

CHUCKEE GNA Timber Sale Contract No. SW-341-2025-GF8923-01

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

SALE NAME: CHUCKEE GNA
CONTRACT NO: SW-341-2025-GF8923-01
ODF DISTRICT: South Cascade

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

PURCHASER:
 (Purchaser Name) (SEAL)

 Chief, State Forests Division

By: _____
 (Signature of Purchaser Authorized Representative)

Date: _____

Printed Name: _____

Date: _____

As its: _____

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.

ESA LFH - Endangered Species Act Listed Fish Habitat. Defined as the geographic area occupied by the species at the time of listing.

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 (tops only) 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: $\text{Bid value all species} / \text{appraised value all species} = \text{bid-up factor}$.

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.

Site-Potential Tree Height - the height a tree can grow in a forested landscape.

Slash - all woody Slash 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. $SDI = TPA \times (Diameter/10)^{1.605}$

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.

Stream Class – the United States Forest Service designation of streams, which are to be managed in specific manners to meet varying objectives. Stream class types and protections are listed below:

Class 1 – Perennial or intermittent streams with one or more of the following: 1) direct source of water for domestic use; 2) habitat for spawning, rearing or migration for large numbers of fish; or 3) sufficient discharge to have a major effect on water quality of another Class 1 stream.

Class 1 stream protection: 120 foot no-harvest buffer.

Class 2 – Perennial or intermittent streams with 1) habitat for spawning, rearing or migration of moderate through significant numbers of fish; and/or 2) sufficient discharge to have moderate influence on other Class 1 or 2 streams. Game fish are present for at least part of the year, or the stream has the potential for establishment or re-establishment of a game fish population.

Class 2 stream protection: 100 foot no-harvest buffer within 1,000 feet of a Class 1 stream, and/or 75 foot no-harvest buffer outside 1,000 feet of a Class 1 stream.

Class 3 – Any perennial streams not meeting the criteria for Class 1 or 2 streams.

Class 3 stream protection: 60 foot no-harvest buffer.

Class 4 – Any intermittent or ephemeral streams not meeting criteria for Class 1, 2, or 3 streams.

Class 4 stream protection: 30 foot no-harvest buffer.

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 Federal 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, or 1752, "Payment Schedule."

This is a sale of Federal Timber 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 Act of 1990, as amended (16 USC 620, et seq.), which authorizes the U.S. Forest Service, Oregon and other western states to prohibit the export of unprocessed timber from public lands and prohibit export 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 the U.S. Forest Service, 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 payment bond required under Section 1230, "Payment Bond";
- (c) The certificate of insurance required under Section 1240, "Insurance," subpart (i);
- (d) The first payment on the Contract specified in Section 1751, or 1752, "Payment Schedule"; and
- (e) 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 31st, 2026**, 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 1210. Performance Bond. PURCHASER shall furnish STATE with a performance bond, in an amount of not less than the greater of (a) the value of all Project Work to be completed under the Contract, as specified in Section 2630, "Credit for Project Work," or (b) twenty percent (20%) of the Total Purchase Price, not to exceed \$500,000, rounded up to an even \$1,000 unit, which bond shall guarantee complete compliance by PURCHASER with the terms and conditions of this Contract and the faithful performance of all required obligations, including payments to all suppliers, materialmen, Contractors, and subcontractors of PURCHASER. PURCHASER's bond may be in the form of one or more of the following: surety bonds, cash, cashier's or certified check, money order, assignment of surety, irrevocable letters of credit, or other securities determined acceptable by the State Forester. Surety bonds must be written by a surety company authorized to do business in the State of Oregon, on a form provided by STATE.

Performance Bond Release

PURCHASER shall keep the performance bond in effect during the term of the Contract, until released by STATE. STATE shall release PURCHASER's bond upon the later of: (a) 180 days after final acceptance of completed Timber harvesting Operations or (b) 180 days after STATE's acceptance of all Project Work required under Section 2610, "Project Work." "Acceptance" under (a) or (b) shall not be provided until STATE has inspected and approved the work and PURCHASER has provided satisfactory evidence of PURCHASER's compliance with all other terms and conditions of the Contract.

Performance Bond Reduction

STATE shall permit PURCHASER to reduce its performance bond under the following circumstances:

180 days after final acceptance of completed Timber harvesting Operations, upon PURCHASER's request and provided no claims are then pending, STATE may permit PURCHASER to reduce the amount of their bond to an amount equal to the value of all Project Work remaining to be performed or accepted.

180 days after STATE has accepted all Project Work required under Section 2610, "Project Work," upon PURCHASER's request and provided no claims are then pending, STATE may permit PURCHASER to reduce the amount of their bond to an amount equal to twenty percent (20%) of the Total Purchase Price.

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 1230. Payment Bond. PURCHASER shall furnish a payment bond (or blanket payment bond for multiple Contracts) acceptable to STATE guaranteeing payment for all monies due STATE through this Contract, including all timber harvested. PURCHASER shall keep the payment bond in effect during the term of the Contract, until released by STATE. Payment bonds may be in the form of one or more of the following: surety bonds, cash, cashier's or certified check, money order, assignment of surety, irrevocable letters of credit, or other securities determined acceptable by the State Forester. Surety bonds (including riders) must be written by a surety company authorized to do business in the State of Oregon, on a form provided by STATE. PURCHASER's bond shall be in an amount at least equal to the value of timber estimated to be removed during a one-month plus 15-day billing period, as determined by STATE. In any event, the amount shall not be less than one installment payment as specified in Section 1751, or 1752, "Payment Schedule," rounded up or down to the nearest \$500 unit. Provision of a satisfactory payment bond will permit PURCHASER to remove timber for a 30-day period, after which time, payment for all such removed timber shall be due and owing. PURCHASER shall make cash payment within fifteen (15) days following the end of the monthly period. Upon payment for timber removed in the monthly period, the payment guarantee may be applied as a guarantee for a subsequent period.

A payment bond (or blanket payment bond for multiple Contracts) shall be in an amount at least equal to the value of the timber estimated to be removed from all Contracts covered by the blanket payment bond during a one-month plus 15-day billing period as determined by STATE. PURCHASER shall obtain and furnish STATE with a written consent of surety on forms provided by STATE for coverage of any Contracts to which the blanket payment bond may apply. In no event shall PURCHASER remove timber with a value greater than the amount of the payment guarantee.

