

DISCLAIMER: This document is provided for informational purposes only and is not intended as legal guidance. Landowners should consult their attorney for legal advice or assistance.

TIMBER SALE AGREEMENT

THIS AGREEMENT is made and entered into by and between _____, hereinafter called "Seller", and _____, hereinafter called "Buyer."

Article 1

Buyer agrees to buy from Seller and Seller agrees to sell to Buyer according to the terms and conditions stated within this Agreement, all trees that have been designated by the Seller or representatives thereof.

The area on which the timber will be felled or harvested consists of approximately _____ acres, more or less, located in the _____ Survey, Abstract Number _____. This sale area is located in the following described property in _____ County(ies), Texas, to wit: Being all, *or the delineated portion of*, that parcel or tract of land described in the attached Exhibit "A."

Article 2

Certain terms and conditions of this contract depend on the harvest basis as further set out herein:

2.1 Stumpage Basis:

2.1.1 Buyer agrees to pay Seller (on a stumpage basis) at the prices per ton (2000 lb/ton basis) specified below in the price schedule for the right to cut and remove the trees as specifically described in article 2.1.2. Payments shall start the week after logging begins and should continue weekly. Payments should be made by check made payable to the Seller as specifically described below:

Buyer shall pay seller a \$_____ prepayment, due upon signature of Timber Sale Agreement. Credit towards the prepayment will be made to Buyer as timber is cut. Buyer shall furnish Seller a copy of all scale tickets outlining the previous week's loads along with the weekly corresponding payment. Scaling shall be done by weight scales at the mill. Payment can be hand delivered or mailed to the following address:

Seller: _____

Street Address: _____

City, State, Zip: _____

	<u>Description</u>	<u>Per ton price</u>
Product #1	_____	\$ _____
Product #2	_____	\$ _____
Product #3	_____	\$ _____
Product #4	_____	\$ _____
Product #5	_____	\$ _____
Product #6	_____	\$ _____

2.1.1 (Stand Description)

_____ Timber felled and harvested shall be limited to those trees within the harvest boundary. The harvest boundary is delineated with _____ flagging. Trees not in the designated boundary are not to be removed, with the exception of trees marked with blue paint located in Streamside Management Zone. The attached map (exhibit "B") shows the location of the harvest area.

2.1.2 Unmarked and crop merchantable trees, if cut or unnecessarily destroyed, shall be paid for at the rate of \$_____ per ton for pine pulpwood and \$_____ per ton for pine sawtimber. Such payments shall be within 30 days after receipt of a notice in writing from Seller concerning destruction of these trees.

2.1.3 This Stumpage Agreement shall terminate when all harvest operations are completed or ___ months following the signing of this agreement, whichever is sooner, unless extended in writing.

2.1.4 Buyer's deposit of \$_____, the receipt of which is hereby acknowledged by Seller, shall be returned to Buyer when all sale conditions have been met to Seller's satisfaction.

The Seller reserves the right to cancel this agreement if the terms of this agreement are not being met.

Article 3

Buyer further agrees to cut and remove the above-described trees in accordance with the following conditions:

3.1 Crop trees shall be protected against needless and unnecessary injury during cutting, skidding, and hauling operations. Skid trails shall be located, as far as possible, to protect residual trees from damage. Harvest trees within buffer zones along major drainages or roads will be skidded insofar as possible to the closest boundary. Haul roads through buffer zones must be approved by the Seller. Streamside Management Zone boundaries are flagged with _____ flagging. No harvesting will be allowed within designated Streamside Management Zones with the exception of those trees marked with _____ paint. All other buffer zones are marked with _____ flagging.

Buyer shall take all necessary precautions to prevent and suppress forest fires on Seller's property in and adjacent to the area covered by this Agreement and which is a result of Buyer's operations or the operations of its agents, servants, employees, and/or invitees. In event of any such fire, Buyer agrees to pay for damages, if any, to timber not sold through this Agreement and which is on Seller's property. The amount of such damage will be based on the product values given in the relevant Article 2 to this Agreement. Provided, however, Buyer's obligation under this paragraph shall be limited to damage that occurs as a result of fire caused by operations of Buyer, its agents, servants, employees and-or invitees.

3.2 Buyer assumes responsibility for and agrees to repair at its own expense, to the satisfaction of Seller, damages to gates, fences, bridges, culverts, utilities, and other improvements caused by its operations.

3.3 Locations of log decks (landings, log sets) and major skid trails will be determined by Seller in consultation with Buyer to minimize adverse impact on soil and water resources.

