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 _______________, hereinafter referred to as the SELLER and __________________________, hereinafter referred to as the BUYER.

WITNESSETH:
ARTICLE I  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:

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 lien and liens of any kind.

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 but due to being unavoidably damaged or to facilitate the removal of said timber shall be paid for 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 one 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 the 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 shall be chainsaw felled and cable winched out.
   H. All logging debris shall be removed from streams, rivers, or lakes and 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.

____________________________________________________
Location and description of sale area
____________________________________________________
____________________________________________________
____________________________________________________
____________________________________________________
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 operations in their sole discretion.

2. To protect unmarked and undersized trees and areas from damage during wood operations.

3. To repair to original conditions or pay at replacement costs any damage to fences or other improvements of the SELLER.

4. To reimburse the SELLER 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 ___________________________, $ _/Ton for product, product specifications ___________________________, $ _/Ton for product, product specifications ___________________________, $ _/Ton for product, product specifications ___________________________, $ _/Ton for product, product specifications ___________________________, $ _/Ton for product, product specifications ___________________________, $ _/Ton for product, product specifications ___________________________, $ _/Ton for product, product specifications ___________________________.

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 shall 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.

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 term, provision, condition, or obligation 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 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 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 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 SELLER 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, shall 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. 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 any term 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: ________________________________