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, **the U.S. Forest Service**, 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 U.S. Forest Service, 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 plans and schedules under the terms of this Contract. State Forests Division Chief is the authorized representative to provide payment instructions. Authorized field 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 Department 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, construed and enforced in accordance with, the laws of the State of Oregon, without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between State (or any other agency or department of the State of Oregon) and Purchaser that arises from or relates to the Contract shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by the State of Oregon of any form or defense or immunity, whether based on sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the United States Constitution, or otherwise. **PURCHASER, BY EXECUTION OF THE CONTRACT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.**

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 Federal 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 the U.S. Forest Service, 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 the U.S. Forest Service 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 Federal land and existing at the time of execution of the Contract and any Improvements placed on Federal Land by PURCHASER which become the property of the U.S. Forest Service 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 the U.S. Forest Service, all equipment, materials, and other property PURCHASER has placed or caused to be placed thereon that is not to become the property of the U.S. Forest Service. 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 the U.S. Forest Service and may be used or otherwise disposed of by the U.S. Forest Service 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 or the U.S. Forest Service for any cost or expense incurred by STATE or the U.S. Forest Service 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 Resource Protection Efforts. STATE and the U.S. Forest Service must ensure that operations on National Forest System lands comply with Federal laws, including but not limited to: the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476 et seq.) as amended by the National Forest Management Act of 1976 (90 Stat. 2949 et seq. ; 16 U.S.C. 1601-1614) (NFMA); the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) (ESA); and the National Environmental Policy Act of 1969 (42 U.S.C. 4321-4347) (NEPA). 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.

- (a) PURCHASER acknowledges that legal challenges involving compliance with Federal laws may occur and may affect PURCHASER's Operations under the Contract, and PURCHASER agrees to cooperate with STATE and the U.S. Forest Service's efforts to respond, as STATE and the U.S. Forest Service deem necessary or expedient, to those challenges.

- (b) PURCHASER acknowledges STATE may, by written order, delay or interrupt authorized operations under this Contract or modify this Contract, in whole or in part:
- (i) To prevent environmental degradation or resource damage, including, but not limited to, harm to habitat, plants, animals, cultural resources, or cave resources;
 - (ii) To ensure consistency with land and resource management plans, terms and conditions in Incidental Take Statements prepared under the ESA, or documents prepared pursuant to the NEPA;
 - (iii) To conduct environmental analysis, including, but not limited to, engaging in consultation pursuant to the ESA or completing supplemental analyses under the NEPA; or
 - (iv) To address issues raised in administrative appeals or in anticipated or pending litigation, regardless of whether STATE's order is required by a court order or this Contract is named in such a proceeding.
- (c) PURCHASER further acknowledges and agrees that in the event of Contract modification, suspension, or termination, in no event is PURCHASER entitled to, nor is STATE or the U.S. Forest Service 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 modification, suspension, or termination of Contract in accordance with this provision.

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, or 1752, "Payment Schedule," of this Contract, plus interest on all payments received after the original Contract expiration date, for material harvested, removed, and scaled, after the original Contract 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) There will be a required payment of an Administrative Fee of \$250.
- (e) 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.
- (f) Require interest will be applied to all advertised volume hauled after the original expiration date. ORS 82.010 mandates the collection of interest at the annualized rate of 9 percent.
- (g) 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.

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. PURCHASER acknowledges that its exclusive remedies are defined in this Contract and all PURCHASER claims lie exclusively against STATE, not the U.S. Forest Service. 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 and 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 and Federal law results in additional Project Work for PURCHASER involving an additional estimated cost of more than: (1) \$1,000 for sales less than one-half million board feet; (2) \$1,500 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, in which event STATE will assume responsibility for any additional cost to complete the Project Work which exceeds the original project work 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 original project work amount. The estimated cost of additional work shall be calculated by STATE.

If, prior to completion of the Contract, a change in State and 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) Any of the conditions listed in Section 1520. Cooperation With Resource Protection Efforts;
- (g) STATE-ordered identification or protection of a state or federally listed threatened or endangered species;
or
- (h) 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 1605. Nondiscrimination. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, and so forth.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

Section 1607. Compliance with Federal Laws. PURCHASER, by signature below, certifies that: (1) Neither the corporation or its principals have been convicted of a felony violation under any Federal law within the preceding 24 months of the effective date of the Contract; and (2) Neither the corporation or its principals have failed to file all Federal tax returns required during the three years preceding the Contract; have been convicted of a criminal offense under the Internal Revenue Code; or have been notified of any unpaid Federal tax assessment for which the liability remains unsatisfied, unless the assessment is the subject of an installment agreement or offer in compromise that has been approved by the Internal Revenue Service and is not in default

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. PURCHASER shall notify STATE immediately if such Permits or licenses are revoked or suspended by the relevant government agency.

STATE may at any time require PURCHASER to satisfy STATE that Operations under this Contract comply with State and Federal 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.

PURCHASER shall comply with all federal, state, and local laws, regulations, and ordinances applicable to this Contract or to PURCHASER's obligations under this Contract, as those laws, regulations, and ordinances may be adopted or amended from time to time. Without limiting the generality of the foregoing, PURCHASER expressly agrees to comply with the following laws and regulations to the extent they are applicable to the Contract: (i) the Oregon Forest Practices Act and all regulations promulgated pursuant thereto; (ii) all rules and regulations of the Oregon State Board of Health; (iii) all rules and regulations of the Oregon Environmental Quality Commission relating to the protection of soil, air, and water resources, and (iv) compliance with updated Federal Law Worker Protection Standards and applicable federal regulations related to the protection of workers, handlers and other persons from agricultural pesticides, including all required training for workers on state forestland.

Regarding pesticide application, it is the responsibility of the PURCHASER to ensure sufficient actions are taken to prevent any and all individuals from entering an Application Exclusion Zone. This includes federal regulations that require handlers of pesticides to temporarily suspend applications of pesticides if any worker or any person is in the treated area or an Application Exclusion Zone (zone or area surrounding pesticide application equipment). And includes federal requirements to display, maintain, and provide access to pesticide safety information and pesticide application and hazard information in accordance with federal regulations if workers or handlers are on an application area and within the last 30 days a pesticide product has been used or a restricted-entry interval for such pesticide has been in effect on an application area. PURCHASER shall bear the burden/costs associated with any such pesticide related delays.

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 State and Federal 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 1630. Threatened and Endangered Species. PURCHASER shall at all times observe and comply with all State and Federal 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. Protection Measures Needed for Plants, Animals, Cultural Resources, and Cave Resources.

