

Exhibit "A"

SISKIYOU COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

TIMBER SALE AGREEMENT

LAKE SISKIYOU TIMBER SALE – "NORTH SHORE FUEL REDUCTION"

THIS AGREEMENT FOR THE SALE OF TIMBER ON SISKIYOU COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT PROPERTY, is made and entered into this ___ day of _____, 2019, by and between the Siskiyou County Flood Control and Water Conservation District, hereinafter "DISTRICT", and _____, hereinafter the "PURCHASER."

WITNESSETH, that for and in consideration of the covenants, conditions, agreements, and stipulations hereinafter set forth, the parties hereto agree as follows:

- 1. SALE AND PURCHASE OF TIMBER:** The DISTRICT agrees to sell to the PURCHASER, and PURCHASER agrees to purchase from DISTRICT all designated merchantable dead timber, standing or down, and all live timber designated for cutting by the DISTRICT as hereinafter more specifically defined, on an area of about 348 acres, in portions of Sections 19, 29, 30 & 31 Township 40 North, Range 4 West M.D.B. & M. and in Section 24, Township 40 North, Range 5 West; M.D.B. & M (the "Sale Area"), at the rates and in strict conformity with the requirements and conditions hereinafter set forth for saw and peeler logs, and other merchantable material. PURCHASER shall harvest and remove the timber from the DISTRICT's property, only as provided in this Agreement.
- 2. TIMBER SPECIFICATIONS AND PAYMENT FOR TIMBER:** The species and estimated net merchantable amounts (Scribner Eastside short log scale) to be cut under the methods of marking hereinafter set forth and demonstrated by marking, and the rate of payment per thousand board feet, as well as total estimated value for the timber shall be as follows:

| Species | Estimated Volume (MBF) (net) | Rate per MBF | Estimated Value |
|---------------|------------------------------|--------------|-----------------|
| DF | 294 | \$ | \$ |
| PP | 167 | \$ | \$ |
| SP | 27 | \$ | \$ |
| IC | 34 | \$ | \$ |
| WF | 17 | \$ | \$ |
| Totals | 539 | \$ | \$ |

*NOTE: Bidders shall enter bid prices (Rate/MBF) in the table above.

Payments to DISTRICT shall be made on a bi-monthly schedule, on the 15th and 30th days of each month. If payment is not received at the agreed upon interval, DISTRICT may suspend PURCHASER'S operations until payment is received.

- 3. SALE AREA:** The Sale Area is approximately 2 miles southwest of Mt. Shasta City, in Siskiyou County, California, and is delineated on the map attached hereto as **Exhibit A**, which map is hereby made part of this Agreement. The PURCHASER shall conduct harvesting operations of the timber only within the Sale Area.

The boundaries of the Sale Area are primarily property boundaries which have been marked with blue paint and red and yellow flagging. Where the boundaries of the Sale Area are not property boundaries, the Sale Area boundary has been designated with pink and yellow flagging as depicted on Exhibit A, which PURCHASER by signing this Agreement certifies PURCHASER has examined.

