Area prior to limbing or topping.

PURCHASER shall employ the following timber cutting practices on the Timber Sale Area(s), unless otherwise approved by STATE:

Maximum stump height shall be 6 inches (unless otherwise approved by STATE. Heights shall be measured on the uphill side.

Section 2320. Thinning Specifications. PURCHASER shall comply with the following requirements for the Timber Sale Area:

(a) Residual tree spacing shall be varied to preserve the trees of good form and vigor with the largest diameter and height and maintain a residual stand structure within the following limits:

(1) For areas of Ponderosa Pine and mixed Ponderosa Pine:

80 sq ft BA (basal area) / acre where applicable (determined by STATE)

For example:

- Where average stand DBH is **6.0**" and below, variable spaced trees at **400** trees per acre (approx. **11** ft spacing).
- Where average stand DBH is **8.0**", variable spaced trees at **230** trees per acre (approx. **14** ft spacing).
- Where average stand DBH is **10.0**", variable spaced trees at **150** trees per acre (approx. **18** ft spacing).
- Where average stand DBH is **12.0**" and greater, variable spaced trees at **100** trees per acre (approx. **21** ft spacing).
- Trees will be left in groups and clumps (no less than 60 and no more than 140 BA) to:
  - Create appropriate stand dynamics (determined by STATE) and
  - Create working room for feller-buncher and skidders.
- Preference will be shown to healthy Ponderosa Pine over 4" DBH.
- Preference will be shown to healthy trees with good vigor.

(2) For areas of pure Lodgepole Pine:

60 – 80 sq ft BA (basal area) / acre where applicable (determined by STATE)

For example:

- Where average stand DBH is **4.0**" = approx. **10** ft spacing.
- Where average stand DBH is **6.0**" = approx. **11** ft spacing.
- Where average stand DBH is **8.0**" = approx. **14** ft spacing.
- Where average stand DBH is **10.0**" and above = approx. **18** ft spacing:
  - Above targets will be accomplished through variable spaced groups of trees.

- Preference will be shown to healthy trees over 4” DBH with good vigor.

(b) Acceptable residual conifer trees are those having a Live Crown Ratio of at least 30 percent, and without sweep, scarring, disease, or leaning more than 10 degrees from vertical. Conifer trees with multiple tops and crooks are acceptable if the defect is at least 40 feet above the ground.

(c) Conifers less than 4 inches DBH shall not be counted when calculating the residual specifications listed above.

(d) Portions of the Timber Sale Area may have an insufficient number of trees to make thinning silviculturally desirable. PURCHASER will exclude such areas from the thinning specifications and felling requirements. PURCHASER shall designate on the Operations Plan and coordinate with STATE on the specific size and area of excluded areas. STATE will direct PURCHASER on the specifics of the exclusion areas. STATE will designate some areas optional removal areas based on current stocking levels.

If the above conditions are not met by PURCHASER, STATE reserves the right to suspend felling until corrective measures have been taken by PURCHASER as directed by STATE. Corrective measures may include, but need not be limited to:

(A) Replacement of timber fallers by PURCHASER; and

(B) Approval of fallers by STATE based on fallers’ satisfactory completion of STATE test plots.

Section 2325. Felling Inspection. STATE may inspect the felling Operations to determine compliance with the thinning specifications established by sample plots. Inspection by visual reconnaissance may supplement plot data. Plot records may include: (1) residual Basal Area per acre; (2) Residual Tree DBH; (3) general comments on selection of Residual Trees and work quality; and (4) Residual Trees per acre damaged by PURCHASER. The plot data and visual reconnaissance may be used for determining the need for corrective measures, as outlined in Section 2320, "Thinning Specifications," and Sections 2220 through 2250, “Reserved Timber.”

Section 2335. Snag Creation. PURCHASER shall create 2 snags per acre in the Timber Sale Area. Snags shall be created in accordance with the following specifications:

(a) Top trees at least 15 feet above the ground.

(b) Leave 1 to 2 complete whorls of live branches.

(c) Snags shall be at least 100 feet from the uphill side of any road.

(d) Sever tops completely. No tops shall be left hung up in any tree, or left leaning against the bole of any tree.

(e) Remove tops from firelines, property lines, roads, and Landings.

Trees selected shall be as follows:

(1) Species: Any.

(2) At least 6 inches DBH.

(3) Left individually or in groups not to exceed 15 trees on any acre.

(4) For the Timber Sale Area, selected trees shall be in addition to trees required to meet Residual Tree requirements in Section 2320, "Thinning Specifications." Location and distribution is subject to STATE approval.

(5) Trees shall be selected and reserved from felling as required to meet the Green Tree Retention requirements in Sections 2220 through 2250, "Reserved Timber."

Section 2345. Substitution of Trees. PURCHASER shall leave acceptable substitute trees as approved by STATE for any conifer Reserved Timber which must be cut to facilitate logging (i.e., cable corridors, Landings, or skid trails) or to resolve safety problems pursuant to Section 1610, "Permits; Licenses; Safety" (i.e., danger trees, Guyline trees, hang-ups).

PURCHASER shall leave acceptable substitute Snags as approved by STATE for any reserved Snag which must be cut to facilitate logging (i.e., cable corridors, Landings) or to resolve safety problems pursuant to Section 1610, "Permits; Licenses; Safety" (i.e., danger trees, hang-ups).

STATE reserves the right to require PURCHASER to:

(a) Leave substitute trees of a different species; and

(b) Leave substitute trees for reserved Snags that must be cut.

Substitution of trees without approval of STATE is prohibited. Any Reserved Timber cut without approval by STATE shall be paid for in accordance with Sections 2220 through 2250, "Reserved Timber."

Section 2355. Ground-Based Operations. Timber Sale Areas, or portions thereof, where ground Yarding has been approved in the Operations Plan are subject to the following restrictions, unless otherwise approved in writing by STATE:

(a) PURCHASER shall limit skid roads and trails, and all other locations where soil is compacted or displaced, to less than 10 percent of the ground yarded area.

(b) Preexisting skid roads and trails shall be used whenever possible, and soil disturbance or construction of new skid roads and trails shall be limited to that necessary to log the area.

(c) Operations shall not be conducted under conditions where soils are rutted or excavated to a depth of 9 inches or more.

(d) Equipment shall not operate on slopes greater than 35 percent. Written approval may be granted for short distances on slopes exceeding 35 percent when, in the opinion of STATE, it would be unreasonable to yard by pulling line.

(e) Yarding shall not be permitted on haul roads.

(f) Prior to the beginning of felling Operations, PURCHASER shall mark the locations on the ground of all skid roads and trails, subject to STATE approval. Felling shall be "to lead" to those marked trails and those trail locations adhered to.

(g) PURCHASER shall suspend ground Yarding during periods of high soil moisture as determined by STATE.

(h) Operations shall be designed to minimize soil disturbance and damage to Reserved Timber.

(i) PURCHASER shall restrict ground Yarding to those skid roads designated by STATE.

If the above conditions are not met by PURCHASER, STATE at its option, may require PURCHASER to suspend Yarding activities until corrective measures have been agreed upon by STATE and PURCHASER, as well as mark skid trails and roads on the ground, and obtain prior approval before resuming Yarding activities.

Time lost while STATE exercises any of the above options shall not constitute grounds for Contract extension.

Section 2360. Non-Project Roads and Landings. Improvement or construction of roads or Landings not required in Section 2610, "Project Work," but approved in the Operations Plan, shall be subject to the following requirements, unless otherwise approved in writing by STATE:

(A) Prior to felling, PURCHASER shall mark Right-of-Way clearing limits and obtain STATE approval.

(B) Landings shall be constructed no more than 300 feet wide. The surface shall be crowned for drainage.

(C) Roads shall be waterbarred according to the specifications in Exhibit D and blocked to vehicular traffic as directed by STATE or upon completion of use, whichever occurs first.

(D) At the completion of operation, PURCHASER shall rebuild all haul roads and access roads as directed by STATE. Complete requirements of section 2120 “Access,” and Section 2130 “Road Maintenance.”

(E) Construct fire trails as required by Section 2550, "Fire Trails," within 30 calendar days after completion of Yarding activities or piling activities.

Section 2365. Progressive Operations. PURCHASER shall complete the following requirements on each Timber Sale Area prior to moving to a new Timber Sale Area, unless otherwise approved in writing by STATE:

(a) Remove all logs as described under Section 2045, "Log Removal."

(b) Construct cross-drainage ditches or waterbars as specified in Exhibit D and as directed by STATE.

(c) Expend up to 10 hours of equipment time to block roads and skid trails to vehicular traffic as directed by STATE.

(d) Within 30 days after completion of each Setting, pile all Slash and debris within reach of the Landings by a log loader in the center of the Landing. Material suitable for firewood shall be separated into individual piles accessible for firewood cutting. Other debris shall be piled to facilitate pile burning as directed by STATE.

In addition, PURCHASER shall complete the following requirements within the following time frames, unless otherwise approved in writing by STATE:

(1) Complete Snag creation as required by Section 2335, "Snag Creation," concurrent with felling.

(2) Construct fire trails as required by Section 2550, "Fire Trails," within 30 calendar days after completion of chipping activities.

(3) Remove all trash from the Timber Sale Areas within 14 calendar days after completion of log hauling activities.

(4) Remove all equipment and materials from the Timber Sale Areas, as required by Section 1430, "Removal of Equipment and Materials," within 30 calendar days after completion of log hauling activities.

(5) Complete Slash piling within 30 calendar days after completion of Chipping Operations on a Timber Sale Areas.

(6) Upon completion of a Setting, pull debris from within reach of a Landing and pile the debris in the center of the Landing. Debris suitable for firewood shall be separated into individual piles accessible to firewood cutters. Debris shall be piled to facilitate pile burning as directed by STATE.

(7) Complete road maintenance requirements of Section 2120, "Access," and Section 2130, "Road Maintenance," within 30 calendar days after completion of log hauling activities.

PROTECTION DURING OPERATIONS

Section 2415. Protection of Watershed. PURCHASER shall take all necessary precautions to prevent damage to stream banks, any stream course, lake, reservoir, or forested wetland within or adjacent to the Timber Sale Area. Definitions of Type F, Type D, and Type N streams contained in the Forest Practices Act apply to this Contract.