- 34 Buyer agrees to cut, fell, and remove this timber in accordance with best management practices as specified in *Texas Best Management Practices for Silviculture*, including the following:
- 3.4.1 Log decks should be constructed with a slight slope (2 to 5 percent) to provide for adequate drainage. Ditches should be used where necessary to direct water away from the deck. Debris on landings should not impede drainage.
 - 3.4.2 Skid trails shall be situated and used in a manner that minimizes disruption of natural drainage patterns. Stream crossings will be minimized and made only at points designated by Seller. Temporary crossings utilizing culverts, logs, or portable bridges will be removed as soon as their use is completed. Stream channels will not be used as skid trails.
 - 3.4.3 Upon completion of use, waterbars will be installed by Buyer on skid trails at locations designated by Seller. Buyer shall notify Seller as cutting in a unit nears completion so Seller can designate location of waterbars before logging equipment is moved from unit or to begin construction of these waterbars.
 - 3.4.4 Streamside Management Zones (SMZ) will be clearly marked by Seller with _____ flagging. Within the SMZ, timber marked for harvest should be logged carefully in a way not to destroy the filtering effects of the forest floor and expose mineral soil. Landings or skid trails will not be located within the SMZ without prior permission from Seller. Logging debris that is deposited in streams will be removed as soon as practicable, but not to exceed 48 hours, and in a manner that will cause the least disturbance to the stream channel.
 - 3.4.5 Servicing equipment on site will be done in such a way that waste oil, etc., is drained into containers and properly disposed of in accordance with proper solid waste disposal practices. Garbage and trash will be promptly removed and disposed of properly.
- 35 Buyer agrees to conduct its logging activity over existing roads insofar as possible and to **restore such roads to a condition not less than existed at the start of its operation.**
- 36 Seller reserves the right to temporarily suspend harvesting and hauling operations during wet weather when continued operations would adversely impact site productivity and water quality.
- 37 Failure on the part of Buyer to comply with any of the requirements stipulated in this Agreement shall constitute a breach of this Agreement and shall result in the Agreement becoming subject to cancellation upon Seller giving Buyer written notice of Buyer's default under provisions of this Agreement. Seller will be permitted to stop all timber cutting until the default can be remedied. In the event Buyer shall fail to remedy such default within a 1 day period after its receipt of notice of default, Seller shall have the right to cancel this Agreement and notice of such cancellation shall result in the Agreement becoming void and canceled immediately thereupon. Notice of default shall be sent to Buyer by certified mail, return receipt requested, postage prepaid, and addressed to Buyer at the Notice address provided herein.

Article 4

Seller agrees to the following:

- 4.1 To guarantee Buyer, its successors and assigns, to forever defend the title to the forest products and privileges granted in this Agreement against all lawful claims.

- 4.2 Until termination, Buyer is granted freedom of ingress and egress upon the sale area and adjacent property of Seller for the purpose of cutting and removing the designated forest products, except as provided for in Article 3.8.
- 4.3 Should the boundary designation provided by Seller not be accurate, to the extent permitted by the laws and constitution of the State of Texas, Seller shall indemnify and hold Buyer harmless from all costs, expenses, and damages arising from that designation.

Article 5

5.1 An equitable adjustment to the purchase price shall be made and refunded by Seller to Buyer in the event that endangered or threatened species (as defined by the Endangered Species Act and the rules and regulations promulgated pursuant thereto) are discovered upon the Land which adversely affect or prohibit the harvesting of part or all of the timber purchased herein, and to the extent such species were not disclosed by Seller to Buyer prior to execution of this Agreement. The portion or amount affected by the presence of the endangered or threatened species shall be determined by applying the guidelines then in effect and adopted by Seller and as applied by Seller to timber management and harvesting practices upon its own land and as required by federal, state, or local law or regulation.

Article 6

It is mutually understood and agreed by and between the Parties:

- 61 **Buyer will notify Seller of intent to begin logging operations prior to moving onto the property. A pre-entry conference will be held with the designated representatives of Buyer and Seller. The purpose of this conference is to make sure Buyer has a clear understanding of the contract requirements, harvest boundaries, and obligations. The Buyer and Seller will also discuss the Buyer’s placement and use of a camera(s) onsite to ensure load accountability.**
- 62 Any marked and sale trees that are left uncut from the described area at the date this Agreement terminates become the property of Seller.
- 63 Seller reserves the right of checking the operations at any time to determine whether the provisions of this Agreement are being carried out.

Notices should be addressed as follows:

Seller:

Name: _____
 Street Address: _____
 City, State, Zip: _____
 Primary Phone: _____
 Secondary Phone: _____
 Email: _____

Buyer:

Name: _____
 Street Address: _____
 City, State, Zip: _____

Primary Phone: _____

Secondary Phone: _____

Email: _____

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date written below:

BUYER

By: _____

Name: _____

Title: _____

Date: _____

SELLER

By: _____

Name: _____

Title: _____

Date: _____

SAMPLE