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County	BOF	CSL	Tax Codes
Lane	100.00%	0.00%	

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

TIMBER SALE CONTRACT

SALE NAME: WL Self Loader Salvage
CONTRACT NO: WL-342-2024-W01212-01
ODF DISTRICT: Western Lane

SECTION 100. 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 NEW PURCHASER, 2600 STATE ST SE - SALEM - OR - 97310 ("PURCHASER"). The Contract shall be effective as of the latest date signed below. The parties do hereby agree as follows:

- (a) 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;
- (b) 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 Contract document on behalf of PURCHASER;
- (c) PURCHASER, acting through its Authorized Representative, has read, understands, and agrees to all instructions, specifications, and terms and conditions contained in this Contract document (including all listed attachments and addenda, if any, issued);
- (d) 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);
- (e) PURCHASER shall furnish the designated item(s) and/or service(s) in accordance with the Contract specifications and requirements, and shall comply in all respects with the terms of the resulting agreement.

IN WITNESS WHEREOF, the State of Oregon hereby enters into a contract with 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 OF OREGON - DEPARTMENT OF FORESTRY	PURCHASER
	NEW PURCHASER
By _____	By _____
Title _____	Title _____
_____	_____
Date	Date

SECTION 110. Sale of Timber. Under the terms and conditions of this contract, STATE sells to PURCHASER, and PURCHASER buys from STATE, the following described timber:

- (a) Species, type and estimated volume: Douglas-fir 64 mbf
- (b) Designated timber: All decked timber that is branded and painted as shown on Exhibit "A"
- (c) Located on: Section(s) 36 of T20S R5W, Section(s) 8 of T19S R7W, Section(s) 14 of T17S R9W, Section(s) 11, 16 of T17S R8W W.M.

SECTION 120. Log Export Prohibitions. This is a sale of "State Timber" as defined in OAR 629-031-0005 and shall not be exported from the United States. PURCHASER must comply with the provisions of the Forest Resources Conservation and Shortage Relief Amendments Act of 1993, which authorizes Oregon and other western states to prohibit the export of unprocessed timber from public lands, and with ORS 526.801 through 526.831 and with OAR 629-031-0005 through 629-031-0045, in disposing of timber from this sale.

SECTION 130. 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 when the timber is paid for, and removed 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 the timber and logs remaining on the timber sale area shall, at that time, automatically revert to and revest in STATE, without compensation to PURCHASER.

SECTION 140. Quality-Quantity of Timber. STATE makes no guarantee or warranty to PURCHASER as to the quality or quantity of the timber. PURCHASER shall be liable to STATE for the Total Purchase Price set forth in **Section 340, Log Prices**, even though the quantity or quality of timber actually cut, removed or designated for taking is more or less than that estimated by STATE.

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 150. Completion Date of Contract. Time is of the essence in this contract. PURCHASER shall complete and fully perform this contract within the time specified below, unless extended in writing by STATE. PURCHASER may be required to perform uncompleted contractual obligations at a time later than stated above. Notification of these obligations and their completion date shall be made in writing by STATE. The Contract Completion Date is **07/31/2024**.

SECTION 160. Pre-Operations Meeting and Operations/ Completion Plan. PURCHASER shall prepare an Operations/Completion Plan for all operations to be conducted under this contract and submit the plan to STATE at least 5 calendar days prior to commencement of any operation. This plan shall be prepared on a form provided by STATE, and shall be used for all types of operations, including project work, logging, and post harvest requirements. STATE may require an on-site meeting prior to approval of the plan, attended by PURCHASER, subcontractor, and STATE representatives. STATE's approval of the plan must be obtained prior to commencement of any operation, and PURCHASER must comply with this plan. If PURCHASER fails to comply with any of the terms of the plan, including completion dates, STATE may, after giving written notice, suspend PURCHASER's operations until such time as an acceptable alternative plan is submitted by PURCHASER and that alternate plan is accepted by STATE, as provided in Section 280, "Violations, Suspensions, and Cancellation." PURCHASER shall notify STATE whenever operations will be inactive for more than 3 days, and again when operations will be resumed. Upon approval by STATE, the Operations/Completion Plan shall automatically be incorporated into, and made part of, this contract. PURCHASER's strict compliance with the Operations/Completion Plan, as approved by STATE, is a material condition and covenant of this contract.

