

PROSPECTUS



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Springfield Interagency Office, Northwest Oregon District
3106 Pierce Parkway Suite E, Springfield, Oregon 97477
<http://www.blm.gov>

May 24, 2017

Parcel No. 1
Eugene Master Unit
Contract No. ORN03-TS17-303
Siuslaw Field Office

Cedar Rose

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, attached. Written and oral bids will be received by the District Manager, or his representative, at the **NORTHWEST OREGON DISTRICT'S SPRINGFIELD INTERAGENCY OFFICE, 3106 PIERCE PARKWAY, SPRINGFIELD, OREGON**. The timber sale will commence at 10:00 a.m. on Thursday, **June 22, 2017**.

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 24, 2017**. 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 5430-11, 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 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 Northwest Oregon District's Springfield Interagency 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 Plan Project, which includes the Cedar Rose sale area. A Finding of No Significant Impact and Decision Record for the EA has 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 Northwest Oregon District's Springfield Interagency Office.

ACCESS to a sale may be through a locked gate (see individual sale information). Prospective bidders may obtain a key from the Northwest Oregon District's Springfield Interagency Office. Any other persons interested in visiting the timber sale site should first contact the District Office at (541) 683-6600.

Attachments:

- Form 5440-9
- Form 5430-11
- Form 5450-17
- Form 5450-22

NORTHWEST OREGON DISTRICT
SIUSLAW FIELD OFFICE

**TIMBER SALE NOTICE
LUMP SUM
EUGENE MASTER UNIT**

PARCEL NO.: 1
SALE DATE: June 22, 2017

Contract No.: ORN03-TS17-303, Cedar Rose
Lane County, Oregon: O&C: Oral Auction

Bid Deposit Required: \$17,800.00

All timber designated for cutting on NW1/4NE1/4, N1/2N/W1/4, Section 27, T. 18 S., R. 6 W.; Will. Mer.

| Estimated Volume 32' Log (MBF) | Species | Estimated Volume 16' Log (MBF) | Appraised Price Per MBF | Estimated Volume Times Approx. Price |
|-----------------------------------|------------------|-----------------------------------|----------------------------|---|
| 663.0 | Douglas-fir | 782 | \$ 226.50 | \$ 177,123.00 |
| 3.0 | Western hemlock | 4 | \$ 51.20 | \$ 204.80 |
| .5 | Western redcedar | 1 | \$ 176.40 | \$ 176.40 |
| 666.5 | TOTALS | 787 | | \$ 177,504.20 |

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 are estimates derived from the 16 foot volumes.

CRUISE INFORMATION: Volume for all species has been cruised using the 3P system to select sample trees. A portion of the sample trees have been cruised and the volume computed using the **National Cruise Processing Program** for estimating volume in 16-foot lengths and the volume expanded to a total sale volume. A map showing the location of the sample trees is available at the Springfield Interagency Office.

With respect to merchantable Douglas-fir (sample) trees: The average tree is 15.5" DBHOB; the average log contains 63 bd. ft.; the total gross merchantable volume is approximately 807 MBF; and 97% recovery is expected.

CUTTING AREA: One area totaling approximately 26 acres must be partial harvested and approximately 1 acre of right-of-way must be clear cut.

ACCESS: Access to the sale is provided by:

1. A public road;
2. BLM roads to be constructed;
3. Roads covered by a Right-of-Way and Road Use Agreement 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;
4. Roads covered by a Right-of-Way and Road Use Agreement E-308 between Rosboro Company, LLC and the United States. In the use of private roads, the Purchaser shall enter into a license agreement with Rosboro Company, LLC. The license agreement shall be delivered to Rosboro Company, 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 Oxbow Timber 1, LLC a road use fee of \$25,184.00, and a road maintenance and rockwear fee estimated at \$1,966.72. The Purchaser shall pay Rosboro Company, LLC road maintenance fees of \$471.73. The Purchaser shall pay BLM a road maintenance fee of \$1,835.91. In addition to the quantities shown below, 100 cubic yards (truck measure) of maintenance rock and roadside landing rock is required. Additional road reinforcement (rocking) may be required for wet weather haul and will be at the Purchaser's expense. Load tickets are required for maintenance rock accounting. 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:

Spurs A and B

Length: 4.56 Stations

Class: SN-14

Special Requirements in Road Construction: Operations limited to periods of dry weather.

ROAD RENOVATION:

Road Nos. 18-6-16.2, 18-6-16.3, and 18-6-22.8

Length: 146.25 Stations

Class: SN-14

Special Requirements in Road Renovation: Operations may be limited to periods of dry weather.

Suggested Rock Source: Commercial, Noti Vicinity

Surfacing Estimated Quantities (truck measure)

3" minus

50 cy

Total Estimated Exhibit C Road Costs (construction and renovation): \$12,060.28

DURATION OF CONTRACT: Duration of the contract will be 24 months for cutting and removal of timber.

SPECIAL PROVISIONS: The contract will contain special provisions regarding road construction, road renovation, road maintenance, road decommissioning, 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 landing locations, spur road locations, logging methods and logging schedule.

Under Sec. 26 of the timber sale contract, ground based logging will be prohibited during periods of excessive soil moisture. This will normally limit ground based logging to July, August, and September.

It is estimated that 117 MBF of additional timber, such as corridor and guyline trees may be removed under the contract, but it is not included in the advertised sale volume, nor is it included in the timber sale appraisal.

A Special Provision has been added that expands on safety and temporary traffic control measures required under the contract.

