

*Timber Sale Contract*  
*Jackson County Forestry Department*  
*Contract/Sale#: \_\_\_\_\_ Tract#: \_\_\_\_\_*

This contract is made by and between the Jackson County Forestry Department (seller) and \_\_\_\_\_ of \_\_\_\_\_ for the purpose of cutting and removing timber, which includes all forest products, marked or designated by the seller on the following lands, hereinafter called premises which are further described in attachments made a part of this contract.

Portion of: \_\_\_\_\_

Town of: \_\_\_\_\_

Species and products to be cut of sale \_\_\_\_\_ and tract \_\_\_\_\_

Information about species, volume, bid and value goes here...

This contract and all authority granted under it, as mutually agreed upon by the parties, is subject to the following terms and conditions:

1. Cutting of timber on the premises may start after execution of the contract and submission of required bonds, certificates or statements. Cutting and removing shall be conducted in a workman like manner and with reasonable diligence to assure full compliance with this contract within the contract period. The purchaser shall notify the seller immediately upon completion.
2. All work under this contract shall be completed in the period commencing upon its execution to no later than \_\_\_\_\_. The seller may temporarily suspend operations upon notice to the purchaser with subsequent equitable adjustment of this contract as deemed necessary by the seller.
3. If extensions of this contract are agreed upon by the parties, the stumpage prices indicated in clause 9 shall be adjusted as follows and the Letter of Credit must be extended to cover the extension period.

First 12 month extension	5% increase
Second 12 month extension	10% increase
Third 12 month extension	25% increase
4. The seller may suspend or terminate this contract, by providing oral or written notice to purchaser, upon purchaser's breach as determined by the seller or at other times when deemed necessary by the seller.
5. Within ten (10) days of execution of this Contract, purchaser shall provide security in the form of (a) cash or (b) Irrevocable Letter of Credit (circle one) in the amount of \_\_\_\_\_ dollars to insure the complete performance of this Contract subject to its terms and conditions. If the purchaser fails to provide the required security within ten (10) days, the seller may terminate the Contract. Any letter of Credit provided by the purchaser must comply with terms of this paragraph and is subject to the approval of the Seller prior to execution of this Contract. The initial Letter of Credit must be dated six (6) months beyond the date of the Contract. The Letter of Credit shall be renewed at least thirty (30) days prior to its expiration date if the Contract is not completed. If the Letter of Credit is not renewed as directed, the Letter of Credit shall be turned in to the make for payment prior to its expiration date. Purchaser agrees that upon breach of any terms or conditions of the Contract, as determined by seller, such cash or letter of credit shall be forfeited to the seller as liquidated damages unless the seller determines and chooses to seek actual damages. Purchaser further agrees that such cash or Letter of Credit shall not be returned unless and until the seller determines that the Contract has been fully completed by the purchaser. Failure to perform the Contract is considered a breach of Contract. If purchaser defaults or breaches the Contract and the damages exceed the amount of the security provided in this Contract, the purchaser shall forfeit any other cash or Letters of Credit which are held by the seller on any other contracts. The seller shall have sixty (60) days from notice of completion from purchaser to make the determination of whether the Contract has been completed.
6. Purchaser agrees that if the timber identified under this contract is resold due to a breach of contract, the seller is not obligated to give notice to resale to purchaser.

7. Timber shall not be removed from the premises until paid for or guarantees for payment acceptable to the Seller are provided.
8. Title to timber cut under this contract shall remain with the Seller until payment, as indicated in clause 9, is received by the Seller or written authorization is given by Seller.
9. Stumpage Payments
  - A. The Purchaser agrees to pay stumpage payments indicated in sub. B in the form acceptable to the Seller for marked or designated timber cut or removed under this contract. The volume of timber indicated is an estimate. The Seller does not give any guarantee or warranty respecting quality, quantity or volume of the marked or designated timber on the premises.