In addition to other protective measures required, PURCHASER shall discontinue all or part of its Operations under this Contract upon notice from STATE that Operations will cause excessive damage to the watershed.

Section 2416. Protection from Invasive Plants and Noxious Weeds. PURCHASER shall ensure all ground-based yarding, earth disturbing, road constructing, and road maintenance equipment moved onto state forest or between state forest sites is free of soil, seeds, vegetative matter, or other debris that could contain, or hold, seeds. PURCHASER shall employ cleaning methods necessary to ensure compliance with the terms of this section. PURCHASER shall notify STATE's Authorized Representative at least 24 hours prior to moving each piece of equipment onto state forest or between state forest sites unless otherwise agreed in writing. Notification shall include identification of the equipment's most recent operation.

> Upon request by STATE, arrangements shall be made for STATE inspection of each piece of equipment prior to entry upon state forest or movement between state forest sites.

This section does not apply to log trucks, service trucks, water trucks, pickup trucks, cars, and other passenger vehicles, used in the daily transport of personnel.

Section 2420. Protection of Utility Lines. In accordance with OAR 952-001-0020: "*ATTENTION: Oregon law requires you to follow rules adopted by the Oregon Utility Notification Center. Those rules are set forth in OAR 952-001-0010 through OAR 952-001-0090. You may obtain copies of the rules by calling the center." (Note: The telephone number for the Oregon Utility Notification Center is (503) 232-1987/1-800-332-2344.)*

Section 2430. Protection of Markings and Monuments. PURCHASER shall not remove, alter, damage, or destroy any signs, posters, markings, land survey markers and corners, witness trees, seed trees, or corner reference tags pertaining to the timber sale or land survey. Should such damage or disturbance occur, PURCHASER shall report it to STATE within 24 hours of the incident, and shall prevent any further damage or disturbance from occurring. PURCHASER shall, in a manner or method as directed by STATE, re-establish legal subdivision markers or monuments damaged by PURCHASER's activities. STATE may re-establish such markers or monuments and bill PURCHASER for the expense incurred.

In the event it is necessary to disturb any legal land survey corner in order to conduct any activity under this Contract, PURCHASER shall notify STATE. PURCHASER shall not disturb any corner until STATE has referenced or otherwise preserved the corner.

Section 2435. Protection of Cultural Resources. PURCHASER shall not remove any historic artifact, including old logging equipment or camp refuse, or other Cultural Resources from the Timber Sale Area(s). If any such items are discovered, PURCHASER shall notify the STATE's Authorized Representative.

Section 2440. Warning Signs. PURCHASER shall post and maintain signs adequately warning forest users of active felling, Yarding, and hauling Operations. PURCHASER shall post signs at locations designated by STATE and at other locations determined by PURCHASER.

Section 2460. Repair of Injury or Damage. Prior to the completion and as a condition of final acceptance by STATE of PURCHASER's Operations, PURCHASER shall repair or correct any injury or damage to the Areas of Operations or any part of the Timber Sale Area arising from PURCHASER's Operations, unless adjustment is made pursuant to Section 1550, "Adjustment of Contract."

PROTECTION FROM FIRE

Section 2510. Precautions Against Fire. PURCHASER acknowledges that their Operations under this Contract may cause extraordinary fire risk in the Areas of Operations. PURCHASER covenants and agrees that it will use the highest degree of care to prevent forest fires from starting on or from spreading to or from the Areas of Operations. PURCHASER shall require its employees and Contractors and the employees of such Contractors to employ a similar degree of care. STATE may, at any time during the term of the Contract, require PURCHASER to prepare and submit to STATE for approval a Fire Plan for the Areas of Operations. The plan shall set forth the resources and required actions to be taken by PURCHASER and Contractors of PURCHASER for the prevention and suppression of fire in the Areas of Operations. The plan must meet with the approval of STATE and STATE reserves the right to require revisions to the plan as STATE, in its sole discretion, may determine to be necessary.

Section 2520. Efforts on Fire. If a fire occurs in any part of the Areas of Operations, notwithstanding the origin, PURCHASER shall require its employees and Contractors and the employees of such Contractors to immediately proceed to extinguish the fire. PURCHASER acknowledges and agrees that the provisions of this section may impose obligations on PURCHASER that are separate from or in addition to any duty or responsibility required by law. However, in no event shall the requirements of this section be construed as relieving PURCHASER of the duty and responsibility under Oregon law to fight, control, and suppress fire on forestland.

Section 2530. Indemnification. In addition to the general indemnification contained in Section 1355, "General Indemnification," PURCHASER shall indemnify, defend and hold STATE harmless from any and all loss, costs, damage, and expense that STATE may incur as a result of any fire caused by the Operations of PURCHASER, employees and Contractors of PURCHASER, and employees of such Contractors.

Section 2540. Fire Equipment. During Fire Season, PURCHASER shall provide an engine with at least a 300-gallon capacity, 500 feet of fire hose, one gated wye valve, and two adjustable nozzles in constant readiness in the Timber Sale Area. The engine must be self-filling and be able to travel fully loaded, under its own power, on all truck roads providing access to or within the Timber Sale Area. Such equipment shall be credited toward the requirements of OAR 629-043-0020 for water supply, hose, and nozzle, subject to STATE approval. PURCHASER shall comply with all other Fire Season requirements as established by the ODF District in which the Timber Sale Area is located.

Section 2550. Fire Trails. PURCHASER shall construct fire trails in accordance with the following instructions and as directed by STATE. PURCHASER shall notify STATE at least 5 days before beginning any fire trail construction.

> PURCHASER shall construct fire trails around heavy accumulations of flammable debris in the immediate vicinity of each Landing as directed by STATE.

Section 2555. STATE to Assume Additional Fire Hazard Obligations. If, following completion of harvesting operations on any area of the timber sale, a determination is made under ORS 477.580, that an additional fire hazard has been created, then, upon completion of all provisions of this Contract, STATE shall assume all obligations for the disposal or reduction of any additional fire hazard determined to exist, and issue a release pursuant to ORS 477.580 (6) relieving PURCHASER of such obligations.

Section 2560. Slash Disposal. PURCHASER shall expend 20 hours of track-mounted excavator time on the Timber Sale Area(s) for the purpose of brush and Slash piling as directed by STATE. Slash piling shall commence within 14 days after completion of log Yarding on all Timber Sale Areas and continue until it is completed or until the maximum number of hours specified above are reached, unless otherwise directed in writing by STATE.

All Slash near openings and Landings shall be piled no closer than 25 feet to any Residual Trees.

All Slash piles shall have an 8-foot wide fire trail constructed around them.

$2,500 of the performance bond shall be held until it is determined by STATE that all Slash piles have burnt completely clean and no visible smoke or heat is evident.

If any Slash pile shows evidence of smoke or heat and needs to be mopped up, STATE shall notify PURCHASER. Unless otherwise directed by STATE, PURCHASER shall immediately proceed to control and mop up the Slash piles, and not leave the site unattended until completely extinguishing the Slash piles.

PART III: EXHIBITS

OREGON DEPARTMENT OF FORESTRY

TIMBER SALE OPERATIONS PLAN
(See Page 2 for instructions)

Date Received by STATE: _____

(1) Contract No.: 343-16-843

(2) Sale Name: Cannonball Chip Sale

(3) Contract Expiration Date: October 15, 2018

(4) Purchaser: _____

(5) State Brand Information (complete):

Project Completion Dates: _____

(6) Purchaser Representatives:

Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____

(7) State Representatives:

Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____

(8) Name of Subcontractors & Starting Dates:

Projects:	No(s) _____-_____	Date: _____	Phone: _____
	No(s) _____-_____	Date: _____	Phone: _____
	No(s) _____-_____	Date: _____	Phone: _____
	No(s) _____-_____	Date: _____	Phone: _____
Logging:	Felling _____	Date: _____	Phone: _____
Yarding:	_____	Date: _____	Phone: _____

(9) Comments: _____

(10) Operations Map: Attach a copy of timber sale Exhibit A or other suitable map which plainly shows the items listed on the instruction sheet.

EXHIBIT B

INSTRUCTION SHEET FOR OPERATIONS PLAN

SUBMIT ONE COPY OF PLAN TO STATE

Operations shall be limited to the work shown in the plan until a revised plan or supplemental plan is submitted covering additional work. Compliance with this plan is not in lieu of compliance with any federal requirements related to the federal Endangered Species Act. If STATE has prepared a required Forest Practices Act (FPA) "Written Plan" for operations, PURCHASER shall comply with all provisions of the Written Plan.

Explanation of Item No. (from Page 1)

(5) All sales require you to use a brand furnished by STATE. If the State brand has not been assigned when the plan is submitted, it will be furnished and assigned later. Complete drawing. If more than one brand is assigned to the sale, complete both drawings.

(6) The contract requires you to have a designated representative available on the sale area or work location who is authorized to receive in your behalf any notice or instruction given by STATE and to take action in regard to performance under the contract. If logging and project work is widely separated, a representative is required for each.

(7) The STATE representative will be designated when your plan is approved and is the person who will inspect and issue instructions regarding performance.

(8) Show names of subcontractors to be used for any or all phases of the operations. If subcontractors are not known, or are changed later, give notification to the STATE representative prior to commencement of work by subcontractor.

Show projected dates for commencement of both projects and logging. If projected dates need to be changed at a later date, notification must be given to the STATE representative by supplemental plan or otherwise, prior to commencement of such operations.

(10) The STATE representative will furnish extra copies of Exhibit A of the contract for your use in preparing the operations map. The map shall use the following legend and show:

1. Landing locations, approximate setting boundaries, and probable sequence of logging the settings. Number the settings in sequence.
2. Locations of spur roads planned for construction, other than those required by the timber sale contract. Provide spur road specifications.
3. Location of proposed tractor yarding roads. Show if and how marked on the ground.
4. Location of temporary stream crossings.
5. List the sequence of performing project work.
6. Location of rock sources - attach pit development plans.

(1)	Cable Landing, with numbers for sequence.
[A]	Tractor Landing with alphabetical sequence.
_ _ _ _ _	Approximate setting boundary.
- - - - - - - -	Spur truck roads.
~~	Tractor yarding roads.
X	Temporary stream crossings.

