

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Northwest Oregon District Office
1717 Fabry Road, S.E.
Salem, Oregon 97306

Blue Mule Timber Sale
ORN02-TS-2017.0203
Date: January 18, 2017

PROSPECTUS
SBA SET-ASIDE

THIS IS A PROSPECTUS ONLY. ATTACHMENTS MAY NOT INCLUDE ALL EXHIBITS REFERRED TO IN THE CONTRACT. THE COMPLETE CONTRACT, INCLUDING ALL EXHIBITS, IS AVAILABLE FOR INSPECTION AT THE NORTHWEST OREGON DISTRICT OFFICE.

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 her representative, in the timber sale room at the District Office, 1717 Fabry Road, S.E., Salem, Oregon. Written bids and deposits will be accepted beginning at 8:30 a.m. and the timber sale oral auction will commence at 9:00 a.m., on Wednesday, February 15, 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 Itemizer Observer on or about January 18, 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(s) to ensure accurate knowledge of the exact publication date.

AN ENVIRONMENTAL ASSESSMENT was prepared for each timber sale tract, and a Finding of No Significant Impact has been documented. These documents are available for inspection as background for each timber sale tract at the Salem District Office.

FOR SBA SET-ASIDE TRACTS, the bidder must not have been determined by the Small Business Administration to be ineligible for preferential award for set-aside sales and must accompany his deposit with a self-certification statement that he is qualified as a small business concern as defined by the Small Business Administration in its regulations, Title 13, Chapter I, Part 121 (Revision 7) as amended, of the Code of Federal Regulations. The Form 5430-1 Self Certification Statement is attached hereto. The successful bidder will be required to sign SBA Form 723 "Small Business Certification Required on All Preferential Sales of Set-Aside Timber" at the time he signs the timber sale contract. Section 2(a) of Form 723 requires that successful bidders of SBA set-aside tracts must comply with delivery requirements pertaining to sawtimber volume. No more than 30 percent of the timber volume from a set-aside sale may be delivered for manufacturing to a business that is not a small business, as defined by the SBA (13 CFR 121.507 (a)). A copy of SBA form 723 is attached.

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

THE SUCCESSFUL BIDDER, as a condition of award, will be required to sign Form 5430-11, a certification that the bid was arrived at by the bidder or offeror independently, and was tendered without collusion with any other bidder or offeror. Also, Form 5450-17, Export Determination must be completed by the successful bidder. To expedite procedure, this form should be completed and submitted with the written bid.

THE VOLUMES LISTED herein are estimates only. The sale volumes listed are 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

advertised appraised price. The Purchaser shall be liable for the total purchase price, without regard to the amount bid per unit, even though the quantity of timber actually cut or removed or designated for taking is more or less than the estimated volume or quantity so listed.

THIS TIMBER SALE has been cruised based upon Eastside Scribner board foot measure. The minimum bid figures shown by species are dollars per thousand board feet (MBF). The minimum bid increment will be \$0.10 per MBF.

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. A minimum performance bond of not less than \$500 will be required for all installment contracts less than \$2,500.

QUALIFIED SMALL BUSINESS concerns may apply to SBA for a loan to provide financing for access road construction required under the terms of qualifying timber sale contracts, and necessary contract changes will be made. Approval of loan applications rests with SBA and may be contingent on availability of funds. Applicants for such loans shall notify BLM of their intention to apply for a loan.

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, responsible or refuses to respond within fifteen (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.

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 5420, as amended. The BLM has revised the log export restrictions special provision to reduce the log branding and painting requirements.

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.

CONTRACT MODIFICATION, SUSPENSION OR TERMINATION: 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.

ADDITIONAL INFORMATION concerning this timber sale tract is available at the above District Office. A copy of the timber sale contract is also available for inspection at the District Office. The prospectus for this/these sale(s) is also available online at: <http://www.blm.gov/or/districts/salem/timbersales/index.php>. The 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 Office at 503-375-5646.

Attachments:

Form 5450-17
Form 5430-11
Form 5440-9
Form 5430-1
SBA Form 723

TIMBER SALE NOTICE

THIS IS A SMALL BUSINESS SET-ASIDE SALE FOR PREFERENTIAL BIDDING BY SMALL BUSINESS CONCERNS AS DEFINED BY THE SMALL BUSINESS ADMINISTRATION

THIS IS A SCALE SALE

NORTHWEST OREGON DISTRICT
MARYS PEAK FIELD OFFICE
ALSEA-RICKREALL MASTER UNIT

SALE DATE: February 15, 2017

CONTRACT NO. ORN02-TS-2017.0203, BLUE MULE TIMBER SALE, Scale Sale

POLK COUNTY, OREGON: O&C: ORAL AUCTION: BID DEPOSIT REQUIRED: \$76,800.00

All timber designated for cutting on Lots 5, 6, 7, 8, 9, N½SW¼, Section 4; Lots 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35, 36, Section 5; NE¼NE¼, S½NE¼, NE¼SW¼, SE¼, Section 7; NW¼, Section 8; T. 7 S., R. 8 W., W.M.

THIS TIMBER SALE HAS BEEN CRUISED BASED UPON EASTSIDE SCRIBNER MEASURE.

Minimum bid figures shown by species are dollars per thousand board feet (MBF). The minimum bid increment will be \$0.10 per MBF.

Approx. No. Merchantable Trees	Est. Vol. MBF 32' Log	Species	Est. Vol. MBF 16' Log	Appraised Price Per MBF	Estimated Volume Times Appraised Price
43,129	4,217	Douglas-fir	5,070	\$141.00	\$714,870.00
4,228	255	Red alder	311	\$105.80	\$32,903.80
1,326	203	Western hemlock	250	\$68.20	\$17,050.00
132	25	Grand fir	32	\$56.50	\$1,808.00
637	24	Bigleaf maple	29	\$26.10	\$756.90
49,452	4,724	Totals	5,692		\$767,388.70
OTHER WOOD PRODUCTS:					
Product	Unit of Measure	Species	Estimated # of Units	Appraised Price Per Unit	Estimated Volume Times Appraised Price
Clean Chips	Green Tons	Douglas-fir	60	\$5.00	\$300.00
		GRAND TOTAL			\$767,688.70

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 also prohibited from substitution of exported private timber.

CRUISE INFORMATION: The timber volumes were based on variable plot cruise in the Partial Cut Areas and 100% cruise in the Right-of-way areas for estimated board foot volumes of trees in 16-foot logs. Approximately 0% of the total sale volume is salvage material. With respect to merchantable trees of all species; the average tree is 11.9 inches DBHOB; the average log contains 33 bd. ft.; the total gross volume is approximately 5,968 MBF; and 95% recovery is expected. This cruise information is given for informational purposes only and the contract price and volume will be determined by a scale using eastside scribner.

CUTTING AREA: Eleven units totaling approximately 318 acres shall be partial cut, approximately 54 acres shall be hazard tree removal and approximately 3 acres of Right-of-Way shall be cut. Acres shown on Exhibit A have been computed using a Trimble GeoXT Global Positioning System receiver. Acreage was calculated based on Global Positioning System traverse procedures including differential correction.

DURATION OF CONTRACT: Will be 36 months for cutting and removal of timber.

LOCATION: The Blue Mule Timber Sale is located approximately 10 air miles northwest of Dallas, Oregon. From the Yamhill River Road, turn south onto Gold Creek Road. Proceed approximately 2.5 miles to the junction of BLM Road 6-7-28, Gold Creek Road. Travel approximately 3 miles on the 6-7-28 road to arrive at the contract area. See general vicinity map and Exhibit E for details.

ACCESS AND ROAD MAINTENANCE: Access is provided on Bureau of Land Management controlled roads and Stimson controlled roads. In the use of Stimson controlled roads – Purchaser Maintenance, the Purchaser shall enter into a license agreement with Stimson. The Purchaser shall carry liability insurance with limits of \$1,000,000.00/\$1,000,000.00/\$1,000,000.00 for timber and mineral haul.

In the use of Bureau of Land Management controlled roads – Bureau of Land Management Maintenance, the Purchaser shall pay the Government a road maintenance obligation at a rate of \$4.06/MBF of timber hauled.

In the use of Bureau of Land Management controlled roads – Purchaser Maintenance the Purchaser will be required to perform maintenance on approximately 5.16 miles of road. The Purchaser shall pay the Government a road maintenance obligation for rockwear at a rate of \$0.48/MBF of timber hauled.

Purchaser maintenance shall include frequent blading and shaping of road surface; ditch, culvert, and catch basin cleaning; removal of minor slides and other debris. Roads shall be left in a condition to withstand adverse weather at the end of the seasonal operations.

ROAD CONSTRUCTION AND RENOVATION: The purchaser will be required to do all work set forth below. The purchaser shall supply all materials unless otherwise indicated.

1. Construction:

P₂ Road, 1,255 feet, 14-foot subgrade
Surfacing – Aggregate base course, depth 8 inches, useable width 13 feet

P₃ Road, 1,644 feet, 14-foot subgrade with 1-foot ditch
Surfacing – Aggregate base course, depth 8 inches, useable width 13 feet

2. Renovation:

Road 6-7-28, MP 0.00 – 7.06, 37,276 feet, 16-foot subgrade
Roadside brushing; erosion control; Surfacing – spot rock (MP 5.00-7.06)

Road 7-7-1.1, MP 0.00-2.91, 15,364 feet, 16-foot subgrade
Roadside brushing; culvert installation; erosion control; Surfacing – spot rock

Road 7-7-4.1, MP 0.00-0.83, 4,382 feet, 14-foot subgrade
Clearing and grubbing; culvert installation; grading and compacting; erosion control; Surfacing – Aggregate base course, depth 4 inches, useable width 13 feet

Road 7-7-5.0, MP 0.00-2.06, 10,876 feet, 14-foot subgrade
Roadside brushing; culvert installation; grading and compacting; erosion control; Surfacing – spot rock

Road 7-7-5.1, MP 0.00-0.50, 2,640 feet, 14-foot subgrade
Roadside brushing; culvert installation; grading and compacting; erosion control; Surfacing – Aggregate base course, depth 4 inches, useable width 13 feet

Road 7-7-8.1, MP 0.00-0.18, 950 feet, 14-foot subgrade

Roadside brushing; grading and compacting; erosion control; Surfacing – Aggregate base course, depth 4 inches, useable width 13 feet

Road 7-7-8.2, MP 0.00-0.80, 4,224 feet, 14-foot subgrade

Roadside brushing; culvert installation; grading and compacting; erosion control; Surfacing – spot rock

R1 Road, MP 0.00-0.23, 1,214 feet, 14-foot subgrade

Roadside brushing; culvert installation; grading and compacting; erosion control; Surfacing – Aggregate base course, depth 4 inches, useable width 13 feet

R2 Road, MP 0.00-0.15, 792 feet, 14-foot subgrade

Roadside brushing; grading and compacting; erosion control; Surfacing – Aggregate base course, depth 4 inches, useable width 13 feet

R3 Road, MP 0.00-0.11, 580 feet, 14-foot subgrade

Roadside brushing; grading and compacting; erosion control; Surfacing – Aggregate base course, depth 4 inches, useable width 13 feet

R4 Road, MP 0.00-0.04, 211 feet, 14-foot subgrade

Roadside brushing; grading and compacting; erosion control; Surfacing – Aggregate base course, depth 4 inches, useable width 13 feet

R5 Road, MP 0.00-0.26, 1,372 feet, 14-foot subgrade

Roadside brushing; grading and compacting; erosion control; Surfacing – Aggregate base course, depth 4 inches, useable width 13 feet

2. Estimated Quantities:

Clearing and grubbing

8.2 acres

Excavation

800 cubic yards of common

Culvert and Flume:

1,348 feet of 24 inch CPP

105 feet of 24 inch CPP downpipe

Aggregate Material:

Quantity:

Description:

3,167 cubic yards

3” minus crushed rock Ex. C

2,606 cubic yards

2” minus crushed rock Ex. C

80 cubic yards

Fill material

Miscellaneous

Watering 60,000 gallons

Rolling 590 hours

Rock Source: Commercial source, or source that meets specs and is approved by the Authorized Officer

Special Attention Items:

Section 42.i – Unit 9 wildlife restriction

Exhibit B – Scale Sale

Exhibit I – Designation by Prescription

SEASONAL RESTRICTION MATRIX

Activity	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Road Renovation												
In-Stream Work Period												
Ground-based Yarding (tractor)												
Unit 9 Operations												
Log Hauling												
Generally allowed												
Generally not allowed – or restriction applies												

Sec. 41.

RESERVED

- a. All timber on the Reserve Areas shown on Exhibit A and all painted orange or posted trees which are on or mark the boundaries of the Reserve Areas and/or right-of-way areas of Roads to be Constructed shown on Exhibit A.
- b. All trees other than Douglas-fir, western hemlock, grand fir, red alder, and bigleaf maple in the Partial Cut Areas shown on Exhibit A.
- c. All preexisting down logs and snags in the Partial Cut Area shown on Exhibit A, which do not present a safety hazard as determined by the Authorized Officer. All snags felled for safety reasons shall be retained on site.
- d. All trees less than five (5) inches DBHOB not designated for cutting.
- e. Trees required to meet residual tree requirements set forth in Exhibit I attached hereto and made a part hereof.

