

PLUMAS CORPORATION: TIMBER CONTRACTOR AGREEMENT
CONCERNING THE FOLLOWING ELDERLY/DISABLED PARCELS:

(BID AMOUNTS FOR EACH AWARDED PARCEL ARE INCLUDED)

(TO BE FILLED OUT BY PLUMAS CORPORATION)

The parties to this agreement are Plumas Corporation (hereinafter "PC") and

_____ hereinafter called "CONTRACTOR".

WHEREAS, PC is assisting the Plumas County Fire Safe Council (hereinafter "PCFSC") in the administration of a grant received from the National Forest Service for completion of a hazardous fuel reduction demonstration project, and thus is in need of contractors to perform fuel reduction services; and,

WHEREAS, CONTRACTOR possesses the skills and qualifications to perform the services required of him/her pursuant to this agreement, and desires to perform those services in exchange for the compensation set forth herein.

NOW THEREFORE, the parties agree as follows:

SECTION 1 - TERMS

1.1 - This agreement shall be effective upon execution by all parties, and shall continue through **September 15, 2011**. However, CONTRACTOR's responsibilities under this contract continue until CONTRACTOR's obligations are fully met.

SECTION 2 - SERVICES

2.1 – Contractor shall provide the services described in Attachment "A", and shall also comply with general program guidelines/specifications as set forth other Attachments hereto.

2.2 – Timeliness: CONTRACTOR shall provide services in a timely manner. Time is of the essence of this Agreement, and all work to be done hereunder shall be completed according to general schedule of performance agreed to by the parties. CONTRACTOR shall commence work hereunder as promptly as practicable after PC gives CONTRACTOR notice to do so, and shall diligently prosecute such work to final completion. Such work shall be completed before **September 15, 2011** under a schedule to be worked out jointly between PC and CONTRACTOR. No expenses may be incurred after **September 15, 2011**. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause which is beyond the reasonable control of the party.

2.3 – Independent Contractor: CONTRACTOR shall be an independent contractor and shall not be an employee of the PC or COUNTY. As an independent contractor, CONTRACTOR shall be responsible for providing services and fulfilling obligations hereunder in a professional manner. PC shall have the right to control CONTRACTOR only insofar as the results of CONTRACTOR's services are rendered. PC shall not have the right to control the means by which CONTRACTOR accomplishes those services. At all times during the term of this Agreement, CONTRACTOR shall be responsible for his/her own operating costs and expenses, property and income taxes, workers' compensation insurance and any other costs and expenses.

2.4 - Qualifications, Licenses, Permits, Etc.: CONTRACTOR represents and warrants to PC that he has,

and will keep in effect or obtain as required, all licenses, permits, and qualifications, of whatsoever nature which are legally required for CONTRACTOR to practice his profession. Failure of the CONTRACTOR to comply with this provision shall authorize the PC to immediately terminate this agreement notwithstanding Sections 1 and 16.

2.5 – No Unauthorized Work: CONTRACTOR shall not perform any work outside the scope of this agreement, and as authorized by PC, without express prior written permission.

SECTION 3 - PAYMENT

3.1 – Payment: PC shall pay CONTRACTOR for services rendered pursuant to this Agreement. The payments specified in this section shall be the only payment made to CONTRACTOR for services rendered pursuant to this Agreement. CONTRACTOR will not receive any proceeds from log delivery.

3.2 – Base Contract Fee: PC shall pay CONTRACTOR a total contract fee not to exceed \$____.00 during the term of this Agreement. This total contract fee shall be paid based on the percentage of the contract completed as determined by PC. Payments shall be made on a bi-monthly basis. Twenty-five percent (25%) of the total contract fee shall be withheld and paid upon successful completion of the contract.

3.3- Authorization Required: Services performed by CONTRACTOR and not authorized by this Agreement, as presently written or as may be amended in writing by the parties, shall not be paid for by PC.

SECTION 4 – INSURANCE

4.1 – Insurance: Prior to rendering services, CONTRACTOR or his/her subcontractors shall acquire, and maintain during the term of this Agreement, insurance as described in Section 8.

SECTION 5- DAMAGE PROVISION

5.1 - DAMAGE: In the event that logs or portions of logs are wasted resulting in a "chunk" scale, CONTRACTOR is liable for any stumpage payments, penalties or other charges for that material not meeting minimum utilization standards that would have qualified as merchantable if bucking lengths had been varied to include such material and if all trees designated by PC to be cut had been felled.

5.2 - In the event the CONTRACTOR cuts trees that were not designated for harvest by PC as prescribed in the THP or causes excessive damage to residual trees during operations, a penalty shall be assessed at a rate three (3) times the delivered log value(s), as paid by the purchasing mill per species, for the gross volume of the felled or damaged timber. Excessively damaged or wrongfully felled timber shall be identified and scaled for payment. This damage amount is derived from the contractual amount the landowner shall receive for wrongfully felled or damaged trees.