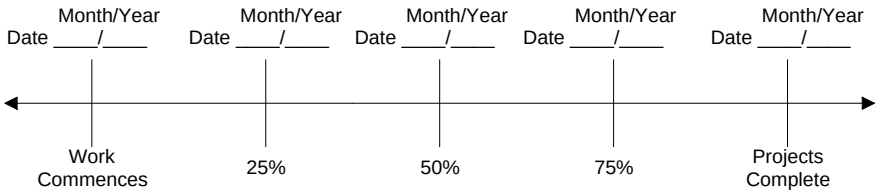
EXHIBIT B

OPERATIONS PLAN

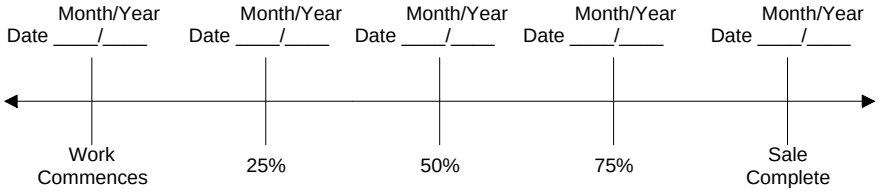
Completion Timeline

Indicate on the appropriate timeline below, the dates by which you plan to complete the work as required under this contract. The purpose of this section is to develop a plan that will ensure you complete the work as required, and meet the interim completion date(s) and contract expiration date. This plan is incorporated and made a part of the contract. When, in the opinion of STATE, operations are not commencing in a manner that meets the intent of this plan, you may be placed in violation of contract and your operations suspended until an amended plan is submitted and approved by STATE.

Projects



Harvest & Other Requirements



The Federal Endangered Species Act (ESA) prohibits a person from taking any federally listed threatened or endangered species. Taking under the federal ESA may include alteration of habitat. STATE's approval of this plan does not certify that PURCHASER's operation under the plan is lawful under the federal ESA. As provided in the timber sale contract, PURCHASERS must comply with all applicable state, federal, and local laws.

PURCHASER's compliance with this plan is not in lieu of compliance with any federal requirements related to the federal Endangered Species Act.

APPROVED: Date: _____

STATE OF OREGON - DEPARTMENT OF FORESTRY

_____

Title _____

SUBMITTED BY:
PURCHASER

_____

Title _____

Original: Salem
cc: District File
Purchaser

EXHIBIT C – SAWMILL GRADE AND PULP SORT

PROCESSING INSTRUCTIONS -- LOCATION APPROVAL -- BRAND INFORMATION

(1) ORIGINAL REGISTRATION ☒ Date _____
REVISION NUMBER _____ ☐ Date _____
CANCELLATION ☐ Date _____

(2) TO: _____
(Approved Pulp Processing Facility)

(3) FROM: Klamath Lake District - Gilchrist (11)
Phone: (541) 883-5681
(State Forestry District)
Address 3200 Delap Rd., Klamath Falls OR 97601

(4) PURCHASER: _____

(5) Scaling Bureau (TPSO) Processing Weight receipts:
_____
Mailing Address: _____
Phone Number: _____

(6) **STATE Definition of Approved Pulp Sort:**
- Top portion of the tree (tops).
- All logs with a diameter (Big End) greater than 8 inches marked with blue paint.

(7) PULP FACILITY PROCESSING INSTRUCTIONS:
- Pulp loads shall be weighed in lieu of scaling.
- One Ton = 2000 lbs (Short Ton).
- Pulp loads shall have a yellow Log Load Receipt attached.
- Gross weight and truck tare weight for each load shall be machine printed on the weight receipt.
- Weigher shall sign the weight receipt.
- Weigher shall record the Log Load Receipt number on the weight receipt.
- Weigher shall attach the Weight receipt to the Log Load Receipt and mail them weekly to the TPSO processing the Weight receipt.

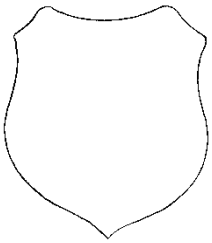
(8) TPSO PROCESSING INSTRUCTIONS
- Mail to ODF weekly.
- Convert to mbf using 10 tons per mbf.

(9) SALE NAME: Cannonball Chip Sale
COUNTY: Klamath

(10) STATE CONTRACT NUMBER: 343-16-843

(11) STATE BRAND REGISTRATION NUMBER _____

(12) STATE BRAND INFORMATION: (COMPLETE BELOW)



(13) REMARKS: _____
_____
_____
_____

Operator's Name (Optional inclusion by District):
_____

(14) SIGNATURES:

_____
Purchaser or Authorized Representative Date

_____
State Forester Representative Date

_____
State Forester Representative PRINT NAME

Notify the District within one hour when branding is inadequate for quick identification, the logs are marked with orange paint, the receipts are missing, not correctly or completely filled out, and/or logs do not meet the specifications of the STATE definition of Approved Pulp Sort.

Distribution: ORIGINAL: Salem / COPIES: TPSO, Approved Pulp Processing Location, Purchaser, District, Mgmt. Unit

EXHIBIT C – SAWMILL GRADE AND PULP SORT

INSTRUCTIONS FOR FORM 343-307b (rev. 11/11)

(1) **Must Complete.** Check appropriate box. REVISION NUMBER requires comments in the Remarks Section (13). CANCELLATION requires logging and hauling to be complete, recall branding hammers, date and sign where indicated, write diagonally across page "CANCEL", and send to TPSO.

(2) **Must Complete**. Approved Pulp Processing Facility. Write in as written in the Approved Log Delivery Location http://www.odf.state.or.us/DIVISIONS/management/asset_management/ScalingLocation.asp

(3) **Must Complete.** State Forestry District and District Phone Number.

(4) **Must Complete**. Purchaser's business name as it appears on the Contract.

(5) **Must Complete.** Third Party Scaling Organization that will be processing the weight tickets, mailing address, and phone number.

Columbia River Log Scaling & Grading Bureau
P.O. Box 7002, Eugene, OR 97401
Phone: (541) 342-6007 Fax: (541) 342-2631
Email: services@crls.com

Pacific Rim Log Scaling Bureau, Inc.
8288 28th Court North East, Lacey, WA 98516
Phone: (360) 528-8710 Fax: (360) 528-8718
Email: office@prlsb.com

Mountain Western Log Scaling & Grading Bureau
P.O. Box 580, Roseburg, OR 97470
Phone: (541) 673-5571 Fax: (541) 672-6381
Email: info@mwlsgb.com

Yamhill Log Scaling & Grading Bureau
P.O. Box 709, Forest Grove, OR 97116
Phone: (503) 359-4474 Fax: (503) 359-4476
Email: yamhill@attglobal.net

Northwest Log Scalers, Inc .
5526 NE 122nd Ave, Portland, OR 97230
Phone: (503) 254-0600 Fax: (503) 408-0919
Email: info@nwlogscalers.com

Pacific Log Scaling & Grading Bureau, Inc.
P.O. Box 23939, Portland, OR 97281
Phone: (503) 684-5599 Fax: (503) 639-4880
Email: PacLogScale@aol.com

(6) **Must Complete.** Big end log not to exceed_____ inches. Big end of log is not to exceed 2 inches greater than the minimum removal specifications in the contract. Example: Minimum removal specifications 6 inches and 20 board feet, then the Big end of log not to exceed 8 inches. When conifer and hardwood removal specifications are different, use the smaller removal diameter to determine this specification.

(9) **Must Complete**. Enter sale name and county. If more than one county write in all the counties that the sale is located in.

(10) **Must Complete**. Enter sale Contract number.

(11) **Must Complete**. Enter Oregon's State Brand Registry Number **(REQUIRED)**.

(12) **Must Complete**. Show brand assigned to timber sale. One brand only. If more than one brand is assigned to the sale: (1) make a separate form for each brand and (2) on each form, explain and show other brand(s) in the Remarks section Item (13).

(13) Use this section to list any special instructions or the reason for any revisions in section item (1).

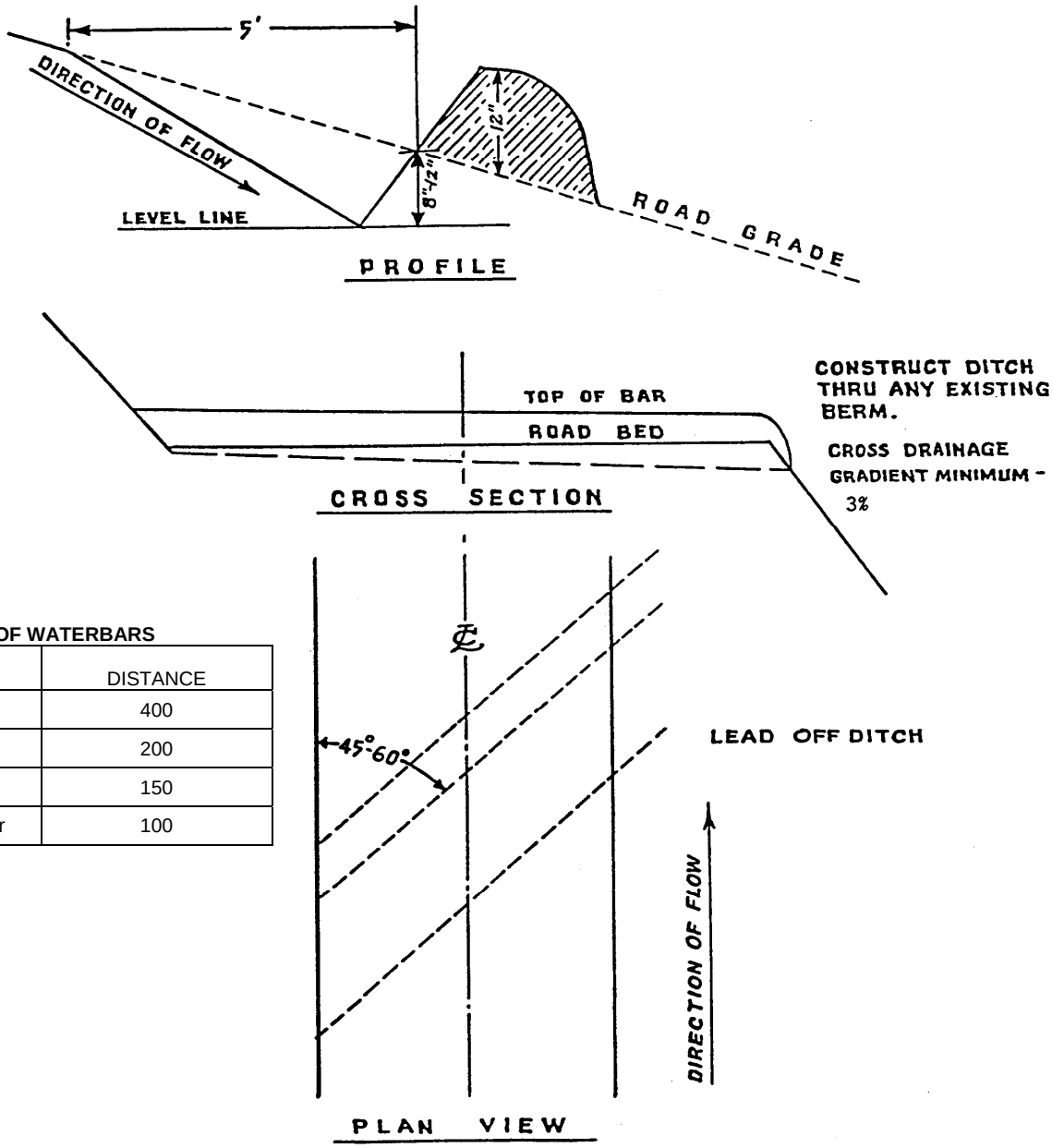
(14) **Must Complete.** Purchaser required to sign and date completed form in addition to State Forester Representative, sign and print name on the form.

