State of Wisconsin
Department of Natural Resources

TIMBER SALES CONTRACT

Chapter 28, Wis. Stats.
Form 2400-005 (R 8-13)

Name of Property: _____ Contract No. _____

THIS CONTRACT IS ENTERED INTO by and between_____ (Seller) and _____(Purchaser) for the purpose of selling timber of the Seller. The Seller sells and the Purchaser agrees to purchase, cut and remove **ONLY** those trees (timber) specifically described in this Contract or marked by the Seller for cutting on the "sale area" which is identified or described in maps or diagrams attached to and made part of this Contract.

THE PROVISIONS OF THIS CONTRACT and all authority for use of the Seller's property for the cutting of timber (which includes felling, bucking, skidding, loading or hauling) are mutually agreed upon by the Seller and Purchaser and subject to the following terms and conditions:

1. PERFORMANCE.

   a. Commencement. Cutting and removal of timber in conformance with this Contract may commence and continue only after the signing of this Contract by both parties and only after submission and maintenance of all bonds, certificates or statements required under it.

   b. Contract Oversight. Cutting and removal of timber purchased under this Contract shall be conducted in conformance with this Contract and in a good and workmanlike manner with reasonable diligence to assure completion of all performance within the Contract period specified in par. 2.

2. CONTRACT PERIOD.

   a. All work under this Contract shall be completed to the satisfaction of the Seller between the signing of the Contract by both Parties and January 1, 2016, FOR TIME IS OF THE ESSENCE. Contract amendments or extensions may not be relied upon by the Purchaser for the purpose of completing performance under this Contract.

   b. The Seller may temporarily suspend operations under this Contract due to excessive property damage, wet conditions or for any other reason upon notice to the Purchaser or other persons operating on the sale area under this Contract with subsequent equitable adjustment of this Contract deemed reasonable by the Seller.

3. CONTRACT EXTENSIONS. If extensions of this Contract are deemed reasonable by the Seller, the stumpage price agreed upon herein shall be adjusted as follows:

   a. First extension: _free

   b. Second extension: _5% increase__

   c. Additional extensions: 10% increase

   d. Other applicable charges or fees:_____

4. TERMINATION. The Seller may terminate this Contract by oral or written notice to the Purchaser upon its breach as determined by the Seller or at other times when deemed necessary by the Seller. The Seller may also terminate this Contract upon breach of any other similar timber sale contract entered into by the Purchaser with the State of Wisconsin or with a County Forest in the State, as determined by the Seller. Upon such notice, the Purchaser shall cease all operations on and immediately leave, and not return to, the Seller's property unless otherwise provided by the Seller.

5. PERFORMANCE; PERFORMANCE BOND; LIQUIDATED OR ACTUAL DAMAGES; FUTURE CONTRACTS.

a. A performance bond in the Seller's favor in the amount of $_____ , in cash, by surety bond, or in any other form accepted by the Seller, shall be submitted by the Purchaser no later than December 30, 2013 to be retained by the Seller to assure full and complete performance of the Contract by the Purchaser to the Seller's satisfaction. Failure to submit the bond will be considered a breach of this Contract and subject the Purchaser to liability for damages. The Purchaser agrees that the bond shall be forfeited to the Seller as liquidated damages upon the Seller's determination a condition or term of this Contract has been breached by the Purchaser, unless the Seller chooses and can reasonably determine the actual damages suffered as a result of the breach of the Contract. Damages assessed under this Contract are the responsibility of the Purchaser and may be deducted from this performance bond and otherwise collected by the Seller.

b. The Purchaser agrees that the performance bond may be retained by the Seller until all performance under this Contract has been completed to the Seller's satisfaction and the Seller determines the performance has been so completed. If the Seller determines the performance has not been completed satisfactorily and in conformance with this Contract, the performance bond may be retained by the Seller until the Seller can determine damages caused by the lack of performance. If damages exceed the amount of the performance bond, the Seller may retain any prepaid stumpage up to the amount of calculated damages, at the Seller's discretion. If damages exceed the amount of the performance bond, the Seller may bill and seek damages from the Purchaser, in equity or in law, for the amount of calculated damages in excess of the performance bond, at the Seller's discretion. Only in the event the Purchaser provides written notice of sale completion to the Seller shall the Seller have sixty (60) days to determine that performance has been completed as required under this Contract.

