TIMBERSTATE G. INC.

LICENSED PROFESSIONAL FORESTERS

Cliff Foster - Greg Foster - P.O .Box 157 - Gray, Maine 04039-0157

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Town of Raymond Selectmen August 7, 2012

40 Webbs Mills Road

Raymond, Maine 04071

Dear Chairman Sam Gifford, Selectmen Mike Reynolds, Joe Bruno, Lonnie Taylor, and Charlie Leavitt:

Please find for review a work order contract between the Town of Raymond and Timberstate G. Inc. This contract gives me, an officer of Timberstate G. Inc., the authority to prepare the Patricia Drive forest property for a timber sale. My obligations to the town of Raymond are stated in the contract,

along with the method of compensation. Also enclosed is information pertaining to putting the wood for sale out to bid, and an example of a timber sale contract.

At the May selectmen meeting we discussed timber markets. Currently, the markets remain steady, and not particularly strong. The market for white pine pulpwood, of which there will be quite a bit of, is weaker now than in May, as the pulp mills have limited contractors on the number of loads they can deliver. We have seen a slight increase in demand for red oak sawlogs, of which there are some. The firewood market remains strong for now, but typically tails off in the fall. White pine sawlog markets remain steady, and better for grade sawlogs than for low grade sawlogs. Under a more robust economy, I believe most of these forest products would bring a higher price and better utilization.

I would suggest that we go forward with marking the woodlot, as it will take several weeks to complete this work, and evaluate when to put the wood out to bid. There will be no expense to the town for this, until the wood is actually sold.

Order of events:

1 mark woodlot and produce volume estimates

2 Send bid invitations to potential contractors, announce in newspaper or by other means

3 Show interested bidders the property and timber on a given date

4 Review bids with selectmen and select contractor

5 Prepare timber sale contract with contractor

6 Let the cutting begin!

Gregory E. Foster

Work Order

This agreement is made this 14tjh day of August 2012, by and between

Town of Raymond

40 Webbs Mills Road

Raymond, Maine 04071

Hereinafter as "Owner" and

Timberstate G. Inc.

Licensed Professional Foresters

P. O. Box 157, Gray Maine 04039

Whereas, the parties hereto desire to set forth the rights and liabilities with respect to those services to be rendered by ***Gregory or Clifton Foster, Officers of***

Timberstate G. Inc. and their appointment as agent for Owner for the purpose of the management, cutting and sale of timber on Owners' land;

NOW, THEREFORE, it is agreed as follows:

1. Owner authorizes ***Timberstate G. Inc.*** to perform labor necessary to prepare and administer a timber sale on Owner's land located in the Town of Raymond, County of Cumberland, and State of Maine.

2. ***Timberstate G. Inc.*** agrees to mark or designate trees to be cut; flag necessary road and yard areas; and in consultation with Owner, select a contractor to do the cutting; collect payment, do necessary paperwork and send payment to Owner; inspect ongoing cutting; and any reasonable incidentals to such sales. Owner appoints ***Timberstate G. Inc.*** to act as agent in the preparation and conduction of a timber sale as reflected above, and to collect the proceeds from said timber sale. The commission for performing the above described work will be 13% of the stumpage value.

3. During the period of this Agreement ***Timberstate G. Inc.*** shall have right to enter upon property described in section one above, at all reasonable times for all purposes associated with this Agreement.

4. The duration of this Agreement shall be for a period of 12 months beginning August 15th, 2012 through August 15, 2013 inclusive.

5. Owner agrees that should the decide not to proceed with the sale of timber herein, it shall compensate ***Timberstate G. Inc.*** for its time and expenses at a rate of $100 per hour.

6. Owner shall hold ***Timberstate G. Inc.*** harmless and in all respects indemnity them and warrant and defend them against all liability on account of any action for trespass or any action in law or inequity which may arise from the contemplated logging operations in the above described premises in section one, whether such legal actions arise from questions of title or trespass, excepting such actions that are solely due to an intentional wrongful act of

Timberstate G. Inc. in disregard of this Agreement. Upon ***Timberstate G. Inc.*** Request, Owner shall clearly mark upon the ground; the exterior boundaries of the area designated for logging contained in section one above.