#### **Stumpage Payment Schedule**

- B. **Woods scale:** Full payment due within 15 days of date of issuance of scale sheet/invoice. Payment for scales may be required by Seller before wood is hauled. All wood which is hauled to a sawmill must be piled on the ground for scaling under the provisions of #41, unless hauling is authorized under a haul ticket system.

**Haul ticket system:** Minimum required advance stumpage deposit is 50% for each haul ticket. The balance of each ticket will be due within 15 days of issuance of invoice. Unscaled wood may not be hauled from sale area without a haul ticket for each load hauled. See items 44 through 57 for instructions on use of haul ticket system. *Haul tickets will only be used for pulpwood hauled to pulp mills, wood yards or chipping mills which scale by weight or by the cord unless authorized by Seller.*

*A Purchaser will be allowed one late payment violation per year without penalty. If Purchaser has more than one violation in a one year period they will be placed on a prepay status and be required to prepay 100% for all tickets and scaled wood for a period of two years.*

- C. The Purchaser agrees to pay double stumpage payments as liquidated damages for timber removed from the premises without advance payment, without authorization as required in clause 7, contrary to scaling or hauling requirements and for unmarked or undesignated timber cut or damaged through carelessness, negligence or intention.
- D. Purchaser agrees to make double stumpage payments for timber marked or designated on the premises which is destroyed or reduced in value as a result of the Purchaser's operation or negligence and that which is not removed on termination of this contract.

#### **OPERATIONAL SPECIFICATIONS**

10. **Cutting Requirements - Hardwood Thinnings and Shelterwoods Cuts.** All designated hardwood thinning and shelterwood cuts areas have the following cutting requirements and operational restrictions:
  - a. Harvest all trees in accordance with the specifications listed on the attached tract description page and map. Care must be taken to avoid damaging residual trees.
  - b. No cutting, skidding or road building between April 1 and July 15.
  - c. Tree and pole length skidding will be considered on a case by case basis.

11. **Cutting Requirements – Conifer Thinnings.** All designated conifer thinning have the following cutting requirements and operational restrictions:
  - a. All trees marked with orange paint or designated for harvest whether merchantable or not must be cut. Care must be taken to avoid damaging residual trees.
  - b. Tree and pole length skidding will be considered on a case-by-case basis.
  - c. All cut conifer products must be removed from the sale area within three weeks of felling during the period of April 1<sup>st</sup> through September 30<sup>th</sup>.
  
12. **Cutting Requirements - Regeneration Cuts.** All designated regeneration cuts have the following cutting requirements and operational restrictions:
  - a. Harvest all merchantable trees within the designated sale area. Avoid damage to and no cutting of designated reserve trees, individually marked trees, or islands. Skidding through leave islands is only allowed with prior approval of the Seller.
  - b. To ensure and protect aspen regeneration, all trees designated for harvest must be removed with the aspen.
  - c. Retain 3 snag (wildlife) trees per acre if available and where they do not present a hazard to the loggers.
  - d. Unless designated in the timber sale prospectus, cut all remaining non-merchantable trees which are two (2) inches or greater in diameter. Trees must be completely severed from the stump.
  
13. **Utilization Specifications:** All designated trees containing one or more 100 inch sticks or 8 foot 6 inch logs, 50% or more merchantable, to the minimum top diameter are considered merchantable.

Cordwood: Minimum top Diameter Inside Bark (DIB) will be 4 inches for softwood and 4 inches for aspen and all other hardwoods.

Sawlogs: Minimum top (DIB) will be 9 inches for softwoods and 11 inches for aspen and all other hardwoods.

Whole Tree: No minimum top diameter. Includes all bark and limbs.

Fuel Rods: Minimum top diameter will be 2 inches Diameter Outside Bark (DOB) for all species.
  
14. Maximum stump height shall not exceed stump diameter, except that for stumps with diameters greater than 10 inches, stump height shall not exceed 10 inches.
  
