

PROSPECTUS



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Eugene District Office

P.O. Box 10226

Eugene, Oregon 97440-2226

IN REPLY REFER TO:

5430A

May 30, 2012

**Parcel No. 3
Tract No. E-12-502
Siuslaw Resource Area**

A-Line

TIMBER SALE NOTICE

NOTICE IS HEREBY GIVEN that the Bureau of Land Management will offer for sale timber as described herein for oral auction, pursuant to Instructions to Bidders, as stated on Form No. 5440-9 and subject to Notice of Requirement for Certification of Nonsegregated Facilities, Form No. 1140-4, attached. Written and oral bids will be received by the District Manager, or her representative, at the **EUGENE DISTRICT OFFICE, 3106 PIERCE PARKWAY, SPRINGFIELD, OREGON**. The timber sale will commence at 10:00 a.m. on Thursday, **June 28, 2012**.

A revised Special Provision has been added to the contract which enables the Contracting Officer to suspend the contract to facilitate protection of certain plant or animal species, and/or to modify or terminate the contract when necessary to:

1. Comply with the Endangered Species Act, or;
2. Comply with a court order, or;
3. Protect occupied marbled murrelet sites in accordance with the Standards and Guidelines of the Eugene District Record of Decision (ROD) and Resource Management Plan (RMP), or;
4. Protect species which were identified for protection through survey and manage and/or protection buffer standards and guidelines established in the ROD and RMP.

This contract provision limits the liability of the Government to the actual costs incurred by the Purchaser which have not been amortized by timber removed from the contract area.

This Timber Sale Notice does not constitute the decision document for purposes of protest and appeal of a forest management decision. Consistent with 43 CFR Subpart 5003 - Administrative Remedies, the notice of a timber sale, when published as a legal ad in a newspaper of general circulation shall constitute the decision document for purposes of protest and appeal. Protests may be filed with the Contracting Officer within 15 days of the publication of the aforementioned decision document in the newspaper. It is anticipated that the decision document will be published in The Register-Guard newspaper on or about May 30, 2012. BLM does not warrant publication on this exact date. All parties considering protest of the timber sale decision document are encouraged to review the aforementioned newspaper to ensure accurate knowledge of the exact publication date.

A WRITTEN BID on Form 5440-9 at not less than the appraised price on a unit basis per species and the required minimum bid deposit shall be required to participate in oral bidding for each tract.

THE SUCCESSFUL BIDDER, as a condition of award, will be required to complete and/or sign the following forms:

1. Form 1140-6, a certification that the bid was arrived at by the bidder or offerer independently, and was tendered without collusion with any other bidder or offerer.
2. Form 1140-7, Equal Opportunity Affirmative Action Program Representation, for all contracts over \$10,000.
3. Form 1140-8, Equal Opportunity Compliance Report Certification.

4. Form 5450-17, Export Determination.

PRE-AWARD QUALIFICATIONS. The high bidder may be required to furnish information to determine the ability to perform the obligations of the contract. If the high bidder is determined not qualified, not responsible or refuses to respond within 15 days of a request for information pertaining to qualifications, the contract may be offered and awarded for the amount of the high bid to the highest of the bidders who is qualified, responsible, and willing to accept the contract.

A PERFORMANCE BOND in an amount not less than 20 percent of the total purchase price will be required for all contracts of \$2,500 or more, but the amount of the bond shall not be in excess of \$500,000, except when the Purchaser opts to increase the minimum bond as provided in 43 CFR 5451.2. A minimum performance bond of not less than \$500 will be required for all installment contracts less than \$2,500.

INSTALLMENT PAYMENTS may be authorized for sales of \$500 or more. Required installments will be determined by BLM. For sales under \$500,000, installments will not be less than 10% of the total purchase price. For sales of \$500,000 or more, installment payments shall be \$50,000.

LOG EXPORT AND SUBSTITUTION. All timber sales, including timber from Federal rights-of-ways, shall be subject to the restrictions relating to the export and substitution of unprocessed timber from the United States in accordance with P.L. 94-165 and 43 CFR 5400 and 5424, as amended.

LOG EXPORT AND SUBSTITUTION RESTRICTIONS. Excepting Port-Orford-cedar, all timber offered for sale hereunder is restricted from export from the United States in the form of unprocessed timber and is prohibited from being used as a substitute for exported private timber.

The BLM has revised the log export restrictions special provision to reduce the log branding and painting requirements. The new requirements include branding of one end of all logs with a scaling diameter of over 10 inches. All loads of 11 logs or more, regardless of the diameter of the logs, will have a minimum of 10 logs branded on one end. All logs will be branded on loads of 10 logs or less. One end of all branded logs will be marked with yellow paint. At the discretion of the Contracting Officer, the Purchaser may be required to brand and paint all logs. The Purchaser shall bear any increased costs for log branding and painting.

ADDITIONAL INFORMATION concerning each timber sale tract described herein is available at the above District Office. A copy of the timber sale contract is also available for inspection at the District Office. This prospectus includes maps and tables that cannot be made Section 508 compliant. For help with its data or information, please contact the Eugene District Office at 541-683-6798.

THE VOLUMES LISTED herein are estimates only, based on 16-foot taper breaks, which must be taken into consideration if comparisons are made with volume predictions based on other standards. The volumes based on 32-foot taper breaks are shown for comparison purposes. No sale shall be made for less than the total purchase price, without regard to the amount bid per unit, even though quantity of timber actually cut or removed or designated for taking is more or less than the estimated volume or quantity so listed.

AN ENVIRONMENTAL ANALYSIS (EA) was prepared for the Long Tom Landscape Level Project, which includes the A-Line Timber Sale area. A Finding of No Significant Impact and Decision Record for the EA have been documented. A Determination of NEPA Adequacy (DNA) has been documented for this sale. These documents are available for inspection as background for this sale at the Eugene District Office.

ACCESS to a sale may be through a locked gate (see individual sale information). Prospective bidders may obtain a key from the Eugene District Office. Any other persons interested in visiting the timber sale site should first contact the District Office at 683-6600.

Attachments:

- Form 5440-9
- Form 1140-4
- Form 1140-6
- Form 5450-22

EUGENE DISTRICT
SIUSLAW RESOURCE AREA

PARCEL NO.: 3
SALE DATE: June 28, 2012

Tract No. E-12-502 A-Line
Lane County, Oregon: O&C

Bid Deposit Required: \$63,800.00

All timber designated for cutting on NE1/4NE1/4, W1/2NE1/4, NW1/4, NE1/4SW1/4, NW1/4SE1/4 Section 21,
T. 18 S., R. 6 W., Will. Mer.

| Estimated Volume 32' Log (MBF) | Estimated Volume (CCF) | Species | Estimated Volume 16' Log (MBF) | Appraised Price Per MBF | Estimated Volume Times Approx. Price |
|--------------------------------------|---------------------------|-----------------|--------------------------------------|-------------------------------|--------------------------------------------|
| 3,116 | 5,941 | Douglas-fir | 3,636 | \$ 172.00 | \$ 625,392.00 |
| 85 | 167 | Western hemlock | 98 | \$ 115.00 | \$ 11,270.00 |
| 1 | 2 | Ponderosa pine | 1 | \$ **26.70 | \$ 26.70 |
| 4 | 11 | Bigleaf maple | 5 | \$ 75.00 | \$ 375.00 |
| 3,206 | 6,121 | TOTALS | 3,740 | | \$ 637,063.70 |

**10% of Pond Value

APPRAISED PRICES: Are calculated by determining market value through the analytical appraisal method. The minimum bid increment will be \$0.10 per MBF or multiples thereof.

LOG EXPORT RESTRICTIONS: All timber offered for sale hereunder is restricted from export from the United States in the form of unprocessed timber and is prohibited from being used as a substitute for exported private timber.

NOTE: The volume for this timber sale has been calculated using 16 foot eastside Scribner rules, and the 32 foot log volumes and the cubic log volumes are estimates derived from the 16 foot volumes.

CRUISE INFORMATION: The Right-of-Way timber volumes for bigleaf maple and ponderosa pine were based on a 100% cruise using the **National Cruise Program** for estimating board foot volume of trees in 16-foot logs.

All other coniferous species in the Right-of-Way and Partial Harvest Area have been cruised using the 3P system to select sample trees and the volume expanded to a total sale volume using the **National Cruise Program**. A map showing the location and description of these sample trees is available at the Eugene District Office.

With respect to merchantable Douglas-fir (sample) trees: The average tree is 18.7" DBHOB; the average log contains 84 bd. ft.; the total gross merchantable volume is approximately 3,855 MBF; and 94% recovery is expected.

CUTTING AREA: One area totaling approximately 147 acres must be partial harvested and approximately 6 acres of right-of-way must be clear cut.

ACCESS: Access to the sale is provided by:

1. a public road;
2. BLM existing roads;
3. BLM roads to be constructed;
4. Roads covered by Right-of-Way and Road Use Agreement No. E-308 between Rosboro, LLC and the United States. In the use of private roads, the Purchaser shall enter into a license agreement with Rosboro, LLC. The license agreement shall be delivered to Rosboro, LLC for execution at least 15 days prior to any use of company road. See the Prospectus for full terms and conditions of use.
5. Roads covered by Right-of-Way and Road Use Agreement No. E-308 between Oxbow Timber 1, LLC and the United States. In the use of private roads, the Purchaser shall enter into a license agreement with Oxbow Timber 1, LLC. The license agreement shall be delivered to Oxbow Timber 1, LLC for execution at least 15 days prior to any use of company roads. See the Prospectus for full terms and conditions of use.

ROAD MAINTENANCE: The Purchaser shall pay road maintenance and rockwear fees estimated at \$10,167.90 to Oxbow Timber 1, LLC prior to hauling. The Purchaser shall pay a road maintenance fee estimated at \$ 1,494.50 to Rosboro, LLC prior to hauling. See Exhibit D map for specification of road maintenance responsibility. Only the map page of Exhibit D is included in the Prospectus. Refer to the contract file for the full Exhibit D.