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 to prevent incidental take of northern spotted owls in accordance with management direction in the Record of Decision (ROD) and Resource Management Plan (RMP), or; (2) Comply with a court order, or; (3) Protect species which were identified for protection through survey and manage and/or protection buffer standards and guidelines or management direction established in the ROD and RMP.

OTHER SPECIAL REQUIREMENTS:

- Yarding shall be done with a carriage equipped skyline capable of yarding 1,600 feet slope distance in the Partial Harvest Area on slopes greater than 35%.
- Approximately 11 trees marked with yellow paint above and below breast height in the Approximate Location of Special Habitat Trees shown on Exhibit A shall not be felled or damaged during logging operations.
- In the Special Tailhold/Guyline Area, approval from the Authorized Officer shall be obtained prior to attaching logging equipment to any tree.
- The Purchaser shall have the option to rock Spurs A and B for wet weather haul. Additional requirements for wet weather haul include the addition of cross drains, stream culverts, and rocking. All wet weather haul related work is at the Purchaser's expense.

- Upon completion of haul, all decommissioning shall be completed during the dry season and as directed by the Authorized Officer. Decommissioning measures 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.
 - Place logging slash greater than 6 inches in diameter, where available, on surfaces in a discontinuous pattern, as directed by the Authorized Officer.
 - Block entry points using root wads, logs, and/or slash.
- The Exhibit F contains explicit instruction on requirements for equipment and personnel involved in pile burning.

Optional Contributions: The Purchaser will have the option of performing pile burning or contributing \$425.73 in lieu thereof. The option must be declared prior to contract execution. Piling and covering are not included in the Optional Contribution and will remain the responsibility of the Purchaser.

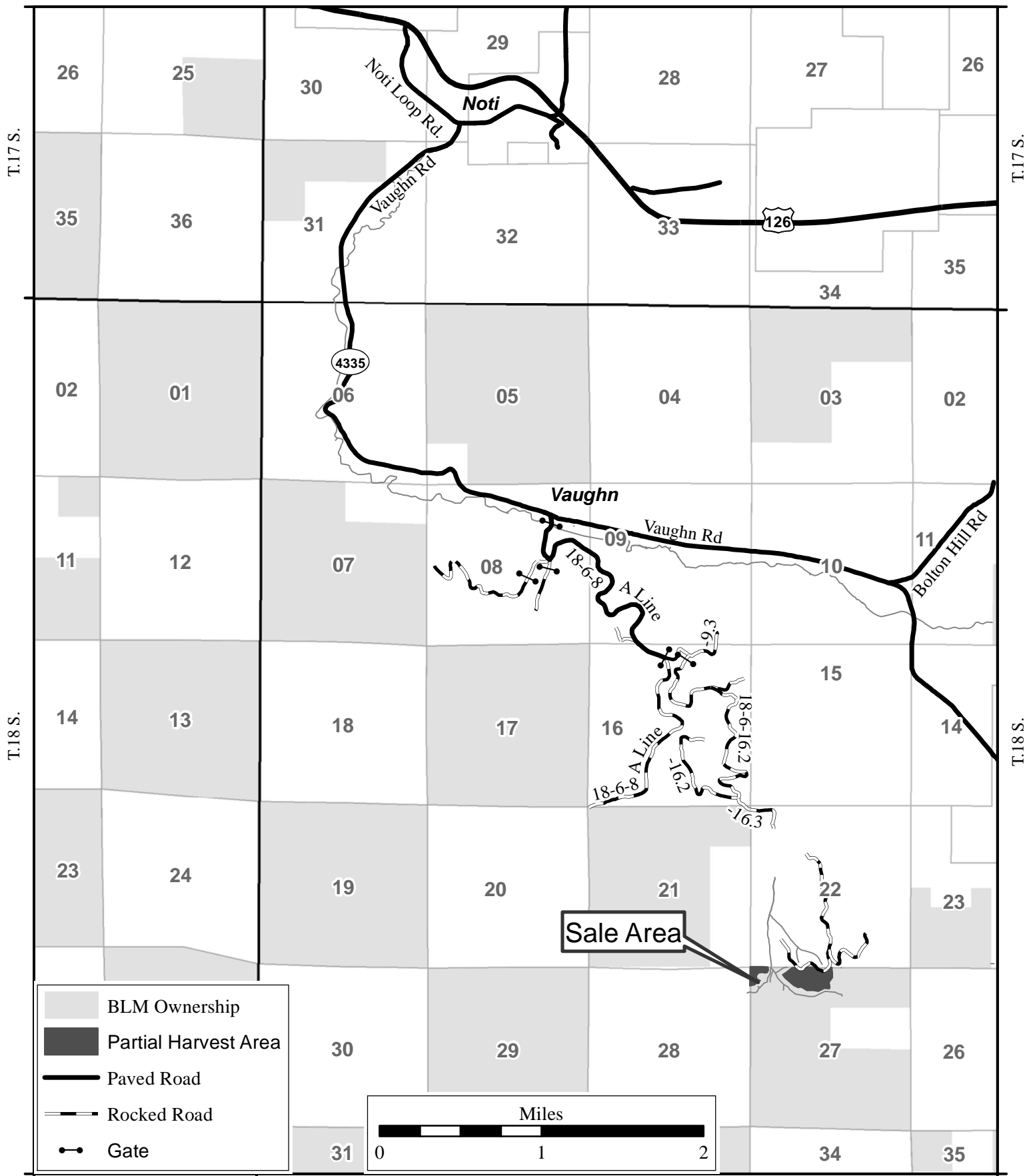
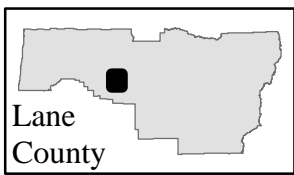
NARRATIVE DESCRIPTION OF HOW TO GET TO THE TIMBER SALE AREA: Access to the sale is through locked gates. Prospective bidders may obtain a key at the Northwest Oregon District, Springfield Interagency Office and proceed to the sale area. Any other persons interested in visiting the timber sale site should first contact Christopher Finn at (541) 683-6421.

