

STATE OF MONTANA

GOOD NEIGHBOR AUTHORITY - TIMBER SALE CONTRACT FOR STUMPAGE SOLD BY THE TON

VERSION 17 – JANUARY 2015

DEPARTMENT OF NATURAL RESOURCES & CONSERVATION 2705 Spurgin Road Missoula, MT 59804	NAME, ADDRESS AND PHONE NUMBER OF PURCHASER: _____ _____ _____	
	Tax I.D. Number _____	
LAND OFFICE NWLO	SALE NAME GNA Round Meadows	SALE NUMBER _____
UNIT OFFICE Kalispell Unit	AWARD DATE _____	TERMINATION DATE 10/01/2030

THIS TIMBER SALE CONTRACT (hereinafter called Contract or agreement) IS MADE AND ENTERED INTO by and between the State of Montana, acting through its Department of Natural Resources & Conservation, Forestry Division (hereinafter called the State) and (, a sole proprietorship; or , a partnership; or , Inc. a corporation) (hereinafter called Purchaser) having an office and principal place of business at the address shown above. Purchaser's bid for all timber and timber products described in this Contract has been accepted by the State after having been estimated, appraised and advertised for sale as required by law. Therefore, in consideration of the mutual promises contained in this agreement, the State agrees to sell and the Purchaser agrees to purchase the designated timber located on the areas described in this Contract at the specified rates of payment and in strict conformity with the requirements, standards, specifications and conditions set forth in this Contract.

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-ATTACHMENTS-			
The following attachments are hereby made a part of this contract:			
ATTACHMENT A: Timber Sale Maps		4 Pages	
ATTACHMENT B: Road Construction, Improvements and Maintenance Specifications		23 Pages	
ATTACHMENT C: Forest Fire Regulations		2 Pages	
ATTACHMENT D: Working in Bear Habitat Brochure		1 Page	
ATTACHMENT E: Forest Resources Conservation and Shortage Relief Act		6 Pages	
ATTACHMENT F: 508-Compliant Special Order NCDE Food Storage		5 Pages	

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TABLE 1 - LEGAL DESCRIPTION OF THE GROSS SALE AREA		
The timber designated for sale under this Contract is within the following sale area		
Section	Township	Range
4	31N	23W
8	31N	23W
9	31N	23W
10	31N	23W
15	31N	23W
16	31N	23W
17	31N	23W
Total approximate acres in gross sale area: 1,127		
Number of harvest units (Including Right-of-Way): 23		
Total acres in harvest units (Including Right-of-Way): 511		

TABLE 1 (continued) - ESTIMATED SALE VOLUME	
The state does not guarantee the product weight, by species or in total, to equal the estimated advertised weight in quantity or product designation.	
Product	Estimated Quantity (Tons)
Sawlogs – Non-Ponderosa Pine	18,036
Sawlogs – Ponderosa Pine	217
Other Material (pulp)	1,991
Total Estimated Volume	20,244

TABLE 1 (continued) - PAYMENT RATES			
Payment	Amount		Requirements
Performance Bond Amount:	20% of bid value		See Section II.A.1-3.
	Product	Amount	
Stumpage Rate per ton:	Sawlogs – Non-Ponderosa Pine	Bid Rate	See Section II.B.1-3.
	Sawlogs – Ponderosa Pine	Bid Rate	
	Other Material	\$1.00	
Required Deposits (slash, etc.)	N/A		

I. GENERAL TERMS

A. DEFINITION OF CONTRACT LANGUAGE: The following definitions apply to terms used in this Contract:

1. Administrator – The Good Neighbor Authority Bureau Chief, Forestry Division, Department of Natural Resources & Conservation
2. Draw – A swale or drainageway that may not have perceptible or definite beds or banks.
3. Environmental Law – Includes, but is not limited to, the following laws and any regulations promulgated under these laws: the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”) (42 U.S.C. § 9601 *et seq.*), as amended; the Resource Conservation and Recovery Act (“RCRA”) (42 U.S.C. §§ 6901 – 6987), as amended; the Clean Air Act (42 U.S.C. § 7401, *et seq.*), as amended; the Safe Drinking Water Act (42 U.S.C. § 300f *et seq.*), as amended; the Clean Water Act (33 U.S.C. § 1401 *et seq.*), as amended; the Clean Air Act of Montana (Mont. Code Ann. § 75-2-101 *et seq.*), as amended; the Montana Water Quality Act (Mont. Code Ann. § 75-5-101 *et seq.*), as amended; the Montana Solid Waste Management Act (Mont. Code Ann. § 75-10-201 *et seq.*), as amended; the Montana Hazardous Waste Act (Mont. Code Ann. § 75-10-401 *et seq.*), as amended; the Montana Comprehensive Environmental Cleanup and Responsibility Act (Mont. Code Ann. § 75-10-701 *et seq.*) as amended; and the Montana Underground Storage Tank Act (Mont. Code Ann. § 75-11-501 *et seq.*) as amended.
4. Forest Officer – The State field representative assigned the job of contract administration for this timber sale Contract. Except as otherwise expressly stated in the Contract, the Forest Officer is not authorized to modify the contract on behalf of the State.
5. Hazardous or deleterious substance – Means a substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may pose an imminent and substantial threat to public health, safety, or welfare or the environment, and is:
 - a. A substance that is defined as a hazardous substance by section 101(14) of CERCLA, 42 U.S.C. § 9601(14), as amended.
 - b. A substance identified by the administrator of the United States Environmental Protection Agency as a hazardous substance pursuant to section 102 of CERCLA, 42 U.S.C. § 9602, as amended.
 - c. A substance that is defined as a hazardous waste pursuant to section 1004(5) of RCRA, 42 U.S.C. § 6903(5), as amended, including a substance listed or identified in 40 CFR 261.
 - d. Any petroleum product.
6. Operating period – The annual time period during which field activities (logging, hauling, construction, etc.) may be conducted.
7. Paid or payment – Except as otherwise expressly stated in the Contract, full remuneration by either cash, money order or certified check.
8. Purchaser – The signatory party to this Contract other than the Administrator. Purchaser is also defined to include employees and agents of the Purchaser authorized to conduct activities as required for execution of the timber sale Contract. As an independent contractor, neither the Purchaser, its employees or agents shall be considered employees of the State of Montana or the United States Forest Service pursuant to work performed under this Contract.
9. Sawlog – A green or dead log as further defined under Section VII.C.

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10. State – The State of Montana and its agents and employees, including but not limited to the Department of Natural Resources & Conservation.
11. USFS - The United States Forest Service and its agents and employees.
12. Stream – A stream is a natural watercourse of perceptible extent that has a sandy or rocky bottom or definite banks and confines and conducts continuously or intermittently flowing water.
13. Stumpage – The rate paid in dollars per ton as specified in Table 1 for Sawlogs and/or Other Material.
14. Supervisor – A person designated by the Purchaser in charge of operations on site at the sale area at all times when construction or harvesting operations are in progress. The Supervisor shall have authorization to receive notices from the Forest Officer and take appropriate action with regard to breach and/or violations of the terms of the contract.

B. REMOVAL OF TIMBER AND TITLE TRANSFER:

1. Provided the Purchaser has paid for timber as required in Section II.B.1, ADVANCE STUMPAGE PAYMENT, the Purchaser has the right to cut and remove timber from the sale area provided all Contract requirements related to the commencement of operations have been met.
2. Title to all timber included in this contract shall be retained by the USFS until:
 - a. The timber has been paid for.
 - b. The timber has been measured, as described in Section III.A. MEASUREMENT AND LOG ACCOUNTABILITY.
 - c. The timber has been properly marked, branded and ticketed as described in Section III.C & E. MEASUREMENT AND LOG ACCOUNTABILITY and Attachment E, which is attached hereto and incorporated herein by reference, and removed from the gross sale area.
3. Title to timber remaining on the gross sale area at termination of the contract shall remain with the USFS.
4. As documented in this contract, or otherwise agreed to, all roads and other improvements become the property of the USFS as they are constructed.

C. TERM OF CONTRACT: This Contract is effective upon approval and execution by the Administrator and shall terminate on the Termination Date shown on page 1 unless terminated sooner for successful completion or for gross or persistent breach and/or failure to promptly and properly remedy contract violations of the Contract terms pursuant to Section IV. B, TERMINATION.

D. PRE-OPERATIONS MEETING: No activity may occur on the sale area until a pre-operations meeting is conducted between the Purchaser and the State. The Purchaser shall notify the Forest Officer at least seven (7) days prior to the start of operations to schedule the pre-operations meeting. The Forest Officer will specify to the Purchaser what information the Purchaser must provide to the State at the pre-operations meeting.

E. ANNUAL OPERATING PLAN: Purchaser may be required to submit a written annual operating plan, as specified by, and at the request of the Forest Officer.