ROAD CONSTRUCTION: Required

Suggested Rock Source: Commercial, Noti Vicinity

Spurs A-E and Road Nos. 18-6-21.5 and 18-6-21.6

Class: SN-16 / SN-14

Length: 28+44 stations (surfaced) / 31+48 stations (natural)

Surfacing: 3" minus / jaw run

Width: 14'

Compacted Depth: 8" (roadway) / 9" (landings)

Estimated Quantity: 1,285 (3" minus) / 186 (jaw run), cu. yds.(truck measure)

Total estimated excavation: 14,200 cu. yds. Total Estimated end haul: 12,000 cu. yds.

Total estimated construction cost: \$150,394.63, including \$28,814.98 for surfacing.

Special Requirements in Road Construction: Operations limited to periods of dry weather. During construction of Spur C and Road No. 18-6-21.6, Purchaser shall use Road No. 18-6-21.4 as a waste area and shall place, grade, and compact waste material excavated during construction.

ROAD RENOVATION: Required

Road Nos. 18-6-8 and 18-6-21.4

Class: SN-18/SN-16

Length: 76+03 stations (asphalt patch)/17.00 stations

Surfacing: Hot Mix Asphalt

Width: 18'

Compacted Depth: 4"

Estimated Quantity: 100 tons

Total estimated renovation cost: \$14,920.46 including \$13,427.38 for surfacing

Special Requirements in Road Renovation: Operations limited to periods of dry weather. Purchaser shall renovate Road No. 18-6-21.4 and use the roadbed to place, grade, and compact waste material excavated during construction. Top layer of waste material shall not be compacted

DURATION OF CONTRACT: Duration of the contract will be 36 months for cutting and removal of timber.

SPECIAL PROVISIONS: The contract will contain special provisions regarding road construction, road renovation, road maintenance, logging methods, prevention of erosion, falling of snags, falling of all trees designated for cutting, logging residue reduction, and submission of a written logging plan specifying spur road locations, landing locations, logging methods, and logging schedule.

Under Section 25 of the timber sale contract, tractor logging will be prohibited during periods of excessive soil moisture. This will normally limit tractor logging to July, August and September.

It is estimated that approximately 410 MBF of additional timber, such as corridor and guyline trees, may be removed under the contract, but is not included in the advertised sale volume, nor is it included in the timber sale appraisal.

A revised Special Provision has been added to the contract which enables the Contracting Officer to allow the Purchaser to remove material from the Contract Area instead of disposing of slash by piling, covering and burning.

OTHER SPECIAL REQUIREMENTS:

- Seventy-one (71) trees located in thirty-seven (37) groups in the Approximate Location of Special Habitat Trees are reserved.
- No yarding or hauling shall be conducted on natural surfaced roads during periods of wet weather, as determined by the Authorized Officer.
- The Purchaser shall rock Spurs A-B and Road Nos. 18-6-21.5 and 18-6-21.6 for wet weather haul.
- The Purchaser has the option to rock Spurs C-E at Purchaser's expense
- Yarding *shall* be done with a carriage equipped skyline capable of yarding 2,100 feet slope distance in the Partial Harvest Area on slopes greater than 35%. Downhill yarding may be necessary.

- Due to a lack of stumps suitable for guyline anchors along the north side of 18-6-8 in section 16, a guyleless yarding system may be necessary.
- In the Partial Harvest Area, where slopes are less than 35%, yarding *may* be done either by a skyline system as described above, or by equipment operated entirely on designated skid trails during periods of low soil moisture. Within 210 feet of streams, skid trails shall be located at least 75 feet from the posted boundary.
- In the use of yarding corridors across private land when yarding to Road No. 18-6-8, notify Oxbow Timber 1, LLC 60 days in advance of cutting merchantable timber. Yarding wedges and corridors shall be clearly marked so that the boundaries are well defined. The Purchaser shall purchase from Oxbow Timber 1, LLC all merchantable trees at market prices located within the marked boundaries.
- The Purchaser shall clean yarding, logging, road construction, road renovation, decommissioning, and slash disposal equipment, using a water pressure hose, prior to entry on BLM lands.
- Upon completion of hauling, the Purchaser shall decommission skid trails, newly constructed roads and renovated roads. Decommissioning measures will take place during the dry season and include:
 - Decompact skid trails and natural surfaced roads with decompaction equipment, such as a track-mounted excavator.
 - Construct drainage dips, waterbars and/or lead-off ditches.
 - Where available, place logging slash on skid trails and road prisms.
 - Block by using stumps, slash, and/or cull logs.
- The Exhibit F contains explicit instruction on requirements for equipment and personnel involved in pile burning.

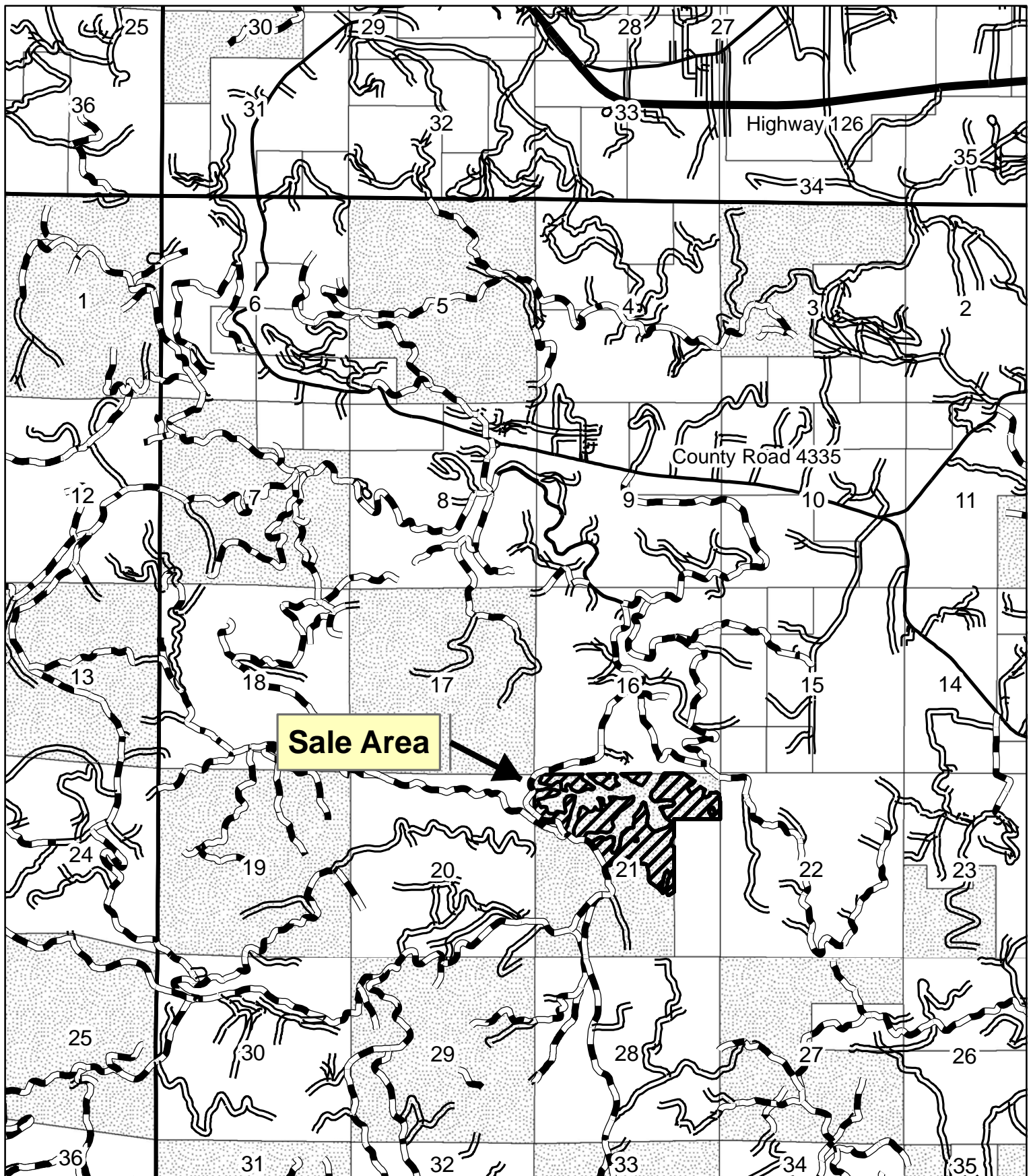
OPTIONAL CONTRIBUTION: The Purchaser will have the option of performing pile burning or contributing \$573.53 in lieu thereof. Piling and covering of piles are not included in the Optional Contribution and will remain the responsibility of the Purchaser. The option must be declared prior to contract execution.

If the Purchaser has made a contribution and later elects to remove all of the slash required to be piled, covered, and burned, the contribution will be refunded.

NARRATIVE DESCRIPTION OF HOW TO GET TO THE TIMBER SALE AREA: Access to the sale is through two locked gates on private roads. Prospective bidders may obtain a key from the Eugene District Office. Any other persons interested in visiting the timber sale site should first contact Christopher Finn at (541) 683-6421.

From Veneta, travel west on Highway 126 to Vaughn Road (County Road 4335). Turn south on Vaughn Road to Road No. 18-6-8 and follow the Timber Sale Area signs to the timber sale.