To Partial Harvest Area: From the intersection of Noti Loop Road and Vaughn Road in Noti, proceed south on Vaughn Road for approximately 3.9 miles to the junction of Road No. 18-6-8 (A Line) and County Road 4335 (Vaughn Road) and follow the Timber Sale Area signs to the sale area.

Timber Sale Location Map

Cedar Rose

T. 18 S., R. 6 W., Sec. 27



Sale Area

Seasonal Restriction Matrix

Restricted Periods 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 |
| <u>Felling, yarding or loading</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Partial Harvest Area</u> | | | | | | | | X | X | X | X | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> ▪ April 15 – June 15, both days inclusive. ▪ Sap flow seasonal restriction may be conditionally waived. | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Ground-based yarding</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Partial Harvest Area</u> | X | X | X | X | X | X | X | X | X | X | X | X | | | | | | | X | X | X | X | X | X |
| <ul style="list-style-type: none"> ▪ Typically October 1 – June 30; may vary due to weather conditions. | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Right-of-way logging and clearing</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Right-of-Way Area</u> | X | X | X | X | X | X | X | X | X | X | | | | | | | | | X | X | X | X | X | X |
| <ul style="list-style-type: none"> ▪ Typically October 1 – May 31; may vary due to weather conditions. | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Hauling on natural-surfaced roads</u> | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Partial Harvest Area</u> | X | X | X | X | X | X | X | X | X | | | | | | | | | | X | X | X | X | X | X |
| <ul style="list-style-type: none"> ▪ Typically October 15 – May 31; may vary due to weather conditions. | | | | | | | | | | | | | | | | | | | | | | | | |

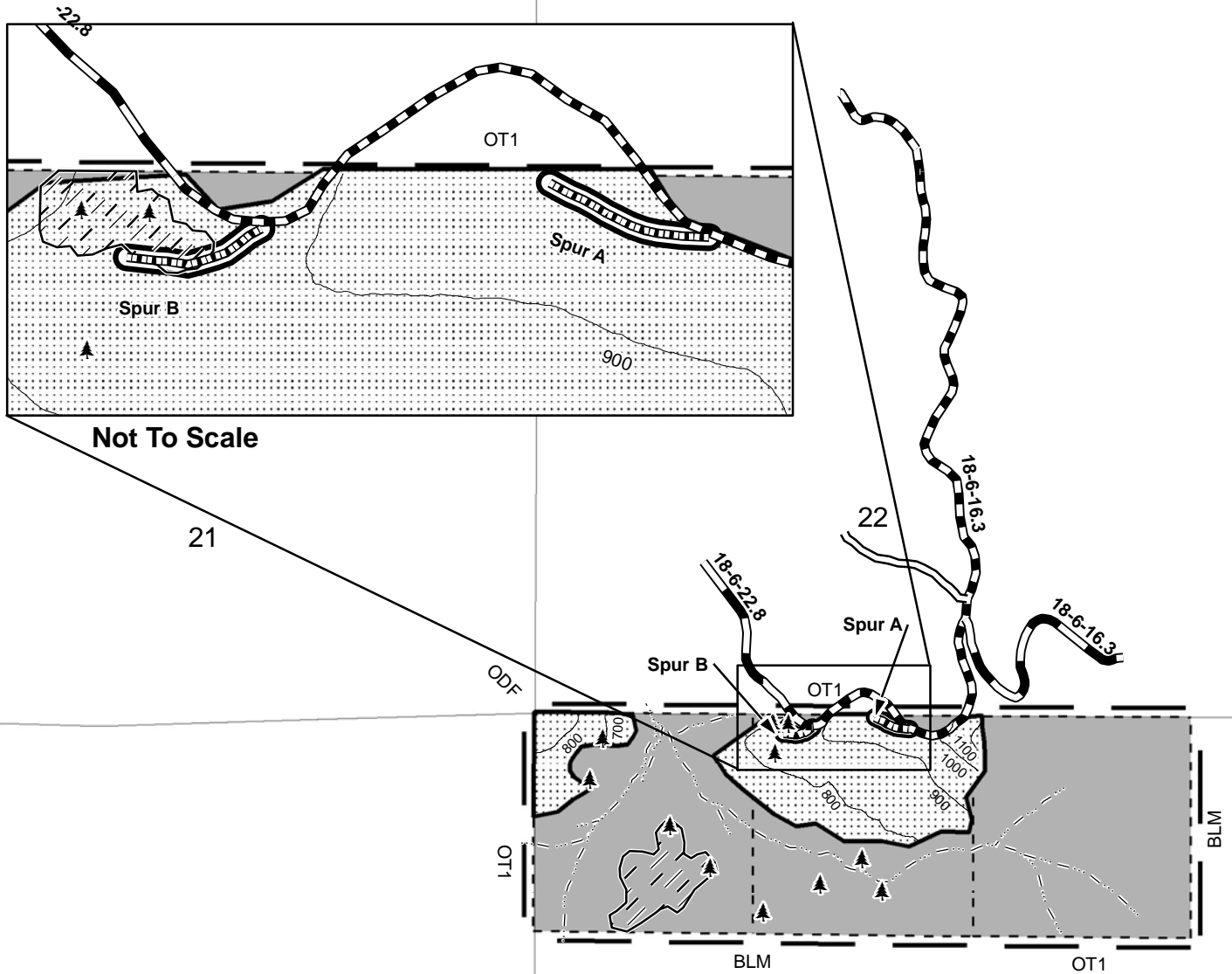
NOTE: This chart is for informational purposes only. Refer to Section 42 Special Provisions of the timber sale contract for exact date restrictions and stipulations.



**UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management**

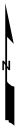
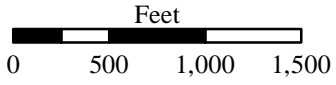
Exhibit A

Cedar Rose Timber Sale Contract No.: ORN03-TS17-303
T. 18 S., R. 6 W., Sec. 27, Will. Mer., Northwest Oregon District



| | | | |
|--|--|--|---------------------|
| | Reserve Area | | Streams |
| | Partial Harvest Area | | Rocked Road |
| | Special Tailhold/Guyline Area | | Renovation |
| | Contract Area | | Native Road |
| | Approximate Location of Special Habitat Tree | | Construction |
| | | | Clearcut (R/W) Area |

| | |
|----------------------------|---------------|
| Total Partial Harvest Area | 26 |
| Total Clearcut (R/W) Area | 1 |
| Total Reserve Area | 93 |
| Total Contract Area | 120 A. |



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Contract No.

ORN03-TS17-303

EXHIBIT B

LUMP SUM SALE

Cedar Rose

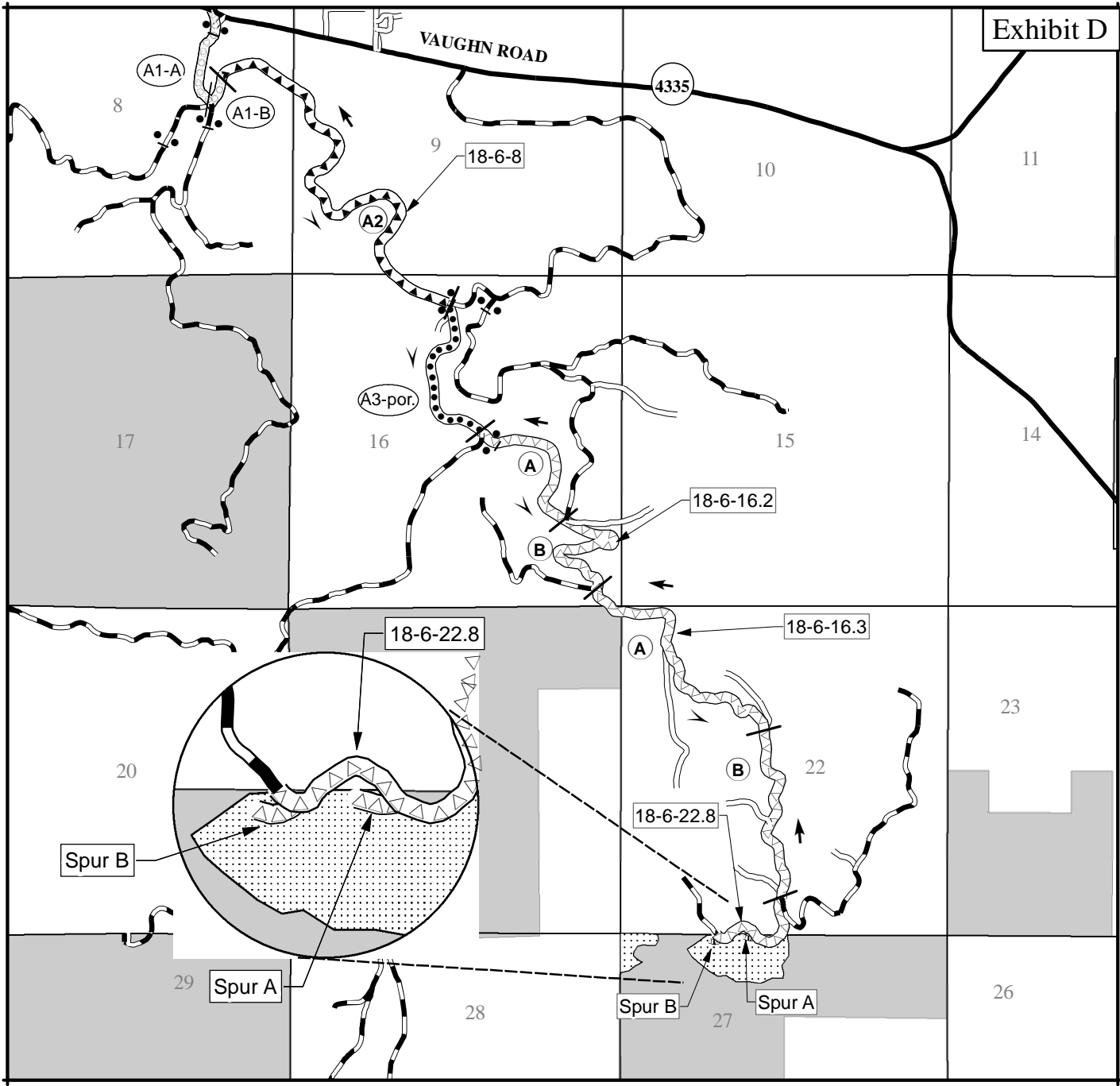
The following estimates and calculations of value of timber sold are made solely as an administrative aid for determining: (1) adjustments made or credits given in accordance with Secs. 6, 9, or 11; (2) when payments are due; and (3) value of timber subject to any special bonding provisions. The value of timber will be determined by multiplying the value per acre as shown below, times the amount of acreage as determined by the Authorized Officer, which has been cut or removed or designated for taking. Except as provided in Sec. 2, Purchaser shall be liable for total purchase price even though quantity of timber actually cut or removed or designated for taking is less than the estimated volume or quantity shown. Cutting areas are shown on **Exhibit A**.