c. If timber or other forest products not specifically described in this Contract or designated by the Seller for cutting are cut, damaged or removed by the Purchaser, the Seller may pursue any and all remedies for the unlawful use of the Seller's property and the cutting, damage or removal of property without consent, including the seeking of criminal or civil charges for theft, timber theft or criminal damage to property in addition to its Contract remedies for breach.

d. The Seller may, when it deems it reasonable and in the best interest of the Seller, allow the Purchaser to continue performance under the Contract and the Purchaser shall pay as liquidated damages double the mill value as determined by the Seller for the timber or other forest products cut, removed or damaged without authorization under or in violation of this Contract. The Seller's permission to continue cutting shall not be considered a waiver of breach nor prevent it from considering such breach for purposes of asserting any other remedies available to it. It is agreed that the double mill scale sum is a reasonable estimate of the probable damages suffered by the Seller and shall not be construed as or held to be in the nature of a penalty.

e. The Purchaser agrees that if the timber identified in this Contract for cutting is to be resold due to a breach of this Contract, as determined by the Seller, the Seller is not obligated to give oral or written notice to the Purchaser of the resale.

f. The Seller's damages upon the Purchaser's failure to perform this Contract include, but are not limited to:

(1) The Purchaser's bid value of timber not cut and removed under this Contract.

(2) Double the mill value, as determined by the Seller, for timber cut, removed or damaged without authorization under or in violation of this Contract.

(3) All costs of sale area cleanup, restoration or completion of performance not completed by the Purchaser.

(4) All costs of resale of timber not cut and removed as required under this Contract.

(5) If the Seller seeks damages for breach of this Contract through court proceedings, and if the Seller prevails in such proceedings, in whole or in part, then the Purchaser agrees to pay all of the Seller's actual and reasonable expenses, including attorneys and expert witness fees.

The Seller agrees to mitigate the damages for breach by offering the timber for resale if it determines the timber is saleable based upon its volume or quality.

g. A Purchaser deemed by the Seller to be in breach of this Contract may also be considered an irresponsible bidder and be refused the opportunity to bid upon or obtain future timber sales of the Seller for a period not to exceed two (2) years from the date of determination of the breach.

6. REMOVAL WITHOUT PAYMENT. Timber or other forest products may not be removed from the sale area until paid for as provided in this Contract or other guarantees for payment have been made with and to the satisfaction of the Seller so as to authorize its cutting and removal. Upon removal of timber or other forest products in violation of this paragraph, the Purchaser agrees to pay as liquidated damages double the mill value of the timber removed, and in addition to pursuing its remedies for breach of Contract, the Seller may seek charges against the Purchaser for Timber Theft, Theft, Criminal Damage to Property, or a violation of administrative rule or ordinance.

7. TITLE TO TIMBER. Title to timber cut under this Contract shall remain with the Seller until payment as required in this Contract is received by the Seller or written authorization to cut or remove the timber or forest products has been given by the Seller. The Seller shall bear the risk of loss or damage to the timber until payment to the Seller for the timber or authorization to cut or remove the Timber has been granted by the Seller, or damage is caused by the Purchaser or the Purchaser's agents or employees.

8. PAYMENT; PAYMENT SCHEDULE (Attached).

a. The Purchaser agrees to pay payments for timber removed under this Contract in the amount and in accordance with the payment schedule and its conditions which is attached to and made a part of this Contract. Payment shall be in the form acceptable to the Seller.

b. The volume of timber indicated in this Contract or other appraisal or cruise documents of the Seller are estimates. The Seller gives no warranty or guarantee respecting the quantity, quality or volume of marked or otherwise designated timber or forest products on the sale area.

9. CUTTING REQUIREMENTS.
("DBH" represents the diameter of the timber 4.5 feet above the ground): Unless stated otherwise, all designated trees shall be utilized to a 4" top. The sale prospectus will specify which trees are designated and what utilization standard is required.