- (a) Areas, known by STATE prior to timber sale advertisement, needing special measures for the protection of plants, animals, cultural resources, and/or cave resources are shown on Sale Area Map and/or identified on the ground, and shall be treated as follows:
 - (i) Unless agreed otherwise, wheeled or track laying equipment shall not be operated in areas identified as needing special measures except on roads, landings, tractor roads, or skid trails approved by STATE. PURCHASER may be required to backblade skid trails and other ground disturbed by PURCHASER's Operations within such areas.
 - (ii) Unless agreed otherwise, trees will not be felled into areas identified as needing special measures.
 - (iii) PURCHASER shall conduct operations in a manner that does not damage or disturb identified areas. In the event that protective measures identified by the STATE are for any reason inadequate, STATE may delay or interrupt PURCHASER's operations, under this Contract, and/or modify this Contract pursuant to Section 1520.
 - (iv) PURCHASER shall immediately notify the STATE if its operations disturb or damage any area identified as needing special protection, and shall immediately halt its operations in the vicinity of such area until STATE authorizes continued operations. In the event that PURCHASER's operations disturb or damage an area identified as needing special protection, then PURCHASER shall reimburse the STATE for the full cost and expense of any evaluative and remedial measures undertaken by the STATE in connection with such disturbance or damage. Such payment shall not relieve PURCHASER from civil or criminal liability under applicable law.
- (b) Nothing contained in this Subsection shall establish or be deemed to establish any express or implied warranty on the part of STATE (i) that STATE has identified all areas within the Sale Area requiring special protection, or (ii) that measures prescribed by STATE for protection of such areas are adequate.
- (c) Following sale advertisement, additional areas needing special measures for protection may be discovered or identified; protective measures may be revised or newly prescribed; and, additional species of plants and/or animals may be added to federal lists of protected species. In such event, STATE may delay or interrupt PURCHASER's operations, under this Contract, and/or modify this Contract pursuant to Section 1520. Cooperation With Resource Protection Efforts.
- (d) Discovery, by either PURCHASER or STATE, of additional areas, resources, cultural resources, species, or members of species needing special protection shall be promptly reported to the other party.
- (e) Change to any proposed project activities will require STATE consultation. This includes but is not limited to any ground disturbing activities (e.g., newly proposed harvest activities, helicopter landings, temporary roads, burning, staging areas).
- (f) No ground-disturbing activities shall occur within the boundary of a historic property that is included in, or eligible for inclusion in, the National Register of Historic Places.

Section 1650. Protection of Soil, Air, and Water Resources. PURCHASER shall comply with State and Federal 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 Federal timber. It is PURCHASER's sole responsibility to determine what tax liability may be incurred as a result of purchasing Federal timber, regardless of whether the Federal timber is growing or located on Federal land or elsewhere. PURCHASER shall be responsible for paying all applicable timber harvest or severance taxes and shall indemnify and hold harmless the U.S. Forest Service and STATE against any tax claims arising from the purchase of Federal 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 Federal tax laws.

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:

<u>Conifer Logs</u>	<u>Price per MBF</u>
Douglas-fir	\$299.98
Western hemlock and other conifers	\$69.98
Utility logs, adjusted gross scale	At price above
Peelable cull logs, adjusted gross scale.....	\$30/MBF
Pulp logs	\$1/Ton

At price above means material will be charged at the highest rate for that species.

<u>Hardwood Logs</u>	<u>Price per MBF</u>
Hardwood.....	\$38.98/ MBF
Pulp logs	\$1/Ton

Contingent Price Adjustment. As provided in Section 1020, "Sale of Timber," in accordance with the terms of current State and Federal law, that unprocessed timber shall not be exported from Federal lands. 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 or State 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 Total Purchase Price, an incremental amount equal to the difference between the Total Purchase Price and any greater price obtained by PURCHASER for the 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 to recover, in addition to the Total 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 U.S. Forest Service. 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 the total estimated bid value divided by 10. The total estimated bid value shall be 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. 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 9; 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.

In addition and notwithstanding the above schedule, a minimum of 50.00 percent of the estimated bid value is required and shall be paid on or before 10/23/2025.

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 scale is reported by multiplying prices in Section 1740, "Log Prices," by the scaled 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 Federal 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 Federal 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 Federal timber by adhering to the terms and conditions contained in the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 USC 620, *et seq.*).

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 (TPSO) 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 Federal 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 Federal 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 Federal timber by adhering to the terms and conditions contained in the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 USC 620, *et seq.*)

Section 2020. Log Measurement - Sawlogs.

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 Area, 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 Federal timber 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 Federal timber 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.

Special Scaling Instructions. Segment scaling or grading of logs in excess of 40 feet in gross scaling length shall use actual taper. Procedures are set forth in "Segment Scaling and Grading of Long Logs - All Species - State Forestry Department Scaling Instructions" (Westside).

Section 2025. 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. 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 Area. 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 Area 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 repairable condition, or \$500 for each branding hammer not returned within the time specified by STATE, or returned in unrepairable condition. 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 Federal 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 4 logs on each Pulp load removed from the Timber Sale Area 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 Area.**

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 repairable condition, or \$500 for each branding hammer not returned within the time specified by STATE, or returned in unrepairable condition. 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, federally observed holidays, or outside the hours of 3:00 a.m. to 6:00 p.m. daily without notification to and prior approval by STATE.

- (a) Haul route will be limited to Forest Service Road 1900000 North to Highway 126.
- (b) Log hauling on unsurfaced roads shall not be allowed from October 15 through May 15 unless otherwise approved in writing by STATE.

Section 2045. Log Removal. All logs defined below, 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":

- (a) Any conifer log that conforms with grading rules for peeler or sawmill grades and meets or exceeds both of the following minimum requirements: 5 inches in gross scaling diameter, containing 20 board feet (net).
- (b) Any hardwood log that conforms with grading rules for No. 4 Alder log grade or better and meets or exceeds both of the following minimum requirements: 7 inches in gross scaling diameter, containing 30 board feet (net).

(c) Any Pulp log that is yarded to the Landing.

For purposes of log removal requirements, minimum net log volume shall be determined by the net volume of the full log length rather than the volume of individual segments.

Other logs may be removed from Designated Timber under this Contract at prices given in Section 1740, "Log Prices."

Log grades are defined in the Official Log Scaling and Grading Rules published by the Northwest Log Rules Advisory Group in effect at the time logs are scaled.

PURCHASER shall not deliberately buck logs to reduce log sizes to less than minimum requirements for log removal, and shall take reasonable precautions to prevent breakage losses in felling and Yarding.

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 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 gate keys are required to access the Timber Sale Area, they can be obtained at the ODF District Office by a designated PURCHASER's Authorized Representative. Any keys not returned at the completion of all operations under this Contract shall be subject to a fee of \$100 per key not returned. 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.

STATE shall determine where waste disposal shall be placed, as shown on EXHIBIT A.