| SPECIES | ESTIMATED VOLUME OR QUANTITY <i>(Units Specified)</i> | PRICE PER UNIT | AMOUNT OF ESTIMATED VOLUME OR QUANTITY X UNIT PRICE |
|------------------|--|----------------|--|
| Douglas-fir | 782 MBF | | |
| Western hemlock | 4 MBF | | |
| Western redcedar | 1 MBF | | |
| TOTALS | 787 MBF | | |

The apportionment of the total purchase price is as follows:

| | |
|--|-----------------|
| <u>Partial Harvest Area</u> – 26 Acres | (29.1 MBF/Acre) |
| Douglas-fir | 752 MBF |
| Western hemlock | 4 MBF |
| Western redcedar | 1 MBF |
| | <hr/> 757 MBF |

| | |
|-----------------------------------|-----------------|
| <u>Right-of-Way Area</u> – 1 Acre | (30.0 MBF/Acre) |
| Douglas-fir | 30 MBF |



SALE NAME: Cedar Rose
 CONTRACT NO.: ORN03-TS17-303

United States Department of the Interior
 Bureau of Land Management
 Northwest Oregon District Springfield, Oregon

Road Maintenance Map

T. 18 S., R. 6 W., Sec. 27

Willamette Meridian
 Lane County, Oregon

- | | | | |
|--|----------------------------|--|----------------------|
| | Purchaser Maintained Road | | Gate |
| | BLM Maintained Road | | Rock Haul Route |
| | Rosboro Maintained Road | | Timber Haul Route |
| | OTI Maintained Road | | Partial Harvest Area |
| | Paved Road | | BLM Ownership |
| | Rocked Road | | |
| | Native Road | | |
| | Road Segment/Portion Break | | |
| | ROAD SEGMENT/ PORTION I.D. | | |

Designed By: J. Spring
 Drawn By: J. Spring
 Date: 1/5/2017
 No Scale

SPECIAL PROVISIONS FOR LOGGING RESIDUE REDUCTION

Upon completion of harvest on any individual unit, logging slash at all landings and slash located along designated roads, as approved or directed by the Authorized Officer, shall be treated as follows:

CONSTRUCTION AND COVERING OF LANDING AND ROADSIDE PILES

1. Purchaser shall pile logging slash at all landings. Purchaser shall machine pile logging slash within 25 feet of the road surface of BLM Spurs A and B and Road No. 18-6-22.8 where they pass through the harvest area, as directed by the Authorized Officer.
2. All logs greater than six (6) inches in diameter at the large end and longer than eight (8) feet in length shall be decked or windrowed at the location designated by the Authorized Officer except logs sold and removed from the contract area.
3. All slash greater than one (1) inch in diameter, up to and including six (6) inches in diameter on the large end, having a minimum length of three (3) feet shall be piled. Prior to piling, all pieces greater than twenty (20) feet in length shall be bucked, or piled separately as directed by Authorized Officer.
4. Prior to commencement of mechanized slash work, all equipment must be cleaned prior to entering of BLM lands, as approved by Authorized Officer.
5. Equipment used shall be equipped with a hydraulic thumb or a controllable, grapple head. The machine shall have a minimum reach of twenty-five (25) feet and shall travel on the road only.
6. All piles shall be compact and free of dirt, gravel or other noncombustible material. Protruding pieces shall be trimmed to allow covering in a manner that permits the piles to shed water. Height shall be at least six (6) feet and no greater than twelve (12) feet. Width shall be not less than twelve (12) feet or greater than twenty-four (24) feet or as directed by the Authorized Officer. Piles shall not have a width greater than two times the height.
7. Piling shall be completed within thirty (30) days of the completion of yarding for each landing.
8. All piles shall be covered with black four (4) mil polyethylene plastic. Each pile shall have 50 percent coverage up to a maximum of 200 square feet, covering the top of pile, or as approved by the Authorized Officer. The covering shall be securely anchored to the pile with combustible cord in a manner to maintain coverage for a year, to the satisfaction of the Authorized Officer. All covering shall be completed on piles by September 15th of each year, or as directed by the Authorized Officer.
9. Piles shall be located as directed by the Authorized Officer. No pile shall be located on down logs or within ten (10) feet of any other pile, reserve trees, or culverts unless approved by the Authorized Officer.
10. All piles must be accepted in writing by the Authorized Officer. Once accepted, piles are considered relinquished by the Purchaser.
11. Upon completion of harvest, all resulting piles will be burned as authorized by the Authorized Officer and in accordance to Special Provisions 12-20.

PILE BURNING

12. Notwithstanding the provisions of Section 15 of this contract, the Government shall assume all obligations for the disposal or reduction of the fire hazards created by the Purchaser's operations on Government lands, except for logging residue reduction, slash pullback operations listed above, and burning and mop-up assistance as required herein and measures required in Section 42. 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, at the Purchaser's expense, with a tractor and/or hydraulic excavator as directed by the Authorized Officer.

