

TIMBER SALE CONTRACT
For
THE HINESBURG TOWN FOREST

Hinesburg, Chittenden County, Vermont
October, 2018

This is agreement between the **Town Of Hinesburg**, whose address is 10632 VT Route 116 Hinesburg VT 05461, hereinafter called the OWNER and **Brown's Logging and Maple, LLC.** whose address is c/o Timothy Brown PO Box 184, Hinesburg, VT 05461 hereinafter called the BUYER.

Witnesseth that BUYER agrees to pay the OWNER stumpage payments for the consideration and the terms stated below, a quantity of timber on the OWNER'S property located on **864.5 Town-Listed Acres** in **Hinesburg, VT**, as depicted on the attached "Hinesburg Town Forest 2018 Harvest Map."

This contract will be supervised by a Vermont-Licensed Forester, hereinafter called FORESTER, who will act on behalf of the town in certain aspects of the administration of this contract.

The term of the contract shall be from **December 1, 2018** until all designated timber is cut and hauled, or the contract is cancelled by OWNER, or **July 15, 2020**, whichever comes first. The contract may be extended by written agreement of both parties.

ARTICLE I - Timber Sale Terms

A. The OWNER warrants that he is the sole owner of the said tract of land, and has full right and power to dispose of the timber in the manner specified.

B. The OWNER agrees to allow the BUYER to enter the described premises for the purposes of cutting and removing therefrom such timber as is included in the terms of this contract.

C. The BUYER agrees to cut, skid to the landing and sort all timber designated by ARTICLE IIA.

D. OWNER agrees to sell all timber designated and properly sorted on the landing to the BUYER at rates detailed in Attachment #1.

E. The BUYER agrees to pay the OWNER for marked timber at the rates on Attachment #1.

F. The BUYER agrees that all timber sale payments are to be made to the OWNER within one week after payment is received from the mill or 30 days after delivery to the mill, whichever comes first. Such payments shall be accompanied by the corresponding Mill Tally Scale Slips with a statement of the species, volume, service/timber sale rate and dollars represented by said payment.

G. All timber sale checks are to be made out to **Town of Hinesburg, Vermont**, and sent to OWNER's address, listed above.

H. BUYER will submit a sheet on a weekly basis detailing all truckloads of timber that were shipped to markets that week the property, their driver, destination, and contents.

ARTICLE II - Logging Operation Terms

In conduct of its logging operations BUYER agrees with OWNER as follows:

A. Timber to be cut is designated by:

1. All stems marked with a diagonal slash of blue paint on opposite sides of the trees.
2. Pre-commercial stems marked with a slash or dot of blue paint should be severed and left on the ground.
3. All stems within areas enclosed by trees marked with a vertical blue line, facing towards the interior of the area, and orange or red flagging are to be cut, except those designated by a painted blue "x". Trees marked with a vertical line and or orange or red flagging may be cut if they are also marked with a diagonal blue slash. If stems within these areas are precommercial, they should be severed and left on the ground.
4. All stems marked with a blue "G" will be girdled with two parallel lines cutting approximately 0.5" into the bark around the circumference of the tree.

B. All timber shall be processed on the landing to realize the highest value products. FORESTER reserves the right to re-sort wood on the landing if it is not sorted to realize the highest value products.

C. Stumps shall be cut as low as practicable but in no case higher than the diameter of the stump where cut.

D. BUYER shall use extreme caution so as to prevent the damage of young regeneration and trees that are not designated to be cut by the logging operation.

E. All hanging or leaning trees created by the BUYER's activity shall be felled.

F. Tops and limbs of trees higher than 8 feet off the ground will be lopped. All other debris will be left un-lopped, except as needed for safety and access considerations.

G. BUYER shall comply with all local, state and federal laws and regulations regarding, but not limited to, the the environment, safety, roads and powerlines. BUYER shall not trespass on property not owned by OWNER and respect all property boundaries including but not limited to those marked pursuant to Article II (H), below.

