NOTE: The following sample timber sale contract is intended to inform landowners of the potential elements to consider when preparing to sell timber. It is recommended that landowners seek professional advice from a licensed forester or lawyer before preparing or signing any contract. Items in italics are options that landowners may wish to consider.

**TIMBER SALE CONTRACT**

**THIS CONTRACT**, is made this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_, between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter called the Owner, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter called the Purchaser.

**WITNESSETH**, that in consideration of the premises hereof, the Owner does hereby sell to the Purchaser and that the Purchaser does hereby purchase from the Owner, a quantity of timber marked with \_\_\_\_\_ paint located on the property of the Owner at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in \_\_\_\_\_\_\_\_\_\_\_\_\_\_, VT, and further identified and described on the attached map, hereby sold as hereinafter designated and identified, subject to all the terms, conditions, and stipulations hereinafter set forth.

**The Purchaser agrees:**

1. To pay the Owner at the rates listed in this paragraph of this contract for the trees designated for cutting under the term of this Contract. Payments shall be made bi-weekly for all products and shall be accompanied by mill scale slips for all sawlog and pulpwood products. Payment shall be based on delivered volumes and prices as stated on said mill or yard scale slips. Truckloads of firewood will be paid based on the contract rate per cord applied to estimated truck volume.

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| **SPECIES/PRODUCT** | **PRICE**  |
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1. *To post a contract surety, cash bond, or irrevocable letter of credit in the amount of $* ***Enter Amount*** *to be held during the life of this Contract, then to be discharged, or held in whole or in part, as payment for unliquidated damages.*
2. The Purchaser is required to furnish scale slips and other volume data upon request of the Owner at any time during the operation of the sale and/or at the close of the sale before the release of the bond.
3. To obtain permission from the Owner before cutting trees not originally designated for cutting, such as in the case of operational reasons, and such trees shall be paid for at the rates set forth in paragraph 1 above.
4. That they have entered into the timber sale contract without any reliance upon the Owner’s acreage estimates, volume estimate, appraisal or pre-bid documentation.
5. That title to all timber, purchased under the terms of this Contract, remains with the Owner until it has been paid for. The title to all standing or felled timber, which Purchaser has paid for and which remains on Owner’s lands after the termination or expiration date of this contract, shall revert to the Owner. Additionally, any payments which have been made under this contract at the time of termination may be retained by the Owner to satisfy the Purchaser’s failure to complete contractual obligations regardless of the quantity of timber remaining.
6. It is the Owner’s intent that this sale will be completed by the expiration date of \_\_\_\_\_\_\_\_\_\_. Extensions will be considered by the Owner only under extraordinary circumstances. The Purchaser shall apply to the Owner in writing citing the special circumstances, at least one month prior to the expiration date of this contract, if an extension is desired to complete the sale. As conditions to granting an extension, the Owner reserves the right to:
	1. Reappraise the Contract prices paid;
	2. Require payment in full for the unpaid balance of the sale; and
	3. Require the Purchaser to pay the Owner for any costs of re-marking or re-designating the trees in the sale.

The Purchaser has no right to an extension, and the decision to grant an extension, and all terms of any extension, shall be within the Owner’s sole discretion.

**ROAD CONSTRUCTION AND MOBILIZATION:**

1. This sale may be operated on dry, snow-covered or frozen ground as determined by the Owner(s). ***(Add specific conditions related to season of operability here.)***
2. Before operations begin, there will be a pre-sale conference on site between the Purchaser and the Owner to discuss specific sale conditions. Whenever the sale is operating, and the Purchaser is not present, Purchaser shall designate an agent to be responsible, and identify the agent to the Owner. The Purchaser shall further notify the Owner before starting, suspending, or closing operations of the sale.
3. To obtain all necessary state and local permits required to operate this sale (trucking permits, etc.), and pay all taxes assessed against logs or other products associated with this sale.
4. All logging and earth moving equipment and transports shall be cleaned and free of dirt and plant material prior to entering on to Owner’s property. The intent of this condition is to reduce the potential for the introduction of non-native plant materials. No allowance was made in the sale price for this requirement. Purchaser shall inform the Owner of the date and time of equipment move-in for visual inspection purposes.
5. To construct to the following specifications: ***Enter Specifications relating to equipment size, who supplies culverts, bridge specifics, gravel sizes, and cubic yards road, landing or stream crossings.***
6. ***Main skid trails have been located on the ground by the Owner and shall be constructed and maintained as directed. OR (Main skid trail locations will be determined during the presale conference with the successful bidder and the Owner.)OR (Skid trails will be kept to a minimum both in number and width.)***