F. CONTRACT TERM EXTENSION:

1. In the event that Purchaser's operations are delayed and Purchaser is not able to complete the requirements of this Contract prior to the harvest completion date or the termination date, the State may grant an extension of the term of this Contract. An extension will be considered by the State under only the following circumstances:

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- a. The State determines an extension is in the USFS and State's best interests;
 - b. Purchaser applies for the extension in writing at least 30 days prior to the termination date.
 - c. The State notifies the Purchaser that an extension is required.
 - d. Purchaser has provided the State with written notice from the surety that the performance bond on this contract has been extended for a period commensurate with the requested contract extension.
 - e. Purchaser has made a good faith effort to complete the sale.
 - f. The extension request is not based on poor log and/or market conditions.
2. If the contract term extension is granted, Purchaser shall conduct continuous operations through the operating periods and/or resume operations at the start of the next operating period until the requirements of this Contract are completed. No extension shall be granted for a period longer than eighteen (18) months after the termination date as provided herein unless a longer extension is determined to be in the State's and USFS's best interest.
 3. If the extension is requested and granted because of delays resulting from matters within Purchaser's control, the following will apply:
 - a. Purchaser shall pay an extension fee of \$ 500.00.
 - b. Stumpage rates for any volume cut, skidded or hauled during the extension period will be escalated a minimum of 10%.
 - c. No de-escalation will occur from the time the extension is granted by the Administrator, as documented in a signed modification, through the remainder of the Contract.
 4. An extension may be granted to the Purchaser without penalty if the State prohibits logging activity for more than 2 weeks during the operating period described in this Contract.
 5. All conditions of this contract shall remain in force during any period of extension, unless those conditions are amended by the terms of the extension.
 6. In the event the Contract terminates pursuant to Section I.C, TERM OF CONTRACT due to expiration of the time period within which its performance shall have been completed, and the State has not granted an extension, the Purchaser shall immediately cease all operations within the Gross Sale Area as shown in Table 1. Operations beyond the contract termination date for which the State has not granted an extension will be treated as trespass.
- G. LIABILITY FOR LOSS:** The Purchaser is responsible for loss, degradation, or damage to timber while the timber is in his, her or its custody, including but not limited to, timber which has been felled, skidded or decked and/or timber which has been lost, damaged or stolen after removal from the sale area but before scaling or weight is recorded.
- H. SUPERVISION:** When construction or harvesting operations are in progress, the Purchaser shall have exclusive control over the manner in which the Contract is executed if, as determined by the State, the Purchaser has and is complying with all terms and conditions provided herein. Purchaser is required to have a supervisor(s) in charge of operations on the sale area at all times. Such supervisor(s) shall have authorization to receive notices from the Forest Officer and take appropriate action with regard to breach and/or violations of the terms and conditions of the Contract.

I. COMPLAINTS:

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1. Complaints by the Purchaser concerning any action or decision of a Forest Officer, including suspension orders, must be made in writing to the Administrator postmarked within 30 days of the disputed action or decision. In the interim, Purchaser must comply with the directions of the Forest Officer.
 2. Upon receipt of a complaint, the Administrator, or a designated representative, shall promptly hold an informal conference with the Purchaser and the Forest Officer to review the disputed action. The Purchaser shall be given adequate notice of the conference and shall be given the opportunity to present evidence and an argument to rebut the reasons given by the Forest Officer for the disputed action. After review, the Administrator shall notify the Purchaser in writing of his decision. The decision of the Administrator is final on behalf of the State, except regarding termination of the contract.
- J. ASSIGNMENT:** This contract shall not be assigned in whole or in part unless approved in writing by the Administrator. Any person or entity that is currently suspended or debarred from bidding on or operating government contracts is also suspended or debarred from bidding or operating (including as a sub-contractor) on this contract.
- K. MODIFICATIONS:**
1. This Contract, together with the attachments listed herein, contains the entire agreement of the parties and no statements, promises or inducements made by either party, or agents of either party, that are not contained in such written Contract shall be valid or binding. This Contract, except as described in Section I.K.2 below, cannot be enlarged, modified or altered except upon written agreement signed by all parties to this contract. Only the Administrator, his successor, or his designated representative is authorized to enter into such modification on behalf of the State.
 2. To protect cultural or natural resources the State may modify provisions of the Contract without prior agreement by the Purchaser.
- L. EQUAL EMPLOYMENT OPPORTUNITY:** Pursuant to Section 49-3-207, MCA, any hiring by the Purchaser under this agreement must be on the basis of merit and qualifications and there must be no discrimination on the basis of race, color, religious creed, political ideas, sex, marital status, physical or mental handicap, national origin or ancestry by any person performing this Contract.
- M. LIABILITY INSURANCE:**
1. Prior to the commencement of any work to be performed under this Contract, the Purchaser or their agents shall obtain, carry and keep in good standing for the remainder of the Contract period, with any extensions:
 - a. Comprehensive general liability insurance coverage to the limit of \$1,000,000.00 per occurrence and \$2,000,000.00 per aggregate. Each such policy shall include endorsements, which shall name the State, US Forest Service, its elected and appointed officials, agents and employees as additional insured and shall provide that the State shall be given 30 days written notice, at the address stated above, prior to cancellation or any material change in such policy.
 - b. Automobile Liability Insurance: The Purchaser shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the contractor or its officers, agents, representatives, assigns, or subcontractors.
 2. In lieu of such coverage, the Purchaser may provide proof of self-insurance in at least an amount equal to that provided above.

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3. Prior to the commencement of any work to be performed under this Contract, Purchaser shall deliver to the State a certificate of insurance from the insurer(s) of the Purchaser or their agents certifying that coverage in at least the amounts stated above is in force. Such certificate shall be submitted to the State for approval of the insurer(s), the amount, and the form. The State reserves the right to require a certified copy of any such policy or to examine the policy itself.
4. A self-insured Purchaser shall provide an equivalent certificate of insurance subject to the approval of the State.
5. It is further understood and agreed that this Contract shall terminate immediately in the event that the mandatory liability insurance coverage required under this part is for any reason not obtained or is discontinued.

N. WORKERS' COMPENSATION INSURANCE:

1. Prior to the commencement of any work under this Contract, Purchaser shall provide written verification to the Administrator that any and all individuals who are to be engaged in work under this Contract, including but not limited to employees, agents or independent contractors of the Purchaser or of its subcontractors, are either insured for workers' compensation coverage or are exempted from such coverage as certified independent contractors pursuant to § 39-71-401 MCA.
2. It is expressly understood and agreed that no such individual may engage in work in furtherance of this Contract at any time during its period unless either insured for workers' compensation coverage or exempted from such coverage as indicated above.
3. It is understood and agreed that this Contract shall terminate immediately in the event that workers' compensation coverage or exemptions required under this part is discontinued for any individuals engaged in work under this Contract.

O. SAFETY: The Purchaser, employees, subcontractors and their employees shall conduct their activities in a safe and workmanlike manner, shall cooperate in making it possible for the Forest Officer to safely, efficiently, and economically perform his, her or its administrative duties, and shall comply with federal and State safety standards for logging operations as established by the United States Department of Labor, Occupational Safety and Health Administration (OSHA; 29 Code of Federal Regulations 1910 and any other such applicable regulations promulgated by OSHA) and as required by Title 50, Chapter 71 of the Montana Code Annotated, and any regulations promulgated to implement the statutes found in that Title and Chapter of the Montana Code Annotated. The Purchaser, and not the State, is responsible for instituting and maintaining all precautions, procedures and programs for the safety of all persons on the project site, and the State hereby disclaims any and all responsibility for injuries or accidents occurring at the site.

P. SAWMILLS PROHIBITED: No sawmills shall be allowed to operate on the gross sale area.

Q. LOG CHIPPERS OR GRINDERS: No log chippers or grinders shall be allowed to operate on the gross sale area unless written approval to do so is granted by the Forest Officer. In order for approval to be granted, the Purchaser shall identify a method acceptable to the State for the measurement of all wood to be ground or chipped. If the Purchaser intends to operate a log chipper outside of the gross sale area, provisions must be made for obtaining certified weights of either the material removed from the sale or of the resultant products.

R. SALE DELAYED OR PRECLUDED BY JUDICIAL ACTION OR GOVERNMENT REGULATORY ACTION:

1. In the event judicial action, change in applicable law, or implementation of government regulatory action renders proceeding with this Contract unlawful, the State will suspend or terminate the Contract in whole or in part. Upon notice of such suspension or termination, Purchaser shall

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immediately cease all or any portion of such operations under the Contract as directed by the State. If a court of competent jurisdiction has entered a final judgment rendering further proceeding with this Contract unlawful, or government regulatory action takes effect, the State may terminate the Contract or, at the State's option, suspend the Contract in whole or in part, pending appeal of the court's final judgment. If the Contract is suspended, the State shall not be liable to the Purchaser for damages or losses resulting from the delay. In the event the Contract is terminated due to judicial action, a change in law, or government regulations, the State shall be liable to Purchaser only as follows:

- a. The State shall refund any portion of advance stumpage payments or down payments not needed to compensate the State for timber removed.
- b. The State shall release any portion of the performance bond not needed to compensate the State for timber removed or other losses suffered by the State due to breach of contract by the Purchaser.

