



PRUDENTERRA

PRUDENTERRA Timber Sale Contract

CONTRACT NUMBER _____

Between

PRUDENTERRA, LLC

and

_____ **(NAME OF BUYER)**

IN WITNESS THEREOF, the parties hereto have executed this Contract on the day and year last specified below.

PRUDENTERRA

By: _____ Date: _____

(Forester, Owner of PRUDENTERRA, LLC)

(NAME OF BUYER)

By: _____ Date: _____

(Name and Title)

For OFFICE USE only:

1. Retain the original contract in the project file and send a hardcopy with the first invoice.



This Contract is entered into between PRUDENTERRA, LLC (PRUDENTERRA) and (name of Buyer) (Timber Buyer). The parties agree as follows:

Section 1 IDENTITY OF THE PARTIES

1.1 Parties. PRUDENTERRA is authorized to enter into this Contract. PRUDENTERRA's address is: 65584 260th Street, Nevada, IA 50201.

(Timber Buyer) is bonded in the State of Iowa in accordance with section 456A.36 of the Code of Iowa.

Timber Buyer's address is: (address)

1.2 Project Managers. Each party has designated a Project Manager, who shall be responsible for oversight and negotiation of any contract modifications, as follows:

PRUDENTERRA Project Manager: (Name)
(Title)
(Address)
(Phone)
(Email)

Timber Buyer Project Manager: (Name of Buyer)
(Company Name)
(Address)
(Phone)
(Fax)
(Email)

Section 2 STATEMENT OF PURPOSE

2.1 Purpose. Timber Buyer shall cut and remove timber in the amount of approximately (number) board feet (Scribner) in (number) trees marked with (color) paint on their boles. The timber is located on a tract of land known as the (Forest or Area), (Name of County) County, Iowa.

Section 3 DURATION OF CONTRACT

3.1 Term of Contract. The term of this Contract shall be (start date) through (end date) unless terminated earlier in accordance with the Termination section of this Contract.



3.2 Extension. PRUDENTERRA shall have the sole option to extend this Contract for subsequent periods by executing a signed amendment prior to the expiration of this Contract. Reasons for extending the Contract may include:

1. Delays caused by PRUDENTERRA; or
2. Other reasons beyond the control of the Timber Buyer which in PRUDENTERRA's judgment would justify an extension, such as periods of soft ground, etc.

Section 4 DEFINITIONS

Except as otherwise identified through the use of capital letters, this Contract shall use no additional definitions.

Section 5 STATEMENT OF WORK

5.1 Statement of Work. Timber Buyer shall perform the following tasks. Timber Buyer shall complete its obligations under this Contract as described below:

Tasks	Interval/Date of Completion
1. Make full payment of \$ (amount) upon signing this Contract. No cutting will be permitted until this Contract has been signed and full payment made to PRUDENTERRA.	UPON EXECUTION OF CONTRACT
2. Timber Buyer shall cut and remove timber in the amount of approximately (number) board feet (Scribner) in (number) trees located on a tract of land known as the (Forest or Area), (Name of County) County, Iowa. Timber Buyer shall cut and remove all trees marked with (color) paint by PRUDENTERRA's Project Manager with the exception of cull trees marked with an (color) "X". Cull trees may be left or removed at the discretion of Timber Buyer. a. Timber Buyer shall not remove tree tops and branches smaller than 8 inches in diameter from the timber sale area. b. Timber Buyer shall avoid any unnecessary damage to trees that are not marked for cutting.	(COMPLETION DATE)



Tasks (continued)	Interval/Date of Completion
<p>c. Timber Buyer shall avoid damage to fences, gates, signs and other permanent structures on or near the timber sale area.</p> <p>d. Cutting is permitted only during the period of October 1 through March 31 when the ground is firm or frozen unless otherwise authorized by PRUDENTERRA's Project Manager. It is the responsibility of Timber Buyer to obtain permission from PRUDENTERRA's Project Manager prior to working in the area.</p> <p>e. Iowa Forestry Best Management Practices must be followed. An Iowa Forestry Best Management Practices Guide is available at http://www.iowadnr.gov/Environment/forestry/WoodIndustryLogging.aspx</p> <p>f. Motor vehicles and logging equipment shall be operated only in designated areas. All logs shall be skid on designated trails, and decked and loaded in designated areas.</p> <p>g. Streams, roads and trails shall remain free of logging debris. Stream crossings must be approved by PRUDENTERRA's project manager prior to harvest.</p> <p>h. All skid trails, decking areas and access roads shall be returned to satisfactory condition by Timber Buyer once the operation is complete. Wheel and log ruts 6" deep or more shall be filled in and smoothed to satisfactory condition by the Timber Buyer. Timber Buyer shall contact PRUDENTERRA's Project Manager for a site inspection prior to removing equipment from the site to insure the timber sale area has been returned to satisfactory condition.</p>	