TIMBER SALE LOCATION MAP
A-Line
Township 18 S., Range 6 W., Section 21



Seasonal Restriction Matrix

Restricted Times are Shaded and X'd










| | Jan | | Feb | | Mar | | Apr | | May | | June | | July | | Aug | | Sept | | Oct | | Nov | | Dec | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|-----|----|-----|----|-----|----|-----|----|------|----|------|----|-----|----|------|----|-----|----|-----|----|-----|----|
| | 1 | 15 | 1 | 15 | 1 | 15 | 1 | 15 | 1 | 15 | 1 | 15 | 1 | 15 | 1 | 15 | 1 | 15 | 1 | 15 | 1 | 15 | 1 | 15 |
| Felling, yarding or loading | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Partial Harvest Area</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none">▪ April 15 – June 15, both days inclusive▪ Sap flow seasonal restriction may be conditionally waived | | | | | | | | | | | | | | | | | | | | | | | | |
| Ground-based yarding | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Partial Harvest Area</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none">▪ Typically October 1 – June 31; may vary due to weather conditions | | | | | | | | | | | | | | | | | | | | | | | | |
| Right-of-way logging and clearing | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Right-of-Way Area</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none">▪ Typically October 1 – May 31; may vary due to weather conditions | | | | | | | | | | | | | | | | | | | | | | | | |
| Yarding & hauling on natural-surfaced roads. | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Partial Harvest Area</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none">▪ Typically October 15 – May 31; may vary due to weather conditions▪ Purchaser option rocking will be permitted | | | | | | | | | | | | | | | | | | | | | | | | |

NOTE: This chart is for informational purposes only. Refer to Section 41 Special Provisions of the timber sale contract for exact date restrictions and stipulations.

EXHIBIT A

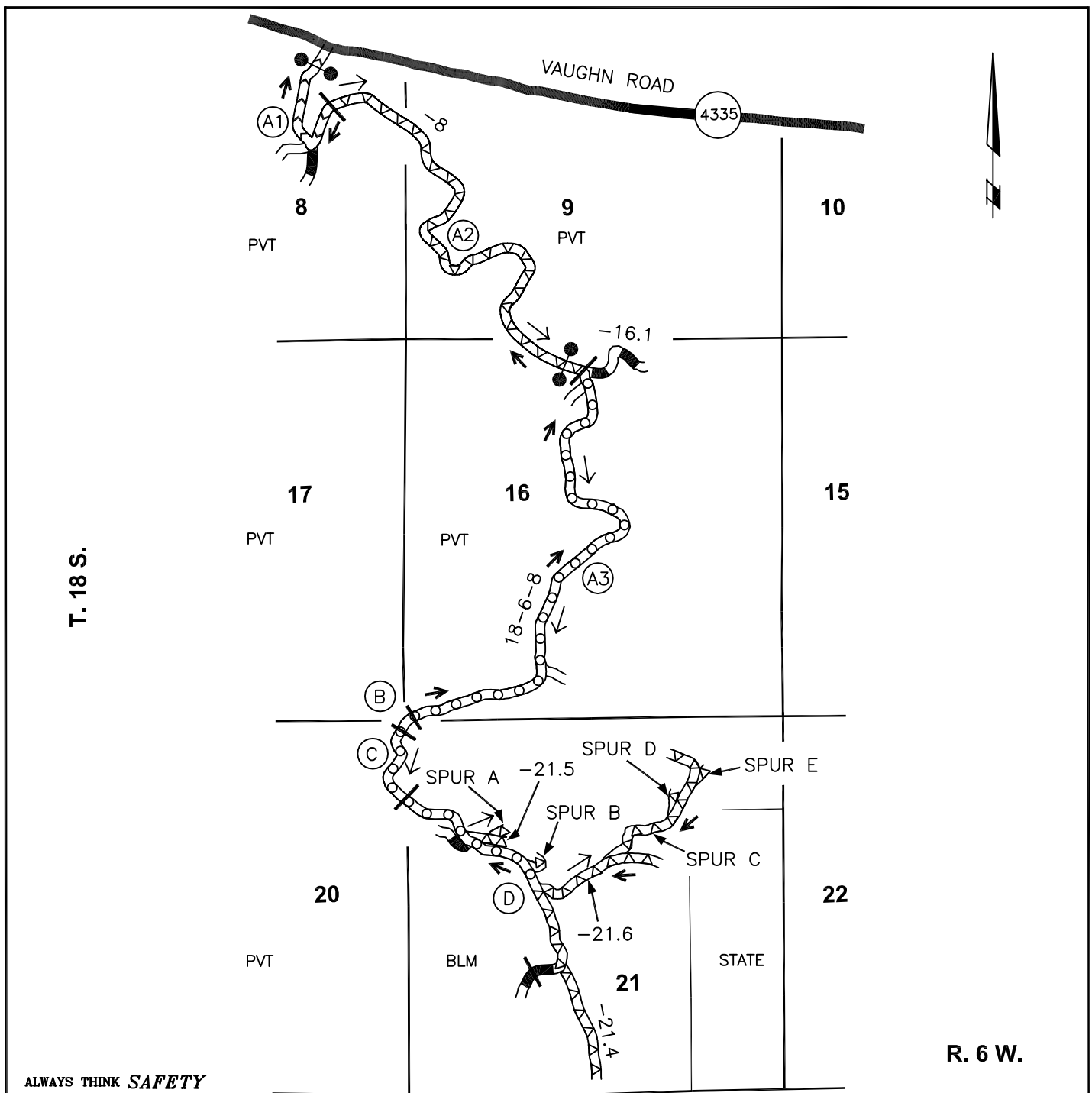
T. 18 S., R. 6 W., SEC. 21, WILL. MER., EUGENE DISTRICT



-  PARTIAL HARVEST AREA
 RESERVE AREA
 CLEARCUT (R/W) AREA
 STREAM
 APPROXIMATE LOCATION OF SPECIAL HABITAT TREES
 37 GROUPS (71 Trees)
-  BOUNDARY – CONTRACT AREA
 BOUNDARY – CUTTING AREA (BLAZED, PAINTED & POSTED)
 ROCK SURFACED ROAD
 NATURAL SURFACED ROAD
 ROAD TO BE CONSTRUCTED
 ROAD TO BE RENOVATED

DATE: 3/20/12

477



ALWAYS THINK **SAFETY**

SALE NAME: A-LINE TIMBER SALE
 CONTRACT NO.: ORE05-TS12-502

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
 EUGENE DISTRICT SPRINGFIELD, OREGON

EXHIBIT D
ROAD MAINTENANCE MAP

T. 18 S., R. 6 W., WILL. MER.
 LANE COUNTY, OREGON

DESIGNED BY: LUIS PALACIOS
 DRAWN BY: LUIS PALACIOS
 DATE: 3/28/2012
 NO SCALE SHEET 5 OF 5

LEGEND

- PURCHASER MAINTAINED ROADS
- OT1 MAINTAINED ROADS
- ROSBORO MAINTAINED ROADS
- MINERAL HAUL ROUTE
- TIMBER HAUL ROUTE
- PAVED ROAD
- OTHER EXISTING ROCKED ROADS
- OTHER EXISTING ROADS
- SEGMENT BREAK
- ROAD SEGMENT
- GATE
- COUNTY ROAD

SPECIAL PROVISIONS FOR LOGGING RESIDUE REDUCTION

Immediately upon completion of harvest on any individual units, logging slash at all landings, and slash located along designated roads, shall be treated as follows:

CONSTRUCTION AND COVERING OF MACHINE PILES

1. Purchaser shall pile logging slash at all landings and within 25 feet of Road No. 18-6-8 on portions of the harvest area as directed by the Authorized Officer.
2. Equipment used shall be equipped with a hydraulic thumb or a controllable, grapple head. The machine shall have a minimum reach of 25 feet and shall travel on the road only.
3. Prior to commencement of slash reduction work, all equipment shall meet approval of the Authorized Officer.
4. With the approval of the Authorized Officer, the Purchaser shall have the option to hand pile.
5. All logging slash more than 2 feet long and between 1 and 6 inches in diameter at the large end shall be piled. In all cases, the debris after treatment shall be less than 6 inches deep.
6. Slash shall be piled as directed by the Authorized Officer. The piles shall be tight, free of mineral soil and free of projecting limbs or slash preventing adequate covering, and in locations suitable for burning. Piles shall be a minimum of 4 feet tall. Piles shall be no closer than 10 feet to residual trees.
7. Slash piles and landing piles shall be covered with polyethylene plastic film .004 inch thick. Each pile shall have a 10 foot x 10 foot cover, and covering shall be anchored to the satisfaction of the Authorized Officer. Covering shall be completed as directed by the Authorized Officer. Covering of all existing piles shall be completed by October 1st of each year, as directed by the Authorized Officer.

PRESCRIBED BURNING

8. Notwithstanding the provisions of Section 15 of this contract, the Government shall assume all obligations for the disposal or reduction of the fire hazards caused by slash created by the Purchaser's operations on Government lands, except for logging residue reduction and slash pullback operations listed above, and burning and fire control assistance as required herein. Upon phone notification by the Authorized Officer of required performance prior to ignition, the Purchaser shall, under supervision of the Authorized Officer or his designated representative, assist in pile burning and fire control. In addition, debris which has been buried at landings and is determined to be the source of holdover fire shall be excavated by the Purchaser with a tractor and/or hydraulic excavator as directed by the Authorized Officer.
9. The Purchaser shall furnish, at his own expense, the services of personnel and equipment on all units requiring burning as shown below.
 - One (1) work leader (Firefighter Type 1 (FFT1)) to supervise crew and to serve as Purchaser's representative.
 - One (1) additional firefighter (Firefighter Type 2 (FFT2)) for ignition of piles.
 - Two (2) drip torches with a sufficient quantity of slash fuel (3:1 ratio of diesel to gasoline, or biofuel equivalent).
 - Aluma-gel or other incendiary device.
 - One (1) chain saw with fuel.
 - One (1) hand tool per above listed personnel.