H. Stream buffers will be designated by trees marked with parallel blue-painted stripes facing away from the stream. Within marked buffers timber may be cut, but no equipment operated, and all slash must be removed. Stream crossing locations will be designated by OWNER, acting by and through FORESTER. Ephemeral streams and wet areas will be marked with blue flagging, and will be avoided whenever possible. If they cannot be avoided, they will be crossed in compliance with recommendations of the Vermont AMP's (See Article II (I), below).

- I. Property boundaries will be denoted by trees marked with 3 parallel blue-painted stripes, facing towards the interior of OWNER's property. No timber may be felled on property not owned by OWNER, and no slash may be left within 50 feet of OWNER's boundary lines.
- J. BUYER agrees to comply with all aspects of the Acceptable Management Practices for protecting water quality on logging jobs in Vermont (AMP's). BUYER further agrees to take preventative or remedial actions as directed by OWNER acting by and through FORESTER during and after cessation of operations to assure compliance.
- K. Location of roads and skid trails shall be determined by OWNER acting by and through FORESTER. BUYER agrees to leave open and in good condition all major skid trails and perform all maintenance thereon if needed, as determined by BUYER or OWNER, acting by and through FORESTER. Maintenance shall mean to include blading ruts, installing water bars, culverts or other water control measures. Upon completion of the logging operation, BUYER shall leave roads, major skid trails and landings protected from erosion as required by the AMP's.
- L. Within ninety (90) days after completion of the logging operation, BUYER will remove all tools and equipment from OWNER'S land. If not removed, the items remaining become property of OWNER. BUYER will clean up all trash and other debris and leave landings in a smooth and neat condition. If not satisfactorily completed, OWNER will arrange to have any necessary remedial work done and bill BUYER for the work.
- M. BUYER shall notify OWNER through notification to FORESTER at least one week in advance of his intent to commence logging operations.
- N. BUYER will not assign this contract in whole or in part without the written consent of OWNER.

ARTICLE III - Performance Deposit

The BUYER agrees to deposit with the OWNER the sum of **\$1,500**. Said deposit is not a credit for timber cut, but shall be used as a security deposit for proper completion of the terms and conditions of this Agreement by the BUYER. Payment for all timber removed must be made, and terms and conditions of this Agreement fulfilled, before the security deposit is returned. No sum of money may be withheld by the BUYER from stumpage payments with the intent of reclaiming the deposit. The deposit will be returned to the BUYER within 30 days after satisfactory completion of the logging operation as judged by OWNER, acting by and through FORESTER.

ARTICLE IV - Buyer Status and Insurance Requirements

BUYER agrees with the OWNER that BUYER is an independent contractor and not an agent or employee of the OWNER, and as an independent contractor BUYER will indemnify, defend and hold OWNER harmless from all costs, claims and expenses of whatever kind or nature incurred by BUYER, his employees, agents, subcontractors, successors and assigns in connection with BUYER'S performance of this Agreement. BUYER agrees to maintain, and agrees to have all sub-contractors maintain, any and all insurances required by the United States or State of Vermont, including, but not limited to Public Liability Insurance including all contractual liability for a minimum \$1,000,000 per occurrence and \$2,000,000 aggregate, Vehicle Liability Insurance for a minimum \$1,000,000 per occurrence and \$2,000,000 aggregate and Workers Compensation Insurance as required by law in connection with this logging operation. Upon

execution hereof and upon the anniversaries of this execution hereof, BUYER shall provide certificates of insurance to OWNER demonstrating compliance with this Article IV.

