

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SALEM DISTRICT
CONTRACT FOR THE SALE OF TIMBER
LUMP SUM SALE

No. OR080-TS07-503

ANNIE'S CABIN TIMBER SALE

ADV: O&C

THIS CONTRACT is made and entered into the SEP 25 2007 day of SEP 25 2007, 20, under the authority of the Act of August 28, 1937, (50 Stat. 874), as amended, (43 U.S.C. 1181a-f), relating to the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands, or under the Act of July 31, 1947, (61 Stat. 681), as amended, (30 U.S.C. Secs. 601-604), relating to other lands under the jurisdiction of the Bureau of Land Management, and the regulations as set forth in 43 CFR Group 5400, between the UNITED STATES OF AMERICA, hereinafter called the Government, acting through the Bureau of Land Management, and

FRERES LUMBER COMPANY, INC. of PO BOX 276; LYONS, OR 97358

hereinafter called the Purchaser,
WITNESSETH, That the parties hereto do mutually agree as follows:

Sec. 1. Timber Sold. The Government hereby sells to the Purchaser and the Purchaser hereby buys from the Government, under the terms and conditions of this contract, all timber, except that reserved to the Government under Sec. 40 of this contract, within the area designated by the Government, comprising contract area* and situated in the County of CLACKAMAS, State of Oregon, and described as follows:

TOWNSHIP	RANGE	SECTION	SUBDIVISION(S)
6 S	3 E	7	Lots 1, 3, 4, W 1/2 NE 1/4, SE 1/4 NW 1/4, E 1/2 SW 1/4, SE 1/4
		18	W 1/2 NE 1/4, W 1/2 SE 1/4, SE 1/4 SE 1/4
		19	E 1/2 SW 1/4, W 1/2 SE 1/4
		30	Lots, 1, 3, 4, W 1/2 NE 1/4, E 1/2 NW 1/4, E 1/2 SW 1/4, W 1/2 SE 1/4
		31	Lots 1, 2, 3, 4, W 1/2 NE 1/4, E 1/2 NW 1/4, E 1/2 SW 1/4
7 S	3E	6	Lots 5, 8, 9
		5	Lots, 1, 2, 3, 5, 11, 12, S 1/2 NE 1/4, SE 1/4 NW 1/4

Sec. 2. Total Purchase Price - Purchaser agrees to pay Government, as the total purchase price for the timber sold hereunder, the sum of **ONE MILLION NINE HUNDRED TWENTY-EIGHT THOUSAND ONE HUNDRED SEVENTY-SEVEN AND 10/100 dollars (\$1,928,177.10)**; *Provided, however,* that such total purchase price may be adjusted in accordance with Secs. 6, 7, 8, 9, 19, 20, or 41 of this contract.

Sec. 3. Payment

(a) Payment under this contract shall be made as set forth in this section. No timber may be cut or removed until the required payments have been made. Purchaser shall continue to make such payments until the total purchase price has been paid. The total purchase price shall be paid no later than the expiration of time for cutting and removal as set forth in Sec. 4.

(b) Unless total purchase price is paid on or before the date this contract is signed by the Contracting Officer, payments shall be made in installments of not less than **FIFTY THOUSAND AND 00/100 dollars (\$50,000.00)** as follows: (1) The first installment shall be paid on or before the date this contract is signed by the Contracting Officer, one half of this first installment may be applied as payment on the total purchase price when (i) no less than 60 percent of the total purchase price has been paid or (ii) road construction required under the contract has been completed the value of which when combined with contract payments is equal to no less than 60 percent of the total purchase price, and one half of this first installment shall be held to satisfy the final payment due under this contract; (2) except as provided by subsections (c) and (d) of this section, a second installment shall be paid prior to cutting or removal of any timber sold under this contract. Each subsequent installment shall be due and payable without notice when the value of the timber cut or removed equals the sum of all payments not including the first installment or

one-half of the first installment after one-half of the first installment has been released as provided in § (b) (1) of this section; (3) Provided, however, that in the case of all contracts with a 19-month or longer term, the Purchaser shall be required by the first anniversary date to either (i) pay no less than 20 percent of the total purchase price or (ii) complete road construction required under the contract the value of which when combined with contract payments is equal to no less than 20 percent of the total purchase price; (4) provided further, that in the case of contracts with a 27-month or longer term, the Purchaser shall also be required by the second anniversary date to either (i) pay no less than 40 percent of the total purchase price or (ii) complete road construction required under the contract the value of which when combined with contract payments is equal to no less than 40 percent of the total purchase price.

(c) If Purchaser increases its performance bond as permitted by Sec. 38(b), cutting of timber of a value not in excess of the increase in value of such bond may be permitted prior to the payment of the second installment or subsequent installments; *Provided, however,* that no timber may be skidded or yarded to a loading point or removed from the contract area prior to payment of any installment which, but for provisions of this subsection, would otherwise be due under the provisions of Sec. 3(b).

(d) If Purchaser provides a payment bond, as permitted by Sec. 38(d), cutting and/or removal of timber of a value not in excess of the penal sum of such bond may be permitted prior to the payment of the second installment or subsequent installments. Unless a shorter period is agreed to by Purchaser and Government, Government shall bill Purchaser monthly for timber skidded or yarded to a loading point or removed from the contract area. Such billing shall include any amount due for related road maintenance fees. Purchaser shall make payment within fifteen (15) days of the billing date shown on the billing form.

Mod. 3
EXPIRES 04/07/2013
REMOVAL 07/10/2013
EXPIRES 05/07/2012
REMOVAL 06/07/2012

*General location of contract area is shown on map marked Exhibit A which is attached hereto and made a part hereof.

(e) For the purpose of determining (1) when payments are due or (2) the value of timber subject to any special bonding provisions, Government shall calculate the value of timber in accordance with the provisions of Exhibit B, which is attached hereto and made a part hereof.

(f) If the time specified for cutting and removal expires or the contract is cancelled, credit against the purchase price will be determined pursuant to Sec. 11. The Government will then bill the Purchaser for the amount due, payable within fifteen (15) days of the demand for damages.

(g) Purchaser shall make all payments at a depository as designated by the Contracting Officer in cash, by money order, bank draft, check or electronic transfer made payable to the Department of the Interior - BLM.

(h) For any payments or other charge not paid when due, interest shall accrue on the amount due at the interest rate published quarterly by the Department of the Treasury in TFRM 6-8020-20, beginning fifteen (15) calendar days after the billing date shown on the billing form. If payment has not been received within ninety (90) days from the date the payment was due from the Purchaser, administrative handling charges, administrative penalties and penalty interest shall be assessed in accordance with the Debt Collection Act of 1982 (96 Stat, 1749) or any amendment thereof.

Sec. 4. Time for Cutting and Removal - Except as otherwise provided in this contract, Purchaser may begin cutting and removing timber sold under this contract on the date this contract is signed by the Contracting Officer. Purchaser's right to cut and remove such timber shall expire **THIRTY-SIX (36) months**, after such date; *Provided, however*, extensions of time may be granted as provided in Sec. 9.

Sec. 5. Definition

(a) *Contracting Officer* - The Bureau of Land Management official who would have authority to execute this contract and delegate authority to take action in connection with this contract.

(b) *Authorized Officer* - Any employee of the Bureau of Land Management to whom has been delegated authority to take action in connection with this contract.

(c) *Timber* - standing trees, downed trees, logs, or portions thereof, which are capable of being measured in board feet.

(d) *Loading point* - any landing or other area in which logs are capable of being loaded for transportation out of the contract area; *Provided, however*, that right-of-way timber which has been cut shall not be considered to be at a loading point until such time as logs from the right-of-way are actually transported from that portion of the right-of-way.

Sec. 6. Inspection of Timber and Disclaimer of Warranty

(a) Purchaser warrants that this contract is accepted and executed on the basis of its examination and inspection of the timber sold under this contract and its opinion of the value thereof.

(b) Government expressly disclaims any warranty of fitness of the timber for any purpose; all timber sold hereunder is accepted *As Is* without any warranty of merchantability by Government. Any warranty as to the quantity or quality of the timber sold hereunder is expressly disclaimed by Government. Refund to or recovery by Purchaser for failure of title to any timber sold hereunder shall not exceed the value of such timber computed at prices per unit for species involved as set forth in Exhibit B.

Sec. 7. Passage of Title and Risk of Loss - Title to timber sold under this contract shall remain in Government and shall not pass to Purchaser until such timber has been paid for and removed from the contract area. Unless cut timber is sold under this contract risk of loss shall be borne by Purchaser after the timber is cut; *Provided, however*, that if loss results from a fire which was not caused by Purchaser, his contractors, subcontractors, or the employees of any of them, the risk of loss shall be borne by the party holding title. If cut timber is sold under this contract, risk of loss shall be borne by the party holding title. Risk of loss to Government shall not exceed the value of such timber computed at the prices per unit for the species involved as set forth in *Exhibit B*. Nothing herein shall be construed to relieve either party from liability for any breach of contract or any wrongful or negligent act. As used in this section, the term *cut timber* refers only to timber which has been felled, bucked, or otherwise severed by direct human activity prior to the date this contract was entered into.

Sec. 8. Sales of Additional Timber - If the Authorized Officer and Purchaser agree that additional timber should be removed and the Authorized Officer determines that the sale will not be detrimental to the interests of Government and is within the provisions of 43 CFR 5402.0-6, the Authorized Officer shall grant written permission to Purchaser to cut and remove such timber. If permission is granted, Purchaser shall pay for such timber at a price determined by the Authorized Officer

in accordance with the Bureau of Land Management prescribed procedures. The value of such timber shall be added to the total purchase price in Sec. 2. Payment for such timber shall be made in accordance with Sec. 3(b) or 3(d), except that, if all contract payments required by Sec. 3(b) or 3(d) have been made, payment for such timber shall be made in advance as a condition of granting such permission.

Sec. 9. Extension of Time and Reappraisal - If Purchaser shows that delay in cutting and removal was due to causes beyond his control and without his fault or negligence, the Contracting Officer may grant, an extension of time, not to exceed one year, upon written request of Purchaser. Such written request shall be filed with the Authorized Officer prior to the expiration of the time for cutting and removal expressed in Sec. 4. If an extension of time is granted, as provided in this section, except as provided by 43 CFR 5473.4, timber remaining on the contract area shall be reappraised by the Authorized Officer, using Bureau of Land Management prescribed procedures, and the total purchase price adjusted accordingly; *Provided, however*, no adjustment shall be made by reason of timber being enhanced in value by Purchaser, nor shall the reappraised total purchase price be less than the total purchase price in effect during the original time for cutting and removal or the last extension. The Contracting Officer may require that the reappraised total purchase price shall be paid in advance as a condition of granting an extension. Market fluctuations shall not be cause for consideration of contract extensions.

Sec. 10. Violations, Suspension, and Cancellation

(a) If Purchaser violates any provision of this contract, the Contracting Officer may, by written notice, suspend any further operations of Purchaser under this contract, except such operations as may be necessary to remedy the violation. If Purchaser fails to remedy the violation within thirty (30) days after receipt of a suspension notice, the Contracting Officer may, by written notice, cancel the rights of the Purchaser under this contract and take appropriate action to recover all damages suffered by Government by reason of such violation, including application, toward payment of such damages of any advance payments and any performance bonds or, where applicable, any payment bonds; *Provided, however*, that if the violation involves nonpayment of amounts due for timber cut and/or removed under a payment bond of a corporate surety, the Contracting Officer must, in addition to the above requirements, allow sixty (60) days after making demand upon surety for any payment due before cancelling the rights of Purchaser.

(b) If Purchaser cuts or removes any timber sold under this contract during any period of suspension, such cutting or removal shall be considered a willful trespass and render Purchaser liable for damages under applicable law. For purposes of determining damages under this section, the value of the trespass timber shall be based upon the fair market value of the particular timber cut or removed at the time of trespass. Any payment made for purchase price of timber cut or removed in trespass shall be deducted to the extent of single damages or the value of timber under this contract, whichever is lesser, from amount due because of trespass.

(c) If Purchaser's operations are suspended because of Purchaser's failure to make an installment payment when due, the Contracting Officer may require Purchaser to *pay the entire remaining balance* of the purchase price or any portion thereof as a condition of terminating the suspension.

(d) In the event timber is entirely removed or the time for cutting and removal has passed the required suspension notice will not be issued.

(e) If Purchaser, his contractors, subcontractors, or the employees of any of them, cuts, injures, or removes any Government timber reserved under this contract, they shall fully cooperate, upon request of the Authorized Officer, in the investigation of such acts. If in the opinion of the Contracting Officer, full cooperation is not received or will not be forthcoming, he may suspend that portion of Purchaser's operations necessary to preserve evidence pending investigation or permit safe investigation of such acts.

Sec. 11. Credit Against Purchase Price - If the time specified for cutting and removal of timber has expired or the rights of Purchaser have been cancelled, Purchaser shall be entitled to a credit against any amount which is due and owing Government for timber remaining on the contract area. The Contracting Officer shall determine the credit value of the remaining timber as soon as possible after the date of expiration or cancellation. Credit value of the remaining timber shall be total market value as established by the Contracting Officer by reappraisal or resale, or total value based upon contract unit prices, whichever is less. There shall be deducted from credit value such amounts as the Contracting Officer determines adequate to cover costs, to Government resulting from Purchaser's failure to perform, including but not limited to costs of appraising and administering any resale of timber.

Sec. 12. Hold Harmless and Responsibility for Damages to the Government - Purchaser agrees to hold the Government harmless from any claim for damage or loss of property, personal injury, or death and to be liable for any damage suffered, cost, or expense incurred by the Government which claim, damage, cost or expense arise out of any operations under this contract and result from any breach of contract or wrongful or negligent act or omission of Purchaser, its contractors, subcontractors or employees of any of them. Purchaser shall pay Government for such damages after written demand therefor by the Contracting Officer.

Sec. 13. Timber Trespass - If in connection with operations hereunder Purchaser, his contractors, subcontractors, or the employees of any of them, cuts, injures, or removes any Government timber, other than timber sold under this contract, Purchaser shall be liable for damages under applicable law. Purchaser shall pay Government for such damages after written demand therefor by the Contracting Officer.