Sec. 42. Special Provisions

LOGGING

- a. Before beginning the operations on the Contract Area for the first time or after a shutdown of 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 he intends to cease operations for any period of 7 or more days.
- b. 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 ensure protection of the environment and watershed. A pre-work conference between the Purchaser's authorized representative and the Authorized Officer 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.
- c. Excessive damage to reserve timber, as determined by the Authorized Officer, will result in suspension of the yarding operations until mitigation measures are in place to prevent further damage as approved by the Authorized Officer.
- d. In the Partial Cut Areas shown on Exhibit A, all trees designated for cutting which are within one hundred (100) feet of the Stream Protection Zone, shall be felled away from the stream. Use of jacks, wedges, and/or tree pulling with cables or lines shall be employed when necessary to meet this requirement. Trees or portions of trees falling within any Stream Protection Zone shall be reserved from removal.

e. No trees may be felled, yarded, decked or loaded in or through the Reserve Areas shown on Exhibit A, or adjacent private land, unless expressly authorized by other provisions of this contract. Tops, limbs, and other logging debris entering the Reserve Areas from felling operations shall be pulled back into the Partial Cut Areas shown on Exhibit A.

f. In the Partial Cut Area – Skyline Yarding shown on Exhibit A, yarding shall be done with a skyline or similar cable system equipped with a slack pulling carriage capable of yarding one thousand five hundred (1,500) feet slope distance from the landing and having at least seventy-five (75) feet lateral yarding capabilities. The carriage shall be capable of being held in position on the skyline during all lateral yarding and shall be able to pass intermediate support jacks as required. The Purchaser shall directionally fall trees into the lead with the yarding direction. The leading end of all logs shall be transported free of the ground during yarding. The rigging of tail or lift trees, intermediate supports, and use of tailholds outside of Partial Cut Areas shall be required where necessary to meet this requirement. The Purchaser shall locate Skyline yarding roads as follows:

1. Skyline yarding roads shall be located perpendicular to the yarding slope unless otherwise approved by the Authorized Officer.
2. Mark the location of the skyline yarding roads on the ground with high visibility flagging in accordance with the required Logging Plan.
3. Space designated skid roads at a minimum of 150 feet apart unless otherwise agreed to in writing by the Authorized Officer.
4. The width of each skyline yarding road shall be limited to 12 feet.
5. Obtain written approval from the Authorized Officer of the location of all skyline yarding roads.

g. In the Partial Cut Area – Ground-based Yarding shown on Exhibit A, all yarding shall be done by equipment operated entirely on designated skid roads. Before felling and yarding any timber, except skid road right-of-way timber, in the Partial Cut Area – Ground-based Yarding the Purchaser shall locate and construct designated skid roads as follows:

1. Mark the location of the designated skid roads on the ground with high visibility flagging in accordance with the required Logging Plan.
2. Space designated skid roads at a minimum of 150 feet apart unless otherwise agreed to in writing by the Authorized Officer.
3. Obtain written approval from the Authorized Officer of the location of all designated skid roads.
4. Limit the width of each skid road to a maximum of 12 feet.

5. Limit skid roads to slopes less than 35% and located perpendicular to the slope to minimize road cutting.

h. No ground-based yarding shall be conducted on the Partial Cut – Ground-based yarding shown on Exhibit A between October 16 of one calendar year and July 14 of the following calendar year, both days inclusive, or during any period of wet soil conditions as determined by the Authorized Officer.

i. In Unit 9 shown on Exhibit A, no harvest activities, including road construction and decommissioning shall be conducted from March 1 to July 15 of each year, both days inclusive.

1. This is a seasonal restriction to protect northern spotted owls. The Purchaser may, at his own expense and risk, conduct surveys in order to potentially waive or modify this restriction.
2. If the Purchaser elects to conduct surveys, the Purchaser must notify the Authorized Officer by February 15 of any calendar year that he wishes to conduct such surveys. Surveys must be done to strict protocols and procedures that will be provided by the Authorized Officer. Survey plans and results must be approved by the Authorized Officer prior to issuance of any modification or reduction of the restrictions. Depending upon the results, surveys may result in the Contracting Officer invoking Section 42.dd.6. including suspension of operations or increasing restrictions for the calendar year.

j. During logging operations, the Purchaser shall keep the 6-7-28 road and the 7-7-1.1 road from the junction of the 6-7-28 road out to the north, where they pass through the Contract Area, clear of trees, rock, dirt and other debris so far as is practicable. The road shall not be blocked by such operations for more than thirty (30) minutes.

SAFETY

k. 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.

ROAD CONSTRUCTION, RENOVATION, MAINTENANCE AND USE

l. The Purchaser shall construct approximately 2,899 feet of road and renovate approximately 82,210 feet of road in strict accordance with the plans and specifications shown on Exhibit C, which is attached hereto and a made a part hereof.

m. Any required road construction or renovation shall be completed and accepted prior to the removal of any timber, except right-of-way timber, over that road.

n. No road renovation or construction shall be conducted on the Contract Area shown on Exhibit A between November 1 of one calendar year and April 30 of the following calendar year, both days inclusive, or during other periods of wet soil conditions as determined by the Authorized Officer.

o. No instream work shall be conducted on the Contract Area shown on Exhibit A between September 1 of one calendar year and June 30 of the following calendar year, both days inclusive, or during other periods of wet conditions as determined by the Authorized Officer.

p. The Purchaser is authorized to use the roads shown on Exhibit E for the removal of Government timber sold under the terms of this contract and the hauling of rock as required in Exhibit C, provided that the Purchaser pay the required maintenance and rockwear obligations described in Section 42.q. and Section 42.r. Any road shown on Exhibit E and requiring construction or renovation in Exhibit C of this contract, shall be maintained by the Purchaser until receiving written acceptance of the construction or renovation from the Authorized Officer.

q. The Purchaser shall pay a road maintenance fee of four and 06/100 dollars (\$4.06) per thousand board feet log scale per mile for the use of BLM maintained roads. The total maintenance fee due shall be based upon volumes determined pursuant to Exhibit B of this contract and mileage of roads used as determined by the Authorized Officer. 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. The Authorized Officer shall establish an installment schedule of payment of the maintenance obligation. If it is determined by the Authorized Officer, after all merchantable timber has been cut and scaled, that the total maintenance payments made under this contract exceed the total maintenance and rockwear payment due, such excess shall be returned to the Purchaser after such determination is made.

r. The Purchaser shall pay a road rockwear fee of zero and 48/100 dollars (\$0.48) per thousand board feet log scale per mile for the use of Purchaser maintained roads. The total maintenance fee due shall be based upon volumes determined pursuant to Exhibit B of this contract and mileage of roads used as determined by the Authorized Officer. 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. The Authorized Officer shall establish an installment schedule of payment of the maintenance obligation. If it is determined by the Authorized Officer, after all merchantable timber has been cut and scaled, that the total rockwear payments made under this contract exceed the rockwear payment due, such excess shall be returned to the Purchaser after such determination is made.

s. The Purchaser shall perform any required road repair and maintenance work on the roads identified as Purchaser maintenance, under the terms of Exhibit D, Road Maintenance Specifications, of this contract, which is attached hereto and made a part hereof.

t. In the use of the 7-7-8.2 road shown on the Exhibit E, the Purchaser shall comply with the conditions of Right-of-Way and Road Use Agreement No. S-905, between the United States of America and Stimson Lumber Company. This document is available for inspection at the Northwest Oregon District Office. Prior to the use of said roads, the Purchaser shall furnish the Authorized Officer a properly signed copy of the executed License Agreement.

u. The Purchaser agrees that if they elect to use any other private road, which is the subject of a right-a-way agreement with the Government for the removal of Government timber sold under the terms of this contract, Purchaser shall request and agree to the modification of this contract to provide for such use and for allowances for amortization of the Government's shares of the capital investment of any such road.

v. With the prior written approval of the Authorized Officer, the Purchaser may arrange for cooperative maintenance with other users of roads included in Exhibit E; 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 of these roads.

w. The Purchaser shall be required to secure written approval to use vehicles or haul forest products and equipment over Government owned or controlled roads when such vehicles or equipment exceeds the maximum allowable weights or dimensions established by the State for vehicles operating without a permit or if vehicles meet allowable non-permitted State vehicle weights, but the haul route crosses a structure or segment of road that is posted for reduced

weights. The Purchaser agrees to abide by any special requirements included in said written approval.

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:

- A. Axle weights when fully loaded.
- B. Axle spacing.
- C. Transverse wheel spacing.
- D. Tire size.
- E. Outside width of vehicle.
- F. Operating speed.
- G. Frequency of use.
- H. 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 or equipment: (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.

x. Tracked type equipment shall not be allowed to track on asphalt surfaced roads without the proper protection of that surface. Prior approval shall be obtained from the Authorized Officer when crossing with protective devices.

The Purchaser shall be responsible for repair of any damage to roads or structures caused by the use of tracked vehicles or equipment; (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.

ENVIRONMENTAL PROTECTION

y. In addition to the requirements set forth in Sec. 26 of this contract, the Purchaser shall complete grass seeding on exposed soil on all skyline roads, ground-based skid roads, landings, and any other exposed soil caused by contract obligations as directed by the Authorized Officer. Grass seed and suitable equipment to apply seed shall be furnished by the Purchaser.

Seed to be supplied shall meet the following requirements:

<u>SPECIES</u>	<u>RATE</u>
Red Fescue (Festuca rubra)	100%
Oregon Certified Seed (Blue Tag)	
Purity	95% minimum

Germination
Noxious Weed Content

85% minimum
None (Tested: None Found)

The Purchaser shall apply grass seed uniformly on the designated areas at a rate equal to forty (40) pounds per acre. Evidence of seed certification shall be furnished to the Authorized Officer prior to application. Grass seed which has become wet, moldy or otherwise damaged shall not be provided.

z. In addition to the requirements set forth in Sec. 26 of this contract, in order to reduce or prevent the spread of noxious weeds to BLM lands, all road construction, piling, and ground-based logging equipment including loaders shall be cleaned of all plant parts and soil prior to entry onto BLM lands. Equipment shall be inspected by the Authorized Officer at a site approved by the Authorized Officer to verify that the equipment had been reasonably cleaned prior to entry onto BLM lands.

aa. Immediately following ground-based yarding activities for any operating season, the Purchaser shall construct water bars, as shown on Exhibit C, on ground-based skid roads and block them to vehicular traffic as directed by the Authorized Officer. The location of water bars shall be approved by the Authorized Officer prior to construction.

bb. The Purchaser shall immediately discontinue specified construction or harvesting operations upon written notice from the Authorized Officer that:

1. 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;
2. 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 of the Northwest Oregon District Record of Decision (ROD) and Resource Management Plan (RMP), the Contracting Officer determines it may be necessary to modify or terminate the contract, or;
3. 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;
4. 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;

5. 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;
6. when, in order to comply with a court order, the Contracting Officer determines it may be necessary to modify or terminate the contract, or;
7. 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;
8. 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.a. 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.a. of the contract within 15 days after the bill for collection is issued, subject to Section 3.i. of the contract. The Purchaser shall not resume contract operations until the First Installment amount is fully restored.

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

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

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

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

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

FIRE PREVENTION

cc. 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. Purchaser shall take such measures for prevention and suppression of fire on the contract area and other adjacent Government lands used or traversed by Purchaser in connection with operations as are required by applicable laws and regulations. However, when in the opinion of the Authorized Officer, weather and other conditions affecting fire incidence and control make special precautions necessary to protect the contract area and said Government lands, Purchaser shall take such additional or other fire prevention and control measures as may be required by the Authorized Officer. The Purchaser shall comply with Oregon Department of Forestry Industrial Fire Precaution Level (IFPL) I (Closed Fire Season) requirements. At IFPL II and III, additional fire prevention and control provisions may be added as determined by the Authorized Officer and specified in written instructions to the Purchaser to mitigate dry fuel and weather conditions.

LOGGING RESIDUE REDUCTION

dd. In addition to the requirements of Sec. 15 of this contract, and notwithstanding the Purchasers satisfactory compliance with State laws and regulations regarding offsetting or abating the additional fire hazard created by this operation and the States 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 measure(s) required by this contract:

1. Prior to commencement of any operation under this Section of the contract, a slash disposal and pre-work conference between the purchaser's representative and the Authorized Officer must be held at a location designated by the Authorized Officer. All slash disposal shall be done in accordance with the plans developed at this pre-work conference. Slash, as defined for this section, shall mean all material (brush, limbs, tops, unmerchantable stems, and chunks) severed or knocked over as a result of purchasers operations under the terms of this contract.

2. Excavator pile and burn slash within 25 feet of roads 6-7-28 and 7-7-1.1 in Units 1, 2, 3, 4, 5, 6, and 8. Slash shall be piled by an excavator equipped with a hydraulic thumb. Finished piles shall be tight and free of dirt.

a. Unmerchantable logs greater than sixteen (16) inches on the small end shall be left in place, or positioned so that they will not be burned.

b. Machine piles shall be located as far as possible from green trees, snags, or unit boundaries to minimize damage.

c. Machine piles shall be kept free of dirt and other non-wood debris and constructed as compactly as possible. There should be an adequate supply of finer fuels located within and under the covered area of the pile to ensure ignition of the larger fuels.

d. A 10-foot by 10-foot cover of four (4) millimeter polyethylene shall cap each machine pile to maintain a dry ignition point. The cover shall be firmly fixed to each pile to hold it in place. Plastic shall be held in place with woody debris or tied with rope or twine. The plastic must be secured so that it is held in place during strong wind conditions. The Purchaser is required to furnish the covering materials. Covering shall be completed as directed by the Authorized Officer.

e. Cutting Areas shall be piled during the same season that they are logged.

3. Pile and burn landing slash within thirty (30) feet of the edge of each landing, all tops, broken pieces, limbs and debris more than one (1) inch in diameter at the large end and longer than three (3) feet in length shall be piled within fifteen (15) days of completion of hauling logs from that landing. Landing piles shall be kept free of dirt and located adjacent to roads at least twenty (20) feet from any Reserve Tree and/or as directed by the Authorized Officer. Upon completion of landing piling, the Purchaser shall prepare the landing piles for burning by securely covering each landing pile by securely covering each pile with .004 inch thick polyethylene plastic film at least 20 feet wide. Landing piles shall be 75 percent covered with the covering extending three-quarters of the way down all sides. The plastic shall be oriented southwest to northeast. Pieces of burnable material shall be placed on top of the plastic to secure it from moving and to prevent it from blowing off during strong wind episodes. The Purchaser is required to furnish the covering materials. The timing of this covering work shall be in accordance with instructions from the Authorized Officer. No landing debris shall be dozed off the landing and covered with dirt. Debris which has been buried 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. If the structure of the landing piles will not permit adequate consumption of piled debris by burning, the Purchaser shall re-pile them at the direction of the Authorized Officer.

ee. Notwithstanding the provisions of Sec. 15 of this contract, the Government shall assume all obligations for disposal or reduction of fire hazards created by Purchaser's operations on Government lands, except for burning and mop-up assistance as required herein and measures required in Section 42.dd. The Purchaser shall, under supervision of the Authorized Officer or designated representative, assist in preparing units for burning, burning, mop-up, and patrol by furnishing, at the Purchaser's own expense, the services of personnel and equipment on each unit as shown below:

1. For igniting and Burning Piles on Units:

a. One work leader(s) Firefighter Type 1 (FFT1) qualified according to National Wildfire Coordinating Group (NWCG) Wildland Fire Qualifications System guide, PMS 310-1 to supervise crew and equipment operations, and to serve as Purchaser's representative.

b. Two-person crew Firefighter Type 2 (FFT2) qualified according to National Wildfire Coordination Group (NWCG) Wildland Fire Qualifications System guide, PMS 310-1, with sufficient fuel for burning, five (5) drip torches, one (1) power saw, and one (1) backpack pump, one (1) tool for each crew member.

c. The crew shall arrive on the project area with 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.

d. All ignition personnel will be directly supervised by a BLM representative.

