

SAMPLE FOREST PRODUCTS SALE AGREEMENT
FOR PRIVATE LANDOWNERS SELLING TREES, TIMBER OR WOOD LUMP-SUM

STATE OF GEORGIA
COUNTY OF _____

This **AGREEMENT** is made and entered into by and between _____
of (address) _____ hereinafter referred to as the **SELLER**
and _____ of _____
_____ (address) hereinafter referred to as the **BUYER**.

WITNESSETH:
ARTICLE 1 THE SELLER:

1. Agrees to sell and the **BUYER** agrees to buy above-ground forest products designated for harvesting by the **SELLER** or his/her **AGENT** located and in the manner as described as follows:
 - A. Location and description of sale area:

 - B. Method of marking or designating forest products to be harvested and removed:

 - C. Biomass understory and residue harvesting:
 - i. Tops and branches of merchantable harvested trees _____(will or will not) be harvested and delivered to biomass markets
 - ii. Understory trees with diameter at breast height <5" _____(will or will not) be harvested and delivered to biomass energy markets
 - iii. Payment for any harvested biomass will be included in the payment described in Article IV Paragraph 1 of this agreement. The **SELLER** also recognizes the benefit in removing this material in preparation for reforestation.
2. Guarantees that he/she has full right and authority to sell the forest products described in Par. 1 above and that such forest products are free from all liens and otherwise unencumbered.
3. Grants to the **BUYER** the right of ingress and egress across and upon the sale area and existing roads adjacent to the sale area. The **SELLER** also reserves the right to regulate ingress and egress and designate and approve the location of any new roads across and upon the sale area prior to construction of said road(s) to ensure that total road length and potential erosion and sedimentation is minimized.
4. Shall in no way assume any responsibility for damage to equipment belonging to the **BUYER** or injury to persons employed by the **BUYER** or his/her **AGENT**; said responsibility being totally assumed by the **BUYER**.
5. Has set forth that the following conditions listed in **Article II** and known as **BEST MANAGEMENT PRACTICES (BMP's)** and referenced in the Georgia Forestry Commission 2009 publication "Georgia's Best Management Practices for Forestry" (BMP manual) apply to the sale of said forest products and will be adhered to by the **BUYER**.

ARTICLE II BEST MANAGEMENT PRACTICES:

1. **Roads**
 - A. The location of all roads constructed and used during the extraction and transportation of forest products shall be approved by the **SELLER** or his/her **AGENT** and follow the contour with slope grades of five percent or less maintained, except where terrain or the use of existing roads requires short, steep grades necessitating the construction of water diversion measures (broad based dips, turnouts, culverts, etc.) installed at the proper intervals.
 - B. New Roads will be constructed on the sides of ridges to allow for proper drainage. Roads will not be located on ridge tops, except where it is unavoidable.
 - C. Except at stream crossings, roads will not be constructed within the Streamside Management Zone (SMZ) of any stream, pond, or lake on the property as designated in Table 2A of the BMP manual.
 - D. All necessary stream crossings will require the appropriate installation of _____ inch diameter culverts unless a bridge or ford in the creek is approved by the **SELLER** or his/her **AGENT**. All exposed soil at the crossings will be stabilized with gravel, or grassed and mulched, or with the installation of staked hay bales to prevent erosion and sedimentation. (See Table 3C in the BMP manual for proper culvert size)
 - E. Under no circumstances will temporary stream crossings made of brush, piled in the stream and covered with soil, be permitted. However, the use culverts combined with logs and stems as fill is acceptable for temporary use.
 - F. All existing and newly constructed roads on and adjacent to the sale area used by the **BUYER** shall be maintained and left in a passable condition during and at time of completion of the logging operation by the **BUYER**.

2. Harvesting

- A. Only forest products designated in Art. 1 Par. 1 shall be harvested.
- B. All trees cut shall be utilized within the stump height and merchantable top diameter consistent with sound forest harvesting practices.
- C. Any and all merchantable timber not designated for removal as per **ARTICLE 1, Par. 1, Sub-par. A. and B.**, and not included in this sale but due to being unavoidably damaged or to facilitate the removal of said timber shall be paid for by the **BUYER** at _____ [approximate market rate] if agreed upon and marked by the **SELLER** or his/her **AGENT**, with the exception of biomass as described in Art.1, Par. 1., Sub-par. D.
- D. Any and all merchantable timber not designated for removal as per **ARTICLE 1, Par. 1, Sub-par A. and B.** and not included in this sale but removed or damaged unnecessarily as determined by **SELLER** or his/her **AGENT** shall be paid for at _____ three times the market rate], with the exception of biomass described in Art.1, Par. 1., Sub-par. C.
- E. There shall be no penalty for damage to trees with diameter at breast height <5",
- F. Wheeled or tracked equipment is not allowed within any stream, pond, or lake on the property, except at designated ford crossings for pickups or log trucks. Streams are not to be forded by skidders. Any necessary skidder crossings will be by temporary culvert of appropriate diameter or with skidder bridges with each location approved by the **SELLER** or his/her **AGENT**. Under no conditions will crossings made from brush topped with soil be permitted. See 1.E. above.
- G. Intentionally Omitted.
- H. Timber within the SMZ included in this sale can be removed with equipment with the **SELLER** permission, provided a minimum of disturbance occurs.
- I. All logging debris (trees, tops, and limbs) if felled into streams, rivers, or lakes will be removed immediately by the **BUYER**.
- J. All log decks, portable sawmills, or chippers will not be allowed within any SMZ of any stream, pond, or lake on the property. Log decks should be located on stable soils near hill or ridge tops.
- K. Skidding will be conducted on gradual grades instead of straight up and down slopes as much as possible. Water bars will be constructed at the proper intervals listed for percent slope (Figure 7, page 12 in the BMP book) by the **BUYER** when skid trails are retired. This must be completed within 14 days after the completion of the harvest.
- L. All human garbage, tires, cables, used lubricants, fuels, fluids and their containers of the **BUYER** will be removed from sale area and disposed of properly by the **BUYER**.