All listed personnel shall be physically fit, experienced and fully capable of functioning as required. In addition, all listed personnel shall be qualified according to the National Wildfire Coordinating Group (NWCG) Wildland Fire Qualification System Guide, PMS-310-1 and provide documentation of these qualifications. On the day of ignition all listed personnel shall be fluent in speaking and understanding English, clothing shall consist of long pants and long sleeved shirts, and be of approved aramid fabric (Nomex™ or equivalent), as well as being free of diesel fuel oil. All personnel shall wear lug sole boots with minimum eight (8) inch tall uppers that provide ankle support, approved hardhats and leather gloves. Personnel who do not meet these requirements or do not have proper clothing and personal protective equipment (PPE) will not be allowed to participate.

All listed tools and equipment shall be in good usable condition. All power-driven equipment shall be fully fueled and available for immediate use. During periods of use under this subsection, the Purchaser shall provide fuel and maintenance for all such power-driven equipment.

10. In the event of a fire escapement, the Purchaser's personnel and equipment shall, under supervision of the Authorized Officer or his designated representative, take action to control and mop-up the escaped fire until released from such service by the Government. If it becomes necessary to suppress a fire which escapes from the prescribed fire area for a period beyond midnight of the day following ignition, then the Government shall, at its option: (1) reimburse the Purchaser for such additional use of personnel and equipment at wage rates shown in the current Administratively Determined Pay Rates for the Western Area and at equipment rates shown in the current Oregon-Washington Interagency Fire Fighting Equipment Rental Rates schedule until the Purchaser is released from such service by the Government or (2) release the Purchaser from additional suppression work and assume responsibility for suppressing the escaped fire.

In case of injury to personnel or damage to equipment furnished as required by this subsection, liability shall be borne by the Purchaser, unless such injury or damage is caused by Government negligence.

11. The Purchaser may be required to burn slash on a 12 hour notice, 10 days after the initial notice is received. Burning may need to be accomplished at night or on Saturday, Sunday, or holiday. Time is of the essence in complying with this provision. In the event the Purchaser fails to provide the personnel and equipment required herein, the Purchaser shall be responsible for all additional cost incurred by the Government in disposing of slash including but not limited to the wages and other costs of providing federal employees and others as substitute labor force, the cost of providing substitute equipment and appropriate additional overhead expenses. If the Purchaser's failure results in a deferral of burning and new conditions necessitate additional site preparation work and/or the use of additional personnel and equipment to accomplish the planned burn, the Purchaser also shall be responsible for such additional costs.

Sec. 39. Time for Removal of Personal Property — Purchaser shall have the right within **one (1)** months after expiration of time for cutting and removal to remove his equipment, improvement, or other personal property from Government lands or rights-of-way; *Provided, however,* that any improvements such as road surfacing, culverts and bridges which have become a permanent part of a Government road, shall not be removed. The Authorized Officer may, in his

discretion, grant an extension of time, not to exceed three (3) months for removal of personal property. Any improvements remaining on Government lands and rights-of-way at the end of the period for removal, or any extension, shall become the property of Government. Any equipment or other personal property remaining on Government land and rights-of-way at the end of this period may be removed at the expense of Purchaser and disposed of in accordance with applicable law.

Sec. 40. Timber Reserved From Cutting — The following timber on this contract area is hereby reserved from cutting and removal under the terms of this contract and is retained as the property of Government.

See Sheet 1 which is attached hereto and made a part hereof.

Tract No. E-12-502

Parcel No. 3

THIS IS A SALE PROSPECTUS ONLY. ATTACHMENTS MAY NOT INCLUDE ALL EXHIBITS REFERRED TO IN THE CONTRACT PROVISIONS. THE COMPLETE CONTRACT INCLUDING ALL EXHIBITS IS AVAILABLE FOR INSPECTION AT THE EUGENE DISTRICT OFFICE, 3106 PIERCE PARKWAY, SPRINGFIELD, OREGON.

SALE DATE: June 28, 2012

Sec. 41. Special Provisions — Purchaser shall comply with the special provisions which are attached hereto and made part hereof unless otherwise authorized, in writing, by the Contracting Officer.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day first above written.

| | |
|-----------------------------------------|--------------------------------|
| If Individual or Partnership, sign here | If Corporation, sign here: |
| _____ (Name of Firm) | _____ (Name of Corporation) |
| _____ (Name) | _____ (Name) |
| _____ (Address) | _____ (Title) |
| _____ (Name) | UNITED STATES OF AMERICA |
| _____ (Address) | By _____ (Name) |
| _____ (Name) | _____ (Title) |
| _____ (Address) | _____ (Date) |

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representation as to any matter within its jurisdiction.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to obtain data relevant to the operation of this timber sale contract.

This information will be used to administer our timber sale program.

Response to this request is required to obtain a benefit.

(If Purchaser is a corporation, the following certificate must be executed by the Secretary or Assistant Secretary of the Corporation.)

I, _____, certify that I am the _____ Secretary of the corporation
named as Purchaser herein; that _____ who signed the contract was then
_____ of said corporation, that said contract was duly signed for and in behalf of said corporation by authority of its governing
body, and is within the scope of its corporate powers.

[CORPORATE SEAL]

SEC. 40 - Timber Reserved From Removal and/or Cutting

- (a) All timber on the Reserve Area shown on Exhibit A, and all blazed, orange painted and posted trees which are on or mark the boundaries of the Reserve Area.
- (b) All trees marked with orange paint above and below breast height in the Partial Harvest Area shown on Exhibit A.
- (c) All snags, hardwoods, or Pacific yew trees in the Partial Harvest Area shown on Exhibit A which do not present a safety hazard as determined by the Authorized Officer. Snags, hardwoods, or Pacific yew trees felled shall be retained on site.
- (d) Approximately seventy-one (71) trees marked with yellow paint above and below breast height in the Approximate Location of Special Habitat Trees shown on Exhibit A. These trees shall not be felled or damaged during logging operations.
- (e) Any yellow-painted trees that are located outside of the Partial Harvest Area and are not shown on Exhibit A; these are Special Habitat Trees and shall not be felled or damaged during logging operations.
- (f) All existing decay class 3, 4 and 5 logs in the Partial Harvest Area shown on Exhibit A. Decay classes are illustrated on Exhibit I, which is attached hereto and made a part hereof.

SEC. 41 - Special Provisions

(a) Periodic Payment and First Installment Adjustment

- (1) Notwithstanding the provisions of Section 3(b), the amount of the first installment may be reduced by the Government when the Contracting Officer requests the Purchaser to interrupt or delay operations for a period expected to last more than thirty (30) days during the operating season. Such interruption or delay must be beyond the Purchaser's control. Operating Season shall be defined, for this purpose, as the time of year in which operations of the type required are normally conducted and not specifically restricted under the contract. The first installment may be reduced to five (5) percent of the installment amount listed in Section 3(b), during the delay period. The Purchaser must request such a reduction in writing. When the Contracting Officer notifies the Purchaser that operations may proceed, the Purchaser shall have fifteen (15) days after such notification to return the first installment to the full value specified in Section 3(b). Failure to return the first installment to the full value within the allotted time will be considered a material breach of contract. No timber shall be cut or removed from the contract area until the first installment is restored to the full amount.
- (2) Notwithstanding the provisions of Section 3(b), adjustments in the due dates for periodic payments may be made by the Government if the Contracting Officer interrupts or delays contract operations for a period expected to last at least thirty (30) days, and the interruption or delay is beyond the Purchaser's control. Any adjustment made shall provide the Purchaser with an equal amount of operating time as would have been available without the delay. The Purchaser shall request such adjustment in writing before the due date for a periodic payment contained in Sec. 3(b).

(b) Logging

- (1) Before beginning operations on the contract area for the first time or after a shutdown of 14 or more days, the Purchaser shall notify the Authorized Officer in writing of the date he plans to begin operations. This written notification must be received by the Authorized Officer no less than 14 days prior to the date the Purchaser plans to begin or resume operations. The Purchaser shall also notify the Authorized Officer in writing if he intends to cease operations for any period of 10 or more days.
- (2) Prior to the commencement of operations, the Purchaser shall obtain from the Authorized Officer written approval of a written operations and logging plan commensurate with the terms and conditions of the contract which shall include measures needed to assure protection of the environment and watershed.

A pre-work conference between the Purchaser's authorized representative and the Authorized Officer's representative must be held at a location designated by the Authorized Officer before the logging plan will be approved. All logging shall be done in accordance with the plan.

- (3) In the Partial Harvest Area shown on Exhibit A, all trees designated for cutting shall be felled and cut into log lengths not to exceed 40 feet before being yarded.
- (4) In the Partial Harvest Area shown on Exhibit A, non-merchantable tree tops and limbs shall be retained on site where the source tree is felled, where operationally possible.
- (5) No felling, yarding, or loading shall be permitted in or through the Reserve Area shown on Exhibit A, except where allowed in Section 41(b)(6).
- (6) In the Reserve Area shown on Exhibit A, logs may be yarded over streams. Yarding shall be done in accordance with Section 41(b)(11). Trees felled in the Reserve Area for these cable corridors shall be felled parallel to the stream unless otherwise directed by the Authorized Officer and shall be retained on site.
- (7) No felling or yarding shall be conducted in the Partial Harvest Area shown on Exhibit A from April 15 to June 15 of each year, both days inclusive, for sap flow. Purchaser shall request waivers of this restriction in writing at least 10 days in advance of proposed operations.
- (8) No yarding or hauling shall be conducted on natural surfaced roads during periods of wet weather, as determined by the Authorized Officer.
- (9) Prior to attaching any logging equipment to a reserve tree, the Purchaser shall obtain written approval from the Authorized Officer and shall take precautions to protect the tree from damage as directed in writing by the Authorized Officer.
- (10) No logging equipment shall be attached to any of the Special Habitat Trees reserved in accordance with Section (40)(d). These trees shall not be felled or damaged during logging operations.
- (11) In the Partial Harvest Area shown on Exhibit A, except where ground-based yarding as allowed in Section 41(b)(12), yarding *shall* be done with a skyline system capable of yarding 2,100 feet slope distance from the landings and laterally yarding at least 75 feet from the skyline roads. The carriage shall be capable of being held in position on the skyline during lateral yarding. Skyline roads shall be spaced a minimum of 150 feet apart at one end, unless otherwise approved by the Authorized Officer. During yarding the lead end of the log shall be suspended clear of the ground. Full suspension shall be required when yarding over streams. Downhill yarding may be necessary. A guyless yarding system may also be necessary. Intermediate supports and/or lift trees may be needed. Before clearing any skyline road necessary for yarding in the Partial Harvest Area, the Purchaser shall:
 - (aa) Mark the location of the skyline road on the ground with fluorescent pink flagging. Such skyline roads shall be limited to the minimum width necessary for yarding of logs with minimum damage to reserve trees but, in any case, the width of each skyline road shall not exceed 12 feet, measured between trunks of reserve trees, unless otherwise approved in writing by the Authorized Officer.
 - (bb) Obtain written approval from the Authorized Officer of the location of all proposed skyline roads.
 - (cc) Locate cable corridors over streams and above stream channel initiation points (headwalls) so that they are within 45 degrees of perpendicular to the stream, where possible.
- (12) In the Partial Harvest Area shown on Exhibit A, where slopes are less than 35%, yarding *may* be done by equipment operated entirely on designated skid trails during periods of low soil moisture. Trees shall be felled to the lead of the skid trails where possible. Before felling and yarding any timber in the area to be logged by ground-based equipment, the Purchaser shall locate and construct designated skid trails as follows:

