

CP2.133 - CATASTROPHIC DAMAGE (04/2003)

"Catastrophic Damage" as used hereunder is major change or damage to Included Products on the Sale Area, to the Sale Area, or to access to the Sale Area; (a) caused by forces beyond control of Purchaser, including but not limited to wind, flood, earthquake, landslide, fire, Forest pest epidemic, drought, or other major phenomenon, and (b) reducing the amount of Included Product by 50 percent or more from the estimated quantities shown on Page 1.

In the event of Catastrophic Damage, this contract shall be modified by mutual agreement or terminated by Forest Service.

CP2.3# - FOREST PRODUCT DESIGNATION (01/2003)

The forest products listed on Page 1 are designated for cutting as follows:

Live bear grass, subject to the following criteria, within 450 feet of arterial road 2233 starting from the junction with collector road 2233810 and continuing southeast for one mile of road 2233 and within 450 feet of collector road 2233810 starting at the junction with arterial road 2233 and continuing northwest for 4.4 miles of road 2233810, and collector roads from 2233810 as shown on the Sale Area Map within the Sale Area Boundary shall be harvested.

Criteria for Product Removal:

1. The boundary distance of 450 feet will be measured from the edge of the road running surface into the unit (Exhibit on Page 22a).
2. Free of disease.
3. Free of chlorotic discoloration (yellowing).
4. Having floral stem length to meet economic market value. Viable economic market value conditions are dependent upon product accessibility.

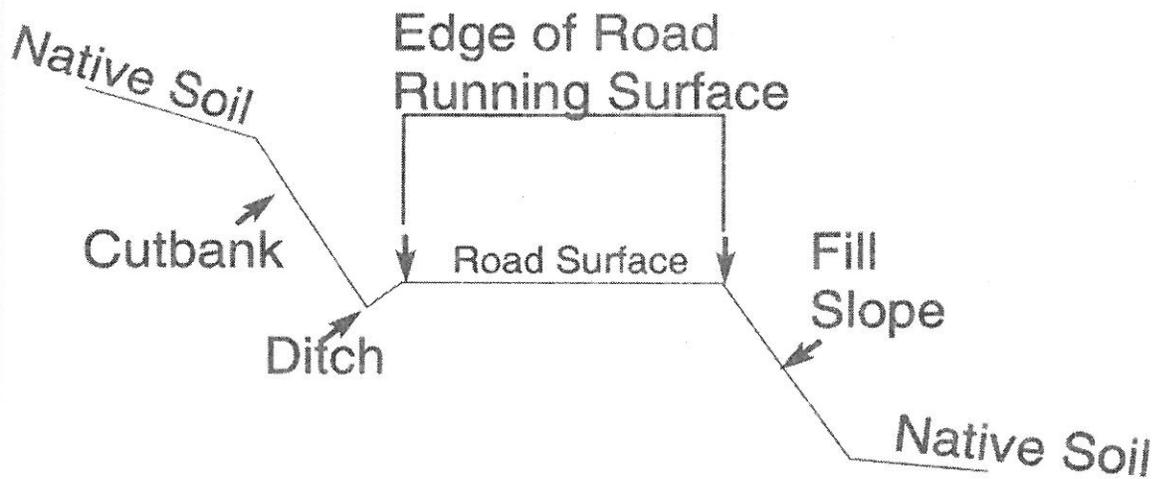
CP4.211 - DOWNPAYMENT (06/2007)

The downpayment amount shown on Page 1 may not be applied toward any other payment required under the provisions of this contract, except damages determined pursuant to BP9.4, transferred to other sales, or refunded until (a) harvest value representing 25 percent of the total bid value of the sale is shown on the Forest Products Sale Account to have been harvested, removed, and paid for, or (b) or the estimated value remaining to be harvested and removed, as shown on the Forest Products 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 harvested and removed, as shown on the Forest Products Sale Account, is equal to or less than the amount of the downpayment. For lump sum sales, the downpayment may be applied to payment for release of the single payment unit.

