

Sale Name: CG55 Salvage

CT2.301# - CUTTING UNIT BOUNDARIES (09/2001)

The boundaries of cutting units are designated as shown in the following table. The trees used for boundary designation are not to be cut.

See Cutting Unit Boundary Designation Table

CT2.301# - CUTTING UNIT BOUNDARIES. (9/01)

Cutting Unit Boundary Designation Table

Cutting Unit	Paint Color	Designation
1,2,3	None	Boundaries flagged with orange and white stripe ribbon

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CT2.355# - INDIVIDUAL TREES (CUT TREE MARKING) (09/2001)

Notwithstanding BT2.35, individual trees are designated for cutting only if marked above and below stump height as show in the table below:

See Cut Tree Marking Table

CT2.355# - INDIVIDUAL TREES (CUT TREE MARKING). (9/01)

Cut Tree Marking Table

Cutting Unit	Paint Color
1,2,3	Blue above and below stump height with blue
	numbers on the tree.

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CT4.211 - DOWNPAYMENT (06/2007)

The downpayment amount shown in AT15 may not be applied toward any other payment required under the provisions of this contract, except damages determined pursuant to BT9.4, transferred to other timber sales, or refunded until (a) stumpage value representing 25 percent of the total bid value of the timber sale is shown on Timber Sale Account to have been cut, removed, and paid for, or (b) the estimated value remaining to be cut and removed, as shown on Timber Sale Account, is equal to or less than the amount of the downpayment, or (c) if 36 CFR 223.49(e) is applicable, the estimated value remaining to be cut and removed, as shown on Timber Sale Account, is equal to or less than the amount of the downpayment. For lump sum timber sales, the downpayment may be applied to payment for release of the single payment unit.

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).

CT4.212 - TEMPORARY REDUCTION OF DOWNPAYMENT (08/2009)

Notwithstanding BT4.211 or CT4.211, 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 scheduled 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.

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CT4.4 - 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, 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 and road maintenance deposits;
- (ii) Cooperative work at rates established by specific agreement under BT4.218;
- (iii) Damages pursuant to BT9.4;
- (iv) Road use fees;
- (v) Restoration of downpayment pursuant to BT4.22;
- (vi) Periodic payments pursuant to BT4.213;
- (vii) Extension Deposits pursuant to BT4.217; 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 BT9.3. 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.

CT5.34# - OBLITERATION OF TEMPORARY ROADS, SKID TRAILS AND LANDINGS (03/2002)

Unless otherwise agreed in writing, temporary roads, skid trails, and landings associated with the cutting unit(s) listed in the following table shall be obliterated using the method described below:

See Obliteration Table.

CT5.34# – OBLITERATION OF TEMPORARY ROADS, SKID TRAILS AND LANDINGS. (3/02) Page 146

Cutting Unit(s)	Type of Facility	Closure Method
1,2,3	Skid trails	Skid trails that may be
		accessible to motor vehicle
		traffic shall be closed by
		slash, earthen berms or rocks.
		Skid trails will be backbladed
		if there are ruts, trenches or
		piles of soil.

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CT5.36# - SNOW REMOVAL (09/2001)

Snow removal shall be done in a manner to preserve and protect the roads to insure safe and efficient transportation and to prevent unacceptable erosion damage to roads, streams, and adjacent lands.

A. Description. Snow removal work by Purchaser shall include:

1. Removal of snow from entire road surface width including turnouts.
2. Removal of snow slides, minor earth slides, fallen timber and boulders that obstruct normal road surface width including turnouts.
3. Maintain drainage so that the drainage system will function efficiently.

B. Performance. All items of snow removal shall be done currently as necessary to insure safe, efficient transportation. Work shall be done in accordance with the following minimum standards of performance.

1. Removal of material. All debris, except snow and ice, that is removed from the road surface and ditches shall be deposited away from stream channels at agreed locations.
2. During snow removal operations, banks shall not be undercut nor shall gravel or other selected surfacing material be bladed off the roadway surface.
3. Ditches and culverts shall be kept functional during and following roadway use.
4. Snow berms shall not be left on the road surface. Berms left on the shoulder of road shall be removed and/or drainage holes shall be opened and maintained. Drainage holes shall be spaced as required to obtain satisfactory surface drainage without discharge on erodible fills.
5. Dozers and skidders shall not be used to plow snow on system roads without written approval of Forest Service. Upon approval, dozers and skidders must be equipped with shoes or runners to keep the plow blade a minimum of 6 inches above the road surface unless specifically removed from the requirements in writing.
6. Snow must not be removed to the road surface. A minimum 6 inch depth must be left to protect the roadway.
7. Purchaser's damage from, or as a result of, snow removal shall be restored in a timely manner.

