

PROSPECTUS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
LAKEVIEW DISTRICT
KLAMATH FALLS RESOURCE AREA OFFICE

KLAMATH FALLS RESOURCE AREA
KLAMATH MASTER UNIT

Klamath Falls Sale No. ORL04-TS16-01
Sale Date: **February 10, 2016 (10:00am)**

Green Leftovers Timber Sale, Klamath County, O&C Bid Deposit Required: **\$36,800**

All timber designated for cutting in N ½ NE ¼, SE ¼ NE ¼, E ½ SE ¼ Sec. 35 T. 40 S., R. 5 E.; E ½ NE ¼ Sec. 11 W ½ NW ¼ Sec. 23 W ½ NE ¼, W ½, NW ¼ SE ¼ Sec. 27 Lots 1, 2, 5, 6, NW ¼ NE ¼, NE ¼ NW ¼, E ½ SE ¼ Sec. 31 SE ¼ NE ¼, E ½ SE ¼ Sec. 33 T. 40 S., R. 6 E.; Lots 1, 2, 3, and 4 Sec. 1 T. 41 S., R. 5 E., Willamette Meridian.

Approximate Number of Trees	Species	Est. Volume MBF 16' Log	Appraised Price Per MBF*	Est. Volume Times Appraised Price
10,507	Douglas-Fir	1,313	\$204.40	\$ 268,377.20
3,973	White Fir	438	\$99.40	\$ 43,537.20
7,412	Ponderosa Pine	737	\$ 40.50	\$ 29,848.50
2,536	Incense Cedar	160	\$159.80	\$25,568.00
24,428	TOTAL	2,648		\$ 367,330.90

*Stumpage values have been determined by analytical and market value appraisal methods. Additional information concerning the appraised price is available at the Klamath Falls Resource Area Office.

A BLM gate key will need to be checked out at the Klamath Falls Resource Area office in order to access the timber sale area.

CRUISE INFORMATION - SAWLOG INFORMATION - Timber Volumes were based upon 3-P Volt Cruise for estimating board foot volume of trees in 16 foot logs. Approximately 0% of the total sale volume is salvage material. With respect to merchantable trees of all conifer species: the average tree is 13.3 inches DBHOB; the average gross merchantable log contains 42 bd. ft.; the average tree contains approximately 121 bd. ft.; the total gross volume is approximately 2,961 M bd. ft.; and 89% recovery is expected.

Note: This timber sale has been cruised, appraised, and advertised based upon Scribner Board Foot Volumes (16 Foot Log). The minimum bid figures shown by species are dollars per thousand board feet (MBF). The minimum bid increment will be \$.10 per MBF.

LOG EXPORT AND SUBSTITUTION 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 use as a substitute for exported private timber.

CUTTING AREA & Harvest Prescription – Thirteen (13) units containing approximately 669 acres of density management treatment.

CUTTING TIME - Contract duration will be twenty-four (24) months for cutting and removal of timber.

ACCESS - Access to the sale area is available via existing BLM roads and via Right-of-Way and Road Use Agreement L-690 with Green Diamond Resource Company (GDRC). Among other conditions, this agreement requires the purchaser to execute a license agreement with GDRC and pay a rock wear fee of \$4,956.56 and pay a rock royalty fee of \$500.00 to GDRC prior to use.

ROAD MAINTENANCE - The Purchaser will be required to maintain approximately twenty-five (25) miles of existing BLM and private roads. The Purchaser will be required to pay a maintenance fee of \$1.34 per MBF or a total of \$3,536.32 for the use of these roads.

ROAD CONSTRUCTION - The contract will require the Purchaser to construct no stations of temporary road and renovate 1323.53 stations. Additional information is available in the timber sale prospectus.

SOIL DAMAGE PREVENTION - Pursuant to Section 25 of Form 5450-3, Timber Sale Contract, the Purchaser shall not operate or cause to have operated on the contract area, any ground based logging equipment when soil moisture content exceeds 20% by weight as determined by a Speedy Moisture Meter. This requirement does not apply if snow logging conditions exist as described in the contract.

EQUIPMENT REQUIREMENTS – LOGGING AND SITE PREPARATION:

1. Mechanized harvesting equipment capable of cutting up to a 20 inch DBH tree and reaching a minimum of twenty (20) feet laterally.
2. At least one ground based yarding tractor shall be equipped with an integral arch and winch system capable of lining logs at least one hundred feet (100').

SLASH DISPOSAL - Slash disposal will consist of:

1. Whole tree yarding is required on all trees designated for cutting.
2. Un-merchantable timber (slash, limbs, tops, cull logs, pieces of logs, etc.) can be removed as biomass or other products with negotiation of an additional contract.
3. Landing piles must have a fire line constructed around the entire pile.

OTHER

1. Extension of time beyond the normal 30 days may be granted for completing bonding and contract signing requirements upon written request and justification from the Purchaser.
2. All operations are seasonally restricted from October 15th of one calendar year to June 1st of the following calendar year, unless waived by the Authorized Officer or winter logging conditions exist.

3. Cut stumps of all species fourteen (14) inches in diameter and larger will be treated with a fungicide. The fungicide will contain a cement dye to help monitor application compliance.
4. All logging equipment will be cleaned prior to operating on BLM lands to prevent the spread of noxious weeds.
5. A portion of unit 11-1 will require flaggers and/or detour operations to control traffic during felling and logging along Oregon State Highway 66. The purchaser must obtain a permit from Oregon Department of Transportation (ODOT) for all work to be done within the State Highway Right of Way (SHROW). All traffic control must meet Manual on Uniform Traffic Control Devices (MUTCD) and Oregon State standards, and be reviewed and approved in advance. The purchaser must provide a "certificate of Liability Insurance" with ODOT listed as "additionally insured" and "certificate holder".

CONTRACT TERMINATION - A 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 comply with the Endangered Species Act or comply with a court order. 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.

NARRATIVE DESCRIPTION OF HOW TO GET TO THE TIMBER SALE AREA -

The sale is located approximately twenty (20) miles west of Klamath Falls. From Klamath Falls, take Highway 66 west for approximately twelve (12) miles to Keno, Oregon. Continue west on Highway 66 approximately eleven (11) miles to the Ward Road (40-6E-3). Turn left and travel southwest on the Ward Road to the sale area. An alternative route to the sale area is to continue west on Highway 66 past the Ward road another seven (7) miles. Then turn left on the Mud Springs Road (40-5E-2.1). Follow the Mud Springs Road approximately 6 miles to the sale area.

ENVIRONMENTAL ASSESSMENT - An environmental assessment was prepared for this sale, and a Finding of No Significant Impact has been documented. This document is available for inspection as background information for this sale at the Klamath Falls Resource Area Office. Notice of Decision for sale of timber dated January 13, 2016.