3. **TIMBER TO BE REMOVED; TIMBER MARKINGS:**
- The PURCHASER shall only log the timber designated for cutting as described herein.
 - The PURCHASER shall fell only those trees within the Sale Area marked with blue paint. The minimum diameter of trees marked for harvest is 10" Diameter at Breast Height (DBH).
 - Any tree marked in black paint is a save tree and PURCHASER shall not fell any such tree.
 - Timber designated for cutting by DISTRICT for the construction of landings, or roads within the Sale Area or for access thereto shall be paid for by PURCHASER at the rate set forth in Paragraph number 2 of this Agreement.
6. **NON-INDUSTRIAL TIMBER MANAGEMENT PLAN AND FOREST PRACTICE RULES; COMPLIANCE OF PURCHASER WITH LEGAL REQUIREMENTS:** The Forest Practice Rules for the Northern Forest District and the Non-Industrial Timber Management Plan (NTMP) for this timber sale are hereby made a part of the terms thereof in the same manner as if said NTMP and Forest Practice Rules and each thereof were set forth at length in this Agreement. Rules or regulations that become effective during the term of this agreement, and any amendments to the NTMP, shall be adhered to by the PURCHASER to the extent required bylaw.
4. **INDEPENDENT SCALING:** All timber removed by PURCHASER pursuant to this Agreement shall be scaled 100% by a third party independent scaler. All measurements or scales made or taken by the third party under this Agreement shall be inclusive and shall be binding upon PURCHASER.
5. **BID DEPOSIT/PERFORMANCE DEPOSIT:** A deposit in the sum of five percent (5%) of the total bid price shall be submitted with the PURCHASER's bid. The PURCHASER's bid deposit will be returned upon its execution of this Agreement and deposit of a satisfactory performance security. The PURCHASER shall have the option to apply the bid deposit to the performance deposit or a sale payment .
7. **BIOMASS REMOVAL; ROADWORK; ROCKING OF STREAMS:** The PURCHASER shall mitigate for any effects of its timber operations through the work specified in **Exhibit C** of this Agreement. PURCHASER's bid pricing rate per MBF and total estimated value(s) in Paragraph number 2 incorporates this work. PURCHASER shall be responsible for biomass harvest of the entire Sale Area, sawlog harvest as set forth herein, treatment of logging slash, roadwork (such as building seasonal roads), constructing landings and skid trails, and rocking three (3) stream crossings, as more specifically outlined in **Exhibit C** of this Agreement.
8. **TERM; NOTICE TO PROCEED; PRODUCTION SCHEDULE:**
- This Agreement shall become effective on the date DISTRICT first written above and shall expire on May 17, 2022.
 - The PURCHASER shall not enter upon DISTRICT property, nor commence harvesting of any Timber, until and unless it receives a Notice to Proceed from the DISTRICT. The DISTRICT will determine when harvesting operations may begin based upon operating conditions in context with measures embedded in the DISTRICT's Non-Industrial Timber Management Plan (NTMP) and Forest Practice Rules.
 - THE PURCHASER AGREES TO PROVIDE THE DISTRICT, WITHIN FIVE (5) DAYS OF SIGNING THIS AGREEMENT, A PRODUCTION SCHEDULE

DETAILING THE PROJECTED CUTTING AND REMOVAL OF TIMBER. THE DISTRICT MUST APPROVE THE PRODUCTION SCHEDULE AND ANY CHANGES THERETO IN WRITING.

9. **DISTRICT MAY SUSPEND HARVESTING OPERATIONS**: The DISTRICT, through its Director Scott Waite (the "Director"), may suspend the harvesting and removal of timber, and require the PURCHASER to temporarily vacate the property, when inclement weather, heavy rains, saturated soils, wildfire, or similar occurrence, poses, in the opinion of the Director, too great of a risk of injury to the PURCHASER's and/or the DISTRICT's personnel or property.
10. **LIMITATIONS ON PURCHASER'S TIMBER OPERATIONS**: No operations are allowed under this Agreement within the Sale Area and NTMP area between the dates of May 12, and September 16. For any operations conducted prior to May 12, the following operational rules shall apply:
- a. All erosion control measures shall be complete prior to May 12;
 - b. All bundles, doodles, logs and other cut material shall be removed from sale and NTMP area prior to May 12;
 - c. All top decks shall be chipped and removed from the Sale Area and NTMP area prior to May 12;
 - d. All residual landing slash shall be removed in the manner provided for in this Agreement prior to May 12; and
 - e. All of PURCHASER's equipment shall be removed from the Sale Area and NTMP area prior to May 12.
11. **EXTENSIONS OF THE TERM**: An extension of operating time may be granted upon written request of the PURCHASER and upon the terms and conditions as specified by the DISTRICT. The extension, if granted, shall be contingent upon advance extension payment of 1.88 percent simple interest per annum, prorated for the time granted, on the unpaid portion of the timber value of the contract. The unpaid portion of the contract shall be determined by subtracting the sum of timber payments received as of the original contract termination date from the total contract value based on the timber inventory estimate. Upon completion of log removal, the extension payment due will be recalculated and adjusted by the DISTRICT based on the actual unpaid monthly balance beginning with the original termination date and each month thereafter. The unpaid monthly balance shall be determined by subtracting the sum of all stumpage payments received, on or before the 15th of each month, from the final value of all forest products removed.
- Operating time extensions granted under this provision shall not alter the scheduled progress payments required above. Operating time extensions shall not be granted if said scheduled progress payments have not been received by DISTRICT or if any other contractual requirements have not been met by PURCHASER.
12. **HARVEST TO COMMENCE PROMPTLY, PROCEED DILIGENTLY AND BE COMPLETED DURING THE TERM**: Once timber-harvesting operations have commenced, PURCHASER agrees to continue operations at a normal production level until all contractual provisions are completed unless shutdowns are required due to saturated soils, hazardous fire conditions, Limited Operations Period (LOP) for wildlife concerns, or are otherwise approved by the DISTRICT or mandated by the Forest Practice Rules and/or Non-Industrial Timber Management Plan (NTMP) requirements.
13. **EROSION CONTROL**: Erosion control measures shall be installed within two (2) weeks of completion of each skid trail's use or sooner as required by the Forest Practice Act.