10. UTILIZATION SPECIFICATIONS: **See attachment "C" General Sale Conditions**

a. CORDWOOD:

b. SAWLOGS:

c. OTHER:

11. WASTE. The Purchaser agrees to complete all operations and performance as described in this Contract without waste or nuisance on the sale area or any other property of the Seller and use all reasonable care not to damage trees not designated or marked for cutting. Young growth bent or held down by felled trees shall be promptly released.

12. STUMP HEIGHT; TOPS. The maximum stump height may not exceed the stump diameter; except for stumps of a diameter of less than 10 inches, the height of the stump may not exceed 10 inches. Title to tops shall remain with the seller and may not be utilized by the Purchaser, or at the Purchaser's direction, unless otherwise specified in this Contract.

13. ZONE COMPLETION. The Purchaser agrees to complete all operations on each portion of the sale area or each zone as designated on the sale area map, or other attachments or in the cutting requirements before beginning cutting in the next portion or zone, unless agreed to otherwise by the Seller.

14. FOREST FIRE PREVENTION. The Purchaser agrees to take reasonable precautions to prevent the starting and spreading of fires. Those precautions include, but are not limited to:

    a. A minimum of one fully charged 5 pound or larger ABC fire extinguisher with a flexible spout shall be carried on each off-road logging vehicle.

    b. All chainsaws and all non-turbocharged off-road logging equipment used in the operation shall be equipped with spark arrestors which have been approved by the U.S. Forest Service. Such arrestors may not be altered in any manner or removed and shall be properly maintained. (Information on approved arrestors may be obtained from the Seller.)

    c. If a fire occurs, the Purchaser agrees to promptly cooperate in the control and suppression of the fire.

    d. The Purchaser shall comply with requests regarding forest fire prevention and suppression made by the Seller and take all reasonable precautions to prevent, suppress and report forest fires. Those requests may include ceasing or modifying operations.

    e. The Purchaser shall be responsible for damage and forest fire suppression costs, including that provided in ss. 26.14 and 26.21, Wis. Stats., caused by their operation under this Contract.

    f. Other:

15. TRAINING REQUIREMENT. The Purchaser shall ensure that at least one in woods person actively engaged in performance of this contract and responsible for the logging site complies with the Wisconsin SFI (Sustainable Forestry Initiative) Training Standard as adopted by the Wisconsin SFI Implementation Committee (SCI). Criteria for the standard can be found at the website http://fistausa.org/content/how-become-sfi-trained or by contacting the Forest Industry Safety & Training Alliance (FISTA). Purchaser agrees to provide documentation to Seller that the training has been attained prior to initiating sale.

16. SLASH. Slash as defined in s. 26.12, Wis. Stats., shall be disposed of as follows:

    a. Slash falling in any lake or stream, in a right-of-way or on land of an adjoining landowner shall be immediately removed from the waters, right-of-way or adjoining land. Tops from felled trees may not be left hanging in standing trees. All trees shall be completely felled and not left leaning or hanging in other trees.

    b. Other:

17. CLEANUP AND USE OF SALE AREA.
    a. The Purchaser shall remove, to the satisfaction of the seller, all equipment, tools, solid waste, oil filters, grease cartridges, trash and debris remaining on the sale area or Seller's property upon completion of performance under this Contract, termination of this Contract due to breach by the Purchaser or when requested by the Seller.

    b. No residence, dwelling, permanent structure, or improvement may be established or constructed on the sale area or other property of the Seller.

    c. The Purchaser agrees to properly use and dispose of all petroleum products, including but not limited to oil, hydraulic fuel and diesel fuel. Any on-site spillage must be properly removed and cleaned up by the Purchaser to the satisfaction of the Seller.

18. ROADS, LANDINGS, MILL SITES, CAMPSITES, EROSION CONTROL, BEST MANAGEMENT PRACTICES (BMPs).

a. When not otherwise designated by the Seller, the location of roads, landings, mill sites and campsites on Seller's property is subject to advance approval and under the conditions established by the Seller. All restoration, cleanup or repair of roads, landings, mill sites and campsites, or the cost of the cleanup, if not completed by the Purchaser to the satisfaction of the Seller, is the responsibility of the Purchaser.

b. All logging debris accumulated at landing areas, including bark, tops and slash, shall be scattered within the sale area to the satisfaction of the Seller.

c. Berms constructed on the Seller's property shall be leveled to restore the area to the Seller's satisfaction unless they are constructed at the direction of the Seller under par. d.

d. Roads and landings shall be graded or closed upon the request of and to the Seller's satisfaction upon completion or termination of this Contract.

e. Other restoration requirements (e.g., seeding, gravel, rutting, culvert removal, etc.):

f. Best Management Practice (BMP) requirements and other Guidelines:

(1) 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.