Section 41

(A) Timber Reserved from Cutting

The following timber on the contract area is hereby reserved from cutting and removal under the terms of this contract and is retained as the property of the Government:

- (1) **AR-1** All timber on the Reserve Areas and Reserve Patches as shown on Exhibit A, all orange painted and/or posted trees which are on, or mark the boundaries of the Reserve Areas and Reserve Patches shown on Exhibit A, and all orange painted trees within the cutting areas shown on Exhibit A.
- (2) **I-2** All timber except trees marked for cutting heretofore by the Government with green paint above and below stump height in all Cutting Areas as shown on Exhibit A.

Section 42

(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 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 Section 3 (b).

(B) Log Exports

(1) **LE-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 (8 ³/₄) 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 manufacturing of eight and three-quarters (8 $\frac{3}{4}$) 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:

- (A) Date of last export sale.
- (B) Volume of timber contained in last export sale.
- (C) Volume of timber exported in the past twelve (12) months from the date of the last export sale.
- (D) Volume of Federal timber purchased in the past twelve (12) months from date of last export sale.
- (E) Volume of timber exported in succeeding twelve (12) months from date of last export sale.
- (F) Volume of Federal timber purchased in succeeding twelve (12) months from date of last export sale.

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 "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 shall update information under item (2) of Form 5450-17 (Export Determination) and file the form with 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 locations 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.

- (2) **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.

(C) Logging

(1) **L-1** Before beginning operations on the contract area for the first time or after a shutdown of seven (7) or more days, the Purchaser shall notify the Authorized Officer in writing of the date they plan to begin operations. The Purchaser shall also notify the Authorized Officer in writing if they intend to cease operations for any period of seven (7) or more days.

(2) **L-6** In all cutting areas, all trees designated for cutting shall be felled and whole tree yarded except where excessive stand damage is occurring, as determined by the Authorized Officer. Where damage is occurring, the Purchaser shall buck and/or limb trees as directed by the Authorized Officer.

(3) **L-7MC** Felling and yarding on the areas designated herein and shown on Exhibit A shall be done in accordance with the felling and yarding requirements or limitations for the designated area.

<u>Designated Area</u>	<u>Felling and Yarding Requirements or Limitations</u>
Entire Contract Area	Approval of landing locations and sizes shall be obtained from the Authorized Officer prior to landing construction or use.
Entire Contract Area	Landing size shall not exceed one-quarter (1/4) acre unless otherwise approved by the Authorized Officer.
Entire Contract Area	No tractor or wheel-type equipment shall be operated in or through any stream shown on

Exhibit A except under special condition approved in the logging plan.

Entire Contract Area

Winter yarding is allowed between October 15 and June 1, when one of the following conditions is present:

- (a) Snow depth in the cutting unit averages approximately twenty (20) inches.
- (b) The ground is frozen to a depth of six (6) inches or more.

Entire Contract Area

All log loading shall be done with boom type loaders.

Entire Contract Area

No tractor or wheel-type equipment shall be operated in or through streams shown on Exhibit A, except under special conditions approved in the logging plan.

Entire Contract Area

The location of the skid roads shall be clearly designated on the ground, spaced at approximately 150 foot intervals, and approved by the Authorized Officer, prior to felling of timber to be yarded over that skid road. Existing skid roads will be utilized where possible.

Entire Contract Area

All trees designated for cutting that cannot be felled with a mechanical harvester shall be felled to the lead of designated skid trails.

Entire Contract Area

All trees twenty (20) inches DBH and smaller designated for cutting shall be felled and pre-bunched within forty (40) feet of and to the lead of designated skid trails with a mechanical harvester. The mechanical harvester must be capable of cutting up to a twenty (20) inch DBH tree and have an arm capable of reaching at least twenty (20) feet laterally. Mechanical harvester operations shall be conducted only when soil moisture at a six (6) inch depth is twenty (20) percent or less, or winter logging conditions exist, as described above.

Entire Contract Area

Yarding and Mechanical Harvesting shall be confined to periods when soil moisture is less than twenty (20) percent at a six (6) inch depth as measured by the Authorized Officer, or when winter time yarding conditions are met. Yarding and Mechanical Harvesting will be suspended if soil damage is occurring, as determined by the Authorized Officer in accordance with Section 26.

Entire Contract Area

Yarding equipment shall be operated only on skid roads approved by the Authorized Officer.

Entire Contract Area

At least one yarding tractor or wheel- type equipment shall be equipped with an integral arch and winch system capable of lining logs at least one hundred (100) feet.

(4) **L-9** No tractor yarding landing shall be located on a surfaced (asphalt or graveled) road, within one hundred fifty feet (150) feet of any stream shown on Exhibit A, or beneath any power lines.

(5) **L-18** No operations, except burning, shall be conducted on the contract area between October 15th of one calendar year and June 1 of the following calendar year, both days inclusive, except that winter logging is allowed as provided by Section 42 (C) (3). Dates may be adjusted or waived by the Authorized Officer according to weather conditions.

(6) **L-19** 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.

(7) **L-21** The Purchaser shall provide flaggers to control traffic during felling and logging and/or detour operations along Oregon State Highway 66. The purchaser shall obtain a permit from Oregon Department of Transportation (ODOT) for all work to be done within the State Highway Right of Way (SHROW). All traffic control shall meet Manual on Uniform Traffic Control Devices (MUTCD) and Oregon State standards, and be reviewed and approved in advance. The purchaser shall provide a "certificate of Liability Insurance" with ODOT listed as "additionally insured" and "certificate holder".

(8) **L-23** 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 prework conference must be held between the Purchaser's Authorized Representative and the Authorized Officer before the logging plan will be approved. All logging shall be done in accordance with the plan developed by this provision.

(9) **L-26** In the contract area shown on Exhibit A, all trees designated for cutting which are within one hundred fifty (150) feet of the unit boundaries, roads, seed trees, fences, powerlines, and streams shall be felled away from the unit boundaries, roads, seed trees, fences, powerlines, and streams. The Purchaser shall be responsible for immediately repairing any fences, powerlines, asphalt, or other resources designated for protection.

(10) **L-33** In accordance with the requirements of Sec. 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 contract area which is obstructing needed skid roads, trees designated for cutting, cable yarding roads, hazardous to workers, needed for guyline, tailhold, and/or tieback trees, and 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:

- (a) Trees reserved for the tree improvement program and trees reserved for the wildlife habitat objectives under Sec. 41 of the contract are not included in the authorization.
- (b) The Purchaser shall identify each tree sold and cut in accordance with this provision by marking the surface of the stump immediately after cutting with a large "X", cut with a chain saw, and by painting the stump surface with pink florescent paint so that the stump can be visually located from a distance of not less than one hundred (100) feet.
- (c) 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 Sec. 3(b) or 3(d) of the contract as required by Sec. 8 of the contract.
- (d) No timber may be cut or removed under the terms of this provision if all contract payments required by Sec. 3(b) or 3(d) of the contract have been made.
- (e) The permission to cut and remove 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.
- (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 working days prior to the need for cutting and yarding any guyline tree, tailhold tree, tie-back tree, danger tree, skid trail 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 Sec. 13 of the contract for any reserved timber cut or removed in violation of the terms of this special provision.