"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.
- (6) When removing vegetation from ditch lines where ditches are hydrologically connected to any stream, install an effective sediment trap to prevent ditch erosion from entering streams (e.g. wattles, mulching cleared ditches within 100' of stream crossing culverts) until vegetation is re-established.
- (7) All waste material generated from road maintenance will be hauled to a designated waste site outside of Riparian Reserves, as approved by STATE.

(c) Drainage Systems.

- (1) Clear all culverts, including inlets, outlets, half rounds, rock ditch filters, 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. Damaged culvert inlets and/or outlets shall be repaired by opening them with a hydraulic jack or cutting off the culvert end to allow for free passage of water at peak flow levels. Install a culvert marker at each newly installed culvert and at each existing culvert that is missing a marker that could be reached by a grader blade.

- (5) Best Management Practices (BMPs), including placement of sediment barriers, provision of flow bypass, and other applicable measures, would be included as necessary to control off-site movement of sediment.

(d) Road Surfaces.

- (1) Grade, shape, crown, and/or out slope surface and shoulders at such time that the moisture content will bind the rock surfacing. Rip potholes prior to grading, then compact in accordance with Exhibit D.
- (2) Prevent contamination of road surface materials with soil and vegetative material.
- (3) Prevent road surface materials from being bladed off the road.
- (4) Temporarily cease road use to prevent impacts to water quality 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.

- (e) Dust abatement is limited to the application of water only. During blading, small berms may be created or wattles used at stream crossings to assist with keeping palliatives on the road surface. A 1-foot no-application buffer on the edge of gravel shall be used if road width allows.

Apply water during blading when sufficient moisture is not present to prevent segregation as shown in Exhibit D.

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. Water sources used by timber sale operations shall be reconstructed or maintained as necessary.

Disturbed areas (culverts installations, disposal sites, etc.) should be re-vegetated with seed provided by STATE. Weed free mulch or straw shall be applied as determined by STATE.

Construction or maintenance of roads would not be done when soils are saturated, or run-off occurs. A stable fill would be constructed across all streams when crossed by new temporary roads, including a temporary culvert. Temporary stream crossings should be perpendicular to- the stream channel and take the shortest corridor through the no-cut buffer. All stream crossings would be removed before the wet season if the road is needed for more than one operating season. If it is not feasible to remove stream crossings during the wet season, the road must be hydrologically stabilized before the wet season in concurrence with the STATE.

All waste material generated from road maintenance shall be placed in a pre-designated area outside of Riparian Reserves, as approved by STATE.

Road Maintenance and Log hauling shall not be allowed October 15 through May 15, unless otherwise approved by STATE.

"Adverse maintenance" is defined as repair work of damage resulting from PURCHASER's failure to comply with "normal road maintenance," as determined by STATE. STATE may require PURCHASER to perform "adverse maintenance." STATE will specify rock type needed for repairs. The required rock shall be from STATE approved, private rock sources, at PURCHASER's expense. "Adverse maintenance" is determined by STATE, and shall not be subject to Section 1550, "Adjustment of Contract."

"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."

Haul routes must be inspected weekly, or more frequently if weather conditions warrant STATE. Inspections will focus on road surface condition, drainage maintenance, and sources of sediment delivery to streams.

On road segments that have the potential to deliver sediment to any stream channel, implement erosion control measures to prevent offsite movement of soil.

TIMBER SALE AREA

Section 2210. Designated Timber. The timber is located on the Timber Sale Area 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, and may be removed by PURCHASER in accordance with the terms and conditions of this Contract:

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

Boundary markings are as follows:

The Timber Sale Area is posted with white "Timber Sale Boundary" signs facing inside the Area, and blue flagging.

Roadside danger tree treatment is only allowed within 2 Site Potential Tree Heights (SPTH) uphill of the road prism and 1 SPTH downhill of the road prism. Commercial harvest of roadside hazard trees is prohibited in the no-harvest stream buffers, and commercial harvest of Douglas fir trees greater than 20" DBH is prohibited within 1 SPTH of streams. Trees deemed hazardous within the above conditions can be cut but must be left where felled.

Section 2220. Reserved Timber. Reserved Timber is that timber, including trees, Snags, and logs, on the Timber Sale Area which is 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. All existing down wood would be retained within Riparian Reserves to maintain aquatic objectives. Any tree felled into any Riparian Reserve no-harvest buffer is to be left in place and not removed. Existing large down woody material in harvest site will be maintained for habitat diversity. Retain existing full tree lengths as much as possible.

Section 2240. Reserved Timber - Trees and Snags.

- (a) Trees other than Douglas-fir, Pacific Silver Fir, incense cedar, Noble Fir and western hemlock, except those within rights-of-way, skid roads, cable corridors, waste areas, and Landings.
- (b) All Snags unless determined to be a fire or safety hazard. Felled Snags and Hazard trees shall not be yarded or removed. All existing downed wood will be retained regardless of decay class.
- (c) Bearing (witness) trees.
- (d) Trees required to meet the Residual Tree requirements in Section 2320, "Thinning Specifications."
- (e) Protect residual stand and reserve trees to the best extent possible from treatment damage.

Section 2250. Reserved Timber - Boundary Trees and Markings.

Trees posted with white Timber Sale Boundary signs and blue flagging 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 trees per 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 5 reserved trees on any acre suffer "minor damage," or if any Reserved Timber suffers "major damage" as defined above, STATE reserves the right to Suspend felling and/or Yarding until corrective measures have been agreed upon by STATE and PURCHASER.

HARVESTING OPERATIONS

Section 2310. Felling. PURCHASER shall comply with the following requirements for felling, unless otherwise approved in writing by STATE:

- (a) Prior to the beginning of felling Operations, PURCHASER shall mark the locations on the ground of all skid roads, subject to STATE approval. Felling of trees within skid roads and Landings shall be done prior to felling the remainder of the Setting. Felling shall be "to lead" to those marked trails and those trail locations adhered to.
- (b) Prior to felling in the Timber Sale Area, PURCHASER shall arrange to have all the fallers who will work in the Timber Sale Area 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 Area to allow STATE the opportunity to brief the faller on these sections.
- (c) Trees designated as included timber will be felled away from, or parallel to, the no-harvest buffer. Trees, or portions of trees, that are inadvertently felled into the no-harvest buffer may be bucked at the boundary and yarded. Trees felled within the no-harvest buffer to create yarding corridors, non-system roads, or to meet restoration objectives will be directionally felled towards the stream channel where feasible and left on site.
- (d) Felling Operations shall not be allowed from January 15 through July 31, unless otherwise approved in writing by STATE.

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 left and not yarded or removed.