7. Owner also agrees that any work required above and beyond the normal and reasonable administration of a timber sale shall be compensated for at a rate of $100 per hour. This work includes but is not limited to;

   a. Site review with codes enforcement officer or other official town regulatory body required by local ordinances; preparing and filing applications for variances or permits for timber harvesting as required for local permits to harvest timber.

   b. Boundary line research and location to establish lines that are not readily identified

   c. These activities will proceed only when authorized by the owner.

Witness

_____ _____

Owner

_____ _____

Timberstate G. Inc.

TIMBER SALE AGREEMENT

This agreement is made this 4th day of August, 2012 by and between landowner hereinafter called the seller, and logger, hereinafter called the purchaser.

Landowner	Logger
Gloucester Hill Road	North Raymond Road
New Gloucester, Maine 04260	Gray, Maine 04039
207-926-????	207-657-????

Witness

ARTCLE I:

A. The seller agrees to sell to the purchaser, upon the terms and conditions hereinafter stated, all the merchantable timber which has been marked or designated by the seller or his agent on the landowner's lot in the town of Raymond, County of Cumberland, State of Maine.

B. The seller stipulates that the town is the sole owner of the said tract of land and its Selectmen have the full right and power to dispose of the timber in the manner specified herein.

C. The seller further agrees to allow the purchaser to enter upon the above described premises with his equipment for the purpose of cutting and removing therefrom such timber as is included in the terms of this contract.

D. This agreement shall not be assigned in whole or in part without the written consent of the sellers.

E. The purchaser shall be liable for fire losses or accidents which may occur in connection with prosecution of the work by the purchaser or his employees.

F. All timber included in this agreement shall remain the property of the seller until paid for in full. All operations on the designated area including removal of the cut timber, may be suspended by the seller if conditions of this agreement are violated. Violation of the terms of this agreement shall be sufficient cause for its termination.

ARTICLE II:

A. The purchaser agrees to pay the seller for said timber at the following rates:

1. Sawlog Timber

White Pine

Delivered price less $_____/Mbf for cutting, yarding, and trucking to market, or $___Mbf, whichever results in the higher amount.

Hemlock

Delivered price less $_____/Mbf for cutting, yarding, and trucking to market, whichever results in the higher amount.

Hardwood

Delivered price less $_____/Mbf for cutting, yarding, and trucking to market, whichever results in the higher amount.

Spruce & Fir

Delivered price less $_____/Mbf for cutting, yarding, and trucking to market, whichever results in the higher amount.

Hardwood Pallet to Issacson $____/ton

2. Firewood $____/cord

Pulpwood

Pine $____/ton

Hemlock $____/ton

Spruce/Fir $____/ton

Hardwood $____/ton

3. Fuel Chips $____/ton

(Of Timber Sale Agreement between landowner and logger)

ARTICLE II (continued)

4. The timber shall be measured by the mill to which the wood is delivered. Payments shall be made weekly as the timber is removed according to the scale slips obtained at time of measurement unless other arrangements are made under Article II, section B, Item # 15of this contract. Scale slips will be presented to the seller with each payment.

B. The purchaser further agrees to cut and remove the timber in accordance with the following conditions:

1. Unless an extension of time is given in writing , all timber shall be cut, removed and paid for by DATE.

2. The trees to be cut shall consist of softwood and hardwood timber that has been marked for cutting with Blue paint on the trunk and stump of the trees. No trees shall be cut unless marked for cutting or unless other silvical designations are made and listed under item #15.

3. All trees shall be utilized to their smallest top diameter for commercial products: Sawlogs 10 inches; Veneer 11 inches; other products 4 inches.

4. Stump heights shall be cut as low as possible, but in no case shall exceed one foot in height. In the case where several trees originate from the same base, stump heights shall not exceed one foot in height above the point of contact between the trees. In case of deep snow, stumps must be shoveled out before cutting to meet this requirement.

5. Logs and timber products used in the construction of logging facilities, including road construction, shall be paid for by the purchaser at the above rates.

6. Extreme care shall be taken of young reproduction and trees that are not marked for cutting to prevent damage to them in falling and logging the trees.

7. Care shall be taken at all times by the purchaser and his employees against fire

8. All State laws with regard to brush disposal shall be observed. Basically, this law is as follows: All slash and brush resulting from the cutting of forest growth shall not remain on the ground within 50 feet of highways and roads: within 25 feet of

railroads, electric power, telegraph, telephone and pipe lines; within 25 feet of the adjoining boundary line. Slash and brush will not be deposited in streams (title 38, section 417).

