

SAMPLE FOREST PRODUCTS SALE AGREEMENT
FOR PRIVATE LANDOWNERS SELLING TREES, TIMBER OR WOOD BY THE UNIT

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. Estimated Volumes and products to be harvested and removed:

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

 - D. 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 made as 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.
- 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 silt fences 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 logs and brush be piled in the stream and covered with soil be permitted.
- 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., B., and C.**, 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 designated for harvest and cut by the **BUYER** or his **AGENT** but not hauled off within four weeks thereafter shall be paid for at _____ [approximate market rate], with the exception of biomass described in Art. 1., Par. 1, Sub-par.D.
- E. Any and all merchantable timber not designated for removal as per **ARTICLE 1, Par. 1, Sub-par A., B., and C** 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. D.
- F. There shall be no penalty for damage to trees with diameter at breast height <5",
- G. Wheeled or tracked equipment is not allowed within any SMZ or any stream, pond, or lake on the property. Timber within the SMZ should be chainsaw felled and cable winched out.
- H. All logging debris (trees, tops, and limbs) if felled into streams, rivers, or lakes will be removed immediately by the **BUYER**.
- I. Streams are not to be randomly crossed by skidders. Any necessary 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 logs and brush topped with soil be permitted.
- J. All log decks, portable sawmills, or chippers will not be allowed within any SMZ of any stream, pond, or lake on the property.
- K. Skid trails will be spread out on several paths and not concentrated. 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
\$ _____/Ton for _____ product, product specifications _____
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\$ _____/Ton for _____ product, product specifications _____
\$ _____/Ton for _____ product, product specifications _____
\$ _____/Ton for _____ product, product specifications _____
\$ _____/Ton for _____ product, product specifications _____
\$ _____/Ton for Cull – wood not meeting receiving mill specifications but is received and unloaded at mills and paid at a greatly reduced rate or rejected for payment
\$ _____/Ton for biomass chipped or otherwise removed 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: The **BUYER** shall have the loads weighed across any State certified or forest products industry scale, with the scale weight recorded on a written scale ticket. The **BUYER** shall submit payment to the **SELLER** based on the weight recorded on these scale tickets. The **BUYER** shall include with the payment all scale tickets and a Harvest Record and Sales Report based on the timber harvested and recorded on each scale ticket. The Harvest Records and Sales Report should recap the wood products weights and payment due to the **SELLER**. If cull occurs and cull amounts/weights are not indicated on scale tickets, the **BUYER** shall provide to the **SELLER** documentation from receiving mills showing cull amounts/weights for individual scale tickets and this information shall be made part of the Sales Report. This reporting and payment should be done once every week covering a continuous weekly period. The **Buyer must make this weekly payment beginning at a minimum 14 days after harvest operations begin**. Upon the expiration of 21 days without receiving payment after harvest operations begin, the **SELLER** will notify the **BUYER** in writing and by certified mail or by personal delivery, to the **BUYER'S** last known address stating the **Seller's** demand for payment. Failure to make payment will subject the **BUYER** to litigation and/or prosecution under the law to include all associated costs for these actions by the **SELLER** for this purpose, under this contract.
4. 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.
5. 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.
6. 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.
7. 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**.
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. 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**.
10. No oral statement by any person shall be allowed to modify or change any written portion of this **AGREEMENT**.
11. This **AGREEMENT** shall not be assigned in whole or in part without the written consent of the other **PARTY**.
12. Any breach of the terms of this **AGREEMENT** shall be cause for termination.
13. This **AGREEMENT** shall terminate on the _____ day of _____, 20 _____.
14. 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**. Should the arbitration board determine a breach of the terms of this **AGREEMENT** has occurred, said breach shall be cause for termination of **AGREEMENT**.

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

WITNESS: _____ **BUYER:** _____

DATE: _____

WITNESS: _____ **SELLER:** _____

DATE: _____