Sec. 14. Protection of Roads, Utilities and Improvements - Existing telephone, telegraph and transmission lines, fences, ditches, roads, trails, and other improvements shall be protected as far as practicable in all phases of Purchaser's construction or logging operations. All such roads and ditches shall be kept free of logs, slash, and debris. Damage to roads, utilities and improvements shall be promptly paid for or repaired to a condition which, in the opinion of the Authorized Officer, is at least as good as the condition just prior to such damage.

Sec. 15. Fire Prevention and Slash Disposal - Purchaser shall take such measures for prevention and suppression of fire on the contract area and other adjacent Government lands used or traversed by Purchaser in connection with operations as are required by applicable laws and regulations. However, when in the opinion of the Authorized Officer, weather and other conditions affecting fire incidence and control make special precautions necessary to protect the contract area and said Government lands, Purchaser shall take such additional or other fire prevention and control measures as may be required by the Authorized Officer. Disposal of slash shall be done in accordance with a plan approved by the Authorized Officer or as provided in Section 41.

Sec. 16. Construction, Use and Maintenance of Roads and Facilities

(a) Subject to the written approval of and regulation by the Contracting Officer, Purchaser may: (1) construct and use any new roads and facilities not otherwise provided for in this contract, and (2) use any existing roads and facilities not otherwise provided for in this contract.

(b) Except as provided in Sec. 12, Purchaser shall perform or pay for repair and maintenance of any road or facility used under the terms of this contract in accordance with the requirements of Sec. 41; *Provided, however*, that Purchaser shall not be responsible for maintenance or repair of wear or damage caused by third parties, or maintenance or repair which exceeds the standards of required maintenance shown in Sec. 41; and *Provided, further*, that Purchaser's responsibility under this provision shall not commence prior to the date on which he first begins operations and shall cease upon completion and written acceptance of all contract requirements other than slash disposal, except for maintenance and repair of damages resulting from Purchaser's slash disposal activities.

Sec. 17. Limitations of Road Use

(a) Purchaser's right under this contract to use existing Government roads described herein, or roads to be constructed, is limited to removal of timber sold under this contract; *Provided, however*, that this provision shall not limit any right to use Government roads or rights-of-way which have been granted to Purchaser pursuant to 43 CFR Group 2800.

(b) For the purpose of protecting roads described herein, Purchaser shall immediately discontinue use of said roads upon receipt of written notice that the Authorized Officer has determined that continued use will cause excessive damage to said roads.

Sec. 18. Acceptance of Road Construction

(a) Whenever Purchaser shall deliver to the Authorized Officer a written statement that the road construction is complete, pursuant to the contract terms, the Authorized Officer shall promptly inspect such road. If the contract road construction requirements have been completed to the satisfaction of the Contracting Officer, Purchaser will be given written notice of acceptance, and, except as provided in Sec. 12, be released from further liability or duty for construction or reconstruction of such road.

(b) Notwithstanding acceptance of any road under this section, Purchaser shall remain liable for maintenance and repair of any such road in accordance with the provisions of Sec. 16.

Sec. 19. Cost Adjustment for Physical Changes - If, prior to acceptance of a road under Sec. 18, a major physical change, caused by a single event, and not due to negligence of Purchaser, his contractors, subcontractors, or the employees of any of them, results in additional work by Purchaser involving an additional estimated cost of more than (1) \$1,000 for sales under one million board feet; (2) \$1.00 per thousand board feet for sale of one to three million board feet; or (3) \$3,000 for sales over three million board feet, Government shall become responsible for any estimated cost which exceeds the above amounts. Government may elect to meet its share by reducing the purchase price or by payment of such cost to Purchaser or by performing its share of the necessary work. The estimated cost of additional work

shall be calculated by the Authorized Officer using Bureau of Land Management prescribed appraisal procedures. Such cost shall include the cumulative estimated costs of repairing damage from slides, washouts, landslips, fire, etc, caused by said event. If necessary, plans and specifications shall be revised to meet the new conditions. Purchaser must obtain advance approval from the Contracting Officer for such additional work in order for Purchaser to be eligible for cost adjustment under this section.

Sec. 20. Design Change - If the Purchaser requests and the Contracting Officer agrees to a design change of a substantial nature to any road, road structure or bridge required to be constructed or improved under the terms of this contract or, in the absence of such a request, the Contracting Officer determines that a design change of a substantial nature is needed, the total purchase price shall be revised to reflect the estimated increase or decrease in cost from such design change. A design change of a substantial nature is one that would result in a cost adjustment of \$1,000 or more.

Sec. 21. Rights and Obligations After Time for Removal of Personal Property or Cancellation of the Rights of the Purchaser - If any of Purchaser's obligations remain unperformed after expiration of the time for removal of personal property, as set forth in Sec. 39, or if the rights of Purchaser under this contract have been cancelled by Government, all provisions of this contract for the benefit and protection of Government or third parties shall remain in effect until this contract is terminated in its entirety by Government.

Sec. 22. Protection of Survey Monuments, Witness Corners, Reference Monuments, and Bearing Trees - Purchaser shall protect all survey monuments, witness corners, reference monuments, and bearing trees against destruction, obliteration, or damage during operations on the contract area. If any monuments, corners, or accessories are destroyed, obliterated, or damaged by such operations, Purchaser shall hire an appropriate county surveyor or registered land surveyor to reestablish or restore the monuments, corners, or accessories, at the same location, using surveying procedures in accordance with the Manual of Instructions for the Survey of the Public Lands of the United States, and shall record such survey in appropriate county records. The Authorized Officer may prescribe in writing additional requirements for protection of monuments, corners, and bearing trees.

Sec. 23. Purchaser's Representative - At all times when operations are in progress under this contract, Purchaser shall have a representative readily available on the contract area who shall be authorized to receive, in behalf of Purchaser, any notices or instructions from the Authorized Officer in regard to performance under this contract. Purchaser shall take such action as required by the terms of this contract.

Sec. 24. Simultaneous Use of Contract Area by Others - The simultaneous use of the contract area by others may be authorized by the BLM through issuance of permits, leases, or contracts, provided that the Authorized Officer first determines that such use of the contract area will not seriously interfere with the operations of the Purchaser.

Sec. 25. Watershed Protection: Water Quality, Erosion Control, and Soil Damage

(a) Purchaser shall comply with all applicable State and Federal laws and regulations pertaining to water quality in connection with any operations under this contract.

(b) Purchaser shall take every reasonable precaution not to pollute or obstruct any stream, lake, or reservoir on or near the contract area in connection with any operations under this contract. If Purchaser's operations cause pollution or obstruction of any stream, lake, or reservoir on or near the contract area, Purchaser shall correct the condition to the satisfaction of the Authorized Officer.

(c) Purchaser shall undertake every *reasonable* measure to minimize erosion and soil damage in connection with any operations under this contract, including but not limited to construction of water bars on yarding and spur roads as designated by the Authorized Officer. Purchaser shall immediately discontinue any construction or timber harvesting operations under this contract, upon receipt of written notice from the Authorized Officer that due to weather or soil moisture conditions, such operations will cause excessive damage to the soil. The Authorized Officer shall notify Purchaser, in writing, when such operations may be resumed.

Sec. 26. Refuse Control and Disposition of Waste Materials

(a) Purchaser shall, to the satisfaction of the Authorized Officer, remove, or otherwise dispose of all garbage, temporary buildings, trash, litter, discarded equipment or parts, waste materials or other refuse resulting from Purchaser's operations. Areas for disposal of waste material shall be subject to approval of the Authorized Officer.

(b) Waste materials, such as garbage, trash, oil, grease, chemicals and similar substances shall be disposed of in a manner that will prevent their entry by drainage, high water, or other means into any river, watercourse, lake, or reservoir in or near Purchaser's operations. Water used to wash down equipment used for petroleum products, industrial chemicals, cement or other toxic materials shall be disposed of in a manner that will prevent their entry into any watercourse or waterway.

Sec. 27. Storage and Handling of Hazardous Materials - All petroleum products, industrial chemicals and similar toxic or volatile materials stored by Purchaser on or near the contract area, in connection with operations under this contract, shall be stored in durable containers and shall be stored in areas, as determined by the Authorized Officer, which are either located so that any accidental spillage will not drain into any watercourses, lakes, or reservoirs or, when such areas are not available, shall be stored in an area surrounded by impermeable containment dikes of sufficient capacity to contain the aggregate capacity of all tanks. In addition, Purchaser shall comply with all applicable State and Federal laws and regulations concerning the storage, handling, use and disposal of industrial chemicals, pesticides, herbicides, and other hazardous substances.

Sec. 28. Safety and Health - Purchaser shall conduct all operations in connection with this contract in compliance with the applicable provisions of Federal, State, and local safety, health and sanitation laws, codes, and regulations and shall make it possible for the Authorized Officer to inspect such operations.

Sec. 29. Equal Opportunity - The Purchaser will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

Sec. 30. Records and Reports - Upon request of the Authorized Officer, Purchaser shall furnish the following records and reports: (1) volume or quantity of timber cut and removed from the contract area; (2) road costs including road use fees paid in connection with removing timber from the contract area; and (3) prices received for lumber or other wood products.

Sec. 31. Unsatisfactory Bond - Whenever any performance or payment bond furnished under this contract becomes unsatisfactory to the Contracting Officer, he may require a new bond which is satisfactory to him.

Sec. 32. Assignments

(a) Purchaser may not assign this contract or any interest therein without written approval of the Contracting Officer. An assignment shall contain all the terms and conditions agreed upon by the parties thereto.

(b) The Contracting Officer will not approve any assignment involving contract performance unless assignee: (1) is authorized to transact business in the State indicated in Sec. 1; (2) submits such information as is necessary to assure the Contracting Officer of his ability to fulfill the contract; and (3) furnishes a performance bond as required by Sec. 38 or obtains a commitment from the previous surety to be bound by the assignment when approved.

Sec. 33. Contingent Fees - Purchaser warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee excepting bona fide employees or bona fide established commercial agencies maintained by Purchaser for the purpose of securing business. For breach or violation of this warranty, Government shall have the right to cancel this contract without liability or, in its discretion, to require Purchaser to pay, in addition to the contract price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

Sec. 34. Successors in Interest - Every obligation hereunder shall extend to and be binding upon the successors in interest of the parties hereto and every benefit hereunder shall inure to such successors.

Sec. 35. Exercise of Rights or Duties of the Authorized Officer - The rights or duties of the Authorized Officer may be exercised by the Contracting Officer or his designated representative.

Sec. 36. Officials Not to Benefit - No Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, or either before, or after he has qualified and during his continuance in office, and no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR (20.735-24) shall be admitted to any share or part in this contract or derive any benefit that may arise therefrom; and the provisions of Section 3741 of the Revised Statutes of the United States, as amended (41 U.S.C. Sec. 22), and Sections 431, 432, and 433, Title 18 U.S.C., relating to contracts, enter into and form a part of this contract so far as the same may be applicable.

Sec. 37. Disputes

(a) This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601, et seq.). If a dispute arises relating to the contract, the Purchaser may submit a claim to the Contracting Officer who shall issue a written decision on the dispute in the manner specified in DAR 1-314 (FPR 1-1.38).

(b) "Claim" means:

- (1) A written request submitted to the Contracting Officer;
- (2) For payment of money, adjustment of contract terms, or other relief;

(3) Which is in dispute or remains unresolved after a reasonable time for its review and disposition by the Government; and

(4) For which a Contracting Officer's decision is demanded.

(c) In the case of disputed requests or amendments to such requests for payment exceeding \$50,000, or with any amendment causing the total request in dispute to exceed \$50,000, the Purchaser shall certify, at the time of submission as a claim, as follows:

I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief; and that the amount requested accurately reflects the contract adjustment for which the Purchaser believes the Government is liable.

(Purchaser's Name)

(Title)

(d) The Government shall pay the Purchaser interest:

(1) On the amount found due on claims submitted under this clause:

(2) At the rates fixed by the Secretary of the Treasury, under the Renegotiation Act, Public Law 92-41;

(3) From the date the Contracting Officer receives the claim, until the Government makes payment.

(e) The decision of the Contracting Officer shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency unless an appeal or action is timely commenced within the times specified by the Contract Disputes Act of 1978.

(f) Except as the parties may otherwise agree, pending final resolution of a claim of the contractor arising under the contract the contractor shall proceed diligently with the performance of the contract in accordance with the Contracting Officer's decision.

Sec. 38. Bond

(a) A performance bond shall be filed by Purchaser on or before the date this contract is signed by the Contracting Officer in the amount of **THREE HUNDRED EIGHTY-FIVE THOUSAND SEVEN HUNDRED and 00/100 dollars (\$385,700.00)**.

(b) If Purchaser elects to cut timber before payment of the second installment or subsequent installments, Purchaser shall increase the amount of the required performance bond by an amount equal to the second installment and one or more additional installments as set forth in Sec. 3(b). The adjusted bond must be approved, in writing, by the Contracting Officer prior to cutting any timber under the adjusted bond. The increased amount of bond shall be used to assure payment for such timber. Timber cut pursuant to this subsection may be paid for in installments. Upon payment, the increased amount of bond may be applied to other timber sold under this contract to permit its cutting in advance of payment.

(c) As contract provisions are completed to the satisfaction of the Contracting Officer, he may, in his discretion, reduce the amount of the performance bond required; *Provided, however*, the performance bond may not be reduced below the amount of **THREE HUNDRED EIGHTY-FIVE THOUSAND SEVEN HUNDRED and 00/100 dollars (\$385,700.00)** until provision under Section 3(b)(1)(i) or 3(b)(1)(ii) have been completed. Further, the performance bond may not be reduced below the amount of **ONE HUNDRED NINETY-TWO THOUSAND NINE HUNDRED and 00/100 dollars (\$192,900.00)** until the total purchase price has been paid. The performance bond shall be forfeited to the amount of damages, determined by the Contracting Officer if all contract provisions are not faithfully and fully performed by Purchaser. If the amount of damages exceeds the amount of the bond, Purchaser hereby agrees to pay the excess. Upon satisfactory performance of all provisions of this contract, the bond shall be cancelled or, if cash or negotiable securities are furnished in lieu of a performance bond, such cash or negotiable securities shall be returned to Purchaser. In event of litigation, any determination by the Contracting Officer as to the amount of damages will be subject to review by a court of competent jurisdiction.