S. VENUE AND CHOICE OF LAW: In the event of litigation concerning this agreement, venue shall be in the First Judicial District, Lewis and Clark County, Montana, and this agreement shall be governed by the laws of the State of Montana both as to interpretation and performance.

T. AUTHORIZATION TO ENTER: The Purchaser is authorized to enter the sale area only for purposes related to the performance of this Contract. Any person or entity that is currently suspended or debarred from bidding on or operating government contracts is also suspended or debarred from bidding or operating (including as a sub-contractor) on this Contract.

U. OTHER OPERATIONS BY THE STATE: The State or USFS reserves the right to at any time conduct within the gross sale area forest management operations including, but not limited to, slash piling, burning, handwork, broadcast burning, mop-up, patrolling, thinning and tree planting during the term of this Contract.

V. INDEMNITY AND LIABILITY:

1. The Purchaser agrees to indemnify the State and the USFS, its officials, agents, and employees, while acting within the scope of their duties and hold the State harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense, arising in favor of the Purchaser's employees or third parties on account of bodily or personal injuries, death or damage to property arising out of services performed, goods or rights to intellectual property provided or omissions of services or in any way resulting from the acts or omission of the Purchaser and/or its agents, employees, subcontractors or its representatives while engaged in work under this Contract, all to the extent of the Purchaser's negligence.
2. The Purchaser shall be responsible for, indemnify, defend and hold the State and the USFS harmless from and against any loss, cost (including, without limitation, reasonable legal, accounting, consulting, engineering and similar expenses), damage, claim, fine or liability, including the necessity for tests, inspections or other work, and any damage, claim, fine or liability arising as a result of such tests, inspections or other work, the State must perform:
 - a. Based upon an actual or alleged violation by the Purchaser of, or failure by the Purchaser to comply with, any Environmental Law during the term of this Contract;
 - b. Arising from the discharge, release, threatened release, handling, storage, treatment, deposit or disposal of any Hazardous or Deleterious Substances caused or exacerbated by the activities of the Purchaser on or in the gross sale area during the term of this Contract; or
 - c. Otherwise arising out of or in connection with any environmental condition or action caused or created by the Purchaser.

- W. OTHER LAWS AND REGULATIONS:** This Contract is subject to all applicable federal, state, county, and municipal laws, ordinances, and regulations in effect at the date of this Contract or which may, from time to time, be adopted, and which do not impair the obligations of this Contract and which do not deprive the Purchaser of an existing property right recognized by law. A violation by the Purchaser of any federal, state, county, and/or municipal laws, ordinances and/or regulations while conducting operations under the terms of this Contract, shall, in the discretion of the State, constitute sufficient reason for the suspension or termination of this Contract. If any part of the lands or premises under this Contract are used or allowed or permitted to be used for any purpose contrary to the laws of this state or the United States, such unlawful use shall, in the discretion of the State, constitute sufficient reason for the suspension or termination of this Contract.
- X. FORCE MAJEURE:** Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party is using its best efforts to remedy such failure or delays. Force majeure will not relieve the Purchaser from liability for damage or otherwise excuse performance of this Contract should the Purchaser cause a fire for which they would be liable under § 50-63-103, MCA.
- Y. CERTIFICATION REGARDING DEBARMENT AND SUSPENSION:** The Purchaser must complete and deliver to the State form AD-1047, Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary covered transactions and form AD-1048 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower tier Covered Transactions.

II. CHARGES AND PAYMENTS

A. PERFORMANCE BOND:

1. As a guarantee of the faithful performance of this Contract, Purchaser shall furnish a bond, with sufficient sureties, to the State in an amount equal to the potential loss to the State in the event of Purchaser's breach or default under the terms of this Contract as determined by the Administrator. The performance bond may be in cash, bond, irrevocable letter of credit, or certificate of deposit with sufficient sureties. A letter of credit must be automatically renewable without amendment for the term of the Contract. The bond shall not be less than five percent (5%) of the estimated value of the timber sold. The performance bond the Purchaser must submit for this Contract is shown in Table 1.
2. Upon full performance of the terms of the Contract, the State shall release the performance bond.
3. Upon substantial performance of the terms of the Contract, the Administrator may release a portion of the performance bond not needed to compensate the State for any remaining timber to be removed or any other losses that may be suffered by the State due to breach of Contract by the Purchaser. The bond shall not be reduced to less than five percent (5%) of the estimated value of the total Contract volume.

B. PAYMENTS: The Purchaser agrees to make payments to the Treasurer of the State of Montana as follows:

1. **ADVANCE STUMPAGE PAYMENTS:** The Purchaser is required to pay for all timber in advance of cutting at the rates shown in Table 1. Advance stumpage payments will be held by the State to cover the Purchaser's estimated timber cutting for at least six (6) weeks of operations. Advance stumpage payments may be reduced just before completion of the sale or when cutting requirements are to be suspended for at least 3 months. Advance stumpage payments may be in cash, bond, irrevocable letter of credit, or certificate of deposit with sufficient sureties.

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2. **INITIAL ADVANCE STUMPAGE PAYMENT:** The initial advance payment will be made by the Purchaser prior to the start of timber cutting operations.
3. **PAYMENT SCHEDULE:** Payments in full for individual invoices will be made by the Purchaser as called for by the Administrator; in no event will payments be made by the Purchaser more than 14 days from the date of billing.

C. ROAD USE AND MAINTENANCE PAYMENTS:

1. **PAYMENTS:** The Purchaser is required to make payments for road use and maintenance at the rates listed in Table 1 or as amended by revisions to road use permits. Payments will be made as called for by the Administrator or as otherwise directed in this Contract.
2. **ALTERNATE HAUL ROUTES:** The Purchaser is authorized by the State to use the haul route described in this Contract and attachments. If the Purchaser chooses to use an alternate haul route, that haul route must be approved by the State. Road use charges, maintenance requirements and payments may be adjusted to reflect the haul route used by the Purchaser. The Purchaser is responsible for obtaining any right-of-way required for an alternate haul route and for meeting all requirements of any agreements associated with that right-of-way. Proof of any such agreement must be provided to the State prior to use. Stumpage fees are not subject to a downward adjustment under this clause.

III. MEASUREMENT AND LOG ACCOUNTABILITY

A. PRODUCT MEASUREMENT:

1. The State will determine the value of products removed from the sale based on the total gross weight of material hauled. Weight tickets will be used to obtain the total value.
2. When mixed products with different payment rates per ton are hauled on one load, the entire load will be charged at the rate of the product with the highest value contained in the load.
3. Upon request by the State, the most recent load delivered to a receiving mill must be made available for inspection by the State or their representatives. The weight ticket identifying the load must remain affixed to the load.

B. WEIGHT TICKETS: The Purchaser is required to furnish weight tickets to the State as agreed to by the Forest Officer and the Purchaser.

1. All weight tickets shall be mailed or delivered with corresponding load tickets, as outlined below, directly to the DNRC Unit or Land Office administering this Contract. In this case, send truck tickets to (Kalispell Unit, 655 Timberwolf pkwy, Suite 1, Kalispell MT, 59901). This requirement may be waived or changed by the Forest Officer.
2. Weight tickets shall show gross, tare and net weights and the corresponding load ticket number of each product load. Weight tickets must be from State of Montana certified scales, and all weight tickets must have mechanically stamped weights for the gross and tare weights unless otherwise permitted in writing by the Forest Officer. Weight tickets will be mailed or delivered to the State on a bi-weekly basis or as otherwise agreed to by the Forest Officer. A weight ticket will be considered as missing if not furnished within 4 weeks of the load delivery date. Failure to comply with this provision may be treated by the State as a contract violation.
3. Truck ticket information may be provided to DNRC electronically if all required ticket information is provided. The information must be provided to the State on a bi-weekly basis prior to the tenth (10th) and twenty-fourth (24th) of each month. The paper copy of the weight tickets must also

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continue to be provided to the State. The requirement to supply the paper copy of the weight tickets may be waived by the Administrator.