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CTS.41# - CLOSURE TO USE BY OTHERS (04/2004)

A. Closure of Roads During Period of Contract. Unless otherwise agreed to in writing between Purchaser and Forest Service, Purchaser shall within 15 days of receipt of notice from Forest Service, install gates listed below and close gates on roads designated "To Be Closed" on Sale Area Map and listed below to effectively block access behind such gates to vehicle traffic except that constituting official use. Installation of gates shall follow closure details attached hereto and made a part hereof.

Official vehicle traffic shall constitute that use by Purchaser and his employees when engaged in timber sale activities. It shall also include administrative traffic by Forest Service, and other landowners for the administration of their lands. Purchaser will close gates as directed by Forest Service at the completion of daily activities or close gates after passage of each vehicle. Forest Service will monitor and administer closure activities.

See Gate Location(s) Table

B. Closure of Roads at End of Purchaser's Use. Unless otherwise agreed to writing between Purchaser and Forest Service, upon completion of use, Purchaser shall effectively close to public use the following roads designated "To Be Closed" on Sale Area Map and listed below. As an element of final road maintenance and environmental or resource protection, the designated closure shall be accomplished by using the methods required for each road as described below:

Installation of barricades, which may include earth berms, logs, timber, rock, metal railing, etc., in accordance with details attached hereto and made a part hereof, including the proper barricade and closure signing.

Scarify, seed, and fertilize these travel ways full width as described in CT6.601#. Recontour or reshape cut or fill slopes in accordance with details attached hereto and made a part hereof; seed, scarify, and fertilize as described under CT6.601#; pull existing drainage structures; haul designated culverts to approved stockpile site, or other work needed to obliterate or put road to bed as described in attached road logs or details. Construct cross ditches by cutting a dip at least six (6) inches deep in the road surface and mounding the excavated material along the downgrade edge of the dip. Dips shall be cut at a sufficient angle so that they will drain to the outside of the road. They shall cross the entire width of the roadbed and be constructed at the following spacing:

See Cross Ditch Table

During the life of this contract, Purchaser is authorized to install temporary barricades on the roads designated "To Be Closed". Gates with adequate and protected locks may be considered a temporary barricade. Temporary barricades shall be installed so that they may be readily opened by Purchaser or Forest Service for access to Sale Area in case of fire or other emergency. Official vehicle traffic shall also include administrative traffic by Forest Service and other landowners for the administration of their lands. Purchaser shall provide and post approved signs as authorized by Forest Service.

See Close and Lock Existing Gate(s) Table

C. Purchaser's Operations in Areas Otherwise Closed to Motorized Vehicles. During the period 4/1/2016 to 11/30/2016 when Purchaser's Operations are in areas otherwise closed to motorized vehicles, Purchaser shall not be permitted to hunt, transport hunters, discharge firearms, or transport big game animals with vehicles within the closed areas.

CT5.41# - CLOSURE TO USE BY OTHERS. (4/04)

Gate Location(s)				
Road Number	Location	Gate Furnished By	Gate Installed By	In Place
023B	Beginning	FS	FS	YES
023C	Beginning & End	FS	FS	YES
023D	Beginning & End	FS	FS	YES

Cross Ditch

Percent Grade	Maximum Spacing

Closure Location(s)				
Road Number	Location	Closure Method 2/	Furnished By 1/	In Place 3/
023B	Full length	Lock Gate	FS	YES
023C	Full length	Lock Gate	FS	YES
023D	Full length	Lock Gate	FS	YES

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CT6.220# - PROTECTION OF IMPROVEMENTS (ROADS) (09/2001)

In order to prevent unacceptable damage to bituminous surfaced roads to be used in logging operations on this sale, Purchaser's use is restricted as indicated unless agreed otherwise:

See Protected Road List Table

CT6.220# - PROTECTION OF IMPROVEMENTS (ROADS). (9/01)Protected Road List

<u>Road No.</u>	<u>Road Name</u>	<u>Termini</u>	<u>Description of Restrictions</u>
023B	Cold Springs	All	Rubber tires or highway pads on equipment.
023C	Canyon	All	Rubber tires or highway pads on equipment
023D	Swinging Bridge	All	Rubber tires or highway pads on equipment

Sale Name: CG55 Salvage

CT6.24# - SITE SPECIFIC SPECIAL 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: Cultural resources encountered during the course of the project shall be protected.

