

U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE TIMBER SALE CONTRACT (Applicable to Sales to be Scaled after Felling)		Name of Purchaser 	
National Forest Kootenai	Ranger District Libby	Region Northern	Contract Number
Sale Name Silverbugs Salvage		Award Date 	Termination Date 10/31/2016

The parties to this contract are The United States of America, acting through the Forest Service, United States Department of Agriculture, hereinafter called Forest Service, and _____ hereinafter called Purchaser.

Forest Service having advertised a sale at which either (1) Purchaser, whose required bid deposit is now held by Forest Service as an initial deposit, was the successful bidder, or (2) no bids were received and Purchaser having subsequently offered at least the minimum advertised price and made an initial deposit in the same amount as the bid deposit specified in the sale advertisement; and the parties hereto desiring to record their agreement; now therefore,

Unless provided otherwise herein, Forest Service agrees to sell and permit Purchaser to cut and remove Included Timber and Purchaser agrees to purchase, cut, and remove Included Timber.

This contract consists of three Divisions: A - Specific Conditions, B - Standard Provisions, and C - Special Provisions, together with Sale Area Map, Plans and specifications for developments (if any), and such attachments as may be provided for in Division C. Specific Conditions are numbered and apply to the Part, Section, Subsection, or Item of the Standard Provisions, as indicated hereunder. Other conditions of this contract are stated in Division C - Special Provisions.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the award date.

UNITED STATES OF AMERICA

Two Witnesses: ^{1/}

 (Name)

 (Address)

 (Name)

 (Address)

By: _____
 Contracting Officer

 (Title)

 (Purchaser) ^{2/}
 By: _____

 (Title)

 (Business Address)

I, ^{3/} _____, certify that I am the _____
 Secretary of the corporation named as Purchaser herein; that _____
 who signed this contract on behalf of Purchaser, was then _____
 of the corporation; that the contract was duly signed for and in behalf of the corporation by authority of its governing body, and is
 within the scope of its corporate powers.

**CORPORATE
 SEAL ^{4/}**

The following conditions apply to the indicated portions of Division B – Standard Provisions issued June 2006.

A1 – Location and Area, applicable to B1.1

This Sale Area of 230 acres more or less is located in: Portions of Sections 4 and 5, T25N, R30W, and Portions of Sections 33, 34, 35 and 36, T26N, R30W; PMM; Lincoln County, State of Montana

A2 – Volume Estimate and Utilization Standards, applicable to B2.1, B2.2, B2.4, and B6.4

Species	Product	Estimated Quantity	Unit of Measure	Minimum Specifications				
				Merchantable Tree		Piece Required to be Removed		
				Diameter Breast High (d.b.h.) (inches)	Number of Minimum Pieces per Tree	Length (feet)	Diameter Inside Bark at Small End (inches)	1/2
Lodgepole and Other Species (live and dead)	Sawlog <u>1/</u>	13,424	Tons	7.0	1	8	5.6	10.67
Combined Softwood (live and dead)	Non-saw <u>2/</u>	9,712	Tons	4.0	1	8	2.5	N/A
Total Quantity		23136						

1/ Enter Merchantability Factor (Merch. Factor) or Net Scale in % of Gross Scale, whichever is appropriate. Quantities not included here are described in B2.4

2/ Non-sawtimber products include (C2.2): Primary product includes all trees 4" – 6.9" (less than the minimum Sawtimber specifications shown in A2; Secondary product include tops of Sawtimber trees less than d.i.b. at small end shown in A2; and all trees not meeting minimum Sawtimber specifications but containing at least N/A pulpable woodfiber in terms of gross cubic volume. (C6.801).

A3 – Timber Designations, applicable to B2.3; acres are approximate:

	<u>Number</u>	<u>Acres</u>
Clearcutting Units (B2.31)		
Specified Road Clearing (B2.32)		
Overstory Removal Units (B2.33)		
Understory Removal Units (B2.34)		
Individual Trees (B2.35)		205
Incompletely Marked Timber (B2.36)		

A4 - Timber Payment Rates, applicable to B3.1 and B4.0

A4a - For Species and Products to be Paid for at Rates Escalated under B3.2

Not Applicable

A4b - For Species and Products to be Paid for at Flat Rates

Species	Product	Unit of Measure	Rates per Unit of Measure				Required Deposits Slash Disposal \$
			Base \$	Advertised \$	Bid Premium \$	Bid (Flat) \$	
Edgepole Pine and Other Species	Sawtimber	Ton	4.26	6.54			1.14
Combined Softwood	Non-Saw	Ton	4.26	6.54			1.14

For purposes of convenience in collection and bookkeeping, Bid Rates stated in A4 include payment of deposits for sale area betterment required pursuant to 16 USC 576b. Such deposits are not included as Required Deposits defined hereunder.

The following definitions are established for the terms used in A4:

Base Rates are the lowest rates of payment for timber that are authorized by this contract. Base Rates remain constant throughout the life of this contract and are not subject to change by rate redetermination, except for reduction under B3.31, B3.32, or B3.33.

Advertised Rates are the minimum acceptable Bid Rates for timber, exclusive of Required Deposits. These rates are those indicated by appraisal, with a cost allowance made for construction of Specified Roads listed in A7, but are never less than Base Rates.