14. **AVOIDANCE AND MITIGATION MEASURES**: PURCHASER shall understand and abide by all fire related Avoidance and Minimization Measures (AMMs) as shown in Exhibit B, as well as all pertinent CDISTRICT, stand and federal fire-related requirements, whichever is more stringent.
15. **NO GUARANTEE / DISCLAIMER OF WARRANTIES**: The DISTRICT does not guarantee the amount of timber that is set forth in its estimate/Invitation to Bid. THE TIMBER IS BEING SOLD "AS IS" "WHERE IS" "WITH ALL FAULTS" AND WITH NO REPRESENTATION OR WARRANTY EXPRESSED OR IMPLIED.
16. **PROTECTION OF FOREST AND INFRASTRUCTURE**: The PURCHASER understands that the protection of recreational assets, the maintenance of low fire hazards, the prevention of injury to trees not designated for cutting, the creation of conditions favorable to the regeneration of the DISTRICT owned forests is paramount to DISTRICT and that the provisions of this Agreement will be strictly enforced to that end.
17. **LOG BRANDING**: Prior to removal of timber from the sale area the PURCHASER shall mark the DISTRICT timber by painting "LS" on a wing log on the front and back of the load in blue paint. PURCHASER will provide paint to be used for branding identification. Prior approval must be obtained in writing from the DISTRICT regarding any changes in the brand or branding procedure.
18. **THIRD PARTY SCALING**: All timber harvested and shipped by reason of this sale shall be scaled by a recognized independent "third party" scaling organization agreeable to the DISTRICT. Logs will be scaled as presented and results of said scales shall be conclusive and binding upon PURCHASER and DISTRICT unless otherwise contested through check scale procedures.
19. **SCALING PROCEDURES**: PURCHASER and DISTRICT agree that the "third party" scaler shall implement the following procedures:
- a. All Logs shall be scaled in accordance with the 1985 edition of the "**National Forest Log Scaling Handbook**" and **Region 5 Supplements**. Unless expressly prohibited in the aforementioned publications: (a) minimum diameters shall be measured to the nearest inch; (b) logs over 20 feet in length shall be scaled as two or more segments; (c) logs shall be scaled in one-foot multiples; (d) logs shall be scaled using Taper Table 3; and (e) no deductions shall be made for massed pitch, weather related defects in green logs, or excessive mechanical damage in the DISTRICT's opinion.
 - b. Payment for scaling and reporting services performed by the scaling organization shall be made by the PURCHASER of this sale. DISTRICT assumes no responsibility in this regard. Prior to scaling DISTRICT logs, the scaling organization shall provide a scaler information form to its scalers, which includes contact specifications governing scaling requirements.
 - c. All loads must be scaled at the first unloading point and within three (3) working days from the date of removal from the DISTRICT property.
 - d. Organization scalers shall perform the following services:
 - i. Record log species, diameter, length, type, amount of defect, and gross and net scale on the scale tickets and mail such documents to the scaling organization on the day of scaling.