**GENERAL CONDITIONS:**

1. *Notwithstanding conditions set forth in paragraph 4, with regard to cutting trees not designated for cutting****, the Purchaser may cut or remove dead or hazardous trees (as determined by the judgement of the Purchaser) that they deem necessary to ensure the safety of the Purchaser,*** ***its agents, employees, subcontractors or others under his control.***
2. Not to sever or damage trees not designated for cutting.
3. To sever all designated trees **unless**, in the judgement of the Purchaser, **there is a risk of damage to property or danger to the Purchaser, its agents, employees, subcontractors or others.**
4. To utilize all designated trees to maximum extent of merchantability.
5. For activities associated with this timber sale and the time period covered by this timber sale contract, the Purchaser shall comply with Vermont’s water quality statutes and the “Acceptable Management Practices for Maintaining Water Quality of Logging Jobs in Vermont” dated August 11, 2018, and at a minimum, shall employ the Acceptable Management Practices to the maximum practicable extent. The Owners, upon request of the Purchaser, will provide a copy of the above-referenced document. Compliance with all state and federal rules and regulations regarding erosion control, water quality, and wetland protection is required.
6. Travel surfaces and drainage on skid trails and truck roads shall be maintained in a condition satisfactory to the Owner at all times.
7. The Owner reserves the right to prescribe and impose any operating constraints or conditions deemed necessary to prevent damage to the Owner’s property, infrastructure, site, residual stand, and regeneration, including the right to limit length of material skidded. The Owners also reserve the right to regulate the type, speed, and manner of operation of all equipment used by the Purchaser.
8. All trash, waste oil, hydraulic fluid, gasoline, and any other hazardous waste shall be collected, removed from the site daily, and properly disposed of.
9. Consistent with 10 V.S.A. § 6617, any and all spills of hazardous material, including but not limited to petroleum products, in excess of 2 gallons or any amount that poses a potential or actual threat to human health or the environment, shall be immediately reported by Purchaser in accordance with regulations adopted by the Vermont Department of Environmental Conservation. Purchaser shall simultaneously notify the Owners of any spill. Purchaser shall maintain at least one petroleum/hazardous materials spill response kit on each log landing during active operations. Landing-based spill response kits shall, at a minimum, be capable of containing up to 30 gallons. In addition, a spill response kit shall be located within an area of cutting during active operations. These spill response kits shall, at a minimum, be capable of containing up to 5 gallons.
10. To prevent excessive road damage or erosion during spring break-up or extended periods of wet weather, the Purchaser agrees to suspend all operations or portions of the operation upon notification by the Owner that such conditions exist. The Owner agrees to notify the Purchaser promptly when conditions are satisfactory for operations to resume.
11. *All documented and undocumented historic remnants are considered a resource and will be protected from disturbance. Historic remnants include but are not limited to cellar holes, wells, kilns, burial sites, and other evidence on the landscape of past human occupation. No historic remnants or resources have been identified within this sale area. Purchaser shall notify the Owner of any historic remnants discovered during the operation of the sale and avoid disturbance of these historic resources pending specific instructions from the Owner.*

**CLOSE-OUT CONDITIONS:**

1. An excavator will be required for sale closure and/or landing cleanup and/or temporary stabilization of truck roads and skid trails. This includes the stabilization of truck roads, skid trails, and water crossings to prevent erosion or runoff if the sale extends for more than one operating season or is inactive for an extended period of time.
2. Upon completion of operations, all truck roads and skid trails shall be smoothed, waterbarred, and left in a condition satisfactory to the Owner at the earliest possible time **or,** **by July 1**, **whichever is sooner**, and all water crossings will be removed and stabilized as specified by the Owner when ground conditions permit.
3. During the close of operations, the Purchaser shall employ “Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont” dated August 11, 2018, to the maximum practicable extent and, at a minimum, shall remove all non-permanent structures from streams or wetlands, and restore and stabilize the streambank and channel. All approaches to streams, between the stream and the first water diversion of either side and all disturbed streambanks shall be stabilized and seeded with Conservation mix and mulched (with seed-free straw mulch) at the rates specified in paragraph 17.
4. Upon completion of operations, all landing areas may be bulldozed to mineral soil; smoothed with butts and pieces removed or buried; and seeded, mulched, limed, and fertilized at the following rates:

Conservation Mix 100 lbs/acre

Straw 60 bales/acre

Lime 2 tons/acre

Fertilizer 240 lbs/acre 10/10/10

1. To comply with 10 V.S.A. §2648 (slash removal), to remove all slash within fifty (50) feet of the right-of-way of public highways **and adjoining property lines** and within one hundred (100) feet of standing buildings on adjoining property. In addition, slash shall be removed from all streams and from the spring seep designated on the attached map and on the ground with pink flagging tape.
2. Tops from all felled trees throughout balance of sale area shall be lopped to within 4 feet of the ground. Tops from felled trees shall not be left hanging on standing trees.

**Subcontracting, Workers’ Compensation, General Liability, Property Damage and Automotive Liability Insurance:**

1. That **the Purchaser, and any agents, sub-contractors and employees of the Purchaser, shall act in an independent capacity and not as officers or employees of the Owners.**

The Purchaser shall defend the Owner against all claims or suits arising in whole or in part from any act or omission of the Purchaser, its agents, employees, subcontractors or others under his control in the performance of this Contract. The Owner shall notify the Purchaser in the event of any such claim or suit, and the Purchaser shall immediately retain counsel and otherwise provide a complete defense against the entire claim or suit.

After a final judgment of settlement, the Purchaser may request recoupment of specific defense costs and may file suit requesting recoupment. The Purchaser shall be entitled to recoup costs only upon a showing that such costs were entirely unrelated to the defense of any claim arising from an act or omission of the Purchaser.

The Purchaser shall indemnify the Owner and their officers and employees in the event that the Owner, their officers or employees become legally obligated to pay any damages or losses arising from any act or omission of the Purchaser.

1. To comply with Title 21, V.S.A., Chapter 9 relating to worker’s compensation to the extent applicable. The Purchaser will also include this provision in all subcontracts it may enter and require compliance with this provision by all subcontractors of the Purchaser. **The Purchaser will need to provide certificates of insurance to show that the following minimum insurance coverage is in effect for all agents, employees or others under their control, before commencing work on this contract.** It will be the responsibility of the Purchaser to maintain current certificate of insurance on file with the Owner through the term of the contract.

Workers Compensation: With respect to all operations performed, the Purchaser, and any agents or subcontractors, shall carry workers compensation insurance in accordance with the laws of the State of Vermont.

General Liability and Property Damage: With respect to all operations performed under the contract, the Purchaser, and any agents or subcontractors, shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises – Operations

Products and Completed Operations

Personal Injury Liability

Contractual Liability

 The policy shall be on an occurrence form and limits shall not be less than:

 $1,000,000 per Occurrence

 $2,000,000 General Aggregate

 $1,000,000 Products/Completed Operations Aggregate

 $1,000,000 Personal & Advertising Injury

Purchaser shall name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, their officers and employees as additional insureds for liability arising out of this contract.

Automotive Liability: The Purchaser, and any agents and subcontractors, shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the contract.

Limits of coverage shall not be less than: $1,000,000 combined single limit.

Purchaser shall name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, their officers and employees as additional insured for liability arising out of this contract.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the Purchaser, and any agents and/or subcontractors, for the Purchaser’s, and any agents and/or subcontractor’s operations. These are solely minimum amounts required; the Purchaser may provide more coverage if desired.