13. The Purchaser shall remove plastic covering in excess of 100 square feet prior to ignition, unless conditionally waived by the Oregon Department of Forestry. All excess plastic shall be removed and disposed of in a lawful manner off of BLM land.
14. The Purchaser shall furnish, at his own expense, the services of personnel and equipment as shown below:
 - (a) One (1) work leader (Firefighter Type 1 (FFT1)) to supervise crew and to serve as Purchaser's representative.
 - (b) At least one (1) additional firefighter (Firefighter Type 2 (FFT2)) for ignition of piles.
 - (c) Drip torches and slash fuel (3:1 ratio of diesel to gasoline, or biofuel equivalent).
 - (d) Aluma-gel or other incendiary device.
 - (e) One (1) chain saw with fuel.
 - (f) One (1) hand tool per above listed personnel.
 - (g) Radios capable of inter-crew communications and communication with a BLM representative at a ratio of one (1) radio per every five (5) crew members.
15. 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 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.
16. 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.
17. 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:
 - (a) Reimburse the Purchaser for such additional use of personnel and equipment at wage rates show. 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
 - (b) Release the Purchaser from additional suppression work and assume responsibility for suppressing the escaped fire.
18. 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.
19. 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 holidays. 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.

Exhibit F
Contract No. ORN03-TS17-303
Sale Name: Cedar Rose
Sheet 3 of 3

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.

20. The Purchaser must obtain a Permit to Use Fire or Power-Driven Machinery from the Oregon Department of Forestry. Burning will be done in accordance with Oregon Administrative Rule 629-48 as well as a Burn Plan approved by the BLM.

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. 41. 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.

Contract No. ORN03-TS17-303

Parcel No. 1

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 NORTHWEST OREGON DISTRICT'S SPRINGFIELD INTERAGENCY OFFICE AT 3106 PIERCE PARKWAY, SPRINGFIELD, OREGON.

SALE DATE: June 22, 2017

Sec. 42. Special Provisions - Purchaser shall comply with the special provisions which are attached hereto and made a 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)

(Signature)

(Signature)

(Address)

(Title)

(Signature)

UNITED STATES OF AMERICA

By _____
(Signature)

(Address)

(Title)

(Signature)

(Date)

(Address)

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 representations as to any matter within its jurisdiction.

(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.

Signature: _____

SEC. 41 - 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 stump 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 or as determined by the Authorized Officer. Snags, hardwoods, or Pacific yew trees felled shall be retained on site.
- (d) Approximately 11 trees marked with yellow paint above and below breast height in the Approximate Location of Special Habitat Tree shown on Exhibit A. These trees shall not be felled or damaged during logging operations.
- (e) 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. 42 - Special Provisions

(a) 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 42(a)(6), or as allowed by the Authorized Officer.
- (6) In the Reserve Area shown on Exhibit A, logs may be yarded over streams. Yarding shall be done in accordance with Section 42(a)(11). Trees felled in the Reserve Area for these cable corridors shall be into 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 41(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 42(a)(12), yarding shall be done with a skyline system capable of yarding 1,600 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. 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.
 - (dd) Identify on the ground all trees in the Special Tailhold/Guyline Area shown on Exhibit A that would be impacted by skyline roads or guylines, and obtain approval by the Authorized Officer prior to cutting the adjacent harvest area.
- (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 42(a)(12), cable yarding roads in accordance with Section 42(a)(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) With the exception of the Special Tailhold/Guyline Area shown on Exhibit A, 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(f) 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 under Section 41 of the contract for wildlife habitat objectives, and trees in the Special Tailhold/Guyline Area 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(f) 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(f) 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 wildlife habitat, including those trees in the Special Tailhold/Guyline Area 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.

- (15) Purchaser's operations shall facilitate BLM's safe and practical inspection of Purchaser's operations and BLM's conduct of other official duties on Contract Area.

Purchaser has all responsibility for compliance with safety requirements for Purchaser's employees, contractors and subcontractors.

In the event that the Authorized Officer identifies a conflict between the requirements of this contract or agreed upon methods of proceeding hereunder and State or Federal safety requirements, the contract may be modified. If the cost of such contract modification is of a substantial nature (\$2,000.00 or more), the Purchaser may request, in writing, an adjustment in the total contract purchase price specified in Section 2 of the timber sale contract, as amended, to compensate for the changed conditions.

Unless otherwise specified in writing, when operations are in progress adjacent to or on roads and/or trails in the harvest unit area, Purchaser shall furnish, install, and maintain all temporary traffic controls that provide the road or trail user with adequate warning of and protection from hazardous or potentially hazardous conditions associated with its operations.

Purchaser shall prepare a Traffic Control Plan, which the Purchaser has determined is compliant with state and local OSHA and Transportation standards no later than the pre-work meeting and prior to commencing operations. Traffic control devices shall be appropriate to current operating and/or weather conditions and shall be covered or removed when not needed. Flagmen and devices shall be as specified in state OSHA and Transportation standards for logging roads or the "Manual on Uniform Traffic Control Devices for Streets and Highways" (MUTCD) published by the U.S. Department of Transportation - Federal Highway Administration. Included in the Traffic Control Plan, Purchaser shall note traffic control device locations on a Purchaser produced copy of the contract Exhibit "A" Map.