- ii. Scale all logs in a load at the same location and time.
- e. Identify with paint those loads that have been scaled and immediately notify the DISTRICT when it is known by scaler that a load has been bypassed or picked up from the designated scaling location before being scaled. The scaling organization shall notify the DISTRICT of any change on a scale ticket that affects the volume of the original scale after the copy has been mailed to the DISTRICT.
- f. The scaling organization shall process scale tickets of all DISTRICT loads daily and mail at its expense, copies of daily scale certificates and log listings to DISTRICT. Also required are semi-monthly scaled volume summaries as of the 15th and the last day of the month. When adjustments are required to compensate for omissions or errors in daily scaled column summaries, the DISTRICT may request the scaling organization to issue an adjusted summary report for those specified time periods. The PURCHASER shall also be notified by the DISTRICT when such an adjustment has been made.
- g. Logs shall be scaled in 2' multiples.
- h. The DISTRICT shall provide the PURCHASER with a sufficient supply of five-part load receipts to identify each load of forest products removed. The white copy shall be retained in the load receipt booklet and returned to DISTRICT by the operator after use of the last receipt. The green and blue copies shall go to the PURCHASER and logger respectively. The yellow (trucker) copy and hard (attach to load) copy shall be affixed to the load; one part being returned to the DISTRICT with scale certificates; the other to stay with the load until decked.

20. **STANDARDS AND PRACTICES TO BE UTILIZED BY PURCHASER:** The PURCHASER agrees to the following utilization standards and practices:

- a. Timber shall be processed to maximize sawlog yield. At a minimum, all harvested trees presenting at least one sound log that is 6" scaling diameter inside bark (DIB) at the small end, or larger - AND - at least 17' in length must be shipped, scaled and paid for as delivered sawtimber as described herein. Logs less than 6" DIB may be merchandised as sawlog(s) or biomass at purchaser's option. Any logs less than 6" DIB merchandised as sawlogs shall be scaled and paid for as described herein.
- b. All trees shall be utilized to the fullest extent practicable, except in those cases, in the judgment of the DISTRICT, that the log material in the tops is un-merchantable by local utilization standards because of roughness, or number or size of knots. The log lengths shall be varied so as to secure the greatest possible utilization or random length merchantable material.
- c. Timber wasted in tops, wasted by careless or improper bucking, broken in careless felling, and any timber merchantable according to the terms of this Agreement which is cut and not removed from any portion of the cutting area when operations on such portions are completed, or before this Agreement expires or is otherwise terminated, unless such wastage or non-removal involves small amounts, and in the judgment of DISTRICT, is justified by existing conditions, shall be paid for at the stumpage price in this Agreement.
- d. Un-merchantable snags shall be left standing unless they must be felled for safety reasons or for fire protection purposes as per the FPRs, NTMP or by direction from the DISTRICT.

- e. Stumps shall be cut as low as possible and in no case shall be over 12 inches on the uphill side except where more height is needed to save timber or insure safe working conditions.
- f. Fallers shall be equipped with falling wedges. Fallers working in the Watercourse and Lake Protection Zone shall have ready access to and be knowledgeable in the use of tree felling jacks and shall use them as necessary to direct the fall of trees away from watercourses.
- g. The PURCHASER shall make every effort to conduct the felling operations to prevent careless or unnecessary breakage of timber. All designated trees shall be felled on DISTRICT property and no operations of any kind under terms of this Agreement shall be conducted on any adjoining property not owned or controlled by the DISTRICT. The use of hydraulic felling jacks or comparable devices is encouraged to control direction of tree fall and reduce breakage.

21. **ADDITIONAL RULES FOR PURCHASER:** Forest practice rules in addition to those set forth in the Forest Practice Rules shall be required as follows:

- a. DISTRICT approval shall be required prior to construction of new landings and spur roads not depicted in the approved NTMP. Licensed Timber Operator will use existing landings wherever feasible.
- b. All logging operations shall proceed in an efficient, workmanlike, orderly, and progressive manner.
- c. DISTRICT, through the Director, may suspend timber operations in whole or in part when in his/her opinion the ground conditions are so wet that excessive damage will result from the operation of equipment in logging the timber included in this Agreement.
- d. Leave / residual trees severely damaged in logging and designated by DISTRICT shall be cut and removed.
- e. Section corners, and other property corners, shall not be destroyed, defaced or removed to another place, nor shall any witness trees be cut or scarred. Damage to these features shall result in withholding of \$1,500 per occurrence from security deposit.
- f. All slash and logging debris created by the logging operations and delivered to landings shall be chipped. Any residual material left after chipping operations shall be loaded and hauled to disposal site noted in Exhibit A as Location 10. This loading and hauling shall be done at PURCHASERs expense. Landings shall be left free and clear of debris upon completion. Debris to be removed shall be as free of soil as possible and piled for burning at Location 10.