1. Not to assign or subcontract the performance of this agreement to any party without prior written permission from the Owner.
2. To comply with all requirements of OSHA’s Logging Standard, (29 CFR 1910.266), related to safe operational practices during logging operations. The parties agree that the Purchaser, and any agents, sub-contractors and employees and other under the control of the Purchaser, shall specifically comply with OSHA standards for the use of Personal Protective Equipment required for use on logging operations. The Purchaser further agrees to include this provision in all subcontracts.
3. The Owners may mark some trees with an arrow, pointing upward, to designate that the forester marking the tree noted that a potential overhead hazard existed at the time the tree was marked. **No warranty is made that all potential hazards have been identified or marked.** **The Purchaser, and any agents, sub-contractors, employees and/or others under its control are solely responsible for identifying, eliminating, or minimizing exposure to potential hazard trees, hazards in the trees or located in the surrounding area.**

**The Owners agree:**

1. To designate the boundary of the harvest (sale) area with \_\_\_\_\_\_ triple striped paint markings at or above breast height.
2. To designate trees to be cut by a \_\_\_\_\_ paint slash at breast height and another paint spot below stump height on trees tallied as sawtimber. \_\_\_\_\_\_ paint spots at breast height and another \_\_\_\_ paint spot below stump height on trees tallied as fuelwood/pulpwood and pallet. A \_\_\_\_ “G” on trees must be girdled with two parallel chainsaw cuts.
3. To clearly mark all necessary property lines in the sale. Lines are marked with both blue/white striped and orange flagging tape.
4. To designate known remnants of historical value such as stone walls, cellar holes, kilns, and also to locate and describe any buffers or designated crossings.

**It is mutually agreed:**

1. That the terms of this Contract are completely set forth in this agreement and none of its conditions may be varied or modified, except by written agreement between Owner and Purchaser.
2. This contract will be governed by the laws of the State of Vermont.
3. That failure by Purchaser to comply with the terms of this Contract shall be sufficient cause, upon written notification by the Owner, for immediate suspension of operations and failure to pay shall be cause for immediate cancellation or suspension of operations.

This contract shall begin on date of signature and expire on the \_\_\_ day of \_\_\_\_\_\_\_\_.

**WE, THE UNDERSIGNED PARTIES, AGREE TO BE BOUND BY THIS CONTRACT.**

**OWNERS**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**PURCHASER**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Representative Date

*QUARANTINES- The following information does not establish contract requirements but may be useful to provide to logging contractors to:*

1. *support awareness of certain regulations affecting the movement of wood;*
2. *support awareness and use of practices that limit the spread of invasive pests.*

**FIREWOOD** – Purchasers should be aware that many states in the region have firewood quarantines that apply to importation of all species of firewood from Vermont. The definition of firewood, required treatments, and certifications vary from state to state. Contact the state department of agriculture or forestry in the destination state for more information.

**Emerald Ash Borer -** It is unlawful to willfully and intentionally move ash wood infested with emerald ash borer (EAB) without proper treatment. If trees are infested with

EAB, the purchaser must follow the State of Vermont’s Recommendations to Slow the Spread of Emerald Ash Borer. The purchaser shall understand and agree to abide by and comply with these recommendations. Transportation across state lines may be regulated by the receiving state. The known EAB infested Area in Vermont is posted at VTinvasives.org.

**Hemlock woolly adelgid**, a destructive insect from Asia, is present in southern Vermont. As a consequence, hemlock products from Bennington, Windham, and Windsor counties are subject to an existing state quarantine. The quarantine covers hemlock wood products *with Bark*, including logs, lumber, chips, & mulch. In addition, several neighboring states and Canada have quarantines that regulate the movement of hemlock raw materials.

This means, if hemlock is from Bennington County, Windham, or Windsor County:

It can be moved freely within Bennington County, Windham, or Windsor County

If it is being shipped to other counties in Vermont, the receiving site must have a Compliance Agreement with the Vermont Department of Forests, Parks and Recreation.

If it is being shipped to Maine or Canada, local quarantine restrictions will apply

For more information about [Vermont's hemlock woolly adelgid quarantine](https://fpr.vermont.gov/hemlock-woolly-adelgid-wood-product-considerations), including a link to the complete text.

Hemlock woolly adelgid regulations vary from state to state. In our region, [Maine](http://www.maine.gov/dacf/mfs/forest_health/invasive_threats/hemlock_woolly_adelgid_rule_summary.htm) and [Canada](http://www.inspection.gc.ca/plants/plant-protection/directives/forestry/d-07-05/eng/1323754212918/1323754664992) also have hemlock woolly adelgid quarantines. If shipping hemlock materials out-of-state, check on quarantine restrictions in the state or province receiving the material.