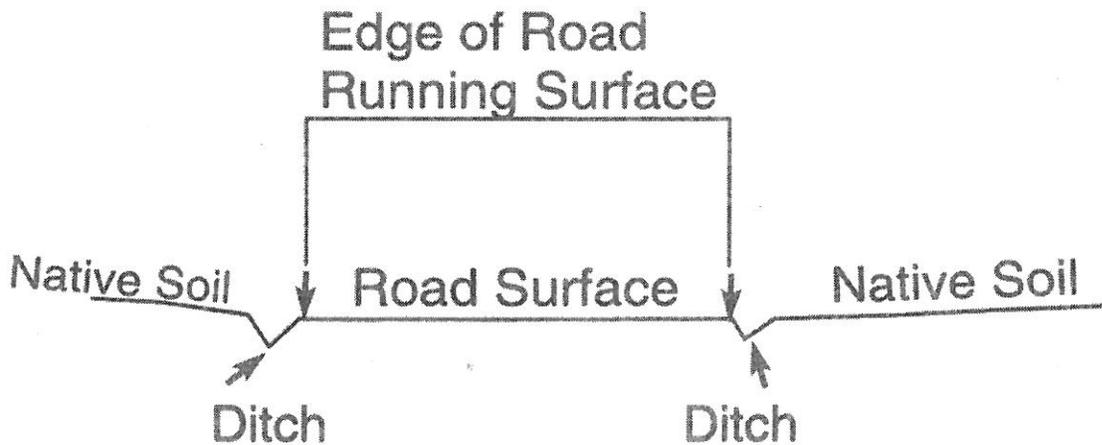
If Forest Service makes a determination that this contract should not have been included under increased downpayment requirements (36 CFR 223.49(e)), the downpayment shall be revised and applied in accordance with 36 CFR 223.49(f).

Exhibit 1

Roads containing Cutbank and Fill Slope



Roads not containing Cutbank and Fill Slope



CP4.212 - TEMPORARY REDUCTION OF DOWNPAYMENT (08/2009)

Notwithstanding BP4.211 or CP4.211, upon the Purchaser's written request Forest Service may temporarily reduce the downpayment when Forest Service requests or orders Purchaser to delay or interrupt scheduled operations for 30 or more consecutive days for reasons other than breach.

When Purchaser is not removing products under contract during a qualifying period of delay or interruption 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 harvest or remove products on a contract where the downpayment has been temporarily reduced until the downpayment amount stated in the contract is fully restored.

CP4.4 - 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 forest products harvested 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) Road maintenance deposits,
- (ii) Cooperative work at rates established by specific agreement under BP4.218,
- (iii) Damages pursuant to BP9.4,
- (iv) Road use fees,
- (v) Restoration of downpayment pursuant to BP4.22,
- (vi) Periodic payment pursuant to BP4.213, and
- (vii) Other mandatory deposits.

(b) Failure to pay amounts due by the date specified in the bill for collection shall be considered a breach under BP9.3. The 30-day notice period prescribed therein shall begin to run as of the end of business on the date specified for receipt of payment. 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 forest products harvested 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.

ale Name: 813 Bear Grass

CP6.24# - SITE SPECIFIC SPECIAL PROTECTION MEASURES (01/2004)

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

Cultural Resource Protection Measures:

N/A

Wildlife and Botanical Protection Measures: The use of power tools and combustible machinery, e.g., chainsaws and helicopters, on the Sale Area are allowed only from September 1 to December 31 for the protection of critical nesting periods for Threatened and Endangered Species. Beargrass harvest is prohibited within 60 feet slope distance of streams, meadows and wet areas as shown on the Sale Area Map.

Cave Resource Protection Measures: N/A

CP6.29# - PROTECTION OF HABITAT OF NESTING NON-THREATENED, ENDANGERED AND SENSITIVE RAPTORS (09/2004)

Location of areas needing special measures for protection of nesting non-TE&S raptors, colony nesting birds, and species with designated protection outlined in the Record of Decision (ROD) for Amendments to Forest Service and Bureau of Land Management Planning Documents Within the Range of the Northern Spotted Owl (1994), are shown on the Sale Area Map and identified on the ground. Measures needed to protect such areas have been included elsewhere in this contract or as follows:

N/A

If protection measures prove inadequate or if other such areas are discovered, Forest Service may either terminate the sale under BP8.34 or unilaterally modify this contract to provide additional protection regardless of when such facts become known. Discovery of such areas by either party shall be promptly reported to the other party.