Wildlife and Botanical Protection Measures: No threatened or endangered species within the project area.

Cave Resource Protection Measures: N/A

CT6.341 - PREVENTION OF OIL SPILLS (IDAHO FORESTS) (05/2006)

If Purchaser maintains storage facilities for petroleum or petroleum products on Sale Area, Purchaser shall take appropriate preventive measures to ensure that any spill of such petroleum or petroleum products does not enter any stream or other waters of the United States or any of the individual States.

Petroleum or petroleum product storage containers with capacities of more than 200 gallons, stationary or mobile, shall be located no closer than 100 feet from stream, watercourse, or area of open water. Dikes, berms, or embankments shall be constructed to contain at least 110% of the volume of petroleum products stored within the containers. Diked areas shall be sufficiently impervious and of adequate capacity to contain spilled petroleum products.

If the total petroleum or petroleum products storage exceeds 1,320 gallons in containers of 55 gallons or greater, Purchaser shall prepare a Spill Prevention Control and Countermeasures (SPCC) Plan. Such plan shall meet applicable EPA requirements (40CFR 112), including certification by a registered professional engineer.

Purchaser shall notify Contracting Officer and appropriate agencies of all reportable (40CFR 110) spills of petroleum or petroleum products on or in the vicinity of Sale Area that are caused by Purchaser's employees, agents, contractors, subcontractors, or their employees or agents, directly or indirectly, as a result of Purchaser's operations. Purchaser will take whatever initial action that may be safely accomplished to contain all spills.

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CT6.411# - FELLING AND BUCKING (SPECIAL OBJECTIVES) (11/1998)

Unless otherwise agreed in writing, silvicultural prescriptions and land management objectives shall be conducted and accomplished by the following requirements, methods and procedures:

See Felling and Bucking Table

CT6.411# - FELLING AND BUCKING (SPECIAL OBJECTIVES). (11/98)

Cutting Unit

1,2,3

Special Objectives

Directional felling to protect campground Improvements and provide for highway user safety.

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CT6.42# - SKIDDING AND YARDING (SPECIAL OBJECTIVES) (11/1998)

Unless otherwise agreed in writing, silvicultural prescriptions and land management objectives shall be conducted and accomplished by the following requirements, methods and procedures:

See Skidding and Yarding Table

CT6.42# - SKIDDING AND YARDING (SPECIAL OBJECTIVES). (11/98)

Cutting Unit

1,2,3

Special Objectives

Skid trails will be approved by Forest Service **in advance of felling.**

All logs shall be skidded with leading end fully suspended.

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CT6.50# - STREAMSIDE MANAGEMENT ZONES (11/1998)

A Streamside Management Zone (SMZ) is a zone that contains riparian vegetation and other special characteristics. Areas identified as Streamside Management Zones (SMZ's) are shown on the Sale Area Map and designated by exclusion.

Timber designation, conduct of logging, and/or slash treatment may differ in the SMZ from the rest of the unit. Unless otherwise agreed to in writing and notwithstanding the contract requirements otherwise applicable to each cutting unit, the following special requirements apply to the SMZ of the cutting units specified below:

See Streamside Management Zone Management Table

CT6.50# - STREAMSIDE MANAGEMENT ZONES. (11/98)

Streamside Management

Cutting Unit(s)

1,2,3

Zone Requirements

Unless agreed otherwise, no equipment entry within 300 feet of stream.