(d) If Purchaser elects to: (1) cut and remove timber; (2) remove timber already cut which has been secured by an increased performance bond as provided in Sec. 38(b), before payment of the second installment or subsequent installments, Purchaser shall obtain a payment bond in an amount equal to the second installment and one or more additional installments as determined by the Authorized Officer. The payment bond must be approved, in writing, by the Contracting Officer prior to cutting or removing any timber under the bond. The amount of the bond shall be used to assure payment for such timber, *Provided, however*, that such bond shall be considered as payment under Sec. 7, for the purpose of passing title and risk of loss to timber sold. Timber cut pursuant to this subsection shall be paid for as provided in Sec. 3(d). Upon payment, the amount of the bond may be applied to other timber to permit its cutting and/or removal in advance of payment. If a bond of a corporate surety is used, it shall provide that if Purchaser fails to make payment as required by Sec. 3(d), the surety will make such payment including interest as specified in Sec. 3(h), to Government within sixty (60) days after demand by Government.

Sec. 39. Time for Removal of Personal Property - Purchaser shall have the right within one (1) month after expiration of time for cutting and removal to remove his equipment, improvements, or other personal property from Government lands or rights-of-way; Provided, however, that any improvements such as road surfacing, culverts and bridges which have become a permanent part of a Government road, shall not be removed. The Authorized Officer may, in his discretion, grant an

extension of time, not to exceed three (3) months for removal of personal property, Any improvements remaining on Government lands and rights-of-way at the end of the period for removal, or any extension, shall become the property of Government, Any equipment or other personal property remaining on Government land and rights-of-way at the end of this period may be removed at the expense of Purchaser and disposed of in accordance with applicable law.

Sec. 40. Timber Reserved from Cutting - The following timber on this contract area is hereby reserved from cutting and removal under the terms of this contract and is retained as the property of Government.

As outlined in reserved stipulations attached hereto and made a part hereof.

Sec. 41. Special Provisions - Purchaser shall comply with the special provisions which are attached hereto and made part hereof unless otherwise authorized, in writing, by the Contracting Officer.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day first above written.

If Individual or Partnership, sign here:

If Corporation, sign here:

(Name of Firm)

FRERES LUMBER CO., INC.

(Name of Corporation)

(Name)

Robert Freres, Jr.

(Name)

ROBERT FRERES, JR.

(Address)

EXECUTIVE VICE PRESIDENT

(Title)

(Name)

UNITED STATES OF AMERICA

(Address)

By *Cecily Enstrom*

(Name)

CASCADES FIELD MANAGER

(Title)

(Name)

May 7, 2009

(Date)

(Address)

Title 18 U.S.C, Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representation as to any matter within its jurisdiction.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to obtain data relevant to the operation of this timber sale contract.

This information will be used to administer our timber sale program.

Response to this request is required to obtain a benefit.

(If Purchaser is a corporation, the following certificate must be executed by the Secretary or Assistant Secretary of the Corporation.)

I, WILLIAM M. SMITH, certify that I am the
named as Purchaser herein; that ROBERT FRERES, JR.

Secretary of the corporation
, who signed the contract was then

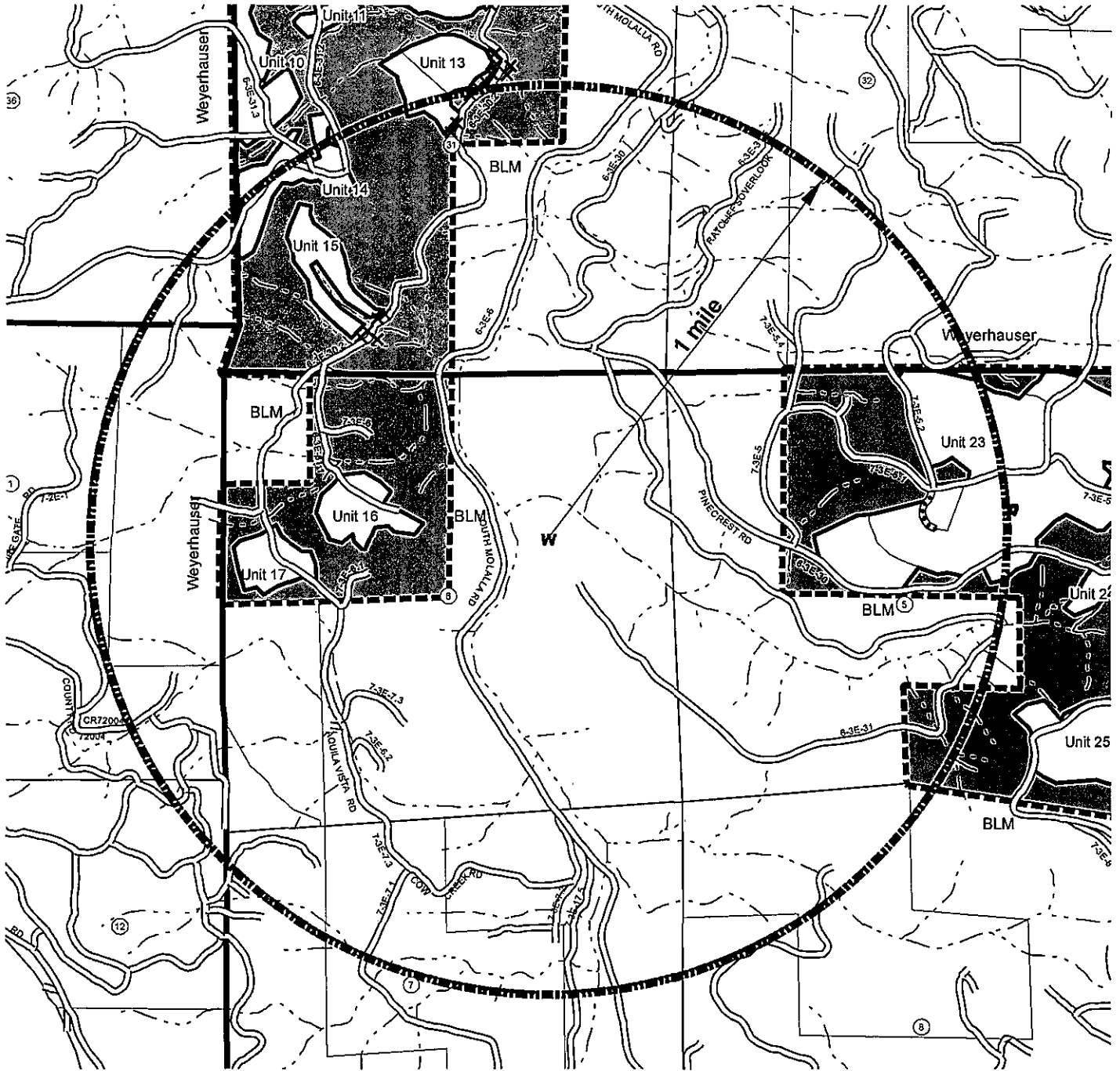
EXECUTIVE VICE PRESIDENT of said corporation, that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.







W.M.S.

[CORPORATE SEAL]

United States Department of Interior
BUREAU OF LAND MANAGEMENT
Salem District - Oregon
TIMBER SALE CONTRACT MAP - CONTRACT NO. OR-080-TS07-505
SALEM DISTRICT

Annie's Cabin Thinning
EXHIBIT W
Tract No. 2007-503



-  Wildlife Protection Area
-  Wildlife Location
-  Unit
-  Existing Road
-  RW, Road to be Constructed
-  Boundary - Contract Area



1,000 500 0 1,000
Feet

TIMBER SALE CONTRACT SPECIAL PROVISIONS

Sec. 40.

RESERVED

- a. All timber on the reserve area(s) shown on Exhibit A and all painted orange or posted trees which are on or mark the boundaries of the reserve area(s).
- b. All timber within the Partial Cut Area, Units 9, 10, 11, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, and 25 shown on Exhibit A marked with orange paint above and below stump height.
- c. All timber except approximately 15,028 trees marked heretofore by the Government with blue paint above and below stump height in Partial Cut Area, Units 1, 2, 3, 4, 5, 6, 7, 8, 12, 16, and 17, as shown on Exhibit A.
- d. All timber on the reserve area(s) shown on Exhibit A except approximately 415 trees marked heretofore by the Government with blue paint above and below stump height within the reserve area, as shown on Exhibit A.
- e. All painted orange and or posted trees which mark the boundaries of the Right-of-Way area shown on Exhibit A.

Sec. 41. Special Provisions -

LOGGING

- a. Periodic Payment And First Installment Adjustment
 1. Notwithstanding the provisions of Sec. 3(b), the amount of the first installment may be reduced by the Government when the Contracting Officer requests the Purchaser to interrupt or delay operations for a period expected to last more than thirty (30) days during the operating season. Such interruption or delay must be beyond the Purchaser's control. Operating Season shall be defined, for this purpose, as the time of year in which operations of the type required are normally conducted and not specifically restricted under the contract. The first installment may be reduced to five (5) percent of the installment amount listed in Sec. 3(b), during the delay period. The Purchaser must request such a reduction in writing. When the Contracting Officer notifies the Purchaser that operations may proceed, the Purchaser shall have fifteen (15) days after such notification to return the first installment to the full value specified in Sec. 3(b). Failure to return the first installment to the full value within the allotted time will be considered a material breach of contract. No timber shall be cut or removed from the contract area until the first installment is restored to the full amount.
 2. Notwithstanding the provisions of Sec. 3(b), adjustments in the due dates for periodic payments may be made by the Government if the Contracting Officer interrupts or delays contract operations for a period expected to last at least thirty (30) days, and the interruption or delay is beyond the Purchaser's control. Any adjustment made shall provide the Purchaser with an equal

amount of operating time as would have been available without the delay. The Purchaser shall request such adjustment in writing before the due date for a periodic payment contained in Sec. 3(b).

b. Before beginning operations on the contract area for the first time or after a shutdown of seven (7) or more days, the Purchaser shall notify the Authorized Officer in writing of the date he plans to begin operations. This written notification must be received by the Authorized Officer no less than seven (7) days prior to the date the Purchaser plans to begin or resume operations. The Purchaser shall also notify the Authorized Officer in writing if he intends to cease operations for any period of seven (7) or more days.

c. Prior to the commencement of operations, the Purchaser shall obtain from the Authorized Officer written approval of a written operations and logging plan commensurate with the terms and conditions of the contract which shall include measures needed to assure protection of the environment and watershed. A prework conference between the Purchaser's authorized representative and the Authorized Officer's representative must be held at a location designated by the Authorized Officer before the logging plan will be approved. The Purchaser shall provide a minimum of seven (7) days' notice when requesting the scheduling of a prework conference.

d. All trees designated for cutting within twenty-five (25) feet of a Recreation Trail, as shown on Exhibit A and identified by the Authorized Officer, shall be cut so that the resulting stumps shall not be higher than six (6) inches measured from the ground on the uphill side of the trees.

e. All trees designated for cutting shall be felled away from Recreation Trails, as shown on Exhibit A.

f. All dead trees not reserved located in the Partial Cut Area shown on Exhibit A that must be felled to comply with Sec. 15, Fire Prevention and Slash Disposal, and Sec. 28, Safety and Health, of this contract shall be felled by the Purchaser.

g. In the Partial Cut Area, Ground Based areas shown on Exhibit A, yarding shall be done by equipment operated on designated skid trails. The location of skid trails shall be flagged by the Purchaser and approved by the Authorized Officer prior to falling operations in these areas. The minimum distance between skid trails shall be one hundred fifty (150) feet. Such skid trails shall be limited to the minimum width necessary for yarding of logs with minimum damage to reserve trees, but, in any case, the width of each skid trail shall not exceed twelve (12) feet, measured between trunks of reserve trees. All trees that must be removed to facilitate construction of these skid trails shall be felled and yarded prior to falling operations in the remainder of each Unit as shown on Exhibit A, unless otherwise approved in writing by the Authorized Officer. The Purchaser shall directionally fall trees into lead with the skidding direction and winch to these skid trails. No skidding equipment shall be permitted to operate off these skid trails.

h. In the Partial Cut Area, Helicopter areas shown on Exhibit A, yarding shall be done with a helicopter capable of fully suspending the logs above the ground.

i. In the Partial Cut Area, Skyline area(s), shown on Exhibit A, yarding shall be done with a skyline-type cable system equipped with a carriage capable of lateral yarding at least seventy-five (75) feet from a fixed position on the skyline. Before cutting any timber on a setting, the Purchaser shall designate, and have approved by the Authorized Officer, the locations of: skyline corridor centerlines, tail trees, intermediate supports, tailholds, guyline trees, equipment anchors, and any other trees needed for rigging, and clearing limits of landings. Skyline corridors, landing design and trees to be used for rigging shall be

located to achieve the required one-end suspension and to minimize damage to reserve trees, snags, down logs, soil and other resources as directed by the Authorized Officer. The leading end of all logs shall be transported free of the ground during yarding.

j. Before cutting and removing any trees necessary to facilitate logging of timber sold under this contract, the Purchaser shall identify the location of the skid trails, skyline yarding corridors, tail trees, intermediate support trees, tailholds, guyline trees, any other trees to be used for rigging, and the clearing limits of landings on the ground in a manner approved by the Authorized Officer at the pre-work conference and documented in the Logging Plan. Said Purchaser identification of trees to be cut and removed does not constitute authority to proceed with cutting and removal. In addition, before proceeding the following conditions must be met:

1) All skid trails and/or skyline yarding corridors upon which timber is identified by the Purchaser to be cut and removed in accordance with this special provision must be necessary for the safe and expeditious removal of timber sold under this contract and shall be limited to the minimum width necessary for yarding of logs with a minimum of damage to reserve trees, however, unless otherwise approved in writing by the Authorized Officer, the width of each skid trail, and/or skyline yarding corridor shall be limited to twelve (12) feet.