5.2 Stop Services. In addition to its other remedies described herein, PRUDENTERRA shall have the right at any time during the Contract term to direct the services of Timber Buyer fully or partially suspended or stopped, if Timber Buyer fails to comply with the requirements in this Contract. PRUDENTERRA shall give Contractor written notice of a stop work directive. PRUDENTERRA shall provide to Timber Buyer the reasons for the stop work directive. An action on Timber Buyer's bond for forfeiture may be commenced pursuant to Section 456A.36, Code of Iowa.



5.3 Industry Standards. Services rendered pursuant to this Contract shall be performed in a professional and workmanlike manner in accordance with the terms of this Contract and the standards of performance considered generally acceptable in the relevant industry for similar tasks and projects. In the absence of a detailed specification for the performance of any portion of this Contract, the parties agree that the applicable specification shall be the generally accepted industry standard.

5.4 Final Notice of Completion. If PRUDENTERRA concludes, in its sole discretion, that all the Tasks required by the Statement of Work have been completed in accordance with this Contract, then PRUDENTERRA shall issue a written Final Notice of Completion.

5.5 Incorporation of Documents. The following documents, and any amendments thereto existing on the date this Contract is signed by PRUDENTERRA, are incorporated into this Contract by this reference: (1) the Notice of Timber for Sale (Notice) issued on (date issued) and (2) the Timber Buyer's Proposal of (proposal date) submitted in response to the Notice.

5.6 Preference. In the case of any inconsistency or conflict between the provisions of this document (including all related schedules and Statements of Work), the Notice or Timber Buyer's Proposal, the inconsistency or conflict shall be resolved as follows: first, by giving preference to the provisions of this document (including any Statements of Work); second, by giving preference to the provisions of the Proposal; and third, by giving preference to the provisions of the Notice.

Section 6 MONITORING AND REVIEW

6.1 Performance. Timber Buyer shall complete its obligations under this Contract at the intervals or by the dates described in Section 5.1.

6.2 Review Meetings. PRUDENTERRA may request a meeting with Timber Buyer for the purposes of reviewing work under the Contract at any time during the term of this Contract. Timber Buyer shall make every effort to attend such a meeting and address the issues presented at the meeting.

6.3 PRUDENTERRA right to review and observe. PRUDENTERRA shall have the right to review and observe, at any time, completed work or work in progress. Timber Buyer shall allow PRUDENTERRA, to inspect the premises and records of the Timber Buyer for the purpose of monitoring and evaluating performance of this Contract.

6.4 Nonperformance. Failure for Timber Buyer to perform its obligations pursuant to Section 6 of this Contract shall constitute material breach of this Contract by PRUDENTERRA and shall be grounds for PRUDENTERRA to immediately terminate this Contract for cause.

Section 7 PAYMENT

7.1 Payment. Timber Buyer shall make full payment of \$ (amount) upon signing this Contract. No cutting of timber will be permitted until this Contract has been signed and full payment made to PRUDENTERRA.



Section 8 SURETY BOND AND OTHER REMEDIES

8.1 Surety Bond. Timber Buyer shall have on file with the State of Iowa a bond meeting the requirements of Section 456A.36 of the Code of Iowa and Chapter 571-72 of the Iowa Administrative Code. PRUDENTERRA may bring action on this bond in accordance with Section 456A.36 of the Code of Iowa.

8.2. Alternative Remedies. In lieu of an action on the surety bond in Section 456A.36 of the Code of Iowa, PRUDENTERRA may choose at its discretion to instead require compensation for improperly cut or damaged trees at current stumpage value.

8.3. Treble Damages. PRUDENTERRA may at its discretion seek treble damages for the willful injury to timber, trees, or shrubs occurring in the performance of this Contract pursuant to Section 658.4 of the Code of Iowa.

