

K-C.3.5# - DESIGNATION OF TIMBER, CUTTING UNIT BOUNDARIES, AND SUBDIVISION/PAYMENT UNIT BOUNDARIES (06/2012)

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

**SPECIFICATIONS PURSUANT TO K-C.3.5# - DESIGNATION OF TIMBER, CUTTING UNIT BOUNDARIES, AND SUBDIVISION/PAYMENT UNIT BOUNDARIES**



K-E.2.1.5 - DEPOSITS WHEN PAYMENT GUARANTEED (05/2010)

To the extent payment guarantee is provided under E.3, requirements for advance cash deposits under E.2.1.2 shall be waived for the value of Included Timber removed except for:

- (a) Base Rates,
- (b) associated charges, and
- (c) the value of Included Timber exceeding the sum of stewardship credits that have not been established under E.2.2 for mandatory stewardship projects listed in A.4.3 plus optional stewardship projects listed in A.4.3 authorized by Contracting Officer.

Charges for (a), (b) and (c) shall be waived for not more than a monthly billing period, subject to the provisions of E.4.

K-E.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, road maintenance, and contract scaling deposits;
- (ii) Cooperative work at rates established by specific agreement under E.2.1.8;
- (iii) Damages pursuant to J.4;
- (iv) Road use fees;
- (v) Restoration of downpayment pursuant to E.2.2;
- (vi) Periodic payments pursuant to E.2.1.3;
- (vii) Extension Deposits pursuant to E.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 J.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.

K-F.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 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.**



K-F.1.2.5# - SHARE COST ROAD LIABILITY INSURANCE (02/2005)

Contractor is authorized to use cooperative roads constructed under provisions of Three Counties Right-of-Way Agreement, amended to Sierra Pacific Industries and Shasta-Trinity Agreement, Cooperator, and Forest Service, and subsequent easements, supplements, and agreements thereto, available for inspection at the Forest Supervisor's Office, Redding, California, and subject to the following liability insurance requirements.

Contractor shall provide a satisfactory certificate of insurance covering Contractor's and all subcontractor's operations on cost share roads referred to above.

Contractor shall present the certificate of insurance to Forest Service prior to use of cost share roads.

Insurance shall be of the following form and limits:

Comprehensive Automobile Bodily Injury/Property Damage Liability Insurance covering all owned, leased, hired and non-owned automobiles.

Minimum limits: \$1,000,000 per person bodily injury or death  
\$1,000,000 per occurrence bodily injury or death  
and \$1,000,000 per occurrence property damage or a  
combined single limit of \$1,000,000

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 In addition to above, Contractor and Contractor's assigns shall carry the following limits of insurance for the purpose of covering fire suppression expense, property damage to timber land due to fire, and property damage to non-owned automobiles and equipment due to fire.

Comprehensive General Liability Bodily Injury/Property Damage Insurance for minimum limits of:  
\$1,000,000 per person bodily injury or death  
\$1,000,000 per occurrence bodily injury or death  
and \$1,000,000 per occurrence property damage or a  
combined single limit of \$1,000,000

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 Such Comprehensive General Liability policy shall include an endorsement covering fire suppression expense, property damage to timber land due to fire, and property damage to non-owned automobiles and equipment due to fire. Said endorsement shall have minimum property damage limits of 1,000,000 and be designated separately on the Certificate of Insurance.

The Certificate of Insurance shall require insurance carrier to notify Cooperator by mail ten (10) days prior to cancellation or expiration of above coverage. The Certificate of Insurance shall also name The Cooperator "Sierra Pacific Industries" as additionally insured solely as respects operations conducted by or on behalf of the Contractor involving use of the cost shared roads referred to above.

K-F.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.**



K-F.3.2# - ROAD MAINTENANCE DEPOSIT SCHEDULE (09/2004)

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 K-F.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 and for deferred maintenance is: \$ \$.01 per CCF.

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		

K-F.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.**



K-G.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.**



K-G.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.

K-G.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.

