

Sale Name: Happy Flat Re-Offer

C2.11# - TIMBER SUBJECT TO AGREEMENT (02/1971)

In addition, there is within Sale Area an unestimated quantity of:

Species	Product
Other Softwood	Cull Logs

that shall be Included Timber upon written agreement.

C2.35# - DESIGNATION OF TIMBER, CUTTING UNIT BOUNDARIES, AND SUBDIVISION/PAYMENT UNIT BOUNDARIES (06/2012)

Trees are designated for cutting under B2.35 only if designated as shown in the Timber Designation table below. The boundaries of Subdivisions/Payment Units and Cutting Units are designated as shown in the Boundary Designation table below. Trees used for boundary designation are not to be cut.

SPECIFICATIONS PURSUANT TO C2.35# - DESIGNATION OF TIMBER. CUTTING UNIT BOUNDARIES, AND SUBDIVISION/PAYMENT UNIT BOUNDARIES

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C4.211 - DOWNPAYMENT (06/2007)

The downpayment amount shown in A18 may not be applied toward any other payment required under the provisions of this contract, except damages determined pursuant to B9.4, transferred to other timber sales, or refunded until (a) stumpage value representing 25 percent of the total bid value of the timber sale has been charged and paid for, or (b) the estimated value of the unscaled timber is equal to or less than the amount of the downpayment, or (c) if 36 CFR 223.49(e) is applicable, the estimated value of the unscaled timber is equal to or less than the amount of the downpayment.

If Forest Service makes a determination that this contract should not have been included under increased downpayment requirements (36 CFR 223.49(e)), the downpayment shall be revised and applied in accordance with 36 CFR 223.49(f).

C4.212 - TEMPORARY REDUCTION OF DOWNPAYMENT (08/2009)

Notwithstanding B4.211 or C4.211, upon the Purchaser's written request Forest Service may temporarily reduce the downpayment when Purchaser's scheduled operations are delayed or interrupted for 30 or more consecutive days, or the contract term is extended for 30 or more consecutive days for any of the following reasons:

- (1) Forest Service requests or orders Purchaser to delay or interrupt operations for reasons other than breach;
- (2) Purchaser interrupts or delays scheduled operations to work on a sale designated by the Forest Service as in urgent need of harvesting; or
- (3) An adjustment of the contract term authorized upon a determination of substantial overriding public interest, including a market-related contract term addition, or an urgent removal contract term extension under 36 CFR 223.53.

When Purchaser is not cutting or removing timber under contract during a qualifying period of delay, interruption, or extension listed above the downpayment may be reduced to \$1000 or 2 percent of the downpayment amount stated in the contract, whichever is greater. The Purchaser must restore the downpayment to the full amount stated in the contract within 15 days from receipt of the bill for collection and written notice from the Contracting Officer that the basis for temporarily reducing the downpayment no longer exists. Purchaser shall not cut or remove timber on a contract where the downpayment has been temporarily reduced until the downpayment amount stated in the contract is fully restored.

C4.4 - PAYMENTS NOT RECEIVED (08/2012)

(a) Payments are due and payable on the date of issue indicated on the bill for collection. When a payment for timber cut and other charges is not received at the location designated by Forest Service by the date specified in the bill for collection for, Contracting Officer will suspend all or any part of Purchaser's Operations until payment or acceptable payment guarantee is received. Other charges include, but are not limited to:

- (i) Slash disposal, road maintenance, and contract Scaling deposits;
- (ii) Cooperative work at rates established by specific agreement under B4.218;
- (iii) Damages pursuant to B9.4;
- (iv) Road use fees;
- (v) Restoration of downpayment pursuant to B4.22;
- (vi) Periodic payments pursuant to B4.213;
- (vii) Extension Deposits pursuant to B4.217; and
- (viii) Other mandatory deposits.

(b) Failure to pay amounts due by the date specified in the bill for collection shall be considered a breach under B9.3. The 30-day notice period prescribed therein shall begin to run as of the end of business on the date specified for receipt of payments. If the performance or payment is guaranteed by surety bond, the surety will receive a copy of the written notification of breach. Demand will be made on the surety or other institution providing the guarantee or bond instrument for immediate payment 10 days after issuance of written notification of the breach.

(c) Pursuant to the Debt Collection Improvement Act of 1996, as amended, if payment is not received by Forest Service within 15 days after the date of issue indicated on the bill for collection:

- (i) Simple interest shall be assessed at the Current Value of Funds Rate as established by the Secretary of the Treasury. Interest will begin to accrue as of the date of issue indicated on the initial bill for collection.
- (ii) Debtors will be assessed administrative charges, in addition to the delinquent amount due. Administrative charges are those additional costs incurred by the Government in processing, handling, and collecting delinquent debts.
- (iii) A penalty charge of six (6) percent per annum will be assessed on any portion of a debt delinquent more than 90 days. This penalty charge is in addition to interest and administrative charges under paragraphs (c)(i) and (c)(ii). The penalty charge shall accrue from the date of issue indicated on the bill for collection and shall be assessed on all outstanding amounts, including interest and administrative costs assessed under paragraphs (c)(i) and (c)(ii).