(D) Road Use and Maintenance

- (1) **RC-1a** The Purchaser shall improve and/or renovate all roads and other structures in strict accordance with the plans and specifications shown on Exhibit C, which is attached hereto and made a part hereof.
- (2) **RC-1b** Prior to removal of any timber tributary to a road system, the Purchaser shall complete all construction, improvement, or renovation of structures and roads of that system as specified in Exhibit C.
- (3) **RC-2a** The Purchaser is authorized to use the roads listed below and shown on Exhibit C which are under the jurisdiction of the Bureau of Land Management and Green Diamond Resources Corporation (GDRC) for the removal of Government timber sold under the terms of this contract and/or hauling of rock as required in Exhibit C, provided that the Purchaser complies with the conditions set forth in Section 42 (D)(8) and pays the required maintenance obligation described in Section 42 (D)(5). The Purchaser shall pay current Bureau of Land Management rockwear fees for the sale of additional timber under modifications to this contract.

Road No. and Segment	Length Miles Used	Road Control / Maintenance Responsibility	Road Surface Type
40-5E-24.1 B	0.60	BLM/	ASC
40-5E-25.0 A	1.19	BLM/	ASC
40-5E-25.0 B	0.28	BLM/	ASC
40-5E-25.0 C	0.16	BLM/	ASC
40-5E-26.0 B	0.40	BLM/	ASC
40-5E-35.1	0.31	BLM/	NAT
40-5E-35.2 A	0.11	BLM/	ASC
40-5E-35.2 C	0.20	BLM/	ASC
40-6E-1.0	0.36	BLM/	NAT
40-6E-3.0	4.28	BLM/	ASC
40-6E-5.0	0.48	BLM/	ASC
40-6E-11.0	0.80	BLM/	ASC
40-6E-12.0	0.35	BLM/	ASC
40-6E-18.0	1.73	BLM/	ASC
40-6E-23.0	0.20	BLM/	NAT
40-6E-27.0	0.17	BLM/	NAT
40-6E-27.1	0.74	BLM/	NAT
40-6E-27.2	0.40	BLM/	NAT
40-6E-27.3	0.76	BLM/	NAT
40-6E-31.2	0.40	BLM/	NAT
40-6E-33.0	0.10	BLM/	NAT
40-6E-33.1	0.10	BLM/	NAT
40-5E-2.1 A	1.77	GDRC	ASC
40-5E-2.1 B	0.71	GDRC	ASC
40-5E-2.1 C	1.00	GDRC	NAT
40-5E-24.1A	0.70	GDRC	ASC
40-5E-24.1 C	0.65	GDRC	ASC
40-5E-26.0 A	0.23	GDRC	ASC
40-5E-35.2 B	0.28	GDRC	ASC
40-6E-2.1	0.40	GDRC	ASC
40-6E-3.0 A	0.34	GDRC	ASC
40-6E-3.0 C	0.11	GDRC	ASC
40-6E-3.0 E	1.05	GDRC	ASC
40-6E-3.0 G	1.13	GDRC	ASC
40-6E-3.0 I	0.30	GDRC	ASC
40-6E-3.0 N	0.68	GDRC	NAT
40-6E-12.0	0.25	GDRC	ASC
		<u>Mineral Haul</u>	
40-5E-24.2	0.22	GDRC	ASC
40-5E-14.0	0.10	GDRC	ASC

- (4) **RC-2b** With the prior written approval of the Authorized Officer, the Purchaser may arrange for cooperative maintenance with other users on roads included in Section 41 (D) (3) of this contract; provided, that such cooperative arrangement shall not relieve the Purchaser of his liability for the maintenance and repair of such roads resulting from wear or damage, in accordance with this contract. The Purchaser shall furnish the Authorized Officer a copy of any cooperative maintenance agreements entered into with other users on these roads.
- (5) **RC-2c** The Purchaser shall pay the Government a road maintenance obligation in the amount of three thousand five hundred thirty six dollars and 32/100 (\$3,536.3 for the transportation of timber included in the contract price required under the terms of the contract over road or roads listed in Section 42 (D)(3).The above road maintenance amount is for the use of twenty five (25) 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 payable in the same manner as and together with payments required in Section 3 of this contract.
- (6) **RC-2d** The Purchaser shall be authorized to use other roads not included in Section 42 (D)(3); provided, that in the use of such roads, the Purchaser shall pay the Government current Bureau of Land Management road maintenance and/or rockwear fees for the particular surface type of roads used. For administrative purposes the total maintenance and rockwear obligation shall be based upon the estimated volume set forth in Exhibit B of this contract and mileage of roads used as determined by the Authorized Officer.

In the event logs are hauled over more than one route, the estimated volume set forth in Exhibit B shall be proportioned on the basis of actual volume removed. Prior to the use of such roads, the Purchaser shall give written notice to the Authorized Officer of the roads intended for use in the removal of timber purchased under this contract, together with an estimate of the volume to be hauled over such roads.

Section 42 (D) (5) of this contract shall be amended to include adjustments of fee obligations.

- (7) **RC-2f** The Authorized Officer may at any time by written notice, terminate the Purchaser's operator road maintenance obligations and require instead payment of current Bureau of Land Management road maintenance fees for the particular surface type of the road(s) involved. These fees will be applied to the remaining contract volume on the sale area to be transported over road or roads listed in Section 42(D) (3). The Purchaser shall pay the total maintenance amount for said road(s) within thirty (30) days following receipt of written notice; provided, however, that if the total amount exceeds five hundred and no/100 (\$500.00) dollars, the Purchaser may elect to make payments in installments in the same manner as and together with payments required in Section 3 of this contract, which is attached hereto and made a part hereof.

- (8) **RC-2h** 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.
- (9) **RC-3** In the use of roads 40-5E-2.1, 40-5E-24.1, 40-5E-26.0, 40-5E-35.2, 40-6E-3.0 and 40-6E-5.0 the Purchaser shall comply with conditions of Right-of-Way and Road Use Agreement No. L-690 between Green Diamond Resources Corporation (GDRC) and the Bureau of Land Management. These conditions include a payment to GDRC in the amount of four thousand nine hundred fifty six dollars and 56/100 (\$4,956.56) for a rock wear fee plus a rock royalty fee of Five hundred dollars (\$500.00). This document is available for inspection at the Bureau of Land Management, Klamath Falls Office Resource Area Office 2795 Anderson Avenue Bldg. #25 Klamath Falls, Oregon 97603.
- (10) **Road Barricades** In addition to the requirements set forth in Section 26 of this contract, the Purchaser shall barricade roads as specified by the Authorized Officer. Barricade locations and specifications are shown on Exhibit D.
- (11) **RC-8** The Purchaser shall be required to secure written approval to use vehicles or haul equipment over Government owned or controlled roads and/or structures when that vehicle or equipment exceeds the maximum allowable weights or dimensions established by the State for vehicles operating without a permit.

Details of such equipment shall be furnished to the Authorized Officer for evaluation of load characteristics, at least fifteen (15) days prior to proposed move in.

