

# PRICE COUNTY FOREST TIMBER SALE CONTRACT

**CONTRACT NO:**

This contract entered into between the Forestry and Parks Committee, Price County, Wisconsin, hereinafter referred to as the "Seller" and:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Hereinafter called "Purchaser."

The Seller and Purchaser in consideration of the covenants hereinafter set forth mutually agree as follows: Purchaser may cut and remove timber on the following described lands:

\_\_\_\_\_ which are further described in attachments and made a part of this contract.

**SALE VALUE**

**ESTIMATED SALE VALUE:**                   \$ \_\_\_\_\_

**LUMP SUM BID:**                   \$ \_\_\_\_\_

SPECIES OR PRODUCTS	ESTIMATED VOLUME	RATE PER:		
		TON	M BOARD FT	CORDS

**ALL THE MARKED OR DESIGNATED TIMBER IS SUBJECT  
TO THE FOLLOWING TERMS AND CONDITIONS:**

1. Purchaser shall completely perform his obligations under this contract by the **30<sup>th</sup> day of April, 2013**. An extension of this contract may be granted by the Seller with an appropriate adjustment of stumpage rates as determined by the Seller. A request for contract renewal must be sent to the Price County Forestry and Parks Department by the expiration date of this contract. After 30 days from April 30, failure to comply

with this procedure automatically cancels this contract. A \$50.00 renewal fee will be charged for the first extension, \$100.00 renewal fee for the second extension and \$250.00 renewal fee for the third extension. Contract Extensions are not guaranteed. If an extension is granted stumpage rates will be increased, first extension 0-20% and second extension 0-50%.

2. Before cutting or removing any timber under this contract, Purchaser shall deposit with the Forest Administrator on or before **June 1, 2011** a cash performance bond or letter of credit in the amount of \_\_\_\_\_ to guarantee the Purchaser will carry out the provisions of the contract. The letter of credit shall have an expiration date of **December 31, 2013, 2014, or 2015**.
3. **FOREST CERTIFICATION.**  
The area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC)—Certificate #SCS-FM/COC-00083G-1 and the Sustainable Forestry Initiative (SFI)—Certificate #NSF-SFIS-1Y943. Forest products from this sale may be delivered to the mills “FSC-Pure” and/or “SFI certified” so long as the contractor hauling the forest products is chain-of-custody (COC) certified or covered under a COC certificate from the destination mill. The purchaser is responsible for maintaining COC after leaving the sale area.

### **PERFORMANCE REQUIREMENTS**

4. Upon written notice by certified letter from the Seller or its representative, to the Purchaser, that he is not in compliance with one or more conditions of this contract, all operations must be suspended and may not be resumed without written authorization.
5. Upon failure of Purchaser to comply with one or more of the conditions of this contract, the performance bond indicated above will be forfeited to the County upon written notice by certified letter to the Seller.
6. Purchaser shall comply with specifications for operations under this contract. These specifications are attached to and made a part of this contract.
7. Upon successful completion of this contract the Performance Bond may be applied to timber stumpage due on this or other contract the Purchaser has with Price County.

### **CUTTING REQUIREMENTS**

8. **The Purchaser shall inform the Seller when cutting is started and ended for the season on the sale area.**
9. All timber marked or otherwise designated by this contract to be cut, shall be cut progressively and to the satisfaction of the representative of the Seller, whether or not the quantity of such timber is more or less than the estimates comprising the operational specifications. In clear cut areas where timber is rough cut, all species must be cut concurrently with Aspen. Where Aspen is sap-peeled, residual timber must be cut and skidded and all shearing completed by April 1st of the following year.
10. Marked or designated trees left uncut, and unmarked or undesignated trees cut or damaged, and timber wasted in tops and stumps shall be paid for at a rate double or more, the contract stumpage rate specified. Any young growth bent or held down by felled trees must be promptly released. All species are to be utilized to a 4-inch top diameter unless otherwise specified.

**11. Best Management Practices (BMPs) requirements and other Guidelines:**

- a) The Purchaser shall comply with all recommended BMPs for Water Quality guidelines as described in “*Wisconsin’s Forestry Best Management Practices for Water Quality*” published by the Wisconsin Department of Natural Resources, publication Pub-FR-093.
- b) The Purchaser shall comply with all recommended Forestry BMPs for Invasive Species as described in “*Wisconsin Forestry Best Management Practices for Invasive Species*” published by the Wisconsin Department of Natural Resources, publication Pub-FR-444-09.
- c) The Purchaser shall comply with all General Guidelines as described in “*Wisconsin’s Forestland Woody Biomass Harvesting Guidelines*” published by the Wisconsin Department of Natural Resources publication PUB-FR-435-09.