- (aa) Mark the location of designated skid trails on the ground with fluorescent pink flagging in consultation with the Authorized Officer.
 - (bb) Space designated skid trails at a minimum of 150 feet apart unless otherwise agreed to in writing by the Authorized Officer.
 - (cc) Use existing skid trails where possible.
 - (dd) Obtain written approval from the Authorized Officer of the location of all designated skid trails.
 - (ee) Limit the width of each skid trail to a maximum of 12 feet.
 - (ff) Limit excavation on designated skid trails to a maximum cut of 1 foot and maximum length of 1,000 feet at any one location with prior approval of the Authorized Officer.
 - (gg) Obtain written approval of completed construction from the Authorized Officer prior to commencing logging operations.
 - (hh) Within 210 feet of streams, locate skid trails at least 75 feet from the posted boundary.
- (13) Before cutting and removing any trees necessary to facilitate logging in the Partial Harvest Area shown on Exhibit A, the Purchaser shall identify the location of the skid trails in accordance with Section 41(b)(12), cable yarding roads in accordance with Section 41(b)(11), and tailhold, tieback, guyline, lift, intermediate support, and danger trees on the ground in a manner approved by the Authorized Officer at the pre-work conference and documented in the logging plan. Said Purchaser identification of trees to be cut and removed does not constitute authority to proceed with cutting and removal. In addition, before proceeding the following conditions must be met:
- (aa) All skid trails and/or cable yarding roads upon which timber is identified by the Purchaser to be cut and removed in accordance with this special provision must be necessary for the safe and expeditious removal of timber sold under this contract and shall be limited to the minimum width necessary for yarding of logs with a minimum of damage to reserve trees; however, unless otherwise approved in writing by the Authorized Officer, the width of each skid trail and/or cable yarding road shall be limited to 12 feet.
 - (bb) The Purchaser may immediately cut and remove additional timber to clear skid trails and cable yarding roads; provide tailhold, tieback, guyline, lift and intermediate support trees; and clear danger trees when the trees have been marked with blue paint above and below stump height by the Authorized Officer and thereby approved for cutting and removal by the Authorized Officer. The volume of the timber to be sold will be determined by the Authorized Officer in accordance with Bureau of Land Management prescribed procedures. No timber may be cut or removed under terms of this provision unless sufficient installment payments have been made in accordance with Section 3(b) of the contract or sufficient bonding has been provided in accordance with Section 3(d) of the contract.
 - (cc) The Purchaser agrees that sale of this additional timber shall be accomplished by a unilateral modification of the contract executed by the Contracting Officer and that such timber shall be sold at the unit prices shown in Exhibit B of this contract unless the value of the timber must be reappraised subject to the terms for contract extension set forth in Section 9 of the contract.
 - (dd) This authorization for the Purchaser to cut and remove additional timber prior to the execution of a modification may be withdrawn by the Contracting Officer if the Authorized Officer determines that the Purchaser has cut and removed any tree not previously marked and approved for cutting by the Authorized Officer, which under Section 10 of the contract constitutes a violation of the contract and under Section 13 of the contract may constitute a trespass rendering the Purchaser liable for damages under applicable law.
 - (ee) If authorization is withdrawn, the Contracting Officer shall issue a written notice to the Purchaser that the sale of additional timber under this special provision is no longer approved.

In this case, the Purchaser shall inform the Authorized Officer at least one (1) working day prior to the need for cutting and removing any additional timber, and execute a bilateral modification prior to cutting for such additional approved timber at the unit prices shown in Exhibit B of the contract or in accordance with Section 8 or Section 9 of the contract as determined by the Authorized Officer in accordance with this provision. The Contracting Officer may issue a written order to the Purchaser to suspend, delay, or interrupt any or all contract work for the period of time deemed necessary and appropriate for the Government to safely measure and mark additional timber.

- (14) In accordance with the requirements of Section 8 of the contract it has been determined that it is in the best interest of the Government and within the provisions of 43 CFR 5402.0-6 to sell additional timber located in the Partial Harvest Area, which is obstructing needed cable yarding roads; hazardous to workers; needed for guyline, tailhold, and/or tieback trees; or severely damaged from the normal conduct of felling or yarding operations to meet all applicable State safety laws, codes or regulations. This timber must be cut or removed so that the Purchaser can continue active falling and yarding operations. The Purchaser is, therefore, authorized to cut and remove such additional timber in accordance with the provisions of Section 8 of the contract; provided, however, that:
- (aa) Trees reserved for the tree improvement program and trees reserved under Section 40 of the contract for wildlife habitat objectives as shown on Exhibit A are not included in the authorization.
 - (bb) The Purchaser shall identify each tree sold and cut in accordance with the provision by marking the cut surface of the stump immediately after falling with a large "X". The "X" shall be cut with a chain saw. The stump shall be marked with plastic flagging so that the stump can be visually located from a distance of not less than 100 feet.
 - (cc) The volume and price for such timber shall be determined by the Authorized Officer in accordance with Bureau of Land Management prescribed procedures and paid for by the Purchaser in accordance with Section 3(b) or 3(d) of the contract as required by Section 8 of the contract.
 - (dd) No timber may be cut or removed under the terms of this provision if all contract payments required by Section 3(b) or 3(d) of the contract have been made.
 - (ee) The permission to fell and yard additional timber contained in this provision may be withdrawn by the Contracting Officer if the Authorized Officer determines that the Purchaser:
 - (1) failed to properly mark any stump with the "X" cut.
 - (2) failed to identify the location of any stump.
 - (3) cut any tree that was reserved for tree improvement and/or wildlife habitat, shown on Exhibit A.
 - (4) cut any tree in or adjacent to cable yarding corridors that was not necessary to facilitate cable yarding.
 - (5) cut any reserve tree in or adjacent to tractor skid roads that was not necessary to facilitate ground based yarding.
 - (6) failed to properly segregate any pulled over tree that was yarded to the landing.
 - (7) cut any reserve tree that was not severely (as defined during the prework conference and documented in the approved logging plan) damaged from felling and yarding operations.
 - (8) cut more than the minimum number of trees necessary to properly serve as guyline anchor stumps.
 - (9) cut or topped more than the minimum number of trees necessary to properly serve as tailhold trees.

- (10) cut more than the minimum number of trees necessary to properly serve as tie-backs for topped tailhold trees.
- (11) failed to maintain accurate and current (no more than 24 hours old) documentation of cut and removed timber.

If the permission to cut and remove additional timber provision is withdrawn, the Authorized Officer shall deliver to the Purchaser a written notice that additional sale of timber under this special provision is no longer approved.

If the permission to cut and remove additional timber provision is withdrawn, the Purchaser shall inform the Authorized Officer at least two (2) working days prior to the need for cutting and yarding any guyline tree, tailhold tree, tie-back tree, danger tree, corridor tree, pulled over tree, and severely damaged tree. All sales of additional timber shall comply with Section 8 of the contract. The Contracting Officer may order the Purchaser, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contracting Officer determines appropriate for the Government to safely measure and mark additional timber.

All cable yarding and/or ground based equipment skid roads upon which timber may be cut and removed in accordance with this special provision must be needed for the removal of timber sold under this contract and shall be limited to the narrowest width necessary for the yarding of logs with minimum damage to reserved trees.

The Purchaser shall be liable for damages in accordance with Section 13 of the contract for any reserved timber cut or removed in violation of the terms of this special provision.