Salem Distribution Instructions: Original will be mailed to Salem after it is electronically scanned and placed in the Salem transfer drive \\WPODFFILL01\Transfer\ScalingInstructions or e-mailed directly to scaling@odf.state.or.us . Scaling instructions for each brand should be scanned separately, for each approved TPSO.

State Timber Sale Contract
No. 343-16-843
Cannonball Chip Sale

EXHIBIT D

WATERBAR SPECIFICATIONS



SPACING OF WATERBARS

ROAD GRADE	DISTANCE
≤ 5%	400
6-10%	200
11-15%	150
16-20% or greater	100

WATERBAR SPECIFICATIONS
FOR CROSS DITCHING #298

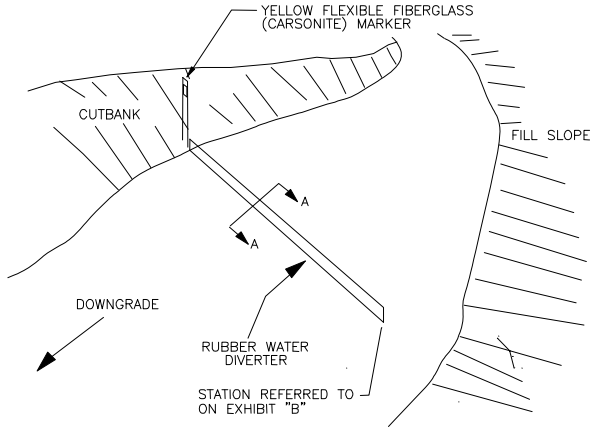
State Timber Sale Contract
No. 343-16-843
Cannonball Chip Sale

EXHIBIT E

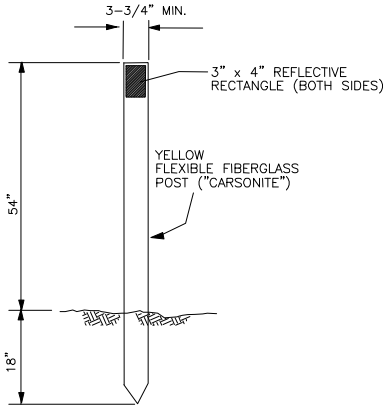
RUBBER WATER DIVERTER

GENERAL NOTES

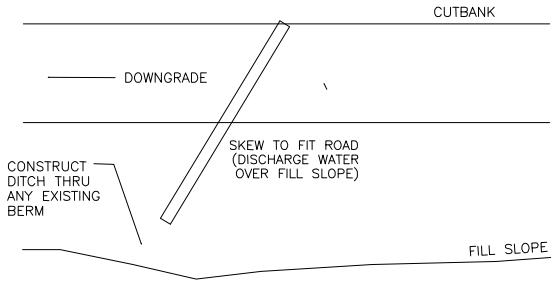
1. CONVEYOR BELTING: 3 OR 5 PLY, 600 Lb. TENSILE STRENGTH PER INCH OF WIDTH, NYLON FABRIC, 3/8" x 1/8" COVERING, 26" x 16'.
2. TIMBER: (4" x 8") nom. x 16'
   TIMBER SHALL BE PRESSURE TREATED (GROUND CONTACT TYPE). 4" SIDE OF TIMBER SHALL BE INSTALLED VERTICALLY AS ILLUSTRATED IN SECTION A–A.
3. GALVANIZED LAG SCREWS: 3/8" x 3" (8 EACH) WITH 3/8" GALVANIZED WASHERS (23" SPACING FOR SCREWS).
4. MARKER: 72" LONG CARSONITE MODEL CRM–375 WITH 3" x 4" REFLECTOR ON EACH SIDE OR APPROVED EQUIVALENT.
5. BACKFILL MATERIAL SHALL BE PLACED IN 4" COMPACTED LIFTS, DENSITY SHALL EXCEED THE DENSITY OF THE SURROUNDING ROAD SURFACE MATERIAL.



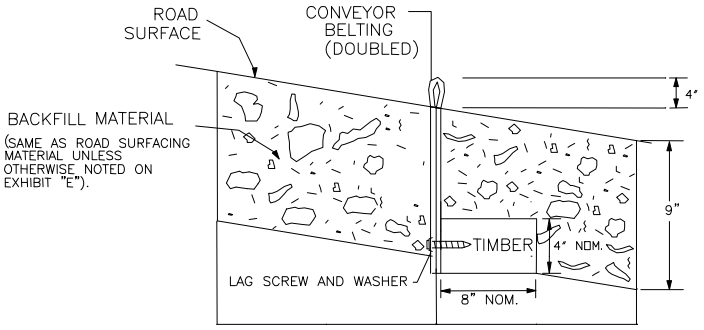
INSTALLATION DETAIL



MARKER



SKEW DIAGRAM (PLAN VIEW)



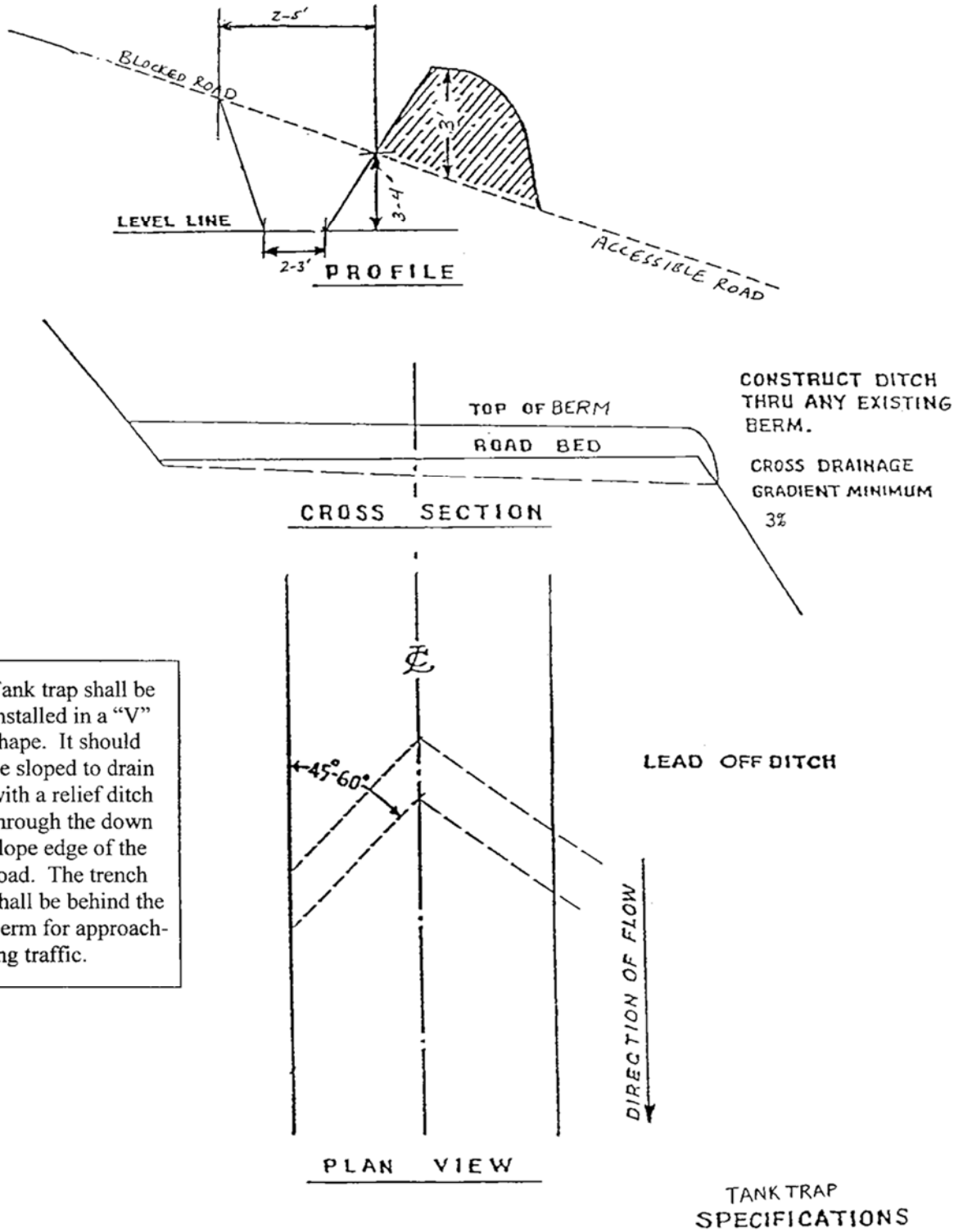
SECTION A–A

*DRAWINGS NOT TO SCALE

State Timber Sale Contract
No. 343-16-843
Cannonball Chip Sale

EXHIBIT F

TANK TRAP SPECIFICATIONS



Tank trap shall be installed in a "V" shape. It should be sloped to drain with a relief ditch through the down slope edge of the road. The trench shall be behind the berm for approaching traffic.