**12. Excessive Soil Disturbance will not be tolerated.**

A soil disturbance is “excessive” if it has exceeded the threshold (see Table 1).

Table 1. Thresholds for soil disturbances.	
County Forest Infrastructure	Soil disturbances are excessive if:
Roads, Landings, Skid Trails, and General Harvest Area	<ul style="list-style-type: none"> <li>• A gully or rut is 6 inches deep or more and is resulting in channelized flow to a wetland, stream, or lake.</li> </ul>
Roads, Landings, and Primary Skid Trails	<ul style="list-style-type: none"> <li>• In a riparian management zone (RMZ) or wetland, a gully or rut is 6 inches deep or more and 100 feet long or more.</li> <li>• In an upland area (outside of RMZ), a gully or rut is 10 inches deep or more and 66 feet long or more.</li> </ul>
Secondary Skid Trails and General Harvest Area	<ul style="list-style-type: none"> <li>• Gully or rut is 6 inches deep or more and 100 feet long or more.</li> </ul>
<p><b>Note:</b> The depth is to be measured from the original soil surface to the bottom of the depression. If individual lug depressions are visible, the depth would be measured to the lesser of the two depths (the “top” of the lug). The length is measured from the start of the “too deep” section to the end of the “too deep” section. Measurements are not cumulative.</p>	

Classifying a soil disturbance as “excessive” does not mandate closing of a timber sale or a forest road; however, actions should be taken, as appropriate, to minimize further soil disturbances. If a timber sale has soil disturbances that exceed the excessive threshold, then the expectation is that the contractor will contact the timber sale administrator (or vice versa) and together they will evaluate the disturbance and determine what actions, if any, are needed to repair or mitigate the effects of the soil disturbance.

- 13. Maximum stump height shall be the stump diameter, but shall not exceed 12 inches in height. All slash is to be lopped within two feet of the ground.
- 14. Timber shall not be removed from premises until paid for or guarantees for payment acceptable to the Seller are provided.
- 15. Title to all forest products shall remain with the County until the products are scaled and paid for by Purchaser. Purchaser shall be responsible for payment of all damage or loss of forest products resulting from fire, flood, theft, or other causes during the course of his operation.

16. Location of logging roads, mill sites, and camp sites must be approved by the representative of the Seller prior to construction and all debris must be disposed of upon termination of contract. Purchaser shall maintain forest haul roads in their original conditions. Roadways, trails, and wildlife openings shall be kept free from brush, tops, ends and other debris. Logging roads that intersect town, county or state roads or highways must have the intersections approved by the proper authorities prior to construction and cleared of all unsightly debris at the time of construction.
17. Purchaser shall be responsible for observing the designated boundaries of the sale area and shall be liable for all trespass committed by Purchaser outside of such boundaries.
18. Purchaser shall do all in his power to cooperate with the fire protection officers to prevent and suppress forest fires and to comply with all state laws regarding timber slash disposal.
19. The decision of the Seller acting on the advice of its agents and the Forester, Wisconsin Department of Natural Resources, as to whether Purchaser is in compliance with the terms of this contract, shall be final.
20. **Indemnification.** The Purchaser agrees to protect, indemnify and save harmless the Seller and the Seller's employees and agents from and against all causes of action, claims, demands, suits, liability or expense by reason of loss or damage to any property or bodily injury to any person, including death, as a direct or indirect result of operations under this Contract or in connection with any action or omission of the Purchaser, who shall defend the Seller and the Seller's employees and agents in any cause of action or suit.
21. **Liability and Worker's Compensation Requirements:**
  - A. Purchaser agrees to assume all liability for any damage or injury to persons or property, real or personal, resulting from Purchaser's operations under this contract and will hold the County harmless from the same. A minimum of \$1,000,000 in liability insurance is required.
  - B. The Purchaser shall furnish proof of Worker's Compensation Insurance. In the event the Purchaser's insurance is terminated for any reason, he shall immediately cease all activities otherwise permitted by this contract and provide written notice to the Committee.
22. **WISCONSIN SFI TRAINING STANDARD.** The Purchaser agrees to provide the seller with a certificate of compliance with Wisconsin SFI Training Standards prior to starting sale.