2. For Mop-up of Piles on Units:

a. One work leader(s) Firefighter Type 1 (FFT1) qualified according to National Wildfire Coordinating Group (NWCG) Wildland Fire Qualifications System guide, PMS 310-1 to supervise crew and equipment operations, and to serve as Purchaser's representative.

b. Two-person crew Firefighter Type 2 (FFT2) qualified according to National Wildfire Coordination Group (NWCG) Wildland Fire Qualifications System guide, PMS 310-1, with one (1) power saw, one (1) backpack pump, and one (1) tool for each crew member.

c. The crew shall arrive on the project area with 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.

d. All mop-up personnel will be directly supervised by a BLM representative.

Aircraft and pilots used for Logging Residue Reduction or the suppression of escaped fires from Logging Residue Reduction operations, shall be acquired from a list of aircraft and pilots approved (i.e., carded for these specific activities) by the Office of Aircraft Services or the U.S. Forest Service. This list is available from BLM District Offices upon request. All listed personnel shall be physically fit, experienced and fully capable of functioning as required. All listed personnel shall be physically fit, experienced and fully capable of functioning as

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

Except as provided hereafter for fire escapement, the Purchaser shall continue the required assistance in mop up on each cutting unit shown on Exhibit A for seventy-two (72) hours, as directed by the Authorized Officer within a five (5) day period commencing at 8:00 a.m. the day following the completion of ignition in that unit, or until released from such service by the Government, whichever occurs first.

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

In situations where an escaped fire is controlled and contained by an adequate fire break (i.e., trail, road, stream, rock formation, etc.), the Government may permit the Purchaser to remove personnel for that day; provided that all mop up work on the escaped fire is included with mop up work on the prescribed fire area. In such an event, the Purchaser must sign a statement of agreement to complete mop up work on all escaped fire areas concurrently with mop up work on the prescribed fire area.

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.

Time is of the essence in complying with this provision. In the event the Purchaser fails to provide the personnel and equipment required herein, the Purchaser shall be responsible for all additional cost incurred by the Government in disposing of slash including but not limited to the wages and other costs of providing federal employees and others as substitute labor force, the cost of providing substitute equipment and appropriate additional overhead expenses. If the Purchaser's failure results in a deferral of burning and new conditions necessitate additional

personnel and equipment to accomplish the planned burn, the Purchaser also shall be responsible for such additional costs.

ff. Perform logging residue reduction and site preparation work on approximately fifteen and one half (15.5) acres of Partial Cut Area located in the harvest units as shown Exhibit A. The required work shall consist of any treatment or combination of treatments, as determined by the Authorized Officer and specified in writing by the Contracting Officer. The number of acres of each treatment shall be determined by the Authorized Officer.

LOG EXPORT RESTRICTION

gg. All timber sold to the Purchaser under the terms of the 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 or specifications suitable for end-product uses; or (4) western red cedar lumber which does not meet lumber of American 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 timbers, 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 (8-3/4) inches in thickness or less; or (6) shakes and shingles.

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

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

1. Date of last export sale.
2. Volume of timber contained in last export sale.
3. Volume of timber exported in the past twelve (12) months from the date of last export sale.
4. Volume of Federal timber purchased in the past twelve (12) months from the date of last export sale.
5. Volume of timber exported in succeeding twelve (12) months from date of last export sale.
6. 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 Form 5460-16 (Certificate as to Non-substitution 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 the 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. The purchaser shall also provide a current, interim Log Scale and Disposition of Timber Removed Report (Form 5460-15) upon request by the Authorized Officer at any time during the contract period for cutting and removal specified in Section 4 of this contract as amended. 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 ten (10) inches, prior to the removal of timber from the contract area. All loads of eleven (11) logs or more will have a minimum of ten (10) logs clearly and legibly branded on one end regardless of the diameter of the logs. All logs will be branded on loads of ten (10) logs or less. One end of all branded logs to be processed domestically will be marked with a three (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.

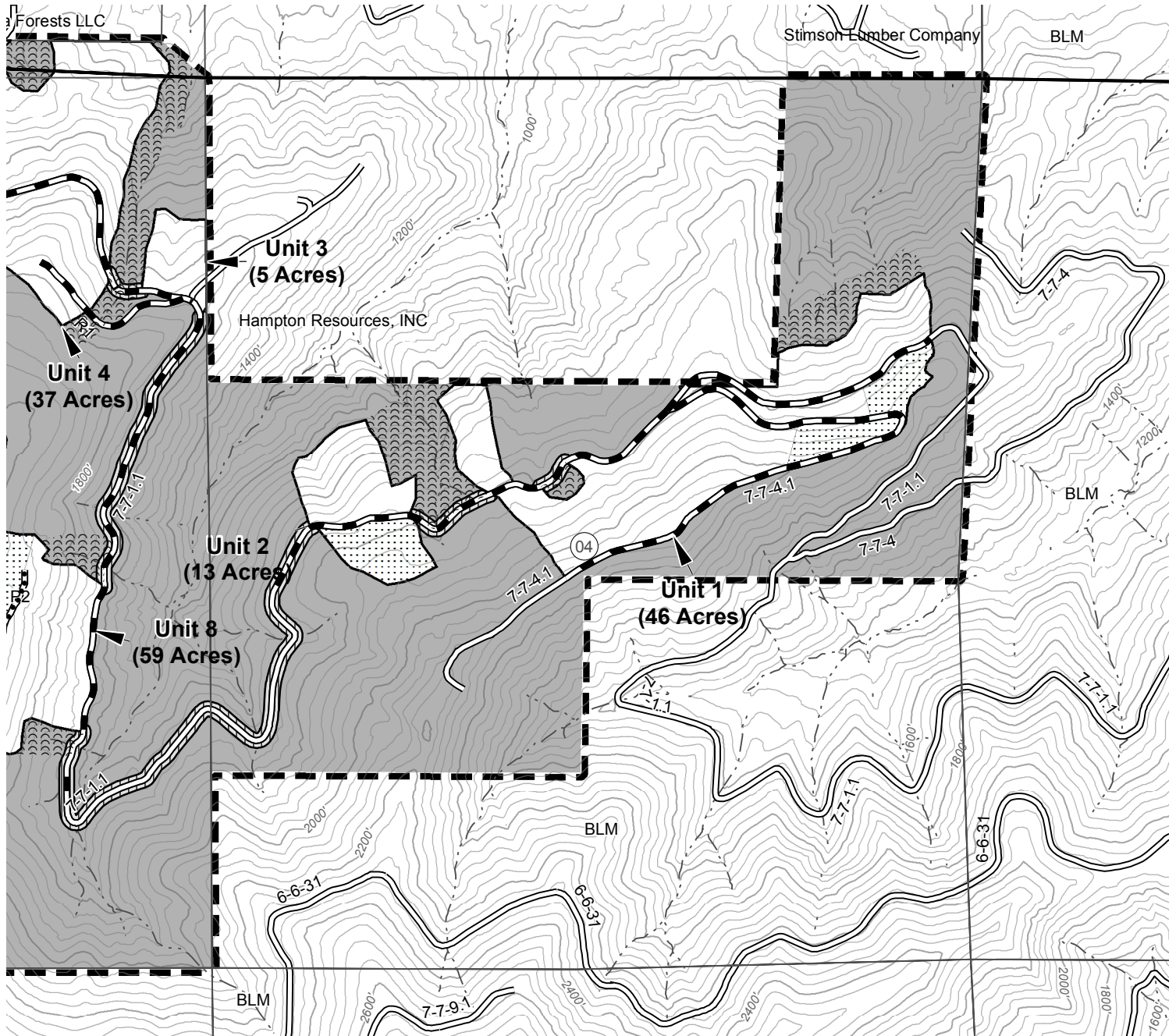
In the event of the Purchaser's noncompliance with this subsection of the contract, the Authorized Officer may take appropriate action as set forth in Section 10 of this contract. In addition, the Purchaser may be declared ineligible to receive future awards of Government timber for a period of one year.

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Northwest Oregon District - Oregon

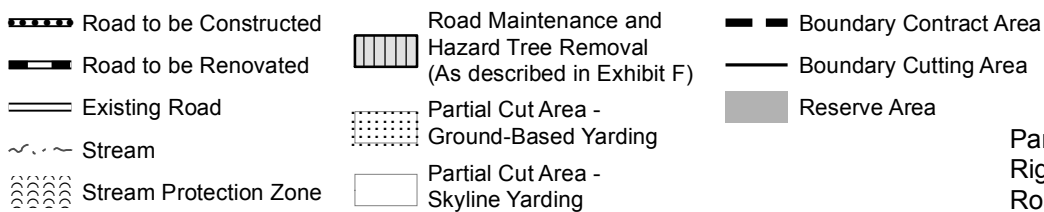
Blue Mule
Timber Sale
EXHIBIT A
Sheet 1 of 4

TIMBER SALE CONTRACT MAP - ORN02-TS-2017.0203

T. 7 S. - R. 7 W., Section 4, W.M. - NORTHWEST OREGON DISTRICT - OREGON

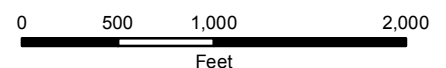


Contour Interval: 40ft (LiDAR)



Partial Cut Area	318.00 Acres
Right-of-Way Area	3.00 Acres
Road Maintenance HTR	54.00 Acres
Reserve Area	1101.64 Acres
Total Contract Area	1476.64 Acres

NOTES: Boundary of Partial Cut Areas are painted orange and posted. Unit acres do not include existing roads or Rights-of-Way. Acres shown on Exhibit A have been computed using a Trimble Geo XT Global Positioning System receiver. Acreage was calculated based on Global Positioning System traverse procedures including differential correction.

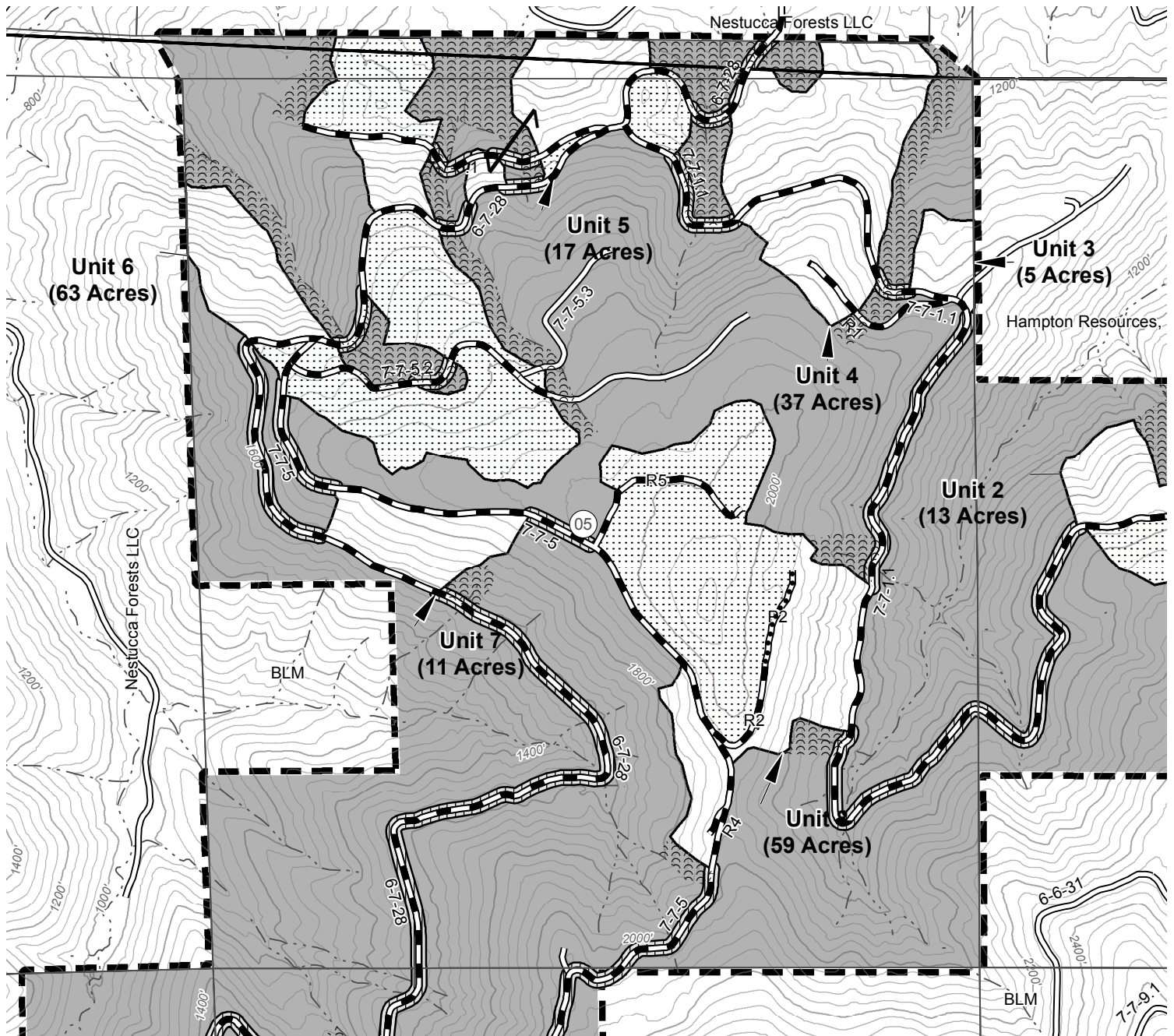


UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Northwest Oregon District - Oregon