In the event of contract modification under this Subsection, Purchaser shall be reimbursed for any additional protection required by the modification, provided that any work or extra protection required shall be subject to prior approval by Forest Service. Amount of reimbursement shall be determined by Forest Service using standard Forest Service rate redetermination methods in effect at time of agreed change and shall be in the form of a reduction in Current Contract Rates unless agreed otherwise in writing. However, in no event may Current Contract Rates be reduced below Base Rates.

CP6.315# - SALE OPERATION SCHEDULE (04/2003)

Unless otherwise agreed to in writing between Purchaser and Forest Service, Purchaser's Operations shall be performed in accordance with the following schedule.

See attached Schedule.

SCHEDULE PURSUANT TO CP6.315# - SALE OPERATION SCHEDULE (04/2003)

<u>Cutting Unit</u>	<u>Operating Conditions</u>	<u>Purpose</u>
ALL	All operations are prohibited starting at noon the Friday before and continuing through Sunday at 08:00 P.M. the first weekend of General Cascade Buck and General Cascade Bull Elk Rifle Seasons.	Minimize conflicts
ALL	All Helicopter flying operations are restricted starting at noon the Friday before and continuing through the entire General Cascade Bull Elk Rifle Season. Check Oregon State Wildlife Hunting regulations to determine dates for appropriate years.	Minimize conflicts

CP6.41# - HARVEST METHOD (04/2003)

The following harvest methods will be used for products designated for cutting and removing on Page 1, and/or Special Provision CP2.3#. Other methods may be approved in writing if such methods provide for equivalent resource protection.

See attached harvest method table.

TABLE PURSUANT TO CP6.41# - HARVEST METHOD (04/2003)

Cutting Units	Harvest Method
<p style="text-align: center;">ALL</p>	<p style="text-align: center;">Bear grass may be harvested subject to the following:</p> <ul style="list-style-type: none"> A. Removal of bear grass may only be by hand pulling or hand tools severing the plants leaves, ground disturbance from either hand or machine digging is not permitted. B. Harvesting on leaves will be by hand-pulling the sheaf or cutting at the base of the sheaf with a sharp knife. C. No digging of plants for transplanting is allowed. D. Bear grass removal will be by hand-carrying to existing rocked roads. E. Collection of bear grass is prohibited within 60 feet slope distance of any streams, ponds, lakes, wetlands or meadows shown on the Sale Area Map. F. Collection of bear grass is prohibited within 60 feet of any designated hiking trails. G. Motorized vehicles will not be permitted off of existing rocked roads.

CP6.81 (Option 2) - ACCOUNTABILITY (07/2007)

The following requirements are applicable to this contract:

- 1) Forest Service shall issue serially numbered Forest Product Removal Receipts for use on this sale.
- 2) Purchaser shall require every receipt to be completely filled out according to written instructions, by an individual named in writing. Forest Product Removal Receipt shall be attached to the load as instructed.
- 3) After 30 days with no product removal, all unused receipts shall be returned to the issuing office.

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.

CP7.1 - PLANS (04/2003)

The plan shall state how Purchaser's representative or alternates will be contacted in a fire emergency, both during periods of operation and at other times such as evenings or weekends. Purchaser shall certify compliance with specific fire precautionary measures included as Subsections under CP7.2 - Specific Fire Precautions, before beginning operations during Fire Precautionary Period (closed season) and shall update such certification when operations change.

CP7.2 - SPECIFIC FIRE PRECAUTIONS (04/2003)

When the industrial fire precautions level is I or higher, unless waiver is granted under CP7.22, specific required fire precautionary measures are as follows:

A. Fire Security.

Purchaser will designate in writing a person or persons who shall perform fire security services listed below on Sale Area and vicinity. The designated person will be capable of operating Purchaser's communications and fire fighting equipment specified in the contract, excluding helicopters, and of directing the activities of Purchaser's personnel on Forest fires. Such person must report any fire detected to Forest Service within 15 minutes of detection. In lieu of having the designated person perform the required supervisory duties, Purchaser may provide another person meeting the qualifications stated above to direct the activities of Purchaser's personnel and equipment during all fire fighting activities.

Services described shall be for at least 1 hour from the time Purchaser's Operations are shut down. For the purposes of this provision, personnel servicing equipment, and their vehicles, who are not engaged in cutting or welding metal are excluded.