5.3 - On logging or road construction sites where PC has furnished metal culvert or other construction items, CONTRACTOR shall be responsible for the safe storage and full utilization of such material. If CONTRACTOR wastes or damages metal culvert either by installing lengths that are too long, through careless handling, or improper storage, CONTRACTOR shall be assessed the value of such wasted material plus transportation costs.

SECTION 6- TRESSPASS

6.1 - CONTRACTOR shall be responsible for conducting its operations within the boundaries of the tracts designated by Landowner. In case of any trespass by CONTRACTOR, the same shall be at the sole cost and expense of CONTRACTOR.

SECTION 7- INDEMNITY

7.1 – **Indemnification:** CONTRACTOR shall defend, indemnify, and hold harmless PC and PCFSC, their elected and appointed councils, boards, commissions, officers, agents, and employees from any liability for damage or claims for damage for trespass, nuisance, failure to abide by any law or regulation, personal injury, including death, as well as for property damage, including that caused by fire, which may arise from the intentional or negligent acts or omissions of CONTRACTOR in the performance of services rendered under this Agreement by CONTRACTOR, or any of CONTRACTOR’ officers, agents, subcontractors, or employees, provided that this indemnification shall not apply to any damage or injury which is caused by the intentional or negligent acts of PC, their elected and appointed councils, boards, commissions, officers, agents, or employees. This indemnification shall specifically survive the termination or expiration of this Agreement.

7.2 - PC shall defend, indemnify, and hold harmless CONTRACTOR, its officers, agents, and employees from any liability for damage or claims for damage for personal injury, including death, as well as for property damage, which may arise from the intentional or negligent acts or omissions of PC in the performance of its duties under this Agreement by PC or any of PC’s elected and appointed councils, boards, commissions, officers, agents, or employees; provided that this indemnification shall not apply to any damage or injury which is caused by the intentional or negligent acts of CONTRACTOR, its officers, subcontractors, agents, or employees. This indemnification shall specifically survive the termination or expiration of this Agreement.

SECTION 8 – INSURANCE

8.1 - At all times during the term of this contract, CONTRACTOR shall provide and maintain, at its own expense, (1) Workers' Compensation Insurance conforming to the statutory requirements of the state in which operations under this agreement are performed; (2) comprehensive general and automobile bodily injury liability insurance written on an "occurrence" basis subject to minimum limits of \$1,000,000.00 each person and \$1,000,000.00 each occurrence; and (3) general property damage insurance subject to a minimum of \$1,000,000.00 with not more than a \$10,000.00 deductible each loss; and loggers' broadform property damage of \$1,000,000.00 per occurrence. All liability insurance coverage shall provide that subcontractors working for CONTRACTOR are covered under the terms of CONTRACTOR's policies. All insurance shall meet the approval of PC, and all policies evidencing said insurance shall provide for thirty days' written notice to PC in the event of cancellation or material change. A Certificate of Insurance showing evidence of insurance coverage as specified herein shall be furnished to PC and/or Wayland prior to commencement of CONTRACTOR's operations.

SECTION 9 - CONTRACTOR IS NOT AN AGENT OF PC

9.1 - Except as PC may specify in writing, CONTRACTOR shall have no authority, express or implied, to act on behalf of PC in any capacity whatsoever as an agent, nor any authority, pursuant to this Agreement to bind PC to any obligation whatsoever.

SECTION 10 - ASSIGNMENT PROHIBITED

10.1 - CONTRACTOR may not assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no legal effect. Moreover, CONTRACTOR shall not subcontract the work herein without the prior written consent of PC.

SECTION 11 - NON-DISCRIMINATION

11.1 – In the performance of his obligations pursuant to this contract, CONTRACTOR shall not unlawfully discriminate against any individual because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age, sex, disability, or any other reason prohibited by state, federal or local law.

SECTION 12 - CONFLICT OF INTEREST

12.1 - Neither a PC employee whose position in the PC enables such employee to influence the award of this Agreement or any competing Agreement, nor a spouse or economic dependent of such employee, shall knowingly be employed in any capacity by CONTRACTOR herein, or have any other direct or indirect financial interest in this Agreement.

SECTION 13- WAIVER

13.1 - A waiver by any party of any breach of any term, covenant or condition herein contained or a waiver of any right or remedy of such party available hereunder at law or in equity shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained or of any continued or subsequent right to the same right or remedy. No party shall be deemed to have made any such waiver unless it is in writing and signed by the party so waiving.