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

- (1) Trees shall be felled to the longest lay, using the necessary means (wedging, jacking, etc.), favoring a quartering uphill lead.
- (2) Trees shall not be felled across draws, over ridges, or across previously felled trees.
- (3) Windfalls shall be bucked off as close as practicable to the roots to ensure maximum recovery of merchantable volume. Those which cannot be bucked safely shall be left with a merchantable log attached and either bucked on the Landing or moved by rigging into a safe position for bucking.
- (4) Maximum stump height shall be 12 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 selecting Residual trees on the Timber Sale Area, except for those specifications listed in Section 2310, "Felling":

- (a) For Units 1 and 2, all Live Douglas-fir, Western Hemlock, Incense cedar, Noble fir, Grand fir, and Pacific silver fir, within the specified spacing of the live aforementioned species with a larger stump diameter. Western Red Cedar, Pacific yew, and Hardwoods not identified as a cut trees are to be ignored; they are not counted in the spacing. Boundary trees with white boundary tags and blue flagging shall be included in the DXD spacing when the boundary tree has a larger stump diameter than other trees within the DXD spacing. Boundary trees with a larger stump diameter shall always "cut" a tree within subdivisions. Boundary trees shall not be cut. Stump diameter is measured at 4" above the ground on the uphill side of the tree. DXD spacing between trees is measured at 4 inches above the ground from the closest point between trees.
- (b) For Units 11 and 12, all Live Douglas-fir, Western Hemlock, Incense cedar, Noble fir, Grand fir, and Pacific silver fir trees not marked with orange paint and greater than 7.0" DBH will be designated for cutting. Gaps are one to three acres in size and should have random shapes.

Marking / DXD Guide

Unit	DxD	DESCRIPTION OF INCLUDED TIMBER
1 & 2	17'	Only live Douglas-fir, Western Hemlock, Incense Cedar, Noble fir, Grand Fir, and Pacific Silver fir, if they are within the specified spacing of a live Douglas-fir, Western Hemlock, Incense Cedar, Noble fir, Grand Fir, or Pacific Silver fir with a larger stump diameter. All other species are non-included timber and are not to be included in the DXD Spacing.
11 & 12	LTM	Only live Douglas-fir, Western Hemlock, Incense Cedar, Noble fir, Grand Fir, and Pacific Silver fir not marked with orange tree marking paint above stump height and marked below stump height.

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 tree spacing measured from residual tree to stump; (2) Residual tree stump diameter; (3) Stump diameter of cut trees; (4) 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 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).

An acceptable substitute tree is defined as any sound, live-topped conifer tree that is the nearest tree to a Reserved tree that must be cut.

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 2350. Cable Yarding Specifications. Yarding systems shall be designed to minimize soil disturbance and damage to Reserved Timber. PURCHASER shall use cable Yarding, except as approved by STATE in the Operations Plan. PURCHASER shall comply with the following when Yarding the Timber Sale Area, except as approved by STATE in the Operations Plan:

- (a) Logs shall have at least one end suspended when Yarding in the Timber Sale Area.
- (b) Trees cut to facilitate yarding corridors outside of the Timber Sale Boundary shall be felled outside of the Timber Sale Boundary and left on site.
- (c) Yarding corridors shall be as narrow as practical, no more than 12 feet wide. Corridors shall be no closer than 150 feet at the tail end of the corridor when radial corridors are used, and 150 feet center to center when parallel corridors are used.
- (d) All trees shall be yarded to the Landing with the non-merchantable tops and limbs attached to the top merchantable log for all Yarding Operations.
- (e) Soil gouging shall be limited to a depth of one foot.
- (f) If Tailhold or Guyline trees outside of the Timber Sale Area are necessary to facilitate Yarding Operations, PURCHASER shall acquire written approval from STATE prior to their use. Upon approval, PURCHASER shall clearly mark each tree and take precautions to prevent damage to said trees including, but not limited to:
 - (1) Using trees near the timber sale boundary that can be felled and yarded without causing damage to Reserved Timber.
 - (2) Using tree plates, tires, or other suitable materials between cable straps and the tree to prevent scarring the tree.
 - (3) Limiting notching of the tree - to prevent strap slippage - to less than 25 percent of the circumference of the tree, unless the tree has been approved to be cut and removed.

If the above precautions are followed, payment for such tree shall not be required, except for trees removed per Item (1) above, which shall be paid for at single the Purchase Price, as specified in Sections 2220 through 2250, "Reserved Timber."

If the above precautions are not followed and activities result in damaging 50 percent or more of the circumference of such trees, damage shall be considered avoidable. Payment shall be at the rate of triple the Purchase Price, as specified in Sections 2220 through 2250, "Reserved Timber."

- (g) Control logs being yarded to minimize damage to Reserved Timber.
- (h) String cables in a manner that makes minimum contact with Reserved Timber.
- (i) No skyline yarding will occur over Class 1 streams, or Class 2 streams within 1000' of ESA Listed Fish Habitat, unless full suspension above the canopy of the no-harvest buffer can be achieved. Class 2 streams >1000' from LFH and Class 3 streams require full suspension over the channel, however yarding corridors through the no-harvest buffer are allowed. Skyline yarding over Class 4 streams requires one-end suspension with bump logs, although full suspension shall be utilized where feasible.
- (j) Limit the establishment of skyline yarding corridors that clear corridors of trees over all streams to no more than five corridors per 1,000 lineal feet of stream. Individual corridor widths must not exceed 12 feet. Corridors will be spaced at least 150 feet apart or 100 feet apart if along the stream.

In addition, if Operations of PURCHASER threaten or cause excessive damage to the soil or Reserved Timber, STATE may require PURCHASER to comply with one or more of the following:

- (A) Use a carriage or a skyline Yarding system.
- (B) Reduce the length of logs.
- (C) Reduce the number of logs in each Yarding turn.

Cable Operations shall not be allowed from October 15 through May 15, unless otherwise approved in writing by STATE.

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 to no more than 15 feet in width with an average width of 12 feet and no closer than 150 feet apart for forwarder/processor operations.
- (b) Preexisting skid trails and non-system roads 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. The number of passes per trail should be minimized. Locate skid trails to avoid concentrating runoff and provide breaks in grade. Where practical, given availability of quality slash and appropriateness for equipment being used, ground-based yarding equipment should travel on a slash mat greater than 8 inches.
- (c) PURCHASER shall suspend operations during periods of high soil moisture as determined by STATE through October 15 through May 15.
- (d) Equipment shall not operate on slopes greater than 30 percent. Approval may be granted for short distances (<250 feet) on slopes 30-40% percent when, in the opinion of STATE, it would be unreasonable to yard by pulling line.