ARTICLE III THE BUYER AGREES:

1. That prior to execution of this **AGREEMENT**, provide to the **SELLER** proof of Worker's Compensation coverage for all his/her **employees** and/or his/her **AGENT'S** employees who will be performing the work on this forest products sale and General Liability insurance with limits of one million dollars/two million dollar aggregate; such coverage to be maintained throughout the period of forest products harvest operations.
2. To protect unmarked and undesignated trees and areas from damage during wood operations.
3. To repair to original conditions or pay for at replacement costs any damage to fences or other improvements of the **SELLER**.
4. To reimburse the **SELLER** from escrow account or otherwise for all cost borne by the **SELLER** in suppressing any and all fires caused by the **BUYER** or his/her **AGENT** upon lands subject to this **AGREEMENT**.
5. To indemnify, release, and hold harmless the **SELLER** and his/her **AGENT** from and against all liabilities, damages, costs, and expenses arising from by reason of, or in connection with the **BUYER'S operations** hereunder.

ARTICLE IV BOTH PARTIES MUTUALLY AGREE:

1. The **BUYER** agrees to pay the **SELLER** the sum of \$_____ for all forest products_which is/are designated for harvesting in **ARTICLE 1, Par. I** of this **AGREEMENT**.
2. Payment for the forest products shall be made to the **SELLER** in the following manner: Lump sum at the time of signing of **AGREEMENT**.
3. In lieu of a performance bond, \$_____ submitted with the bid on the forest products shall be held in an escrow account with the **SELLER** pending satisfactory completion of performance by the **BUYER** of all terms, provisions, conditions, and obligations on the part of the **BUYER** to be performed or observed in this **AGREEMENT**. The amounts so deposited shall be held to cover (a) any amounts which have become due the **SELLER** hereunder and that remain unpaid by **BUYER**; (b) the amount of any damage to forest products or property caused by failure of **BUYER** to fully observe and perform all conditions herein with respect to **BUYER'S** operation under this agreement; and (c) any costs, damages, or expenses to which the **SELLER** may be put by reason of default or breach of any terms, provisions, conditions, or obligations on part of the **BUYER** to be performed or observed in this **AGREEMENT**. Upon written notification to the **SELLER** or his/her **AGENT** that forest products harvest has been completed, there shall be repaid to the **BUYER** any balance of said deposit remaining after **BUYER'S** obligations and performance in this **AGREEMENT** have been fulfilled.
4. The **SELLER** or his/her **AGENT** reserves the right to inspect all operations covered by this **AGREEMENT** on a periodic basis to determine whether or not the terms of this **AGREEMENT** are being carried out. The **BUYER** will notify **SELLER** two days prior to completion of timber harvesting and removal of logging equipment.

5. The **SELLER** or his/her **AGENT** reserves the right to adjust or suspend harvesting and/or hauling operations in their sole discretion when it is determined that ground conditions or harvesting practices would result in excessive damage to the road systems or forest resources. In the event of a suspension, the total **AGREEMENT** term will not be shortened but rather the suspension time will be added to the **AGREEMENT** term.
6. Title to and responsibility for trees included in this **AGREEMENT** shall pass to the **BUYER** as they are severed from the stump and their removal from the property shall be the responsibility of the **BUYER**.
7. Any designated forest products, harvested or unharvested, which remain on the sale area at the date this **AGREEMENT** terminates, remain the property of the **SELLER**.
8. The **SELLER** retains all rights associated with the carbon sequestration and storage in all forest products designated for harvest, with the exception of certain carbon rights transferred to the **BUYER**; transferred carbon rights being specifically those rights associated with carbon in manufacturing residues and those rights associated with the biomass harvesting described in Article I, Par. 1 Sub-par. D.
9. No oral statement by any person shall be allowed to modify or change any written portion of this **AGREEMENT**.
10. This **AGREEMENT** shall not be assigned in whole or in part without the written consent of the other **PARTY**.
11. Any breach of the terms of this **AGREEMENT** shall be cause for termination.
12. This **AGREEMENT** shall terminate on the _____ day of _____, 20 ____.
13. In case of dispute over the terms of this **AGREEMENT** that cannot be satisfactorily agreed upon between the **PARTIES**, final decision shall rest with an arbitration board of three persons - one to be selected by each **PARTY** to this **AGREEMENT** and a third agreed upon by both **PARTIES**. **Each arbitrator selected shall hold a current registration with the State of Georgia Board of Registration for Foresters.** Should the arbitration board determine a breach of the terms of this **AGREEMENT** has occurred, said breach shall be cause for termination of **AGREEMENT** and the arbitration board shall be authorized to declare a termination of this Agreement. The arbitration board also shall be authorized to impose any other remedy short of termination.

IN WITNESS WHEREOF, the **PARTIES** hereto have set their hand and seals this day of _____ 20 ____.

WITNESS: _____

BUYER: _____

DATE: _____

WITNESS: _____

SELLER: _____

DATE: _____