SECTION 14 – ATTORNEY’S FEES, VENUE & CONTROLLING LAW

14.1 - If any action at law or inequity, including an action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees. Jurisdiction and venue of any proceeding brought to enforce any provision of this agreement shall be in the County of Plumas. This Agreement shall be shall be controlled by and construed under the laws of the State of California.

SECTION 15 - MODIFICATION

15.1 - No modification or waiver of any provision of this Agreement or its attachments shall be effective unless such waiver or modification shall be in writing, signed by all parties.

SECTION 16 - TERMINATION

16.1 - In the event CONTRACTOR shall fail to comply with each and every term and condition of this agreement, and such default is not be remedied within five (5) days after written notice thereof by PC to CONTRACTOR, then PC shall have the right to terminate this agreement and it thereafter shall be of no further force or effect. The remedy provided by this section shall be in addition to any and all other remedies provided by law or this agreement. CONTRACTOR shall immediately cease rendering service upon the termination date. **OR**

In the event CONTRACTOR shall fail to comply with each and every term and condition of this agreement, then PC shall have the right to terminate this agreement effective immediately and it thereafter shall be of no further force or effect. The remedy provided by this section shall be in addition to any and all other remedies provided by law or this agreement. CONTRACTOR shall immediately cease rendering service upon the termination date.

16.2 - PC shall pay CONTRACTOR the reasonable value of services rendered by CONTRACTOR to the date of termination pursuant to this Agreement; provided, however, PC shall not in any manner be liable for lost profits which might have been made by CONTRACTOR had CONTRACTOR completed the services required by this Agreement. In this regard, CONTRACTOR shall furnish to PC such financial

information as in the judgment of the PC is necessary to determine the reasonable value of the services rendered by CONTRACTOR. In the event of a dispute as to the reasonable value of the services rendered by CONTRACTOR, the decision of PC shall be final. The foregoing is cumulative and does not affect any right or remedy which PC or CONTRACTOR may have in law or equity.

16.3 - In order to insure faithful performance of this agreement and to reimburse PC for any loss, or damages, suffered by reason of CONTRACTOR's failure to perform in full or in part, PC shall have the right to withhold moneys due CONTRACTOR a sum or sums, sufficient to cover, in the judgment of PC, such loss, damage, or failure. In the event that PC does withhold said sum or sums, PC shall, in writing, notify CONTRACTOR stating specifically the items in which CONTRACTOR is deficient so that CONTRACTOR may, if possible, cure the deficiencies and obtain a release of the withheld sums. If, within five (5) days after written notice, CONTRACTOR has not then cured the deficiencies, then PC is expressly given the right by CONTRACTOR to take possession of the real property and to complete the logging specified herein. CONTRACTOR expressly agrees to peaceably remove all of its equipment from said real property and to abide by PC's decision. CONTRACTOR also agrees to accept payment for such work as has been completed to PC's satisfaction and to reimburse PC for any cost in excess of the contract price hereunder incurred by PC in completing the work.

SECTION 17 - MISCELLANEOUS

17.1 – Entire Agreement: This Agreement, together with its specific references and attachments, constitutes all of the agreements, understandings, representations, conditions, warranties and covenants made by and between the parties hereto. Unless set forth herein, neither party shall be liable for any representations made express or implied. This Agreement supersedes any prior agreements, discussions, commitments, representations, or agreements, written or oral, between the parties hereto.

17.2 – Partial Invalidity: If any term, covenant, condition or provision of this Agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provision and/or provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

17.3 – This agreement shall be binding upon the heirs and successors of the parties hereto.

17.4 – The CONTRACTOR certifies (by signing this contract) that all employees working on this project have been “E-Verified” to legally work in the United States. Please refer to the website:

<http://www.uscis.gov/portal/site/uscis>

SECTION 18 - DESIGNATED REPRESENTATIVES AND NOTICE PROVISIONS

18.1 - John Sheehan, Plumas Corporation Executive or Robert Gimbel are the representatives of PC.
_____ is the authorized representative of CONTRACTOR.

Changes in designated representatives shall occur only by advance written notice to the other party. All notices and demands of any kind which either party may require or desire to serve on the other in connection with this Agreement must be served in writing either by personal service or by registered or certified mail, return receipt requested, and shall be deposited in the United States Mail, with postage thereon fully prepaid, and addressed to the party so to be served as follows:

IF to "PC":

IF to CONTRACTOR

John Sheehan or Robert Gimbel

Plumas Corporation
P.O. Box 3880
Quincy, CA 95971

Address
Address

SECTION 19 - AUTHORITY

19.1 - All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, estates or firms represented or purported to be represented by such entity(s), person(s), estate(s) or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with.

