

**Timber Sale Agreement – Pay-as-Cut
Sample Only**

North Carolina
_____ County

THIS AGREEMENT, made and entered into this the ___ day of _____, 20___, by _____ (hereinafter “SELLER”), and _____, (hereinafter “CONTRACTOR”).

WITNESSETH:

For and in consideration of the mutual covenants and conditions hereinafter stated to be kept and performed by the parties hereto and in further consideration of those monetary payments to be made by the CONTRACTOR to SELLER, said parties do hereby covenant, and agree, as follows:

1. SELLER hereby bargains, sells, assigns, conveys, and agrees to the cutting by the CONTRACTOR, as an independent contractor, of certain growing timber found upon that real property described in that certain deed recorded in Deed Book _____ Page _____ in the office of the Register of Deeds of _____ County, North Carolina, which said deeds are incorporated herein by reference and being shown on the Timber Sale Map attached hereto as **Exhibit A**.
2. The timber hereby conveyed, and to be cut hereunder are only those trees which have been marked by _____ paint, or within the area marked by _____ as trees to be cut. The area within the marked boundary is to be harvested on a (circle one) clearcut/thinning basis. Notwithstanding the terms and provisions of the preceding paragraphs and in cutting and removing the timber sold hereunder, the CONTRACTOR shall have the right to cut or injure smaller timber, or unmarked trees, as is reasonably necessary to handle and remove timber conveyed hereunder, but the CONTRACTOR shall take reasonable precautions to insure, to the maximum extent, that smaller or unmarked timber shall not be harmed.
3. CONTRACTOR intends to enforce all applicable statutes regarding water quality and sedimentation and to require the use of Best Management Practices for forestry.
4. The CONTRACTOR shall pay to the SELLER for all logs and timber removed and harvested from their lands, as described above, those amounts determined by the rates calculated on stumpage prices per 1,000 board feet using the International ¼” Log Rule, as shown below. The prices shown below shall be considered minimum prices paid for logs and timber:
5. Payment shall be made to the SELLER, or its authorized agent, of all sums due to the SELLER, on Friday of each week. At the time payment is made, the CONTRACTOR shall furnish to the SELLER a duplicate ticket, statement, or accounting, showing the quantity of timber cut and removed from the lands of the SELLER for each such week.

6. The CONTRACTOR specifically covenants and agrees that they, their employees, and agents, shall work continuously, except as weather may prevent, to cut and remove the timber and logs, which are the subject of this agreement. In any event, all timber shall be cut and removed hereunder, on or before the date, which is _____ months immediately following the execution of this Agreement. Any such timber and logs not cut and removed on or before said date shall remain the property of the SELLER.
7. In its duties hereunder, the CONTRACTOR, its employees, and agents shall keep all streams within the designated sale area free from obstruction by logging debris, limbs, laps, etc., and will abide by, and keep, the requirement set forth in N.C.G.S. 77-13 and 77-14, which are incorporated herein by reference.
8. All logging hereunder, and the performance of the CONTRACTOR, its employees and agents, shall be done and performed in accordance with Best Management Practices as described by "Forest Practice Guidelines Related to Water Quality." Streamside Management Zones must be maintained around all of the drainages. Sawtimber trees within the Streamside Management Zone can be harvested, but no equipment will be allowed within 25 feet of the streams, except for required stream crossings. All stream crossings must be sown with grass or other suitable vegetative cover upon completion of use of the stream crossing.
9. To the extent possible, the logging operation will utilize existing roadways within the sale area. Additional roads, ramps, and landings may be constructed and maintained with the permission of the SELLER. All said roads, ramps, and landings will be constructed and maintained by the CONTRACTOR at the sole expense of the CONTRACTOR. Upon completion of the logging operations, the CONTRACTOR, at its sole expense, shall repair any damages occasioned by its employees and agents, to any and all improvements presently located on the real property of the SELLER.
10. The relationship of the SELLER and CONTRACTOR is that of owner/independent CONTRACTOR. Nothing contained in this agreement shall constitute the CONTRACTOR as the agent, employee or servant of the SELLER. CONTRACTOR acknowledges that it has the sole and exclusive responsibility for the hiring, training, and compensation of its agents, employees, and servants. Nothing in this agreement restricts CONTRACTOR from contracting with other landowners or entities for similar services.
11. All parties to the Agreement acknowledge the SELLER has shown to CONTRACTOR the Boundary Lines of the property. Should any dispute arise concerning timber cut under this agreement within the area defined as described above, upon demand by the CONTRACTOR, the SELLER will defend at its own expense and disputed cutting of the timber and undertake to settle such dispute in the most expeditious manner, saving the CONTRACTOR harmless. In the event the CONTRACTOR cuts any trees or causes damage outside the boundaries of the Timber Sale Area as shown to it by the SELLER, the CONTRACTOR shall indemnify and save harmless SELLER from all claims and causes of action to any and all persons, firms, and corporations for timber trespass, damage, or destruction of property occurring outside the limits of this timber sale.
12. The CONTRACTOR hereby agrees to indemnify and save harmless SELLER from and on account of the claims and causes of action of any and all persons, firms, incorporations for any injury or damage to personal and real property, and for any personal injury or death directly or indirectly attributable to any such acts performed by the CONTRACTOR, its employees and agents, and its performance, or failure to perform hereunder.

