

KT-CT.1.1.1# - TIMBER SUBJECT TO AGREEMENT (09/2004)

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

Species	Product
SOFTWOOD	Grn Bio Cv
HARDWOOD	Grn Bio Cv
MIXED CONIFER	Pulpwood
MIXED HARDWOOD	Pulpwood
JACK PINE	Sawtimber
SPRUCE	Sawtimber

that shall be Included Timber upon written agreement.

KT-CT.3.0.1# - PROTECTED AREAS (06/2009)

Notwithstanding the designations for cutting under CT.3.1, CT.3.3, CT.3.4, and CT.3.5, trees within the area to be protected in Payment Unit 1, 2, 4, 5, 7, 10, 11, 12 and 13 shall be left uncut. Boundary trees along the perimeter of Protected Areas have been identified by orange paint. Boundary trees are not to be cut. Contract Area Map indicates with the symbol "PA" units within which Protected Areas are identified on the ground and are to be left uncut.

KT-CT.3.5.1# - DESIGNATION BY SPACING (09/2004)

Within Payment Unit(s) 6, as shown on Sale Area Map, all balsam fir, spruce, jack pine, red pine, and aspen trees, except trees Marked with N/A paint or described to be left uncut, that meet Utilization Standards and one or more of the following criteria are designated for cutting.

(a) The required spacing is a maximum average of 16 feet. The tree is within 10 feet of a balsam fir, spruce, jack pine, red pine, and aspen tree that has a larger stump diameter than it; and the larger tree is not designated for cutting.

(b) The tree is within N/A feet of a N/A tree greater than or equal to N/A inches stump diameter; and this tree is not designated for cutting.

(c) The tree is Marked with N/A paint.

Distances are measured horizontal distance, outside bark stump height to outside bark stump height. Stump diameter is measured outside bark at stump height in a horizontal plane and is the average of a measurement across the short axis through the true center of the stump and a second measurement at right angles to the short axis.

All N/A shall be left as leave trees, unless Marked with N/A paint. No tree greater than or equal to N/A inches stump diameter shall be cut, unless Marked with N/A paint. Cutting unit boundaries and other trees that shall be left uncut are Marked with orange paint.

Contractor and Forest Service shall agree to skid trail location under BT6.422. Skid trails shall be no greater than 15 feet wide with a 35 foot spacing. Quantities of trees located in skid trails including a 15 foot wide skid trail around the inside perimeter of the Payment Unit Boundary, are Included Timber under AT2.

KT-CT.3.5.2# - DESIGNATION BY SPECIES AND DIAMETER (09/2004)

Trees that meet Utilization Standards are designated for cutting, as shown on the Tree Designation Table and Sale Area Map, except trees Marked with orange paint or described to be left uncut.

See Tree Designation Table.

Additional trees to be cut, if any, are Marked with N/A paint.

All N/A shall be left as leave trees, unless Marked with N/A paint. Leave N/A trees of the designated cut species, N/A inches stump diameter or greater, to avoid leave tree spacing greater than N/A feet. Cutting unit boundaries and other trees that shall be left uncut are Marked with orange paint.

Distances are measured horizontal distance, outside bark stump height to outside bark stump height. Stump diameter is measured outside bark at stump height in a horizontal and is the average of a measurement across the short axis through the true center of the stump and a second measurement at right angles to the short axis.

Contractor and Forest Service shall agree to skid trail location under BT6.422. Skid trails shall be no greater than N/A feet wide with a N/A foot spacing. Quantities of trees located in skid trails are not Included Timber under AT2.

KT-ET.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 Contractor'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 ET.2.1.8;
- (iii) Damages pursuant to JT.4;
- (iv) Road use fees;
- (v) Restoration of downpayment pursuant to ET.2.2;
- (vi) Periodic payments pursuant to ET.2.1.3;
- (vii) Extension Deposits pursuant to ET.2.1.7; 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 JT.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 Contractor'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 Contractor's Operations, and administrative offset, shall be stayed for so long as:

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

KT-FT.3.1# - ROAD MAINTENANCE REQUIREMENTS (09/2004)

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

See Contract Road Maintenance Requirements Summary Table.