SECTION 20 – CONTRACT ITEMS

- **Basic work to be done:** State law (CA PRC 4291) requires that the roof and the first 30' from the house is clear of all flammable material (“green” plants are acceptable) and from 30' to 100' is either cleared of all flammable material or plants are thinned to an acceptable distance, pruned to an acceptable height (usually 6' to 15' depending upon the slope and conditions) and accumulated pine needles, leaves and other burnable material is of a depth of no more than 4". *Crown clearance of young trees (under 10" DBH) should generally be 10'.* For more details please see:

http://www.fire.ca.gov/cdfbofdb/PDFS/4291finalguidelines2_23_06.pdf

1. Mow dry grass and weeds around residences and associated structures for a distance of at least 30 feet of the house and associated structures. ***This material is to be removed from the property and disposed of properly. No burning is permitted unless preapproved in writing by PC.***
2. Remove needles from roof tops and within 30 feet of structures. Brush and thickets of trees may require treatment up to 100 feet of structures. ***This material is to be removed from the property and disposed of properly. No burning is permitted unless preapproved in writing by PC.***
3. Prune tree branches to a minimum of 10 feet except those trees less than 20 feet in height will be pruned to one half of their height. Chip or remove pruned material. Chips will be spread as mulch.
4. Cut and chip hazardous trees and brush. Plants desired by the owner to be left in areas of dense growth shall be designated by the owner as “Leave” plants for ornamental purposes. ***Removal of cut material (i.e. ---firewood) or burning it in piles must be itemized in the bid and preapproved in writing by PC.***
5. Other flammable fuels such as deteriorated lumber shall be treated by either chipping, piled for burning, removed or as otherwise approved in writing by PC.

6. Work will be done at residences throughout much of Plumas County. Many of these will be for elderly or disabled homeowners requiring assistance.
7. Work is expected to take no longer than one to five days per residence and not to exceed \$1000.00 in cost. Each residence shall be considered as one project. Each project will list a separate bid price and will be designated by name and address.

RECITALS AND ACKNOWLEDGEMENTS BY CONTRACTOR

1. CONTRACTOR is the owner and in control of the necessary tools, implements, equipment and personnel for road maintenance, felling, limbing, bucking, skidding, loading, hauling of logs, pruning, chipping, grass and weed cutting, and other related activities necessary to comply with the terms of this agreement.
2. CONTRACTOR will furnish at its sole expense all necessary equipment, transportation, materials, supervision, and labor that may be required, or used for carrying out this agreement, except as expressly agreed to in writing with the parties.
3. TITLE: Any revenue generated by the sale of biomass or merchantable timber shall be used to offset the cost of cleanup. Revenue in excess of the cost of cleanup shall be used for additional work in this program and revenues returned to PC.

DUTIES OF CONTRACTOR

1. CONTRACTOR shall not perform work not specified in this agreement unless specifically authorized to do so in writing by PC.
2. All of the work performed by CONTRACTOR shall be in a thoroughly workman like manner.
3. CONTRACTOR shall maintain all phases of its operations in reasonable balance to prevent one phase or another from becoming to far ahead.
4. CONTRACTOR shall not suffer or permit and shall promptly remove or discharge any lien, including any loggers' or lumberman's lien, to arise or be effective with respect to any logs cut or delivered hereunder for any reason whatsoever.
5. CONTRACTOR shall be held responsible for failure on part of CONTRACTOR or employees, agents, or assigns to comply with all instructions of PC or with all terms, conditions, and provisions of the contract or any and all instructions issued to CONTRACTOR by representatives of PC. If, in the opinion of CONTRACTOR, it has been issued instructions by PC conflicting with any of the terms,

provisions, and conditions of the agreements, CONTRACTOR shall immediately notify PC of such fact, and PC shall interpret the conflicting terms, provisions, or conditions and CONTRACTOR agrees to abide by PC's decision thereof.

6. CONTRACTOR shall be responsible for abiding all federal, state, county, and local laws rules and regulations governing the hauling of logs.
7. CONTRACTOR shall strictly enforce with all its agents and employees, "No Smoking" regulations throughout the operation. **No smoking shall be permitted during the fire hazard season, except in safe locations and approved by homeowner.** CONTRACTOR shall comply with any other regulations as to fire prevention, including, but not limited to the location of fire tools and any other equipment that may be required by Forest Service or State Department of Forestry.
8. CONTRACTOR agrees to make every reasonable effort to control and extinguish every fire immediately when its existence comes to CONTACTORS' knowledge without waiting instructions from a forester, warden, or ranger, and shall continue until such fire is extinguished.

SECTION 21 – EXECUTION

PLUMAS CORPORATION:

CONTRACTOR:

John Sheehan

Name

Date: _____

Date: _____

Revised: 8/5/11