ARTICLE VI – Cancellation, Severability, Alterations

- A. Should the BUYER default under any provision, this Agreement may be immediately terminated at the option of the OWNER. OWNER may cancel this contract for any reason, at which point no more marked timber may be cut unless specified in a written agreement between both parties.
- B. In the event any provision or portion thereof of this Agreement or the accompanying Attachments is held to be invalid or unenforceable, such provision or portion thereof shall be severed from this Agreement or Attachment, as applicable, and the remaining provisions will remain in full force and effect.
- C. This Contract contains the entire agreement between the parties with respect to the purchase or sale of the timber referred to herein, and the same may not be modified or discharged nor may any of the terms be waived except by an instrument in writing signed by the parties hereto.
- D. After the expiration date stated on Page 1 of this contract, BUYER'S rights to enter on this property shall cease and revert to OWNER free of all claims.

ARTICLE VII – Special Provisions

- A. Logging shall only be completed under frozen winter conditions. The suitability of conditions for logging will be judged by OWNER acting by and through FORESTER.
- B. BUYER is responsible for ensuring that the site is stable at all times and that operations are terminated during periods of poor operating conditions. BUYER understands that this may require the placement of temporary water bars in advance of forecast poor weather or during periods when operations have been suspended.
- C. "Existing Access Roads" depicted as red lines, and the "Eagle's Trail," depicted as a blue dashed line on the attached "Hinesburg Town Forest 2018 Harvest Map" will be kept free of logging debris as is practicably possible throughout the course of the timber sale.
- D. Temporary site restoration will occur to the extent reasonably practicable and at the direction of OWNER acting by and through FORESTER before logging ceases at the end of winter 2017-2018 and 2018-2019. If necessary, as judged by OWNER acting by and through FORESTER, additional trail stabilization will be completed by BUYER as soon as conditions allow in the spring/summer of 2018. Final close-out will occur as soon as possible and will consist of installing waterbars and removing temporary stream crossings as directed by the OWNER acting by and through FORESTER. OWNER reserves the right to require the use of an excavator, if necessary, to comply with the below-listed provisions:
 - 1) The landing shall be scraped clear of all wood and debris following the timber sale.
 - 2) All ruts created by logging equipment will be smoothed.
 - 3) The "Existing Log Roads" and "Eagles Trail," as described in Article VII (C) will have smooth waterbars without jagged or abrupt dips or trenches, as judged by OWNER, acting by and through FORESTER, and will be left in at least as good condition as they are prior to the commencement of the timber sale.

- 4) No debris created by the timber sale will be left within any marked streams or vernal pools.
- 5) Existing culverts must be protected and left in good condition and free of logging debris. Any damage to culverts will be the responsibility of BUYER.

ARTICLE VIII – Signatures

Town of Hinesburg

Date

Timothy Brown
Brown's Logging and Maple, LLC.

ATTACHMENT #1

STUMPAGE PRICES*

| PRODUCT | PRICE |
|-----------------------------------|-----------------------------------|
| Sawlogs | \$\$\$/MBF |
| Hardwood Sawlogs | MDP – Trucking - \$220/MBF** |
| Hardwood Veneer | MDP – Trucking - \$400/MBF |
| Softwood (Pine/Spruce) Logs | MDP – Trucking - \$160/MBF |
| Pulpwood/Firewood/Chipwood | \$\$\$ /Cord or \$\$\$/ton |
| Firewood | \$15/cord (\$5.77/ton) |
| Hardwood Pulp | \$8/cord (\$3.07/ton) |
| Softwood Pulp/Chipwood | \$0 |

No log will result in a loss of revenue to the OWNER. Should the price of any sawlog leave the OWNER with \$0 or less per MBF, as calculated above, the stumpage price due to the OWNER will default to \$25/MBF (softwood) or \$30/MBF (hardwood).

* “Stumpage” is the money owed to OWNER by BUYER per thousand board feet (MBF) of timber.

**MDP = Mill Delivered Price

*** Trucking rates must be approved by OWNER, acting by and through FORESTER. Initially approved trucking rates are: \$65/MBF to Clifford Lumber or Cyr Lumber and \$85/MBF to Buffalo Mountain or TRG (Hardwick).