One "in woods" person actively responsible for each logging site must meet the current SFI Training Standards. A certificate showing that this standard has been met for the "in woods" person must be on file with the Price County Forestry and Parks Department prior to starting sale.
23. The Purchaser is an independent contractor for all purposes, including worker's compensation, and not an employee or agent of the Seller. The Seller agrees that the undersigned Purchaser shall have the sole control of the method, hours worked, time and manner of any timber cutting to be performed hereunder and takes no responsibility for supervision or direction of the performance of any of the harvesting to be performed by the undersigned Purchaser or of the Purchaser's employees except for the limited right of the Seller to cease operations for breach of this Contract. The Seller further agrees it will exercise no control over the selection and dismissal of the Purchaser's employees.
24. This contract cannot be assigned in whole or in part without written approval of the Seller.
25. All modifications to this contract must be in writing, signed by the parties hereto.

## SCALING AND CONVERSION FACTORS

26. The Seller may inspect trucks hauling forest products from the premises and check scale at any time.
27. When peeled cordwood is scaled, it is agreed that 12½% will be added to hand peeled or stroke delimeter/processor peeled volume and 16% to ring debarked volume.
28. The Scribner Decimal C Log Rule shall be used for scaling logs. All logs measuring eight feet or longer in length, ten inches or larger inside the bark for hardwoods and eight inches inside the bark for softwoods on the small end, and grading number three log or better, shall be scaled by board foot measure unless otherwise designated. Conversion of MBF (thousand board feet) to cords or cords to MBF shall be 2.44 cords per MBF for softwoods and 2.20 cords per MBF for hardwoods.
29. All sawlogs shall be separated from pulpwood when piled.

## PULPWOOD MILL SCALE SYSTEM

30. All pulpwood will be scaled using the mill scale system. On mixed species loads, the entire load will be billed at the stumpage rate for the highest value species included on the load.
31. Ticket books shall be issued when the Contract is signed and periodically thereafter as needed. All tickets shall be accounted for by the Purchaser. Unused tickets shall be returned to the Seller immediately upon completion or termination of the Contract.
32. The Purchaser may receive tickets equal to 3/5 of his bond. He may purchase as many additional tickets as he prefers. Each ticket will be in triplicate and will represent one load. The price of the ticket will be the average load size times the price per cord of the species it represents.
33. Tickets are issued for the Contract specified on the cover of the ticket book and shall not be used for any other Contract.
34. Prior to hauling any timber, the Purchaser must make arrangements with all buyers of cut timber from the premises to return copies of scale slips attached to corresponding tickets.
35. A list of all truckers that will be hauling wood from the premises shall be provided to the Seller by the Purchaser. It shall be the responsibility of the Purchaser to provide such truckers with appropriate ticket books.
36. Lock boxes shall be placed on the premises by the Seller.
37. **Each time a load of cut timber leaves the sale area, the appropriate portion of the ticket shall be clearly, completely and accurately filled out and deposited in the lock box.**
38. **Failure to deposit tickets in the lock box each time a load of cut timber leaves the sale area will be considered a breach of contract. Purchaser agrees to pay double the stumpage rate for each load so removed, with possible contract cancellation and bond forfeiture.**
39. When transporting timber from the sale area, the truck driver shall have in his/her possession the appropriate portion of the ticket applicable to the load.

40. The Seller may check scale and scale tickets at any time.
41. Truck Delivery: the appropriate portion of the ticket shall be detached at the point where the wood is scaled and attached to a duplicate copy of the scale slip. Both shall be returned to the Seller.
42. Rail Car Shipment to a Mill: The appropriate portion of the ticket shall be attached to the bill of lading for the car. At the mill the ticket shall be attached to a copy of the scale slip, then immediately returned to the Seller.
43. The mill scale slip that corresponds to the lock box ticket must be received by the seller within 30 days of hauling or a minimum of 15 cords per load will be billed.

## STUMPAGE PAYMENT POLICY

### **I. Scaled Sales**

- 1) Stumpage payments are due within 10 days of stumpage statement date.

### **II. Lump Sum Sales**

- 1) 25% of the sale value is due before cutting begins.
- 2) An additional 25% is due when the sale is one fourth cut.
- 3) An additional 25% is due when the sale is half cut.
- 4) The final 25% is due when the sale is three fourths cut.
- 5) Total bid price must be paid, regardless of volumes removed.

### **III. Late Payments**

- 1) 1½% compounded interest per month (18% annually) will be charged on bills that are more than 30 days past due.
- 2) Credit limit shall not exceed performance bond amount, or sale operation may be suspended.

\_\_\_\_\_

Forest Administrator

\_\_\_\_\_

Date

\_\_\_\_\_

Purchaser

\_\_\_\_\_

Date