Blue Mule
Timber Sale
EXHIBIT A
Sheet 2 of 4

TIMBER SALE CONTRACT MAP - ORN02-TS-2017.0203

T. 7 S. - R. 7 W., Section 5, W.M. - NORTHWEST OREGON DISTRICT - OREGON



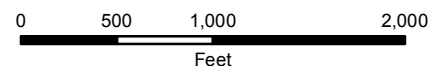
Contour Interval: 40ft (LiDAR)

- | | | |
|------------------------|--|------------------------|
| Road to be Constructed | Road Maintenance and Hazard Tree Removal (As described in Exhibit F) | Boundary Contract Area |
| Road to be Renovated | Partial Cut Area - Ground-Based Yarding | Boundary Cutting Area |
| Existing Road | Partial Cut Area - Skyline Yarding | Reserve Area |
| Stream | | |
| Stream Protection Zone | | |



Partial Cut Area	318.00 Acres
Right-of-Way Area	3.00 Acres
Road Maintenance HTR	54.00 Acres
Reserve Area	1101.64 Acres
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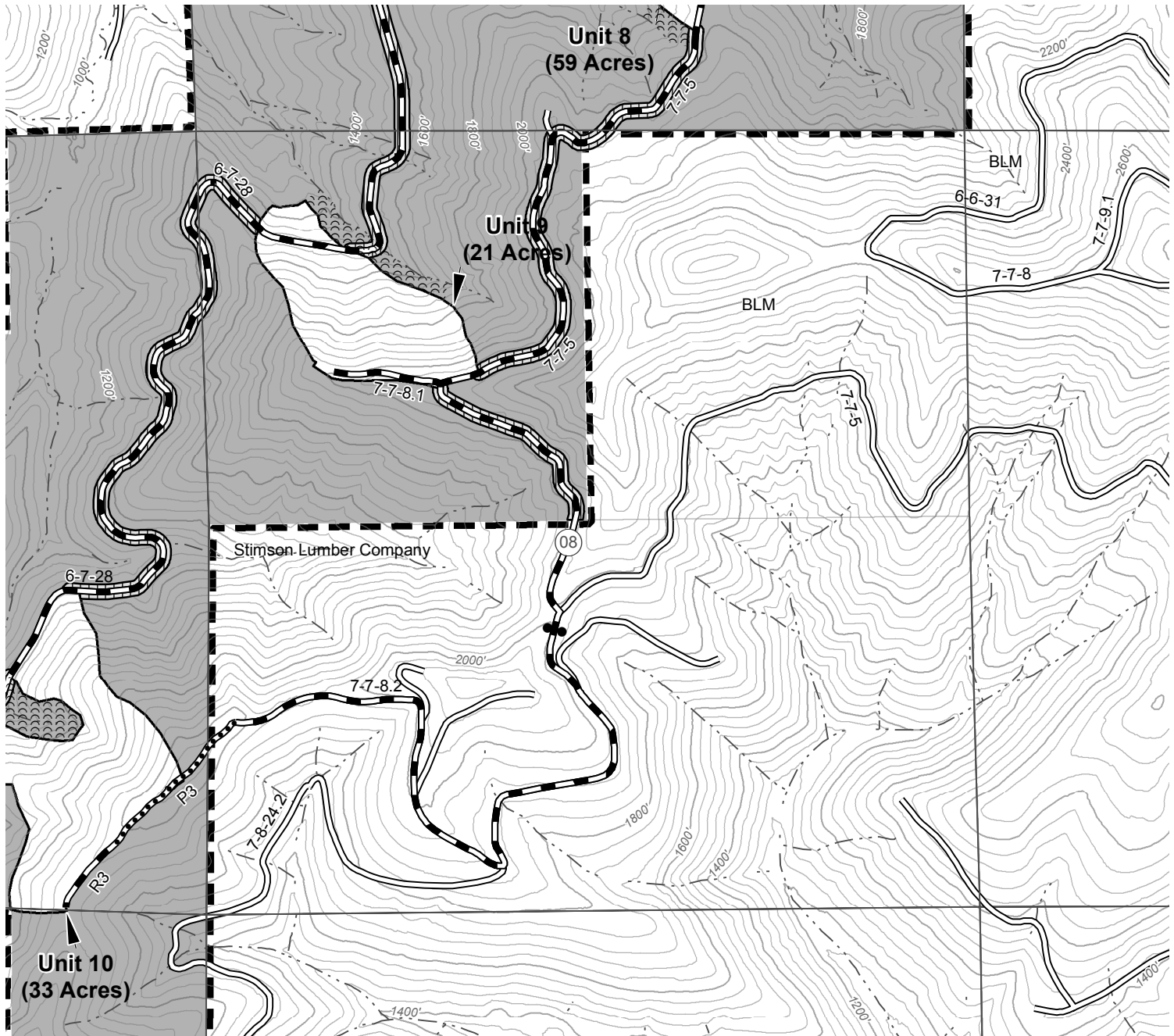


UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Northwest Oregon District - Oregon

Blue Mule
Timber Sale
EXHIBIT A
Sheet 3 of 4

TIMBER SALE CONTRACT MAP - ORN02-TS-2017.0203

T. 7 S. - R. 7 W., Section 8, W.M. - NORTHWEST OREGON DISTRICT - OREGON



Contour Interval: 40ft (LiDAR)

- Gate
- Road to be Constructed
- Road to be Renovated
- Existing Road
- Stream
- Stream Protection Zone

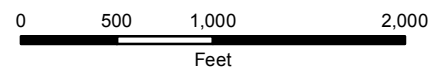
- Road Maintenance and Hazard Tree Removal (As described in Exhibit F)
- Partial Cut Area - Skyline Yarding

- Boundary Contract Area
- Boundary Cutting Area
- Reserve Area



Partial Cut Area	318.00 Acres
Right-of-Way Area	3.00 Acres
Road Maintenance HTR	54.00 Acres
Reserve Area	1101.64 Acres
Total Contract Area	1476.64 Acres

NOTES: Boundary of Partial Cut Areas are painted orange and posted. Unit acres do not include existing roads or Rights-of-Way. Acres shown on Exhibit A have been computed using a Trimble Geo XT Global Positioning System receiver. Acreage was calculated based on Global Positioning System traverse procedures including differential correction.

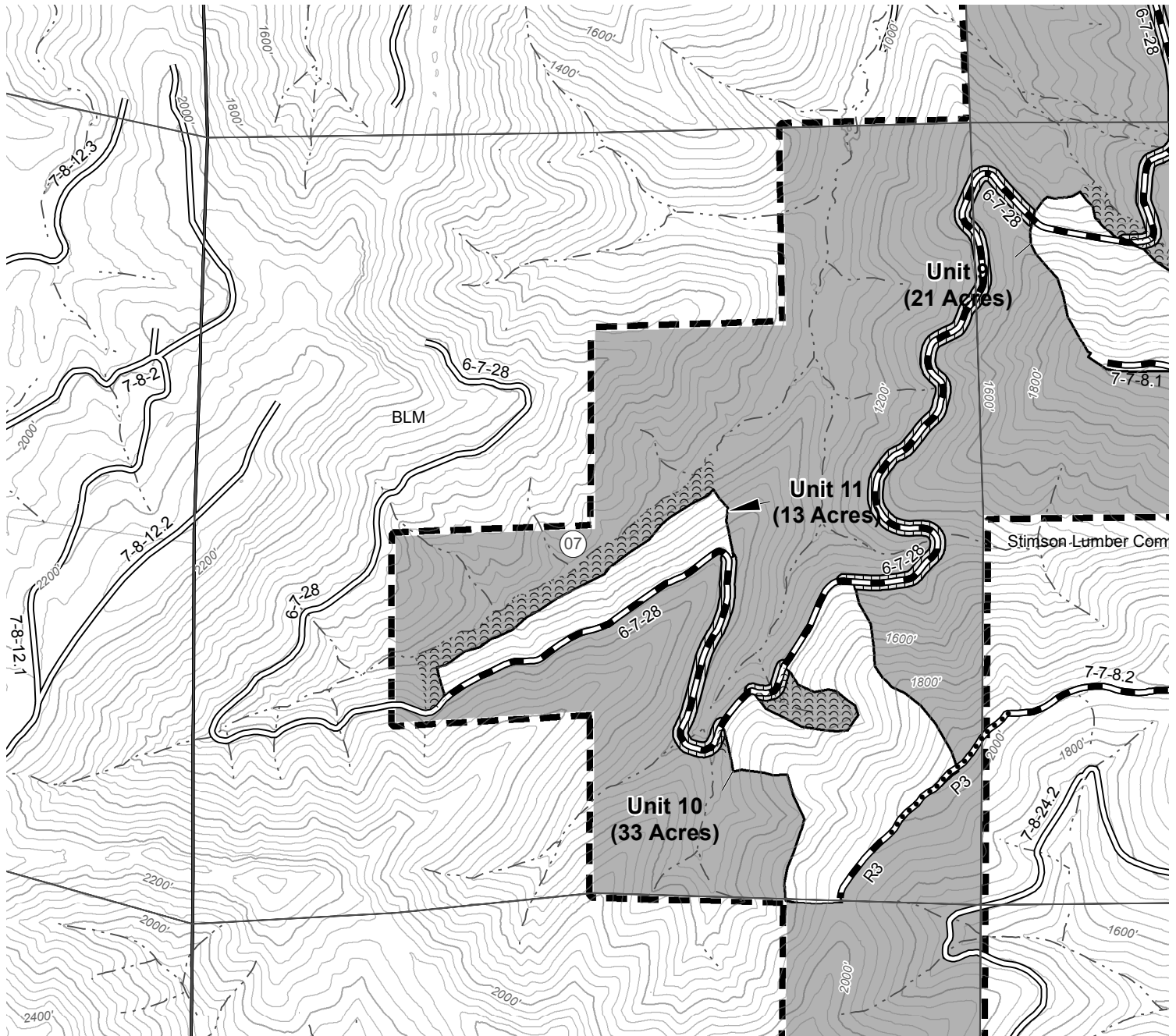


UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Northwest Oregon District - Oregon

Blue Mule
Timber Sale
EXHIBIT A
Sheet 4 of 4

TIMBER SALE CONTRACT MAP - ORN02-TS-2017.0203

T. 7 S. - R. 7 W., Section 7, W.M. - NORTHWEST OREGON DISTRICT - OREGON



Contour Interval: 40ft (LiDAR)

- Road to be Constructed
- Road to be Renovated
- Existing Road
- Stream
- Stream Protection Zone

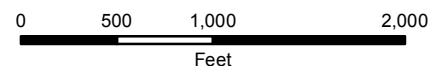
- Road Maintenance and Hazard Tree Removal (As described in Exhibit F)
- Partial Cut Area - Skyline Yarding

- Boundary Contract Area
- Boundary Cutting Area
- Reserve Area



Partial Cut Area	318.00 Acres
Right-of-Way Area	3.00 Acres
Road Maintenance HTR	54.00 Acres
Reserve Area	1101.64 Acres
Total Contract Area	1476.64 Acres

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UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT (BLM)

EXHIBIT B / PRE-SALE

SCALE SALE PURCHASE PRICE SCHEDULE AND MEASUREMENT SPECIFICATIONS

I. Total Actual Purchase Price – In accordance with Sections 2 and 3 of the contract, the Purchaser agrees to pay the Government for the forest products sold under the contract in accordance with the following schedule and measurement requirements. Forest products sold are comprised of *Merchantable Timber, Other Timber, Other Forest Products, Remaining Volume, and Defect Caused by Abnormal Delay* as defined in this Exhibit. In the event an Extension of Time is approved, the prices per measurement unit are subject to readjustment (refer to Section 9 of the contract).

Schedule of Products, Species, Measurement Units, and Prices		
Species	Measurement Units	Price Per Measurement Unit
Merchantable Timber:		
Douglas-fir	MBF	\$141.00
Red alder	MBF	\$ 105.80
Western hemlock	MBF	\$ 68.20
Grand fir	MBF	\$ 56.50
Bigleaf maple	MBF	\$ 26.10
Other Wood Products:		
Clean Chips	Tons	\$ 5.00

II. Merchantable Timber – All timber which can be cut into logs, which equal or exceed the following specifications, shall be considered merchantable timber. Purchaser shall pay for same in accordance with Section 3 of the contract at the prices per measurement unit shown in Section I of this Exhibit.

Schedule of Minimum Merchantable Log Specifications			
Species and Products	Length	Diameter (inside bark at small end)	Net Scale
All	16 Feet	6 inches	20 bf

III. Other Timber – If Purchaser elects to remove any logs which do not meet the above minimum merchantable log specifications in Section II of this Exhibit, are not designated as other forest products in Section I of this Exhibit, and have not been reserved to the Government in Section 41 of the contract, such logs shall be scaled for their merchantable content as provided herein and be paid for in accordance with Sections 2 and 3 of the contract and the prices per measurement unit in Section I of this Exhibit. If

any timber is of a species or size not listed in Section II of this Exhibit (above) or is of a quality different from merchantable timber described herein, the Authorized Officer shall establish volumes and values in accord with BLM prescribed procedures.

IV. Deterioration Caused by Abnormal Delay – Scaling deductions made for rot, checks, or other deterioration resulting from abnormal delay in scaling caused by Purchaser shall be recorded separately and charged to the Purchaser in accordance with Section 3.(e). of the contract.

V. Remaining Volume – *Remaining volume* is defined in Section 3.(e). of the contract. The remaining volume of any forest products sold under the contract, and any deterioration due to abnormal delay shall be determined as provided in Section 3.(e). of the contract. Purchaser shall pay for same in accordance with Section 3 of the contract at the prices per measurement unit shown in Section I of this Exhibit. To maximize utilization, the Purchaser shall buck logs to variable merchantable lengths. If the Purchaser fails to buck logs to variable merchantable lengths, the Contracting Officer may measure unyarded log segments and bill the Purchaser for their value.

The Contracting Officer may determine during operations that the amount of remaining volume found is excessive and/or preventing the attainment of BLM treatment objectives. Upon such determination as directed in writing by the Contracting Officer, the Purchaser shall restring cable yarding lines, re-traverse ground-based yarding areas, and/or re-fly aerial yarding areas; and yard, remove, and present for scaling the material which would otherwise be designated as remaining volume.