TANK TRAP
SPECIFICATIONS

State Timber Sale Contract
No. 343-16-843
Cannonball Chip Sale

EXHIBIT G

ROAD DIP CONSTRUCTION SPECIFICATIONS

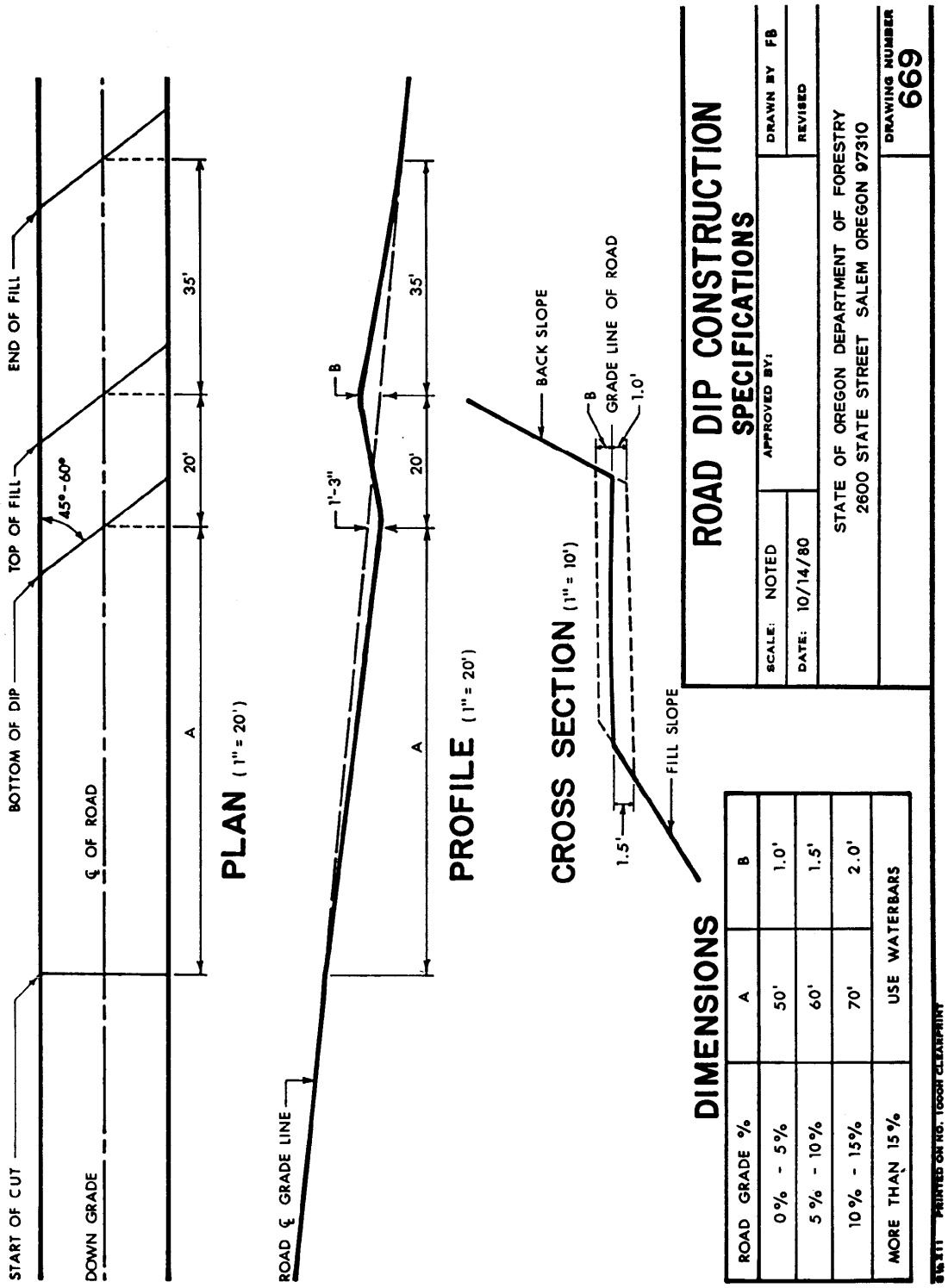
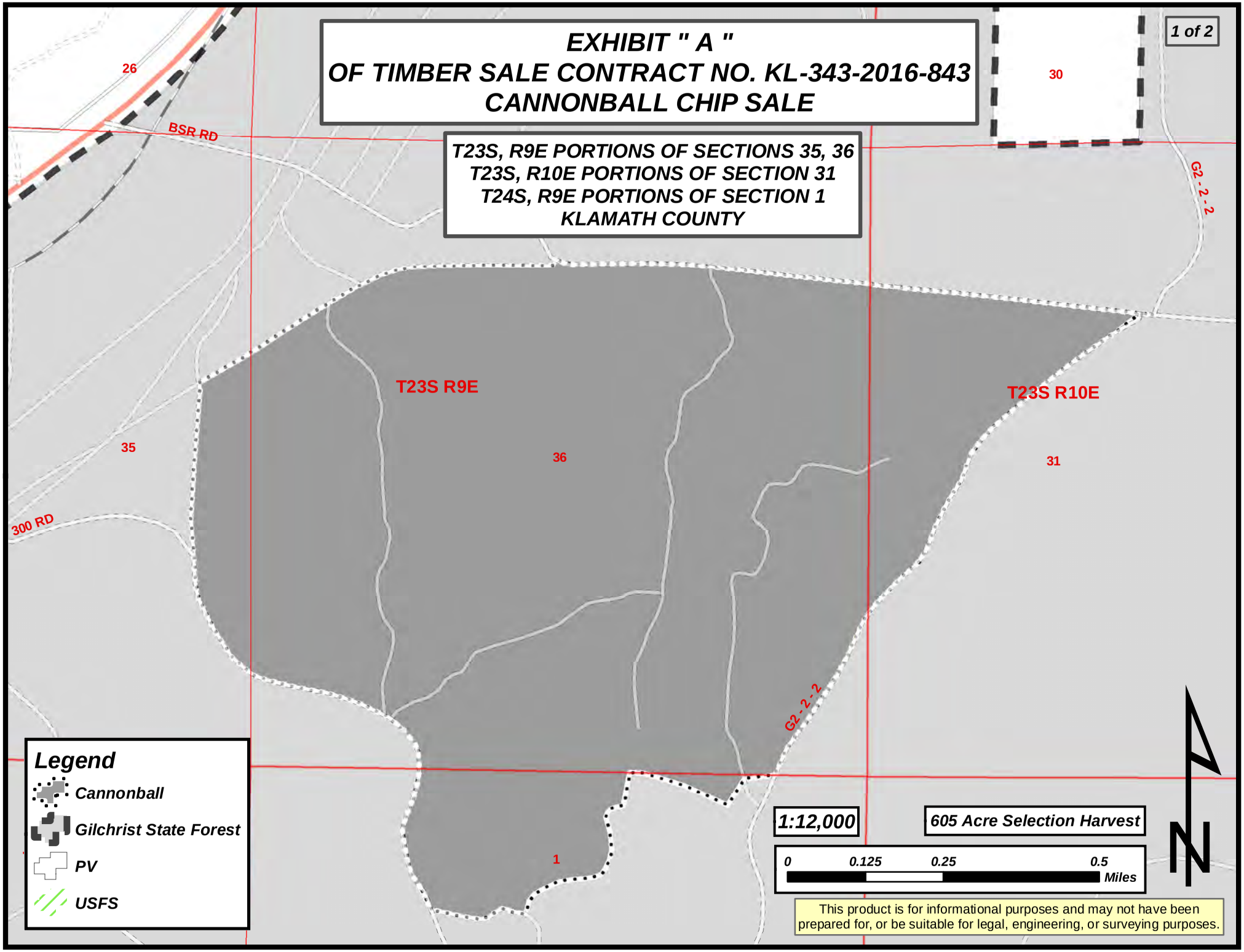


