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# Woodland Notes

## Sample' – Sale of Standing Timber Contract

(Source – A Landowner's Guide to Selling Standing Timber)

This contract entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between

\_\_\_\_\_  
Seller of \_\_\_\_\_  
Address

hereinafter called the Seller, and \_\_\_\_\_  
Purchaser

of \_\_\_\_\_, hereinafter called the Purchaser.  
Address

### DESCRIPTION OF SALE AREA

Lot(s): \_\_\_\_\_ Concession(s): \_\_\_\_\_ Township: \_\_\_\_\_  
Area: \_\_\_\_\_ (acre / hectare) County or Regional Municipality: \_\_\_\_\_

Now therefore this contract witnesseth:

(Select which option applies to you then proceed to Section II (a).)

### Option #1 (Lump Sum Sale)

- I. The seller agrees to sell and the Purchaser agrees to buy for the TOTAL SUM OF \_\_\_\_\_ dollars (\$ \_\_\_\_\_) under the conditions set forth in this contract, only those trees specified in this contract on the above tract of land.

### Options #2 (Paid by Scale Sale)

- I. The Purchaser agrees to pay to the Seller the following amounts for all sawlog quality trees designated for harvest, under the conditions set forth in this contract:

|                |                                     |
|----------------|-------------------------------------|
| Species: _____ | Price: _____ / m <sup>3</sup> / fbm |
| Species: _____ | Price: _____ / m <sup>3</sup> / fbm |
| Species: _____ | Price: _____ / m <sup>3</sup> / fbm |
| Species: _____ | Price: _____ / m <sup>3</sup> / fbm |
| Species: _____ | Price: _____ / m <sup>3</sup> / fbm |

and, pay to the Seller the following amounts for all pulpwood / firewood trees designated for harvest, under the conditions set forth in this contract:

|                |  |
|----------------|--|
| Species: _____ | Price: _____ / m <sup>3</sup> / fbm/ ton/ cord |
| Species: _____ | Price: _____ / m <sup>3</sup> / fbm/ ton/ cord |

### Option #3 (Shared Sale Price)

- I. The Purchaser agrees to pay to the Seller the following percentage split of all revenue derived from the sale of:
- a) Sawlog quality trees designated for harvest, under the conditions set forth in this contract. The landowner share of all revenue is \_\_\_\_\_ %.
- b) Pulpwood / firewood quality trees designated for harvest, under the conditions set forth in this contract. The landowner share of all revenue is \_\_\_\_\_ %

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- II. a) The Purchaser agrees to pay to the Seller (\$ \_\_\_\_\_), by certified cheque or money order, as down payment upon the signing of this agreement, and
- b) The balance of the purchase price, \$ \_\_\_\_\_, shall be paid to the Seller, by certified cheque or money order, within \_\_\_\_\_ calendar days of the signing of this agreement or prior to the commencement of logging operations, whichever comes first.

### OR

b) The balance of the purchase price to be paid prior to any wood being removed from the Seller's property. (for sale by scale and shared sale)

- III. (1) All marked trees, designated trees, or trees for sale, harvest, or felling, referred to in this contract have been marked.
- (2) All trees of sawlog quality, which are designated for cutting, have been marked with yellow dot(s) at or about eye level and below stump height.
- (3) All trees of fuelwood quality, which are designated for cutting, have been marked with yellow slash(es) at or about eye level and below stump height.

- IV. The Purchaser agrees to buy, upon the terms herein stated, only those trees designated for felling (as per III (2) and III (3) ) as follows:

| Sawlog Species    | # of Trees | Volume m3 / fbm |
|-------------------|------------|-----------------|
| _____             | _____      | _____           |
| _____             | _____      | _____           |
| _____             | _____      | _____           |
| _____             | _____      | _____           |
| Standing Fuelwood |            |                 |
| _____             | _____      | _____           |
| _____             | _____      | _____           |
| Fuelwood in Tops  | N/A        | _____           |

- V. The Seller further agrees to the following:

(1) To guarantee title to the forest products covered by this contract and to defend it against all claims at his/her expense.

(2) To ensure boundaries are clearly defined or marked, prior to the commencement of cutting.

(3) The mortgagee, \_\_\_\_\_ (if any), of the said lands hereby consents to the sale and removal of said timber.

(4) To guarantee that the Purchaser and his/her employees shall have the right-of-way over the property for the purpose of harvesting and removing the timber purchased herein via the following route(s):

\_\_\_\_\_  
\_\_\_\_\_ as per the attached map, from  
\_\_\_\_\_, 20\_\_ to \_\_\_\_\_, 20\_\_.

(5) To guarantee that the Purchaser and his/her employees shall be allowed space for the purpose of log piling and loading trucks at the following location(s):

\_\_\_\_\_  
\_\_\_\_\_ as per the attached map, from  
\_\_\_\_\_, 20\_\_ to \_\_\_\_\_, 20\_\_.

- VI. The Purchaser further agrees to the following:

(1) The forest products sold herein shall be felled and removed from the property on or before \_\_\_\_\_, 20\_\_ (see V. (5)). The Purchaser agrees that any trees, logs, tree tops or other parts of trees remaining on the property after this date become the property of the Seller.

