

KT-CT.1.1# - TIMBER SUBJECT TO AGREEMENT (09/2004)

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

<b>Species</b>	<b>Product</b>
<b>Combined Softwood</b>	<b>Non-Saw</b>
<b>Cull Logs Combined</b>	<b>Cull Logs</b>

that shall be Included Timber upon written agreement.

KT-CT.3.5# - DESIGNATION OF TIMBER AND SUBDIVISION/PAYMENT UNIT BOUNDARIES (08/2007)

Trees are designated for cutting under CT.3.5# only if designated as shown in the Timber Designation table below. The boundaries of Subdivisions/Payment Units are designated as shown in the Boundary Designation table below. Trees used for boundary designation are not to be cut.

**See Table A.**



KT-FT.1.2# - USE OF ROADS BY CONTRACTOR (09/2004)

Contractor's use of existing roads identified on Contract Area Map by the following codes is prohibited or subject to restrictive limitations, unless agreed otherwise:

Code	Use Limitations
X	Hauling prohibited
R	Hauling restricted
U	Unsuitable for hauling prior to completion of agreed reconstruction
P	Use prohibited
A	Public use restriction
W	Regulation waiver

Roads coded A will be signed by the Forest Service to inform the public of use restrictions. Contractor's use of roads coded R, A, or W shall be in accordance with the following restrictions:

**See Restricted Road List Table.**



Contract Name: Pacific Stewardship Project

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.3.5# - 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 Contractor's Operations, other than fire suppression activities, shall be repaired by Contractor in a timely and agreed manner to the extent practicable to restore and prevent further resource damage.

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

**See Table A.**



KT-GT.2.4# - SITE SPECIFIC SPECIAL PROTECTION MEASURES (09/2004)

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

Cultural Resource Protection Measures: No operations are to occur in these areas.

Wildlife and Botanical Protection Measures: N/A

Cave Resource Protection Measures: N/A

KT-GT.3.1.4 - RELEASE OF PAYMENT UNITS (02/2005)

Except for Specified Road Payment Units, Forest Service shall not Release for Cutting more Payment Units than can be logged within 60 calendar days at Contractor's normal rate of logging. Unless otherwise agreed in writing, upon completion of all contract requirements in a Payment Unit, additional Payment Units may be Released for Cutting.

KT-GT.3.1.5# - PROJECT OPERATIONS SCHEDULE (12/2006)

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

**See Table A.**



KT-GT.3.3.1 - LOG TRUCKING (02/2005)

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.

KT-GT.3.7 - SUBSTITUTE METHODS (02/2005)

Notwithstanding other provisions herein, for minor changes such as changes in logging systems for areas smaller than 5 acres, Contractor 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 Contractor's Operations.

KT-GT.4.1# - FELLING, BUCKING, AND LIMBING (08/2007)

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

**See Table A.**



KT-GT.4.2# - GROUND BASED SKIDDING (12/2006)

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

**See Table A.**



KT-GT.5 - STREAMCOURSE PROTECTION (12/2005)

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 Contract 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. Contractor in accordance with KT-GT.6# - Erosion Prevention and Control, shall remove such structures and associated fills.

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

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

Erosion prevention and control work, including Streamcourse protection, required by KT-GT.5 and GT.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 Contractor's Operations due to causes beyond Contractor'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 Contractor's Operations due to failure to perform required work shall be repaired by Contractor.

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.**



KT-GT.7# - SLASH TREATMENT (12/2006)

Contractor shall pile, scatter, yard, construct firelines or otherwise treat slash defined in specifications below, within designated areas. Work required of Contractor shall be in accordance with the following slash plan and specifications, and the Contract 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 Contractor 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 Contractor's Operations, other than Construction Slash, is Logging Slash. Measures to be taken by Contractor for treatment of Logging Slash are set forth below unless otherwise agreed in writing.

Forest Service and Contractor shall jointly develop a schedule for completion of slash treatment on the various portions of Project Area prior to Contractor'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.**



KT-GT.8-2# - MEASURING - OPT 2 (02/2005)

Timber quantity estimates in AT.2 were made as described in the Forest Service Handbook FSH 2409.12, Timber Cruising Handbook, available for inspection in the offices of the Forest Supervisor and District Ranger. When Trees are marked after date of project advertisement, or when volume is added pursuant to CT.1.3, CT.1.3.1, CT.1.3.2, CT.1.3.3, CT.1.3.4, CT.1.4, CT.3.7, CT.4, or other authorization hereunder, each tree that is less than 25 inches in diameter breast height (DBH) and has less than 25% visible defect shall have its volume determined from the following table.