VI. Scaling

A. Scaling Service – Log scaling services shall be provided and performed by Government scalers or parties under contract to BLM, as determined by the Contracting Officer. Purchaser shall notify the Authorized Officer three (3) days prior to commencing any hauling, including any hauling shutdowns longer than two (2) days, and at the earliest opportunity when ceasing hauling operations performed under the contract.

A Scaling Authorization must be completed and approved by the Authorized Officer prior to beginning operations. A Yard Scaling Agreement must be completed for each utilization facility that will receive logs from the sale, which must be scaled, and executed by the Purchaser, Scale Site Owner, and Contracting Officer prior to the delivery of any logs to that facility. Government scalers or contract scalers are authorized to collect scale data from all loads.

B. Log Rule and Measurement

All logs shall be scaled according to the Eastside Scribner Log Rules found in the Northwest Log Rules Eastside and Westside Log Scaling Handbook in the Official Rules for Log Scaling and Grading Bureaus developed by the Northwest Log Rules Advisory Group dated July 1, 2003 (reprinted June 1, 2006). The Contracting Officer may elect to utilize sample scaling in lieu of 100 percent scaling of log loads. The sample log scaling procedures, including sample design and number of log sorts, will be determined by the Authorized Officer in accordance with BLM prescribed procedures.

C. Log Presentation – Purchaser shall present logs so that they may be scaled in an economical and safe manner in accordance with the Yard Scaling Agreement(s) required in Section VI.A. of this Exhibit.

D. Check Scale – Government scalers will conduct check scales as set forth below:

1. Check scale shall include at least 200 logs or at least 50 MBF.
2. Utilize a sample that will accurately represent the species and defect associated with the sale.
3. For complex scaling situations, conduct the appropriate analysis to determine sample size. Increase the number of logs check scaled if sample size analysis deems it necessary.
4. Use the following standards to determine the proficiency of individual Government scalers or scalers under contract to BLM:
 - a. Gross Scale. A variance of one point five percent (1.5%) in gross scale is the standard unless otherwise justified.
 - b. Net scale. The allowable variance is as follows:

Check Scaler's Percent Defect in Logs	Scalers Allowable Variance
0-10 percent	2 percent
over 10 percent	.2 x percent defect to a maximum of 5 percent

5. Determinations as to volume of timber made by a Government check scaler in conformance with the standards as set forth herein shall be final. All loads check scaled by Government scalers will be identified with the check scaler's initials legibly marked or painted in the face of the first log in each load. When such checks show a variance in scale in excess of acceptable standards, in two or more consecutive check scales, an adjustment to the volume reported as scaled will be made by BLM. Such adjustments will be made based on the difference between available Government check scales and the original scale during the period covered by the unsatisfactory check scales. Unless otherwise approved in writing by the Contracting Officer, the volume to which this difference will be applied will be 50 percent of the volume scaled between the last satisfactory check and the first unsatisfactory check, 100 percent of the volume scaled during the unsatisfactory check, and 50 percent of the volume between the last unsatisfactory check scale and the next satisfactory check scale.

E. Accountability

1. All logs will be painted and branded at the landing and accounted for in accordance with Section 42.gg of the contract. Each truck driver shall obtain a load receipt and a

BLM scaler receipt from the Log Truck Ticket Book issued by the Authorized Officer and comply with the instructions specified on the cover of said book. All log/load tickets will be marked with the Exhibit A unit number using a permanent marker or indelible stamp as directed by the Authorized Officer. While products are in transit, the truck driver shall display the load receipt and BLM scaler receipt on the bunk or wing log at the front of the load on the driver's side, or as directed by the Authorized Officer in the case of other forest products. All forest products on each load shall be delivered to the destination listed on the load receipt. The BLM scaler receipt shall be surrendered at the location of BLM scaling, the unloading location, or as requested by BLM.

2. The Purchaser shall not haul forest products from the contract area on weekends, Memorial Day, Fourth of July, Labor Day, Thanksgiving, Christmas, and New Year's holidays; or outside the hours of 4:00 am to 8:00 pm daily, unless otherwise approved in writing by the Authorized Officer or designated in the Approved Logging Plan.

3. The Purchaser shall furnish BLM a map showing the route which shall be used to haul forest products from the forest product sale area to the scaling location(s). Such route shall be the most direct haul route between the two points, unless another route is approved by BLM. The route of haul may be changed only with advance notice to the Authorized Officer and approval by BLM. The haul route map shall be attached to the Scaling Authorization.

4. All log loads will be scaled at scale locations listed on the Scaling Authorization as approved by the Authorized Officer. The Purchaser shall ensure that all scale site owners listed on the Scaling Authorization enter into a Yard Scaling Agreement before requesting BLM approval of the Scaling Authorization. Areas for scaling BLM logs will be designated on the ground and identified on the yard map as required in the Yard Scaling Agreement.

5. Any removal of logs from loaded trucks prior to their arrival at the delivery point as required by the contract shall be considered a willful trespass and render the Purchaser liable for damages under applicable law. Any payment made for purchase of such logs shall be deducted from the amount due because of trespass.

F. Scaling Lost Forest Products – The value of forest product loads represented by missing load tickets shall be equal to the highest value load for the month in which the lost load is hauled regardless of where the highest value load is scaled. If no loads have been scaled in that month, value will be determined from the closest month in which loads were scaled.

(VII.) Estimated Volumes and Values – The following volume estimates and calculations of value of forest products sold are made solely as an administrative aid for determining payment amounts, when payments are due, the value of forest products subject to any special bonding provisions, and other purposes specified in various portions of the contract. The cutting areas are shown on Exhibit A of the contract.

A. Forest Product Volume Removed from Contract Area – The total volume of removed forest products shall be determined using the Government's records of scaled volumes of forest products skidded or yarded monthly, or a shorter period if agreed to by the Purchaser and Government, to loading points or removed from the contract area.

B. Forest Products Not Yet Removed from Contract Area – The value of forest products which have not been removed will be determined by multiplying the value per acre as shown below times the amount of acreage subject to the purpose of the value determination, as determined by the Authorized Officer. The estimated volume and value per acre used for determining payment amounts may be modified by the Authorized Officer based upon scale report data on forest product volume removed from the contract area.

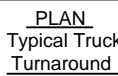
Total Estimated Purchase Price and/or Schedule of Volumes and Values for Forest Products Not Yet Removed from Contract Area					
Cutting Area		Total Estimated Volume (MBF)		Total Estimated Purchase Price	
Cutting Area Number	Exhibit A Acres	Volume per Acre	Total Volume	Value per Acre	Total Value
Unit 1	46	16.93	779	\$2,302.52	\$105,915.70
Unit 2	13	16.92	220	\$2,304.70	\$ 29,961.10
Unit 3	5	17.00	85	\$2,300.74	\$ 11,503.70
Unit 4	37	16.95	627	\$2,303.21	\$ 85,218.60
Unit 5	17	16.94	288	\$2,302.39	\$ 39,140.60
Unit 6	63	16.92	1,066	\$2,301.58	\$144,999.80
Unit 7	11	16.91	186	\$2,297.74	\$ 25,275.10
Unit 8	59	17.20	1,015	\$2,340.64	\$138,097.60
Unit 9	21	16.90	355	\$2,299.94	\$ 48,298.80
Unit 10	33	16.91	558	\$2,299.94	\$ 75,898.10
Unit 11	13	16.92	220	\$2,304.70	\$ 29,961.10
Right-of-way	3	23.33	80	\$3,651.30	\$ 10,953.90
Hazard Tree Removal	54	3.94	213	\$410.46	\$ 22,164.60
Chips	0	N/A	60 Green Tons	N/A	\$ 300.00
Sale Total	375		5,692 MBF		\$767,688.70

150: ROAD PLAN AND DETAIL SHEET

Contract No. ORN02-TS-2017.0203

Sheet 8 of 38

Note: Maintenance rock of 500 cy, meeting Section 1000 specifications, shall be placed on haul route throughout the life of the timber sale. Not required for road acceptance under Section 18 of this contract.



1. Extra subgrade widths
Add to each shoulder: 1 foot for fills of 1 to 6 feet. Widen inside or outside shoulder of tight curves as needed for log trucks to maneuver, with tires remaining on roadbed.

5. Surfacing
Turnouts, curve widening, and the first 50 feet of all road aprons shall be surfaced, for all road stations requiring surfacing, as listed above, and as directed by the Authorized Officer.

See Sealing (Renovation) 500

See Section
9. Drainage 400

See Sections 10. Compaction 300 and 500

Note:
Full bench construction is required on side slopes exceeding 60%.

Surface type	
GRR	- Pit run rock
SRN	- Grid rolled rock
JRR	- Screened rock
ABC	- Jaw run rock
ASC	- Aggr. base course
WC	- Aggr. surface course
	- Wood chips

<u>Grading</u>	
C - 1 1/2" minus	
D - 1" minus	(surface
E - 3/4" minus	course)
<hr/>	
A - 3" minus	
B - 2" minus	(base
C - 3"	course)

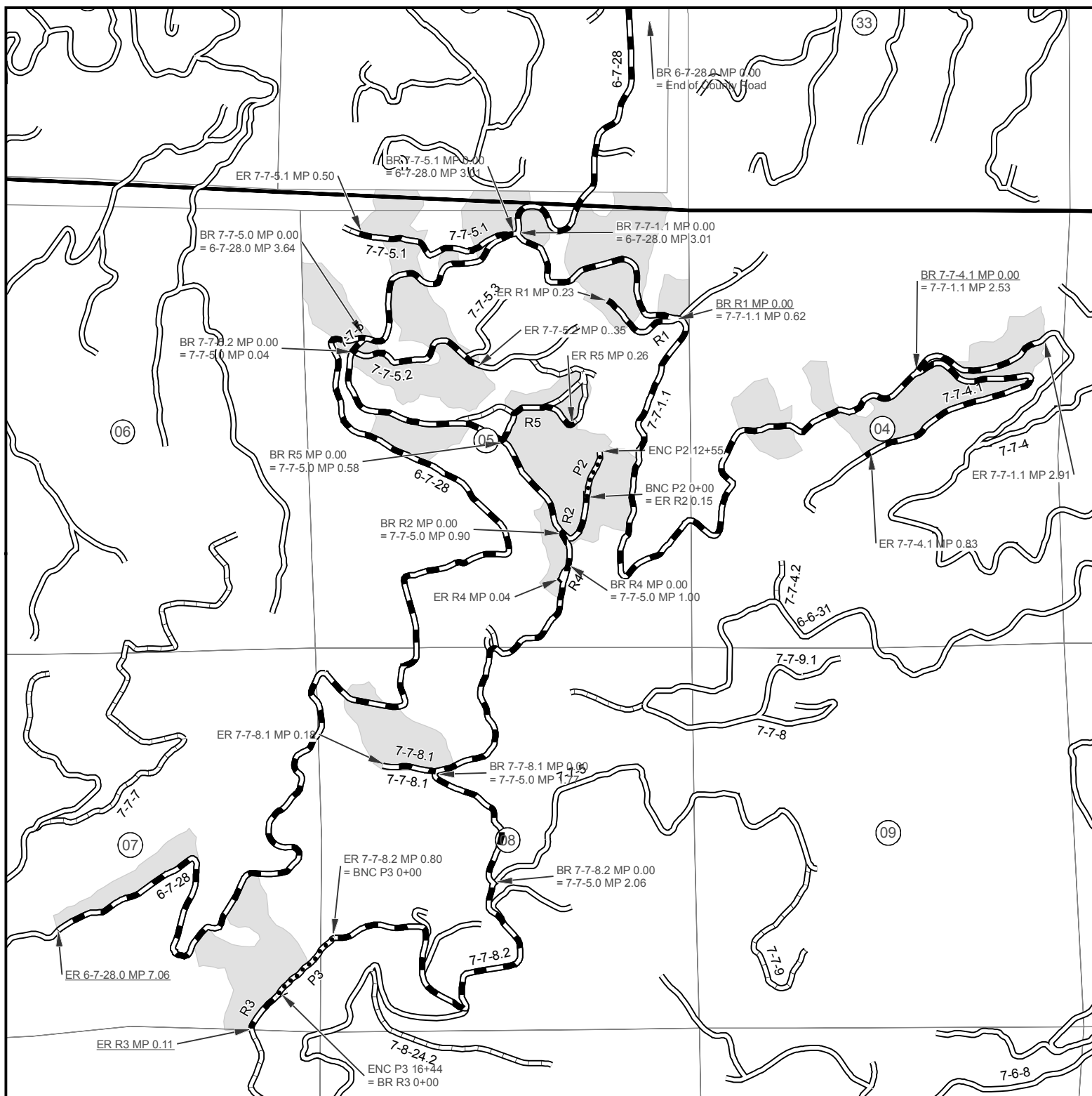
United States Department of the Interior BUREAU OF LAND MANAGEMENT

Blue Mule Timber Sale
ORN02-TS-2017.0203

ROAD PLAN MAP

T. 7 S., R. 7 W., Sections 4, 5, 7, & 8 W.M.

EXHIBIT C
Sheet 38 of 38



- Road to be Constructed
- Road to be Renovated
- Existing Road
- Impassable Road
- Blue Mule Project Location

BR Begin Renovation
ER End Renovation
BNC Begin New Construction
ENC End New Construction