- (e) The upper limit for pre-bunching is on 45% slope. All pre-bunching trails will be pre-located and pre-approved. Undesirable soil damage from skidding shall be avoided through layout and mitigated using alternate logging systems.
- (f) A 30-foot no-harvest buffer and with an additional 20-foot no-equipment exclusion zone buffer are required for the Class IV stream in Unit 1. The Class II stream within Unit 1 shall be protected with a 100-foot no-harvest buffer, as the stream is within 1000 feet of a Class I stream. The Class II stream outside of Unit 2 shall be protected with a 75 foot no-harvest buffer, as it is further than 1000 feet from a Class I stream.
- (g) Skid trails shall avoid being designated to cross streams, but when stream crossings are necessary, the following will apply:
 - a. Skid trails across Class I streams are prohibited.
 - b. Skid trail stream crossings are prohibited within 1000' of listed fish habitat.
 - c. Skid trail corridors through no-harvest buffers are limited to less than 15' width, and no more than one crossing per 1000' of stream.
 - d. Bank protection in the crossing with the use of logs felled from the corridor is required, or other bank protection technique.
 - e. All trees felled in no-harvest buffers must be left on site.
 - f. Skid trails are to be perpendicular to the stream channel and take the shortest corridor through the no- harvest buffer.
- (h) Ground based equipment and skid roads should not be permitted within 50 feet of all streams (fish-bearing to intermittent), except at approved crossings. These widths are required unless a change is approved by STATE.
- (i) Removal of stream crossings is required before the wet season (generally October 16 to May 14). This includes removal of the culvert, logs, or temporary bridge and hydrologically stabilizing the skid trails for wet conditions as needed (ie. constructing water bars, placing slash over exposed soils, and installing erosion control devices to prevent sediment delivery to stream channels).
- (k) The following activities would be suspended during wet conditions: use of all ground-based equipment for yarding, processing, fuels treatment, or other project activities. Wet conditions are defined as the observation of trenching, rutting, or pooling water, and the above activities should be suspended before precipitation or runoff results in off-site movement of sediment into drainage courses.
- (l) Snow/frozen soil would only be operated on in the following conditions, with approval from the FS: 0 inches of frozen soil and at least 18 inches of packed snow, 4 inches of frozen soil and at least 9 inches of packed snow, or at least 6 inches of frozen soil. Over snow operations would be suspended or re-routed if thawing, soil exposure or uneven snowpack occurs during operations. During snow melt periods, drainage courses would be maintained for proper routing of runoff. Activities would cease until requirements are met.
- (m) Units that have been entered by ground based equipment from a road, or units where skyline corridors intersect with a road, the purchaser shall close the access point by effectively blocking access to motorized vehicles. Subsoil as needed and seed with certified seed. Place limbs, woody debris, and local boulders in a natural configuration to prevent new dispersed site creation. If boulders are available and used, boulders shall be buried up to 1/3rd of the way in the ground.

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.

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

Ground-based operations shall not be allowed from October 15 through May 15, unless otherwise approved in writing by STATE.

Section 2360. Non-Project Roads and Landings. Improvement, construction, or decommissioning 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) Landing location shall be marked and agreed to by STATE, as small as operationally feasible, and crowned for drainage.
- (b) Prohibit construction of new landings, or the use of existing vegetative recovered landings (does not apply to landings in existing roads) if they are:
 - a) within 200 feet of LFH
 - b) within 200 feet of a class 2 stream, if the potentially affected stream reach is within 0.5 miles of LFH
 - c) within 100 feet of any stream channel
 - d) within 100 feet of any stream crossing.
- (c) All landings (not in system roads) and temporary roads used during project activities shall be subsoiled to a depth of 20 inches of mineral soil "munching" or bucket ripping would be the preferred style of subsoiling. All units that have existing compaction levels above 20% would be a priority to undergo enhancement subsoiling. All roads that are to be closed would be treated for invasive species prior to completion. Close off any temporary spur roads, if used, as soon as possible after logging and related activities are completed. Areas of disturbed soil would be seeded with native seed and covered with weed-free straw, mulch or on-site slash following subsoiling activities.
- (d) Construction and operations on non-project roads and Landings shall not be allowed during wet conditions unless otherwise approved in writing by STATE.
- (e) Temporary roads will be made hydrologically stable and rehabilitated after completion of project activities. Rehabilitation of temporary roads may include blocking the entrance, removal of culverts, out-sloping the road surface, pulling back displaced material onto the roadway, installation of water bars, re-vegetation of the road prism, and/or the subsoiling of compacted surfaces when necessary.
- (f) On segments of decommissioned roads in between fill removals, either build water bars to divert surface drainage or de-compact the road surface to a depth of 18-24" to ensure infiltration of surface runoff.
- (g) Temporary spurs shall be limited to no more than 1/2 mile in total length and use existing impacted areas wherever possible. Locate temporary spurs on existing skid roads where possible to minimize soil compaction. Clean fill (soil or rock free of slash and debris) would be used for construction of temporary roads. Sources of rock and fill material needs to be free of invasive plants. Rock quarries that may be used would be surveyed for invasive plants prior to use. If invasive plants are found, they would be treated as necessary prior to use.
- (h) Construction or maintenance of roads would not be done when soils are saturated, or run-off occurs. A stable fill would be constructed across all streams when crossed by new temporary roads, including a temporary culvert. Temporary stream crossings should be perpendicular to- the stream channel and take the shortest corridor through the no-cut buffer. All stream crossings would be removed before the wet season if the road is needed for more than one operating season. If it is not feasible to remove stream crossings during the wet season, the road must be hydrologically stabilized before the wet season in concurrence with the State.
- (i) All non-system roads used for timber harvest will be decommissioned after completion of project activities, which includes removing all stream crossings and de-compacting the road surface. Decommissioning will include at a minimum removing all stream culverts and water-barring the road. May also include removal of ditch relief culverts, side cast pull back, de-compaction and re-contouring the slope. Decommissioning includes the administrative action of removing the road from the road system.