K-G.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.**



K-G.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.**



K-G.6# - EROSION PREVENTION AND CONTROL (05/2008)

Erosion prevention and control work, including Streamcourse protection, required by K-G.5 and G.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.**



K-G.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.**



K-G.8.1.5 - THIRD PARTY SCALING SERVICES (09/2004)

Notwithstanding the requirement for Forest Service or parties under contract to Forest Service to provide Scaling services under G.8.1, Scaling designated in A.10 shall be conducted by a third party Scaling organization approved by Forest Service. Scaling shall be done in accordance with A.9 and Contractor shall bear costs for Scaling service.

In the event third party Scaling service is suspended for causes such as strikes, termination of third party's approval to Scale National Forest logs by Forest Service, or Contractor's failure to pay third party Scaling costs, hauling operations shall be suspended until agreed alternate Scaling services are provided or service by third party is resumed.

When an approved alternate Scaling location pursuant to G.8.1.1 does not have an approved third party scaling organization as a commonly used Scaling services provider, Forest Service or parties under contract to Forest Service shall provide Scaling services at the approved alternate location. In such an event, the cost of waived third party Scaling listed in A.10 shall be charged to Integrated Resource Account.

If Forest Service and Contractor agree in writing that another party under contract to Forest Service will perform Scaling, the contract will be modified to include K-G.8.1.6 and Integrated Resource Account will be charged for such Scaling.

K-G.9# - STEWARDSHIP PROJECTS (09/2004)

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

**Stewardship Projects**



K-H.2# - SPECIFIED FIRE PRECAUTIONS (06/2012)

Contractor or a designated Contractor's Representative shall certify compliance with specific Contract and California Public Resources Code (CPRC) fire precautionary measures in H.1 Plans, K-H.2# and K-H.2.2#. Certification shall be provided prior to starting operations during Fire Precautionary Period and shall be updated as needed.

Listing of specific fire precautionary measures in the following subsections is not intended to relieve Contractor in any way from compliance with State fire laws covering fire prevention and suppression equipment applicable to Contractor's Operations.

Upon request of Forest Service, Purchaser shall permit and assist in periodic testing and inspection of required fire equipment.

The following definitions shall apply to H.2# and K-H.2.2#:

**Active Landing:** A location Contractor is skidding logs into, or performing other operations such as delimiting, log manufacturing, and chipping logs. Except for EV and E days, loading logs or stockpiled chips only on a cleared landing does not constitute an Active Landing.

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

**Mechanical Operations:** The process of felling, skidding, chipping, shredding, piling, log processing and/or yarding which requires the use of motorized power which includes, chainsaws, chippers, motorized carriages, masticators, stroke delimiters, skidders etc.

Specific equipment requirements and fire precautionary measures are shown in the following table and in K-H.2.2#:

**Table A**



K-H.2.2# - EMERGENCY PRECAUTIONS (06/2012)

Contractor's Operations shall conform to the limitations or requirements in the Project Activity Level (PAL) table below. Unless otherwise agreed in writing, Project Activity Levels applicable to this project shall be the predicted levels for the Fire Danger Rating Area(s), or fire weather station(s) stated in the Contract Area Map legend.

Forest Service, in its sole discretion, may change the predicted activity level if the current fire suppression situation, weather and vegetation conditions warrant an adjustment. If practicable, Forest Service will determine the following day's activity level by 6:00 PM. Contractor shall obtain the predicted Project Activity Level from the appropriate Ranger District Office before starting work each day. Forest Service may change the Project Activity Level Table to other values upon revision of the National Fire Danger Rating System. When Contractor is notified, the revised Project Activity Levels will supersede the levels in the Project Activity Level Table below.

**PROJECT ACTIVITY LEVEL (PAL) - K-H.2.2# - EMERGENCY PRECAUTIONS**



K-I.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 A.20. 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.

K-I.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 Section, 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 Section, Forest Service will not be liable for any Claim submitted by Contractor relating to the termination.