0 1,000 2,000
Feet



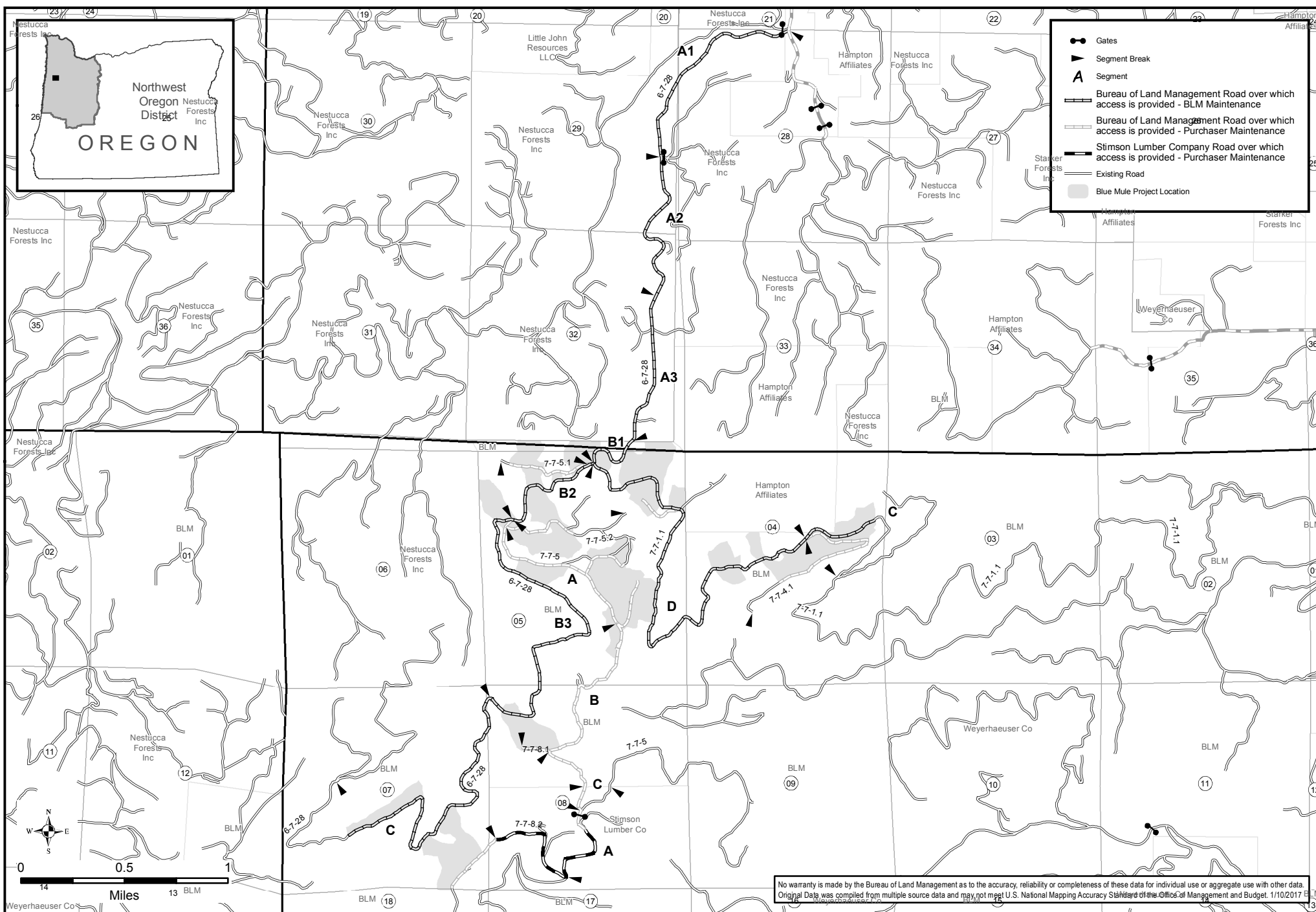


EXHIBIT I
Designation by Prescription
Scale Timber Sale Requirements

I. Training

- A. In the required logging plan, the Purchaser shall provide a list of fallers who will be conducting the cutting operations.
- B. Prior to any harvesting operations in a Density Management DxP Cutting Area as shown on Exhibit A, the Authorized Officer will designate test mark areas. Any mechanical harvester operator and/or fallers designated to conduct falling operations within a Density Management DxP Cutting Area will be required to mark (with paint or flagging) a two-acre test mark area to demonstrate their ability to meet the Selection Criteria stated below. The test mark area marking must be approved by the Authorized Officer prior to any falling in the Density Management DxP Cutting Area.
- C. The Purchaser shall notify the Authorized Officer at least 48 hours in advance of replacement or addition of a timber faller.
- D. Approved Cutting Areas - No yarding of cut timber will be allowed until the cutting operations have been approved in writing by the Authorized Officer.

II. Cutting Operations

- A. Purchaser Pre-Marking. In the event the Purchaser elects to mark (paint) the cutting areas prior to falling, the Authorized Officer shall approve such marking prior to falling.
- B. Approved Cutting Areas. No yarding of felled timber will be allowed until the cutting operations have been approved in writing by the Authorized Officer.
- C. Cutting operations will proceed no more than twenty (20) acres ahead of the total acreage that has been approved by the Authorized Officer.

III. Selection Criteria – For Trees over Seven (7) inches DBH. The Selection Criteria shown below shall be used by the Purchaser in determining which trees greater than seven (7) inches diameter at breast height (DBH defined as four and one-half feet (4.5 feet), above ground level on the uphill side of the tree) are designated for retention and which are designated for falling:

- A. Maintain stand structural and species diversity:
 - 1. All tree species besides Douglas-fir, red alder, western hemlock, grand fir and bigleaf maple, all snags and Continuous Vegetation Survey plot reference trees are reserved and will be left. Only Douglas-fir, red alder, western hemlock, grand fir and bigleaf maple greater than seven (7) inches DBHOB count toward the basal area targets.

2. Retain the following density measurement requirements expressed as basal area measured in square feet/acre, of live trees larger than seven (7) inches DBH on each Density Management DxD Cutting Area.

Exhibit A Unit	Prescription Unit	Acres	Target Basal Area	Comments
1	4A	46	100	Thin DF, WH, GF and RA
2	4A	13	100	Thin DF, WH, GF and RA
3	5A	5	110	Thin DF. Retain all WH, GF, NF and RA
4	5A	37	110	Thin DF. Retain all WH, GF, NF and RA
5	5A	4	110	Thin DF. Retain all WH, GF, NF and RA
5	5B	13	80	Thin DF and RA. Retain all WH, GF and NF
6	5A	14	110	Thin DF. Retain all WH, GF, NF and RA
6	5B	49	80	Thin DF and RA. Retain all WH, GF and NF
7	5A	11	110	Thin DF. Retain all WH, GF, NF and RA
8	5A	45	110	Thin DF. Retain all WH, GF, and NF.
8	5B	14	80	Thin DF and RA. Retain all WH, GF and NF
9	8A	21	110	Thin DF and WH. Retain all GF and RA
10	7F	11	100	Thin DF and WH. Retain all GF and RA
10	7G	22	100	Thin DF and WH. Retain all GF, WRC, NF, RA and other hardwoods
11	7F	13	100	Thin DF and WH. Retain all GF, WRC, NF, RA and other hardwoods

3. Select dominant healthy trees with the largest crowns for retention in order of species preference: Douglas-fir, grand fir, western hemlock, and red alder. Retain greater basal area where minor tree species are abundant and where past windthrow is evident. Retain less basal area where western hemlock dwarf mistletoe infection is present, where root rot occurs, and where few trees of minor

species occur. Leave basal area includes trees greater than seven (7) inches DBH only. Hardwood trees of all species count toward BA target.

4. Leave “unique” trees of average or larger size based on DBH that are full-crowned, “wolf” trees, broken-top, forked, deep crowns, evidence of wildlife use, or visible nests. Retain all snags.
 5. Trees to be removed shall be greater than seven (7) inches DBH and will be thinned from below leaving healthy dominant and co-dominant trees with the largest crowns. Trees 5.0 to 6.9 inches DBH may be removed commercially or non-commercially. Trees less than 4.9 inches DBH are reserved from cutting.
 6. Remove unstable roadside conifers: Conifers on road cut slopes or on top of cut slope that are unstable shall be cut and removed.
 7. Remove western hemlock that show severe dwarf mistletoe infection (abundant brooms evident that affect more than ½ of the crown and/or that occur in the upper half of the crown.)
 8. Remove any Douglas-fir within fifty (50) feet of recent dead or dying Douglas-fir in areas with evidence of laminated root rot (toppled trees with decayed roots, canopy gaps, yellowing crowns, etc.).
- B. Provide roadside maintenance and restoration along roads 6-7-28, 7-7-1.1 and 7-7-5 within the Contract Area shown on Exhibit A by complying with the following criteria:
1. Hardwood trees within fifty (50) horizontal feet of the roads listed above shall be harvested if leaning toward or over the roadbed, and/or hardwood trees with canopies overtopping the roadbed, and/or hardwood trees with conditions of likely or imminent failure.\
 2. Red alders that do not meet criteria #1 shall be harvested if they have a conifer understory within 20 feet of the red alder to be cut.

IV. Compliance Inspection. Compliance inspection will consist of visual observation of on-going falling operations and collecting plot data after the trees have been felled as specified below:

- A. Visual observation compliance will consist of subjective monitoring by the Authorized Officer for compliance with the Selection Criteria. Compliance will be considered satisfactory if ninety (90) percent of the observed cut or retained trees are determined by the Authorized Officer to meet the Section Criteria.

B. The Authorized Officer shall inspect felling operations by random plot selections through felled areas. At each plot, the following will be inspected to determine if the approval level is being met:

1. Diameter and species of both cut trees (stumps) and residual trees to determine initial and residual basal area per acre.
2. The selection of residual trees and work quality.

C. The approval level for the residual basal area target for each unit shall be considered met if the average residual basal area of all plots measured during one inspection is within ten (10) percent of the residual basal area target. If this requirement falls below the approval level, a written warning will immediately be issued to the Purchaser.

V. Non-Compliance. If the Purchaser does not comply with the DxP Selection Criteria to the satisfaction of the Authorized Officer applying the Compliance Inspection Criteria in Section IV., and after a written warning has been issued, the Contracting Officer may suspend felling operations until corrective measures have been taken by the Purchaser. It will be the responsibility of the Purchaser to pay any costs incurred in the implementation of the corrective measures required by the Authorized Officer. Corrective measures, as specified in writing by the Authorized Officer, may include but are not limited to:

A. 1st Warning. Approval of original or additional mechanical harvester operators and/or fallers by the Authorized Officer based on operator's satisfactory completion of a five (5) acre test mark area.

B. 2nd Warning.

1. Approval of original or additional mechanical harvester operators and/or fallers by the Authorized Officer based on operator's satisfactory completion of a twenty-five (25) acre test mark area; or
2. Replacement of mechanical harvester operator and/or fallers by Purchaser.

C. 3rd Warning. The Purchaser will mark all reserve trees in the Density Management DxP Cutting Areas shown on Exhibit A for approval by the Authorized Officer prior to falling.

VI. Reserved Timber. The provisions of Section 41 of the contract are repeated below for convenience of reference:

Section 41.

a. All timber on the Reserve Areas shown on Exhibit A and all painted orange or posted trees which are on or mark the boundaries of the Reserve Areas and/or right-of-way areas of Roads to be Constructed shown on Exhibit A.

b. All trees other than Douglas-fir, western hemlock, grand fir, red alder, and bigleaf maple in the Partial Cut Areas shown on Exhibit A.

c. All preexisting down logs and snags in the Partial Cut Area shown on Exhibit A, which do not present a safety hazard as determined by the Authorized Officer. All snags felled for safety reasons shall be retained on site.

d. All trees less than five (5) inches DBHOB not designated for cutting.

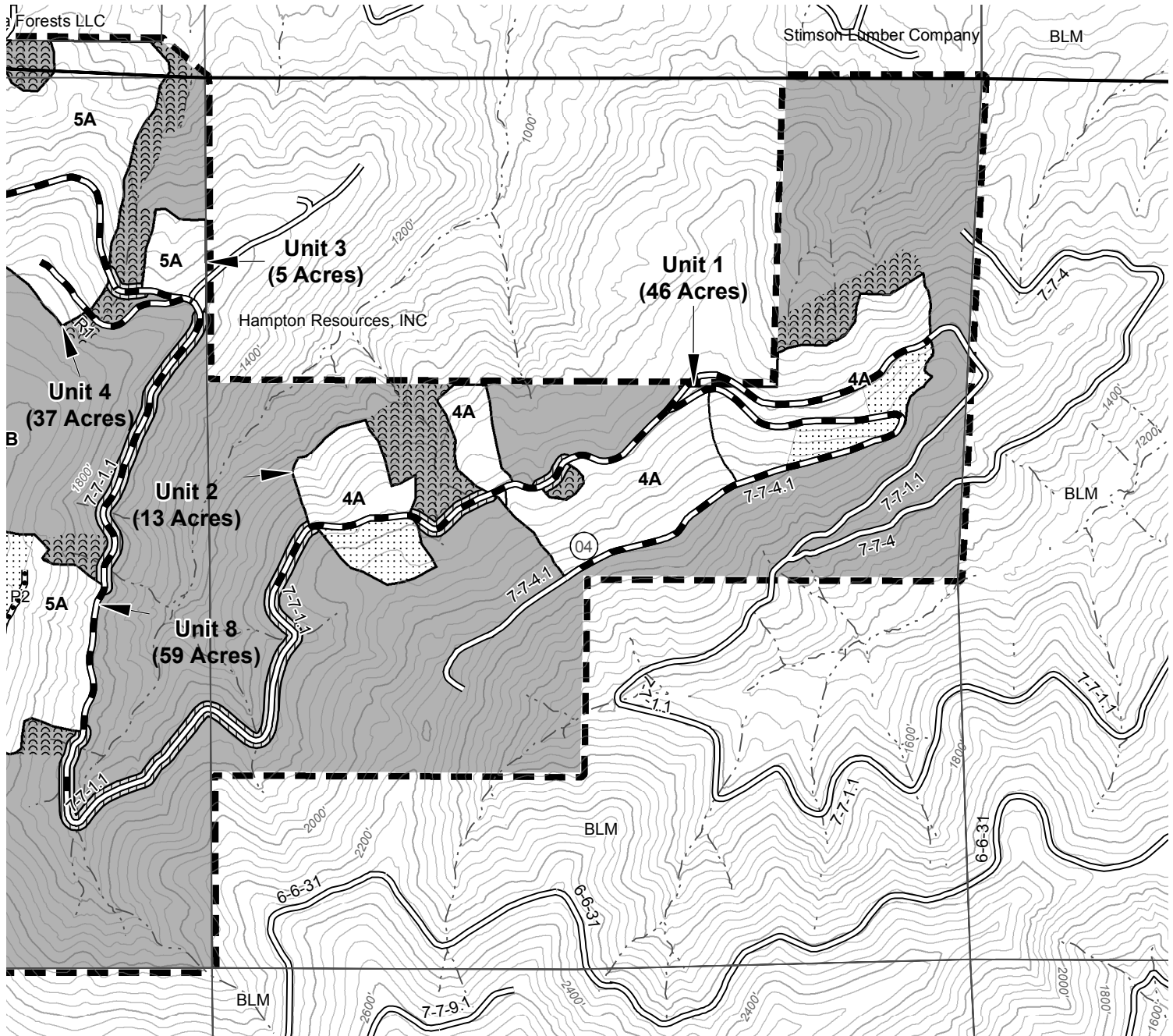
e. Trees required to meet residual tree requirements set forth in Exhibit I attached hereto and made a part hereof.