(iv) Payments will be credited on the date received by the Federal Depository or Collection Officer designated on the bill for collection.

(d) Forest Service remedies for Purchaser's failure to make payment for timber cut and other charges when due, except for accrual of interest, suspension of all or any part of Purchaser's Operations, and administrative offset, shall be stayed for so long as:

- (i) A bona fide dispute exists as to Purchaser's obligation to make such payment and
- (ii) Purchaser files and prosecutes a timely Claim.

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C5.31# - ROAD MAINTENANCE REQUIREMENTS (07/2001)

Purchaser shall maintain roads in accordance with the following Contract Road Maintenance Requirements Summary:

See Contract Road Maintenance Requirements Summary Table.

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C5.32# - ROAD MAINTENANCE DEPOSIT SCHEDULE (07/2001)

Other provisions herein notwithstanding, when Forest Service requests payment in lieu of Purchaser's performance of road maintenance, Purchaser shall make Required Deposits (16 USC 537) for current and/or deferred road maintenance. Such deposits are based on the estimated volume and distance hauled and Purchaser's commensurate use of each road listed in the Road Maintenance Plan in C5.31#.

Purchaser and Forest Service may agree in writing on adjustment of such rates. If Purchaser uses roads under jurisdiction of Forest Service other than those listed in the Road Maintenance Plan, Forest Service shall establish rates commensurate with Purchaser's use of such roads.

The Required Deposits for Forest Service work in lieu of Purchaser performance and for deferred maintenance is: \$.77 per Ton.

The following table lists who Purchaser will make deposits for road maintenance to, and the rate per unit of measure of the deposit. The Road Maintenance Agreement is available for inspection at the Forest Supervisor's office.

Deposit Made To	Rate	Unit of Measure
N/A		

C5.35# - ROAD AND WATER SUPPLY USE (05/2008)

National Forest water supply locations, access, method of filling trucks, period of water availability and procedures designed to maintain water quality at each location shall be agreed in advance of use. Such use shall at no time reduce water supplies to the level that further use may be detrimental to aquatic resources or other established use. Waterholes and other improvements relating to said water supplies shall be put into condition, prior to expected seasonal periods of precipitation or runoff, to avoid resource damage.

Damage to resources at such locations caused by Purchaser's Operations, other than fire suppression activities, shall be repaired by Purchaser in a timely and agreed manner to the extent practicable to restore and prevent further resource damage.

Unless otherwise agreed, Purchaser's use of roads and other water supply requirements shall conform to the following table.

See Table A

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C6.24# - SITE SPECIFIC PROTECTION MEASURES (04/2004)

Special protection measures needed to protect known areas identified on Sale Area Map or on the ground include:

Cultural Resource Protection Measures: No equipment or operations shall occur in these area.

Wildlife and Botanical Protection Measures: None

Cave Resource Protection Measures: None

C6.315# - SALE OPERATIONS SCHEDULE (08/2006)

Unless otherwise agreed in writing, Purchaser's Operations shall be performed in accordance with the following schedule:

See Table A

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C6.331 - LOG TRUCKING (08/2006)

To promote safe operations on National Forest roads and on Specified Roads, loads shall be safely secured before trucks move from the landing or loading location.

C6.37 - SUBSTITUTE METHODS (08/2006)

Notwithstanding other provisions herein, for minor changes such as changes in logging systems for areas smaller than 5 acres, Purchaser and Forest Service may agree in writing that use of substitute methods or equipment will achieve Forest Service objectives under this contract and may be used in lieu of those specified for Purchaser's Operations.

C6.41# - FELLING, BUCKING, AND LIMBING (08/2007)

Unless otherwise agreed in writing, Purchaser's felling, bucking, and limbing operations shall be conducted as specified in the table below.

See Table A

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C6.42# - GROUND BASED SKIDDING (08/2006)

Unless otherwise agreed in writing, the method of skidding Included Timber shall be as shown on the Sale Area Map, by areas, with symbols defined in the following table:

See Table A

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C6.5 - STREAMCOURSE PROTECTION (08/2006)

Unless otherwise agreed in writing, wheel or track laying equipment shall not operate within "Buffer Strips" except as necessary for fire suppression activities. "Buffer Strips" are areas marked on the ground or are within the distances identified on the Sale Area Map measured from the apparent high water mark of streamcourses. Boundaries of Buffer Strips may be modified by agreement in writing to meet unforeseen operating conditions.