KT-FT.3.2# - ROAD MAINTENANCE DEPOSIT SCHEDULE (08/2012)

Other provisions herein notwithstanding, when Forest Service requests payment in lieu of Contractor's performance of road maintenance, Contractor 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 Contractor's commensurate use of each road listed in the Road Maintenance Plan in KT-FT.3.1#.

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

The Required Deposits for Forest Service work in lieu of Contractor performance are \$1.15 per CCF for recurrent maintenance, and N/A per CCF for deferred maintenance.

The following table lists who Contractor 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		

KT-GT.3.1.3# - CUTTING SCHEDULE (06/2009)

Unless changed by written agreement, only 5 Payment Units may be released for operations at one time, and the sequence of cutting Payment Units shall be : Release Payment Unit 5 before Payment Unit 6. The remaining Payment Units release will be jointly determined between the Forest Service and the Contractor.

Unless there is agreement in writing to postpone specific requirements, all contractual requirements on a Payment Unit shall be accepted by Forest Service prior to the release of an additional Payment Unit.

KT-GT.3.1.4# - OPERATING RESTRICTIONS (06/2009)

Within Contract Area, unless changed by written agreement, the following operating requirements apply:

Restricted operations/activities:

1/ In Payment Units 8 and 9 there will be no harvesting and hauling operations during the period of April 1 thru November 30 due to lowland soil conditions.

2/ In Payment Unit 2 there will be no harvesting and hauling operations during the period of April 1 thru June 30 and October 1 thru November 30 due to sensitive soil conditions.

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Prohibited operations/activities:

No decking along FR369

KT-GT.6.3# - TEMPORARY ROAD CLOSURE (06/2009)

In addition to GT.6.3, measures to effectively block temporary roads to normal vehicular traffic shall consist of the following:

Temporary roads used to access all Payment Units, except Payment Unit 13, will not be left open and the Contractor shall notify the Forest Service when it is anticipated that they will not be used for more than one year for hauling, harvesting, or mechanical site preparation operations. Upon notification, the Forest Service will temporarily close the roads with a barricade. Within one year, all temporary roads used to access all Payment Units after hauling, harvesting, and mechanical site preparation operations are complete, will be scarified and effectively closed (see diagram on following page) by the Contractor with rocks (embedded 1/3 of their depth), stumps, small balsam and spruce where available nearby (transplanted into road bed), and/or slash randomly placed 50 feet from the road entrance for a minimum distance of 200 feet or to the end of the seen area to ensure that passage does not seem feasible and is not attempted.

KT-GT.7# - SLASH DISPOSAL MEASURES (06/2009)

Slash resulting from Contractor's operations shall be removed from lakes, ponds, private land, right-of-way clearings for telephone lines, power lines, pipelines and other authorized facilities, and landings to be seeded under KT-GT.6#.

The tops of trees shall not be left hanging in standing trees. All trees cut for landing and other construction clearings shall be completely severed and not left leaning. Slash resulting from construction clearing shall be treated concurrent with harvest operations.

Other specific slash disposal requirements are as follows:

1) In Payment Units 1, 6, 8, 9, 11 and 14 as much as mechanically feasible, Contractors slash will be evenly distributed throughout the Payment Unit to a depth not to exceed three feet.

2) All slash left on the landings of Payment Units 2, 3, 4, 5, 7, 10, 12, and 13 concurrent with operations, will be piled in compact piles reasonably dirt-free to maximize clean and complete burning. Piles shall be surrounded by an 8-foot-wide area that has as much of the slash removed as mechanically feasible. Slash piles will be 25 feet away from any standing live trees greater than 5 inches in diameter. Outside of the landings, Contractors slash will be lopped and scattered to a depth not to exceed 3 feet. As much as mechanically feasible, all slash generated by the Contractors operations will be removed 25 ft from FR 369.