15. Ownership of tops shall remain with the Seller and may not be utilized by the Purchaser, unless otherwise specified in this contract.
  
16. Volume to be cut is estimated, not guaranteed. Timber marked or designated for cutting shall be cut whether it is more or less than the volume listed.
  
17. The Purchaser shall use reasonable care not to damage the residual timber stands. Young growth bent or held down by felled trees shall be promptly released. Timber damaged through normal cutting operations may be designated for cutting by the Seller and harvested if merchantable. All marked boundary trees are to be left uncut unless specified otherwise.
  
18. The Purchaser agrees to complete all operations on each portion of the premises or each compartment as designated in the cutting requirements before beginning in the next, unless agreed to otherwise by the Seller.
  
19. The Purchaser agrees not to commit any act of waste or nuisance upon the premises.

### SLASH AND DEBRIS DISPOSAL

20. The Purchaser shall comply with requests regarding forest fire prevention and suppression made by the Seller and takes all reasonable precautions to prevent, suppress and report forest fires.
21. Slash disposal requirements are as follows:

No slash, tops or debris to be left in road ditches, on road rights of way or on woods trails. Slash disposal by removal or by lopping and scattering may be required within 100 feet of the centerline of public roadways and power line rights-of-way and within 500 feet of buildings. Lopping means reduction of slash to within two (2) feet of the ground surface. Scattering means the spreading of slash piles and concentrations to the satisfaction of the Seller.
22. The Purchaser shall remove all solid waste, trash and debris generated by the Purchaser.

### ROAD, CAMPS, SURVEY CORNERS, TRAILS

23. Location, construction, and use of logging roads, mill sites and campsites is are subject to advance approval by the Seller. All such areas or facilities used or constructed by the Purchaser must be operated, maintained and restored prior to termination of the contract in a manner satisfactory to the Seller. Purchaser shall restore all roads used in the harvest operation to pre-harvest conditions or better, prior to release by the Seller of Purchaser's performance bond.
24. Contractor may be required to close logging road(s) with earthen berm(s).
25. No residence, dwelling, permanent structure, or improvement shall be established or constructed on the premises. Temporary camps for workers may be established with permission and under terms dictated by the Seller.
26. Seller will notify township when harvesting commences. It is the Purchaser's responsibility to contact township or highway commissioner regarding any permits or restrictions. Phone number for township: \_\_\_\_\_ or highway commissioner: \_\_\_\_\_.

Logging roads that intersect with town, county, or state roads or highways must have the intersections approved by the proper authorities prior to construction and must be cleared of all unsightly debris at the time of construction. This requirement is the responsibility of the Purchaser. All ditch and road shoulders must be returned to original state before performance bond is refunded.
27. The Purchaser agrees to pay for the cost of repair or replacement of any land survey monuments or accessories which are removed or destroyed or made inaccessible. Payment of cost or repair shall not prevent enforcement or recourse to other statutory provisions which apply to such action or conduct of the Purchaser.
28. Use of recreational trails for timber access will be considered on a case by case basis. Conditions and time of year use of recreational trails shall be approved by the Seller. When recreational trails are open to the public the following conditions will apply:
  - a. The trails must be maintained in a safe condition.
  - b. Damages above "normal wear" will be repaired at Purchasers' expense.
  - c. When snowmobile trails are open a minimum of 3" of snow must be left on the trail.

## **SOIL DISTURBANCE / RUTTING**

29. Soil disturbances are excessive if :
- Roads, landings, skid trails and general harvest areas have a gully or rut 6 inches deep or more and is resulting in channelized flow to a wetland, stream or lake.
  - Roads, landings and primary skid trails in a riparian management zone (RMZ) or wetland, have a gully or rut 6 inches deep or more and 100 feet long or more and in an upland area (outside of RMZ), a gully or rut is 10 inches deep or more and 66 feet long or more
  - Secondary skid trails and general harvest area has a gully or rut that is 6 inches deep or more and 100 feet long or more.