- C. LOAD TICKETS:** The Purchaser will be issued load ticket books with consecutively numbered tickets for uniquely identifying truckloads of logs. A load ticket shall be attached to the driver's side bunk log of each product load prior to hauling, with the Scaler's copy given to the State from the delivery point. The Purchaser shall complete each ticket with the sale information required by the State. The Purchaser shall provide to the Forest Officer a complete list of destinations to which loads will be delivered. The State, at its discretion, may require a separate ticket book for each destination. Failure to comply with this provision may be treated by the State as a contract violation.
- D. SORTING OF PRODUCTS:** The State may require separate ticket books for any loads sorted by the Purchaser by size or species or by specific products intended for different delivery points. Load tickets designated for a specific product must only be used for that specific product. When a load ticket is used with an incorrect product the State may treat such misuse as a contract violation.
- E. LOAD MARKING:** The Purchaser is required to mark all loads of logs before removal from the loading area to assist in identification while in transit or at the point of delivery. Marking shall be accomplished by painting "GNA" in blue paint and the last three digits of the truck load ticket number on log ends of at least three logs on each load, both front and back. The driver's side bunk log shall be one of the marked logs. Failure to comply with this provision may be treated by the State as a contract violation.
- F. PROMPT DELIVERY:** The Purchaser will deliver loads from the timber sale area to a receiving log yard directly without diversion. "Over-nighting" loads during transit are expressly forbidden unless approved by Forest Officer prior to hauling. Failure to comply with this provision may be treated by the State as a contract violation.
- G. SCALE RULE:**
1. Any sawlogs scaled by the State shall be scaled using the Scribner Decimal "C" log rule. Log scaling will follow the procedures listed in the National Forest Log Scaling Handbook (FSH 2409.11) excluding Region 1 supplements.
 2. In cases where conversion is required, a conversion factor of 7.23 tons per thousand board feet will be used for sawlogs.
- H. LOG BRANDING:** This contract is subject to the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 USC 620, *et seq.*). The Purchaser must comply with log branding and accounting rules in Attachment E.

IV. CONTRACT VIOLATIONS AND PENALTIES

A. SUSPENSION:

1. **FAILURE TO PAY ADVANCE STUMPAGE:** If Purchaser fails to submit advance stumpage payments as directed by the Administrator pursuant to the terms of this Contract within 30 days of the request for such payments, all operations covered by this Contract shall immediately cease upon written or oral order from the State until all required advance stumpage payments, or guarantee of payment satisfactory to the State, have been made. The cutting and removal of timber may resume only upon receipt of written notice to the Purchaser from the State that acknowledges adequate payment or guarantee.
2. **LOSS OF BOND:** If the surety bond or other bond securing performance of this Contract is canceled or otherwise becomes ineffective, operations covered by this Contract shall immediately

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cease upon written or oral order from the State to the Purchaser. Cutting and removal of timber may resume only upon receipt of written notice from the State that acknowledges adequate bond.

3. OTHER CONTRACT VIOLATIONS:

- a. Should the Forest Officer observe a condition that violates the terms of this Contract, the Forest Officer may verbally notify the Purchaser or its employees or subcontractors of such condition and immediately suspend all or part of the operations in the sale area to prevent harm to the interests of the State or the public. Should the Purchaser or its employees or subcontractors fail to comply with any verbal suspension order, the Administrator may terminate the Contract pursuant to Section IV. B. Termination. The Forest Officer may rescind his/her verbal suspension order upon satisfactory cure of the Purchaser's violation and operations may resume.
- b. Suspension orders may be given in writing or verbally to the Purchaser, or to his, her or its employees or subcontractors. Once given, the Purchaser, and his, her or its employees or subcontractors shall immediately comply with such order of suspension and failure to do so shall constitute grounds for termination of this Contract. Suspension orders are reviewable under the provisions described in Section I.I. COMPLAINTS.
- c. The Administrator may issue a written notice of suspension depending upon the severity of the violation and Purchaser's ability to cure. Such notice shall contain information regarding:
1. The breach observed and harm anticipated; 2. The Contract provisions violated; 3. If possible, the measures required to cure the violation and allow operations to resume; and 4. The deadline within which the Purchaser must cure the violation. Should the Purchaser fail to cure the violation as required, or to obtain a written variance from the Administrator, the Administrator may charge the Purchaser a \$250 per day penalty for every day that the violation persists. Operations may resume only upon written notice from the Administrator. If satisfactory measures or remedies cannot be found to cure the violation, the Administrator may immediately terminate the Contract pursuant to Section IV.B. TERMINATION.

B. TERMINATION:

1. Gross or persistent Contract violations and/or failure to promptly and properly remedy Contract violations by the Purchaser pursuant to the terms of this Contract shall be grounds for termination of the Contract by the State.
2. If this Contract is terminated by the State, the Administrator shall immediately notify the Purchaser of the termination and the reasons for it by certified mail. Such notice shall describe in what respects the Contract has been breached, the means, if any, by which the breach can be remedied and the consequences of such termination. The Contract shall be terminated 18 days from the date the notice is mailed to the Purchaser at the address stated in this Contract.
3. Upon receipt of the notice of termination the Purchaser shall immediately cease all operations pursuant to and permitted by the Contract until the termination is resolved as provided pursuant to this Section of the Contract, Section IV.B. TERMINATION.
4. If the Contract is reinstated the Purchaser will not be penalized for any delays that resulted from the appeal.
5. If the Contract is terminated for breach, it is understood that the State may refuse to accept bids or proposals submitted under 77-5-212 MCA from the Purchaser on future State timber sales and permits for a minimum period of 2 years.

C. LIABILITY FOR DAMAGES:

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1. The Purchaser shall be liable for any damages sustained by the State arising from Purchaser's breach of the terms of this Contract and the State may cause all or part of the performance bond to be forfeited to recover such damages.
2. In the event that a portion of the timber sale under this Contract is resold as a result of the Purchaser's forfeiture and the stumpage rate pursuant to the resold contract is lower than the stumpage rate provided herein, the difference between the original rate and the new rate shall be considered damages and the Purchaser shall be liable to the State for those damages. The State may cause all or part of the Purchaser's performance bond to be forfeited to recover such damages.

D. STATE'S OPTION TO COMPLETE CONTRACT REQUIREMENTS: If the Purchaser fails to complete the requirements described in this Contract in a timely manner or if the Contract is terminated pursuant to Section IV.B. TERMINATION, the State reserves the right to complete the work itself or through a contractor. The Purchaser will be billed for any additional costs incurred by the State due to the Purchaser's failure to perform the requirements of this Contract. These additional costs may include State employee time and expenses that were extraordinary to the normal administration of the Contract, such as time and expenses incurred to hire a replacement contractor. Purchaser's failure to make payment within 14 days from the date of billing may cause all or part of the performance bond to be forfeited to recover such costs.

E. WAIVER OF PENALTIES: The penalties specified in this section shall be regarded as liquidated damages and may be waived or reduced at the discretion of the Administrator in exceptional cases.

F. FOREST PRACTICES LAWS: The Purchaser shall conduct logging operations in compliance with all applicable state and federal rules and laws relating to forest practices in the State of Montana. The Purchaser shall be responsible for all reclamation and penalties that result from violations of applicable forest practices rules and laws.

G. LOGGING REQUIREMENT VIOLATIONS:

1. **HIGH STUMPS:** The Purchaser may be charged \$25.00 for each tree stump cut higher than 12 inches on the side adjacent to the highest ground except in unusual cases when this height is not considered practical.
2. **LONG BUTTS:** The Purchaser may be required to pay \$25.00 per long butt for cutting long butts that contain useable material in excess of the minimum net scale in percentage of gross shown in Table 2.
3. **LARGE TOPS:** The Purchaser may be required to pay for cutting tops larger than the Top Diameter Inside Bark (DIB) shown in Table 2. This charge will be at the current contract rate for the net volume by species, or \$25.00 per large top, whichever is greater.
4. **UNDESIGNATED TREES:**
 - a. Undesignated or reserve trees that are cut or damaged as a result of Purchaser's operations shall be considered cut in trespass and the Purchaser may be charged three times the highest Contract stumpage rate (minimum \$10.00/ton) for the Contract product class(es) the tree contains.
 - b. If the Forest Officer determines that a suitable replacement for a reserve tree as described above is not available, Purchaser agrees to pay the State \$500.00 per tree, in addition to the rates charged in Section IV.G.4.a. UNDESIGNATED TREES.
5. **FAILURE TO REMOVE:** The State may charge the Purchaser for trees that are designated for cutting under the terms of this Contract and/or logs that meet the Manufacturing and Recovery Standards shown in Table 2 that are not removed from the sale area or presented for

measurement. This charge may be up to triple the Contract stumpage rate plus the Forest Improvement rate for the class of material contained in those trees fixed in accordance with the terms of this Contract. If the State removes such material from the sale area, the Purchaser will be required to reimburse the State for all applicable cutting, yarding, processing, loading and hauling costs.

6. **LOSS IN WEIGHT DUE TO PURCHASER DELAY:** A 15% increase in net weight of logs may be added by the State for loss in weight due to delay by the Purchaser in delivering cut logs to the manufacturing point. A delay is defined as in excess of 30 days after felling.