(2) The Purchaser shall make every attempt to comply with 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. In particular, the Purchaser agrees to work cooperatively with the administering forester and any subcontractors to address the considerations in BMPs 4.4, 4.5, 4.6, 5.1, 5.2, 5.3, 5.5 and 9.1. 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

(3) The purchase 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/

(4) Other:

19. SOIL DISTURBANCE AND RUTTING

a. The Purchaser agrees to take all steps and precautions to avoid and minimize soil disturbances, such as soil compaction and rutting. If soil disturbances occur, the Purchaser agrees to work cooperatively to mitigate and repair any and all instances of soil disturbance.

b. Excessive soil disturbance (as defined in Table 1) shall not be permitted. Purchaser agrees to contact Seller in the event of an excessive soil disturbance.

Table 1.Thresholds for soil disturbances.

Timber Sale Infrastructure	**Soil disturbances are excessive if:**
Roads, Landings, Skid Trails, and General Harvest Area	▪ A gully or rut is 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, a gully or rut is 6 inches deep or more and 100 feet long or more. ▪ 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	▪ A gully or rut is 6 inches deep or more and 100 feet long or more.

Note: *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.*

c. Prior to sale completion the Purchaser shall mitigate and repair soil disturbances to the Seller's satisfaction.

d. Other restoration requirements (e.g. repair of soil disturbance or rutting on recreational trails used for skidding):

(1) Utilization of recreational trails for harvesting is NOT allowed, unless authorized by the DNR Forester. When trails are used, they must be kept in useable condition at all times. Any ruts should be repaired on a daily basis.

(2)

20. OTHER APPROVALS. 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. The Purchaser agrees to apply for and obtain all approvals. The Purchaser also agrees to fully comply with all terms and conditions of intersection approvals.

21. SURVEY MONUMENTS. The Purchaser agrees to comply with s. 59.635, Wis. Stats., regarding perpetuation of landmarks and pay for the cost of repair or replacement of property or land survey monuments or accessories which are removed, destroyed or made inaccessible.

22. 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.

23. INDEPENDENT CONTRACTOR. 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 under clause 2.b. or 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. INSURANCE; NOTIFICATION.

a. Unless the Purchaser is exempted by the Seller from this coverage requirement as an independent contractor, as defined in s. 102.07(8)(b), Stats.,and as determined by the Seller based on an affidavit submitted to it, the Purchaser agrees to elect to maintain worker's compensation insurance coverage for the cutting operation under this Contract and any and all employees engaged in cutting on the Seller's land during the period of this Contract regardless of any exemptions from coverage under chapter 102, Wis. Stats.

b. Other insurance requirements:

c. Prior to commencement of any work under this Contract and during the period of the Contract, the Purchaser shall provide proof of insurance coverage required by this Contract on an original Certificate of

Insurance, counter-signed by an insurer licensed to do business in Wisconsin naming the Seller as a Certificate Holder.

d. The Purchaser shall notify the Seller in writing at the Seller's office as indicated in the Contract or otherwise in writing by the Seller, immediately upon any change in or cancellation of insurance coverage required by this Contract.

25. NONDISCRIMINATION. (State Contract requirement) In connection with performance of work under this Contract, the Purchaser agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, sex, handicap, physical condition, developmental disability as defined in s. 51.01(5), Wis. Stats., sexual orientation or national origin. 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 forms of compensation; and selection for training, including 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 Seller setting forth the provisions of this nondiscrimination clause.

26. AFFIRMATIVE ACTION PLAN. (State Contract requirement) Contracts estimated to be fifty thousand dollars ($50,000) or more require the submission of a written affirmative action plan. Purchasers with a work force of less than fifty (50) employees are exempted from this requirement.