22. **REMOVAL BY LICENSED TIMBER OPERATOR:** A California Licensed Timber Operator in good standing shall conduct timber operations pursuant to this Agreement. Upon completion of timber operations on that portion of the Sale Area of which the Operator is responsible, the Operator shall certify that all operations are complete and that they comply with the Forest Practice Rules and the NTMP by submitting a letter to DISTRICT within ten (10) days of completion, that all operations are complete and in conformance with the Forest Practice Rules and the NTMP.

22. **TEMPORARY SIGNAGE**: PURCHASER and PURCHASER'S agents may post temporary signs in order to display onsite messages (e.g. trucker mileposts, CB channel, etc.). Signs shall be removed once their function is completed, and in all cases before the expiration of the term of this Agreement. No messages are to be painted on any tree, rock, stump, or other permanent feature.

23. **BIOMASS REMOVAL**: PURCHASER shall remove sub-sawlog (biomass) material from the Sale Area per the following specifications:

- a. Do not harvest trees over 10" on the stump unless they are significantly damaged.
- b. Desired spacing is 18' and may range from 12'-22'.
- c. Leave un-thinned pockets where they occur in small openings >1/2 acre.
- d. Thin perimeter of dense pockets to eliminate ladder fuels where they grade into stands of larger trees.
- e. Deviate spacing from 12'-22' on a random basis as determined by tree health.
- f. Leave healthiest conifers regardless of species (except for knob cone pine).
- g. Leave pine and Douglas-fir before white fir or cedar where tree health is the same.
- h. Remove all snags under 10" stump diameter.
- i. Thin oaks under 10" stump diameter where larger oaks predominate.

DISTRICT

24. **PENALTY FOR CUTTING TREES OTHER THAN THOSE ALLOWED**: It is agreed that because of the effect upon the DISTRICT forest as a whole and upon its future productivity and because of the nature of the case, it will be extremely difficult and impractical to fix the actual injury to the DISTRICT by the following type of breaches of this Agreement by the PURCHASER:

- a. The failure to remove all merchantable material designated for cutting as agreed herein; and
- b. The loss of merchantable timber from fire, or from other injury caused by the PURCHASER or which the PURCHASER might have prevented and by the terms of this Agreement the PURCHASER is required to prevent; and
- c. The cutting or severely damaging by logging of leave and / or residual trees as agreed herein;

And it is further agreed, that by reason of such extreme difficulty and impracticability, the PURCHASER shall pay to the DISTRICT for such merchantable material the PURCHASER so fails to remove and for merchantable materials so lost or damaged, at double the rate herein before set forth as the sell price of the particular species so not removed or lost or damaged provided, that such payments shall not release the PURCHASER from liability for any damage suffered by the DISTRICT in addition to the value of said trees so not removed or lost or cut or damaged as aforesaid shall be regarded as liquidated damages. In cases of occasional injury as described above and involving small amounts of material only, DISTRICT staff will use his/her discretion and judgment in determining whether any breach of contract has occurred within the meaning of this paragraph.

27. **ROADS, TRAILS, AND CULVERTS**:

- a. Any road or trail used by the PURCHASER in connection with this sale that is damaged beyond ordinary wear and tear through such use shall promptly be restored by PURCHASER to its original condition at his/her expense. **The Lake Siskiyou trail shall not be utilized as a skid-trail.** Any skid-trail crossings shall

be minimized as much as possible, all slash & debris deposited on the trail shall be removed within twelve (12) hours and any damage to trail will be remediated to original condition within twelve (12) hours.

- b. No logging roads, main skid trails, crossings, or landings shall be constructed until their location has been designated on the ground and approved by DISTRICT.
- c. The PURCHASER shall provide access along all roads in the harvest area for emergencies and fire protection.
- d. The roads designated by DISTRICT which are used by the PURCHASER for removal of timber or other forest products from this sale, shall be maintained by the PURCHASER. The North Shore road is the primary designated haul road. This road shall be maintained at the PURCHASER'S expense in serviceable condition during periods of use in accordance with the following minimum standards unless otherwise specifically directed in writing by DISTRICT.
 - i. At the completion of the use of designated haul roads, a final grading is required. This final grading will remove ruts and other irregularities that would prevent normal road surface run-off. The final grading will also redefine existing out-sloping and dipping, and result in a final clearing of drainage ditches and culverts as necessary to insure satisfactory functioning of the road used by PURCHASER to remove logs. Final grading will be performed to the satisfaction of the DISTRICT upon completion of operations.
 - ii. All inlets and outlets of existing and installed culverts on any roads used or built by the PURCHASER shall be kept open at all times. PURCHASER shall replace or repair any culverts, downspouts, or culvert location stakes lost, damaged, or destroyed by PURCHASER'S operations.
 - iii. PURCHASER will be required to grade and water all haul roads as part of timber harvesting operations. Sufficient water will be applied to insure that road fines are not displaced when logging trucks pass over the road surface.

