

# LIST OF ISSUES TO ESTABLISH BONDING REQUIREMENTS FOR USE OF CHERRY RIDGE OWNERS ASSOCIATION ROADS

## I. Bonding-Methods

The following methods should be optional as to the person having the logging performed except for 5.

1. Cash.
2. Performance Bond (which may be posted by the logger).
3. Irrevocable letter of credit.
4. Contract with the logger making the association a third party beneficiary with attorneys' fees and cost provisions if have to sue to enforce.

The contract would have to provide that the person contracting with the logger would hold back a portion of the payment due the logger until roadways were restored to substantially their original condition prior to the commencement of the activity.

5. Other suitable security or bonding method as approved by the board or a committee designated by the board such as a blocked savings account, etc.

If there is utilization of a cash bond, the following rules have to be provided:

- a. The money must be deposited into an interest bearing trust account;

The following would apply to any type of bond:

- a. You must give notice to the logger or the person having the logging performed on their behalf and an opportunity for them to cure the road damage; and
- b. A process for determining what work needs to be done to the road needs to be established and should include the following:
  - (1) An opportunity for input from a contractor or civil engineer as to extent of damage and needed repairs;

- (2) The greatest concern should be with respect to structural damage to the integrity of the road, not cosmetics; and
- (3) An opportunity for input from the person posting the bond with respect to the nature and extent of needed repairs.

### **I. Process for Establishing Bond Amount**

The process should include the following:

- 1. An identification of the roads to be used.
- 2. An estimate of the number of truck trips.
- 3. The time of year the hauling will occur.
- 4. A videotape should be taken of the road condition before the logging activity commences and of any subsequent damage.
- 5. A review and decision should be made as whether or not roadwork should be accomplished before the hauling starts (i.e., inoperable culverts repaired, soft spots, or other structural failure of the road bed repaired, etc.).
- 6. Get input from a road contractor as to the concerns and what is likely to need to be repaired after the operation is completed and an estimate of a cost of the same.
- 7. Establish a process for setting the bond amount which permits input from the person being required to post the bond.

### **II. Miscellaneous Provisions**

- 1. Require the contract to limit the speed on trucks.
- 2. Limitation on hours of operation.
- 3. Other areas of concern.