- (j) Non-system roads, skid trails and landings that have not been designated for wet season use shall be storm proofed with water bars or drain dips prior to extended periods of wet weather or predicted high precipitation events. Water bar location shall occur where local terrain facilitates effective drainage of the non-system road, skid trail, or landing while avoiding unnecessary soil disturbance. An example would be to construct water bars every 100 feet on slopes less than 15%, and every 50 feet on slopes greater than 15%. Water bars should be keyed-in to the cut bank and have a clear outlet on the downhill side. In lieu of water bars, where available in concentrations, slash can be scattered on corridors, skid trails and landings.
- (k) Closed system roads will be hydrologically stabilized. This usually includes removing all stream culverts and water-barring, but sometimes deep fill stream crossings will be stabilized by reducing the fill material over culverts left in place, or other measures to hydrologically stabilize the road as determined by a hydrologist.
- (l) Any project activity that occurs within a perennial stream channel, such as culvert replacement, shall comply with the Oregon Department of Fish and Wildlife seasonal restriction for in-stream work activities [July 1 – August 15 window] and follow a dewatering plan. If a waiver to these dates is necessary, the STATE would need to review the proposal and seek concurrence from the applicable regulatory agencies. Culvert removal sites will be dewatered while the culvert is being removed if stream flow is sufficient for dewatering to be possible. On Class 2 streams, ensure fish salvage is performed by a fisheries biologist and ensure continuous stream flow below the work site. At culvert removal sites, the road must have water bars or other drainage features constructed to route surface water away from the newly excavated slopes.

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

- (a) Remove all logs as described under Section 2045, "Log Removal."
- (b) Decommission landings and primary skid trails required by Section 2360.
- (c) Complete Roadside Grapple Piling, as required by Section 2560(a)(3).
- (d) Pile all Slash within reach of the Landings by a log loader or excavator on the edge of the Landing as required by Section 2560. Material suitable for firewood shall be separated into individual piles accessible for firewood cutting. Other Slash 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:

- (a) Remove all trash from the Timber Sale Area within 5 calendar days after completion of log hauling activities.
- (b) Complete road maintenance requirements of Section 2120, "Access," Section 2130, "Road Maintenance," and 'Post Haul' road maintenance requirements outlined in Exhibit D within 14 calendar days after completion of log hauling activities.
- (c) Remove all equipment and materials from the Timber Sale Area, as required by Section 1430, "Removal of Equipment and Materials," 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.

In addition, PURCHASER shall perform all measures necessary to protect the stream banks, streambed, and vegetation within the Stream Buffer(s) shown on Exhibit A. The Stream Buffer(s) are:

Streams regarding The Timber Sale Area have the following No-Harvest Buffer widths:

- (i) Class 1, 120 feet.
- (ii) Class 2, 100 feet within 1000 feet of a Class 1 stream, and 75 feet outside of 1000 feet from a Class 1 stream.
- (iii) Class 3, 60 feet.
- (iv) Class 4, 30 feet.

Necessary measures include, but are not limited to, the following, unless otherwise approved in writing by STATE:

- (a) Fell adjacent trees and Snags away from or parallel to the buffer to prevent them from entering the buffer.
- (b) Ground-based yarding equipment is prohibited within no-harvest buffers of all streams
- (c) Stream crossing activities will be restricted to dry season (generally July 15 through October 15), when there is no flow or greatly reduced flow.
- (d) Do not fell trees within the no-harvest buffers except in cable corridors. Felled trees shall not be removed.
- (e) Cable Yarding over or within the buffer shall be done in accordance with the requirements of Section 2350, "Cable Yarding Specifications."
- (f) Trees may be felled according to the specifications in Section 2320, "Thinning Specifications". No Douglas-fir trees with a DBH greater than 20 inches may be cut within 172 feet of the riparian reserve area. Damage to other vegetation shall be kept to a minimum.
- (g) Trees that fall or slide into any stream type no-harvest buffers shall not be removed without prior approval from STATE.
- (h) All areas of exposed soil related to Timber Sale Area that have the potential to be hydrologically connected to any streams (such as landings, system and non-system roads, cleared ditch lines, decommissioned roads, etc.) will be seeded or mulched with weed free seed or weed free mulch, or other erosion control measure to prevent offsite movement of soil, and to facilitate vegetative recovery. Cleared ditch lines will be fitted with sediment traps (such as wattles or straw mulch) to prevent sediment from entering streams from the cleared ditch lines.
- (i) Skid trails should not be designated through wetlands or other high soil moisture areas.

(j) Skid trails should not be designated to cross stream, but when stream crossing are necessary the following apply:

(i) Limit skid trail corridors through no harvest buffers to less than 15 feet in width and no more than one crossing per 1,000 feet of linear stream length.

(ii) Stream bank protection is required when crossing stream. The use of logs felled from the corridor, or other bank protection is required. All trees felled into no-harvest buffers must be left on site.

(iii) Stream crossings shall be removed before the wet season (generally October 16 through May 14).

(iv) Skid trails are to be perpendicular to the stream channel and take the shortest corridor through the no-harvest buffer.

(v) Stream crossing activities (skidding) will be restricted to dry season when there is no flow or greatly Reduced flow.

PURCHASER shall comply with the following instructions for removal of Slash that enters streams as a result of PURCHASER's Operations:

Slash shall be cleared up to the high-water mark on all streams. All removed Slash shall be placed in a stable location above the high-water mark.

(a) STATE may direct certain Slash to be left in stream areas for habitat structure purposes.

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.

Fuel and other petroleum products must be stored and refueling must occur at least 150 feet from any stream or other waterbody.

In subwatersheds with listed fish habitat, adequate cross drainage shall be installed near streams so that there is less than 200 feet of ditch line draining directly to any stream.

Timber transport will be stopped by STATE when road sediment can be observed moving into ditches, perennial, or intermittent streams.

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 National Forest or between National 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 National Forest or between National Forest sites unless otherwise agreed in writing. Notification shall include identification of the equipment's most recent operation.

(a) Upon request by STATE, arrangements shall be made for STATE inspection of each piece of equipment prior to entry upon site.

(b) Equipment shall be inspected by STATE at a site approved by STATE, to verify that the equipment has been reasonably cleaned prior to operation on Timber Sale Area.

(c) Equipment should work in non-infested areas and then move to infested areas (USFS would provide map). If the purchaser elects to move from an infested area to a non-infested area, equipment shall be washed prior to leaving the infested area.

- (d) Close off any temporary spur roads, if used, as soon as possible after logging and related activities are completed. Seed and plant these roads and any bare soil areas of ground disturbance with native grass and forb species.
- (e) Roads to be closed or decommissioned would be treated for invasive plants prior to closing. Protect dry and mesic special habitats with buffers or special avoidance measures (i.e. directional felling). Presale will work with the district botanist.
- (f) Clean fill (soil or rock free of slash and debris) would be used for construction of temporary roads. Sources of rock and fill material need to be free of invasive plants. Rock quarries that may be used would be surveyed for invasive plants prior to use. If invasive plants are found, they would be treated as necessary prior to use.
- (g) Gravel and rock will come from sources approved by STATE.