H. MEASUREMENT AND LOG ACCOUNTABILITY VIOLATIONS:

1. **MISSING LOAD TICKETS:** The Purchaser will be charged up to \$500.00 for each unused load ticket that the Purchaser has lost or misplaced while in his, her or its possession. An unused ticket is defined as a ticket that is not turned into the State with an associated truckload weight.
 2. **FAILURE TO ATTACH OR COMPLETE LOAD TICKET:** The Purchaser may be charged \$500.00 per load for failure to attach a load ticket to each product load prior to hauling, or for failure to complete the load ticket with all required information.
 3. **MISSING WEIGHT TICKETS:**
 - a. The Purchaser may be charged triple the Contract stumpage rate [stumpage x 3 = penalty] for each truck weight ticket not furnished to the State.
 - b. The Forest Officer will notify the Purchaser of each missing weight ticket.
 - c. The load weight will be determined by averaging weights from other loads hauled by the Purchaser to the same mill within the same billing period, or 30 tons for single loads and 38 tons for loads with a pup trailer attached.
 - d. For Other Material, as defined by this Contract, the minimum stumpage for purposes of penalty shall be \$10.00 per ton or the Contract stumpage rate multiplied by 3, whichever is higher.
 4. **IMPROPERLY LABELED PRODUCT:** The Purchaser may be charged up to \$1,500.00 per load for loads with an incorrect load ticket for the product (Sawlog or Other Material) in the load. In addition, the stumpage paid for an improperly ticketed load shall be at the highest Contract stumpage rate for products hauled pursuant to this Contract.
 5. **IMPROPERLY MARKED LOADS:** The Purchaser may be charged forty dollars (\$40.00) per load for each load not marked in accordance with Section III.E. LOAD MARKING.
- I. FAILURE TO MEET COMPLETION DATES:** The Purchaser may be charged \$100.00 for each complete calendar day the Purchaser fails to meet the deadlines shown in Table 3 and Table B1.
- J. LATE PAYMENTS:** The Purchaser may be charged \$100.00 per day beginning the 15th day after the billing date for failure to pay for forest products, pursuant to Section II.B PAYMENTS.

V. FIRE PROTECTION

- A. FIRE REGULATIONS:** The Purchaser is required to conduct all operations in accordance with the Montana Forest Fire Regulations, Attachment C, which by this reference is made a part of this Contract.

- B. FIRE PREVENTION:** During the time that this Contract remains in force, the Purchaser shall, to the greatest extent practicable, prevent forest fires on the area described in this Contract and in its vicinity, and shall require all employees, contractors and employees of contractors to do likewise.
- C. OPEN BURNING REQUIREMENTS:** The Purchaser is required to conduct any burning of slash or other debris in accordance with the Montana Department of Environmental Quality open burning restrictions. The Forest Officer must be notified prior to the start of any burning operations.
- D. FIRE SUPPRESSION:** Unless prevented by circumstances over which he, she or it has no control, the Purchaser shall place qualified employees, contractors and employees of contractors and all equipment at the disposal of any authorized State, County, or Federal Forest Officer for the purpose of fighting forest fires. Payment for such services shall be made at rates to be determined by the Forest Officer, which shall be within a range of payment rates shown in the Interagency Incident Business Management Handbook, NWCG Handbook 2. Any employees or equipment furnished by the Purchaser, contractors or employees of contractors, shall be relieved from firefighting as soon as it is practicable for the Forest Officer to obtain other adequate labor or equipment.
- E. FIRE COSTS:** The costs borne by the Protecting Agency for suppressing fires that are intentionally lit by the Purchaser or that are caused by negligence or fault in the Purchaser's operations shall be paid by the Purchaser to the Protecting Agency. The Purchaser shall also be liable for property and resource damage resulting from these fires.
- F. FIRE REPORTING:** Any wildfires, which the Purchaser detects or suppresses, must be reported as soon as possible to the responsible fire protection agency and the State.
- G. SUSPENSION OF OPERATIONS:** When fire danger reaches extreme levels that cause operations to be curtailed through Stage II, Hoot Owl requirements or other measures, the State may suspend operations until fire conditions in and/or around the sale area improve. The State will grant a contract extension to compensate for the time suspended.
- H. CONTACT INFORMATION:** The Purchaser will provide the Forest Officer with phone numbers of the Purchaser and their employees and contractors when logging operations are in progress (including nights and weekends), in order to establish contact if a wildfire occurs within the sale area or on other lands accessed by road systems associated with the sale.

VI. RESOURCE PROTECTION

- A. DAMAGE PREVENTION:** The Purchaser shall use reasonable skill and care in all operations to prevent damage to soils, trails, meadows, stream banks, stream channels, wetlands, lakeshores or other natural features of the sale area.
- B. STREAM PROTECTION:**
1. Construction and logging equipment will not be operated in Riparian Management Zones. An exception may be provided for, under this Contract, through the procurement of an Alternative Practice (with approval of the Forest Officer). Additional protection measures may be required in Section VII.G, SPECIAL OPERATING REQUIREMENTS and in Contract Attachments.
 2. The Purchaser shall notify the Forest Officer immediately if debris from logging or construction enters a stream or stream channel.
 3. Under the direction of the Forest Officer, the Purchaser shall remove any debris in a stream resulting from logging or construction operations. This work will be completed in a manner that causes the least disturbance to the streams.

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4. Logs shall not be hauled, skidded or yarded across streams unless the logs are fully suspended, or otherwise yarded as specified in this Contract. An approved Alternative Practice must be in place. The Forest Officer must approve all logging and construction plans, including changes, before implementation.
5. All operations shall be conducted in a manner to comply with Montana Water Quality Standards, the Streamside Management Zone Law, and all applicable permits.

C. CULTURAL RESOURCES: If a cultural resource is discovered, the Purchaser shall immediately suspend all operations in the vicinity of the cultural resource and notify the Forest Officer. Operations may only resume if authorized by the Forest Officer. Cultural resources identified and protected elsewhere in this Contract are exempted from this clause. Cultural resources, once discovered or identified, are not to be disturbed by the Purchaser, or his, her or its employees and/or sub-contractors.

D. DISCOVERY OF THREATENED AND ENDANGERED SPECIES:

1. If a specific habitat feature for a federally listed threatened or endangered species is encountered, the Purchaser shall suspend all operations in the vicinity of the observation or discovery and immediately notify the Forest Officer. Operations may resume only if authorized by the Forest Officer. Habitat features identified and protected elsewhere in this Contract are exempted from this clause.
2. If a federally listed threatened or endangered species is encountered, the Purchaser shall immediately notify the Forest Officer. The Purchaser may be required to suspend operations in the vicinity of the observation or discovery. If suspended, operations may resume only if authorized by the Forest Officer.

E. SANITATION: The Purchaser's operations, as described by this Contract, shall comply with all applicable State laws, rules and regulations concerning sanitation in operations. Refuse resulting from the Purchaser's activities, including the use, servicing, repair, or abandonment of equipment, shall be removed, buried or otherwise disposed of in a manner that complies with all State laws and meets the approval of the Forest Officer. The Purchaser shall not service tractors, trucks and similar pieces of equipment on lands that directly drain into or are within 100 feet of lakes, streams or recreational facilities. No logging camp will be located on the gross sale area without prior approval by the Forest Officer.

F. HAZARDOUS SUBSTANCES: In addition to the indemnification provided in Section I.W.2. INDEMNITY AND LIABILITY, with respect to Hazardous Substances, the following duties shall apply:

1. The Purchaser shall know and comply with regulations governing the storage, handling, application, disposal, and reporting of pesticides, herbicides, containers, biological waste, petroleum products, dust abatement compounds, and other hazardous substances. The Purchaser shall obtain the approval of the Forest Officer to store, handle, apply or dispose of these substances on the gross sale area.
2. The Purchaser shall not transport, handle, store, load, apply, or dispose of any hazardous substance in such a manner as to pollute water supplies or waterways, or cause damage or injury to people, land, desirable plants, and animals.
3. **Contractors will have spill prevention and containment materials on site to minimize the risk of an accidental spill of petroleum products.**
4. **The Purchaser and/or Contractor shall notify the Forest Officer immediately of Hazardous Material Spills.**