(c) Road Construction, Renovation, Use, and Maintenance

- (1) The Purchaser shall construct Spurs A-E and Road Nos. 18-6-21.5, and 18-6-21.6, and renovate Road Nos. 18-6-8 and 18-6-21.4 in strict accordance with the plans and specifications shown on Exhibit C, which is attached hereto and made a part hereof. Exhibit C contains 29 sheets.
- (2) Prior to removal of any timber, except right-of-way timber, the required construction and/or renovation of the haul route for that timber shall be completed as specified in Exhibit C.
- (3) The Purchaser shall rock Spurs A-B and Road Nos. 18-6-21.5 and 18-6-21.6 for wet weather haul. Rocking shall be in accordance with Exhibit C. If the Purchaser exercises the option to not rock any of these roads, the purchase price will be increased by the cost of surfacing as appraised at the time of sale.
- (4) The Purchaser has the option to rock Spurs C-E at Purchaser's expense. Rocking shall be in accordance with Exhibit C.
- (5) Purchaser Maintenance: The Purchaser is authorized to use the roads listed below and shown on Exhibit D which are under the jurisdiction of the Bureau of Land Management, and/or Oxbow Timber 1, LLC, (OT1) for the removal of Government timber sold under the terms of this contract and/or the hauling of rock as required in Exhibit C, provided that the Purchaser comply with the conditions set forth in Section 41(c)(6), and Section 41(c)(7).

| Road No. and Segment | Length Miles Used | Road Control | Road Surface Type |
|-------------------------|----------------------|-----------------|----------------------|
| Spur A | 0.03 | BLM | Rock |
| Spur B | 0.06 | BLM | Rock |
| Spur C | 0.48 | BLM | Natural |
| Spur D | 0.05 | BLM | Natural |
| Spur E | 0.06 | BLM | Natural |
| 18-6-8 por | 0.21 | BLM | Rock |
| 18-6-8 por | 1.44 | OT1* | Paved |
| 18-6-21.4 | 0.32 | BLM | Natural |
| 18-6-21.5 | 0.07 | BLM | Rock |
| 18-6-21.6 | 0.37 | BLM | Rock |

- (6) Except for the road maintenance in accordance with Section 41(c)(5), and/or Section 41(c)(7), the Purchaser shall perform any required road repair and maintenance work on roads used by him, under the terms of Exhibit D, "Road Maintenance Specifications", of this contract, which is attached hereto and made a part hereof.
- (7) In the use of Road Nos. 18-6-8 Segs. A2, A3, B, C and D (portion), the Purchaser shall comply with the conditions of Right-of-Way and Road Use Agreement No. E-308 between the United States of America and Oxbow Timber 1, LLC.. Prior to the use of said roads, the Purchaser shall furnish the Authorized Officer a copy of the executed License Agreement. Said agreement is available for inspection at the Bureau of Land Management, Eugene District Office, 3106 Pierce Parkway Suite E, Springfield, Oregon. Such conditions include but are not limited to the following actions by the Purchaser:
 - (aa) Obtain a license agreement from Oxbow Timber 1, LLC. The license agreement and insurance certificate shall be delivered to Oxbow Timber 1, LLC at least 15 days prior to use of company roads.
 - (bb) Furnish a performance bond in the amount of Ten Thousand and 00/100 dollars (\$10,000.00).
 - (cc) Maintain comprehensive liability insurance covering all operations, including vehicles, in amounts not less than One Million and 00/100 dollars (\$1,000,000.00) bodily injury for injury to any one person, One Million and 00/100 dollars (\$1,000,000.00) for any one occurrence and One Million and 00/100 dollars (\$1,000,000.00) property damage for any one occurrence.
 - (dd) Pay a lump sum road maintenance and rockwear fee of Ten Thousand, One Hundred Sixty-seven and 90/100 dollars (\$10,167.90) prior to log hauling. All road maintenance fees due as a result of modification shall be due at the time of modification and at a rate per MBF equal to the appropriate BLM fee current at the time of hauling.
 - (ee) In the use of yarding corridors, notify Oxbox Timber 1, LLC 60 days in advance of cutting merchantable timber. Yarding wedges and corridors shall be clearly marked so that the boundaries are well defined. The Purchaser shall purchase from Oxbow Timber 1, LLC all merchantable trees located within the marked boundaries at market prices.
 - (ff) Maintain Road No. 18-6-8 Seg. A2.
- (8) In the use of Road No. 18-6-8 Seg. A1, the Purchaser shall comply with the conditions of Right-of-Way and Road Use Agreement No. E-308 between the United States of America and Rosboro, LLC. Prior to the use of said roads, the Purchaser shall furnish the Authorized Officer a copy of the executed License Agreement. Said agreement is available for inspection at the Bureau of Land Management, Eugene District Office, 3106 Pierce Parkway Suite E, Springfield, Oregon. Such conditions include but are not limited to the following actions by the Purchaser:
 - (aa) Obtain a license agreement from Rosboro, LLC. The license agreement and insurance certificate shall be delivered to Rosboro, LLC at least 15 days prior to use of company roads.
 - (bb) Furnish a performance bond in the amount of Ten Thousand and 00/100 dollars (\$10,000.00).
 - (cc) Maintain comprehensive liability insurance covering all operations, including vehicles, in amounts not less than One Million and 00/100 dollars (\$1,000,000.00) bodily injury for injury to any one person, One Million and 00/100 dollars (\$1,000,000.00) for any one occurrence and One Million and 00/100 dollars (\$1,000,000.00) property damage for any one occurrence.

- (dd) Pay a lump sum road maintenance fee of One Thousand, Four Hundred Ninety-four and 50/100 dollars (\$1,494.50) prior to log hauling. All road maintenance fees due as a result of modification shall be due at the time of modification and at a rate per MBF equal to the appropriate BLM fee current at the time of hauling.
- (9) During the use of Road No. 18-6-8, the road shall not be blocked for more than 15 minutes.
- (10) The Purchaser also agrees that if he elects to use any private road, other than those provided for in this contract, which is the subject of a right-of-way agreement with the Government, for the removal of Government timber sold under the terms of this contract, he shall request and agree to the modification of this contract to provide for such use.
- (d) Environmental Protection
- (1) Upon each season's shutdown, the Purchaser shall block skid trails and natural surfaced roads as directed by the Authorized Officer, and shall place them in an erosion-resistant condition by constructing drainage dips, waterbars, and/or lead-off ditches. The waterbars and drainage dips shall be constructed in accordance with the specifications shown on Exhibit H, which is attached hereto and made a part hereof. Exhibit H contains 2 sheets. Blocking shall be completed as directed by the Authorized Officer.
- (2) In addition to the requirements set forth in Section 25 of this contract, the Purchaser shall, upon completion of hauling, complete the following decommissioning measures according to the road schedule below. All decommissioning shall be completed during the dry season and as directed by the Authorized Officer.
- (aa) Decompact all natural surfaced roads and landings with decompaction equipment, such as a track-mounted excavator.
- (bb) Construct drainage dips, waterbars and/or lead-off ditches as directed by the Authorized Officer. Waterbars and drainage dips shall be constructed in accordance with the specifications shown on Exhibit H.
- (cc) Place logging slash, where available, on skid trails and on road prisms.
- (dd) Block at entry points using stumps, slash, and/or cull logs, as directed by the Authorized Officer.

| | | If not rocked | | | | If rocked | | |
|-------------|--------------|---------------|----------|---------------|-------|-----------|---------------|-------|
| | | (aa) | (bb) | (cc) | (dd) | (bb) | (cc) | (dd) |
| Road Number | Road Rocking | Decompact | Drainage | Logging Slash | Block | Drainage | Logging Slash | Block |
| Skid Trails | N/A | X | X | X | X | | | |
| Spur A | Required | X | X | X | | X | X | |
| Spur B | Required | X | X | X | X | X | X | X |
| Spur C | Optional | X | X | X | | X | | |
| Spur D | Optional | X | X | X | | X | | |
| Spur E | Optional | X | X | X | | X | | |
| 18-6-21.4 | N / A | X | X | X | X | | | |
| 18-6-21.5 | Required | X | X | X | X | X | X | X |
| 18-6-21.6 | Required | X | X | X | X | X | | X |

- (3) Cable yarding corridors shall be waterbarred immediately after use, if necessary to prevent erosion, as determined by the Authorized Officer.
- (4) In order to prevent the spread of noxious weeds, the Purchaser shall be required to clean logging, road construction, road renovation, decommissioning, and slash disposal equipment, using a water pressure hose, prior to entry onto BLM lands as directed by the Authorized Officer.

- (5) If in connection with operations under this contract the Purchaser, his contractors, subcontractors, or the employees of any of them, discovers, encounters or becomes aware of any objects or sites of cultural value on the contract area such as historical or prehistorical ruins, graves or grave markers, fossils, or artifacts, the Purchaser shall immediately suspend all operations in the vicinity of the cultural value and shall notify the Authorized Officer of the findings. Operations may resume at the discovery site upon receipt of written instructions and authorization by the Authorized Officer.
- (6) The Purchaser shall immediately discontinue specified construction or timber harvesting operations upon written notice from the Contracting Officer that:
 - (aa) threatened or endangered plants or animals protected under the Endangered Species Act of 1973, as amended, may be affected by the operation, and a determination is made that consultation or reinstitution of consultation is required concerning the species prior to continuing operation, or;
 - (bb) when, in order to comply with the Endangered Species Act or to protect occupied marbled murrelet sites in accordance with the Standards and Guidelines of the Eugene District Record of Decision (ROD) and Resource Management Plan (RMP), the Contracting Officer determines it may be necessary to modify or terminate the contract, or;
 - (cc) federal proposed, federal candidate, Bureau sensitive or State listed species protected under BLM Manual 6840 - Special Status Species Management - have been identified, and a determination is made that continued operations would affect the species or its habitat, or;
 - (dd) other active raptor nests have been discovered, and a determination is made that continued operations under this contract would adversely affect the present use of the discovered nesting area by the raptor, or;
 - (ee) when, in order to comply with a court order which enjoins operations on the sale or otherwise requires the Bureau of Land Management to suspend operations, or;
 - (ff) when, in order to comply with a court order, the Contracting Officer determines it may be necessary to modify or terminate the contract, or;
 - (gg) species have been discovered which were identified for protection through survey and manage and/or protection buffer standards and guidelines established in the ROD and RMP, and the Contracting Officer determines that continued operations would affect the species or its habitat, or;
 - (hh) when, in order to protect species which were identified for protection through survey and manage and/or protection buffer standards and guidelines established in the ROD and RMP, the Contracting Officer determines it may be necessary to modify or terminate the contract.

Those operations necessary for a safe removal of personnel and equipment from the contract area and those directed by the Contracting Officer which are required in order to leave the contract area in an acceptable condition will be permitted. Discontinued operations may be resumed upon receipt of written instructions and authorization by the Contracting Officer.