## **LIABILITY**

30. The Purchaser agrees to protect, indemnify and save harmless the Seller from and against any and 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 operation or in connection with any action or omission of the Purchaser, who shall defend the Seller in any such cause of action or claim.

## **INDEPENDENT CONTRACTOR RELATIONSHIP**

31. The Purchaser, prior to any performance under the contract, shall provide the Seller with a certificate of insurance indicating that Worker's Compensation Insurance coverage is provided for all employees working under this contract regardless of exemptions in Chapter 102 Wis. Stats. Such certificate shall further include the condition that the insurer shall notify the Seller at Jackson County Forestry and Parks, W9790 Airport Road, Black River Falls, WI. 54615 within five (5) days of any change in its terms or twenty (20) days prior to its termination.
32. The Purchaser is an independent contractor and not an employee or agent of the Seller for any purpose including Worker's Compensation. The Seller agrees that the Purchaser shall have sole control of the method, hours worked, and time and manner of any performance under this contract other than as specifically provided herein. The Seller reserves the right only to inspect the job site or premises for the purpose of insuring that the performance is progressing or has been completed in compliance with the contract. The Seller takes no responsibility for supervision or direction of the performance of the contract to be performed by the Purchaser or the Purchaser's employees or agent. The Seller further agrees that it will exercise no control over the selection and dismissal of the Purchaser's employees or agents.
33. In connection with the performance of work under the contract, the Purchaser agrees not to discriminate against an employee or applicant for employment because of age, race, religion, color, sex, handicap, physical condition, developmental disability, sexual orientation or national origin as defined in S. 51.05(5), Wis. Stats. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination; pay rates or other form of compensation; and selection for training, including apprenticeship. Except with respect to sexual orientation, the Purchaser further agrees to take affirmative action to ensure equal employment opportunities. The Purchaser agrees to post in a conspicuous place available for employees and applicants for employment, notices to be provided by the Purchaser setting forth the provisions of this nondiscrimination clause.

### **ASSIGNMENT AND CHANGES**

34. This contract, together with the specifications in the bid request and referenced parts and attachments, shall constitute the entire agreement and previous communications or agreements pertaining to this contract are hereby superseded. Any contractual revision including cost adjustment and time extensions must be made by an amendment to this contract or other written documentation, signed by both parties at least 30 days prior to the ending date of this contract.

In a catastrophic event (fire, disease, insect, wind throw etc.) the Seller retains the right to alter the timber sale for the purpose of protecting the forest health or salvaging damaged trees.

### **CONTRACTING PARTIES**

35. In this contract, the Seller and the Purchaser include their respective officers, employees, agents, directors, subcontractors, assignees, partners, representatives, successors, heirs, members and servants. Purchaser agrees, prior to beginning any activity on sale area, to submit names of all subcontractors which will be operating on sale area. Seller reserves the right to reject subcontractors based on past experience with Seller.
36. If the Purchaser ceases to exist, in fact or by law, the Seller may immediately terminate this contract.

### **TRAINING REQUIREMENTS**

37. To promote maximum benefit to the environment, the health and welfare of our logging contractors, and to adhere to requirements of forest certification standards, effective 1/1/2006 Jackson County will require training of its logging contractors. Successful Purchasers of Jackson County stumpage will need to ensure that the actual logging contractor complies with the Wisconsin Sustainable Forestry Initiative (SFI) Training Standard as adopted by the Wisconsin SFI Implementation Committee (SIC). Criteria for the standard can be found at the website [www.fistausa.org/sfi\\_standards](http://www.fistausa.org/sfi_standards) or by contacting the Forest Industry Safety & Training Alliance (FISTA). Documentation confirming completion of the training standard will be required prior to starting sale.