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- G. PROTECTION OF IMPROVEMENTS:** The Purchaser shall to the greatest extent practicable protect from damage all gates, signs, telephone lines, power lines, fences, irrigation ditches, cattle guards, drainage structures, road improvements, and any other improvements or infrastructure within the gross sale area and/or along haul routes. Damages caused by the Purchaser, his, her or its employees or subcontractors, and expenses associated with the repair or replacement of damaged structures and improvements are the sole responsibility of the Purchaser.
- H. PROPERTY CORNER RESTORATION:** The Purchaser is required to replace any General Land Office township, section, quarter or meander corners, monuments or witness trees on or adjacent to the timber sale area which may have been moved, disturbed or lost, as a result of the Purchaser's logging or construction operations. Any necessary replacements must be carried out by a licensed surveyor at the Purchaser's expense.
- I. PASSABLE ROADS:** The Purchaser will leave all roads and trails free from obstruction by logs, brush or debris following the completion of logging operations. Temporary or permanent obstructions may be acceptable if approved by the Forest Officer.
- J. NOXIOUS WEED MANAGEMENT:** All equipment used in road construction and off-road logging activity must be pressure-washed by the Purchaser and inspected by the Forest Officer prior to entering the sale area. This cleaning will remove all dirt, plant parts, and material that may carry noxious weed seeds into the sale area. Other equipment and vehicles entering and leaving the sale area shall be cleaned prior to start up and kept reasonably clean during the course of operations. All subsequent move-ins of logging and construction equipment shall be treated the same as the initial move-in.
- K. AQUATIC INVASIVE SPECIES MANAGEMENT:** All equipment operated in or adjacent to streams, lakes, or other bodies of water must be pressure by the purchaser and inspected by the forest officer prior to entering the sale area. This cleaning will remove all dirt, plant parts, and other material that may carry aquatic invasive species. Drafting from water sources with known aquatic invasive species is prohibited. When drafting, intake hoses must be fitted with a screen mesh equal to or smaller than 3/32 inches. If drafting from streams occurs place intake hoses in low velocity portions of the stream channel.
- L. WILDLIFE PROTECTION:**
1. The Purchaser is authorized to enter areas closed by gates, barricades or berms with motorized vehicles only for the purposes related to the performance of this Contract. Motorized vehicle entry for purposes other than contract performance, such as hunting or transporting game animals will be considered trespass and prosecuted to the fullest extent of the law (Montana Code Annotated § 45-6-203).
 2. The Purchaser is prohibited from carrying firearms while conducting contract operations [ARM 36.11.432(1)(m); 36.11.433(1)(d); 36.11.443(2)].
 3. The Purchaser will store human or pet food, livestock food, garbage, and other attractants in a bear-resistant manner.
 4. The Purchaser will not bury or discard attractants in the sale area, or burn attractants (such as food leftovers) in an open campfire.
 5. The Purchaser will provide each employee with a copy of Attachment D "Working in Bear Habitat" Brochure.
 6. The Purchaser will comply with Attachment F, the Flathead National Forest Food Storage Order #508.
 7. The Purchaser will close and lock all gates when operations are not active.

- M. PROTECTION OF SENSITIVE PLANTS:** If previously undocumented populations of sensitive plants listed on the Regional Forester's Sensitive Species List are encountered, the Purchaser shall immediately notify the Forest Officer. The Purchaser may be required to suspend operations in the vicinity of the observation or discovery. If suspended, operations may resume only if authorized by the Forest Officer.

VII. LOGGING

- A. TREES DESIGNATED FOR CUTTING:** All trees meeting the following requirements must be cut by the Purchaser.

1. **TREES IN UNITS:** Trees that meet the Minimum Log Size of Trees Designated for Cutting in Table 2 are to be cut in each unit according to the Marking specifications shown in Section VII.F. UNIT DESIGNATIONS.
2. **RIGHT-OF-WAY TREES:** All trees within road right-of-way boundaries must be cut.
3. **DAMAGED TREES:** Reserved trees, which are root-cut, damaged by felling or skidding, uprooted or broken off by the Purchaser's operations may be designated for cutting by the Forest Officer. The Forest Officer may mark additional reserve trees to replace those that have been cut or damaged.
4. **FIRE KILL, INSECT INFESTATIONS AND WIND THROWN:** The Purchaser may be required to cut and remove at current contract rates, fire-killed, high hazard, disease infected, insect-infested or wind thrown (defined as blown down or wind-damaged to the extent that the tree is expected to fall or is dying) trees that occur in any part of the gross sale area while this Contract is in effect, if the Forest Officer determines that the stumpage value per ton of the additional timber is approximately equal to the value of the timber being harvested under this Contract.

- B. TREES RESERVED FROM CUTTING:**

1. **LEAVE TREES:** Trees, both live and dead, marked to leave or otherwise described to leave are reserved from cutting. Any trees not specifically required to be cut are reserved from cutting.
2. **BOUNDARY AND BEARING TREES:** Trees marking the boundaries of ownership, logging units, equipment restriction zones, streamside management zones, riparian management zones, road rights-of-way, and bearing trees, are reserved from cutting unless otherwise designated by this Contract or by the Forest Officer.
3. **VALID CLAIMS:** Timber to which there exists a claim under valid contracts with the State of Montana is exempted from this sale.

- C. LOG MANUFACTURING AND RECOVERY STANDARDS:**

1. **SAWLOG STANDARDS:** Trees cut by the Purchaser shall be manufactured to secure the maximum utilization of forest products according to III.G.1. All logs that meet or exceed the Manufacturing and Recovery Standards in Table 2 and this section shall be skidded to landings and hauled by the Purchaser.
 - a. Logs shall be bucked to utilize the entire length of the tree to the top diameter specified under Manufacturing and Recovery Standards in Table 2.
 - b. Logs meeting utilization specifications in Table 2 shall be manufactured in such a manner as to minimize waste during bucking operations.

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- c. A tree or log larger than 5.6" top DIB is considered to be a sawlog if it contains Scribner Decimal C Net Scale $\geq 33\%$ of Gross.

2. OTHER MATERIAL:

The Purchaser **is required to cut, skid and haul Other Material** that does not meet Sawlog Manufacturing and Recovery Standards in Table 2. Such products shall be billed at the rate for Other Material shown in Table 2.

- a. All contract provisions apply to the removal of Other Material.
 - b. Other Material that has been manufactured by the Purchaser shall be decked and hauled separately from sawlogs. All decked non-sawlog material must be hauled or disposed of by the Purchaser in accordance with instructions of the Forest Officer. All hauled loads will have a truck ticket assigned and will meet the specifications in Section III, MEASUREMENT AND LOG ACCOUNTABILITY.
 - c. Butt cut logs (the first log cut above the stump) that meet LOG MANUFACTURING AND RECOVERY STANDARDS in Table 2, but do not meet TREES DESIGNATED FOR CUTTING minimum top DIB and length, may be considered as Other Material, not sawlogs.
3. **DOWN WOODY MATERIAL:** **8 to 15** tons per acre of downed woody material larger than 3 inches in diameter shall be left scattered throughout the sale units. The Forest Officer will determine the appropriate amount of material and may designate pieces to be left for this purpose that would otherwise be skidded and hauled under Sections VII.C.1 or VII.C.2, LOG MANUFACTURING AND RECOVERY STANDARDS.
4. **NUTRIENT RETENTION:** Removal from the site of fine branches and leafy material shall be minimized unless whole tree yarding is specified in VII.F Unit Designations.
5. **Snags:** The purchaser will retain all standing dead western larch, ponderosa pine, Douglas-fir, and western red cedar trees that are >10 inches dbh within each harvest unit unless superseded by Section VII.F, UNIT DESIGNATIONS. If snags and recruitment trees of this size class are not available, the next largest available size class shall be retained. If snags present human safety concerns, the purchaser may substitute snag recruits for snags upon approval of the Forest Officer. Snags cut for safety purposes shall remain in the unit, unless removal is approved in writing by the Forest Officer.

TABLE 2.					
PRODUCT	TREES DESIGNATED FOR CUTTING		LOG MANUFACTURING AND RECOVERY STANDARDS		
	The Purchaser must fell all trees marked or designated for cutting that contain a log of this minimum size.		The Purchaser must skid and haul all sawlogs that meet this minimum specification. The Purchaser must handle Other Material according to contract provision V. II. C.2		
	Top DIB	Length	Top DIB	Length	
Sawlogs	5.6"	16.5'	5.6" – 8.5" 8.6" +	10.5' 8.5"	Sawlogs meeting standards in Section VII.C.1.b through c.
Other Material	3.0"	16.5'	3.0"	16.5'	

D. TREE AND BOUNDARY MARKING:

1. TREES MARKED TO CUT: Marked with a horizontal **(Blue)** paint mark at Diameter Breast Height (DBH) and a mark below stump height.
2. TREES MARKED TO LEAVE: Marked with a horizontal **(Orange)** paint mark at Diameter Breast Height (DBH) and a mark below stump height.
3. HARVEST UNIT BOUNDARIES: Marked with three horizontal **(Yellow)** paint stripes facing into the unit and **(Blue)** flagging
4. ROAD RIGHT-OF-WAY BOUNDARIES: Marked with **(N/A)** paint spots facing toward the road centerline.
5. PROPERTY BOUNDARIES: Marked with **(Red)** blazes and **(Pink)** flagging.
6. RIPARIAN MANAGEMENT ZONE BOUNDARIES: The State has marked with three horizontal **(Yellow)** paint stripes facing into the unit and **(Blue)** flagging
7. EQUIPMENT RESTRICTION ZONE BOUNDARIES: Marked with **(N/A)** striped flagging.