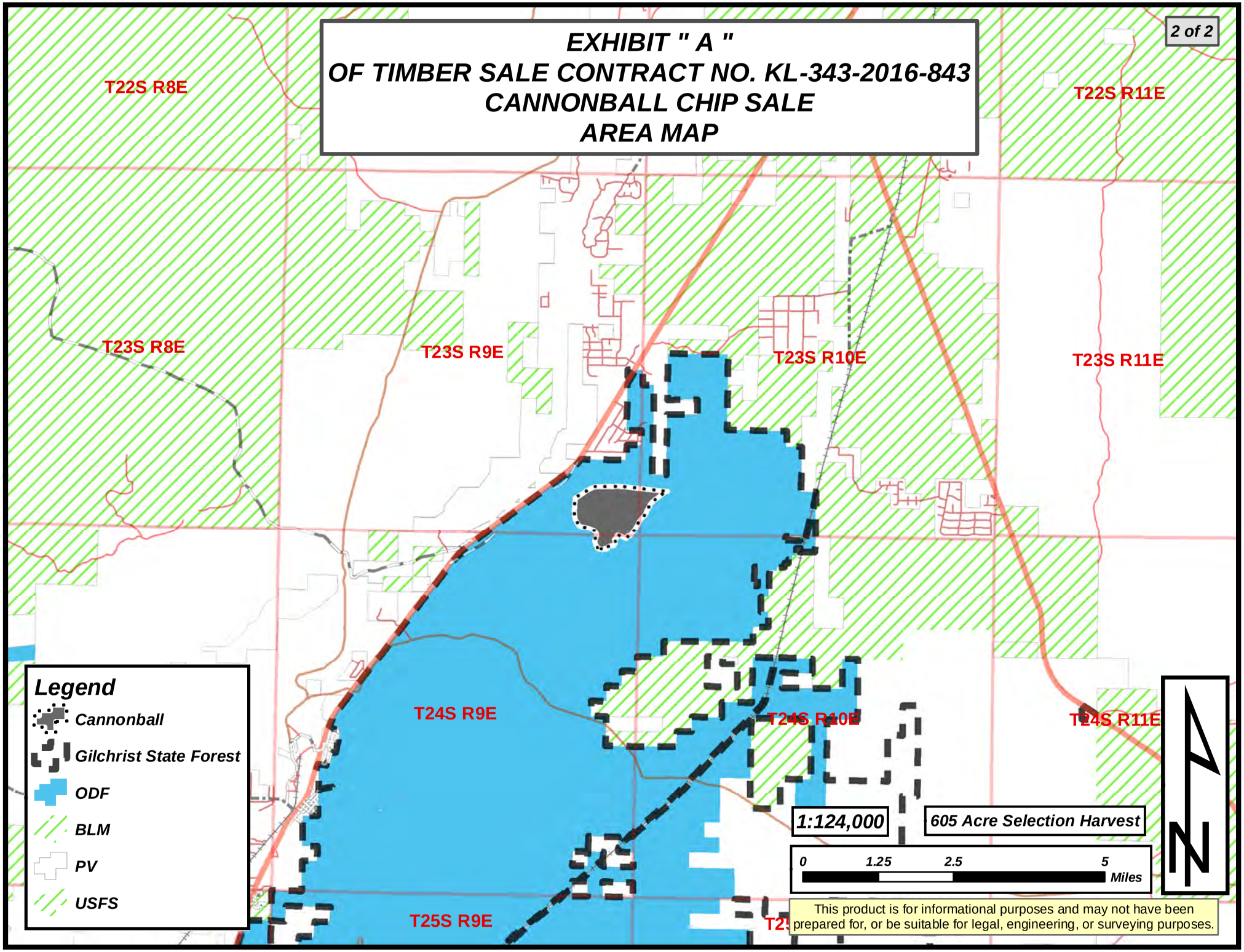
EXHIBIT " A "
OF TIMBER SALE CONTRACT NO. KL-343-2016-843
CANNONBALL CHIP SALE

T23S, R9E PORTIONS OF SECTIONS 35, 36
T23S, R10E PORTIONS OF SECTION 31
T24S, R9E PORTIONS OF SECTION 1
KLAMATH COUNTY



This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes.

EXHIBIT " A "
OF TIMBER SALE CONTRACT NO. KL-343-2016-843
CANNONBALL CHIP SALE
AREA MAP



This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes.

PART III: EXHIBITS

OREGON DEPARTMENT OF FORESTRY

TIMBER SALE OPERATIONS PLAN
(See Page 2 for instructions)

Date Received by STATE: _____

(1) Contract No.: 343-16-843

(2) Sale Name: Cannonball Chip Sale

(3) Contract Expiration Date: October 15, 2018

(4) Purchaser: _____

(5) State Brand Information (complete):

Project Completion Dates: _____

(6) Purchaser Representatives:

Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____

(7) State Representatives:

Projects: _____	Phone: _____	Cell/Other Phone: _____	Home: _____
Logging: _____	Phone: _____	Cell/Other Phone: _____	Home: _____

(8) Name of Subcontractors & Starting Dates:

Projects:	No(s) _____-_____	Date: _____	Phone: _____
	No(s) _____-_____	Date: _____	Phone: _____
	No(s) _____-_____	Date: _____	Phone: _____
	No(s) _____-_____	Date: _____	Phone: _____
Logging:	Felling _____	Date: _____	Phone: _____
Yarding:	_____	Date: _____	Phone: _____

(9) Comments: _____

(10) Operations Map: Attach a copy of timber sale Exhibit A or other suitable map which plainly shows the items listed on the instruction sheet.

EXHIBIT B

INSTRUCTION SHEET FOR OPERATIONS PLAN

SUBMIT ONE COPY OF PLAN TO STATE

Operations shall be limited to the work shown in the plan until a revised plan or supplemental plan is submitted covering additional work. Compliance with this plan is not in lieu of compliance with any federal requirements related to the federal Endangered Species Act. If STATE has prepared a required Forest Practices Act (FPA) "Written Plan" for operations, PURCHASER shall comply with all provisions of the Written Plan.

Explanation of Item No. (from Page 1)

(5) All sales require you to use a brand furnished by STATE. If the State brand has not been assigned when the plan is submitted, it will be furnished and assigned later. Complete drawing. If more than one brand is assigned to the sale, complete both drawings.

(6) The contract requires you to have a designated representative available on the sale area or work location who is authorized to receive in your behalf any notice or instruction given by STATE and to take action in regard to performance under the contract. If logging and project work is widely separated, a representative is required for each.

(7) The STATE representative will be designated when your plan is approved and is the person who will inspect and issue instructions regarding performance.

(8) Show names of subcontractors to be used for any or all phases of the operations. If subcontractors are not known, or are changed later, give notification to the STATE representative prior to commencement of work by subcontractor.

Show projected dates for commencement of both projects and logging. If projected dates need to be changed at a later date, notification must be given to the STATE representative by supplemental plan or otherwise, prior to commencement of such operations.

(10) The STATE representative will furnish extra copies of Exhibit A of the contract for your use in preparing the operations map. The map shall use the following legend and show:

1. Landing locations, approximate setting boundaries, and probable sequence of logging the settings. Number the settings in sequence.
2. Locations of spur roads planned for construction, other than those required by the timber sale contract. Provide spur road specifications.
3. Location of proposed tractor yarding roads. Show if and how marked on the ground.
4. Location of temporary stream crossings.
5. List the sequence of performing project work.
6. Location of rock sources - attach pit development plans.

(1)	Cable Landing, with numbers for sequence.
[A]	Tractor Landing with alphabetical sequence.
_ _ _ _ _	Approximate setting boundary.
- - - - - - - -	Spur truck roads.
~~	Tractor yarding roads.
X	Temporary stream crossings.

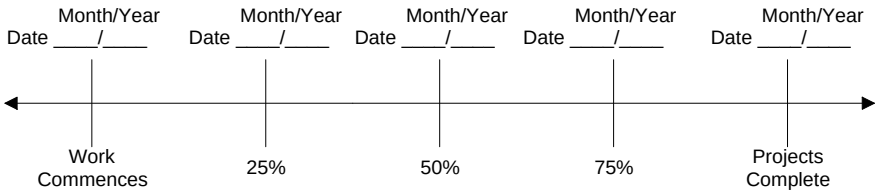
EXHIBIT B

OPERATIONS PLAN

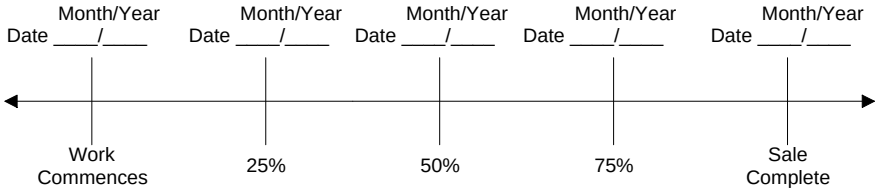
Completion Timeline

Indicate on the appropriate timeline below, the dates by which you plan to complete the work as required under this contract. The purpose of this section is to develop a plan that will ensure you complete the work as required, and meet the interim completion date(s) and contract expiration date. This plan is incorporated and made a part of the contract. When, in the opinion of STATE, operations are not commencing in a manner that meets the intent of this plan, you may be placed in violation of contract and your operations suspended until an amended plan is submitted and approved by STATE.

Projects



Harvest & Other Requirements



The Federal Endangered Species Act (ESA) prohibits a person from taking any federally listed threatened or endangered species. Taking under the federal ESA may include alteration of habitat. STATE's approval of this plan does not certify that PURCHASER's operation under the plan is lawful under the federal ESA. As provided in the timber sale contract, PURCHASERS must comply with all applicable state, federal, and local laws.

PURCHASER's compliance with this plan is not in lieu of compliance with any federal requirements related to the federal Endangered Species Act.

APPROVED: Date: _____

STATE OF OREGON - DEPARTMENT OF FORESTRY

_____

Title _____

SUBMITTED BY:
PURCHASER

_____

Title _____

Original: Salem
cc: District File
Purchaser

EXHIBIT C – SAWMILL GRADE AND PULP SORT

PROCESSING INSTRUCTIONS -- LOCATION APPROVAL -- BRAND INFORMATION

(1) ORIGINAL REGISTRATION ☒ Date _____
REVISION NUMBER _____ ☐ Date _____
CANCELLATION ☐ Date _____

(2) TO: _____
(Approved Pulp Processing Facility)

(3) FROM: Klamath Lake District - Gilchrist (11)
Phone: (541) 883-5681
(State Forestry District)
Address 3200 Delap Rd., Klamath Falls OR 97601

(4) PURCHASER: _____

(5) Scaling Bureau (TPSO) Processing Weight receipts:
_____
Mailing Address: _____
Phone Number: _____

(6) **STATE Definition of Approved Pulp Sort:**
- Top portion of the tree (tops).
- All logs with a diameter (Big End) greater than 8 inches marked with blue paint.

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- Pulp loads shall be weighed in lieu of scaling.
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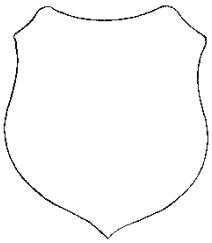
(8) TPSO PROCESSING INSTRUCTIONS
- Mail to ODF weekly.
- Convert to mbf using 10 tons per mbf.

(9) SALE NAME: Cannonball Chip Sale
COUNTY: Klamath

(10) STATE CONTRACT NUMBER: 343-16-843

(11) STATE BRAND REGISTRATION NUMBER _____

(12) STATE BRAND INFORMATION: (COMPLETE BELOW)



(13) REMARKS: _____
_____
_____
_____

Operator's Name (Optional inclusion by District):
_____

(14) SIGNATURES:

_____
Purchaser or Authorized Representative Date

_____
State Forester Representative Date

_____
State Forester Representative PRINT NAME

Notify the District within one hour when branding is inadequate for quick identification, the logs are marked with orange paint, the receipts are missing, not correctly or completely filled out, and/or logs do not meet the specifications of the STATE definition of Approved Pulp Sort.

Distribution: ORIGINAL: Salem / COPIES: TPSO, Approved Pulp Processing Location, Purchaser, District, Mgmt. Unit

EXHIBIT C – SAWMILL GRADE AND PULP SORT

INSTRUCTIONS FOR FORM 343-307b (rev. 11/11)

(1) **Must Complete.** Check appropriate box. REVISION NUMBER requires comments in the Remarks Section (13). CANCELLATION requires logging and hauling to be complete, recall branding hammers, date and sign where indicated, write diagonally across page "CANCEL", and send to TPSO.