Details shall include:

1. Axle weights when fully loaded
2. Axle spacing
3. Transverse wheel spacing
4. Tire size
5. Outside width of vehicle
6. Operating speed
7. Frequency of use
8. Special features (e.g. running tracks, overhang loads, etc...)

The Purchaser shall be responsible for repair of any damage to roads or structures caused by the use of overweight or over-dimension vehicles (1) without written approval, (2) in violation of the conditions of a written approval, or (3) in a negligent manner. The amount of actual damage shall be determined by the Authorized Officer following a technical inspection and evaluation.

(E) Environmental Protection

(1) **E-1** In addition to the requirement set forth in Section 26 of this contract, the Purchaser shall conduct all operations in a manner that minimizes damage to conifer reproduction and all other reserved trees regardless of size or merchantability.

- (2) **E-1** In addition to the requirement set forth in Section 26 of this contract, the Purchaser shall insure that all logging equipment is cleaned off prior to operating on BLM lands. Removal of all dirt, grease, and plant parts that may carry noxious weed seeds or vegetative parts is required and may be accomplished with a pressure hose.
- (3) **E-1** In addition to the requirement set forth in Section 26 of this contract, the Purchaser shall remove slash and debris from roadways and landings concurrently with yarding as directed by the Authorized Officer.
- (4) **E-1** In addition to the requirement set forth in Sec. 26 of this contract, the Purchaser shall cover skid trails and other areas of exposed soil with slash as directed by the Authorized Officer. Slash shall not exceed a depth of 18 inches.
- (5) **E-1** In addition to the requirement set forth in Section 26 of this contract, the Purchaser shall treat with a fungicide, as prescribed in this section, the stumps of all trees cut in the contract area having a diameter of fourteen (14) inches or larger in the following manner:
- (a) Each stump shall be treated immediately after cutting.
 - (b) Treatment shall consist of application of fungicide to the sawn face of the stump. The minimum amount of fungicide to be applied shall be one-eighth (1/8th) inch thick over the entire sawn face of the stump.
 - (c) The fungicide used shall be provided by the Purchaser and approved by the Authorized Officer. The fungicide presently approved for use is Cellu-Treat made by the NISUS Corporation. The fungicide shall contain a cement dye to help monitor application compliance.
 - (d) Dumping or cleaning of containers in streams or other bodies of water will not be permitted. Containers must be removed from the area and disposed of in conformance with Federal and Oregon State statutes.
 - (e) Fungicide treatment shall be performed at the direction of the Authorized Officer and to his satisfaction.
- (6) **E-2** The water bars to be constructed as required by Section 26 (c) shall be constructed in designs and locations as directed by the Authorized Officer. Water bars shall be constructed within twenty-four (24) hours when so directed by the Authorized Officer.
- (7) **E-2** No refueling, fuel storage, vehicle maintenance, or other operations that could spill fuel, lubricants, or chemicals shall be conducted within one hundred fifty feet (150') of any stream shown on Exhibit A.
- (8) **E-3** If in connection with operations under this contract the Purchaser, their contractors, sub-contractors, or the employees of any of them, discovers, encounters, or becomes aware of any objects or sites of cultural value in the contract area such as historical or pre-historical 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.

(9) **E-4** The Purchaser shall immediately discontinue specified construction or timber harvesting operation upon written notice from the Contracting Officer that:

(a) 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 re-initiation of consultation is required concerning the species prior to continuing operation, or;

(b) when, in order to comply with the Endangered Species Act, the Authorized Officer determines it may be necessary to modify or terminate the contract, or;

(c) 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;

(d) 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;

(e) 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;

(f) when, in order to comply with a court order, the Authorized 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 that operating time is lost as 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 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 cutting and removal rights on this contract in order to comply with the Endangered Species Act 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 or court order requirements necessitating the 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.

(F) Fire Prevention and Control

(1) **F-1a Fire Prevention and Control** Primarily for purposes of fire prevention and control, the Purchaser shall comply with the following provisions.

(a) Prior to the operation of power driven equipment in construction of 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 State of Oregon, Department of Forestry.

(b) Provide and maintain in good repair, on the contract area, all equipment as specified in Exhibit F-1, which is attached hereto and made a part hereof, for use during closed fire season or periods of fire danger.

(c) The Purchaser shall restrict operations, and provide the services of a fire watchman, during periods of fire danger as specified in Exhibit F-2 which is attached hereto and made a part hereof.

(G)Slash Disposal and Site Preparation

(1) **SD-4 Logging Residue** In addition to the requirements of Sections 15 and 26 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:

(a) **Definitions** - Slash, as defined for this section, shall mean all woody material (brush, limbs, tops, logs, chunks, and severed trees) not removed from the contract area during the primary removal operation. This includes old slash existing prior to timber sale entry. Landing, as defined for this section, shall mean any location where woody material was loaded on trucks and also any other location that became a destination for yarded woody material.

(b) **SD-1ix Landing Piling**- Pile all slash located within one hundred (100) feet of landings and designated locations for placement of gross yarded material. Slash shall be piled with a grapple/shovel loader. Finished piles shall be tight and free of earth. No portion of any pile will be located under the crown of any live or other reserve trees. Unmerchantable logs at landings sixteen (16) inches in diameter and larger at the small end shall be used to block skid trails.

Around each pile a fireline as specified by the Authorized Officer shall be constructed.

Chipping In Lieu Of Burning Slash Piles

1. The purchaser may remove and utilize non-sawlog forest products by submitting a written or verbal request to the Government.
2. The Government may execute a separate negotiated forest product/vegetative sale permit under 43 CFR 5400. Payment under the permit must be at a price equal to or greater than the appraised value of the forest product.
 - (a) The purchaser must make any appropriate payment specified in the vegetative sale contract before removal may be authorized.
 - (b) This contract will contain a separate expiration date and stipulations as determined by the authorized officer.
 - i. Must include stipulation that requires purchaser to report quantity of non-sawlog material removed (i.e. tons of biomass).

(H) Equal Opportunity in Employment

Certification of Non-segregated Facilities attached hereto and made a part hereof.

