

DRAFT – FOR DISCUSSION PURPOSES

TIMBER SALE CONTRACT

This contract entered into this 18th day of November 2014 by and between David Sparks with an address of 720 Widener Court, Lexington, KY. 40504 hereinafter called the Seller, and _____, with an address of _____ hereinafter called the Purchaser.

PAYMENT

The Seller agrees to sell and the Purchaser agrees to buy for the sum of _____ Dollars (\$ _____), the conditions set forth in this contract, all the marked standing timber on property in Adair County, Ky. The location of the area can further be described as follows: 2 miles east of Columbia, KY. bordering Sawmill Road. The Purchaser further agrees to pay (\$ _____) 10% of that total will be due at the time of contract signing. This payment is non-refundable. The remaining balance of the purchase price will be due no later than January 15, 2015 or before the harvesting of any timber, whichever occurs first. A performance bond in the amount of \$1,000.00 will be required before harvesting begins. This bond will be held in escrow by Arnzen Forestry Services and refunded if Purchaser complies with stipulations outlined in the contract.

SELLER

The Seller further agrees to dispose of the timber conveyed in this contract in accordance with the following conditions:

- A. All trees to be included in this sale are marked as follows: Trees are marked with red or pink paint once at breast height (4 ½ feet above the ground) and again at below stump height. All sawlogs and pulpwood contained in the marked trees are included in this sale. Seller and his agent makes no guarantee of the volume of timber contained in the sale area and is under no obligation to guarantee a specified volume.
- B. The Seller grants Purchaser and his employees access to the area at all reasonable times and seasons for the purpose of carrying out the terms of this contract.
- C. The Seller covenants that he is the lawful owner of the above timber and that no indebtedness or encumbrance exists against the same

PURCHASER

The Purchaser further agrees to cut and remove the timber conveyed in the contract in accordance with the following conditions:

- A. Unless an extension of time is agreed upon in writing between the Seller and the Purchaser, all timber shall be cut and removed on or before the 18th day of July, 2015, and any material not so removed shall revert to the Seller.

- B. Only marked trees shall be cut. Unmarked trees and young timber shall be protected against unnecessary injury from felling and logging operations.
- C. Logging should be carried out only during times when the ground is dry enough to prevent bad rutting of hay fields by logging equipment. Any rutting of skid roads, wood roads or fields that occurs shall be smoothed and seeded following completion of the logging operation.
- D. Purchaser agrees to protect, indemnify and save harmless, Seller and Seller agent, Tim Arnzen from any and all liability, loss or damages (including attorney fees) for personal injuries, death and for property damage and theft suffered or incurred by any person including, but not limited to, injuries to employees, agents, visitors, and contractors hired by Purchaser in connection with the Purchaser's performance of this contract.
- E. To reduce soil erosion and protect water quality, the Purchaser further agrees to implement the current edition of Best Management Practices, as contained in "Kentucky Forest Practice Guidelines For Water Quality Management," in all activities on the Seller's property
- F. Purchaser agrees to push or pull tops out of cleared fields back into the woods.
- G. The Purchaser must carry at least a \$500,000 general liability insurance policy.
- H. Once the logging crew removes their equipment from the farm, the removal of firewood material from the property must have written permission from Seller.

MISCELLANEOUS

Seller and Purchaser mutually agree as follows:

- A. All modifications of this contract will be reduced to writing, dated, signed and witnessed, and will be attached to this contract.
- B. Resale of any portion of the standing timber conveyed by this contract will not release the Purchaser from any or all the terms of this contract unless the Seller signs a written release.
- C. The Purchaser is an independent contractor for all purposes including Worker's Compensation and is not an employee or agent of the Seller. The Seller agrees that the undersigned Purchaser, except as otherwise specifically provided herein shall have sole control of the method, hours worked, time and manner of any timber cutting to be performed hereunder. The Seller takes no responsibility for supervision or direction of the performance of any harvesting to be performed by the undersigned Purchaser or its employees. The Seller further agrees to exercise no control over selection and dismissal of the Purchaser's employees.

SIGNED:

DATE:

Purchaser

Seller