During any period of suspension, the Purchaser may withdraw performance and payment bond coverage aside from that deemed necessary by the Authorized Officer to secure cut and/or removed timber for which the Bureau of Land Management has not received payment, and/or unfulfilled contract requirements associated with harvest operations that have already occurred and associated post-harvest requirements.

In the event of a suspension period or a combination of suspension periods that exceed a total of 30 days, the First Installment held on deposit may be temporarily reduced upon the written request of the Purchaser. For the period of suspension extending beyond 30 days, the First Installment on deposit may be reduced to five (5) percent of the First Installment amount listed in Section 3(b) of the contract. Any First Installment amount temporarily reduced may be refunded or transferred to another BLM contract at the request of the Purchaser.

However, if the Purchaser has outstanding debt owing the United States, the Contracting Officer must first apply the amount of First Installment that could be refunded to the debt owed in accordance with the Debt Collection Improvement Act, as amended (31 USC 3710, *et seq.*). Upon Purchaser's receipt of a bill for collection and written notice from the Contracting Officer lifting the suspension, the Purchaser shall restore the First Installment to the full amount shown in Section 3(b) of the contract within 15 days after the bill for collection is issued, subject to Section 3(h) of the contract. The Purchaser shall not resume contract operations until the First Installment amount is fully restored.

In the event of a suspension period or a combination of suspension periods that exceed a total of 30 days, the unamortized Out-of-Pocket Expenses for road or other construction required pursuant to Exhibit C of the contract shall be refunded or transferred to another BLM contract at the request of the Purchaser. Upon written notice from the Contracting Officer lifting the suspension, the Purchaser shall reimburse the Government the amounts refunded or transferred. The Purchaser may choose to pay this reimbursement at once or in installments payable at the same time as payments are due for the timber under the contract and in amounts approximately equal to the expenses associated with the timber for which payment is due.

In the event that operating time is lost as a result of the incorporation of additional contract requirements, or delays due to Endangered Species Act consultation with the U.S. Fish and Wildlife Service or U.S. National Marine Fisheries Service, or court-ordered injunctions, the Purchaser agrees that an extension of time, without reappraisal, will constitute a full and complete remedy for any claim that delays due to the suspension hindered performance of the contract or resulted in damages of any kind to the Purchaser.

The Contracting Officer may determine that it is necessary to terminate the cutting and removal rights under the contract in order to comply with the Endangered Species Act, protect occupied marbled murrelet sites in accordance with the ROD and RMP, protect species that have been discovered which were identified for protection through survey and manage and/or protection buffer standards and guidelines established in the ROD and RMP, or comply with a court order. Following the issuance of a written notice that cutting and removal rights will be terminated, the Purchaser will be permitted to remove timber cut under the contract, if allowed by the Endangered Species Act, marbled murrelet occupied site protection in accordance with the ROD and RMP, survey and manage and/or protection buffer standards and guidelines established in the ROD and RMP, or court order requirements necessitating the modification or termination.

In the event cutting and removal rights are terminated under this subsection, the Purchaser agrees that the liability of the United States shall be limited to the actual costs incurred by the Purchaser which have not been amortized by timber removed from the contract area. This calculation of liability shall utilize actual Purchaser costs and Government estimates of timber volumes. At the Authorized Officer's request, the Purchaser agrees to provide documentation of the actual costs incurred in the performance of the contract. In addition, the Purchaser shall be released from the obligation to pay the contract price for any timber which is not authorized to be removed from the contract area.

The Purchaser specifically and expressly waives any right to claim damages, other than those described in the preceding paragraphs, based on an alleged breach of any duty to the Purchaser, whether express or implied, in regard to the manner in which the Government defended the litigation which resulted in the court order affecting the operation of the contract. This waiver also extends to any claims based on effects on the operation of the contract that arise from litigation against another agency. Furthermore, the Purchaser specifically acknowledges and agrees that a court ruling that the Government violated the Administrative Procedures Act cannot be interpreted, in itself, to mean that the Government had not acted reasonably in regard to its duties to the Purchaser under this contract.

(e) Fire Prevention and Slash Disposal

- (1) Fire Prevention and Control. Primarily for purposes of fire prevention and control, the Purchaser shall, prior to the operation of power driven equipment in construction or logging operations under this contract during the closed fire season or periods of fire danger, prepare a fire prevention and control plan to the satisfaction of the Authorized Officer.
- (2) Fire Hazard Reduction. In addition to the requirements of Section 15 of this contract, and notwithstanding the Purchaser's satisfactory compliance with State laws and regulations regarding offsetting or abating the additional fire hazard created by this operation and the State's willingness to release the Purchaser from liability for such hazard, the Purchaser shall remain responsible to the Government for performance of the following hazard reduction measures required by this contract:
 - (aa) Pile and cover all slash within 25 feet of Road No. 18-6-8 where it passes through the Partial Harvest Area shown on Exhibit A. Pile and cover all slash on landings in the Partial Harvest Area, including landing piles resulting from yarding. All work shall be completed in accordance with Provisions 1-7 of Exhibit F, which is attached hereto and made a part hereof. Exhibit F contains 2 sheets.
 - (bb) Burn all resulting slash piles. All work shall be completed in accordance with Provisions 8-11 of Exhibit F.
 - (cc) In lieu of performing slash disposal as identified in Section 41(e)(2)(aa) and Section 41(e)(2)(bb), the Purchaser may remove material identified for slash disposal after notifying the Authorized Officer in writing. Any material identified for slash disposal that is not removed in accordance with this provision shall be treated in accordance with Section 41(e)(2)(aa) and Section 41(e)(2)(bb). Upon completion of slash removal, the Purchaser shall report tonnage of slash removed in accordance with this provision.

(f) Optional Contributions

- (1) The Purchaser shall perform all pile burning in accordance with Section 41(e)(2)(bb). The Purchaser shall have the option of completing this work, or in lieu thereof, making a contribution to the Bureau of Land Management in the amount of Five Hundred Seventy-three and 53/100 dollars (\$573.53). The amount of contribution shown above shall be paid prior to cutting. The Purchaser shall notify the Authorized Officer in writing of his intention to make this contribution prior to the date of execution of the contract. Upon making such contribution, the purchaser shall be relieved of obligations set out in this subsection.
- (2) If the Purchaser has made such a contribution, and later elects to remove *all* material identified for slash disposal in accordance with Section 41(e)(2)(cc), the entire contribution will be refunded to the Purchaser.

(g) Miscellaneous Provisions

- (1) The Purchaser agrees that the United States, its power permittees, lessees, and licensees, shall not be responsible or held liable or incur any liability for the damage, destruction, or loss of any land, crops, facility installed or erected, income, or other property or investment resulting from the use of such lands or portions thereof for power developments at any time where such power development is made by, or under the authority of, the United States.
- (2) The Government, at its option, may administratively check scale any portion of the timber removed from the contract area, and if necessary, conduct check scaling of independent scalers contracted to BLM for administrative check scaling purposes. The Purchaser hereby agrees to make such contract timber available for such scaling at a location or locations to be approved in writing by the Authorized Officer.

At the approved location or locations, the Purchaser shall provide an area for logs to be safely rolled out for scaling, to unload logs from trucks, place logs in a manner so that both ends and three faces of each log are visible for scaling, and to reload or remove logs after scaling has been completed. In the event that BLM elects to administratively check scale and if such check scaling causes a delay in log transportation time, an adjustment will be made to the purchase price as follows. If the entire sale is check scaled, the purchase price of this contract shall be reduced by Two Thousand Eight Hundred Five and 00/100 dollars (\$2,805.00). In the event only a portion of the contract timber is scaled, the purchase price shall be reduced by that portion of Two Thousand Eight Hundred Five and 00/100 dollars (\$2,805.00) which is equal to the percentage of timber sold which was actually scaled by the Government. For purposes of computing this price reduction, the percentage of timber sold which has been scaled shall be determined by the Government. Any reduction in purchase price under the terms of this provision shall be full compensation to the Purchaser for any expense or loss incurred as a result of such scaling. Scaling shall be conducted in accordance with the Northwest Log Rules Eastside by BLM scalers, and/or independent scalers contracted to BLM. A copy of the scale report will be made available to the Purchaser upon request.

(h) Log Export and Substitution

- (1) All timber sold to the Purchaser under the terms of this contract, except exempted species, is restricted from export from the United States in the form of unprocessed timber, and is prohibited from being used as a substitute for exported private timber. For the purpose of this contract, unprocessed timber is defined as: (1) any logs except those of utility grade or below, such as sawlogs, peeler logs and pulp logs; (2) cants or squares to be subsequently remanufactured exceeding eight and three-quarters (8¾) inches in thickness; (3) split or round bolts or other roundwood not processed to standards and specifications suitable for end-product uses; or (4) western red cedar lumber which does not meet lumber of American Lumber Standards Grades of Number 3 dimension or better, or Pacific Lumber Inspection Bureau R-List Grades of Number 3 Common or better. Thus, timber manufactured into the following will be considered processed: (1) lumber and construction timber, regardless of size, manufactured to standards and specifications suitable for end-product uses; (2) chips, pulp, and pulp products; (3) green or dry veneer and plywood; (4) poles and piling cut or treated for use as such; (5) cants, squares, and lumber cut for remanufacturing of eight and three-quarters (8¾) inches in thickness or less; (6) shakes and shingles.

Substitution will be determined under the definition found in 43 CFR 5400.0-5(n).

The Purchaser is required to maintain and upon request to furnish the following information:

- (aa) Date of last export sale.
 - (bb) Volume of timber contained in last export sale.
 - (cc) Volume of timber exported in the past twelve (12) months from the date of last export sale.
 - (dd) Volume of Federal timber purchased in the past twelve (12) months from the date of last export sale.
 - (ee) Volume of timber exported in succeeding twelve (12) months from date of last export sale.
 - (ff) Volume of Federal timber purchased in succeeding twelve (12) months from date of last export sale.
- (2) In the event the Purchaser elects to sell any or all of the timber sold under this contract in the form of unprocessed timber, the Purchaser shall require each party buying, exchanging, or receiving such timber to execute a Form 5460-16 (Certificate as to Nonsubstitution and the Domestic Processing of Timber). The original of such certification shall be filed with the Authorized Officer. Additionally, when the other party is an affiliate of the Purchaser, the Purchaser will be required to update information under item (2) of Form 5450-17 (Export Determination) and file the form with the Authorized Officer.