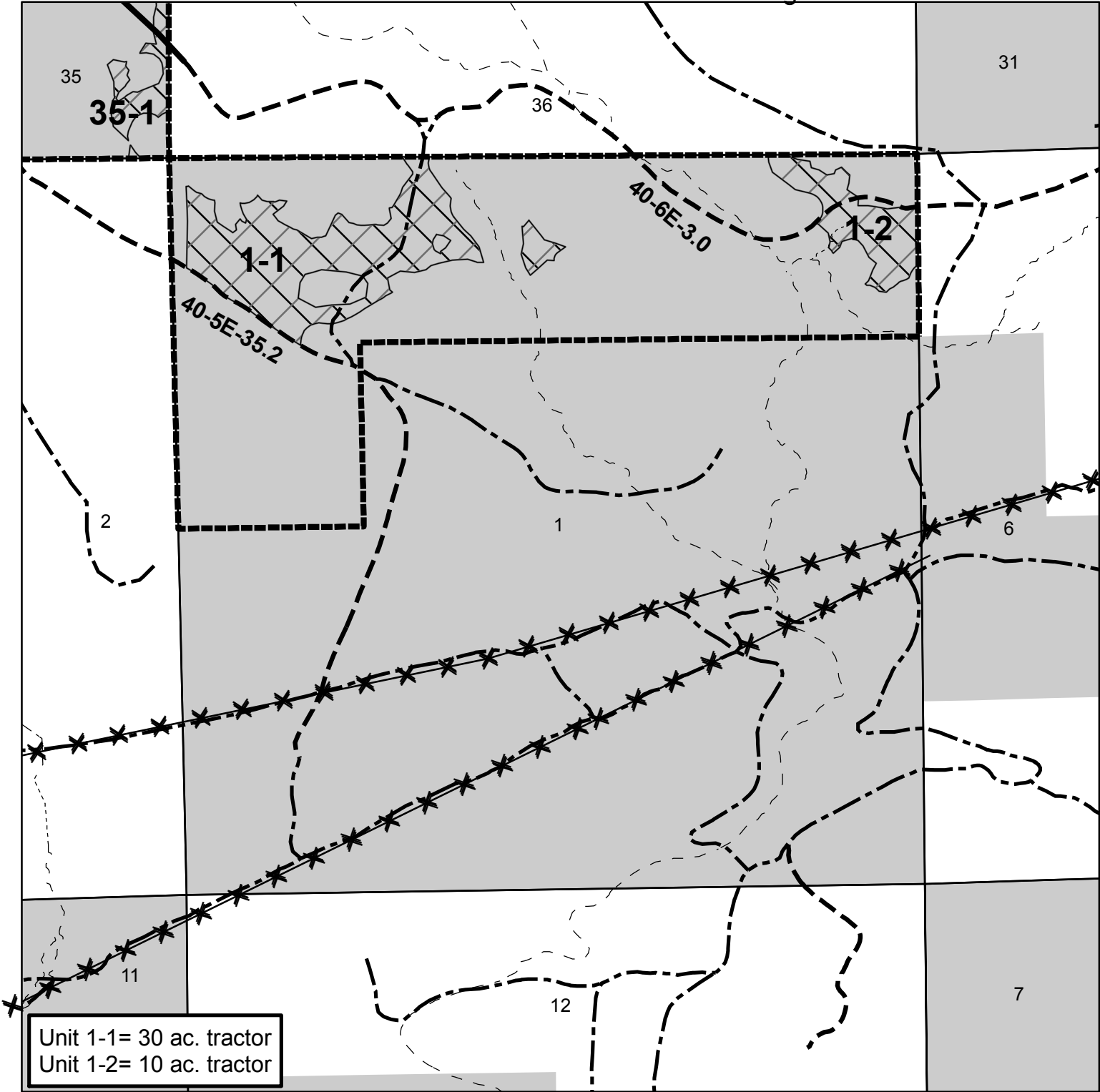
USDI-BLM Klamath Falls Resource Area
Sale Name: Green Leftovers

Timber Sale Contract Map
Contract No. ORL04-TS16-01
Exhibit A – Contract Acres
Page 9 of 9

Willamette Meridian:	T. 40 S., R. 5 E.,	Sec. 35	N½ NE ¼, SE ¼ NE ¼, E ½ SE ¼
	T. 40 S., R. 6 E.,	Sec. 11	E ½ NE ¼
		Sec. 23	W ½ NW ¼
		Sec. 27	W ½ NE ¼, W ½, NW ¼ SE ¼
		Sec. 31	Lots 1, 2, 5, 6, NW ¼ NE ¼, NE ¼ NW ¼, E ½ SE ¼
			SE ¼ NE ¼, E ½ SE ¼
		Sec. 33	
			Lots 1, 2, 3, and 4
	T. 41 S., R. 5 E.,	Sec. 1	

<u>Cutting Unit</u>	<u>Total Cutting Unit Acres</u>	<u>Harvest Method</u>
1-1	30	Tractor
1-2	10	Tractor
11-1	54	Tractor
23-1	19	Tractor
27-1	163	Tractor
27-2	101	Tractor
31-1	81	Tractor
31-2	46	Tractor
31-3	18	Tractor
33-1	30	Tractor
33-2	10	Tractor
33-3	40	Tractor
35-1	67	Tractor
Total	669	

Total Cutting Unit Area	669 acres
<u>Total Reserve Area</u>	<u>860 acres</u>
Total Contract Area	1,529 acres