2) The Purchaser may immediately cut and remove additional timber to clear skid trails and skyline corridors; and provide tailhold, tieback, guyline, lift and intermediate support trees; and clear danger trees when the trees have been marked with paint (color to be designated by the Authorized Officer) above and below stump height by the Authorized Officer and thereby approved for cutting and removal by the Authorized Officer. The volume of the timber to be sold will be determined by the Authorized Officer in accordance with Bureau of Land Management prescribed procedures. No timber may be cut or removed under terms of this provision unless sufficient installment payments have been made in accordance with Sec. 3.(b). of the contract or sufficient bonding has been provided in accordance with Sec. 3.(d). of the contract.

3) The Purchaser agrees that sale of this additional timber shall be accomplished by a unilateral modification of the contract executed by the Contracting Officer and that such timber shall be sold at the unit prices shown in Exhibit B of this contract unless: the value of the timber must be reappraised subject to the terms for contract extension set forth in Sec. 9 of the contract; or any tree that exceeds nineteen (19.0) inches diameter at breast height shall be appraised and sold by bilateral modification of the contract at current fair market value in accordance with Sec. 8 of the contract.

4) This authorization for the Purchaser to cut and remove additional timber prior to the execution of a modification may be withdrawn by the Contracting Officer if the Authorized Officer determines that the Purchaser has cut and removed any tree not previously marked and approved for cutting by the Authorized Officer, which under Section 10 of the contract constitutes a violation of the contract and under Section 13 of the contract may constitute a trespass rendering the Purchaser liable for damages under applicable law.

5) If authorization is withdrawn, the Contracting Officer shall issue a written notice to the Purchaser that the sale of additional timber under this special provision is no longer approved. In this case, the Purchaser shall inform the Authorized Officer at least one (1) working day prior to the need for cutting and removing any additional timber, and execute a bilateral modification prior to cutting for such additional approved timber at the unit prices shown in Exhibit B of the contract or in

accordance with Sec. 8 or Sec. 9 of the contract as determined by the Authorized Officer in accordance with this provision. The Contracting Officer may issue a written order to the Purchaser to suspend, delay, or interrupt any or all contract work for the period of time deemed necessary and appropriate for the Government to safely measure and mark additional timber.

6) The Purchaser may immediately cut but shall leave in place any tree marked with paint (color to be determined by the Authorized Officer) above and below stump height by the Authorized Officer and thereby approved for cutting without removal by the Authorized Officer. For all such trees cut by the Purchaser, the butt and any bucking cuts shall be cut at a forty-five degree (45°) angle to the axis of the tree.

k. No trees may be felled across or into the Recreation Trails designated on Exhibit A. Recreation Trails shall be cleared of all tops, limbs, and other logging debris within five days of completion of yarding operations on each Unit.

l. No trees may be felled in or into the reserve areas designated on Exhibit A, (or adjacent private land), unless expressly authorized by other provisions of this contract. Tops, limbs, and other logging debris entering the reserve area from felling operations shall be pulled back into the Partial Cut Area as shown on Exhibit A.

m. The following seasonal restrictions shall be observed:

1) No helicopter operations shall be conducted within the Wildlife Protection Zone, as shown on the Exhibit W between January 15 and August 1 of each calendar year both days inclusive. This seasonal restriction could be waived if surveys indicate no presence of nesting golden eagles.

2) No falling, yarding or road construction activities shall be take place within Units 23, 24 or 25, as shown on the Exhibit A, between March 1 and July 15 of each calendar year both days inclusive. This seasonal restriction could be waived if surveys indicate no presence of nesting northern spotted owls within 0.5 miles of the units.

3) To protect reserved trees from mechanical damage, no falling or yarding activities shall be take place within on the contract area, between May 1 and June 30 of each calendar year both days inclusive.

4) No hauling shall be done on Saturdays, Sundays or federal holidays from Memorial Day weekend through Labor Day weekend of each year, both days inclusive.

5) No falling, yarding or fuels treatment operations shall be conducted west of the Molalla River on Saturdays, Sundays or federal holidays from Memorial Day weekend through Labor Day weekend of each year, both days inclusive.

6) No road construction, road decommissioning, skidding, or other ground based logging operations shall be conducted on the Contract Area shown on Exhibit A between November 01 of one calendar year and May 31 of the following calendar year, both days inclusive, or during other periods of wet soil conditions as determined by the Authorized Officer.

7) No hauling shall be conducted on unpaved roads on the Contract Area during periods of wet weather patterns when water is running from the road surface directly or indirectly to live streams; when fine sediment is being pumped to the road surface; or when the Authorized Officer determines that other identifiable road conditions are likely to cause sediment delivery to live streams.

n. Prior to attaching any logging equipment to a reserve tree, the Purchaser shall obtain written approval from the Authorized Officer and shall take precautions to protect the tree from damage as directed in writing by the Authorized Officer.

o. The Purchaser shall provide flaggers and warning signs to control traffic on the Molalla River Road and the Dickey Prairie County Road where they pass through the contract area whenever helicopter yarding operations cross those roads.

ROAD CONSTRUCTION, IMPROVEMENT, RENOVATION, MAINTENANCE AND USE

p. The Purchaser shall construct and renovate roads, and manufacture and install a road gate in strict accordance with the plans and specifications shown on Exhibit C, which is attached hereto and made a part hereof. Prior to construction of roads adjacent to Clackamas County roadways, the Purchaser shall obtain a "Driveway Permit" from Clackamas County. Prior to any excavation, renovation or other ground disturbance alongside Clackamas County roads, the Purchaser shall contact the Utilities Notification Center and have buried utilities located to prevent disrupting or damaging the utilities.

q. Any required construction or renovation of structures and roads shall be completed and accepted prior to the removal of any timber, except right-of-way timber, over that road.

r. The Purchaser shall not commence work until receipt of written notice to do so from the Authorized Officer.

s. Prior to completion and approval of subgrade construction of all new roads to be constructed as shown on Exhibit C, all logs shall be removed from the designated right-of-way.

t. Upon completion of hauling, the Purchaser shall perform final road maintenance, water bar, construct barricades, and seed and fertilize roads, as shown on Exhibits D and E, which are attached hereto and made a part hereof. Barricades shall be constructed so as to prevent further use of the road by vehicles.

u. The Purchaser is authorized to use the roads listed below and shown on Exhibit E which are under the jurisdiction of the Bureau of Land Management, for the removal of Government timber sold under the terms of this contract and the hauling of rock as required in Exhibit C, provided that the Purchaser pay the required maintenance obligations described in Section 41.v. Any road listed below and requiring improvement or renovation in Exhibit C of this contract shall be maintained by the Purchaser until receiving written acceptance of the improvement or renovation from the Authorized Officer. The Purchaser shall pay current Bureau of Land Management maintenance and rockwear fees for the sale of additional timber under modification to the contract.

Road No. and Segment	Length Miles Used	Road Control	Road Surface Type
6-2E-25.00, All	1.30	BLM	Aggregate
6-3E-6.00, A-D1	5.50	BLM	Asphalt Paved
6-3E-30.00, C-G part	2.47	BLM	Aggregate
6-3E-30.02, D part	0.93	BLM	Aggregate
6-3E-31.00, part	0.04	BLM	Aggregate
6-3E-31.02, A-B	1.21	BLM	Aggregate
6-3E-31.03, All	0.34	BLM	Aggregate
7-3E-5.00, A-B	0.46	BLM	Aggregate
7-3E-5.01, A	0.81	BLM	Aggregate
7-3E-5.02, All	0.29	BLM	Aggregate
7-3E-5.03, All	0.20	BLM	Aggregate

v. Provided, that the Purchaser shall pay the Government a road maintenance obligation of thirteen-thousand two-hundred three and 69/100 dollars (\$13,203.69) for the transportation of any timber included in this contract price and the hauling of rock as required in Exhibit C over said roads.

The above maintenance amount is for the use of 13.55 miles of road or less. Unless the total maintenance amount is paid prior to commencement of operations on the contract area, payments shall be made in installments payable in the same manner as and together with payments required by Sec. 3 of this contract.

w. The Purchaser is authorized to use the roads listed below and shown on Exhibit E which are under the jurisdiction of the Bureau of Land Management, for the removal of Government timber sold under the terms of this contract and the hauling of rock as required in Exhibit C provided that the Purchaser comply with the conditions set forth in Section 41.y and pay the required rockwear obligation described in Section 41.x. The Purchaser shall pay current Bureau of Land Management rockwear fees for the sale of additional timber under modification of the contract.

Road No. and Segment	Length Miles Used	Road Control	Road Surface Type
6-3E-18.05, A-B part	0.48	BLM	Aggregate
6-3E-18.06, part	0.45	BLM	Aggregate
6-3E-18.07, A, B, D	0.75	BLM	Aggregate
6-3E-18.08, All	0.27	BLM	Aggregate
6-3E-18.09, All	0.17	BLM	Aggregate
6-3E-18.10, All	0.04	BLM	Aggregate
7-3E-5.04, part	0.10	BLM	Aggregate

x. The Purchaser shall also pay to the Government a road maintenance obligation for rockwear in the amount of five-thousand five-hundred ninety-nine and 57/100 dollars (\$5,599.57) for the transportation of timber included in the contract price and for transportation of any mineral material required under terms of the contract over roads listed in Section 41.w. The amount of the rockwear shown above shall be paid prior to removal of timber from the contract area; provided, however, that if the total of such amount exceeds five hundred dollars (\$500.00), the Purchaser may elect to make the payment in installments in the same manner as and together with payments required in Sec. 3 of this contract.

y. Except for road maintenance in accordance with Section 41.u and 41.aa, the Purchaser shall perform any road repair and maintenance work on roads used by him, under the terms of Exhibit D, "Purchaser Road Maintenance Specifications", of this contract which is attached hereto and made a part hereof.

z. With the prior written approval of the Authorized Officer, the Purchaser may arrange for cooperative maintenance with other users of roads included in Section 41.bb. of this contract; provided, that such cooperative arrangement shall not relieve the Purchaser of his liability for the maintenance and repair of such roads resulting from wear or damage in accordance with this contract. The Purchaser shall furnish the Authorized Officer a copy of any cooperative maintenance agreements entered into with other users on these roads.

aa. In the use of roads listed below and shown on Exhibit E, the Purchaser shall comply with the conditions of Right-of-Way and Road Use Agreement No. S-975 (OR045540) dated November 2, 1987 between the United States of America and Weyerhaeuser Company. These conditions include: Execution of a License Agreement which requires payment to Weyerhaeuser a road use obligation of twelve-thousand five-hundred two and 00/100 dollars (\$12,502.00) and a road maintenance and rockwear obligation of eleven-thousand five-hundred fifty-nine and 33/100 dollars (\$11,559.33) payable at the time indicated in the license agreement. This document is available for inspection at the office of the Authorized Officer. Prior to the use of said roads, the Purchaser shall furnish the Authorized Officer a copy of the executed license agreement. Default by the Purchaser of said Right-of-Way and Road use Agreement or any license agreement executed pursuant thereto, for failure to pay appropriate road use fees, shall be considered a violation of this contract. The amount of unpaid fees shall be considered as the amount of damage suffered by the Government as a result of the violation of this provision. The Purchaser will be required to carry liability insurance with limits of \$1,000,000/\$1,000,000/\$1,000,000 and a performance bond of \$10,000.00.

Road No. and Segment	Length Miles Used	Road Control	Road Surface Type
6-3E-18.07, C	0.37	Weyerhaeuser	Aggregate
6-3E-30.00, A, B	1.63	Weyerhaeuser	Aggregate
6-3E-31.02, C	1.27	Weyerhaeuser	Aggregate

bb. In the use of road listed below and shown on Exhibit E, the Purchaser shall comply with the conditions of Right-of-Way and Road Use Agreement No. S-467 (OR047707) dated May 23, 1960 between the United States of America and (b) (6). These conditions include: Execution of a License Agreement with (b) (6) and compliance

with traffic regulations required in the license agreement. This document is available for inspection at the office of the Authorized Officer. Prior to the use of said road, the Purchaser shall furnish the Authorized Officer a copy of the executed license agreement. The Purchaser will be required to carry liability insurance with limits of \$100,000/\$300,000/\$300,000 and a performance bond of \$2,000.00. The Purchaser will be required to maintain this road.

Road No. and Segment	Length Miles Used	Road Control	Road Surface Type
6-2E-26.00, All	0.27	(b) (6)	Aggregate

cc. The Purchaser also agrees that if they elect to use any other private road which is the subject of a right-of-way agreement with the Government for the removal of Government timber sold under the terms of this contract, Purchaser shall request and agree to the modification of this contract to provide for such use and for allowances for amortization of the Government's share of the capital investment of any such road.

dd. The Purchaser shall be required to secure written approval to use vehicles or haul equipment over Government-owned or controlled bridges when such vehicles or equipment exceed the maximum allowable weights or dimensions established by the State for vehicles operating without a permit.

Tracked-type equipment shall not be allowed to cross over concrete-bridge decks, other concrete surfaced structures, or asphalt surfaced roads without the proper protection of that surface. Prior approval shall be obtained from the Authorized Officer when crossing with protective devices.

Details of such equipment shall be furnished to the Authorized Officer for evaluation of load characteristics at least fifteen (15) days prior to proposed move in.

Details shall include:

- A. Axle weights when fully loaded.
- B. Axle spacing.
- C. Transverse wheel spacing.
- D. Tire size.
- E. Outside width of vehicles.
- F. Operating speed.
- G. Frequency of use.
- H. Special features (e.g., running tracks, overhang loads, etc.).

The Purchaser shall be responsible for repair of any damage to roads or structures caused by the use of overweight or overdimension or tracked vehicles or equipment: (1) without written approval, or (2) in violation of the conditions of a written approval, or (3) in a negligent manner. The amount of actual damage shall be determined by the Authorized Officer following technical inspection and evaluation.