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

- (1) The Purchaser shall construct Spurs A and B and renovate Road Nos. 18-6-16.2, 18-6-16.3, and 18-6-22.8 in strict accordance with the plans and specifications shown on Exhibit C, which is attached hereto and made a part hereof. Exhibit C contains 23 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 have the option to rock Spurs A and B for wet weather haul. Additional conditions for wet weather haul include the addition of cross drains, stream culverts, and rocking. All wet weather haul related work is at the Purchaser's expense and shall be completed in accordance with Exhibit C.
- (4) BLM Maintenance: The Purchaser is authorized to use the road listed below and shown on Exhibit D which is under the jurisdiction of 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 pay the required maintenance obligations described in Section 42(b)(7). The Purchaser shall pay current Bureau of Land Management maintenance fees for the sale of additional timber under modification to the contract.

| Road No. and Segment | Length Miles Used | Road Owner | Road Surface Type |
|-------------------------|----------------------|---------------|----------------------|
| 18-6-8 Seg. A2 | 1.44 | OT1 | BST |

- (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 42(b)(6) and Section 42(b)(8) and pay the required road maintenance obligation described in Section 42(b)(7).

| <u>Road No. and Segment</u> | <u>Length Miles Used</u> | <u>Road Owner</u> | <u>Road Surface Type</u> |
|---------------------------------|------------------------------|-----------------------|------------------------------|
| Spur A | 0.04 | BLM | Native |
| Spur B | 0.04 | BLM | Native |
| 18-6-16.2 | 1.03 | OT1 | Rock |
| 18-6-16.3 | 1.39 | OT1 | Rock |
| 18-6-22.8 | 0.35 | OT1 | Rock |

(6) Except for the road maintenance in accordance with Section 42(b)(4), 42(b)(8) and 42(b)(9), 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) The Purchaser shall pay the Government a road maintenance obligation in the amount of One Thousand Eight Hundred Thirty-five and 91/100 dollars (\$1,835.91) for the transportation of timber included in the contract price over the roads listed in Section 42(b)(5).

The above road maintenance amount is for use of 1.44 miles of road or less. Unless the total maintenance amount is paid prior to commencement of operations on the contract area, payments shall be made in installments of not less than One Thousand and 00/100 dollars (\$1,000.00); payable in the same manner as and together with payments required in Section 3 of this contract.

(8) In the use of Road Nos. 18-6-8 Seg.A2 (por), 18-6-8 Seg.A3 (por), 18-6-16.2 Segs.A-B (por), 18-6-16.3 Seg.A-B (por), and 18-6-22.8 Seg.A (por), 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 road, the Purchaser shall furnish the Authorized Officer a copy of the executed License Agreement. Default by the Purchaser of said Right-of-Way and Road Use Agreement, or any License Agreement executed pursuant thereto, for failure to pay appropriate road use fees shall be considered a violation of this contract. The amount of unpaid fees shall be considered as the amount of damage suffered by the Government as a result of the violation of this provision. Said agreement is available for inspection at the Bureau of Land Management, Northwest Oregon District, Springfield Interagency 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).

(cc) Pay a lump sum road use fee of Twenty-five Thousand One Hundred Eighty-four and 00/100 dollars (\$25,184.00) prior to hauling.

(dd) 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.

(ee) Pay a lump sum road maintenance obligations and rockwear fees totaling One Thousand Nine Hundred Sixty-six and 72/100 dollars (\$1,966.72) prior to log hauling. All road maintenance and/or rockwear fees due as a result of modification shall be due at the time of modification at a rate per MBF equal to the appropriate BLM fee current at the time of hauling.

(ff) Maintain Road Nos. 18-6-16.2 Segs.A-B (por), 18-6-16.3 Segs.A-B (por), and 18-6-22.8 Seg.A (por), in accordance with Sec. 42(b)(6).

(9) In the use of Road No. 18-6-8 Segs.A1A - A1B, 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 Company, 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, Northwest Oregon District, Springfield Interagency 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 Company, LLC. The license agreement and insurance certificate shall be delivered to Rosboro Company, 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 Four Hundred Seventy-one and 73/100 dollars (\$471.73) 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.
- (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.

(c) Environmental Protection

- (1) Upon each season's shutdown, and prior to the onset of wet weather, 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 26 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 skid trails and 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 greater than 6 inches in diameter, where available, on surfaces in a discontinuous pattern, as directed by the Authorized Officer.
 - (dd) Purchaser shall block roads with root wads, logs and slash as directed by the Authorized Officer.

| Road Number | Road Rocking | If not rocked | | | | If rocked | | |
|-------------|--------------|---------------|----------|---------------|-------|-----------|---------------|-------|
| | | (aa) | (bb) | (cc) | (dd) | (bb) | (cc) | (dd) |
| | | Decompact | Drainage | Logging Slash | Block | Drainage | Logging Slash | Block |
| Skid Trails | Not allowed | X | X | X | | | | |
| Spur A | Optional | | X | X | X | X | X | |
| Spur B | Optional | | 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, decommissioning, and slash disposal equipment prior to entry onto BLM lands as directed by the Authorized Officer.
- (5) 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 reinitiation 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 prevent incidental take of northern spotted owls in accordance with management direction in the Record of Decision (ROD) and Resource Management Plan (RMP), or to protect occupied marbled murrelet sites in accordance with the Standards and Guidelines or management direction of the ROD and 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, or management direction 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, or management direction 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(j) 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 modify the contract or terminate the cutting and removal rights under the contract in order to comply with the Endangered Species Act, prevent incidental take of northern spotted owls 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 or management direction 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, if able to proceed without causing incidental take of northern spotted owls in accordance with the ROD and RMP, consistent with survey and manage and/or protection buffer standards and guidelines or management direction established in the ROD and RMP, or court order requirements necessitating the modification or termination.

In the event the contract is modified or 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 paragraph, 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.