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- E. HARVEST SCHEDULE:** The purchaser must cut and remove trees from the sale or portions of the sale, such as units, by the dates shown on the HARVEST COMPLETION SCHEDULE, Table 3:

TABLE 3. HARVEST COMPLETION SCHEDULE		
Priority	Unit or Portion of Sale	Completion Date
1	All units	11/30/2029

- F. UNIT DESIGNATIONS:** The following requirements are to be performed by the Purchaser in the harvest units listed below and as shown on the sale map, Attachment A. Paragraph headings refer to paragraphs listed in Section VII.G, SPECIAL OPERATING REQUIREMENTS.

HARVEST UNIT NUMBER(S)	ACRES	ESTIMATED VOLUME (Tons)
17	13.6	522
35	44.5	808
27A	1.6	88
27B	2.6	82
27C	0.7	21
YARDING METHOD: Tractor		
MARKING: Clear Cut. Trees are not marked. Cut all subalpine fir, grand fir, Engelmann spruce, and lodgepole pine. Retain all western hemlock, western white pine, Douglas-fir, western larch, and hardwoods. Some trees are marked with faded orange paint from the last sale, ignore this paint.		
OPERATING PERIOD: 4/15/2026-11/30/2026 4/15/2027-11/30/2027 4/15/2028-11/30/2028 4/15/2029-11/30/2029		
SPECIAL OPERATING REQUIREMENTS: 1.) SLASHING REQUIRED in units 27A, 27B, 27C. 2.) EXCAVATOR PILING REQUIRED in units 27A, 27B, 27C. 5.) TEMPORARY SPUR ROAD CONSTRUCTION REQUIRED in unit 35.		

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HARVEST UNIT NUMBER(S)	ACRES	ESTIMATED VOLUME (Tons)
34	53.4	1524
34B	16.2	398
19	37.5	739
26	6.4	87
YARDING METHOD: Tractor		
MARKING: Commercial Thin. Trees are not marked; Operator select leave trees based upon following description: • Retain all western hemlock, white pine, and hardwoods. • Leave the healthiest and best formed trees available at approximately a 22-foot spacing. • Leave trees should be the largest trees available that exhibit superior form and vigor and should have full, pointed crowns and crown ratios over 35%. • Species preference is 1) western larch, 2) ponderosa pine 3), Douglas-fir, 4) hardwoods • 5) western red cedar, 6) Engelmann spruce. • Hardwoods over 6" count towards spacing objectives and are a priority over western red cedar and Engelmann spruce		
OPERATING PERIOD: 4/15/2026-11/30/2026 4/15/2027-11/30/2027 4/15/2028-11/30/2028 4/15/2029-11/30/2029		
SPECIAL OPERATING REQUIREMENTS: 3.) TRAIL REHAB REQUIRED in units 34, 34B, and 19		

HARVEST UNIT NUMBER(S)	ACRES	ESTIMATED VOLUME (Tons)
44A	27.4	649
44B	40.2	2,382
44C	1.4	61
YARDING METHOD: Tractor		
MARKING: Improvement Cut. Leave Tree Marked. Retain all orange marked trees and hardwoods. Harvest all other species.		
OPERATING PERIOD: 4/15/2026-11/30/2026 4/15/2027-11/30/2027 4/15/2028-11/30/2028 4/15/2029-11/30/2029		
SPECIAL OPERATING REQUIREMENTS: 3.) TRAIL REHAB REQUIRED in units 44A and 44B. 5.) TEMPORARY SPUR ROAD CONSTRUCTION REQUIRED in units 44A and 44B.		

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HARVEST UNIT NUMBER(S)	ACRES	ESTIMATED VOLUME (Tons)
34A	4.3	123
YARDING METHOD: Tractor		
MARKING: Improvement Cut. Cut tree marked. Harvest all blue marked trees. Retain all unmarked trees.		
OPERATING PERIOD: 4/15/2026-11/30/2026 4/15/2027-11/30/2027 4/15/2028-11/30/2028 4/15/2029-11/30/2029		
SPECIAL OPERATING REQUIREMENTS: 1.) SLASHING REQUIRED. 2.) EXCAVATOR PILING REQUIRED. 4.) HARVEST UNIT LAST ON ROAD SYSTEM.		

HARVEST UNIT NUMBER(S)	ACRES	ESTIMATED VOLUME (Tons)
29	25.3	1471
15	66.3	3389
15A	10.5	536
15B	3.5	120
25	14	381
41	6.7	423
YARDING METHOD: Tractor		
MARKING: Seed Tree. Unit is partially cut tree marked. Cut all subalpine fir, grand fir, Engelmann spruce, and lodgepole pine. Cut all blue marked Douglas-fir and western larch. Retain all unmarked Douglas-fir and western larch.		
OPERATING PERIOD: 4/15/2026-11/30/2026 4/15/2027-11/30/2027 4/15/2028-11/30/2028 4/15/2029-11/30/2029		
SPECIAL OPERATING REQUIREMENTS: 1.) SLASHING REQUIRED in all units. 2.) EXCAVATOR PILING REQUIRED in all units. 3.) TRAIL REHAB REQUIRED in units 15 and 29. 5.) TEMPORARY SPUR ROAD CONSTRUCTION REQUIRED in unit 29.		

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HARVEST UNIT NUMBER(S)	ACRES	ESTIMATED VOLUME (Tons)
29A	26.2	527
24	21	423
33	53.6	2,226
33A	34	1,271
YARDING METHOD: Tractor		
MARKING: Seed Tree. Trees are not marked. Cut all Alpine fir, Grand fir, Englemann spruce, Douglas fir, and lodge pole pine. Retain all Western Hemlock, Western white pine, Western Larch, and hardwoods.		
OPERATING PERIOD: 4/15/2026-11/30/2026 4/15/2027-11/30/2027 4/15/2028-11/30/2028 4/15/2029-11/30/2029		
SPECIAL OPERATING REQUIREMENTS: 3.) TRAIL REHAB REQUIRED in units 33 and 33A. 5.) TEMPORARY SPUR ROAD CONSTRUCTION REQUIRED in unit 29A, 33, and 33A.		

G. SPECIAL OPERATING REQUIREMENTS: The following requirements are to be performed by the Purchaser in specific sale units as shown in Section VII.F, UNIT DESIGNATIONS.

1. **SLASHING REQUIRED:** In units 15, 15A, 15B, 25, 27A, 27B, 27C, 29, 34A, and 41 the following requirements and specifications apply:
 - a. The Purchaser is required to slash down all non-merchantable material taller than 4 feet except large cull trees and snags after harvest operations are complete and approved in each unit. This includes leaners and pushovers.
 - b. High quality western larch and Douglas fir may be left with approval from the forest officer.
 - c. Stems shall be cut below the lowest live limb and completely severed from the stump. Stumps shall not exceed 8" in height on the uphill side.
 - d. Slashed material must be felled directionally so that it remains totally within the harvest unit.
2. **EXCAVATOR PILING REQUIRED:** In units 15, 15A, 15B, 25, 27A, 27B, 27C, 29, 34A, and 41 the following requirements and specifications apply:
 - a. Piling will be completed with an excavator, Class EX2 (76-100 H.P.) or smaller, equipped with bucket and thumb, clamshell, double rake head or other slash piling implement head approved by the Forest Officer.
 - b. Prior to operation, the Purchaser's Supervisor and Forest Officer will visit each harvest unit and agree on piling needs and acreage to be treated.
 - c. Operations will be conducted under dry or frozen soil conditions only. The Forest Officer may temporarily suspend operations under unfavorable operating conditions.