Trees greater than or equal to 25 inches DBH; trees with more than 25% defect; or trees from species or diameter groups shown as "N/A" in the following table shall be measured using procedures in FSH 2409.12 and shall use the "R5 Cubic Foot Volume Tables to a Utilization Top", 9/97.

**See Table A.**



KT-GT.8.3 - ACCOUNTABILITY (02/2005)

Forest Service and Contractor shall agree upon the haul route(s) prior to use. All products removed from Contract Area shall be transported over the designated route of haul.

Contractor shall:

(a) Require truck drivers to sign form R5-2400-242, product removal permit, assure permit is attached to the load prior to removal from the Contract Area and while in transit to load destination.

(b) Assign a competent individual at the landing to record the following information for each load on the product removal permit provided by Forest Service:

1. Date and time load is punched out with a paper punch or equivalent
2. Truck ID or license number
3. Load destination

Used books of product removal permits (stub portion) shall be returned to the Forest Service at least weekly, unless otherwise agreed.

(c) Require truck drivers to stop for transportation inspections, if requested by Forest Service, when products are in transit from Contract Area to Contractor's processing facility(s).

(d) Inform truck drivers of the designated route(s) of haul, the agreed upon location(s) for transportation inspections, the method of alerting drivers of an impending stop, and the fact that loads may be inspected at other locations where it is safe and possible to do so.

(e) Require truck drivers to assure the product removal permit is secured to each load of product (including chip vans, dump trucks or other container used for removing material) on the front lower corner of the drivers side of the load. Staple product removal permits to a log or attached piece of wood or other suitable material. Product removal permit shall remain attached to log until manufactured into products or if chips, until load has been unloaded. After logs are processed or load of chips unloaded the product removal permit shall be either destroyed or otherwise rendered unusable, unless otherwise agreed.

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

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

**Stewardship Projects**



KT-HT.2# - SPECIFIED FIRE PRECAUTIONS (12/2006)

Upon request of Forest Service, Contractor shall permit and assist in periodic testing and inspection of required fire equipment. Contractor shall certify compliance with specific fire precautionary measures in the fire plan required by HT.1, before beginning operations during Fire Precautionary Period and shall update such certification when operations change. Specific equipment requirements and fire precautionary measures are shown in the following table:

**See Table A.**



KT-HT.2.2# - EMERGENCY PRECAUTIONS (12/2006)

Contractor's Operations shall conform to the limitations or requirements in the Project Activity Levels (PAL) table below.

Unless otherwise agreed in writing, Project Activity Level applicable to this project shall be for the Fire Danger Rating Area(s), or fire weather station(s) stated in the Contract Area Map legend.

The Forest Service, in its sole discretion, may change the predicted activity level if the current fire suppression situation, weather and vegetation conditions warrant additional restriction of activities. Contractor shall obtain the predicted Project Activity Level from the appropriate Ranger District headquarters before starting work each day. If practicable, Forest Service will determine the following day's activity level by 6:00 PM local time. If predictions made after 6:00 PM are significantly different than originally estimated, Forest Service will inform Contractor when changes in restrictions or industrial precautions are indicated.

The following definitions shall apply to these Project Activity Levels:

**Cable Yarding Systems:** A yarding system that takes logs from the stump area to a landing using an overhead system of winch-driven cables to which logs are attached with chokers or grapples.

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

**Sunset:** The time that sunset is reported in the local newspaper for that day.

Except for Project Activity Level days "Ev after 1:00 PM local time" and "E", Forest Service may issue substitute precaution(s) of the requirements below. Such agreements under HT.2.1 shall prescribe measures to be taken by Contractor to reduce risk of ignition and/or spread of fire.

Forest Service may change the Project Activity Levels to other values upon revision of the National Fire Danger Rating System and may change the specific Project Activity Levels and/or requirements when such changes are necessary for the protection of the National Forest. When sent to Contractor, the revised Project Activity Levels will supersede the levels below.

**See Table A.**



KT-IT.2.1.2 - 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.

KT-IT.6.8#(Option 1) - USE OF TIMBER (09/2004)

(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 Contractor 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, Contractor 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 Contractor or affiliates.

(f) Prior to delivering unprocessed Included Timber to another party, Contractor 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 Contractor and another party, Contractor shall furnish to Forest Service a copy of each such agreement. Contractor 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 Contractor relating to the termination.