

PART III: EXHIBITS

State Timber Sale Contract
No. 343-13-848
Driftwood Chip Sale

EXHIBIT B

Page 1 of 3
629-Form 341-203
Revised 06/97

OREGON DEPARTMENT OF FORESTRY

TIMBER SALE OPERATIONS PLAN

(See Page 2 for instructions)

Date Received by STATE: _____

(5) State Brand Information (complete):



(1) Contract No.: 343-13-848

(2) Sale Name: Driftwood

(3) Contract Expiration Date: October 15, 2015

Project Completion Dates: _____

(4) Purchaser: _____

(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.



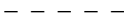



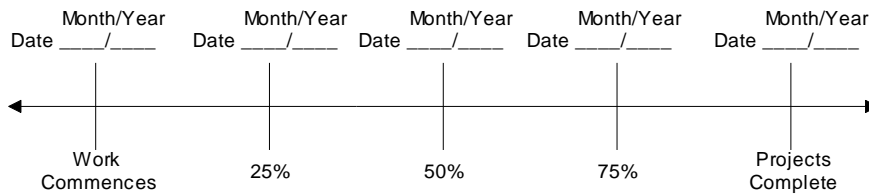
- | | |
|---|---|
|  | Cable Landing, with numbers for sequence. |
|  | Tractor Landing with alphabetical sequence. |
|  | Approximate setting boundary. |
|  | Spur truck roads. |
|  | Tractor yarding roads. |
|  | Temporary stream crossings. |

EXHIBIT B
OPERATIONS PLAN

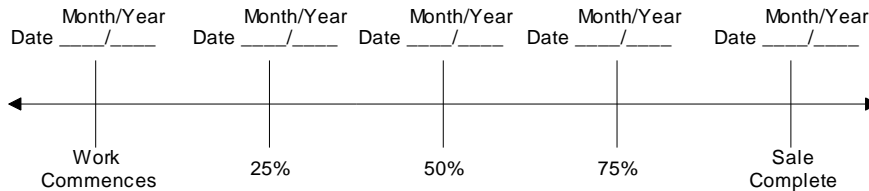
Completion Timeline

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: _____

SUBMITTED BY:
PURCHASER

STATE OF OREGON - DEPARTMENT OF FORESTRY

Title _____

Title _____

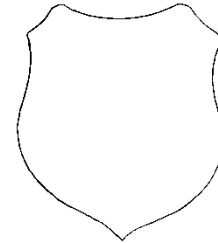
Original: Salem
cc: District File
Purchaser

EXHIBIT C – SAWMILL GRADE (EASTSIDE SCALE)

SCALING INSTRUCTIONS -- LOCATION APPROVAL -- BRAND INFORMATION

- (1) ORIGINAL REGISTRATION Date _____
 REVISION NUMBER _____ Date _____
 CANCELLATION Date _____
- (2) TO: _____
 (Third Party Scaling Organization)
- (3) FROM: Klamath Falls (11) Phone 541-883-5681
 (State Forestry District)
 Address 3200 Delap Road, Klamath Falls, OR 97601
- (4) PURCHASER: _____
 Mailing Address: _____
 Phone Number: _____

- (9) SALE NAME: Driftwood Chip Sale
 COUNTY: Klamath
- (10) STATE CONTRACT NUMBER: 343-13-848
- (11) STATE BRAND REGISTRATION NUMBER: _____
- (12) STATE BRAND INFORMATION (COMPLETE):



(5) MINIMUM SCALING SPECIFICATIONS		
SPECIES	SCALING DIAMETER INCHES	MINIMUM NET VOLUME
Conifers		10

* Apply minimum volume test to whole logs over 20' Eastside.

- (6) EASTSIDE SCALE: YES NO
 Use Region 6 actual taper rule. Logs over 40'.
- (7) Weight Scale Sample

- (13) PAINT REQUIRED: YES
 COLOR: Orange

(14) SPECIAL REQUESTS (Check applicable)	
PEELABLE CULL (all species)	<input type="checkbox"/>
NO DEDUCTIONS ALLOWED FOR MECHANICAL DAMAGE	<input checked="" type="checkbox"/>
PENCIL BUCK	<input type="checkbox"/>
ADD-BACK VOLUME - Deductions due to delay	<input checked="" type="checkbox"/>
OTHER: _____	

(8) APPROVED SCALING LOCATIONS (as shown on the ODF Approved Locations web-site)	Species	Yard	Truck	Weight
		X		X

- (15) REMARKS _____

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

- (16) SIGNATURES:
- _____
 Purchaser or Authorized Representative Date
- _____
 State Forester Representative Date
- _____
 State Forester Representative PRINT NAME

Notify the District within one hour when branding or painting is inadequate for quick identification, the receipts are missing, not correctly or completely filled out, and/or when logs presented for scaling are impossible to scale accurately.

EXHIBIT C – SAWMILL GRADE
INSTRUCTIONS FOR FORM 343-307a (rev. 11/11)

- (1) Check appropriate box. REVISION NUMBER requires comments. 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) Designate Third Party Scaling Organization (TPSO).