27. ASSIGNMENT. The Purchaser is precluded from assigning payment and Contract oversight, duties or other performance requirements of this Contract to another. The Purchaser's direction to or contracting with another to complete performance required under this Contract does not relieve the Purchaser from the responsibility for performance required under this Contract or for liability for breach. The Seller reserves the right to prohibit a particular sub-contractor from performance of this Contract if it is deemed in the Seller's best interest, as determined by the Seller based on past performance by the subcontractor on county, state, or federal timber sales or civil or criminal timber theft citations.

28. ENTIRE CONTRACT. This Contract shall constitute the entire agreement of the parties and any previous communications or agreements are hereby superseded and that no modifications of this Contract or waiver of its terms and conditions shall be effective unless made in writing and signed by the parties.

29. CONTRACTING PARTIES.
    a. In this Contract, the Seller and the Purchaser include their respective officers, employees, agents, directors, partners, representatives, successors, heirs, members and servants.

    b. If the Purchaser ceases to exist, in fact or by law, the Seller may terminate this Contract without waiving any remedies available to it and take all action necessary to assure its performance.

30. INSPECTION. The Seller retains for itself the right of ingress and egress to and on the sale area and may inspect the sale area and trucks hauling forest products from or traveling on the sale area at any time. If the inspection reveals any violations of this Contract, the Purchaser shall promptly take measures to remedy the violation. The Seller may terminate the Purchaser's operations upon oral notice to the Purchaser. Upon receipt of the notice, the Purchaser shall cease operations until the Seller approves resumption of them.

31. The Purchaser has no access or privilege to go upon the Seller's property other than to comply with this Contact and may not authorize access or use to others except for the sole purpose of performing this Contract.

32. SCALING AND CONVERSION FACTORS.
    a. When peeled cordwood is measured, it is agreed that 12.5% will be added to handpeeled or stroke delimber/processor peeled volume and 16% to ring debarked volume.
    b. The Scribner Decimal C Log Rule shall be used for scaling logs.
    c. 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.

33. APPLICABLE LAW. This Contract shall be governed by the laws of the State of Wisconsin. The Purchaser shall at all times comply with all federal, state and local laws, ordinances and regulations in effect during the period of this Contract.

34. FOREST CERTIFICATION. The area encompassed by this timber sale is certified to the standards of the Forest Stewardship Council (FSC) – Certificate (#SCS-FM/COC-00070N and the Sustainable Forestry Initiative (SF) – Certificate #NSF-SFIS-1Y941. 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. Any COC documentation with the product claim of "FSC-Pure" should be considered equivalent to "FSC-100%". The Purchaser is responsible for maintaining COC after leaving the sale area.

35. SAFETY.
    a. Utilities. The Purchaser is responsible to contact the digger's hotline, the controlling utility company, and/or other informational sources performing similar services, prior to digging or conducting other activities on the property which may result in contact with utility or service lines or facilities.

    b. 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 danger 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.

36. OTHER CONDITIONS: *(include if applicable)*
    a. *Release of Mill Records. The Purchaser agrees that mill slips or records respecting timber from the Seller's sale area, are to be released to the Seller upon Seller's request, and that the Purchaser will execute any letter or form of the Purchaser to that effect upon Seller's request.*
    b. *Annosum Root Rot Treatment. This sale requires the Purchaser to complete Annosum root rot preventive treatment 4/1-11/30. Treatment must be performed by a Certified Pesticide Applicator. Treatment involves chemically treating all fresh-cut stumps of pines of merchantable size by applying either Sproax (sodium tetraborate decahydrate) or CELLU-TREAT (disodium octaborate tetrahydrate). Treatment shall be made the same day as harvest and a dye product shall be added to liquid solutions for inspection purposes. The cost of this application can vary based on application method and harvest conditions, but should be considered when submitting bids on these timber sales. (Only on sales that require stump treatment).*
    c.

ATTACHMENTS. Any and all attachments to this Contract shall be made a part of this Contract and be fully complied with, including:

a. Map(s) or Diagrams(s) of Sale Area;
b. Payment Schedule and Conditions of Payment;
c. General Sale Conditions

SELLER

Date _____ By_____

PURCHASER

Date _____ By_____