### **SCALING AND CONVERSION FACTORS**

38. Seller may determine whether forest products are to be scaled on site (woods scale) or if haul ticket system will be authorized, or any combination thereof.
39. The Seller may inspect trucks hauling forest products from the premises and check sale at any time.
40. The Scribner Decimal C log rule shall be used for scaling logs.
41. The conversion rates for MBF (thousand board feet) to cords or cords to MBF will be 2.44 cords per MBF for softwoods and 2.20 cords per MBF for hardwoods.
42. Other conversion factors shall be those listed in the DNR Timber Sale Handbook (Manual Code 2461).

43. All sawlogs shall be separated from pulpwood when piled. Sawlogs shall be defined as a cut forest product meeting the minimum specifications for "Sawlog-Board Feet" in Chapter NR 46.02(22), Wisconsin Administrative Rules.
44. All pulpwood shall be piled on the ground at an approved landing area for scaling unless hauling is authorized under a haul ticket system. Piles shall be level and square with at least 5 cords per pile. At least 10 cords of pulpwood will be skidded and piled before a scale is requested.
45. Logs shall be yarded for scaling at an approved landing area. If logs are decked, the log length shall be marked on the small end with lumber crayon. Log decks shall be no higher than six (6) feet. All small ends shall be on one side of the log deck.
46. All products hauled to any sawmill shall be yarded or piled at an approved landing for scaling, whether or not log products are listed on the timber sale contract, unless hauling is authorized under a haul ticket system.

### HAUL TICKET SYSTEM

***NOTE: Haul tickets will only be used for hauling pulpwood to pulp mills, wood yards or chipping mills which scale by weight or by the cord. Haul tickets may be used for hauling sawlogs to mills with a certified weight scale at the discretion of the Seller.***

47. Haul Tickets may be purchased in any lot sizes by depositing the appropriate sum of money according to the fee schedule in item below.
48. Lock boxes shall be placed on the premises by the Seller upon request of the Purchaser. Seller shall install lock boxes as soon as reasonably possible after receiving the request.
49. The Seller may require the Purchaser to provide a list of the destination of timber to be removed from the premises.
50. Prior to hauling any timber the Purchaser agrees to provide, on forms supplied by the Seller, intent of all buyers of cut timber from the premises to return copies of scale slips attached corresponding tickets. Purchaser agrees to sell no cut timber to any buyer who has not provided written verification of his/her intent to return scale slips and tickets.
51. Each time a load of cut timber leaves the sale area, the appropriate portion of the ticket shall be clearly and completely filled out and deposited in the lock box. Under extenuating circumstances, Seller may allow Purchaser to haul without ticket, provided a hand written note is placed in the ticket box for the load.
52. Failure to deposit a ticket in the lock box each time a load of cut timber leaves the sale area may be considered a breach of contract. Purchaser agrees to pay double the stumpage rate as indicated in clause 9 as liquidated damages for such removed timber for breach of contract. In addition, failure to deposit tickets in the lock box may also be considered timber theft under State Statute 26.04 or theft under State Statute 943.20 with appropriate penalties.
53. If, for any reason a lock box is not present on the sale site as requested by the Purchaser, no wood may be removed by haul ticket until a lock box has been put in place, unless other temporary arrangements agreeable to the Seller have been made for depositing tickets until lock box is present.
54. Tickets are issued for the contract specified on the ticket and shall not be used for any other contract.

55. 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.
56. The Seller may require the Purchaser to provide a list of all truckers that will be hauling timber from the premises. It shall be the responsibility of the Purchaser to provide such truckers with appropriate tickets.
57. The Seller may check loaded trucks for scaled wood and/or haul tickets at any time.
58. **Truck delivery:** The appropriate portion of the ticket shall be detached at the point where the timber is scaled and attached to a duplicate copy of the scale slip and then immediately returned to the Seller. Failure to deliver the appropriate portion of the ticket to the wood scaler will be consider timber theft.
59. **Rail 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.
60. The sale prospectus is attached to and is part of this contract. All stipulations and operating procedures in the prospectus are part of the contract.