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CT6.6# - EROSION PREVENTION AND CONTROL (11/1998)

- A. Purchaser shall locate Temporary Roads on locations approved by the Forest Service. Such location shall include the marking of road centerline or grade-line and the setting of such construction stakes as are necessary to provide a suitable basis for economical construction and the protection of National Forest lands.
- B. Skidding with tractors within 300 feet of live streams shall not be permitted except in places designated in advance by Forest Service, and in no event shall skid roads be located in live or intermittent streamcourses. Skid trails shall be located high enough out of draws, swales, and valley bottoms to permit diversion of runoff water to natural undisturbed forest ground cover.
- C. Prior to periods of accelerated water runoff, especially during the spring runoff and periods of heavy rainfall, Purchaser shall inspect and open culverts and drainage structures, construct special cross ditches for road runoff, and take other reasonable measures needed to prevent soil erosion and siltation of streams.
- D. Temporary Road surface width shall be limited to truck bunk width plus four (4) feet, except for needed turnouts which shall not exceed two (2) times the bunk width plus four (4) feet. If shovels or cranes with revolving carriage are used to skid or load, Temporary Road surface width equal to track width plus tail swing shall be permitted.
- E. Unless otherwise agreed in writing, Purchaser shall keep erosion control work current with his operations under the sale and in any case not later than 15 days after completion of skidding on each payment unit or cutting unit.

CT6.7# - SLASH TREATMENT (04/2003)

Slash is defined as logs, tops, limbs, and other woody material, exclusive of stumps, which is created by the logging operation and remaining on the ground after logging. In areas where Purchaser-created slash is intermingled and inseparable with pre-existing slash, slash disposal requirements shall apply to the pre-existing slash as well as the Purchaser-created slash. Such areas are designated in the Purchaser Slash Responsibility Table herein.

Slash created in the construction of Specified Roads shall not be considered as logging slash in this Section.

Unless otherwise agreed in writing, Purchaser shall perform the following work described below and/or as shown on the Sale Area and Slash Disposal Map.

Forest Service and Purchaser shall jointly develop a schedule for completion of slash treatment on the various portions of the sale area.

See Purchaser's Slash Responsibility Table

CT6.7# - SLASH TREATMENT. (4/03)Purchaser's Slash Responsibility Table

<u>Cutting Unit(s)</u>	<u>Type of Slash Disposal</u>
1,2,3	1.) Lop 24"
1,2,3	2.) Clean System Roads
1,2,3	3.) Pile Landing Slash

1. Lop 24"

Prior to skidding operations, Purchaser shall cut all exposed limbs from Included Timber. Such limbing shall be done to a top diameter of approximately 5 inches diameter inside bark, at which point the top will be cut from the remainder of the stem. Limbs shall be severed from the remaining top and all limbs cut from the top and boles will not extend over 24 inches in height above the ground. Bole of remaining top will then be cut into lengths not exceeding 8 feet.

2. Clean System Roads

Purchaser shall dispose of all logging slash 1 inch large end diameter and 1 foot in length which is created within the clearing limits of system roads. Slash shall be scattered outside of clearing limits

3. Pile Landing Slash

Purchaser shall pile slash in areas that have been used as a landing to manufacture trees into logs. Piles shall be located far enough away from improvements and residual timber to prevent scorching when burned. Piles shall be compact and as free of soil as practicable. Pieces extending more than 4' from the pile will be Lopped off and returned to the pile.

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CT6.8# - MEASURING (09/2003)

The estimated quantity of timber in AT2 has been determined by standard procedures described in FSH 2409.12, Timber Cruising Handbook.

The following table describes the type of cruising method used to determine quantities:

See Cruising Method Table

Estimated quantities of timber subsequently included under BT2.13, BT2.14, BT.2.31, BT2.32, BT2.33, BT2.34, BT2.35 or BT2.37 not previously measured will be determined using standard cruise methods as described in FSH 2409.12, Timber Cruising Handbook, or, if attached, using the Additional Volume Calculation Table based on information generated from the timber sale cruise.

CT6.8# - MEASURING. (9/03) CG55 Salvage Sale

Volume determination for timber added to the contract:

Payment Unit/Cutting Unit	Cruising Method
1,2,3	By Certified cruiser, 100% cruise

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CT6.81# - ACCOUNTABILITY (04/2009)

The following requirements are applicable to Product Removal Permits:

1. Forest Service will issue to Purchaser or designated representative(s) serially numbered Product Removal Permit books for use only on this sale. Product Removal Permit books, whether used or unused, shall be accountable property of Forest Service and shall be returned to issuing Forest Service Office in accordance with instructions contained in each book. Each book which is not returned to the Forest Service will be considered a lost book and liquidated damages of \$500 will be assessed.
2. Purchaser shall require all permits be completed in accordance with the instructions contained on the inside cover of each book.
3. Each load will have the last three digits of the load receipt number painted on both ends of three logs with red paint. All loads that consist of a truck and pup(s) must have the last three digits of the load receipt painted on both ends of three logs on all subunits of the combination.