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Email: services@crls.com

Pacific Rim Log Scaling Bureau, Inc.
8288 28th Court North East, Lacey, WA 98516
Phone: (360) 528-8710 Fax: (360) 528-8718
Email: office@prlsb.com

Mountain Western Log Scaling & Grading Bureau
P.O. Box 580, Roseburg, OR 97470
Phone: (541) 673-5571 Fax: (541) 672-6381
Email: info@mwlsgb.com

Yamhill Log Scaling & Grading Bureau
P.O. Box 709, Forest Grove, OR 97116
Phone: (503) 359-4474 Fax: (503) 359-4476
Email: yamhill@attglobal.net

Northwest Log Scalers, Inc .
5526 NE 122nd Ave, Portland, OR 97230
Phone: (503) 254-0600 Fax: (503) 408-0919
Email: info@nwlogscalers.com

Pacific Log Scaling & Grading Bureau, Inc.
P.O. Box 23939, Portland, OR 97281
Phone: (503) 684-5599 Fax: (503) 639-4880
Email: PacLogScale@aol.com

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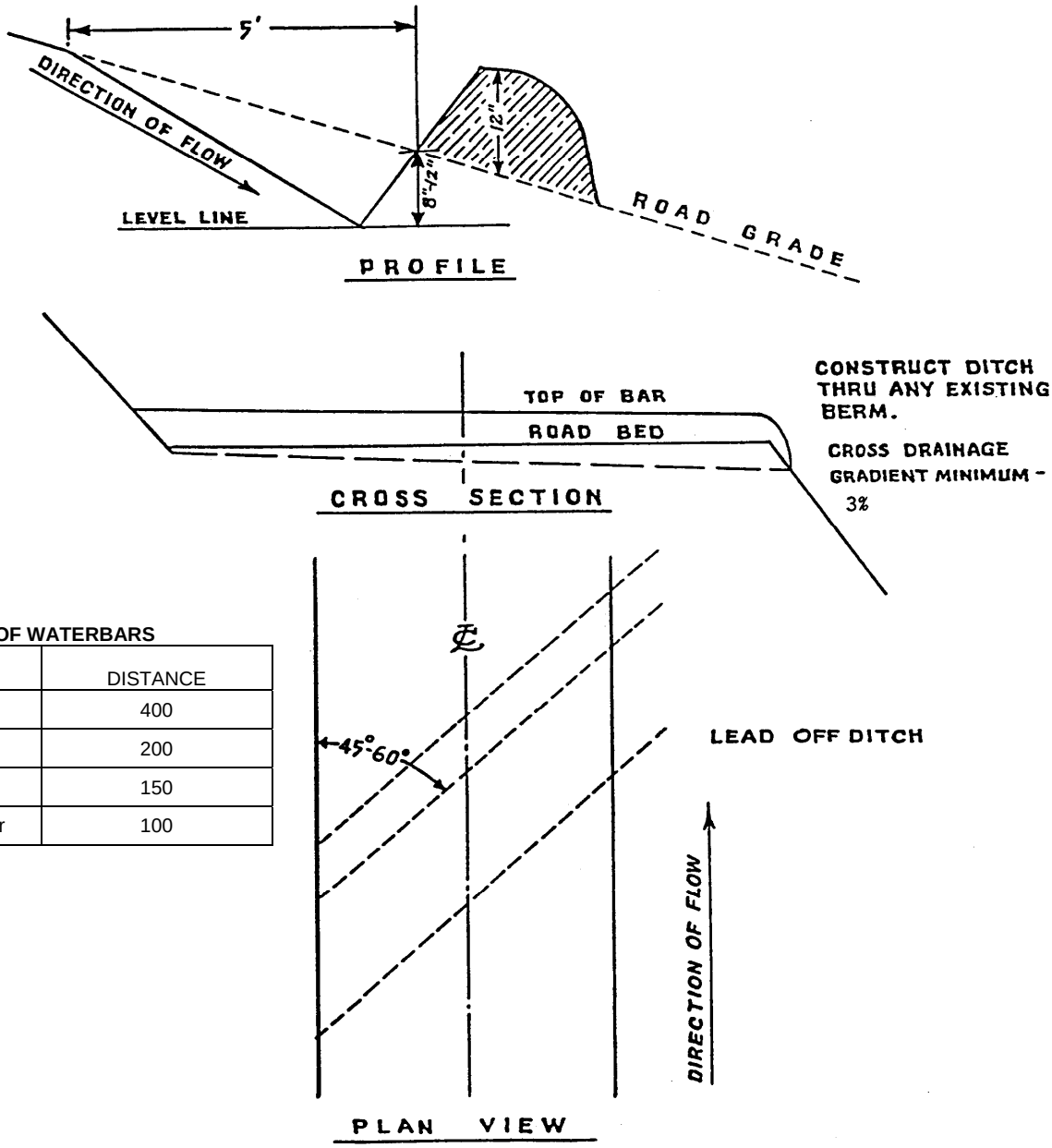
State Timber Sale Contract
No. 343-16-843
Cannonball Chip Sale

EXHIBIT D

WATERBAR SPECIFICATIONS



SPACING OF WATERBARS

ROAD GRADE	DISTANCE
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6-10%	200
11-15%	150
16-20% or greater	100

WATERBAR SPECIFICATIONS
FOR CROSS DITCHING #298

State Timber Sale Contract
No. 343-16-843
Cannonball Chip Sale

EXHIBIT E

RUBBER WATER DIVERTER

GENERAL NOTES

1. CONVEYOR BELTING: 3 OR 5 PLY, 600 Lb. TENSILE STRENGTH PER INCH OF WIDTH, NYLON FABRIC, 3/8" x 1/8" COVERING, 26" x 16'.
2. TIMBER: (4" x 8") nom. x 16'
   TIMBER SHALL BE PRESSURE TREATED (GROUND CONTACT TYPE). 4" SIDE OF TIMBER SHALL BE INSTALLED VERTICALLY AS ILLUSTRATED IN SECTION A–A.
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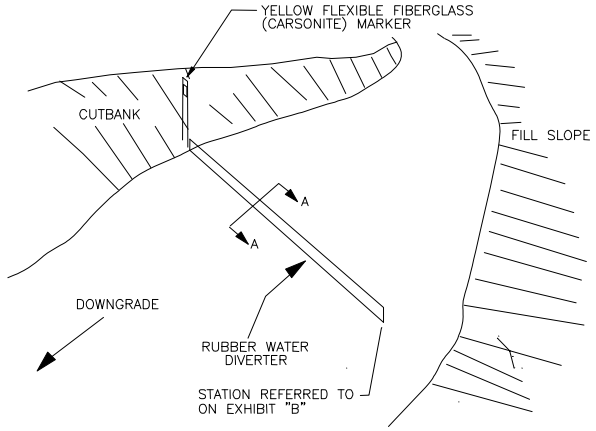
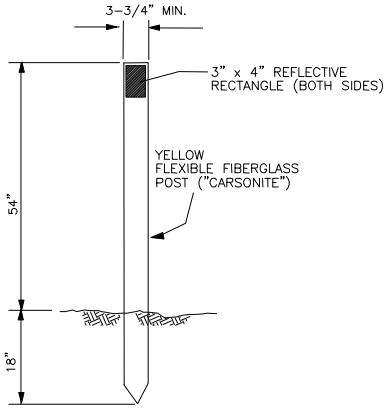
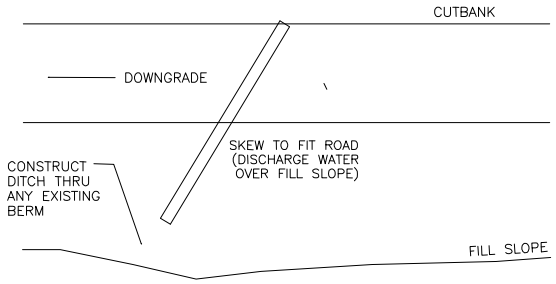
4. MARKER: 72" LONG CARSONITE MODEL CRM–375 WITH 3" x 4" REFLECTOR ON EACH SIDE OR APPROVED EQUIVALENT.
5. BACKFILL MATERIAL SHALL BE PLACED IN 4" COMPACTED LIFTS, DENSITY SHALL EXCEED THE DENSITY OF THE SURROUNDING ROAD SURFACE MATERIAL.



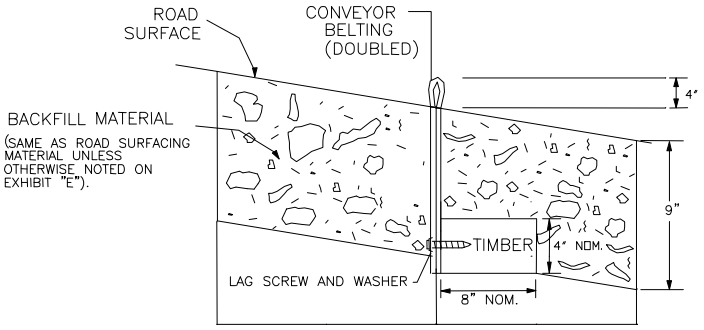
INSTALLATION DETAIL



MARKER



SKEW DIAGRAM (PLAN VIEW)