SECTION 190. 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 \$1,000,000 combined single limit per occurrence and an amount not less than \$2,000,000 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 \$1,000,000 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 \$1,000,000, 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) 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.
- (e) 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.

SECTION 200. Acceptance of Insurance. The insurance is required by this contract shall be furnished to STATE within 30 days of the date of this contract, and no operations shall be started prior to acceptance of said insurance by STATE.

SECTION 210. Inspection. 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.

SECTION 220. Assignment of Contract. PURCHASER shall not assign, sell, or transfer rights, or delegate responsibilities under this Contract, in whole or in part, or the right, title, interest, or the power of PURCHASER to execute or perform this contract, to any other person, firm or corporation, without the prior written consent of STATE.

SECTION 230. General Indemnification. PURCHASER shall indemnify, defend and hold harmless the State of Oregon, the Oregon Board of Forestry, the State Forester, the State Land Board, the Department of State Lands, 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.

SECTION 240. 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 250. 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 260. Choice of Law and Venue. This Contract shall be governed by, and construed in accordance with the laws of the State of Oregon, as interpreted by the Oregon courts. Any litigation arising out of this Contract shall be conducted in Marion County, Oregon.

SECTION 270. Attorney Fees. In the event a law suit of any kind is instituted on behalf of STATE to collect any payment due or to obtain performance of any kind under this contract, PURCHASER shall pay such additional sums as the court may adjudge for reasonable attorneys' fees plus all costs and disbursements at trial and on any appeal.

SECTION 280. 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.

SECTION 290. Violations, Suspensions, and Cancellations. If PURCHASER violates any of the provisions of this contract, 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 any violations of this contract within 10 calendar days after receipt of the suspension notice given under this section, STATE may, by written notice, cancel this contract and take appropriate action to recover all damages and expenses suffered by STATE by reason of such violations, including application of any advance payments and any performance bonds toward payment of such damages.

If PURCHASER cuts or removes any of the timber under this contract during any period of suspension; if PURCHASER cuts, removes, or damages any timber outside the sale boundary; or if PURCHASER cuts any of the timber after the expiration of the time for cutting or the cancellation of this contract, such cutting or removal or damage shall be considered a willful trespass and render PURCHASER liable for treble damages in accordance with applicable Oregon law.

STATE shall have the authority to suspend the activities of PURCHASER and contractors of PURCHASER, wholly or in part, under this contract for such period or periods necessary due to fire hazard conditions or other severe weather occurrence.

SECTION 300. 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 310. Default. Any default by PURCHASER in the performance of this contract shall be subject to the provisions of OAR 629-032-0000 through -0070 or OAR 141-015-0005 through -0050, depending on the ownership of State land involved in this contract and any future amendments thereof. The provisions of such rule are incorporated into this contract and made a permanent part hereof by reference as though fully set forth herein.

SECTION 320. 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 work as described in this contract, 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, federal, and local laws, codes, regulations, and ordinances. STATE may require PURCHASER to obtain a Permit, license, or approval from the governmental body or agency responsible for administering applicable laws before PURCHASER may begin or continue Operations under this Contract.

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

SECTION 325. Laws, Regulations and Orders. PURCHASER at all times, shall observe and comply with all federal and state laws, and lawful regulations issued thereunder, and local bylaws, ordinances and regulations, which in any manner affect the activities of PURCHASER under this contract. PURCHASER shall observe and comply with all orders or decrees as exist at present, and those which may be enacted later by bodies or tribunals having any jurisdiction or authority over such activities of PURCHASER.

SECTION 330. Workers Compensation Insurance (ORS 279.320). PURCHASER shall perform the Operations in accordance with the requirements of the Workers' Compensation Law of the State of Oregon during the term of this Contract. In addition, PURCHASER, its subcontractors, if any, and all employers providing work, labor, or materials under this Contract are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017 and 656.029, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers, unless such employers are exempt under ORS 656.126.

SECTION 340. Log Prices. Total Purchase Price for Designated Timber shall be **\$ Bid Price**.

MINIMUM BID:

	Species Category	Species Group	Species	Product	Grade	Volume	Diameter From	Diameter To	Length From	Length To	Value
Sale TOTAL MINIMUM BID:											\$28,799.61

PURCHASER shall pay the Total Purchase Price to STATE in accordance with the following payment schedule:

PURCHASER shall make an initial payment for timber sold under the terms of this Contract, in the amount of 10% of the bid price at the time this contract is signed. The remaining balance shall be charged prior to log haul as volume is removed.