In the event an affiliate of the Purchaser has exported private timber within twelve (12) months prior to purchasing or otherwise acquiring Federal timber sold under this contract, the Purchaser shall, upon request, obtain from the affiliate information in a form specified by the Authorized Officer and furnish the information to the Authorized Officer.

Prior to the termination of this contract, the Purchaser shall submit to the Authorized Officer Form 5460-15 (Log Scale and Disposition of Timber Removed Report) which shall be executed by the Purchaser. In addition, the Purchaser is required under the terms of this contract to retain for a three-year period from the date of termination of the contract the records of all sales or transfer of logs involving timber from the sale for inspection and use of the Bureau of Land Management.

Unless otherwise authorized in writing by the Contracting Officer, the Purchaser shall brand clearly and legibly one end of all logs with a scaling diameter (small end inside bark) of over 10 inches, prior to the removal of timber from the contract area. All loads of 11 logs or more will have a minimum of 10 logs clearly and legibly branded on one end regardless of the diameter of the logs. All logs will be branded on loads of 10 logs or less. One end of all branded logs to be processed domestically will be marked with a 3 square inch spot of highway yellow paint. The purchaser will stop trucks for accountability monitoring at mutually agreed upon location when notified by the Authorized Officer.

If multiple trailers (mule trains) are used, each bunked load shall be considered an individual load, and these guidelines will apply to each bunked load. If a flatbed stake trailer is used, each bundle will be treated as a separate load.

At the discretion of the Contracting Officer, the Purchaser may be required to brand and paint all logs. Any increased costs for log branding and painting shall be the responsibility of the Purchaser.

In the event of the Purchaser's noncompliance with this subsection of the contract, the Authorized Officer may take appropriate action as set forth in Section 10 of this contract. In addition, the Purchaser may be declared ineligible to receive future awards of Government timber for a period of one year.

(i) Equal Opportunity in Employment

- (1) Certification of Nonsegregated Facilities attached hereto and made a part hereof.
-

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF REQUIREMENT FOR CERTIFICATION
OF NONSEGREGATED FACILITIES

Bidders and offerors are cautioned as follows: by signing this bid or offer or entering into this contract or lease, as the case may be, the bidder, offeror, or contractor will be deemed to have signed and agreed to the provisions of the Certification of Non-segregated Facilities in this solicitation. The certification provides that the bidder or offeror does not maintain or provide for his employees facilities which are segregated on a basis of race, color, religion, sex, or national origin, whether such facilities are segregated by directive or on a de facto basis. The certification also provides that he will not maintain such segregated facilities. Failure of a bidder or offeror to agree to the Certification of Nonsegregated Facilities will render his bid or offer nonresponsive to the terms of solicitations involving awards of contract exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause.

In accordance with 41 CFR 60, as amended May 19, 1967, and Executive Order No. 11246 of September 24, 1965, as amended, this notification will be included in all notices of invitations for bid, lease, offers, and requests for proposal where prospective nonexempt contracts may exceed \$10,000.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management
TIMBER SALE SUMMARY**

District Eugene
Sale Date June 28, 2012
Parcel No. 3

Sale Name A-Line
ATSP Tract No. E-12-502
County & State Lane, Oregon
Master Unit Siuslaw

Planning Unit Siuslaw
Type of Sale Advertised
Time for Cutting & Removal 36 Mos.
Time for Removal of Personal Property 1 Mos.

| O&C | CBWR | P.D. | Township | Range | Section | Subdivision |
|-----|------|------|----------|-------|---------|-------------------------------------------------------|
| X | | | 18 S. | 6 W. | 21 | NE1/4NE1/4, W1/2NE1/4, NW1/4, NE1/4SW1/4, NW1/4SE1/4. |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| Subdivisions or Cutting Areas | Cutting Volumes by Species by MBF | | | | | | | | Total Cutting Volume | Cutting Area Acres | |
|-------------------------------------|-----------------------------------|-----------|----------|----------|--|--|--|--|----------------------------|-----------------------|----------|
| | DF | WH | P Pine | BLM | | | | | | Partial | Clear |
| PH Area | 3,170 | 93 | | | | | | | 3,263 | 147 | |
| R/W Area | 466 | 5 | 1 | 5 | | | | | 477 | | 6 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| TOTAL | 3,636 | 98 | 1 | 5 | | | | | 3,740 | 147 | 6 |

COSTS

| | | |
|-------------------------|----|-----------------------|
| Falling & Bucking | \$ | Included With Yarding |
| Yard, Load, etc. | \$ | 136.40 |
| Transportation | \$ | 25.97 |
| Road Construction | \$ | 44.20 |
| Road Amortization | | N/A |
| Road Maintenance | \$ | 5.82 |

Other Allowances*

| | |
|----------------------|---------|
| *Specify | Costs |
| Slash Disposal | \$ 0.57 |
| Road Decommissioning | \$ 1.14 |

Total Other Allowances \$ 1.71

| | |
|--------------------------------------|----------------------|
| Total Cost to Utilization Center | \$ 214.10 |
| Utilization Center (Peelers) | NA |
| Miles to Utilization Center | NA |
| Utilization Center (Sawlogs) | Eugene / Springfield |
| Miles to Utilization Center | 31 |
| Weighted Miles to Utilization Center | 31 |

Profit & Risk Allowance

| | | |
|---------------------------|----|---|
| Basic Profit & Risk | 11 | % |
| Additional Risk | | |
| Low 1% | 1 | % |
| Medium 2% | | % |
| High 3% | | % |
| Total Profit & Risk | 12 | % |

Tract Features

| | | | |
|---------------------------------------------|----------|----------------------|-----------|
| Ave Log (Bd. Ft.): D-fir | 85 | 84 | DBH:18.7" |
| Recovery D-fir | 94 | % All 94 | % |
| Salvage D-fir | 0 | % All 0 | % |
| Ave Volume per Acre | 24 | | MBF |
| Ave Yarding Slope | 75 | | % |
| Ave Yarding Distance | 800 | | Ft. |
| Ave Age | 70 | | Years |
| Volume Highlead | | | % |
| Volume Skyline | 78 | | % |
| Volume Cat | 22 | | % |
| Volume Aerial | | | % |
| Road Construction / Improvements (100' Sta) | | | |
| Class SN-16, SN-14 | No. Sta. | 28.44, 31.48 (Const) | |
| Class SN-18, SN-16 | No. Sta. | 76.03, 17.00 (Ren) | |
| Class | No. Sta. | | |

Cruise

| | | | |
|-------------------------------|-----------------------------|---------|---|
| Cruised by | Rainey, Zimmerlee, Hallinan | | |
| Date | February 2012 | | |
| Type of Cruise | 3-P | | |
| Volume (MBF-Net Merch) | | | |
| Green | 3,740 | Salvage | 0 |
| D-fir Sawlog | 3,636 | Peeler | 0 |
| Export Volume | 0 | | |
| Purchaser | | | |
| Address | | | |

Contract No. ORE05-TS12-502

OR-5420-1a
(June 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management
STUMPAGE COMPUTATION
MBF

District Eugene
ATSP Tract No. E-12-502
ADP No. _____
Sale Name A-Line

| Species | Realization Value | Mfg. Costs (-) | Pond Value | Logging Costs (-) | Profit & Risk (-) | Marg. * Logs (/) | Stumpage |
|-----------------|-------------------|----------------|------------|-------------------|-------------------|------------------|----------|
| Douglas-fir | --- | --- | \$438.25 | \$214.10 | \$52.59 | | \$171.54 |
| Western hemlock | --- | --- | \$373.59 | \$214.00 | \$44.83 | | \$114.66 |
| Ponderosa pine | --- | --- | \$266.50 | \$214.00 | \$31.98 | | \$20.42 |
| Bigleaf maple | --- | --- | \$328.00 | \$214.00 | \$39.36 | | \$74.54 |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Wt. Average | | | \$436.07 | | | | \$169.79 |

*Marginal Log Volume N/A MBF X \$/MBF Marg. Log Value
Marginal Log Value \$ = \$ Marginal Log Value/MBF
(D-fir Net Volume) MBF

APPRAISED PRICE SUMMARY

TEA RVA X Market Value

(Check one)

| Number Trees | | Species | Volume | Appraised Price | | Bid Price | |
|--------------|-------|---------------|--------|-----------------|--------------|-----------|-------|
| Un-Merch | Merch | | | \$/M | Value | \$/M | Value |
| --- | 7,925 | Douglas-fir | 3,636 | \$172.00 | \$625,392.00 | | |
| --- | 280 | W. hemlock | 98 | \$115.00 | 11,270.00 | | |
| --- | 1 | P. pine | 1 | **\$ 26.70 | 26.70 | | |
| --- | 55 | Bigleaf maple | 5 | \$ 75.00 | 375.00 | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| --- | 8,261 | TOTALS | 3,740 | | \$637,063.70 | | |

**10% Pond Value

LOG GRADES (By Percent)

| | | | | 2 Saw | 3 Saw | 4 Saw |
|-----------------|---------|----|----|-------|-------|-------|
| Species | Code #1 | #2 | #3 | #4 | #5 | #6 |
| Douglas-fir | | | | 70 | 29 | 1 |
| Western hemlock | | | | 59 | 38 | 3 |
| Ponderosa pine | | | | | | 100 |
| Bigleaf maple | | | | | | 100 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Appraised By: M. Hallinan
Appraisal Reviewed By: J. Zentner

Date: May 2012
Date: May 2012