Bid Premium Rates are the amounts by which Purchaser's bid is in excess of Advertised Rates. The Bid Premium Rates are constant during this contract, except as provided in B3.31, B3.32, and B3.33.

Bid Rates are the rates bid by Purchaser (exclusive of Required Deposits for slash disposal, road maintenance, and contract scaling) and are the sum of Advertised Rates and Bid Premium Rates. Until a rate redetermination becomes effective, the Bid Rate for species and products in A4a is the Tentative Rate that is subject to quarterly adjustment under B3.2; for species and products in A4b, the Bid Rate is the Flat Rate.

Required Deposits are deposits that Purchaser may be required to pay for slash disposal (16 USC 490), road maintenance (16 USC 537), and contract scaling (1994 Appropriations Act). Required Deposits may be adjusted as part of a rate redetermination or a Contract Term Extension. The table shows only Required Deposits for slash disposal; road maintenance deposits, if any, are given in C5.32#; and contract scaling deposits, if any, are given in C6.816#.

Base Index is the specified average of the lumber or other product selling value index used as the basis for computing adjustment in rates for variance in product selling value, as provided in B3.2.

A5 - Indices Used in Quarterly Adjustment, applicable to B3.2

Not Applicable

A6 - High Stumps, applicable to B6.412

Species	Product	Maximum Stump Height (inches)
All	All	12

A7 - Specified Roads, applicable to B5.2

Name and Date of Governing Road Specifications:

Project		Design Class	Approx. Length (mi./km.)	Sheet Numbers and Approval Date	Performance Responsibility		
Road No.	Name				Survey	Design	Construction Staking 1/
NOT APPLICABLE							

1/ Indicate timing, i.e., before clearing (BC) or after clearing (AC). Applicable to B5.212.

A8 - Forest Service Engineering Completion Schedule, applicable to B5.21

Road No.	Road Name	Type of Work	Completion Date
NOT APPLICABLE			

A9 - Scaling Instructions and Specifications, applicable to B6.8

Name and Date of Governing Instructions: National Forest Cubic Scaling HB, FSH 2409.11a, May 22, 1991, as amended and supplemented. Governing instructions for products contained in C Clauses as follows: C6.801, C6.822#, C6.823, C6.848, C6849.

Volume to be charged on weight basis.

Scaling Specifications					
Species	Product	Maximum Scaling Length (feet)	Trim Allowance		
			Diameter Range (inches)	Length Range (feet)	Trim Allowance (inches)
All	All	20	ALL	ALL	6

A10 – Scaling Services, applicable to B6.81

Species	Product	Unit of Measure	Site and Geographic Location	Method	Standard Estimated Cost per Unit \$
ALL	ALL	TON	Forest Service approved locations with State certified scales.	Total 100% weight scale	0.00

A11 – Minimum Scaling Volumes, applicable to B6.81

Minimum volume for Continuous Scaling Services in two-week period _____ (Volume and UOM) per scaler
 Minimum volume for Intermittent Scaling Services _____ (Volume and UOM) on a _____ N/A _____ basis

A12 – Fire Precautionary Period, applicable to B7.2

_____ May 1 _____ to _____ September 30 _____, inclusive

A13 – Purchaser Responsibility to Furnish Crews and Equipment for:

Initial Fire Suppression, applicable to B7.3

Within _____ 10 _____ road miles

Fire Suppression Reinforcement, applicable to B7.312 and B7.313

Within _____ 50 _____ road miles

A14 – Purchaser’s Obligation per Operations Fire, applicable to B7.41

Maximum Amount: \$ _____ 6,900.00 _____

A15 – Termination Date, applicable to B8.2

_____ October 31, 2016 _____

A16 – Normal Operating Season, applicable to B6.31, B6.66, B8.21, and B9.3

First Period: _____ June 15 _____ to _____ October 31 _____, inclusive

Second Period: _____ to _____, inclusive

A17 – Performance Bond, applicable to B9.1

Performance Bond Amount: \$ _____ 19,000.00 _____

A18 – Downpayment, applicable to B4.211

Downpayment Amount: \$ _____

A19 – Periodic Payment Amounts, applicable to B4.213

	Periodic Payment Determination Date	Amount
Initial Payment:	_____ October 16, 2015 (approx.) _____	\$ _____
Additional Payment:	_____ August 23, 2016 (approx.) _____	\$ _____

A20 – Market-Related Contract Term Addition Producer Price Index, applicable to B8.212

Index Name: _____ Softwood Lumber _____ **Index Number:** _____ 0811 _____

A21 – Inapplicable Standard Provisions

The following listed Sections, Subsections, or Items of Division B – Standard Provisions – are hereby made inapplicable. (Instructions: List by reference number and title.)

B4.211 Downpayment

B6.23 Protection of Land Survey Monuments

B6.35 Equipment Cleaning

B6.84 Accountability

B6.841 Route of Haul

B6.85 Scaling Lost Products

B4.4 Payments Not Received

B8.12 Market-Related Contract Term Addition

A22 – List of Special Provisions

The following listed special provisions are attached to and made a part of this contract as Division C. Provisions with reference numbers followed by # contain blanks into which data have been entered for this sale. (Instructions: List by reference number, title, and date.)

See Attached