Fire security services shall consist of moving throughout the operation area or areas constantly looking, reporting, and taking suppression action on any fires detected. Where possible, the designated person shall observe inaccessible portions of helicopter operating areas from vantage points within or adjacent to Sale Area.

Purchaser shall furnish fire security services based on the predicted industrial precaution level, obtained by Purchaser from the appropriate Ranger District Headquarters. If predictions made after 6:00 p.m. local time, are significantly different than originally estimated, Forest Service will inform Purchaser when changes in fire security services are indicated.

B. Fire Extinguishers and Equipment (on Trucks, Tractors Power Saws, etc.).

(a) Each yarder or loader equipped with an internal combustion engine or other spark emitting source shall be equipped with a readily accessible fire extinguisher, with an Underwriter's Laboratory (UL) Rating of at least 5 B,C.

(b) All power-driven equipment operated by Purchaser on National Forest land, except portable fire pumps, shall be equipped with one fire extinguisher having a UL rating of at least 5 B,C and one "D" handled or long handled round point shovel, size O or larger. In addition, each motor patrol, truck and passenger-carrying vehicle shall be equipped with a double-bit axe or Pulaski, 3-1/2 pounds or larger.

(c) Equipment required in (a) and (b) shall be kept in a serviceable condition and shall be readily available.

(d) Each gasoline power saw operator shall be equipped with a pressurized chemical fire extinguisher of not less than 8-ounce capacity by weight, and one long handled round point shovel, size O or larger, except at a landing where a suitable fire extinguisher and shovel are immediately available. The extinguisher will be kept in possession of the saw operator at all times. The shovel shall be accessible to the operator within 1 minute.

(e) Each helicopter shall be equipped with one fire extinguisher having a UL rating of at least 5 B,C mounted inside the aircraft within reach of the pilot's operating position.

(f) One refill for each type or one extra extinguisher sufficient to replace each size extinguisher required on equipment shall be safely stored in the fire tool box or other agreed upon place on Sale Area that is protected and readily available.

(g) At each area where helicopters are being serviced or supplied, a carbon dioxide fire extinguisher with a UL rating of at least 20 B,C will be provided on the site and placed where it is available for immediate use.

C. Spark Arrestors and Mufflers.

Each internal combustion engine shall be equipped with a spark arrester qualified and rated under USDA Forest Service Standard 5100-1a as shown in the National Wildfire Coordination Group Spark Arrester Guide, unless it is:

(a) Equipped with a turbine-driven exhaust supercharger such as the turbocharger. There shall be no exhaust bypass.

(b) A multi-position engine, such as on power saws which must meet the performance levels set forth in the Society of Automotive Engineers (SAE) "multi-positioned small engine exhaust fire ignition standard, SAE recommended practice J335B" as now or hereafter amended.

(c) A passenger carrying vehicle or light truck, or medium truck up to 40,000 GVW, used on roads and equipped with a factory designed muffler complete with baffles and an exhaust system in good working condition.

(d) A heavy duty truck, such as a dump or log truck, or other vehicle used for commercial hauling, used only on roads and equipped with a factory designed muffler and with a vertical stack exhaust system extending above the cab.

Exhaust equipment described in this Subsection, including spark arresters and mufflers, shall be properly installed and constantly maintained in serviceable condition.

D. Fire Tools.

Purchaser shall furnish serviceable fire fighting tools in a readily accessible fire tool box or compartment of sound construction with a hinged lid and hasp so arranged that the box can be secured or sealed. The box shall be red and marked "Fire Tools" in letters at least 1 inch high. It shall contain a minimum of:

(a) Two axes or Pulaskis with a 32 inch handle.

(b) Three adze eye hoes. One Pulaski may be substituted for one adze eye hoe.

(c) Three long handled, round point shovels, size 0 or larger.

E. Tank Truck.

Purchaser shall provide a tank truck or trailer, containing not less than 300 gallons of water, during yarding, skidding, loading, land clearing, right-of-way clearing, mechanical falling, and mechanical treatment of slash. Such tank truck or trailer shall be maintained in a serviceable condition and located within 10 minutes, round trip, from each operating side during Fire Precautionary Period (closed season), except as provided under BT7.21.