Culverts, bridges, or other suitable structures shall be required on skid roads and trails only at points where it is necessary to protect Stream courses. The type of crossing structures, method of installation and removal shall be determined by agreement. Purchaser in accordance with C6.6 - Erosion Prevention and Control, shall remove such structures and associated fills.

Damage to Stream course or Buffer Strips caused by unauthorized Purchaser's Operations shall be repaired by Purchaser in a timely and agreed manner to the extent practical as determined by Forest Service to restore and prevent further damage to Stream courses.

C6.6# - EROSION PREVENTION AND CONTROL (05/2008)

Erosion prevention and control work, including Streamcourse protection, required by C6.5 and B6.6 shall be completed within 15 calendar days after skidding operations related to each landing are substantially completed or after Forest Service designation on the ground of work where such designation is required hereunder. Said time limit shall be exclusive of full days lost in Purchaser's Operations due to causes beyond Purchaser's control. Such on the ground designation shall be done as promptly as feasible unless it is agreed that the location of such work can be established without marking on the ground. After September 15 and as long thereafter as operations continue the work shall be done as promptly as practicable. Damage resulting from Purchaser's Operations due to failure to perform required work shall be repaired by Purchaser.

Notwithstanding other provisions in this contract and unless otherwise agreed in writing, any hay, straw, or mulch used in this contract shall be State of California certified weed free.

Additional erosion control requirements of this contract are listed in the following table.

See Table A

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C6.7# - SLASH TREATMENT (08/2006)

Purchaser shall pile, scatter, yard, construct firelines or otherwise treat slash defined in specifications below, within designated areas. Work required of Purchaser shall be in accordance with the following slash plan and specifications, and the Sale Area Map.

All vegetative debris associated with construction of Specified Roads such as unutilized timber, brush and grubbed stumps is Construction Slash. Measures to be taken by Purchaser for treatment of Construction Slash are set forth in the attached road construction specifications and in the attached slash treatment specifications.

Vegetative debris larger than 1 inch in diameter outside bark and 3 feet long resulting from Purchaser's Operations, other than Construction Slash, is Logging Slash. Measures to be taken by Purchaser for treatment of Logging Slash are set forth below unless otherwise agreed in writing.

Forest Service and Purchaser shall jointly develop a schedule for completion of slash treatment on the various portions of Sale Area prior to Purchaser's Operations.

Removing may be substituted for treatment of any other specified method.

By agreement in writing, certain slash may be left for fuelwood. When the specified treatment is by a combination of methods, Logging Slash not treated by one of the methods shall be treated by the other(s).

See the slash treatment specification table below.

See Table A.

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C6.853 - WEIGHT OF LOST LOADS (10/2009)

If CCF is the contract unit of measure but measurement will be done using weight, Purchaser shall present all loads for weighing and shall furnish Forest Service with a weight ticket from a certified scale for each such load. If no weight ticket is furnished for such load(s), the weight of such load(s) shall be deemed equal to the weight of the heaviest load presented during the billing period, as established by Forest Service.

C7.2# - SPECIFIED FIRE PRECAUTIONS (06/2012)

Purchaser or a designated Purchaser's Representative shall certify compliance with specific Timber Sale Contract and California Public Resources Code (CPRC) fire precautionary measures in B7.1 Plans, C7.2# and C7.22#. Certification shall be provided prior to starting operations during Fire Precautionary Period and shall be updated as needed.

Listing of specific fire precautionary measures in the following subsections is not intended to relieve Purchaser in any way from compliance with State fire laws covering fire prevention and suppression equipment applicable to Purchaser's Operations.

Upon request of Forest Service, Purchaser shall permit and assist in periodic testing and inspection of required fire equipment.

The following definitions shall apply to C7.2# and C7.22#:

Active Landing: A location Purchaser is skidding logs into, or performing other operations such as delimiting, log manufacturing, and chipping logs. Except for EV and E days, loading logs or stockpiled chips only on a cleared landing does not constitute an Active Landing.

Hot Saw: A harvesting system that employs a high-speed (>1100 rpm) rotating felling head (i.e., full rotation lateral tilt head).

Mechanical Operations: The process of felling, skidding, chipping, shredding, piling, log processing and/or yarding which requires the use of motorized power which includes, chainsaws, chippers, motorized carriages, masticators, stroke delimiters, skidders etc.

Specific equipment requirements and fire precautionary measures are shown in the following table and in C7.22#:

Table A

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C7.22# - EMERGENCY PRECAUTIONS (06/2012)

Purchaser's Operations shall conform to the limitations or requirements in the Project Activity Level (PAL) table below. Unless otherwise agreed in writing, Project Activity Levels applicable to this project shall be the predicted levels for the Fire Danger Rating Area(s), or fire weather station(s) stated in the Sale Area Map legend.