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Slash Disposal treatment zones are shown on the Contract Area Map with symbol "SDZ."

KT-GT.9# - STEWARDSHIP PROJECTS (09/2004)

Performance of stewardship projects shall be in accordance with the following specifications.

Stewardship Projects

KT-HT.2 - FIRE PRECAUTIONS (06/2009)

Unless otherwise agreed in writing between the Contractor and the Contracting Officer, the following are specific precautionary measures applicable during Contractor's Operations in Fire Precautionary Period as indicated in AT.9:

1. Contractor shall maintain Forest Service-approved spark arresting devices on any piece of equipment operated by an internal combustion motor. In addition, each piece of motorized equipment shall be equipped with a serviceable round-pointed shovel and an operational fire extinguisher of at least five-pound rating suitable for the equipment being used. All chainsaw operators will have a serviceable round-pointed shovel and one-pound multipurpose fire extinguisher readily available.
2. Contractor shall require that smoking and the building of lunch or warming fires by Contractor's employees, contractors, or subcontractors be confined to designated safe places where flammable debris has been cleared away and where, at the option of the Contractor, smoking or the building of lunch or warming fires may be permitted.
3. Adequate spark arresters shall be maintained on chimneys or stovepipes where wood or coal is being burned in an enclosed device.
4. Contractor shall furnish serviceable firefighting tools. Location, numbers, and types of tools shall be specified in the Fire Prevention and Control Plan in accordance with HT.1.

KT-IT.2.1 - CONTRACT TERM ADJUSTMENT (07/2016)

"Contract Term Adjustment" (CTA) means adjustment only as provided for in the three circumstances described in this subsection. Under these circumstances, the contract term shall be adjusted in writing to include additional calendar days in one or more normal operating seasons equal to the actual time lost, except as limited by paragraph (2) in this subsection.

To qualify for such adjustment, contractor shall give written notice of the lost time not later than 30 days after the end of the normal operating season in which time was lost and at least 10 days before termination date. Contracting officer shall make prompt written acknowledgment of such notice, indicating concurrence with the number of days in the notice or the number of days the Forest Service considers as qualifying for the adjustment. Lost parts of days shall be disregarded in computing time lost. The three circumstances qualifying for a CTA are:

(1) Contractor experiences delay in starting operations scheduled under GT.3.1 or interruptions in active operations, either of which stops such operations for 10 or more consecutive days during a normal operating season due to causes beyond the contractor's control, including, but not limited to, acts of God, acts of the public enemy, acts of the Government, labor disputes, fires, insurrections, or floods. Operations subject to these causes include:

(i) Removal of the included timber from contract area through curtailment in felling and bucking, yarding, skidding, loading, hauling, or road construction; or

(ii) Performance of stewardship projects shown in AT.4.4.

(2) Causes described in paragraph (1) substantially affect the disposition or processing of included timber during the normal operating season through their effects on primary timber processing facilities, with a resulting delay of 60 days or more in use of such facilities. In such event, the CTA shall not extend for more than 12 consecutive months.

(3) (i) Contracting officer requests the contractor, in writing, to delay or interrupt operations during the normal operating season for any purpose other than suspension under ET.4 or JT.3; or

(ii) Contractor suffers a delay or interruption of the contractor's operations described in paragraph (1)(i) or (ii) because of a fire emergency closure ordered by Forest Service (or another agency on its behalf), and the total of such lost time is 10 or more days during any normal operating season.

If the termination date is adjusted, as described in this subsection, and later extended under IT.2.3, the appraisal for the extension shall be made as of the unadjusted termination date, but the date on which the new rates become effective, if higher than current contract rates immediately prior to the termination date, shall be the adjusted termination date.

KT-IT.2.1.1.2 - 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 AT.17. Contractor 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 Contractor'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 Contractor'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 contract 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 Contractor'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.