The tank truck or trailer shall be equipped with a pump capable of discharging 20 gallons of water per minute, using a 1/4 inch nozzle tip, through a 50 foot length of rubber or poly lined hose. In addition, 500 feet of serviceable hard rubber poly or rubber lined or FJRL hose of not less than 1 inch outside diameter, fitted with a nozzle capable of discharging a straight stream of 1/4 inch diameter and a spray pattern shall be immediately available for use. The tank, pump, nozzle and at least 250 feet, of the total 500 feet of hose, shall be connected and ready for use at all times. Synthetic hoses may be used by

agreement.

If a trailer is used, it shall be equipped with a hitch to facilitate prompt movement. A serviceable tow vehicle shall be immediately available for attachment to the trailer and must meet the time requirements stated above. Such truck or trailer shall be equipped to operate for a minimum of 8 hours.

Where designated on Sale Area Map, Purchaser shall provide a tank trailer or water source and pumping equipment, including accessories, which can be lifted and transported by the yarding system. The component parts shall meet all specifications above. The tank trailer or water supply and pumping accessories shall be deliverable to a fire, in area of operations, within 15 minutes of detection.

In lieu of the above tank trailer or water supply for helicopter operations, Purchaser may provide a suitable helicopter water bucket with a 300 gallon capacity. When Purchaser provides a water bucket, a water source shall be provided within 5 minutes round trip flight time from operating side.

F. Communications.

During Purchaser's Operations, excluding powersaw falling and bucking, Purchaser shall provide adequate two-way communication facilities to report a fire to Forest Service within 15 minutes of detection. Citizen band radios (CB's) are not considered adequate two-way communications because FCC Regulations prohibit commercial use.

G. Smoking and Open Fire Restrictions. Smoking and fires shall be permitted only at the option of Purchaser. Purchaser shall not permit open fires on Sale Area without advance permission in writing from Forest Service.

H. Blasting.

Blasting shall be permitted only for road construction purposes unless advance permission is obtained from Forest Service.

Whenever the Industrial Fire Precaution Level is II or greater, a fire security person equipped with a long handled round point No. 0 or larger shovel and a 5 gallon backpack pump can filled with water, will stay at location of blast for 1 hour after blasting is done. Blasting may be suspended by Forest Service, in areas of high rate of spread and resistance to control.

Fuses shall not be used for blasting. Explosive cords shall not be used without permission of Forest Service, which may specify conditions under which such explosives may be used and precautions to be taken.

I. Compliance with State Fire Laws.

Listing of specific fire precautionary measures in the foregoing 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.

J. Aircraft Communications.

Every aircraft used in conjunction with Purchaser's Operations shall be equipped with an operable radio system. The radio system shall be capable of transmitting and receiving on VHF frequency 122.85 Megahertz (MHz) with a minimum output of 5 watts at the transmitter. The system shall be located and installed so that the pilot can operate it while flying. A shielded all-weather broad-band antenna shall be part of the system. Radio and antenna shall be properly installed and maintained.

Upon discovery or notification of a fire on Sale Area, all aircraft pilots controlled by Purchaser shall monitor VHF frequency 122.85 MHz when within 5 miles of a fire and broadcast their intentions.

K. Logging Block Equipment.

Purchaser shall provide a serviceable 5 gallon backpack pump full of water, one axe, and one long handled round point shovel, size 0 or larger, at each haulback block through which a running line passes.

The area below such blocks must be kept clear of all flammable debris under 4 inches in diameter for a distance of 6 feet in all directions. Material larger than 4 inches that poses a fire risk, such as punky logs, must also be removed.

Purchaser shall avoid line-rub on rocks or woody material which may result in sparks or sufficient heat to cause ignition of fire.

CP8.13 - DISCLAIMER OF EXPRESSED OR IMPLIED WARRANTY (09/2004)

Purchaser and Forest Service hereby agree, acknowledge, and accept that there is no expressed or implied warranty provided by the Forest Service that guarantees the Purchaser will be allowed to complete the removal of products sold under the terms of this contract. Upon execution of the contract, Purchaser hereby acknowledges the acceptance of the risk that this contract is subject to interruption or termination as a result of litigation associated with the environmental analysis process used by the Forest Service in the planning of this timber sale. If such interruption or termination occurs due to litigation, Purchaser agrees to accept as full compensation for such interruption remedies pursuant to BP8.33, or for termination remedies pursuant to BP8.34.