SECTION 350. 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.

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

SECTION 370. 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.

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 State timber and ineligible for export. Additional branding hammers registered to STATE, to be used for this purpose, may be obtained from STATE upon request, at cost.

SECTION 390. Hauling and Operating Time Restrictions. PURCHASER shall not haul logs from the Timber Sale Area on weekends, State-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.

SECTION 400. Log Removal. All logs defined below, except those specified in Section 460, "Reserved Timber," shall be removed as Designated Timber under this Contract.

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).

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.

SECTION 420. 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.

SECTION 430. Access. PURCHASER shall have the right to use, improve or construct only those roads designated by STATE, and prior to any improvement or construction PURCHASER shall first obtain approval by STATE. Unless otherwise stated in this contract, PURCHASER shall be responsible for obtaining access over any lands or roads other than those owned or controlled by STATE. STATE makes no guarantee or warranty to PURCHASER relative to the condition or usability of said designated roads.

Access Permit/Agreement. PURCHASER's use of H Line and C Line is subject to a Permit (#341.20559), Which PURCHASER shall complete with Roseburg Resources Co. STATE shall provide a sample form and PURCHASER shall furnish a copy of the executed document to STATE within 10 days of its completion. This Permit requires insurance.

SECTION 440. 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 to use roads in the Timber Sale Area, PURCHASER and each party so authorized shall be responsible for a proportionate share of normal maintenance, based upon the ratio of each party's use to total road use, as determined by STATE.

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

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

repairing any bridge or approach thereto if damage to such has resulted from activities of PURCHASER.

SECTION 460. 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 490, "Damages To Reserved Timber."

SECTION 480. Reserved Trees and Snags. All snags shall be reserved from cutting unless determined to be a fire or safety hazard, or as determined by STATE. Felled snags shall not be yarded or removed.

SECTION 490. Damages To Reserved Timber. 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 then 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.
 - (B) Any visible bark removal on the tree roots.
- (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 to reserved timber will be reduced by the single 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.

For species sold on a lump sum basis, the Purchase Price for each species shall be determined using STATE's unamortized timber appraisal value.

SECTION 500. Yarding. PURCHASER shall comply with the following when yarding:

- (a) All roads in the Timber Sale Area shall be kept free of obstructions and maintained in a condition that permits ongoing travel during the operation, unless otherwise approved by STATE.
- (b) If logs are decked over culvert inlets or outlets, or if decked in ditchlines, PURCHASER shall either remove logs by hauling or place in a different location as approved by STATE to facilitate proper water drainage.
- (c) PURCHASER shall suspend ground Yarding during periods of high soil moisture, as determined by STATE.
- (d) Operations shall be designed to minimize soil disturbance and damage to Reserved Timber. If the above conditions are not met by PURCHASER, STATE reserves the right to suspend Yarding until corrective measures have been agreed upon by STATE and PURCHASER.

Time lost while STATE exercises any of the above options shall not be considered cause for contract extension.

SECTION 510. Damage to State Property. PURCHASER shall be liable for the repair of, or payment for, any damage to State property resulting from activities of PURCHASER. For the purpose of this section, "State Property" shall mean any trees on or adjoining the timber sale area which are not sold to PURCHASER, any improvements located on State land, any State-owned equipment, and any soil, streams, lakes or reservoirs on State land.

SECTION 520. Damage to Reforested Areas. PURCHASER shall take all necessary precautions to avoid damage to reforested areas adjacent to, within, or near the Timber Sale Area.

SECTION 530. 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 sale area. Definitions of Type F, Type D, and Type N streams contained in the Forest Practices Act apply to this Contract.

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

SECTION 570. 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.

SECTION 580. Slash Disposal. Slash is defined as, "all woody debris resulting from logging Operations, construction of roads, or other Improvements." In the event the State Forester determines an additional fire hazard has been created as a result of PURCHASER's operation, then, upon completion of all provisions of this Contract, STATE shall assume all obligations for the disposal or reduction of any additional fire hazard determined to exist, and issue a release pursuant to ORS 477.580 (6) relieving PURCHASER of such obligations.