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Northwest Oregon District - Oregon

Blue Mule
Timber Sale
EXHIBIT I
Sheet 6 of 9

TIMBER SALE CONTRACT MAP - ORN02-TS-2017.0203

T. 7 S. - R. 7 W., Section 4, W.M. - NORTHWEST OREGON DISTRICT - OREGON



Contour Interval: 40ft (LiDAR)

----- Road to be Constructed

== Road to be Renovated

== Existing Road

~ ~ ~ Stream

~~~~~ Stream Protection Zone

▨ Road Maintenance and Hazard Tree Removal (As described in Exhibit F)

▨ Partial Cut Area - Ground-Based Yarding

▨ Partial Cut Area - Skyline Yarding

▨ Prescription Units

--- Boundary Contract Area

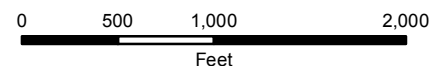
--- Boundary Cutting Area

▨ Reserve Area



|                            |                      |
|----------------------------|----------------------|
| Partial Cut Area           | 318.00 Acres         |
| Right-of-Way Area          | 3.00 Acres           |
| Road Maintenance HTR       | 54.00 Acres          |
| Reserve Area               | 1101.64 Acres        |
| <b>Total Contract Area</b> | <b>1476.64 Acres</b> |

NOTES: Boundary of Partial Cut Areas are painted orange and posted. Unit acres do not include existing roads or Rights-of-Way. Acres shown on Exhibit A have been computed using a Trimble Geo XT Global Positioning System receiver. Acreage was calculated based on Global Positioning System traverse procedures including differential correction.

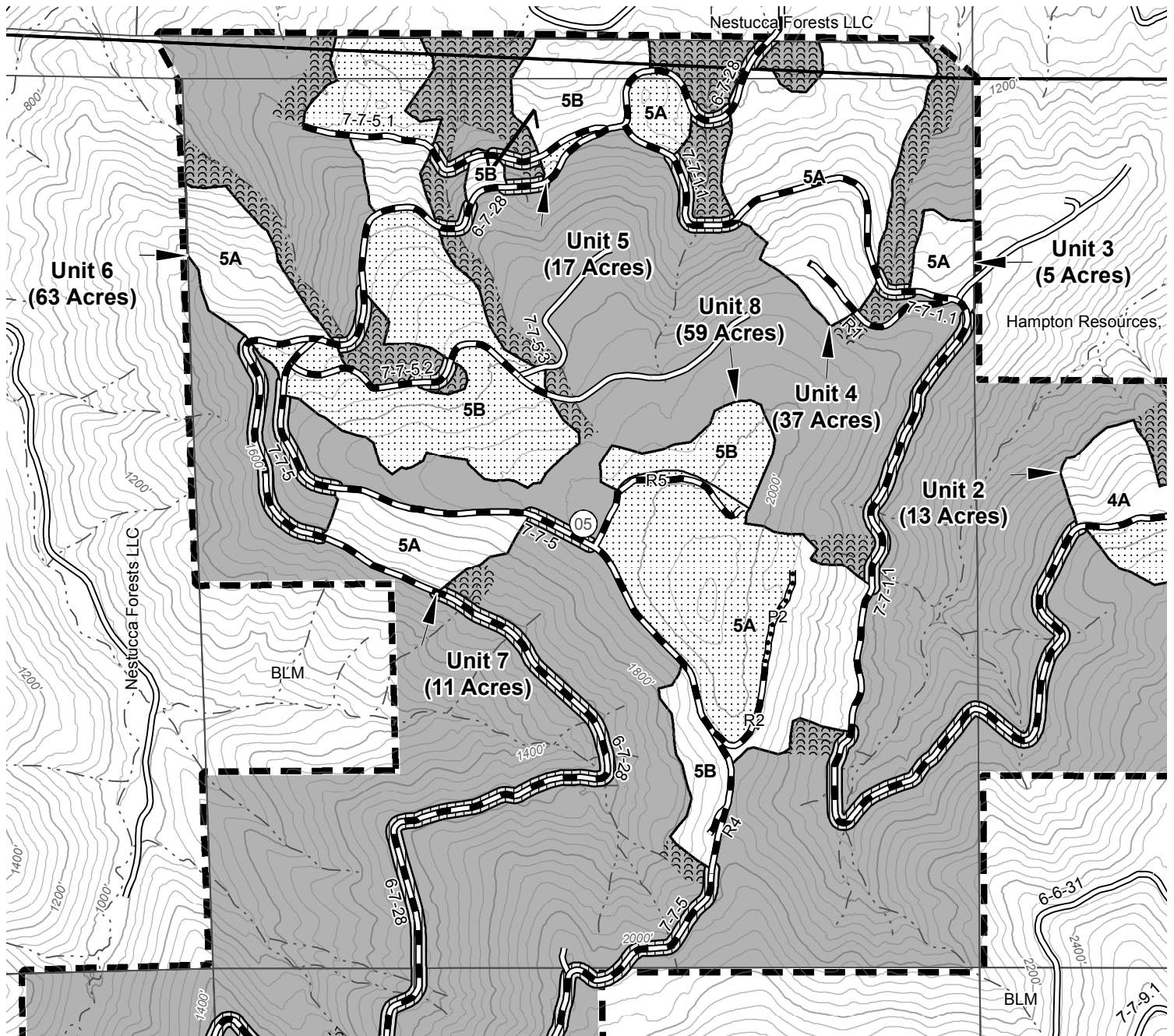


UNITED STATES DEPARTMENT OF THE INTERIOR  
Bureau of Land Management  
Northwest Oregon District - Oregon

Blue Mule  
Timber Sale  
**EXHIBIT I**  
Sheet 7 of 9

**TIMBER SALE CONTRACT MAP - ORN02-TS-2017.0203**

T. 7 S. - R. 7 W., Section 5, W.M. - NORTHWEST OREGON DISTRICT - OREGON



Contour Interval: 40ft (LiDAR)

—+—+—+— Road to be Constructed

—+—+— Road to be Renovated

— Existing Road

~ ~ ~ Stream

~~~~~ Stream Protection Zone

Road Maintenance and
Hazard Tree Removal
(As described in Exhibit F)



Partial Cut Area -
Ground-Based Yarding

Partial Cut Area -
Skyline Yarding

Prescription Units

—+—+— Boundary Contract Area

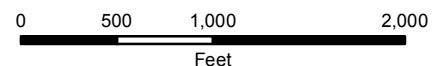
— Boundary Cutting Area

■ Reserve Area



| | |
|----------------------------|----------------------|
| Partial Cut Area | 318.00 Acres |
| Right-of-Way Area | 3.00 Acres |
| Road Maintenance HTR | 54.00 Acres |
| Reserve Area | 1101.64 Acres |
| Total Contract Area | 1476.64 Acres |

NOTES: Boundary of Partial Cut Areas are painted orange and posted. Unit acres do not include existing roads or Rights-of-Way. Acres shown on Exhibit A have been computed using a Trimble Geo XT Global Positioning System receiver. Acreage was calculated based on Global Positioning System traverse procedures including differential correction.

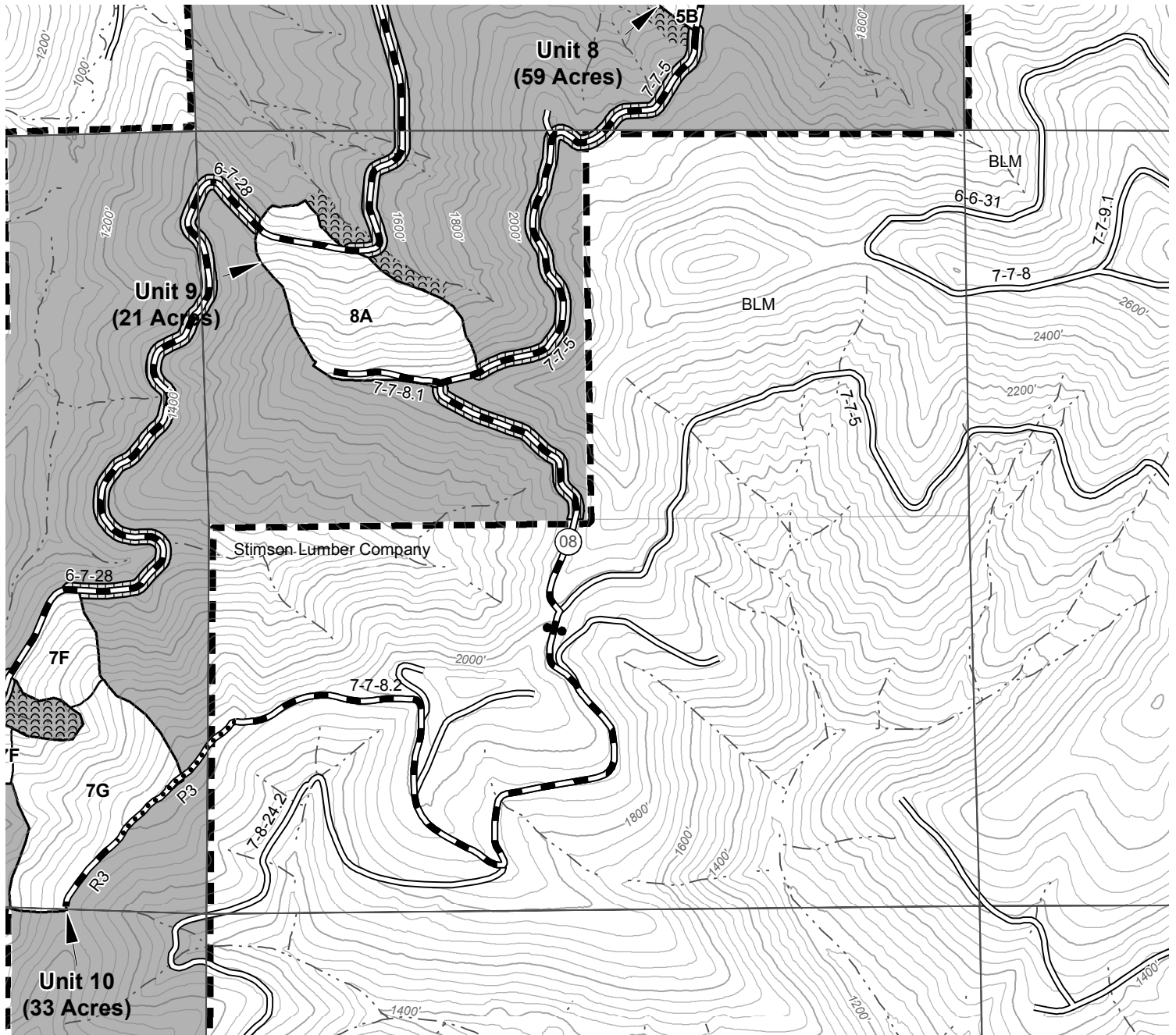


UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Northwest Oregon District - Oregon

Blue Mule
Timber Sale
EXHIBIT I
Sheet 8 of 9

TIMBER SALE CONTRACT MAP - ORN02-TS-2017.0203

T. 7 S. - R. 7 W., Section 8, W.M. - NORTHWEST OREGON DISTRICT - OREGON



Contour Interval: 40ft (LiDAR)

- Gate
- Road to be Constructed
- Road to be Renovated
- Existing Road
- Stream
- Stream Protection Zone

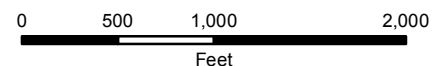
- Road Maintenance and Hazard Tree Removal (As described in Exhibit F)
- Partial Cut Area - Skyline Yarding
- Prescription Units

- Boundary Contract Area
- Boundary Cutting Area
- Reserve Area



| | |
|----------------------------|----------------------|
| Partial Cut Area | 318.00 Acres |
| Right-of-Way Area | 3.00 Acres |
| Road Maintenance HTR | 54.00 Acres |
| Reserve Area | 1101.64 Acres |
| Total Contract Area | 1476.64 Acres |

NOTES: Boundary of Partial Cut Areas are painted orange and posted. Unit acres do not include existing roads or Rights-of-Way. Acres shown on Exhibit A have been computed using a Trimble Geo XT Global Positioning System receiver. Acreage was calculated based on Global Positioning System traverse procedures including differential correction.