8.4. Prohibited Destructive Acts. Iowa law prohibits the destruction, injury, or removal of plant life or trees on state lands, except as authorized by the PRUDENTERRA (Section 461A.35 of the Code of Iowa). A person who violates this statutory provision commits a simple misdemeanor.

Section 9 LIABILITY INSURANCE

9.1 Required Insurance. Timber Buyer shall carry appropriate liability insurance throughout the effective duration of this Contract.

9.2 Insurance Coverage. The liability insurance shall be written by an insurance company (or companies) qualified to do business in Iowa. The minimum coverage provided by such insurance shall be:

Bodily injury: \$100,000 per person, \$300,000 per accident

Property damage: \$50,000 per accident, \$100,000 per aggregate

9.3 Proof of Insurance. Timber Buyer shall provide to PRUDENTERRA, upon signing this Contract, a statement giving the name and address of Timber Buyer's insurance company providing the above coverage.

Section 10 GENERAL CONDITIONS

10.1 Insurance

PRUDENTERRA is insured against all risks and hazards related to this Contract. No separate fund has been established to provide self-insurance, and PRUDENTERRA is not obligated to establish any such fund during the term of this Contract.



10.2 Compliance with Laws

Timber Buyer shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders when acting under this Contract, including without limitation, all laws applicable to the prevention of discrimination in employment. Timber Buyer also shall comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under this Contract.

10.3 Termination

The parties agree to the following termination provisions.

Immediate Termination by PRUDENTERRA. PRUDENTERRA may terminate this Contract for any of the following reasons effective immediately without advance notice and without penalty:

- PRUDENTERRA determines that the actions, or failure to act, of Timber Buyer, and its agents and employees have caused, or reasonably could cause, any person's life, health or safety to be jeopardized;
- Timber Buyer furnished any statement, representation or certification in connection with this Contract or Notice which is materially false, deceptive, incorrect or incomplete.

Termination for Cause. The occurrence of any one or more of the following events shall constitute cause for PRUDENTERRA to declare Timber Buyer in default of its obligations under this Contract.

- Timber Buyer fails to perform, to PRUDENTERRA's satisfaction, any material requirement of this Contract or is in violation of a material provision of this Contract, including, but without limitation, the express warranties made by the Timber Buyer;
- PRUDENTERRA determines that satisfactory performance of this Contract is substantially endangered or that a default is likely to occur;
- Timber Buyer fails to make substantial and timely progress toward performance of the Contract;
- Timber Buyer becomes subject to any bankruptcy or insolvency proceeding under federal or state law to the extent allowed by applicable federal or state law including bankruptcy laws; Timber Buyer terminates or suspends its business; or PRUDENTERRA reasonably believes that Timber Buyer has become insolvent or unable to fulfill its obligations consistent with applicable federal or state law;
- Timber Buyer has failed to comply with applicable federal, state and local laws, rules, ordinances, regulations and orders when performing within the scope of this Contract;
- Timber Buyer has engaged in conduct that has or may expose PRUDENTERRA to liability, as determined in PRUDENTERRA's sole discretion; or
- Timber Buyer fails to comply with any of the Task Milestone dates contained in this Contract.

Notice of Default. If there is a default event caused by Timber Buyer, PRUDENTERRA shall provide written notice to Timber Buyer requesting that the breach or noncompliance be remedied within the period of time specified in PRUDENTERRA's written notice to Timber Buyer. If the breach or noncompliance is not remedied by the date of the written notice, PRUDENTERRA may either:

- Immediately terminate the Contract without additional written notice; or,
- Enforce the terms and conditions of the Contract and seek any legal or equitable remedies.

Remedies of Timber Buyer in Event of Termination by PRUDENTERRA. Following 30 days written notice, PRUDENTERRA may terminate this Contract in whole or in part without the



payment of any penalty or incurring any further obligation to Timber Buyer. Following termination upon notice, Timber Buyer shall be entitled to a refund for uncut timber. Refund shall only be made upon proper documentation. This provision in no way limits the remedies available to PRUDENTERRA under this Contract in the event of termination. However, PRUDENTERRA shall not be liable for any of the following costs:

- The payment of unemployment compensation to Timber Buyer's employees;
- The payment of workers' compensation claims, which occur during the Contract or extend beyond the date on which the Contract terminates;
- Any costs incurred by Timber Buyer, including, but not limited to, startup costs, overhead or other costs not directly associated with the performance of the Contract;
- Any taxes that may be owed by Timber Buyer not directly in connection with the performance of this Contract, including, but not limited to, sales taxes, excise taxes, use taxes, income taxes or property taxes.