ENVIRONMENTAL PROTECTION

ee. In addition to the requirements set forth in Sec. 25 of this contract, in order to reduce or prevent the spread of invasive species to BLM lands, all road construction, ground based logging equipment including loaders and equipment used for fuels treatments shall be cleaned of all plant parts and soil by washing prior to entry onto BLM lands. Equipment shall be inspected by the Authorized Officer at a site approved by the Authorized Officer to verify that the equipment had been reasonably cleaned prior to entry onto BLM lands.

ff. In addition to the requirements set forth in Sec. 25 of this contract, in order to reduce or prevent unauthorized off highway vehicles (OHV) use of skid trails, harvester trails, and skyline roads, the Purchaser shall waterbar and cover such trails and roads with logging slash and debris and block entrances and other access points as directed by the Authorized Officer.

gg. If in connection with operations under this contract the Purchaser, his contractors, subcontractors, or the employees of any of them, discover, encounter, or become aware of any objects or sites of cultural value on the contract area such as historical or prehistorical ruins, graves or grave markers, fossils, or artifacts, the Purchaser shall immediately suspend all operations in the vicinity of the cultural value and notify the Authorized Officer of the findings. Operations may resume at the discovery site upon receipt of written instructions and authorization by the Authorized Officer.

hh. "The Purchaser shall immediately discontinue specified construction or timber harvesting operations upon written notice from the Contracting Officer that:

1. threatened or endangered plants or animals protected under the Endangered Species Act of 1973, as amended, may be affected by the operation, and a determination is made that consultation or reinitiation of consultation is required concerning the species prior to continuing operation, or;
2. when, in order to comply with the Endangered Species Act the Contracting Officer determines it may be necessary to modify or terminate the contract, or;
3. federal proposed, federal candidate, Bureau sensitive or State listed species protected under BLM Manual 6840 - Special Status Species Management - have been identified, and a determination is made that continued operations would affect the species or its habitat, or;
4. other active raptor nests have been discovered, and a determination is made that continued operations under this contract would adversely affect the present use of the discovered nesting area by the raptor, or;
5. when, in order to comply with a court order which enjoins operations on the sale or otherwise requires the Bureau of Land Management to suspend operations, or;
6. when, in order to comply with a court order, the Authorized Officer determines it may be necessary to modify or terminate the contract .

“Those operations necessary for a safe removal of personnel and equipment from the contract area and those directed by the Contracting Officer which are required in order to leave the contract area in an acceptable condition will be permitted. Discontinued operations may be resumed upon receipt of written instructions and authorization by the Contracting Officer.”

“During any period of suspension, the Purchaser may withdraw performance and payment bond coverage aside from that deemed necessary by the Authorized Officer to secure cut and/or removed timber for which the Bureau of Land Management has not received payment, and/or unfulfilled contract requirements associated with harvest operations that have already occurred and associated post-harvest requirements.”

“In the event that operating time is lost as a result of the incorporation of additional contract requirements, or delays due to Endangered Species Act consultation with the U.S. Fish and Wildlife Service or U.S. National Marine Fisheries Service, or court injunctions, the Purchaser agrees that an extension of time, without reappraisal, will constitute a full and complete remedy for any claim that delays due to the suspension hindered performance of the contract or resulted in damages of any kind to the Purchaser.”

“The Contracting Officer may determine that it is necessary to terminate cutting and removal rights on this contract in order to comply with the Endangered Species Act, protect species that have been discovered which were identified for protection through survey and manage and/or protection buffer standards and guidelines established in the ROD and RMP or comply with a court order. Following the issuance of a written notice that cutting and removal rights will be terminated, the Purchaser will be permitted to remove timber cut under the contract, if allowed by the Endangered Species Act, survey and manage and/or protection buffer standards and guidelines ROD and RMP or court order requirements necessitating the termination.”

“In the event cutting and removal rights are terminated under this subsection, the Purchaser agrees that the liability of the United States shall be limited to the actual costs incurred by the Purchaser which have not been amortized by timber removed from the contract area. This calculation of liability shall utilize actual Purchaser costs and Government estimates of timber volumes. At the Authorized Officer's request, the Purchaser agrees to provide documentation of the actual costs incurred in the performance of the contract. In addition, the Purchaser shall be released from the obligation to pay the contract price for any timber which is not authorized to be removed from the contract area.”

MISCELLANEOUS

ii. The Government, at its option, may administratively check scale any portion of the timber removed from the contract area, and if necessary, conduct check scaling of independent scalers contracted to BLM for administrative check scaling purposes. The Purchaser hereby agrees to make such contract timber available for such scaling at a location or locations to be approved in writing by the Authorized Officer. At the approved location or locations, the Purchaser shall provide an area for logs to be safely rolled out for scaling, to unload logs from trucks, place logs in a manner so that both ends and three faces of each log are visible for scaling, and to reload or remove logs after scaling has been completed. In the event that BLM elects to administratively check scale and if such check scaling causes a delay in log transportation time, an adjustment will be made to the purchase price as follows. If the entire sale is check scaled, the purchase price of this contract shall be reduced by \$5,516.00. In the event only a portion of the contract timber is

scaled, the purchase price shall be reduced by that portion of \$5,516.00 which is equal to the percentage of timber sold which was actually scaled by the Government. For purposes of computing this price reduction, the percentage of timber sold which has been scaled shall be determined by the Government. Any reduction in purchase price under the terms of this provision shall be full compensation to the Purchaser for any expense or loss incurred as a result of such scaling. Scaling shall be conducted in accordance with the National Cubic Scaling Rules by BLM scalers, and/or independent scalers contracted to BLM. A copy of the scale report will be made available to the Purchaser upon request.”

FIRE PROTECTION

jj. Primarily for purposes of fire prevention and control, the Purchaser shall comply with the following provisions:

1. Prior to the operation of power-driven equipment in construction or logging operations under this contract during the closed fire season or periods of fire danger, prepare a fire prevention and control plan to the satisfaction of the Authorized Officer.
2. Provide and maintain in good repair, on the contract area, the following equipment for use during periods of fire danger:

(a) Fire fighting tools shall be kept at each landing or at such other place as the Authorized Officer shall designate whenever people are working on the contract area. All fire fighting tools shall be kept in a sturdily constructed box which shall be painted red and lettered on the front or top in large letters "For Fire Only." The box shall have a hinged lid and a hasp by which the lid can be sealed. One (1) box may serve two landings, not over six hundred (600) feet apart. When filled, the box shall not weigh over two hundred (200) pounds. The fire tools shall be in good condition, be tight on strong handles, and have sharp cutting edges. There shall be not less than four (4) tools in each box nor less than one (1) tool for each man working on the contract area. Three-fourths (3/4) of all fire tools shall be shovels, hazel hoes, or other scraping tools. The fire tools shall be used only for fighting fire.

(b) At each landing or such other place as the Authorized Officer shall designate during periods of operation, one (1) tank truck of five hundred (500) gallons or more capacity with five hundred (500) feet of hose and a nozzle acceptable to the Authorized Officer and a mounted or portable pump conforming to the standards set forth in Oregon Revised Statutes 477.645 through 477.670 and any rule promulgated pursuant to these statutes. Two (2) two hundred fifty (250) gallon tank trucks or portable tanks may be substituted for each required five hundred (500) gallon tank truck, provided that the total capability to pump and deliver water remains unchanged. All hose couplings shall have the standard thread adopted by the State Fire Marshall pursuant to Oregon Revised Statute 477.610 or be provided with suitable adapters. At the close of each working day, all bulldozers and tank trucks shall be filled with fuel and made ready for immediate use. All the tank trucks and portable tanks shall be filled with water and made available for immediate use.

(c) Two (2) backpack pumps at each landing and one (1) at each tail block, or any other block, all to be kept full of water and in good operating condition.

(d) A chemical fire extinguisher of at least eight (8) ounces minimum capacity of a type approved by the Oregon State Forester and a size 0 or larger shovel shall be carried during the closed fire season or periods of fire danger by each falling crew and each buckler using a power saw on the contract area. Such fire extinguisher shall be filled and in effective operating condition and shall at all times be immediately available to the operator when the saw is being fueled or the motor of the saw is running. Any fueling of a power saw shall be done in an area which has first been cleared of all flammable material. Power saws shall be moved at least twenty (20) feet from the place of fueling before the engine is started. Each power saw shall be equipped with an exhaust system and a spark arresting device which are of types approved by the Oregon State Forester.

3. Where blocks and cables are used on the contract area during periods of fire danger, the Purchaser shall remove all flammable material at least ten (10) feet from the place where the tail or any other block will hang when the cable is tight. Such clearings shall be inspected periodically by the Purchaser and shall be kept free of flammable material.

4. During periods of fire danger, smoking shall be permitted only in such portions of the landing as are free of flammable material. Before smoking, fallers, buckers, and others working away from the landing must clear an area to mineral soil not less than sixteen (16) inches square, must sit down to smoke in such a position that any burning material will fall within the cleared area, and must extinguish and press out in the mineral soil all burning material before leaving the cleared area.

LOGGING RESIDUE REDUCTION

kk. Within thirty (30) feet of the edge of each landing all tops, broken pieces, limbs and debris over one (1) inch in diameter at the large end and longer than three (3) feet in length shall be piled within fifteen (15) days of completion of hauling logs from that landing. Piles shall be kept free of dirt and located adjacent to roads at least twenty (20) feet from any reserve tree and/or as directed by the Authorized Officer. Upon completion of piling, the Purchaser shall prepare the piles for burning by securely covering each pile by securely covering each pile with polyethylene plastic film a minimum of .006 inch thick and at least 20 feet wide. Piles shall be 75% covered with the covering extended 3/4 of the way down all sides. Pieces of burnable material shall be placed on top of the plastic to secure it from moving and to prevent it from blowing off during strong windy episodes. The Purchaser is required to furnish the covering materials. The timing of this covering work shall be in accordance with instructions from the Authorized Officer. If, in the opinion of the Authorized Officer, the structure of the piles will not permit adequate consumption of piled debris by burning, the Purchaser shall repile them at the direction of the Authorized Officer.

ll. The Purchaser shall perform logging residue reduction on up to 210 acres of the fuel treatment areas shown on Exhibit F as directed by the Authorized Officer. The required work shall consist of handpiling, covering and burning up to 168 acres and machine piling, covering and burning up to 42 acres. All work shall be done as directed by the Authorized Officer in accordance with the specifications listed in Exhibit G. Burning operations shall be completed by the Purchaser as directed by the Authorized Officer after the fall/winter rains begin each year of the contract.

mm. Fuels Treatment work required in Sec. 41.kk shall be completed within three (3) months of the completion of yarding on each unit.

nn. Notwithstanding the provisions of Section 15 of this contract, the Government shall assume all obligations for the disposal or reduction of the fire hazards caused by slash created by the Purchaser's operations on Government lands, except for fuel treatment operations and except for burning and mop-up assistance as required herein. In accordance with written instructions to be issued by the Authorized Officer at least ten (10) days in advance of earliest date of required performance, the Purchaser shall, under supervision of the Authorized Officer or his designated representative, assist in preparing slash for burning, felling any additional snags needed to be felled for hazard reduction, burning, fire control, mop-up, and patrol by furnishing, at his own expense, the services of personnel and equipment on each unit as shown below:

Pile Burning in Fuel Reduction Area each Year

One (1) work leader (FFT1 qualified) to supervise crew and equipment operators and to serve as Purchaser's representative.

Five (5) person crew (FFT2 qualified) for burning preparation, ignition, and holding and mop-up operations with hand tools on the day of ignition.

Six (6) drip torches with fifty (50) gallons of slash fuel (4:1 ratio of diesel to gasoline).

All listed personnel shall be physically fit, experienced and fully capable of functioning as required. In addition, on the day of ignition, all listed personnel shall be certified as required above by the Oregon Department of Forestry, be fluent in speaking and understanding English. Personnel who do not meet these requirements or who do not have proper clothing and personal protective equipment (PPE) will not be allowed to participate.

All personnel shall wear long pants and long sleeved shirts, lug sole leather boots with minimum eight (8) inch tall uppers that provide ankle support, approved hard hats and leather gloves. On the day of ignition, clothing shall be of approved aramid fabric (Nomex[®] or equivalent) and all personnel shall carry an approved fire shelter. Personnel without proper clothing will not be allowed to participate. Clothing shall be free of diesel fuel oil.

All listed tools and equipment shall be in good usable condition. All power-driven equipment shall be fully fueled and available for immediate use. During periods of use under this subsection, the Purchaser shall provide fuel and maintenance for all such power-driven equipment. All listed tools and equipment shall be in good usable condition. All power-driven equipment shall be fully fueled and available for immediate use. During periods of use under this subsection, the Purchaser shall provide fuel and maintenance for all such power-driven equipment.

In the event of a fire escapement, the Purchaser's personnel and equipment shall, under supervision of the Authorized Officer or his designated representative, take action to control and mop-up the escaped fire until released from such service by the Government. If it becomes necessary to suppress a fire which escapes from the prescribed fire area for a period beyond midnight of ignition day, then the Government shall, at its option: (1) reimburse the Purchaser for such additional use of personnel and equipment at wage rates shown in the current Administratively Determined Pay Rates for the Western Area and at equipment rates shown in

the current Oregon-Washington Interagency Fire Fighting Equipment Rental Rates schedule until the Purchaser is released from such service by the Government or (2) release the Purchaser from additional suppression work and assume responsibility for suppressing the escaped fire.

In situations where an escaped fire is controlled and contained by an adequate fire break (i.e., trail, road, stream, rock formation, etc.), the Government may permit the Purchaser to remove personnel for that day; provided that, all mop-up work on the escaped fire is included with mop-up work on the prescribed fire area. In such an event, the Purchaser must sign a statement of agreement to complete mop-up work on all escaped fire areas concurrently with mop-up work on the prescribed fire area.

In case of injury to personnel or damage to equipment furnished as required by this subsection, liability shall be borne by the Purchaser, unless such injury or damage is caused by Government negligence.

Time is of the essence in complying with this provision. In the event the Purchaser fails to provide the personnel and equipment required herein, the Purchaser shall be responsible for all additional cost incurred by the Government in disposing of slash including but not limited to the wages and other costs of providing federal employees and others as substitute labor force, the cost of providing substitute equipment and appropriate additional overhead expenses. If the Purchaser's failure results in a deferral of burning and new conditions necessitate additional site preparation work and/or the use of additional personnel and equipment to accomplish the planned burn, the Purchaser also shall be responsible for such additional costs.