34. **WATER WAGON REQUIRED:** In addition to the Fire AMMs detailed in Exhibit B, during the period specified by law, the PURCHASER shall have readily available to the Sale Area for fire suppression purposes a "water wagon" or similar self-propelled vehicle of at least 1,000 gallons capacity. The "water wagon" shall be maintained in good operating condition. This unit shall be kept filled to capacity except when in actual physical use on the logging operation and equipped with at least 150 feet of serviceable 1½" fire hose with National Standard thread fittings and a serviceable nozzle for said hose; and further, said unit shall be equipped to draft water from a stream or pond as well as to pump water from the tank mounted on the vehicle

35. **TITLE TO TIMBER SHALL TRANSFER ONLY UPON PAYMENT; RISK OF LOSS SHIFTS UPON INITIATION OF OPERATIONS:** All timber included in this Agreement shall remain the property of the DISTRICT until paid for in full by the PURCHASER in the manner herein before set forth, provided that the risk of loss thereof, by fire or otherwise, after operations have begun with reference to the particular logging area, shall be solely on the PURCHASER. PURCHASER shall pay the DISTRICT for all timber, regardless of whether such timber reaches its intended destination or is accepted or paid for at such destination.

36. **PURCHASER'S REPRESENTATIVE AVAILABILITY:** At all times when construction or

logging operations are in progress the PURCHASER shall have timber operator representative(s) on site. The timber operator representative shall be identified to the DISTRICT and shall be readily available to the area of such operations, and shall be authorized to receive, on behalf of the PURCHASER, any notices and instructions given by the DISTRICT in regard to performance under this Agreement. The timber operator representative shall take such action thereon as is required by the terms of this Agreement.

37. **INDEMNIFICATION**: The PURCHASER shall indemnify and hold DISTRICT harmless against any and all liability imposed or claimed, including attorney's fees and other legal expenses, arising directly or indirectly from any act or failure of PURCHASER or PURCHASER's assistants, employees or agents, including all claims relating to the injury or death of any person or damage to any property, arising from or relating to this Agreement. PURCHASER agrees to maintain a policy of liability insurance in the minimum amount of (\$1,000,000) One Million Dollars, to cover such claims or in an amount determined appropriate by the DISTRICT Risk Manager. If the amount of insurance is reduced by the DISTRICT Risk Manager such reduction must be in writing. PURCHASER shall furnish a certificate of insurance evidencing such insurance and naming the DISTRICT as an additional insured for the above-cited liability coverage prior to commencing work. It is understood that the duty of PURCHASER to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by DISTRICT of insurance certificates and endorsements required under this Agreement does not relieve PURCHASER from liability or limit PURCHASER's liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, PURCHASER acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

38. **INSURANCE COVERAGES**:

- a. **General Liability and Automobile Insurance**: During the term of this Agreement PURCHASER shall obtain and keep in full force and effect a commercial, general liability and automobile policy or policies of at least (\$1,000,000) One Million Dollars, combined limit for bodily injury and property damage; the DISTRICT, its officers, employees, volunteers and agents are to be named additional insured under the policies, and the policies shall stipulate that this insurance will operate as primary insurance for work performed by PURCHASER and its sub-contractors, and that no other insurance effected by DISTRICT or other named insured will be called on to cover a loss covered thereunder. All insurance required herein shall be provided by a company authorized to do business in the State of California and possess at least a Best A:VII rating or as many otherwise be acceptable to DISTRICT. The General Liability insurance shall be provided by an ISO Commercial General Liability policy, with edition dates of 1985, 1988, or 1990 or other form satisfactory to DISTRICT. The DISTRICT will be named as an additional insured using ISO form CG 2010 1185 or the same form with an edition date no later than 1990, or in other form satisfactory to DISTRICT.
- b. **Certificate of Insurance and Endorsements**: PURCHASER shall obtain and file with the DISTRICT prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing the required additional insured coverage and which shall provide that no cancellation, reduction in coverage or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to DISTRICT prior to the effective date of such cancellation. Naming the DISTRICT as a "Certificate