Timber Buyer's Termination Duties. Timber Buyer upon receipt of notice of termination or upon request of PRUDENTERRA, shall:

- Cease work under this Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within 30 days of the date of notice of termination, describing the status of all work under the Contract, including, without limitation, results accomplished, and conclusions resulting therefrom, any other matters PRUDENTERRA may require.
- Immediately cease using and return to PRUDENTERRA any personal property or materials, whether tangible or intangible, provided by PRUDENTERRA to the Contractor.
- Comply with PRUDENTERRA's instructions for the timely transfer of any active files and work product produced by the Contractor under this Contract.
- Cooperate in good faith with PRUDENTERRA, its employees, agents and contractors during the transition period between the notification of termination and the substitution of any replacement contractor.

10.4 Independent Contractor

The parties agree that the status of Timber Buyer shall be that of an independent contractor. Timber Buyer, and its employees and agents performing under this Contract are not employees or agents of Prudenterra. Neither Timber Buyer nor its employees shall be considered employees of PRUDENTERRA for federal or state tax purposes. PRUDENTERRA will not withhold taxes on behalf of Timber Buyer. Timber Buyer shall be responsible for payment of all taxes in connection with any income earned from performing this Contract.

10.5 Choice of Law and Forum

This Contract is governed by the laws of the State of Iowa, and state and federal courts in Iowa shall have exclusive jurisdiction over any claim arising from or related to this Contract.



10.6 Use of Third Parties and Subcontractors

Timber Buyer may not contract with third parties for the performance of any of Timber Buyer's obligations under this Contract, unless and then only to the extent agreed upon by PRUDENTERRA pursuant to this Contract. If PRUDENTERRA agrees to the use of a subcontractor, then the following conditions shall apply:

- All subcontracts shall be subject to prior approval by the PRUDENTERRA. PRUDENTERRA's consent shall not be deemed in any way to provide for the incurrence of any obligation of PRUDENTERRA in addition to the terms agreed upon in this Contract. Any subcontract to which PRUDENTERRA has consented shall be in writing and shall in no way alter the terms and conditions of this Contract.
- The Timber Buyer may enter into subcontracts to complete the work required by this Contract provided that the Timber Buyer remains responsible for all services performed under this Contract. No subcontract or delegation of work shall relieve or discharge the Timber Buyer from any obligation, provision, or liability under this Contract. The Timber Buyer shall remain responsible for such performance and shall be fully responsible and liable for all acts or omissions of any subcontractor.
- All restrictions, obligations and responsibilities of the Timber Buyer under this Contract also shall apply to the subcontractors.
- PRUDENTERRA shall have the right to request the removal of a subcontractor from the Contract for good cause. The Timber Buyer shall indemnify, defend and hold harmless PRUDENTERRA from and against any and all claims, demands, liabilities, suits, actions, damages, losses, costs and expenses of every kind and nature whatsoever arising as a result of Timber Buyer's breach of any subcontract in which it enters, including Timber Buyer's failure to pay any and all amounts due by Timber Buyer to any subcontractor.
- Any action of a subcontractor, which, if done by Timber Buyer, would constitute a breach of this Contract, shall be deemed a breach by Timber Buyer and have the same legal effect.

10.7 Indemnification; Liability

The Timber Buyer agrees to indemnify and hold harmless PRUDENTERRA, its officers, employees and agents appointed and elected and volunteers from any and all costs, expenses, losses, claims, damages, liabilities, settlements and judgments, related to or arising from: any breach of this Contract; any negligent, intentional or wrongful act or omission of the Timber Buyer or any agent or subcontractor utilized or employed by the Timber Buyer; the Timber Buyer's performance or attempted performance of this Contract, including any agent or subcontractor utilized or employed by the Timber Buyer; any failure by the Timber Buyer to comply with the Compliance with Laws provision of this Contract; or any failure by the Timber Buyer to make all reports, payments and withholdings required by federal and State law with respect to social security, employee income and other taxes, fees or costs required by the Timber Buyer to conduct business in the State of Iowa. Every person who is a party to the Contract is hereby notified and agrees that PRUDENTERRA and all of their employees, agents, successors, and assigns are immune from liability and suit for or from Timber Buyer's and/or subcontractors' activities involving third parties arising from the Contract.