Legend

Powerline

Bureau of Land Management

Contract Area

GL Harvest Units

Streams

Perennial

Intermittent/seasonal

Ephemeral

Roads

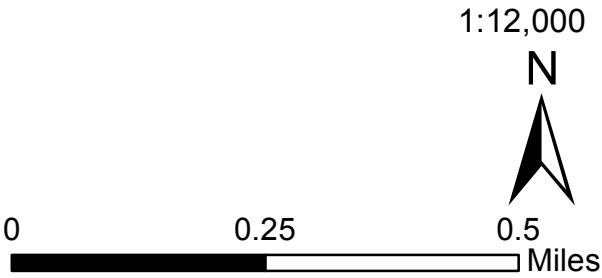
Bituminous

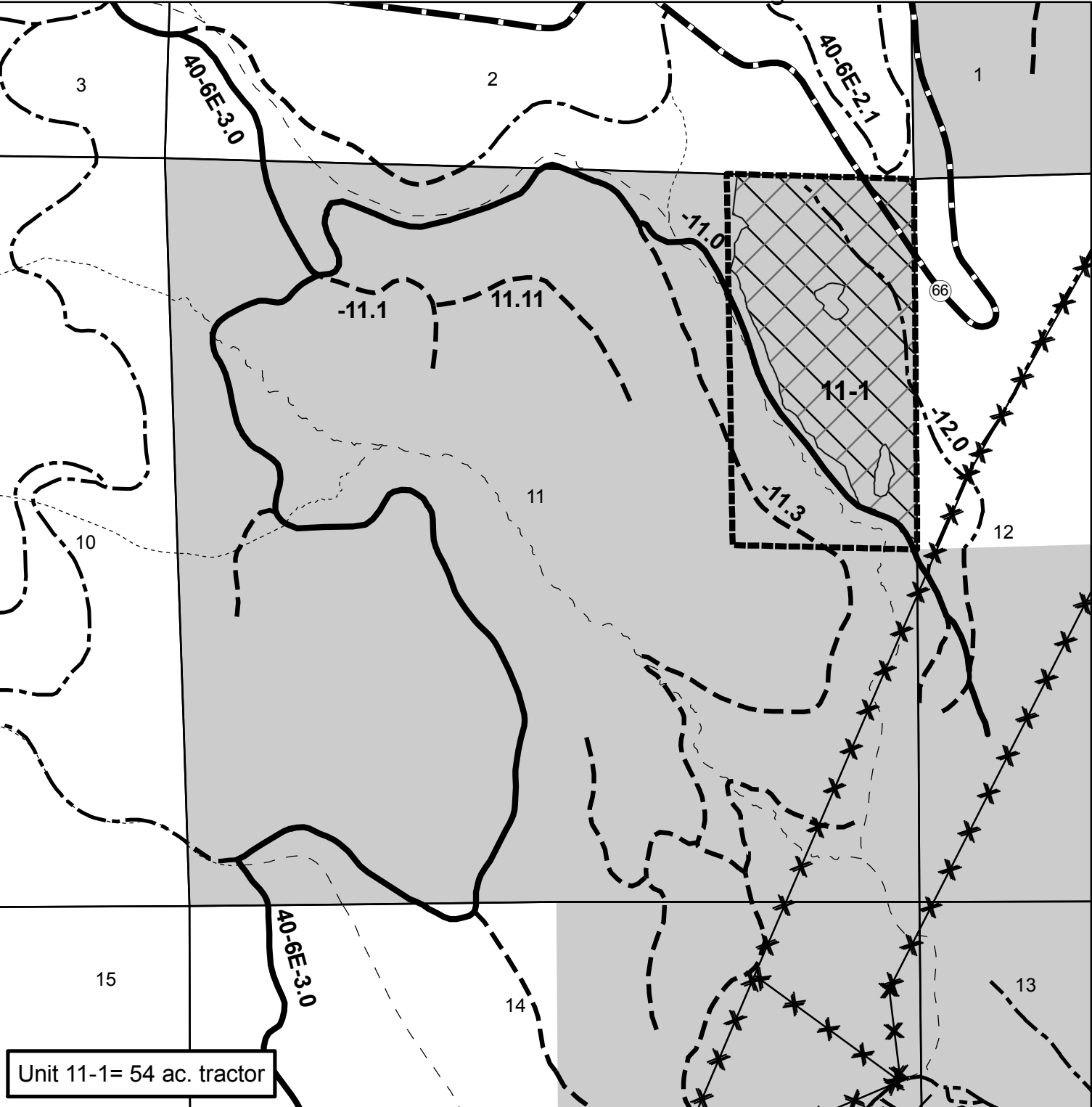
Concrete

Aggregate

Natural

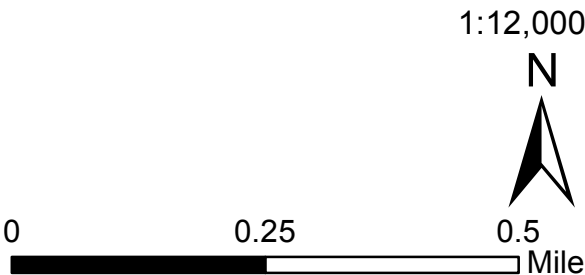
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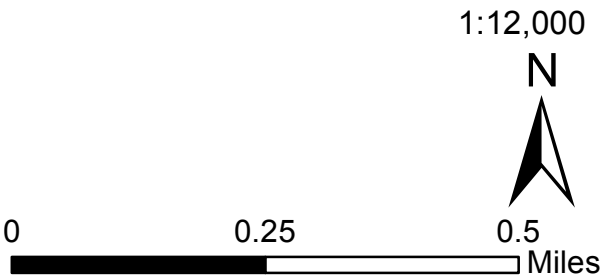
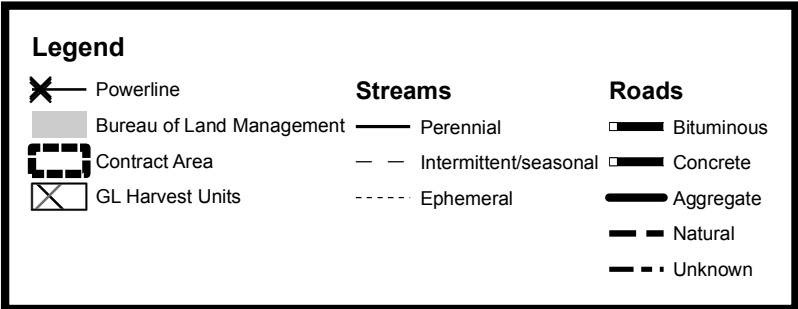
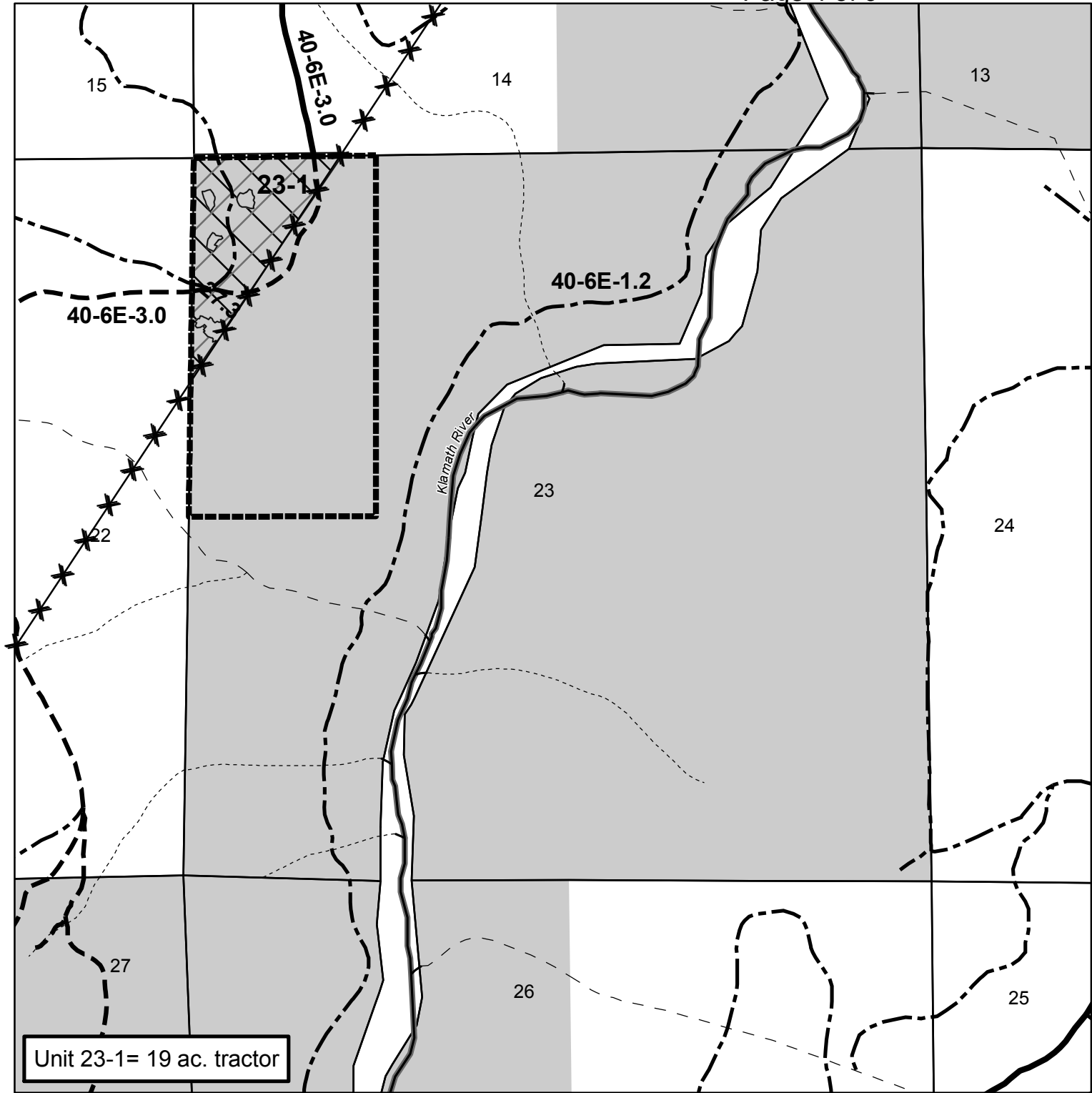