Holder" or other similar language is NOT sufficient satisfaction of the requirement. If changes are made during the term of this Agreement, no work shall be performed under this agreement, and no payment may be made until such certificate of insurance evidencing the coverage set forth above are provided to DISTRICT.

39. **COMPLIANCE OF PURCHASER WITH LEGAL REQUIREMENTS:** The PURCHASER, in all activities under or pursuant to this Agreement, as well as in handling, reselling otherwise dealing with respect to the timber and other material realized by the PURCHASER by reason of this Agreement, whether such timber and other material is in its original form or in a changed form, agrees to comply in all respects with all lawful acts, rules, regulations and directions of any legislative, executive, administrative or judicial body or officer exercising any power of regulation or supervision with respect to such matters and whether arising out of the provisions of this Agreement and otherwise.
40. **PURCHASER NOT AN EMPLOYEE/AGENT OF DISTRICT:** No provision of this Agreement shall authorize the PURCHASER or his/her agents or servants to act as an officer, agent, or employee of the DISTRICT.
41. **ASSIGNABILITY:** This agreement is entered into by the DISTRICT in reliance upon the knowledge and skill of the PURCHASER and is not assignable by the PURCHASER either in whole or in part except on prior written consent by the DISTRICT.
42. **TIME IS OF THE ESSENCE:** Time is of the essence in each and all the provisions of this Agreement.
43. **NOTICES:** Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid or return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change the address by written notice to the other.
- a. DISTRICT: Attn: Scott Waite
Siskiyou County Flood Control and Water Conservation District
190 Greenhorn Road
Yreka, CA 96097
- b. PURCHASER:
44. **BREACH; NOTICE OF BREACH; TERMINATION FOR BREACH:** If the PURCHASER breaches any of the provisions of this Agreement, the DISTRICT may serve written notice of such breach upon the PURCHASER, and thereupon the DISTRICT may suspend the operations of the PURCHASER hereunder until such time as such breach is remedied, and if such breach is not remedied within ten (10) days, the DISTRICT may, at its option, without further notice, terminate this Agreement.
45. **PERFORMANCE BOND; SECURITIES IN LIEU OF BOND:**
- a. As further guarantee of a faithful performance of the condition of this Agreement, the PURCHASER delivers herewith a faithful performance bond, or approved alternate form of security, satisfactory to the DISTRICT in the sum of TBD (\$). Upon satisfactory completion of half the estimated timber harvesting activities, including biomass thinning, PURCHASER may request a one-time reduction of this security to an amount determined by the DISTRICT to be sufficient to cover

all remaining provisions of this Agreement.

b. Alternate forms of security in lieu of performance bonds are:

- i. Certificate of deposit with the DISTRICT as payee; issued by a bank or similar financial institution which is a member of the Federal Reserve System or is insured by the Federal Deposit Insurance Corporation.
- ii. Irrevocable letter of credit issued by a bank or financial institution, which is a member of the Federal Reserve System or is insured by the Federal Deposit Insurance Corporation.

c. All bonds, letters of credit, or certificates of deposit, must be in a form acceptable to the DISTRICT.

d. The PURCHASER agrees that all monies deposited and the faithful performance bond, or security, delivered under this Agreement may, upon failure on his/her part to fulfill all and singular the requirements herein set forth or made a part hereof, may be retained by the DISTRICT to be applied as far as may be to the satisfaction of his/her obligations assumed hereunder, without prejudice whatever to any other rights and remedies of the DISTRICT. As soon as security for the performance of the terms of this Agreement or provisions for the settlement of claims or for damages incident thereto is no longer necessary to be retained or made, any balance of the initial deposit that may be left after applying it to any payment due or owing will be returned to the PURCHASER.