CONTRIBUTED FUNDS

oo. The Purchaser shall burn slash piles in accordance with Sec. 41.nn. The Purchaser shall have the option of completing this work, or in lieu thereof, may make a contribution to the Bureau of Land Management in the amount of Six Thousand One Hundred Four dollars and seventy cents (\$6,104.70). Upon making such contribution, the Purchaser shall be relieved of the obligations set out in this subsection. The Purchaser shall notify the Authorized Officer in writing of his intention to make this contribution prior to approval of this contract. If the Purchaser elects to make a contribution, the Authorized Officer shall establish an installment schedule of payments of the contribution.

LOG EXPORT RESTRICTION

pp. All timber sold to the Purchaser under the terms of this contract is restricted from export from the United States in the form of unprocessed timber and is prohibited from being used as a substitute for exported private timber. For the purpose of this contract, unprocessed timber is defined as (1) any logs except those of utility grade or below, such as sawlogs, peeler logs, and pulp logs; (2) cants or squares to be subsequently remanufactured exceeding eight and three-quarters (8-3/4) inches in thickness; (3) split or round bolts or other roundwood not processed to standards and specifications suitable for end-product uses; or (4) western redcedar lumber which does not meet lumber of American Lumber Standards Grades of Number 3 dimension or better, or Pacific Lumber Inspection Bureau R-List Grades of Number 3 Common or better. Thus, timber manufactured into the following will be considered processed: (1) lumber and construction timbers, regardless of size, manufactured to standards and specifications suitable for end product uses; (2) chips, pulp and pulp products; (3) green or dry veneer and plywood; (4) poles and piling cut or treated for use as such; (5) cants, squares, and lumber cut for remanufacturing of eight and three-quarters (8-3/4) inches in thickness or less; (6) shakes and shingles.

Substitution will be determined under the definition found in 43 CFR 5400.0-5(n).

The Purchaser is required to maintain and upon request to furnish the following information:

1. Date of last export sale.
2. Volume of timber contained in last export sale.
3. Volume of timber exported in the past twelve (12) months from the date of last export sale.
4. Volume of Federal timber purchased in the past twelve (12) months from date of last export sale.
5. Volume of timber exported in succeeding twelve (12) months from date of last export sale.
6. Volume of Federal timber purchased in succeeding twelve (12) months from date of last export sale.

In the event the Purchaser elects to sell any or all of the timber sold under this contract in the form of unprocessed timber, the Purchaser shall require each party buying, exchanging, or receiving such timber to execute a "Certificate as to Nonsubstitution and Domestic Processing of Timber." The original of such certification shall be filed with the Authorized Officer. Additionally, when the other party is an affiliate of the Purchaser, the Purchaser will be required to update information under item (2) of Form 5450-17 (Export Determination) and file the form with the Authorized Officer.

In the event an affiliate of the Purchaser has exported private timber within twelve (12) months prior to purchasing or otherwise acquiring Federal timber sold under this contract, the Purchaser shall, upon request, obtain from the affiliate information in the form specified by the Authorized Officer and furnish the information to the Authorized Officer.

Prior to the termination of this contract, the Purchaser shall submit to the Authorized Officer Form 5460-15 (Log Scale and Disposition of Timber Removed Report) which shall be executed by the Purchaser. In addition, the Purchaser is required under the terms of this contract to retain for a three-year period from the date of termination of the contract the records of all sales or transfer of logs involving timber from the sale for inspection and use of the Bureau of Land Management.

Unless otherwise authorized in writing by the Authorized Officer, the Purchaser shall, prior to the removal of timber from the contract area, brand with Purchaser's registered log brand at least one end of each log, bolt, or other roundwood and identify each of these by painting with highway yellow paint.

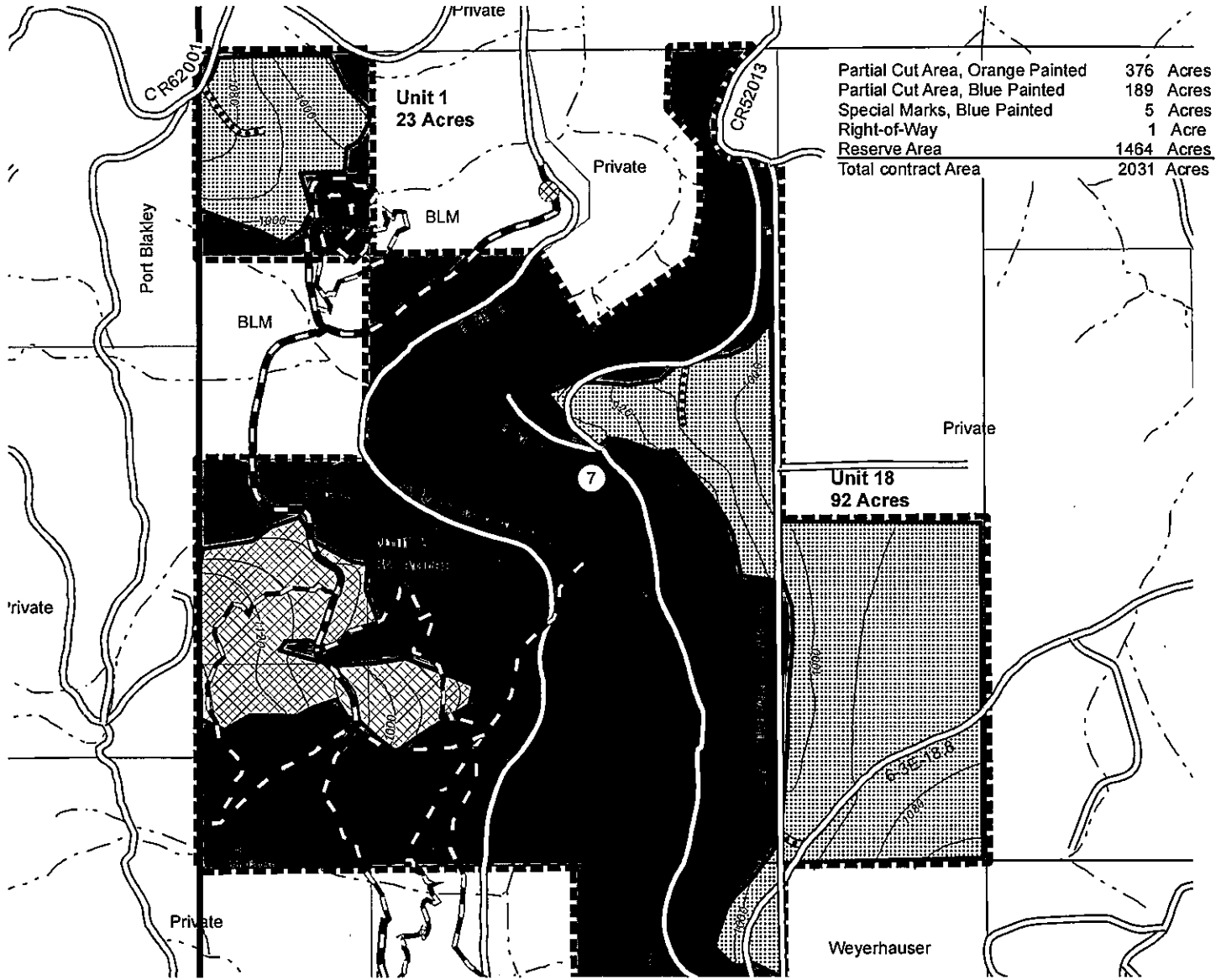
In the event of the Purchaser's noncompliance with this subsection of the contract, the Authorized Officer may take appropriate action as set forth in Section 10 of this contract. In addition, the Purchaser may be declared ineligible to receive future awards of Government timber for a period of one year.

EQUAL OPPORTUNITY IN EMPLOYMENT

qq. Certification of Nonsegregated Facilities, Form 1140-3, is attached hereto and made a part hereof.

United States Department of Interior
 BUREAU OF LAND MANAGEMENT
 Salem District - Oregon
 TIMBER SALE CONTRACT MAP - CONTRACT NO. OR-080-TS07-505
 T. 6 S., R. 3 E., Section 7, W.M. - SALEM DISTRICT

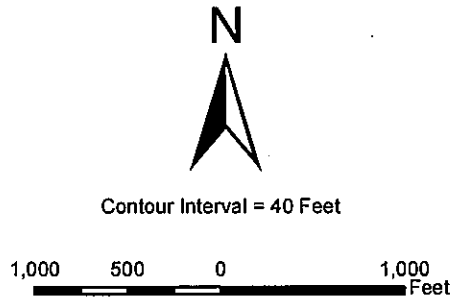
Annie's Cabin Thinning
 EXHIBIT A
 Tract No. 2007-503
 Sheet 1 of 6



Partial Cut Area, Orange Painted	376 Acres
Partial Cut Area, Blue Painted	189 Acres
Special Marks, Blue Painted	5 Acres
Right-of-Way	1 Acre
Reserve Area	1464 Acres
Total contract Area	2031 Acres

Boundaries of Harvest Units are posted.
 All lands within the Contract Area are O & C

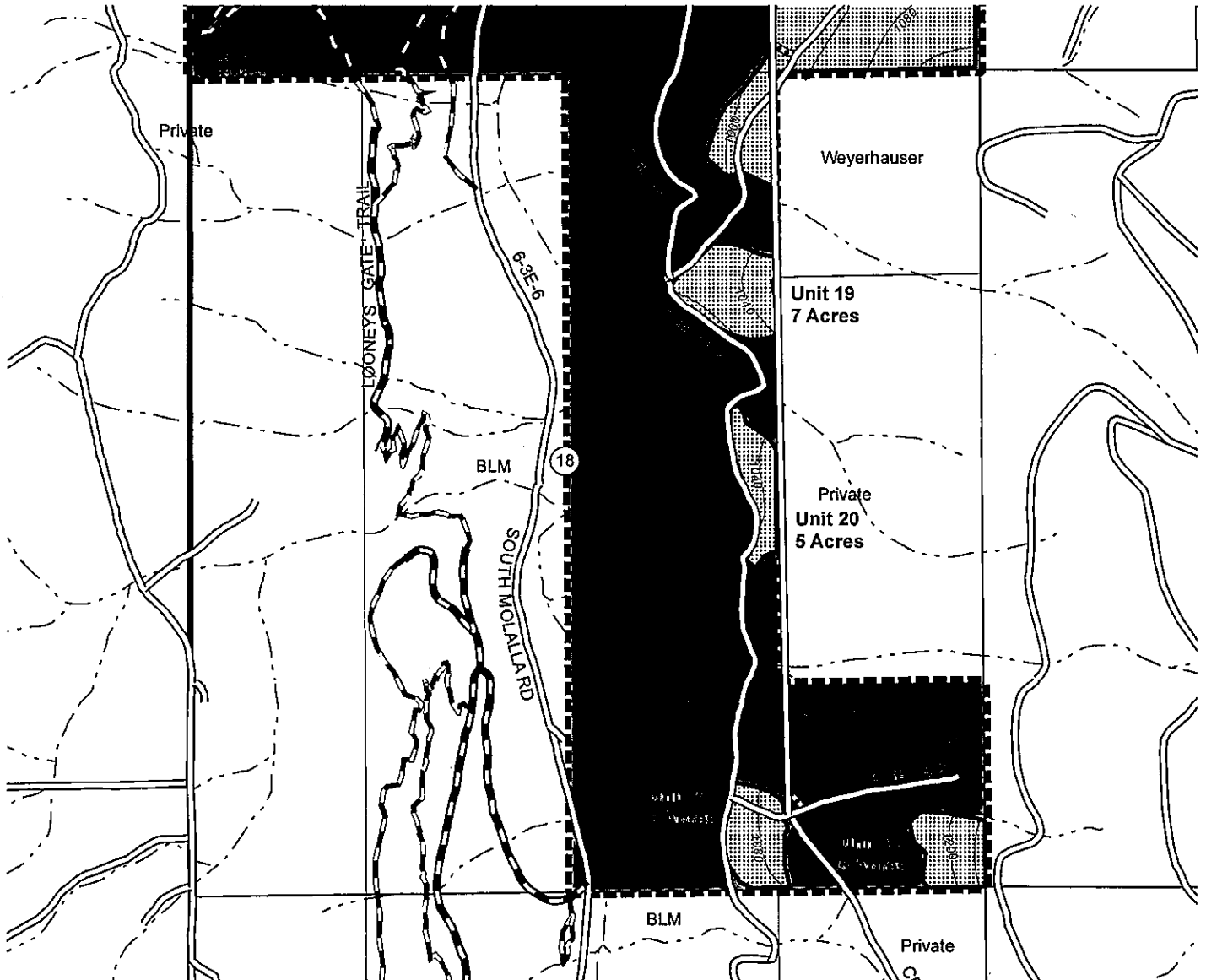
- Right of Way, Road to be Constructed
- Existing Road
- Recreation Trail
- Road blocked
- Gate
- Stream
- Timber marked for cutting in the Reserve Area (Special Marks)
- Partial Cut Area, Skyline
- Partial Cut Area, Ground Based
- Partial Cut Area, Helicopter
- Reserve Area
- Boundary - Cutting Area
- Boundary - Contract Area



Acres shown on Exhibit A have been computed using a Trimble TSC1 Global Positioning System receiver. Acreage was calculated based on GPS traverse procedures including differential correction.