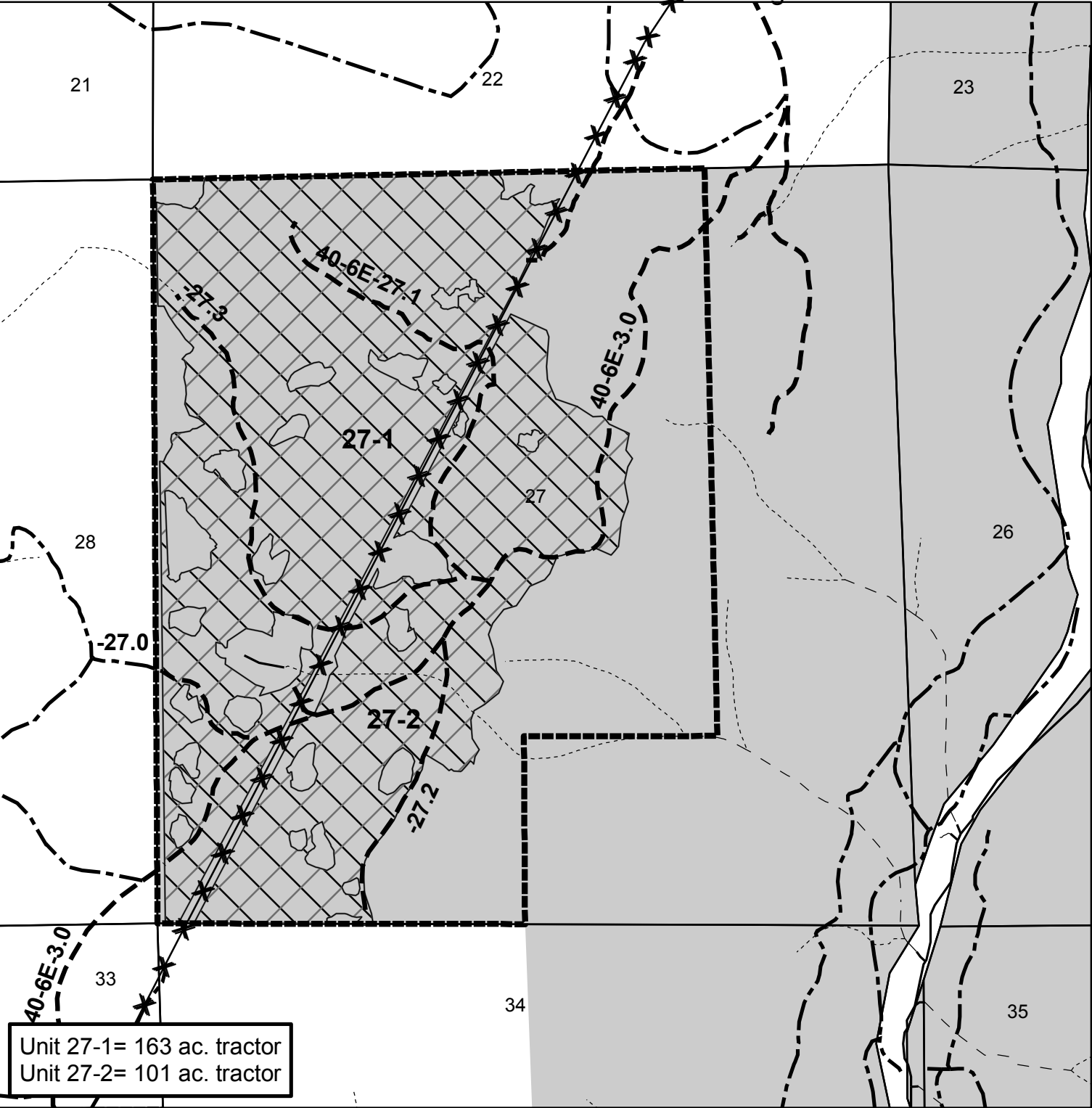


Legend

✕ — Powerline	Streams	Roads
■ Bureau of Land Management	— Perennial	▬ Bituminous
▬ Contract Area	- - Intermittent/seasonal	▬ Concrete
▨ GL Harvest Units	- - - Ephemeral	▬ Aggregate
		▬ Natural
		▬ Unknown
		▬ State Highway