<p>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</p> <p>Southern Oregon Log Scaling & Grading Bureau P.O. Box 580, Roseburg, OR 97470 Phone: (541) 673-5571 Fax: (541) 672-6381 Email: info@southernoregonlogscaling.com</p> <p>Northwest Log Scalars, Inc 5526 NE 122nd Ave, Portland, OR 97230 Phone: (503) 254-0600 Fax: (503) 408-0919 Email: info@nwlogscalars.com</p>	<p>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</p> <p>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</p> <p>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</p>
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- (3) State District office, address and phone.
- (4) Enter Purchaser's business name, address, and phone number as it appears on the Contract.
- (5) Minimum Scaling Specifications. Scaling diameter inches is used for pencil buck minimum diameter.
- (6) Eastside – Region 6 actual taper/taper table segment scale. Check Yes or No. Special Service Rules on file with TPSO. See: Segment Scaling and Grading of Long Logs -- All Species -- State Forestry Department Scaling Practices (Northwest Log Rules Eastside). Items with * follow U.S. Forest Service Eastside rules.
- (7) Weight Scale Sample – Check box if sale is to be a Weight Scale Sample. All specifics for handling, scaling and processing will be attached or explained in the Remarks section Item (15).
- (8) Show scaling locations only applicable to TPSO. Location name should appear as it does on the ODF Approved Scaling Location web site: http://www.odf.state.or.us/DIVISIONS/management/asset_management/ScalingLocation.asp Locations with scaling and processing directions specific to their location should be on a separate form. Species should be identified if not capable of receiving "all" species. Check appropriate box for either: yard, truck scale, or weight. Refer to the web site listed above for the locations approval status.
- (9) Enter sale name and county.
- (10) Enter sale Contract number.
- (11) Enter Oregon's State Brand Registry Number **(REQUIRED)**.
- (12) 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 (15).
- (13) Check yes for Paint Required and designate "Orange" for color. Non required removal volumes may sometimes require blue paint.
- (14) Special Requests. These are requests that will be applied to ODF timber sales. All boxes applicable to the timber sales designated in the Exhibit C form must be "marked". If "Other" is indicated, it must contain a description and any necessary comments.
- (15) Use this space to designate any weight conversion factors, per load volumes, weight scale sample instructions or any other explanations to clarify scaling, processing and/or mailing requirements. If additional scaling locations are approved, revise original or current form showing all (old and new) locations. Check REVISION box at top of form and explain under remarks. Route as indicated.
- (16) Require purchaser 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 \\WPODFILL01\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.

Distribution (See specific instructions on pg. 2): ORIGINAL: Salem / COPIES: TPSO, Approved Scaling Location, Purchaser, District, Mgmt. Unit

EXHIBIT C – PULP SORT

PROCESSING INSTRUCTIONS -- LOCATION APPROVAL -- BRAND INFORMATION

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

COUNTY: Klamath

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

(10) STATE CONTRACT NUMBER: 343-13-848

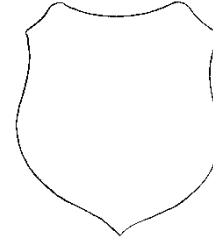
(3) FROM: Klamath Falls (11) Phone 541-883-5681
(State Forestry District)

(11) STATE BRAND REGISTRATION NUMBER _____

(4) PURCHASER: _____

(12) STATE BRAND INFORMATION: (COMPLETE BELOW)

(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 2 inches marked with blue paint.

(13) REMARKS: _____

(7) PULP FACILITY PROCESSING INSTRUCTIONS:

Operator's Name (Optional inclusion by District):

- 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.

(14) SIGNATURES:

Purchaser or Authorized Representative Date

State Forester Representative Date

State Forester Representative PRINT NAME

(8) TPSO PROCESSING INSTRUCTIONS

- Mail to ODF weekly.
- Convert to mbf using 10 tons per mbf.

(9) SALE NAME: Driftwood Chip Sale

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 – 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