13. The CONTRACTOR agrees to protect, defend, indemnify, and save SELLER harmless from any and all judgments, orders, decrees, awards, costs, expenses, including attorney's fees, settlements, and claims on account of damage to property and personal injury, including death. CONTRACTOR agrees to provide liability insurance to indemnify SELLER.
14. At the termination of this Agreement, the CONTRACTOR agrees to leave the lands of the SELLER in good and clean condition, taking into account the removal of the timber and logs under the terms of this Agreement. Specifically the CONTRACTOR shall not leave any litter, trash or other refuse around the log loading areas or other areas on which timber harvesting is being conducted.
15. The CONTRACTOR agrees to pay _____ dollars to _____, escrow agent, as a performance deposit upon the signing of this Agreement. Said deposit will be held in escrow by the agent will be refunded to the CONTRACTOR upon completion or timber harvesting, provided that the CONTRACTOR has complied with all the terms, conditions, and provisions of this Agreement. The SELLER shall solely determine whether the CONTRACTOR has complied with all the terms, conditions, and provisions of this Timber Sale Agreement and his decision be binding upon all parties hereto. In the event of failure of performance by the CONTRACTOR or violation of any of the applicable terms and provisions hereof, the said agent may pay any portion, or all of such deposit to remedy any such default. The amount paid hereunder shall not be deemed, however, to constitute liquidated damages, and the CONTRACTOR shall remain liable for any and all additional damages suffered or incurred by the SELLER on account of any breach by the CONTRACTOR or any applicable term or condition of this Agreement.
16. This Agreement shall not be assigned by the CONTRACTOR without the express, written permission of the SELLER.
17. This Agreement shall be fully binding upon and injure to the benefit of the respective parties hereto, together with their heirs, successors, representatives, and assigns.
18. Any modification by the Parties of this Agreement is to be in writing, dated, and signed by both Parties.
19. SELLER does hereby warrant the title to the subject timber and to defend the same against any and all claims by third person claiming an interest in said title.
20. This contract may be terminated by either party by written notice of said termination served by either party at anytime.

IN WITNESS WHEREOF, the parties have executed this Agreement, under seal, this _____ of _____, 20____.

(SELLER) (SEAL)

(BUYER) (SEAL)

(SELLER)
(If Husband and Wife both shall sign)

(SELLER WITNESS)

NORTH CAROLINA, _____ COUNTY

I, _____, a Notary Public of the County and State aforesaid, do hereby certify that _____ and _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand an official seal this _____ day of _____, 20____.

Notary Public
My Commission expires _____

(BUYER WITNESS)

NORTH CAROLINA, _____ COUNTY

I, _____ a Notary Public of the County and state aforesaid, do hereby certify that _____ personally came before me this day and acknowledged that he is (owner/authorized representative of _____ (company), being duly authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and official seal this _____ day of _____, 20____.

Notary Public
My Commission expires: _____

(RECORDER OF DEEDS)

NORTH CAROLINA, _____ COUNTY

The foregoing certificates of _____

are certified to be correct. This instrument and this certificate are duly registered at the date and time and in the Book and Page shown on the first page hereof.

By: _____
Deputy / Assistant Register of Deeds
Register of Deeds for _____ County