Legend

Powerline

Bureau of Land Management

Contract Area

GL Harvest Units

Streams

Perennial

Intermittent/seasonal

Ephemeral

Roads

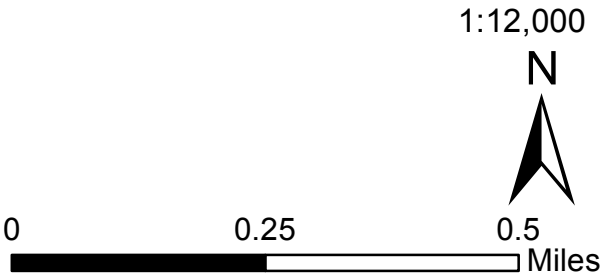
Bituminous

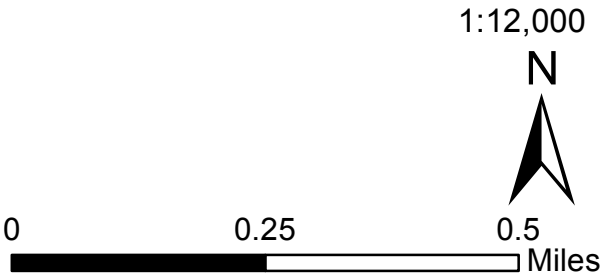
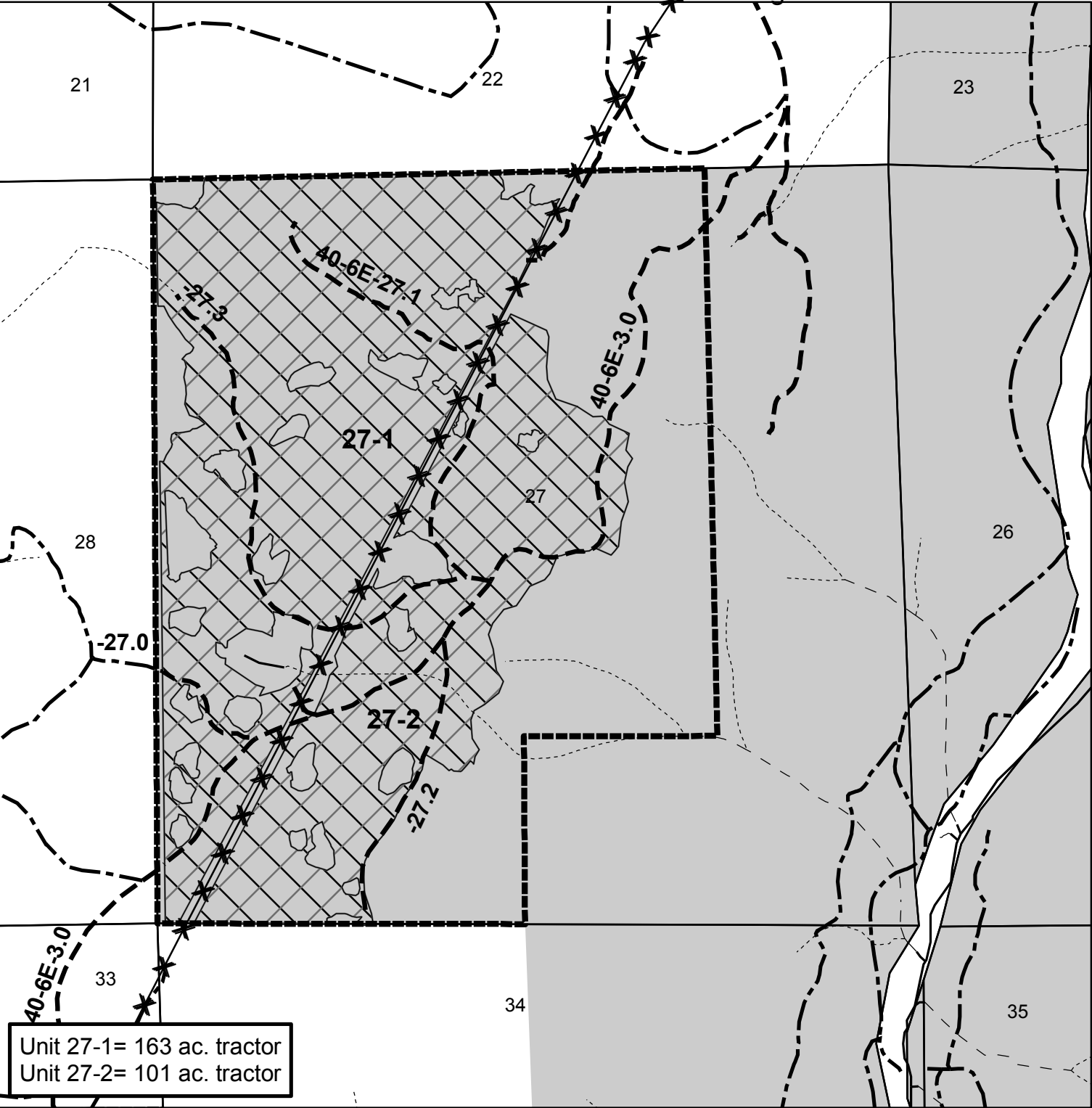
Concrete

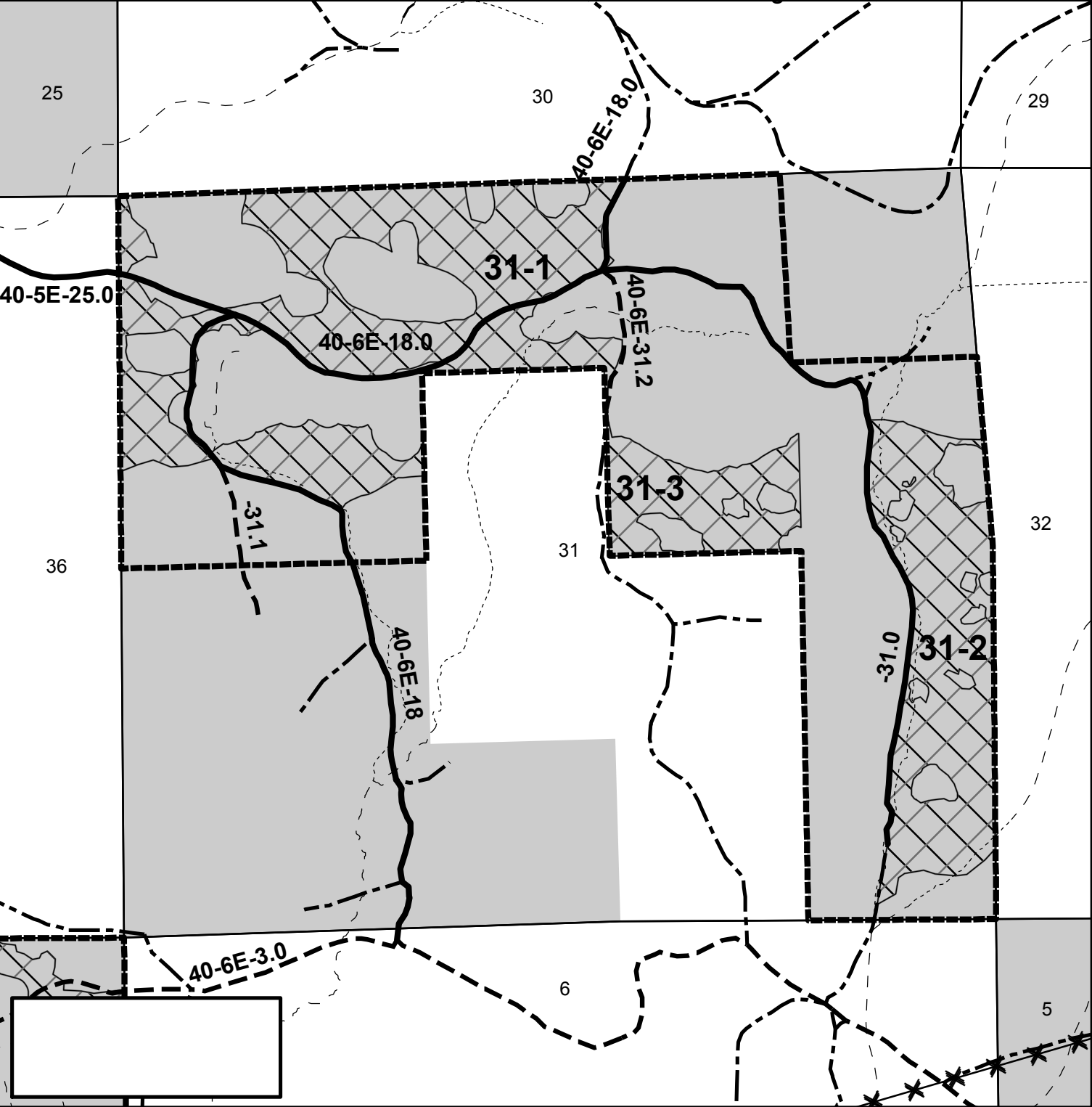
Aggregate

Natural

Unknown







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