9. All State Laws with regard to litter (Title 17, Chapter 80; Section 2261-2271 and Sections 2951-2), shall be observed. Basically, this law is as follows: No person shall throw, drop, deposit, discard, or otherwise dispose of litter upon any public or private property in this State, or in the waters of this State or on the ice over such waters.

10. Marking Boundary Lines (T14MSRA—7552A). On land where 10 acres or more is to be harvested, the property owner will be responsible for clearly marking the property line if the cutting is being done within 200 feet of the property line.

11. Local zoning ordinances or DEP regulations will be observed where applicable laws.

12. In addition to the foregoing laws, the purchaser will comply with all other applicable laws.

13. Purchaser Responsibilities and Warranties

    a. Notwithstanding any other provisions of this agreement, no relationship of employer/employee or master/servant between the seller and the purchaser or between the seller and any agent, employee or subcontractor of the purchaser shall be deemed to exist. Purchaser shall select its own employees, set rates of pay and all terms and conditions for employment, and pay purchaser's own employees, agents or subcontractors. Neither the purchaser nor its employees, agents or subcontractors shall be subject to any orders, selection, supervision or control of the seller. It is mutually understood and agreed that the purchaser is deemed to be an independent contractor. *The independent contractor will not hire any employees to assist in the wood harvesting without first providing the required certificate of insurance to the property owner.* Nothing herein contained shall prohibit the purchaser from contracting to purchase hand harvest forest products on the land of others

b. Purchaser will conduct purchaser's business to be at all times in full compliance with all requirements of Federal, State, and local law including applicable common law, statues and requirements, and including but not limited to the requirements of the federal Fair Labor Standards Act, all federal and State labor and employment laws, federal and state equal employment laws the Internal Revenue Code and State tax laws and regulations, the unemployment insurance laws pertaining to occupational Safety and Health act of 1970, as amended, and its regulations, state laws pertaining to occupational safety and health state laws and regulations pertaining to wood harvesting, and any other laws or government rules and regulations pertaining to the services to be provided hereunder.

13 b. continued

The purchaser will ensure that full timely payment is made:

1. For all employees wages and benefits, fuel and supplies:

2. For lawful disposal of any regulated or hazardous waste or substances it handles:

14. Indemnity

Purchaser shall indemnify and hold seller and seller's forester, agents and employees harmless from and against any and all manner claims, suits, fines, penalties and expenses incurred by seller and/or sellers forester, agents and employees arising or allegedly arising out of the performance of this agreement by purchaser and purchaser's agent, employees, contractors or invitees or on account of Purchasers' use of the Owner s lot or its access.

15. Other provisions of this contract:

a. Stumpage prices agreed upon at the signing of this contract are based on current market conditions. If during the period of the contract, market conditions change so that they work a hardship on the seller or purchaser, the stumpage prices may be revised by agreement between both parties.

b. Payments will be made to: Timberstate G. Inc. P. O. Box 157, Gray, Maine 04039 on behalf of the owner.

Witness_____ Seller_____

_____ __ _____

_____ Purchaser_____

Timberstate G. Inc.

P. O. Box 157

Gray, Maine 04039

207-272-4270

To: Stumpage Buyers

From: Timberstate G. Inc.

NOTICE OF TIMBER FOR SALE BY BID

Property of: Town of Raymond

Location: Patricia Avenue, Raymond, Maine

Showing: Day/month/time, This will be the only showing, however, you are free to examine the timber at your convenience. See map for meeting location.

Bid Deadline Day/month/time

Logging Chance: Very good. Landing area may have to be constructed. Access road is a very good gravel road, and is also used by others, including town officials and the tower owner or their contractors.

Length of Contract: 6 months, with ability to extend

Scale: Volume estimates are based on the International ¼ inch rule, rough standard cords and tons.

Estimate of total volume to be cut

Sawlogs		**Pulpwood**	
Species	Volume in Board Feet	Species	Volume in Tons
White Pine		White Pine	
Hemlock		Hemlock	
Red Oak		Hardwood	
Hard Maple		Poplar	
Soft Maple			
Hardwood Pallet			
Total Board Feet		**Total Tons**	

Bidding Procedure

Bidders may submit bids on a lump sum basis or on a per MBF and per ton or per cord or by both methods. There is no guarantee of volume. Listed is an estimate of volume obtained by tally=ying trees as they were marked and you may make what use of it you wish Each bidder must make his own best estimate of the volumes marked.