#### **TIMBER THEFT**

61. The Seller reserves the right to suspend this contract by oral or written notice if the Purchaser or any employee or subcontractor thereof is under investigation for timber theft, or has been arrested ~~for~~ or issued a citation for, or formally charged with timber theft under ss. 26.04, or ss. 943.20, Wis Stats, on this contract or on any other timber contract on the Jackson County Forest.
62. The Seller reserves the right to terminate this contract by written notice if the Purchaser or any employee or subcontractor thereof is convicted of timber theft or pleads to charges of timber theft under ss. 26.04 or 943.20, Wis. Stats.

#### **BEST MANAGEMENT PRACTICES (BMPs) REQUIREMENTS AND OTHER GUIDELINES**

63. 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, unless specifically provided otherwise below. A copy of this publication is available upon request to the Seller if not possessed by the Purchaser. Purchaser's certification in Wisconsin BMP training or equivalent through a FISTA-coordinated BMP workshop is also required.
64. The Purchaser shall comply with all recommended Forestry BMPs for Invasive Species as described in "*Wisconsin's Forestry Best Management Practices for Invasive Species*" published by the Wisconsin Department of natural Resources, publication Pub-FR-444-09, unless specifically provided otherwise below. A copy of this publication is available upon request to the Seller if not possessed by the Purchaser. The publication can also be found at the Council on Forestry website at: <http://council.wisconsinforestry.org/invasives/forestry>
65. 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, unless specifically provided otherwise below. A copy of this publication is available upon request to the Seller if not possessed by the Purchaser. The publication can also be found at the Council on Forestry website at: <http://council.wisconsinforestry.org/biomass/>

### **WHOLE TREE AND FUELROD UTILIZATION ALLOWANCE**

Utilization allowance is an adjustment in pulpwood stumpage rates. The whole tree and fuelrod utilization adjustment factors are below.

Whole tree	1.30 adjustment factor
Fuelrod	1.10 adjustment factor

The utilization allowance is calculated as follows:

$$\frac{\text{Total Combined Bid Value of Pulpwood}}{\text{Estimated Pulpwood Volume X Adjustment Factor}} = \text{Adjusted Price/Ton}$$

Purchaser must meet the utilization specifications listed in paragraph 13 to receive the whole tree and fuelrod utilization allowance. Sawlog volume will not receive a utilization allowance and may only be chipped with authorization from the Seller.

### **OTHER CONDITIONS**

#### Annosum Stump Treatment Sales

1. Purchaser will be required to purchase & apply Cellutreat™ to the cut stump surface of all conifers following label directions and all applicable State and Federal Laws regarding pesticide application including Commercial Pesticide Applicator licensing.
2. Purchaser must use blue dye in spray solution.
3. Stumps must be sprayed within 24 hours of cutting.
4. Purchaser is not required to treat stumps between December 1<sup>st</sup> and March 31<sup>st</sup>.

66. Other conditions (if none, write "NONE")

67. OSHA Compliance, Danger trees. The Purchaser is responsible to comply with, and assure compliance by all employees or subcontractors with, all Occupational Safety and Health Act (OSHA) requirements for the health and Safety of Purchaser's employees, including provisions relating to dangerous trees. In addition, the Purchaser agrees to notify, and obtain agreement from, the Seller if the Purchaser intends to modify performance required under this Contract for the purpose of compliance with OSHA requirements.

### **FOREST CERTIFICATION**

68. The area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) – Certificate FSC® #SCS-FM/COC-000083-i and the Sustainable Forestry Initiative (SFI) – Certificate SFI® #NSF-SFIS-1Y943. Forest products from this sale may be delivered to the mills "FSC-100%" 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.

**Jackson County (Seller)**

**By** \_\_\_\_\_

**Date signed** \_\_\_\_\_

**Purchaser**

**Name** \_\_\_\_\_

**Date signed** \_\_\_\_\_