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 2425. Recreation, Trails, Signage, and Structure Protection. PURCHASER shall not remove, alter, damage, or destroy any recreation signs, posters, markings, kiosks, or structures in or near the Timber Sale Area(s). PURCHASER shall comply with the following requirements for all trails shown on Exhibit A, unless otherwise approved by STATE. STATE may require PURCHASER to re-establish recreational trails to pre-sale conditions, as directed by STATE. If harvest operations occur on mixed-use roads, OHV use will be prohibited during operations.

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. If any such items are discovered, PURCHASER shall notify the STATE, and immediately suspend operations in the vicinity of cultural resource.

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 2455. Seasonal Restrictions. PURCHASER shall adhere to the following restrictions, unless otherwise approved in writing by STATE:

- (a) Road Maintenance and Log hauling shall not be allowed from October 15 through May 15, unless otherwise approved in writing by STATE (Section 2130).
- (b) Felling Operations shall not be allowed from October 15 through May 15, unless otherwise approved in writing by STATE (Section 2310).
- (c) Ground-based Operations and Cable Operations shall not be allowed from October 15 through May 15, unless otherwise approved in writing by STATE (Sections 2355 & 2350).
- (d) Operations on non-project roads and Landings shall not be allowed from October 15 through May 15, unless otherwise approved in writing by STATE (Section 2360).
- (e) Any project activity that occurs within a perennial stream channel, such as culvert replacement, shall comply with the Oregon Department of Fish and Wildlife seasonal restriction for in-stream work activities [July 1 – August 15 window] (Section 2360)
- (f) Harvest operations and prescribed burning are restricted from Jan 15 – July 31. This seasonal restriction may be waived if the raptor management territory is surveyed and found to be unoccupied during the year(s) of implementation in the nest territory. Also, for monitored sites, the ending date of the seasonal restriction can be shortened if peregrines abandon the nest area due to nest failure or early fledging of young with wildlife biologist concurrence.

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 and the U.S. Forest Service harmless from any and all loss, costs, damage, and expense that STATE or the U.S. Forest Service 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, enough feet of hose to reach from the water supply to any location in the operation affected by power driven machinery or 500 feet, whichever is greater, 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 2560. Slash Disposal.

(a) Landing Pile locations:

Slash piles shall be located to minimize damage of standing green trees and snags during burning. Unless otherwise agreed, they would be constructed at least 12 feet from standing green trees and snags. Piles shall not be built on tree stumps or heat sinks when burning. Piles shall not be in the bottom of draws, streams, or ditches and shall not obstruct roadways. Piles shall be spaced 30 feet apart, however where this cannot be attained, keep piles spaced not less than the average pile height. All piles shall be constructed within the subdivision.

(b) Construction and size of landing piles:

The Purchaser shall pile substantially all created slash at least 1 inch in diameter on the small end and at least 3 feet in length and shall be piled as compact as possible and free of soil and rocks. Excessive bark that has fallen off logs generated from logging activities on the landing shall be dispersed on the landing, not piled. Piles will be constructed with a "lift and pile" mechanism rather than a "push and pile" mechanism. Piles will be constructed 2/3 – 3/4 of the way then plastic will cover the pile and the remaining 1/3 – 1/4 of the pile will be placed on top of the plastic. Landing piles shall be a minimum of 8 feet in height and diameter at base shall not exceed height. Height of piles should not exceed 12 feet. The area around each pile shall be cleared of all created slash and bark a minimum of 6 feet. All pieces extruding from piles shall be bucked off to facilitate covering after construction.

(c) Piling Restrictions:

Material piling may occur by hand or with a grapple machine. Piling of fuels intended for burning is prohibited closer than 15 feet from the no-harvest buffer. Grapple piling should not occur during rainfall conditions to prevent off-site movement of sediment, pooling, trenching, or rutting. Grapple piling activities should occur in ground-based units on slopes less than 35% and road prisms.

(d) Covering of all landing piles:

All piles shall be covered with polyethylene plastic film .006 inches thick and a minimum of 20' x 20' in size. Plastic shall cover 80% of the pile to ensure safe and adequate ignition can be achieved allowing consumption of piles. Plastic shall be anchored to the piles on at least 4 corners. The last 1/3 – 1/4 of burnable material shall be placed on top of the pile to keep the plastic from blowing off.

(e) Piling Methods:

Material piling may occur by hand or with a grapple machine. Grapple piling should not occur during rainfall conditions to prevent off-site movement of sediment, pooling, trenching, or rutting. Grapple piling activities should occur in ground-based units on slopes less than 35% and road prisms.

(f) Slash:

Treatment-created fuels or natural fuel accumulations will be reduced through various methods such as yard tops attached, hand and machine piling, underburning or pile burning to lessen the fire hazard. If slash piles are created, three to five piles per acre will be retained for wildlife benefit. If grapple piles are created, one pile will be left per every three acres.

(g) Yard Tops Attached (YTA):

Tops attached to the last log will be yarded to the landing

(h) Pile Covering:

The purchaser will be covering landing piles and the Forest Service is responsible to burn all landing piles.

PROJECTS

Section 2610. Project Work. PURCHASER shall complete the following Projects in accordance with the specifications provided in Exhibits and written instructions from STATE. Project locations are shown on Exhibit A unless otherwise described. PURCHASER shall furnish all material unless otherwise specified.

Project Period. Work on Project Nos. 1 and 2 shall not be allowed from October 15 through May 15, unless otherwise approved in writing by STATE.

Activity in "Live" Streams shall not be allowed from August 15 through July 1, unless otherwise approved in writing by STATE.

Project No. 1. Road Improvement. Road improvement includes grading and blading. See Exhibit D and Roads and Projects Spreadsheet for details. See Exhibit D and Project Map for location of projects.

Project No. 2. Decommission of temporary roads and landings. See Section 2360 for description of decommissioning non-project roads and landings. See designated locations on Exhibit A.

Section 2620. Completion of Projects. PURCHASER shall complete the Project Work in the preceding section as follows:

- (a) After commencement of work on a road section, complete all Projects on that section prior to log hauling, unless otherwise approved in writing by STATE.
- (b) Complete all Projects on a road section prior to log hauling on that section.

If the logging operation will cause damage to a project, STATE may waive the completion date requirement until logging in that area is completed. Right-of-Way logs shall be removed from the road section before completion of the Project.

Section 2630. Credit for Project Work. In order to compensate PURCHASER for Project Work that PURCHASER agrees to complete under Section 2610, "Project Work," of this Contract, STATE agrees to credit PURCHASER's timber account in the sum of \$27,697.35 upon completion of and STATE's acceptance of all work, unless otherwise approved in writing by STATE.

PURCHASER may request partial credit for the Project Work when PURCHASER has completed, and STATE has accepted the Project Work.