A form has been included for use in bidding.

DEPOSIT: The successful bidder will be required to make a Deposit in the amount of $1000.00 before beginning operations. Upon completion of the sale and full compliance with the terms of the agreement, the deposit will be returned to purchaser

ALL Bids must be sent to Timberstate G. Inc., P. O. Box 157, Gray Maine 04039 so that they are received by 5:00 PM, DATE

For Further information, contact agent at above address or at telephone number 207-657-4441.

Timberstate G. Inc. as agent for the Owner reserves the right to reject any or all bids.

Gregory E. Foster

Note: A letter to notify you of the successful bidder chosen by landowner and the amounts of the actual bid will be sent to all those who submit a bid.

Mark Envelop: Town of Raymond, Stumpage Bid, or fax to

Calling to confirm your bid has been received is recommended.

Condition of Sale

1. Only marked trees shall be cut and removed.

2. All marked timber shall be cut and removed. Harvesting will proceed through the property in an orderly manner. One area or compartment must be completed before cutting begins in adjacent areas unless otherwise approved.

3. All trees shall be utilized to their smallest possible diameter. Minimum utilization standard for round wood is to a 4 inch top, stems shall be utilized for their highest and best use to the landowners benefit.

4. Purchaser shall in all respects conduct his operation in a careful, workmanlike and prudent manner. He will take extreme care not to damage trees not marked for cutting and young growth. He will cut all stumps as low as possible and in no case, excepting where there is metal in the tree and multiple trees, shall stumps exceed one foot in height.

5. Purchaser shall remove all merchantable portions and shall fell all unmerchatable portions of tree broken, damaged, uprooted, or leaning as a result of operations. All slash shall be lopped so as to not extend more than three feet from the ground.

6. Purchaser shall comply with all state and local laws.

7. The course of any new road construction shall be approved the Forester. All main skid trails shall be left in good condition. All access roads shall be left in similar or better condition than found.

8. Soil erosion will be minimized by use of Maine Forest Service published Best Management Practices. Waterbars, ditches and other water control structures shall be installed as needed. Road and landings shall be cleaned of logging debris and other foreign matter, graded, fertilized and seeded as needed. Stream crossings will be done in a manner that protects the stream and its banks. No logging is permitted when the ground is soft, resulting in unacceptable rutting.

9. Payment for lump sum bid shall be made upon signing the timber sale agreement

   Or

   Payment under per MBF and Ton or Cord bid shall require a deposit of $1000 at the time of signing the agreement or within 10 days of accepting bid.

10. Purchaser shall be required to sign a timbersale agreement. Contact Tiimberstate G. Inc. for a copy.

Name _____

Mailing Address _____

Town, State, Zip _____

_____

Telephone # _____

Mark Envelope:

Town of Raymond Bid

or fax

Please provide complete and accurate address.

You may bid Lump Sum or Per MBF and Per Ton or Both

My Lump Sum Bid for the timber on the Town of Raymond lot $_____

By Bid per MBF and Per Ton or Cordon the Town of Raymond lot:

Sawlogs

Species	$'s per 1,000 board Feet
Grade White Pine	_____
Pallet White Pine	_____
Hemlock	_____
Red Oak Sawlogs	_____
Red Oak Veneer	_____
White Birch	_____
Hardwood Pallet	_____

Less Cost to cut, yard and deliver to mill

Species_____ Mill delivered less $_____/MBF Name of Mill_____

Species_____ Mill delivered less $_____/MBF Name of Mill_____

Species_____ Mill delivered less $_____/MBF Name of Mill_____

Species_____ Mill delivered less $_____/MBF Name of Mill_____

Species_____ Mill delivered less $_____/MBF Name of Mill_____

(A minimum price per MBF must be set for any log products where the delivery price is less than the operating cost)

Hardwood Pallet $_____/MBF

Pine Pallet $_____/MBF

_____ $_____/Mbf

Pulpwood, $ per ton or cord

White Pine $_____ per ___ Hemlock $ ____ per___

White Pine $_____ per ___ Poplar $____ per ___

Firewood $_____per cord