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

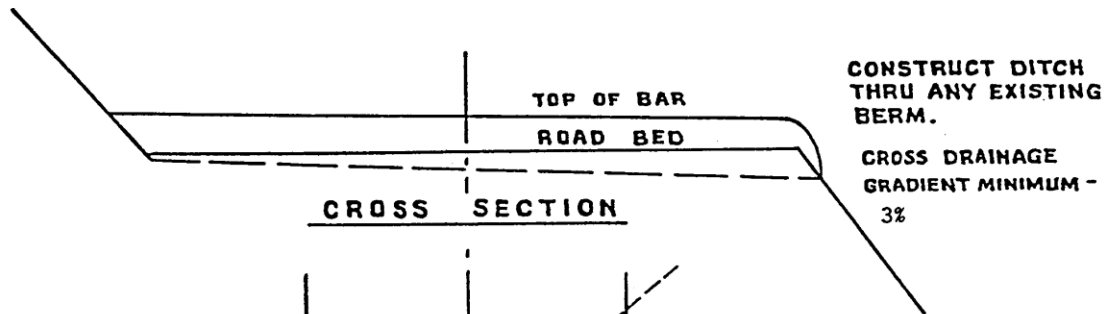
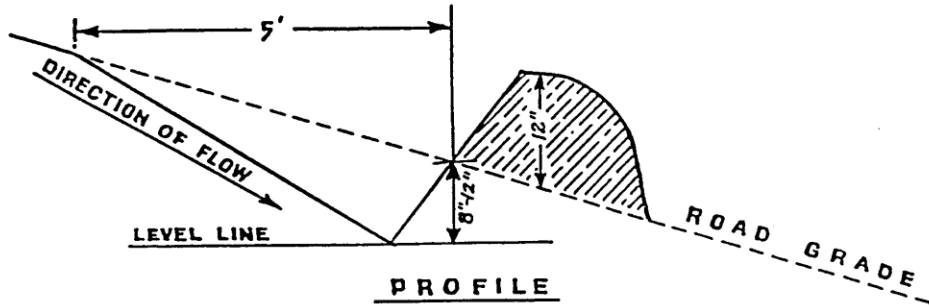
Northwest Log Scalers, Inc.
5526 NE 122nd Ave, Portland, OR 97230
Phone: (503) 254-0600 Fax: (503) 408-0919
Email: info@nwlogscalers.com

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.

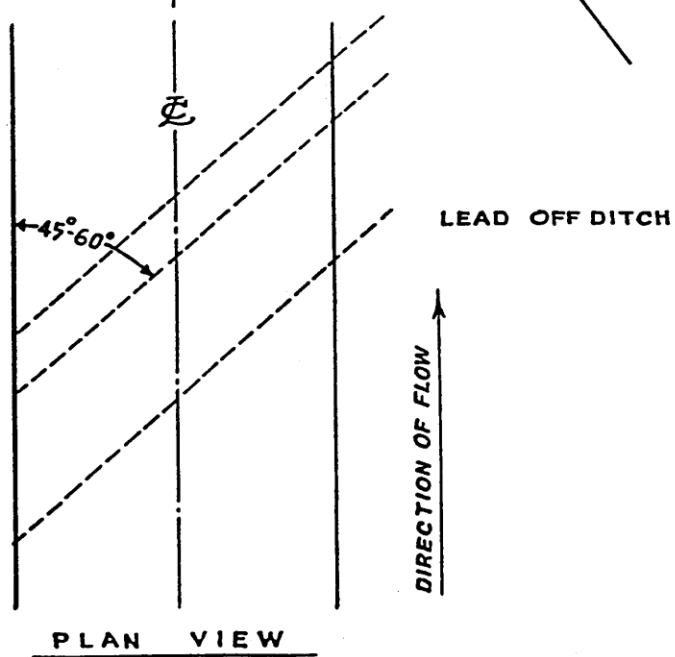
Salem Distribution Instructions: Original will be mailed to Salem after it is electronically scanned and placed in the Salem transfer drive \\WPODFILL01\Transfer\ScalingInstructions or e-mailed directly to scaling@odf.state.or.us. Scaling instructions for each brand should be scanned separately, for each approved TPSO.

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**

PART IV: OTHER INFORMATION

State Timber Sale Contract
No. 343-13-848
Driftwood Chip Sale

NOTICE OF TRANSFER OF STATE TIMBER

Instructions

629:-Form-301-010

Complete Section 1. Mark the box which applies to you/your company in Section 2. Complete Section 3 and obtain signatures.

SECTION 1

On _____, state timber sale purchaser (Transferor)
_____, sold, exchanged or otherwise transferred to
_____, (Transferee) state timber originating from State
Timber Sale Contract No. 343-13-848

Transferee hereby certifies that they:

- (a) Will not export the unprocessed state timber which is the subject of this transaction;
- (b) Will not sell, transfer, exchange or otherwise convey the unprocessed timber which is the subject of this transaction to any other person without first obtaining a like certification from that person; and
- (c) Are not prohibited by OAR's 629-31-005 through 045 from purchasing state timber or logs directly from the State Forester, or this is a sale of Western Red Cedar for domestic processing.

SECTION 2

- Have not exported unprocessed timber originating from private lands in Oregon in the last 24 months.
- This is a sale of hardwood logs for domestic processing.
- This is a sale of Western Red Cedar for domestic processing.
- This is a sale of pulp logs or cull logs processed at domestic pulp mills, domestic chip plants or other domestic operations for the purpose of conversion of the logs into chips.

SECTION 3

The parties understand that falsely entering into this certification, or failure to comply with the terms of this certification is a violation of the Forest Conservation and Shortage Relief Act of 1990 and OAR Chapter 629, Division 31, and is subject to any and all penalties contained therein.

Transferor:

Transferee:

Signed

Signed

Title

Title

Dated

Dated

[Note: For the purpose of this form, the definition of unprocessed timber is the same as in OAR 629-31-005]

Mail To: State Forester
2600 State Street
Salem, OR 97310