(2) To notify the Seller by telephone, or in writing, at least 72 hours before the commencement of logging operations.

(3) To fell and skid all trees designated for harvest so as to minimize damage to the residual stand and to prevent unnecessary damage to young growth and other trees not designated for cutting. Whole tops shall not be skidded.

(4) To cut trees in such a manner as to leave evidence of butt marking (yellow) and so that the stump heights are not higher than the diameter of the stump, to a maximum of 60 cm.

(5) To reimburse the Seller as liquidated damages and not as a penalty, the rate of \$ \_\_\_\_\_ for each unmarked tree (not designated) that is felled to the ground. This shall not be construed as permission to cut any tree not designated for cutting.

(6) To reimburse the Seller as liquidated damages and not as a penalty, for all trees not designated for felling which are unnecessarily damaged due to carelessness by the Purchaser or his/her employee, as determined by the Seller/Seller's designated agent:

(i) At the rate of \$ \_\_\_\_\_ for each tree greater than 10 cm but less than 30 cm diameter at the stump.

(ii) At the rate of \$ \_\_\_\_\_ for each tree 30 cm or greater in diameter at the stump.

(7) To repair to original condition immediately after logging operations have been completed, all damage caused by logging to roads, trails, fences, culverts, bridges, utilities or other improvements damaged beyond ordinary wear and tear.

(8) In plantations, 'DOT' (disodium octaborate tetrahydrate) also known as 'Timbor' is to be evenly applied to conifer stumps. DOT and approved colour pigment to be supplied by Purchaser.

(9) That any felled trees lost through theft, or destroyed or devalued in any way by fire, hurricane, tornadoes, lightning, ice storms, insects or diseases, during the term of this agreement, such losses shall be borne entirely by the Purchaser.

(10) (I) That all trees designated for harvest shall be felled to the ground. Partially severed standing trees and lodged trees must be pulled to the grounds by the Purchaser daily.

(ii) All tops and slash are to be cut to within 1.2 metres of the ground. All such logging debris is to be cleared from all roads, trails, watercourses, and property adjoining the woodlot.

(11) That no garbage or litter will be left on the property during or after the operation.

(12) Not to assign this contract to a third party, in whole or in part, or employ subcontractors, without prior written consent of the Seller.

(13) To obtain at his/her expense all permits from public authorities, which may be required in connection with the performance of this contract and to comply with all municipal, provincial, federal and other laws, statutes, ordinances and requirements.

(14) To indemnify and save harmless the Seller from and against all claims, demands, loss, costs, damages, actions, suits or other proceedings by whomsoever made, brought or prosecuted for any damage or injury to persons or property occasioned in the carrying on of the operations of the Purchaser under this agreement or by any neglect, misfeasance, or nonfeasance on the Purchaser's part or on the part of persons employed by him or under his control.

(15) That the Seller is released from any and all claims for injury or damage to property, however caused, which may be sustained by the Purchaser or his employees while carrying out operations on the woodlot under this agreement.

(16) During the entire term of this contract, the Purchaser agrees to have in force a general public liability and property insurance policy or policies with a limit of at least \$2,000,000 for each occurrence that protects the Seller and the Purchaser against any claim arising out of any act or omission of the Purchaser, any employee of the Purchaser, or any of them, in the performance or intended performance of this contract.

(17) The Purchaser agrees to comply fully with all the requirements of the Worker's Safety and Insurance Act and, without limiting the generality of the foregoing, agrees to pay all assessments made under the said Act against the Purchaser.

(18) To take all necessary steps to prevent and to suppress any forest fire on the sale area.

VII. The Seller and the Purchaser further agrees:

(1) To take all The Seller retains the right to conduct inspections in person and/or assign an agent to conduct inspections of the cutting operations from time to time and to order the immediate cessation of all work if any violation of this contract occurs.

(2) In the case of any dispute as to the meaning of any of the provisions of this agreement, the Seller and the Purchaser agree to submit such dispute to arbitration in accordance with the Arbitration Act. Each contracting party will select one arbitrator and the two arbitrators selected shall select a third arbitrator, and the decision of the arbitrators shall be final.

Signed in duplicate this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.

\_\_\_\_\_  
(Witness for the Purchaser)

\_\_\_\_\_  
(Purchaser)

\_\_\_\_\_  
(Address/ Phone Number)

\_\_\_\_\_  
(Address/Phone Number)

\_\_\_\_\_  
(Witness for the Seller)

\_\_\_\_\_  
(Seller)

\_\_\_\_\_  
(Address/ Phone Number)

\_\_\_\_\_  
(Address/Phone Number)

## **Using Sample Contracts**

A clear contract is key in any successful business transaction. However, prior to using any sample contract there are two important points you should consider:

A “sample” contract is a generic document. It is easy to copy the contract verbatim thinking it will cover all your needs however, in many cases it may not be adequate. You are advised to use a sample contract only as a general guide and it should be customized to suit your specific needs.

Consider using a lawyer to review the contract. Utilizing his experience and expertise is no different than asking the advice of a forest consultant to review different forest management options you may be considering to undertake in your woodlot.