46. **PURCHASER TO REPORT AND PAY ALL TAXES AND ASSESSMENTS:** The PURCHASER shall be solely responsible for filing reports with the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION and payment of the timber yield tax levied on timber cut under this Agreement as provided by the Z'Berg-Warren-Keene-Collier Forest Taxation Reform Act, Statutes of 1976, Chapter 176. The PURCHASER'S yield tax payments shall not be credited in any way for timber cut or other obligations of this Agreement

47. **PURCHASER TO MAINTAIN AND KEEP ITS RECORDS:** PURCHASER shall keep written records of all timber cut under the provisions of this Agreement, and the DISTRICT shall be privileged, through its officers, employees and agents, during reasonable office hours, to examine and make copies of such records. Such records shall be retained by the PURCHASER, and available to the DISTRICT, for a period of not less than five (5) years after the last day of the TERM. Such records shall include: 1) Type and volume of the timber cut from; 2) the entity purchasing such timber from PURCHASER and the price paid; and 3) All payments made to the DISTRICT.

46. **CERTIFICATION REGARDING COMPLIANCE ORDERS:** By signing this contract, PURCHASER swears under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against PURCHASER within the immediately preceding two-year period because of PURCHASER'S failure to comply with an order of a federal court which orders compliance with an order of the National Labor Relations Board.

47. **AMENDMENTS:** This Agreement may not be amended except through a written agreement executed by the parties

48. **EXAMINATION AND AUDIT:** In accordance with Government Code Section 8546.7,

notwithstanding any other provision of law, every contract involving the expenditure of public funds in excess of ten thousand dollars (\$10,000) entered into by any state agency, board, commission, or department or by any other public entity, including a city, DISTRICT, city and DISTRICT, or district, shall be subject to the examination and audit of the California State Auditor, at the request of the public entity or as part of any audit of the public entity, for a period of three years after final payment under the contract. Every contract shall contain a provision stating that the contracting parties shall be subject to that examination and audit. The failure of a contract to contain this provision shall not preclude the California State Auditor from conducting an examination and audit of the contract at the request of the public entity entering into the contract or as part of any audit of the public entity.

49. **NON-DISCRIMINATION:**

- a. During the performance of this Agreement, PURCHASER and subcontractors involved shall not unlawfully discriminate, harass or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave. PURCHASER and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. PURCHASER and subcontractors shall comply with provisions of the Fair Employment and Housing Act (Government Code, Section 12900, et. seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7385.0 et seq.)
- b. PURCHASER shall include nondiscrimination and compliance provisions of this clause in all subcontracts performed under this contract.

DISTRICTDISTRICT

50. **WARRANTY OF PURCHASER:** PURCHASER warrants that it, and each of its personnel, where necessary, are properly certified and licensed under the laws and regulations of the State of California to conduct the timber operations under this Agreement.

51. **SEVERABILITY:** The provisions of this CONTRACT are severable, and to the extent that any provision of this CONTRACT is determined by court order, law or rule to be invalid, such invalidity shall in no way affect nor invalidate the other provisions of this

52. **GOVERNING LAW:** This Agreement and all matters relating to it shall be governed by the laws of the State of California and the DISTRICT of Siskiyou and any action brought relating to this Contract shall be brought exclusively in a state court in the DISTRICT of Siskiyou.

IN WITNESS WHEREOF, DISTRICTDISTRICT and PURCHASER have executed this Agreement on the dates set forth below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

PURCHASER:

Date: _____

[Purchaser Signatory Name and Designate official capacity in the business]

Date: _____

[Purchaser Signatory Name and Designate official capacity in the business]

License No.: _____
(Licensed in accordance with an act providing for the registration of contractors)

Note to Contractor: For corporations, the contract must be signed by two officers. The first signature must be that of the chairman of the board, president or vice-president; the second signature must be that of the secretary, assistant secretary, chief financial officer or assistant treasurer. (Civ. Code, Sec. 1189 & 1190 and Corps. Code, Sec. 313.)

TAXPAYER I.D. _____

COUNTY OF SISKIYOU

Terry Barber, COUNTY Administrator (Date)

Accounting:

2501-205010-502600

APPROVED AS TO LEGAL FORM:

Edward J. Kiernan, DISTRICT Counsel (Date)

APPROVED AS TO INSURANCE REQUIREMENTS:

Ann Merkle, Risk Management (Date)