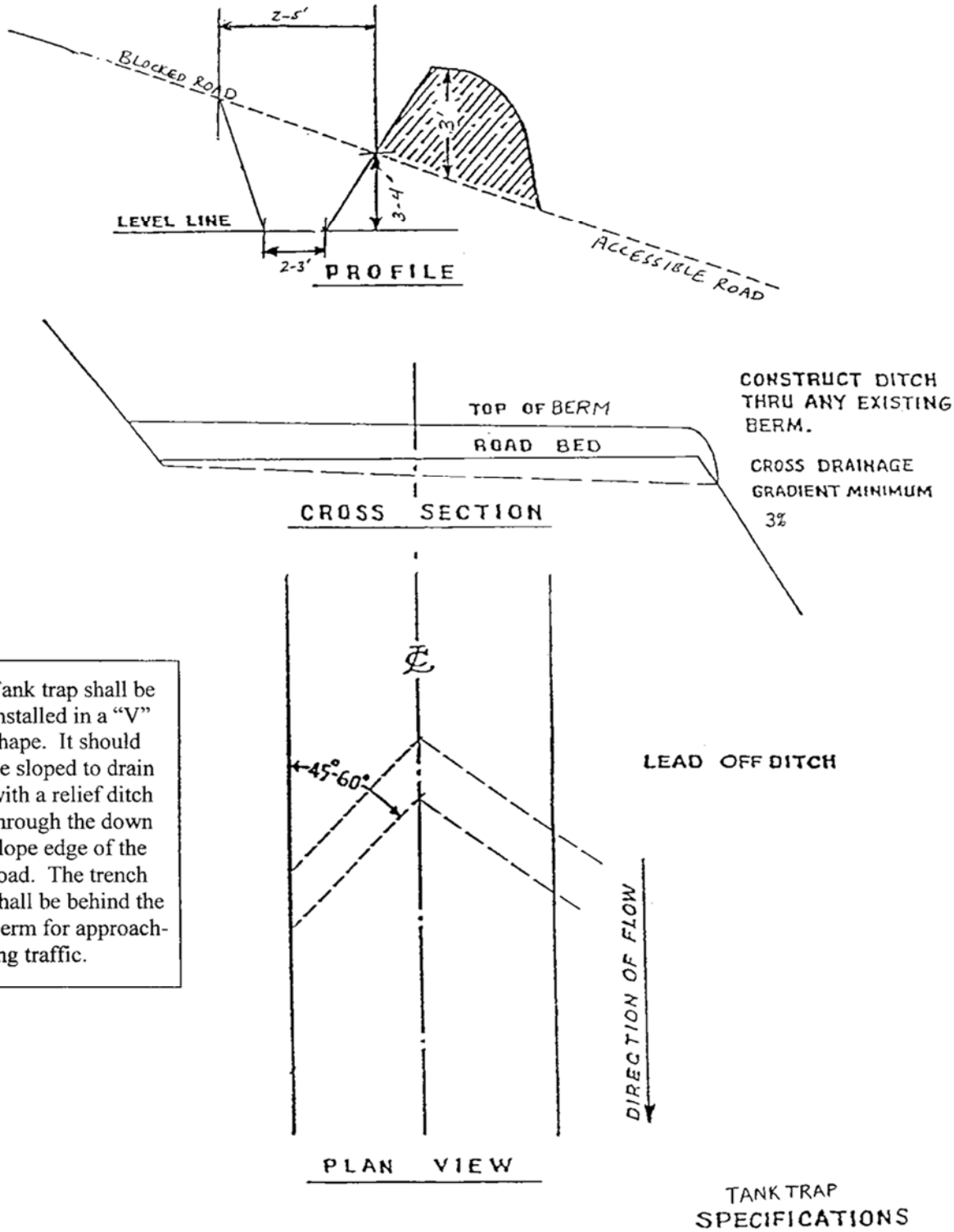
SECTION A–A

*DRAWINGS NOT TO SCALE

State Timber Sale Contract
No. 343-16-843
Cannonball Chip Sale

EXHIBIT F

TANK TRAP SPECIFICATIONS



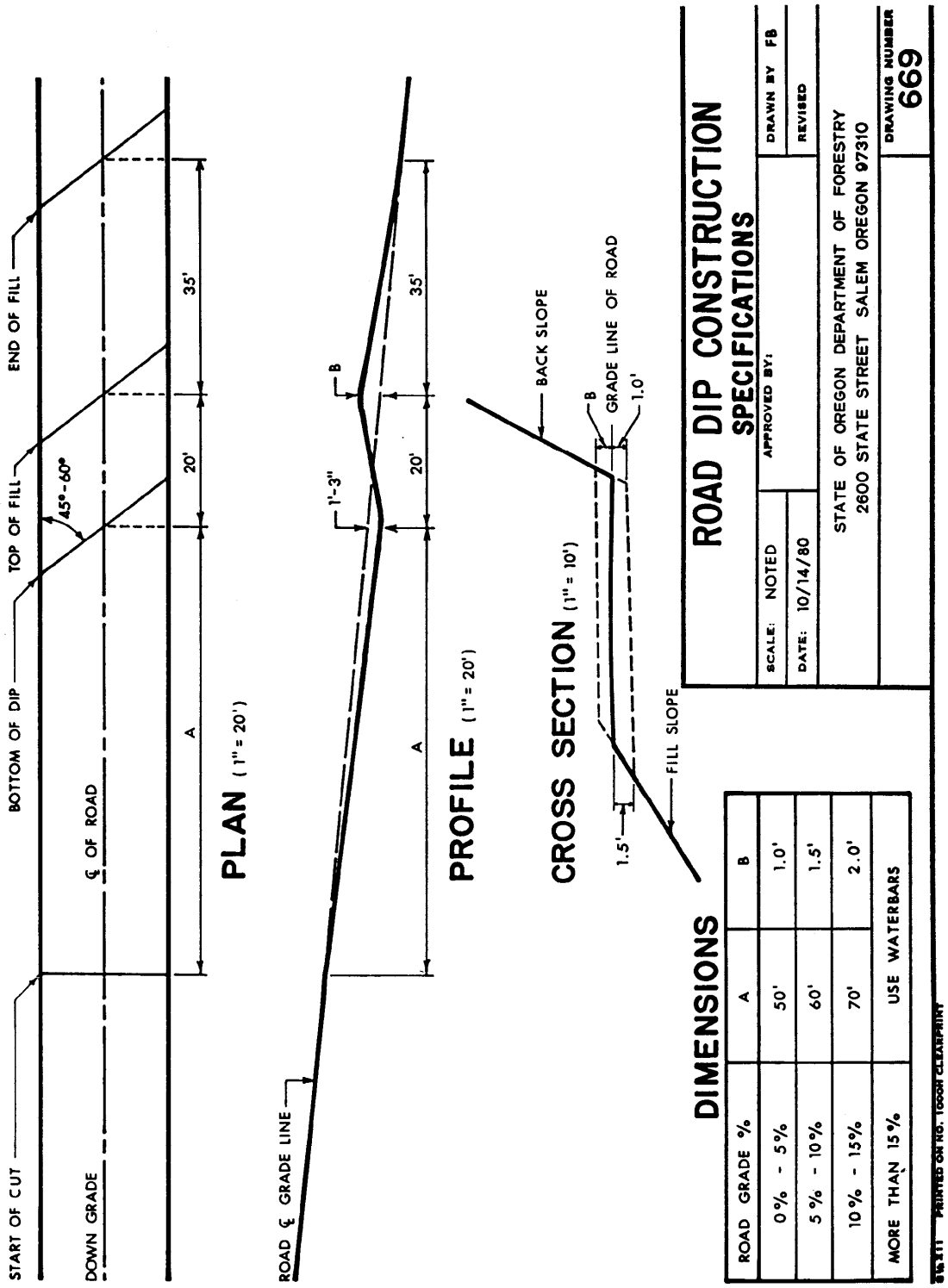
Tank trap shall be installed in a "V" shape. It should be sloped to drain with a relief ditch through the down slope edge of the road. The trench shall be behind the berm for approaching traffic.

TANK TRAP
SPECIFICATIONS

State Timber Sale Contract
No. 343-16-843
Cannonball Chip Sale

EXHIBIT G

ROAD DIP CONSTRUCTION SPECIFICATIONS



Cannonball Chip Sale

Appraisal (Chip)

KL-343-2016-843

Location	Gilchrist State Forest
T23S R9E	portions of sections 35, 36
T23S R10E	portions of section 31
T24S R9E	portions of section 1
	Willamette Meridian, Klamath County, Oregon

Volume Harvestable

Total Acres		605	Ac		
No Harvest Zones	0%	0	Ac		
Total Harvest Area	.	605	Ac		
Optional Entry Area	15%	91	Ac	5	green tons / acre harvestable
General Harvest Area		514	Ac	10	green tons / acre harvestable

Value

5,596.25	total green tons
$3.00	min bid price
$16,783.09	Approximate Value

The Volume harvestable refers to all material to be felled. PURCHASER may sort the felled product into Sawlog and Chip material. The price shall be the same for all material harvested. Refer to Exhibit C for details (Sawmill and Pulp). Refer to section 1740 in the contract for log prices.

STATE makes no guarantee as to the accuracy or amount harvestable for the terms of this contract.

Variables

Harvest Yields

605	Acres harvestable
15%	% optional entry area
514	GHA acres (general harvest area)
10	GHA green tons / acre
5142.5	GHA total green tons
90.8	*OEA acres (optional entry area)*
5	*OEA green tons / acre*
453.8	*OEA total green tons*
5596.3	total green tons
170	total loads
0.28	Loads per acre

Assumptions

33.0	green tons / load
35.0%	moisture
21.5	bdt / load

Costs

Trucking Costs

$750.00	haul cost / load
$22.73	haul cost / green ton

Processing Costs

$120.00	Chipper / hour
$120.00	Skid / hour
1.20	hours / load
$288.00	cost / load
$8.73	cost / green Ton

Total Costs per Green Ton

$30.27	Cutting
$8.73	Processing
$22.73	Trucking
$0.89	Obligations
$62.62	Total

Profit / Risk per Green Ton

15%	Profit / Risk
$9.39	Profit & Risk / green ton

Cutting Costs

$140.00	Buncher Cost per hour	
5596.25	Total Green Tons	
9.25	Green Tons / acre	
0.28	Loads / acre	
5.00	acre cut / day	(assume 10 hr day)
$280.00	cost / acre	
$998.92	cost / load	
$30.27	Cost / green ton	

Contract Obligations

$2,500.00	*Road Maintainence (sections 2130 and 2360)
$2,500.00	*Pile Construction (sections 2550 and 2560)
$5,000.00	total
$0.89	cost / green ton

*Contract obligation costs are approximate. The actual cost will depend on operation conditions AND operative damages as determined by STATE.

Payment

Payment

$115.40	payment per / ton
35.0%	moisture
$75.01	payment / green ton
$2,475.33	payment / load

Pricing

$75.01	***payment / green ton***
$62.62	***costs / green ton***
$9.39	***Profit & Risk / green ton***
$3.00	***minimum bid***