Forest Service, in its sole discretion, may change the predicted activity level if the current fire suppression situation, weather and vegetation conditions warrant an adjustment. If practicable, Forest Service will determine the following day's activity level by 6:00 PM. Purchaser shall obtain the predicted Project Activity Level from the appropriate Ranger District Office before starting work each day.

Forest Service may change the Project Activity Level Table to other values upon revision of the National Fire Danger Rating System. When Purchaser is notified, the revised Project Activity Levels will supersede the levels in the Project Activity Level Table below.

PROJECT ACTIVITY LEVEL (PAL) - C7.22# - EMERGENCY PRECAUTIONS

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C8.212 - MARKET-RELATED CONTRACT TERM ADDITION (11/2008)

The term of this contract may be adjusted when a drastic reduction in wood product prices has occurred in accordance with 36 CFR 223.52. The Producer Price Index used to determine when a drastic reduction in price has occurred is stated in A20. Purchaser will be notified whenever the Chief determines that a drastic reduction in wood product prices has occurred. If the drastic reduction criteria specified in 36 CFR 223.52 are met for 2 consecutive calendar quarters, after contract award date, Contracting Officer will add 1 year to the contract term, upon Purchaser's written request. For each additional consecutive quarter such a drastic reduction occurs, Contracting Officer will, upon written request, add an additional 3 months to the term during Normal Operating Season, except that no single 3-month addition shall extend the term of the contract by more than one year. Contracting Officer must receive Purchaser's written request for a market-related contract term addition before the expiration of this contract.

No more than 3 years shall be added to a contract's term by market-related contract term addition unless the following conditions are met:

(i) The sale was awarded after December 31, 2006; and

(ii) A drastic reduction in wood product prices occurred in at least ten of twelve consecutive quarters during the contract term, but not including the quarter in which the contract was awarded.

For each qualifying quarter meeting the criteria in paragraphs (i) and (ii) of this provision, the Forest Service will, upon the Purchaser's written request, add an additional 3 months during the normal operating season to the contract, except no single 3-month addition shall extend the term of a contract by more than 1 year.

In no event shall a revised contract term exceed 10 years as a result of market-related contract term addition.

Additional contract time may not be granted for those portions of the contract that have a required completion date or for those portions of the contract where Contracting Officer determines that the timber is in need of urgent removal or that timber deterioration or resource damage may result from delay.

C8.66# (Option 1) - USE OF TIMBER (04/2004)

(a) This contract is subject to the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 USC 620, et seq.).

(b) Except for None determined pursuant to public hearing to be surplus, unprocessed Included Timber shall not be exported from the United States nor used in direct or indirect substitution for unprocessed timber exported from private lands by Purchaser or any person as defined in the Act (16 USC 620e).

(c) Timber in the following form will be considered unprocessed:

(i) Trees or portions of trees or other roundwood not processed to standards and specifications suitable for end product use;

(ii) Lumber, construction timbers, or cants intended for remanufacturing not meeting standards defined in the Act (16 USC 620e); and

(iii) Aspen or other pulpwood bolts exceeding 100 inches in length.

(d) Unless otherwise agreed in writing, unprocessed Included Timber shall be delivered to a domestic processing facility and shall not be mixed with logs intended for export.

(e) Prior to award, during the life of this contract, and for a period of 3 years from Termination Date, Purchaser shall furnish to Forest Service, upon request, records showing the volume and geographic origin of unprocessed timber from private lands exported or sold for export by Purchaser or affiliates.

(f) Prior to delivering unprocessed Included Timber to another party, Purchaser shall require each buyer, exchangee, or recipient to execute an acceptable agreement that will:

(i) Identify the Federal origin of the timber;

(ii) Specify domestic processing for the timber involved;

(iii) Require the execution of such agreements between the parties to any subsequent transactions involving the timber;

(iv) Require that all hammer brands and/or yellow paint must remain on logs until they are either legally exported or domestically processed, whichever is applicable; and

(v) Otherwise comply with the requirements of the Act (16 USC 620d).

(g) No later than 10 days following the execution of any such agreement between Purchaser and another party, Purchaser shall furnish to Forest Service a copy of each such agreement. Purchaser shall retain, for 3 years from Termination Date, the records of all sales, exchanges, or dispositions of all Included Timber.

(h) Upon request, all records dealing with origin and disposition of Included Timber shall be made available to Contracting Officer.

(i) For breach of this Section, Forest Service may terminate this contract and take such other action as may be provided by statute or regulation, including the imposition of penalties. When terminated by Forest Service under this Section, Forest Service will not be liable for any Claim submitted by Purchaser relating to the termination.