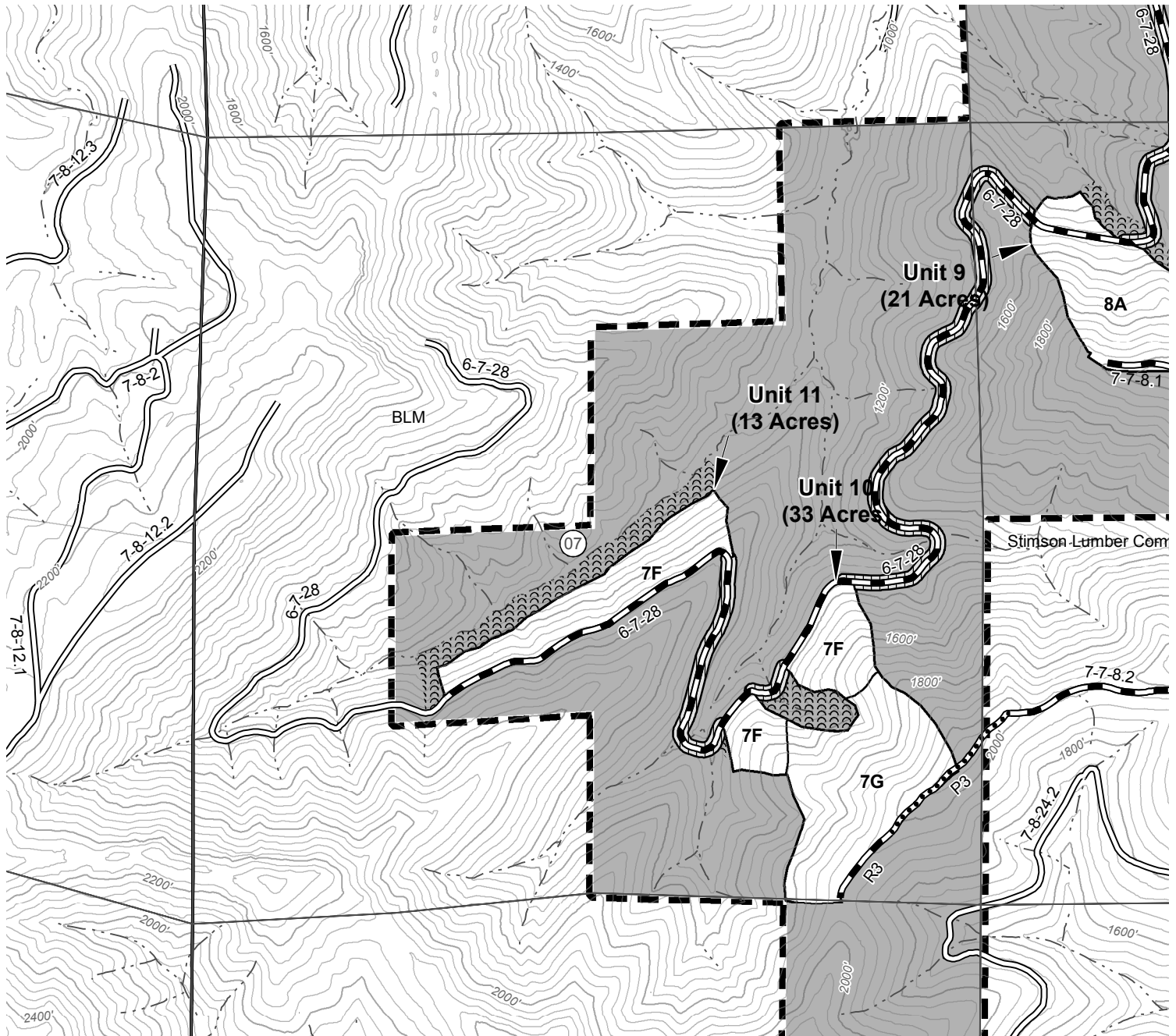


UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Northwest Oregon District - Oregon

Blue Mule
Timber Sale
EXHIBIT I
Sheet 9 of 9

TIMBER SALE CONTRACT MAP - ORN02-TS-2017.0203

T. 7 S. - R. 7 W., Section 7, W.M. - NORTHWEST OREGON DISTRICT - OREGON



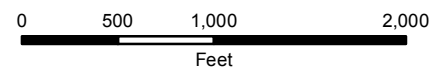
Contour Interval: 40ft (LiDAR)

- | | | |
|------------------------|--|------------------------|
| Road to be Constructed | Road Maintenance and Hazard Tree Removal (As described in Exhibit F) | Boundary Contract Area |
| Road to be Renovated | Partial Cut Area - Skyline Yarding | Boundary Cutting Area |
| Existing Road | Prescription Units | Reserve Area |
| Stream | | |
| Stream Protection Zone | | |



| | |
|----------------------------|----------------------|
| Partial Cut Area | 318.00 Acres |
| Right-of-Way Area | 3.00 Acres |
| Road Maintenance HTR | 54.00 Acres |
| Reserve Area | 1101.64 Acres |
| Total Contract Area | 1476.64 Acres |

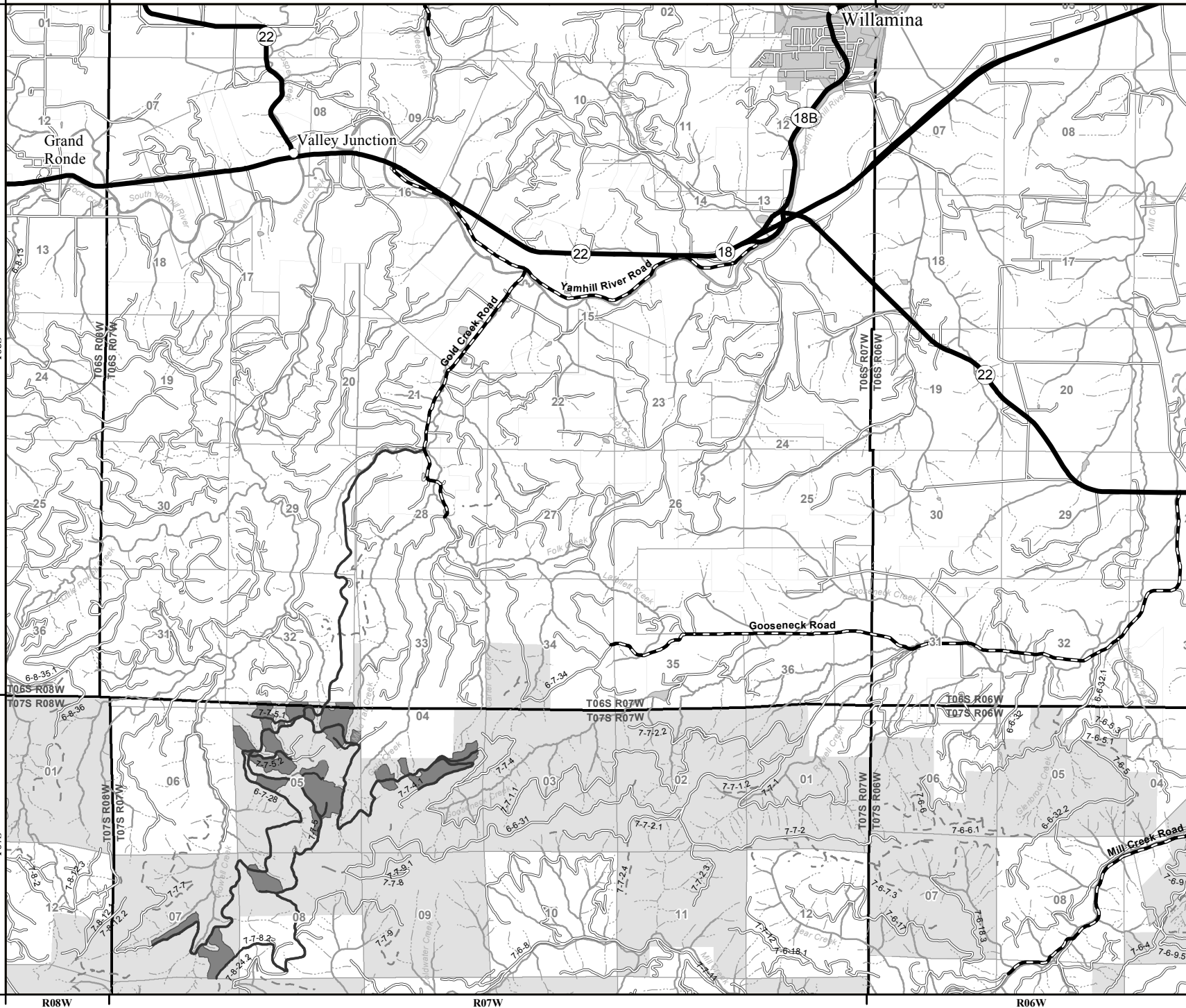
NOTES: Boundary of Partial Cut Areas are painted orange and posted. Unit acres do not include existing roads or Rights-of-Way. Acres shown on Exhibit A have been computed using a Trimble Geo XT Global Positioning System receiver. Acreage was calculated based on Global Positioning System traverse procedures including differential correction.



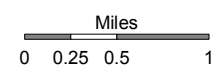
United States Department of the Interior - Bureau of Land Management

Blue Mule Timber Sale Vicinity Map

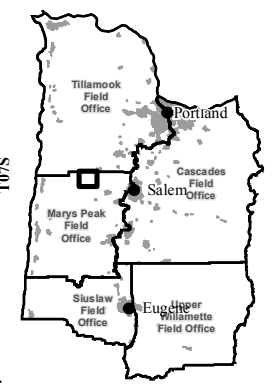
T07S-R07W, Sections 4, 5, 7, 8 W.M. - Northwest Oregon District - Oregon



- City, Town, or Community
- State Highway
- County Road
- Project Access Route
- Existing Road
- Overgrown, Impassable, or Decommissioned Road
- Minor Stream
- Major Stream
- Lake, Pond or Reservoir
- Blue Mule Timber Sale
- City, Town, or Community
- Bureau of Land Management
- Private/Other



No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual or aggregate use with other data. Original data were compiled from various sources and may be updated without notification.
 Marys Peak GIS 1/11/2017



Legal Description of Contract Area

| Land Status | County | Township | Range | Section | Subdivision | Meridian |
|-------------|--------|----------|-------|---------|--|------------|
| O&C | Polk | 7S | 7W | 8 | NW1/4 | Willamette |
| O&C | Polk | 7S | 7W | 4 | Lot 5, 6, 7, 8, 9, N1/2 SW1/4 | Willamette |
| O&C | Polk | 7S | 7W | 5 | Lot 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35, 36 | Willamette |
| O&C | Polk | 7S | 7W | 7 | NE1/4 NE1/4, S1/2 NE1/4, NE1/4 SW1/4, SE1/4 | Willamette |

Species Totals

| Species | Net | Gross Merch | Gross | # of Merch Logs | # of Cull Logs | # of Trees |
|-----------------|----------------|----------------|----------------|-----------------|----------------|---------------|
| Douglas Fir | 5,070.0 | 5,275.0 | 5,284.0 | 161,673 | 1,083 | 43,129 |
| Red Alder | 311.0 | 338.0 | 338.0 | 11,044 | 87 | 4,228 |
| Western Hemlock | 250.0 | 275.0 | 276.0 | 6,127 | 0 | 1,326 |
| Grandfir | 32.0 | 34.0 | 36.0 | 636 | 0 | 132 |
| Bigleaf Maple | 29.0 | 34.0 | 34.0 | 1,117 | 99 | 637 |
| Totals | 5,692.0 | 5,956.0 | 5,968.0 | 180,597 | 1,269 | 49,452 |

Cutting Area Acres

| Regeneration Harvest Acres | Partial Cut Acres | Right of Way Acres | Total Acres | Net Volume per Acre |
|----------------------------|-------------------|--------------------|-------------|---------------------|
| 0.0 | 318.0 | 57.0 | 375.0 | 15.2 |

Logging Costs

| | |
|------------------------------------|-----------------------|
| Stump to Truck | \$930,657.12 |
| Transportation | \$453,693.75 |
| Road Construction | \$320,960.07 |
| Maintenance/Rockwear | \$25,806.84 |
| Road Use | \$0.00 |
| Other Allowances | \$34,403.34 |
| Total: | \$1,765,521.12 |
| Total Logging Cost per MBF: | \$310.18 |

Utilization Centers

| Location | Distance | % of Net Volume |
|-----------------|-----------------|------------------------|
| Lyons OR | 32.0 miles | 93 % |
| Eugene OR | 50.0 miles | 7 % |

Profit & Risk

| | |
|--------------------------------|-------------|
| Basic Profit & Risk | 8 % |
| Additional Risk | 3 % |
| Total Profit & Risk | 11 % |

Tract Features

| | |
|------------------------------------|-------------|
| Quadratic Mean DBH | 11.9 in |
| Average GM Log | 33 bf |
| Average Volume per Acre | 15.2 mbf |
| Recovery | 95 % |
| <u>Net MBF volume:</u> | |
| Green | 5,692.0 mbf |
| Salvage | 0 mbf |
| Export | 0 mbf |
| <u>Ground Base Logging:</u> | |
| Percent of Sale Volume | 28 % |
| Average Yarding Slope | 20 % |
| Average Yarding Distance | 250 ft |
| <u>Cable Logging:</u> | |
| Percent of Sale Volume | 72 % |
| Average Yarding Slope | 55 % |
| Average Yarding Distance | 375 ft |
| <u>Aerial Logging:</u> | |
| Percent of Sale Volume | 0 % |
| Average Yarding Slope | 0 % |
| Average Yarding Distance | 0 ft |

Cruise

| | |
|-------------------------|------------------|
| Cruise Completed | August 2016 |
| Cruised By | Brian W. Barclay |
| Cruise Method | |
| Variable Plot and 100% | |

Stumpage Computation

| Species | # of Trees | Net Volume | Pond Value | (-) Profit & Risk | (-) Logging Costs | (+) Marginal Log Value | Appraised Price/MBF | Appraised Value |
|-----------------|---------------|----------------|------------|-------------------|-------------------|------------------------|---------------------|---------------------|
| Douglas Fir | 43,129 | 5,070.0 | \$506.95 | \$55.76 | \$310.18 | \$0.00 | \$141.00 | \$714,870.00 |
| Red Alder | 4,228 | 311.0 | \$467.34 | \$51.41 | \$310.18 | \$0.00 | \$105.80 | \$32,903.80 |
| Western Hemlock | 1,326 | 250.0 | \$425.13 | \$46.76 | \$310.18 | \$0.00 | \$68.20 | \$17,050.00 |
| Grandfir | 132 | 32.0 | \$412.00 | \$45.32 | \$310.18 | \$0.00 | \$56.50 | \$1,808.00 |
| Bigleaf Maple | 637 | 29.0 | \$260.69 | \$28.68 | \$310.18 | \$0.00 | \$26.10 * | \$756.90 |
| Totals | 49,452 | 5,692.0 | | | | | | \$767,388.70 |

* Minimum Stumpage values were used to compute the Appraised Price/MBF (10% of Pond Value)

Other Wood Products

| Product | Unit of Measure | # of Units | \$/Unit | Appraised Value |
|---------------|-----------------|------------|---------|-----------------|
| Clean Chips | Green Tons | 60 | \$5.00 | \$300.00 |
| Totals | | | | \$300.00 |

Total Appraised Value: \$767,688.70