Purchaser shall require vehicles hauling Included Products to stop at agreed upon locations for purposes of monitoring accountability. The parties shall agree upon the haul route prior to operations.

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CT7.2 - FIRE PRECAUTIONS (04/1979)

Specific fire precautions are as follows:

State Fire Laws. Where State laws provide specific requirements, these requirements must also be met.

Smoking and Lunch Fires. Purchaser shall prohibit smoking and the building of fires by persons engaged in Purchaser's Operations, except at established camps and shall enforce this prohibition by all means within Purchaser's power. Forest Service may, on written request of Purchaser, designate places where (1) campfires may be built for the purpose of heating lunches or (2) smoking may be permitted. Such designated places shall be cleared of flammable material to mineral soil prior to use.

Debris Around Structures. Purchaser shall clear and maintain an area free of flammable material for a distance not less than 15 feet from buildings, tents, and other structures connected with Purchaser's Operations.

Furnishing of Tools. Purchaser shall furnish sufficient fire tools of a kind and type satisfactory for fire suppression to equip persons engaged in Purchaser's Operations. Fire tools shall be used only for suppressing wildfires. Tools shall be stored in fireboxes provided by Purchaser and readily available to employees. Each toolbox shall be marked "Tools for Fire Only," painted red and kept sealed.

Fire Tools on Equipment. Each tractor, power skidder, power loader, and motor truck shall be equipped with one size 0, or larger, round-pointed shovel. Shovels shall be so placed on the machines that they can be readily obtained at all times.

Spark Arresters. Each gasoline or diesel internal combustion engine, except powersaws, shall be equipped with a spark-arresting device which has been approved by Forest Service. After installation, spark-arresting devices shall be kept in a satisfactory working condition.

Powersaws. Each gasoline powersaw shall have a spark arrester muffler affixed and in good working condition. Said spark arrester-muffler shall be of the construction and maintained to the standards approved by Forest Service. In addition, one chemical pressurized fire extinguisher of not less than 8-ounce capacity, by weight, and one size 0, or larger, round-pointed shovel shall also be provided.

The spark arrester-muffler, extinguisher, and shovel shall be maintained in good working condition at all times. The shovel and extinguisher shall be readily available.

Blasting. The use of fuses and detonating cord in blasting shall not be permitted.

During Fire Precautionary Period, blasting shall be permitted as follows:

A. When the predicted Condition Class reaches 3 (High), a watchman shall patrol the blasting area for at least 1 hour following blasting. The watchman shall have available for immediate use a standard fire shovel and a 5-gallon water filled backpack pump.

B. When the predicted Condition Class reaches 4 (Very High), blasting shall be restricted to cleared areas and terminated daily by 11 a.m. local time. The watchman requirements shall be as in item A above.

C. Blasting operations may be terminated when the predicted fire danger reaches extreme conditions.

Gasoline and Oil Storage. Gasoline, oil, grease, or other highly flammable material shall be stored in a separate building (or on site where all flammable debris has been cleared away within a radius of 25 feet).

Storage buildings (or sites) shall be a minimum distance of 50 feet from other structures. A suitable shovel, and dry sand in a covered container of not less than 25-gallon capacity (or a fire extinguisher of not less than 2-quart capacity of a type approved by the Underwriter Laboratory for gasoline and oil

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fires), shall be placed at each gasoline and oil shed, or other motor-fueling station. Mobile servicing units shall be equipped with a fire extinguisher of not less than 2-quart capacity of a type approved by the Underwriter Laboratory for gasoline and oil fires.

Camp Hazards. Stoves, stovepipes, chimneys, and electric wiring shall be located and maintained to the safety standards set forth in applicable sections of the Forest Service Health and Safety Code, dated March 1970, as revised.

Burning Plan. No slash burning shall be started by Purchaser without obtaining Forest Service approval of a written burning plan and also obtaining a burning permit from Forest Service.

CF8.212 - 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 AT17. 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.

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CT8.66# (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 Subsection, 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 Subsection, Forest Service will not be liable for any Claim submitted by Purchaser relating to the termination.