(d) 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) Logging Residue 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) Prior to commencement of any operation under Section 42(d)(2)(bb) of this contract, a logging residue reduction and site preparation prework conference between the Purchaser's representative and the Authorized Officer must be held at a location designated by the Authorized Officer. All logging residue reduction and site preparation shall be done in accordance with the plans developed at the prework conference.
 - (bb) Purchaser shall construct and cover landing piles, pile and cover slash within 25 feet of the road surface, and pile burn according to prescription in accordance with Exhibit F, which is attached hereto and made a part hereof. Exhibit F contains 3 sheets.

(e) Optional Contributions

- (1) The Purchaser shall perform all pile burning in accordance with Section 4(d)(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 Four Hundred Twenty-five and 73/100 dollars (\$425.73). 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.

(f) 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.

Legal Description of Contract Area

| Land Status | County | Township | Range | Section | Subdivision | Meridian |
|-------------|--------|----------|-------|---------|------------------------|------------|
| O&C | Lane | 18S | 6W | 27 | NW1/4NE1/4, N1/2N/W1/4 | Willamette |

Species Totals

| Species | Net | Gross Merch | Gross | # of Merch Logs | # of Cull Logs | # of Trees |
|------------------|--------------|--------------|--------------|-----------------|----------------|--------------|
| Douglas Fir | 782.0 | 807.0 | 807.0 | 12,760 | 0 | 2,732 |
| Western Hemlock | 4.0 | 4.0 | 4.0 | 54 | 17 | 27 |
| Western Redcedar | 1.0 | 1.0 | 1.0 | 17 | 5 | 9 |
| Totals | 787.0 | 812.0 | 812.0 | 12,831 | 22 | 2,768 |

Cutting Area Acres

| Regeneration Harvest Acres | Partial Cut Acres | Right of Way Acres | Total Acres | Net Volume per Acre |
|----------------------------|-------------------|--------------------|-------------|---------------------|
| 0.0 | 26.0 | 1.0 | 27.0 | 29.1 |

Logging Costs

| | |
|------------------------------------|---------------------|
| Stump to Truck | \$151,417.21 |
| Transportation | \$40,600.00 |
| Road Construction | \$12,060.28 |
| Maintenance/Rockwear | \$9,452.23 |
| Road Use | \$25,184.00 |
| Other Allowances | \$1,643.71 |
| Total: | \$240,357.43 |
| Total Logging Cost per MBF: | \$305.41 |

Utilization Centers

| <u>Location</u> | <u>Distance</u> | <u>% of Net Volume</u> |
|-----------------|-----------------|------------------------|
| Eugene | 30.0 miles | 100 % |

Profit & Risk

| | |
|--------------------------------|-------------|
| Basic Profit & Risk | 10 % |
| Additional Risk | 2 % |
| Total Profit & Risk | 12 % |

Tract Features

| | |
|------------------------------------|-----------|
| Quadratic Mean DBH | 15.5 in |
| Average GM Log | 63 bf |
| Average Volume per Acre | 29.1 mbf |
| Recovery | 97 % |
| <u>Net MBF volume:</u> | |
| Green | 787.0 mbf |
| Salvage | 0 mbf |
| Export | 0 mbf |
| <u>Ground Base Logging:</u> | |
| Percent of Sale Volume | 1 % |
| Average Yarding Slope | 0 % |
| Average Yarding Distance | 0 ft |
| <u>Cable Logging:</u> | |
| Percent of Sale Volume | 99 % |
| Average Yarding Slope | 60 % |
| Average Yarding Distance | 800 ft |
| <u>Aerial Logging:</u> | |
| Percent of Sale Volume | 0 % |
| Average Yarding Slope | 0 % |
| Average Yarding Distance | 0 ft |

Cruise

| | |
|-------------------------|--------------------|
| Cruise Completed | June 2016 |
| Cruised By | Rule and Zimmerlee |
| Cruise Method | 3P |

Stumpage Computation

| Species | # of Trees | Net Volume | Pond Value | (-) Profit & Risk | (-) Logging Costs | (+) Marginal Log Value | Appraised Price/MBF | Appraised Value |
|------------------|--------------|--------------|------------|-------------------|-------------------|------------------------|---------------------|---------------------|
| Douglas Fir | 2,732 | 782.0 | \$606.87 | \$72.82 | \$305.41 | \$0.00 | \$228.60 | \$178,765.20 |
| Western Hemlock | 27 | 4.0 | \$407.70 | \$48.92 | \$305.41 | \$0.00 | \$53.40 | \$213.60 |
| Western Redcedar | 9 | 1.0 | \$550.00 | \$66.00 | \$305.41 | \$0.00 | \$178.60 | \$178.60 |
| Totals | 2,768 | 787.0 | | | | | | \$179,157.40 |

Percent of Volume By Log Grade

| Species | No. 1 & 2 Peeler | No. 3 Peeler | Special Mill | No. 2 Sawmill | No. 3 Sawmill | No. 4 Sawmill | Camp Run |
|-------------|------------------|--------------|--------------|---------------|---------------|---------------|----------|
| Douglas Fir | | | | 61.0 % | 34.0 % | 5.0 % | |

| Species | Peeler | No. 1 Sawmill | Special Mill | No. 2 Sawmill | No. 3 Sawmill | No. 4 Sawmill | Camp Run |
|-----------------|--------|---------------|--------------|---------------|---------------|---------------|----------|
| Western Hemlock | | | | 52.0 % | 40.0 % | 8.0 % | |

| Species | No. 1 Sawmill | No. 2 Sawmill | No. 3 Sawmill | No. 4 Sawmill | | | Camp Run |
|------------------|---------------|---------------|---------------|---------------|--|--|----------|
| Western Redcedar | | | | 100.0 % | | | |