United States Department of Interior
 BUREAU OF LAND MANAGEMENT
 Salem District - Oregon
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Annie's Cabin Thinning
 EXHIBIT A
 Tract No. 2007-503
 Sheet 2 of 6

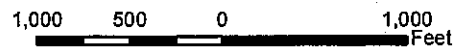


Boundaries of Harvest Units are posted.
 All lands within the Contract Area are O & C

- Right of Way, Road to be Constructed
- Existing Road
- Recreation Trail
- Road blocked
- Gate
- Stream
- Timber marked for cutting in the Reserve Area (Special Marks)
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- Partial Cut Area, Ground Based
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- Reserve Area
- Boundary - Cutting Area
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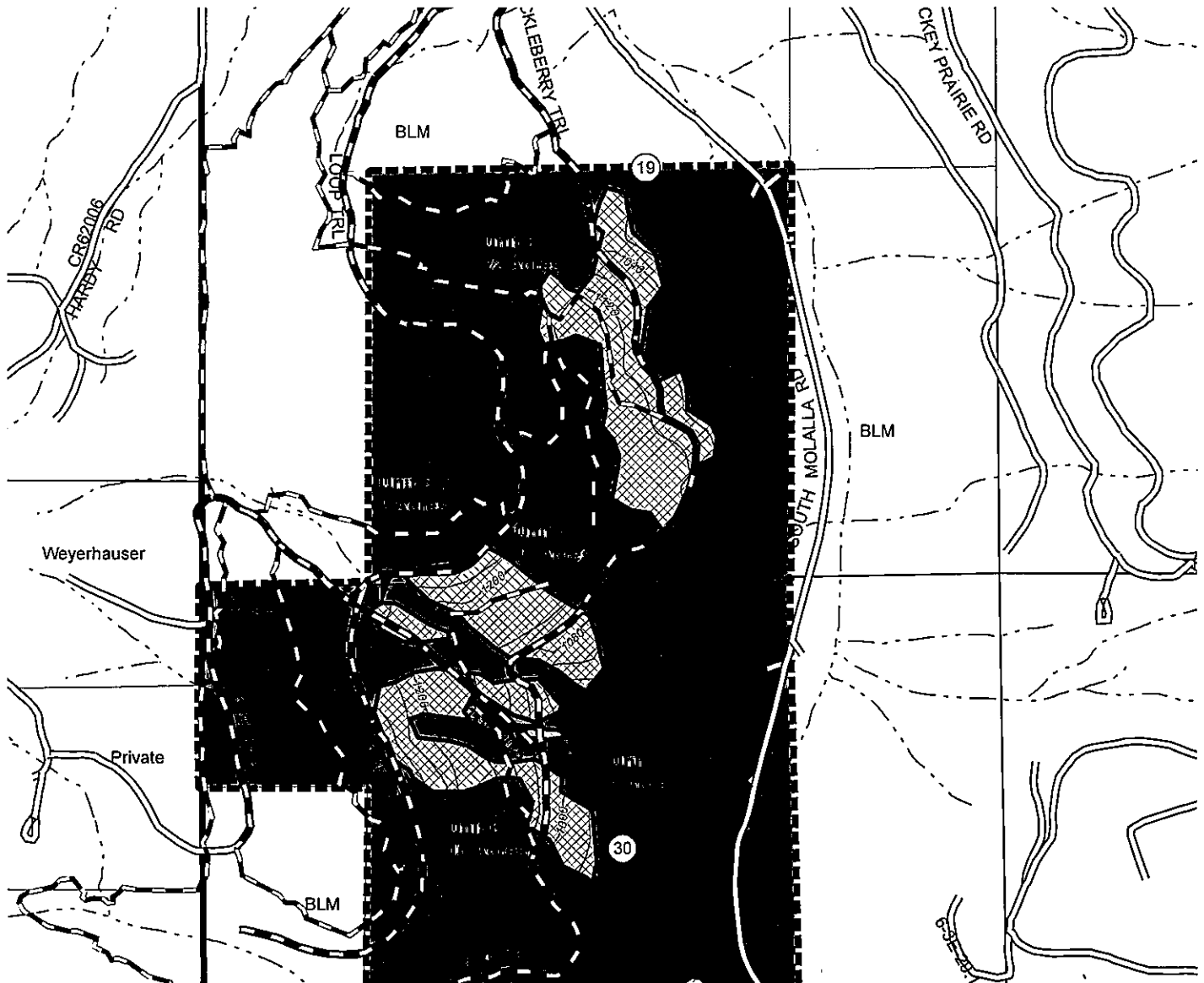
Contour Interval = 40 Feet



Acres shown on Exhibit A have been computed using a Trimble TSC1 Global Positioning System receiver. Acreage was calculated based on GPS traverse procedures including differential correction.

United States Department of Interior
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 Salem District - Oregon
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 T. 6 S., R. 3 E, Sections 19 & 30, W.M. - SALEM DISTRICT

Annie's Cabin Thinning
 EXHIBIT A
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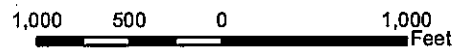


Boundaries of Harvest Units are posted.
 All lands within the Contract Area are O & C

- Right of Way, Road to be Constructed
- Existing Road
- Recreation Trail
- Road blocked
- Gate
- Stream
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- Partial Cut Area, Ground Based
- Partial Cut Area, Helicopter
- Reserve Area
- Boundary - Cutting Area
- Boundary - Contract Area



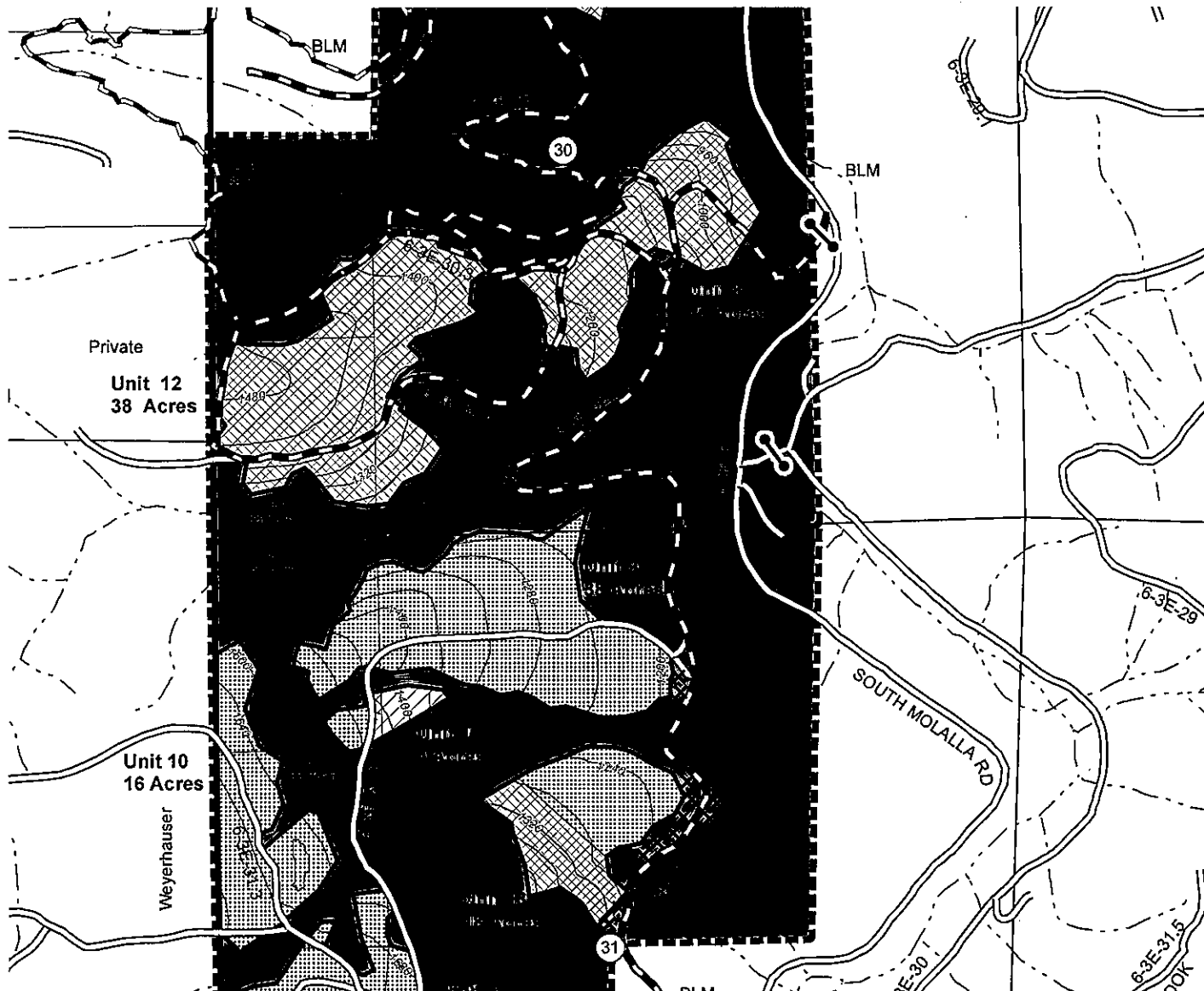
Contour Interval = 40 Feet



Acres shown on Exhibit A have been computed using a Trimble TSC1 Global Positioning System receiver. Acreage was calculated based on GPS traverse procedures including differential correction.

United States Department of Interior
 BUREAU OF LAND MANAGEMENT
 Salem District - Oregon
 TIMBER SALE CONTRACT MAP - CONTRACT NO. OR-080-TS07-505
 T. 6 S., R. 3 E, Sections 31 & 30, W.M. - SALEM DISTRICT

Annie's Cabin Thinning
 EXHIBIT A
 Tract No. 2007-503
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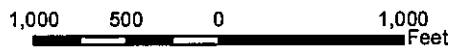


Boundaries of Harvest Units are posted.
 All lands within the Contract Area are O & C

- Right of Way, Road to be Constructed
- Existing Road
- Recreation Trail
- Road blocked
- Gate
- Stream
- Timber marked for cutting in the Reserve Area (Special Marks)
- Partial Cut Area, Skyline
- Partial Cut Area, Ground Based
- Partial Cut Area, Helicopter
- Reserve Area
- Boundary - Cutting Area
- Boundary - Contract Area



Contour Interval = 40 Feet



Acres shown on Exhibit A have been computed using a Trimble TSC1 Global Positioning System receiver. Acreage was calculated based on GPS traverse procedures including differential correction.

United States Department of Interior
 BUREAU OF LAND MANAGEMENT
 Salem District - Oregon

Annie's Cabin Thinning
 EXHIBIT A

TIMBER SALE CONTRACT MAP - CONTRACT NO. OR-080-TS07-505
 T. 6 S., R. 3 E, Section 31, T. 7 S., R. 3 E, Section 6, W.M. - SALEM DISTRICT

Tract No. 2007-503
 Sheet 5 of 6

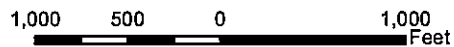


Boundaries of Harvest Units are posted.
 All lands within the Contract Area are O & C

- Right of Way, Road to be Constructed
- Existing Road
- Recreation Trail
- Road blocked
- Gate
- Stream
- Timber marked for cutting in the Reserve Area (Special Marks)
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- Partial Cut Area, Ground Based
- Partial Cut Area, Helicopter
- Reserve Area
- Boundary - Cutting Area
- Boundary - Contract Area



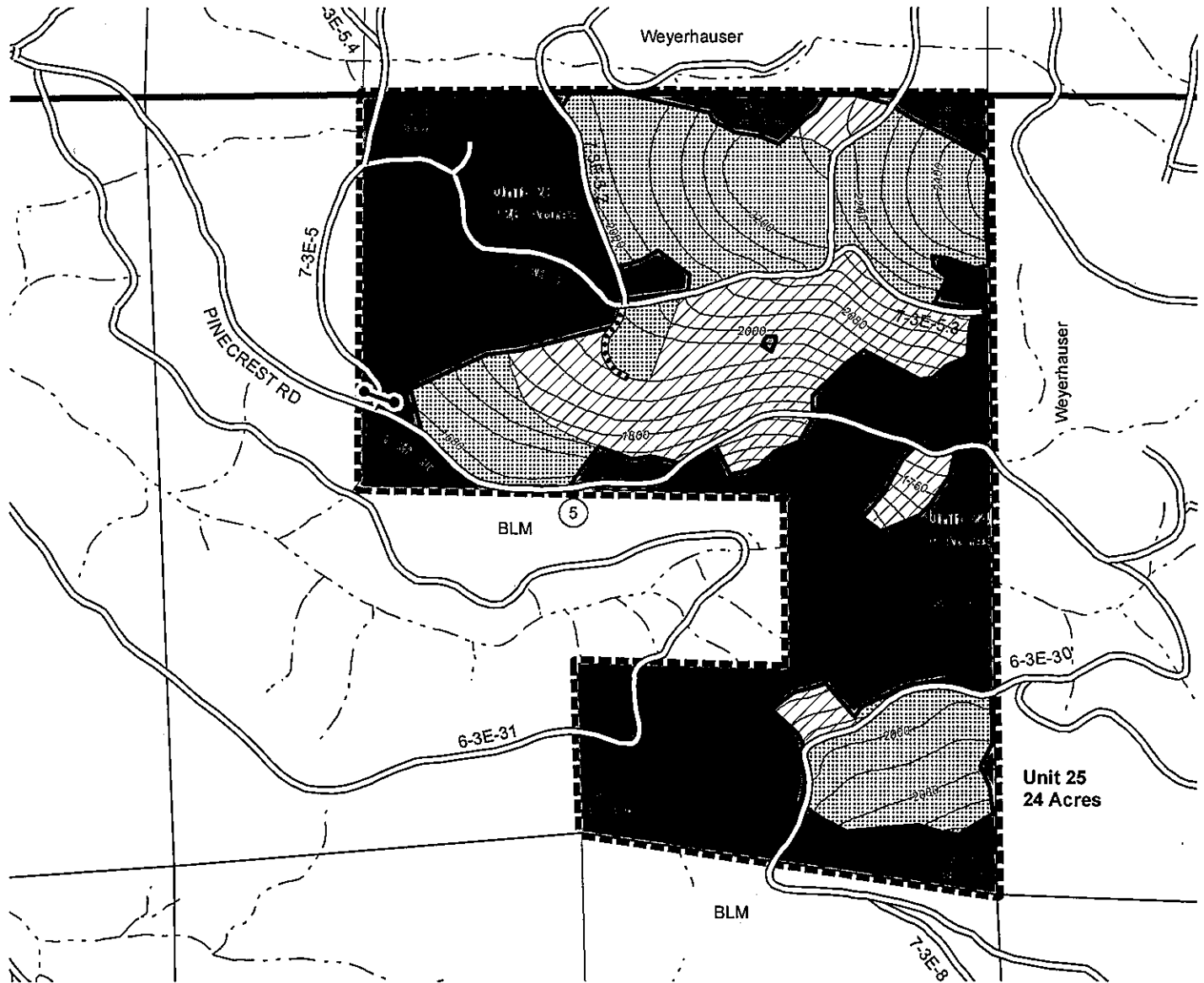
Contour Interval = 40 Feet



Acres shown on Exhibit A have been computed using a Trimble TSC1 Global Positioning System receiver. Acreage was calculated based on GPS traverse procedures including differential correction.