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- d. 8 - 15 tons/acre of woody debris 3 inches or larger in diameter will be left on site.
 - e. All piles will be clean, 6 feet or greater in height, and compacted with piling equipment to a sufficient degree to allow complete burning.
 - f. No piles will be constructed within 20 feet of residual trees, or underneath any portion of the crown of a residual tree. If spacing of residual trees makes this impractical, piles will be constructed in the largest openings available.
 - g. The operator will avoid damaging residual trees and will avoid displacement of soil during piling operations.
3. **TRAIL REHAB REQUIRED:** In units 15, 19, 29, 33, 33A, 34, 34B, 44A, and 44B the purchaser is required to rehab Forest Service cross-country ski trails, and the following requirements and specifications apply:
- a. All slash must be removed from system ski trails (refer to trails map) if the purchaser skids across trails.
 - b. Trail crossings are to be limited to the minimum amount necessary.
 - c. Skidding down the length of the trail is prohibited unless approved by the forest officer.
 - d. The running surface of the trail must be smoothed out after harvest.
 - e. At the end of each operating season, trails that have been skidded across must be rehabilitated to allow for winter grooming.
4. **HARVEST LAST ON ROAD SYSTEM:** Unit 34A is to be harvested last on road 2934. This unit will serve as a dust break for the adjacent private landowner while the other units on this road are being harvested.
5. **TEMPORARY SPUR ROAD CONSTRUCTION REQUIRED:** Purchaser is required to construct temporary spur roads for access to Units 29, 29A, 33, 33A, 35, 44A and 44B as shown in Attachment A maps. The roads must be constructed and reclaimed to specifications in Attachment B.
- H. **LOGGING OPERATIONS PLAN:** The Forest Officer shall approve a plan for felling, yarding, and landing logs (both Sawlogs and Other Material) in each harvest unit prior to the start of operations in that unit.
- I. **SKID TRAIL LAYOUT AND YARDING PLAN:** The Purchaser must follow these requirements along with those shown under VII.G. SPECIAL OPERATING REQUIREMENTS when developing a yarding plan for each unit. The Forest Officer may approve exceptions to these requirements in writing.
- 1. The Purchaser shall lay out skid trails and have locations approved by the Forest Officer prior to felling trees, spacing between skid trails must be a minimum of 75'.
 - 2. All skid trails will be located within the harvest unit boundaries.
 - 3. Any constructed skid trails shall be completed and approved by the Forest Officer prior to felling timber.

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4. Skid trails will not be located in draws, and may only cross draws at locations flagged and approved by the Forest Officer.

J. LANDINGS AND LOG DECKS:

1. The Purchaser shall construct landings at locations approved by the Forest Officer prior to felling timber.
2. Landings shall be kept to the minimum size necessary to allow the safe handling of logs. Old landings should be reused and the Forest Officer must approve landing size.
3. All deck locations shall be approved by the Forest Officer prior to clearing or use. Decks shall be located so as to minimize the number of trees cut for construction of the deck area.

K. FELLING:

1. In each harvest unit, a felling pattern shall be used which conforms to the logging operations plan and causes the least damage to reserve trees and other resources.
2. Felling shall be systematic and continuous to avoid lost logs and minimize the number of skidding trips.
3. Trees shall be directionally felled away from features requiring protection within or adjacent to harvest units. Features requiring protection include streams, meadows, wet areas, and areas specified under Section VII.F. UNIT DESIGNATIONS. Wedges, jacks, winches, or other special equipment may be required to direct trees when felling. Trees falling into protection areas shall be winch-line skidded out of protected features. All necessary mitigation for damage caused by improper and/or non-approved felling into a protected zone is the responsibility of the Purchaser. The Forest Officer must approve all mitigation work.
4. Traffic Control Required For Felling along Roads: If felling operations occur along public roads, traffic guards with "STOP" signs shall be posted 500 feet in both directions from the units on open roads, providing a safety zone to warn oncoming traffic that logging operations are in progress. All traffic shall be stopped when tree felling is in progress. Traffic stops should not exceed 15 minutes at any one time. All saws will be shut off when traffic is moving through the safety zone. Wedges and/or jacks shall be used to ensure trees do not fall onto the roadway. In the event a tree falls across the roadway, all debris shall be removed immediately from the roadway and right-of-way. The Forest Officer must approve any extended road closures for logging operations.

L. YARDING AND MECHANICAL FELLING: The Purchaser must follow these requirements during logging operations, along with those shown under Section VII.G. SPECIAL OPERATING REQUIREMENTS. The Forest Officer will determine when restrictive conditions apply, and may approve exceptions to these requirements in writing.

1. Soil Compaction Restrictions: In order to prevent soil resource impacts, ground-based mechanical felling and yarding are restricted to periods when one or more of the following conditions occur:
 - a. Soil moisture content at 4-inch depth less than 20% oven-dry weight.
 - b. Minimum frost depth of 4 inches.
 - c. Minimum snow depth of 18 inches, loose, or 12 inches, packed.
2. Suspended Operations for Soil Compaction and Displacement: The Purchaser will be required to restrict or suspend logging operations when soils are subject to compaction or displacement by heavy equipment.

3. Equipment Restrictions:

- a. Equipment shall not be operated in areas designated as EQUIPMENT RESTRICTION ZONES, WETLAND MANAGEMENT ZONES or RIPARIAN MANAGEMENT ZONES as shown in Section VII.D.6 and 7, unless authorized by this Contract or the Forest Officer.
- b. Equipment shall not be operated in soft soils, boggy areas or areas where skidding would cause excessive compaction and displacement.
- c. Any trees designated for harvest within such zones shall be winchline skidded to skid trails outside the zone.
- d. Slash will not be piled in or pushed into these zones.
- e. The Forest Officer must approve any designated crossings of restricted areas.

4. Protection of Reserved Trees: The Purchaser shall exercise reasonable care to prevent damage to trees reserved from cutting during logging operations.

M. CLEAN-UP AND COMPLETION: The Purchaser must follow these requirements and those shown under Section VII.G. SPECIAL OPERATING REQUIREMENTS during logging operations. The Forest Officer will determine when restrictive conditions apply, specifications and dates to meet these requirements and may approve exceptions in writing. The Forest Officer must approve all designated work prior to the removal of Purchaser's equipment.

1. Slashing: The Purchaser shall fell all submerchantable trees with logging-related root or stem damage, causing lean. The stem shall be completely severed from the stump below the lowest live limb. Maximum stump height shall be 12 inches on the uphill side.
2. Logging Debris Confined To Units: All debris from logging shall be confined within the harvest unit boundaries. Any logging debris outside a harvest unit must be returned to within the unit boundary.
2. Skidding Debris on Roads: The Purchaser shall remove logging slash remaining on any portion of a road cutbank or traveled way. Cut and fill slopes, ditches, or road surfaces damaged by skidding operations shall be restored to original conditions. Reseeding is required if vegetation is damaged by skidding.
3. Repair of Improvements: Damage caused by the Purchaser's operations to culverts, waterlines, fences, roads, bridges, gates, cattleguards, signs, and all other improvements must be adequately repaired or replaced.
4. Erosion Control:
 - a. The Purchaser shall construct slash and debris erosion barriers, dips, water bars or ditches in skid trails and landings as directed by the Forest Officer.
 - b. The kinds and frequency of erosion control structures shall be adjusted to soil types, topography and climatic conditions as directed by the Forest Officer.
 - c. The Purchaser is required to recontour any excavated skid trails, and provide for effective erosion control in the trail location as directed by the Forest Officer.
 - d. Erosion control work shall commence as soon as skidding is completed on each skid trail or landing, and must be kept current with unit operations.

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- e. Erosion control work shall be completed and approved by the Forest Officer in unfinished units before operations cease for inactive periods including heavy winter snowfall, spring breakup and restricted dates.
 - f. All erosion control work in each unit shall be completed prior to notification pursuant to Section VII.M.7. Acceptance of Completed Harvest Units.
 - g. The Purchaser shall maintain erosion control structures in active sale areas throughout the contract period or extensions thereof.
5. Landing and Decking Area Cleanup: The Purchaser is required to pile logging residues on landings and log-decking areas. Proper equipment (e.g. brush blade, log loader) shall be used to ensure that no dirt is incorporated into the piles. Mechanical scarification of landing and decking areas may be required. Where logs have been decked on the downhill or fill side of a road, the Purchaser may be required to pile residue with a log loader or by hand. Residue piles shall be a minimum of 15 feet away from any live trees. Piles shall be located and constructed as directed by the Forest Officer.
6. Systematic Harvest Unit Operations: When harvest operations are begun on a designated harvest unit, the harvest operations on that unit shall be fully completed before cutting may begin on other harvest units.
7. Acceptance of Completed Harvest Units: The Forest Officer shall notify the Purchaser in writing when all contract requirements for each specified harvest unit or area have been met. After notice has been received, the Purchaser is not required to do additional work on the specified area except as provided in Section VII.A.4. FIRE KILL, INSECT INFESTATION, AND WIND THROWN.
8. **RESEEDING**: The purchaser shall apply seed to skid trails, landings, obliterated roads and other areas disturbed by logging as directed by Forest Officer. Appropriate seed mix specified per ATTACHMENT B, Table B-2 and Grass Seeding Specifications.
- N. **HAULING RESTRICTIONS**: The Purchaser will be required to restrict or suspend hauling during periods when the compacted road surface would be damaged, as directed by the Forest Officer. Restrictions are required when hauling would cause rutting into the subgrade, or surfacing materials would be displaced, such as during heavy rainfall or spring breakup freezing and thawing cycles
- O. **LOGGING OPERATIONS SAFETY SIGNS**: Road signs warning of logging and road construction operations shall be posted 500 feet from the operations. When log hauling is in progress, warning signs shall be posted at major road junctions as directed by the Forest Officer. Warning signs must comply with specifications in the Manual on Uniform Traffic Control Devices.