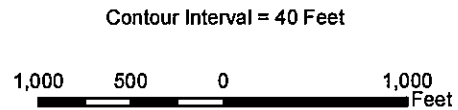
United States Department of Interior
BUREAU OF LAND MANAGEMENT
Salem District - Oregon
TIMBER SALE CONTRACT MAP - CONTRACT NO. OR-080-TS07-505
T. 7 S., R. 3 E, Section 5, W.M. - SALEM DISTRICT

Annie's Cabin Thinning
EXHIBIT A
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Boundaries of Harvest Units are posted.
All lands within the Contract Area are O & C

- Right of Way, Road to be Constructed
- Existing Road
- Recreation Trail
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- Partial Cut Area, Ground Based
- Partial Cut Area, Helicopter
- Reserve Area
- Boundary - Cutting Area
- Boundary - Contract Area

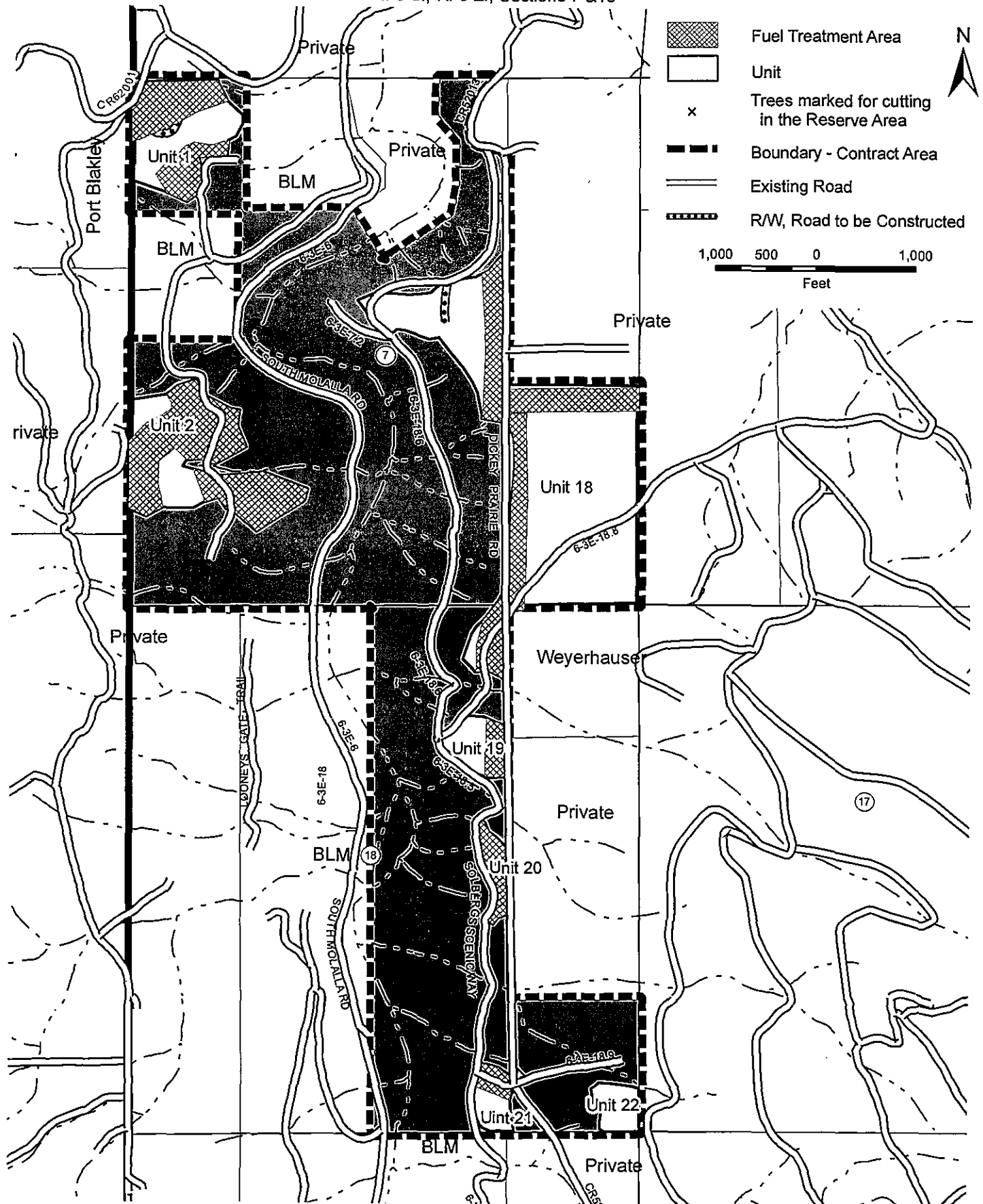


Acres shown on Exhibit A have been computed using a Trimble TSC1 Global Positioning System receiver. Acreage was calculated based on GPS traverse procedures including differential correction.

United States Department of Interior
BUREAU OF LAND MANAGEMENT
Salem District - Oregon
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Annie's Cabin Thinning
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T. 6 S., R. 3 E., Sections 7 & 18



United States Department of Interior
BUREAU OF LAND MANAGEMENT
Salem District - Oregon

TIMBER SALE CONTRACT MAP - CONTRACT NO. OR-080-TS07-505

Annie's Cabin Thinning
EXHIBIT F

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Sheet 2 of 2

T. 6 S., R. 3 E., Sections 19, 30 & 31 and T. 7 S., R. 3 E., Sections 5 & 6

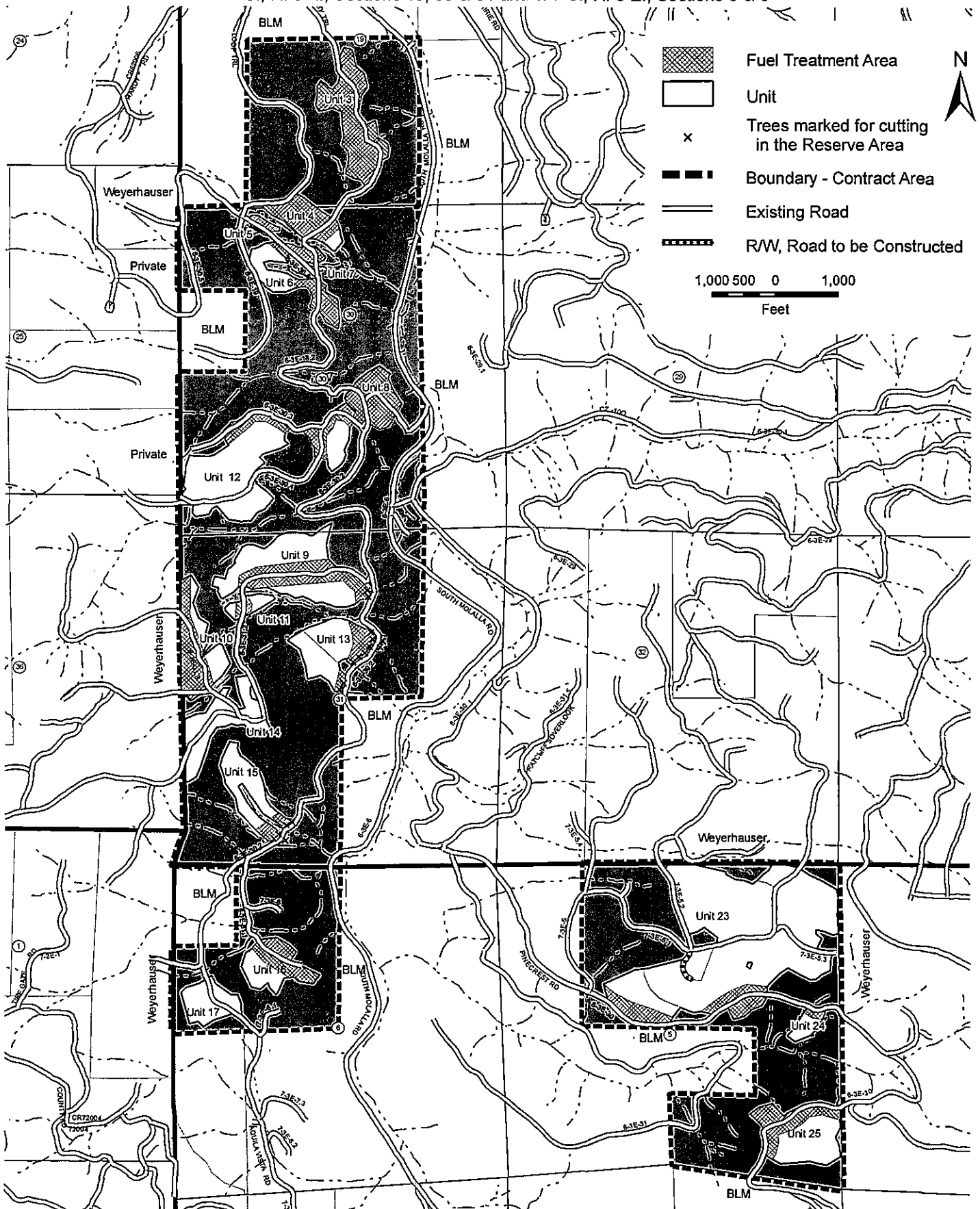


EXHIBIT G

SPECIAL PROVISIONS FOR HAND PILING AND PILE COVERING

1. Piling and covering shall be completed by the end of the each summer following completion of logging operations.
2. The hand piles will be constructed to the following standards: a.) Piles shall be at least 4 feet in height and the maximum width of piles shall not be more than one and one half times the height, b.) All pile material will be oriented in the same direction to minimize air space within the pile, c.) Piles will not be located on top of large stumps or logs. d.) The center of the pile will contain approximately two (2) cubic feet of material less than one (1) inch in diameter tightly compacted. This kindling core shall be located within the pile in such a way that ignition of the kindling will spread fire to the rest of the pile while at the same time being readily accessible for lighting by means of a hand held drip torch.
3. Logging slash and debris smaller than six (6) inches diameter large end and longer than four (4) feet, shall be piled so that the remaining slash and debris shall average less than four (4) inches deep and shall not have any concentration of slash and debris more than six (6) inches deep. Remaining slash and debris shall not be matted so that it would, in the opinion of the Authorized Officer, be continuous enough to carry fire during the dry season.
4. Piles shall be tight, free of dirt, and free of projecting limbs or slash which would interfere with adequate pile covering. If, in the opinion of the Authorized Officer, the structure of the piles will not permit adequate consumption of piled debris by burning, the Purchaser shall repile them at the direction of the Authorized Officer.
5. Piles shall be made in locations suitable for burning and no closer than ten (10) feet from residual trees, snags or unit boundaries. The piles shall not be closer than fifty (50) feet from the Recreation Trails.
6. Upon completion of piling, the Purchaser shall prepare the piles for burning by securely covering each pile. Total surface area of each pile shall be covered at least seventy-five (75) percent with four (4) mil (0.004 inch thick) black plastic provided by the Purchaser at the Purchaser's expense. The plastic shall be oriented Southwest (SW) to Northeast (NE). Placement of the plastic shall start on the ground at the SW side of each pile and extend over the top and go one-half ($\frac{1}{2}$) the distance to the ground on the opposite (NE) side. Plastic shall be held in place with woody debris or tied with rope or twine. The plastic must be secured in such a way that it will not lift up or come off during windy conditions.

EXHIBIT G

SPECIAL PROVISIONS FOR GRAPPLE PILING AND PILE COVERING

Piling of brush and logging debris shall be performed with a track mounted hydraulic excavator. The excavator shall be equipped with a controllable grapple head or hydraulic thumb capable of picking up logging slash and debris without also picking up more than minimal soil. The excavator shall have a minimum reach of twenty (20) feet. Prior to commencement of piling work, all equipment shall meet the approval of the Authorized Officer. The excavator shall be cleaned in accordance with section 41.cc.

The excavator shall not operate on slopes greater than thirty-five (35) percent.

The Purchaser shall operate the excavator so as to keep the tracks of the shovel on top of unpiled slash and/or brush and to make no more than one pass over any single spot on the ground. Areas receiving more than one pass shall be tilled in accordance with the instructions of the Authorized Officer if, in the opinion of the Authorized Officer, compaction has occurred. Excavator shall not be driven on or across the Recreation Trails as shown on Exhibit F, unless the trail is built on a drivable road.

Logging slash and debris smaller than six (6) inches diameter, large end, and longer than four (4) feet, shall be piled so that the remaining slash and debris shall average less than four (4) inches deep and shall not have any concentration of slash and debris more than eight (8) inches deep. Remaining slash and debris shall not be matted so that it would, in the opinion of the Authorized Officer, be continuous enough to carry fire during the dry season.

Logging slash and debris shall be piled as directed by the Authorized Officer. Piles shall be tight, free of dirt, and free of projecting limbs or slash which would interfere with adequate pile covering. If, in the opinion of the Authorized Officer, the structure of the piles will not permit adequate consumption of piled debris by burning, the Purchaser shall repile them at the direction of the Authorized Officer.

Piles shall be located in areas suitable for burning as determined by the Authorized Officer. The piles shall not be closer than ten (10) feet from the unit boundary or in locations which, in the opinion of the Authorized Officer, would endanger reserve trees. The piles shall not be closer than fifty (50) feet from the Recreation Trails.

Upon completion of piling, the Purchaser shall prepare the piles for burning by securely covering each pile. Total surface area of each pile shall be covered at least seventy-five percent (75%) with six (6) mil (0.006 inch thick) black plastic provided by the Purchaser at the Purchaser's expense. The plastic shall be oriented Southwest (SW) to Northeast (NE). Placement of the plastic shall start on the ground at the SW side of each pile and extend over the top and go one-half (½) the distance to the ground on the opposite (NE) side. Woody debris shall then be placed on top of the plastic so that both the sides and the middle are held in place under strong windy conditions.