

Timber Management Agreement and Contract

Example Only

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Teddy Reynolds, BSF, RF, CF

A) As per this contract, X-Consulting Company is agreeing and thereby contractually bound to provide, and limited to, the following Physical Services (performed in-house via commission or hourly selection):

- 1) Management Plan (30 year projection).
- 2) Financial Analysis.
- 3) Inventory.
- 4) Marking.
- 5) Timber Sales.
- 6) Contract Preparation and Closing via Escrow.
- 7) GIS/GPS Arcview Mapping.
- 8) Best Management Practice Implementation.
- 9) Estate Planning (advisory to accounting and legal counsel).
- 10) Cost Basis and Expense Accounting (present forward).
- 11) Silviculture, Financial Return and Management Counsel.

B) As per this contract, X-Consulting Company is contractually bound to provide, and limited to, the following Administrative Services (rate negotiation and overseeing contractors via commission or hourly selection) for the following silviculture capital investments:

- 1) Reforestation (unlimited):
 - a) Chemical Site Preparation (aerial and ground).
 - b) Site Preparation Burns.
 - c) Mechanical Site Preparation (shear/rake/plow/subsoil).
 - e) Seedling Treatments and Reservation.
 - f) Seedling Pickup and Storage.
 - g) Seedling Planting and Inspection.
 - h) Spring Herbaceous Grass Spray.
 - i) Early Fertilization.
- 2) Intermediate Treatments (unlimited):
 - a) Competition Control.
 - b) Fertilization.
 - c) Pre-commercial Thinning.
 - d) Under-story Control Burns.
- 3) Thinning and Harvest.
- 4) Road Mapping and Construction (three hours per stand).
- 5) Surveying and Boundary Painting.

C) The following Physical Services are not part of this contract, but are available (via hourly rate schedule below):

- 1) Boundary Maintenance and Painting.
- 2) Wildlife Management.
- 3) Deer Lease Management.
- 4) Encroachment Settlement.
- 5) Title Search.
- 6) Professional Witness.
- 7) Pond Site Selection and Feasibility.
- 8) Preliminary Residential and/or Commercial Identification and Planning.
- 9) Posting Lands.
- 10) Stump Regressions Related to Encroachments, Negligence, or Theft (unless in-house negligence).
- 11) Documentary Productions.
- 12) Chemical Drift Settlements.
- 13) BMP Violation Settlements (unless in-house negligence).
- 14) Timber Theft Settlements.
- 15) Contractor Settlement (unless in-house negligence).
- 16) Acquisitions and Related Activity.
- 17) Forestry Equipment Selection and Purchase.
- 18) Special Programming Requests.

- 19) Field Tours and Publicity.
- 20) Forestry Training.
- 21) Land sales and closings administration.

D) The following Administration Services are not part of this contract, but are available (via hourly rate schedule below):

- 1) Pond Construction.
- 2) Gate and Fence Installation.
- 3) Dumping Cleanup.
- 4) Woodyard Construction.
- 5) Bridge Construction.
- 6) Scenic Walking Trails.

E) Contracting Timberland Owner(s):

Name(s)/Company: _____

F) Primary Contact Information:

Mailing Address: _____

City: _____ State: _____ Zip: _____

Home Phone: _____ Office: _____ Cell: _____

Email: _____

G) Legal Description and Acreage of Included Lands: _____

H) As per this contract, the above “Contracting Timberland Owner(s)” is/are agreeing and thereby contractually bound to pay and limited to, for the aforementioned Physical and Administrative Services as follows:

I) Comprehensive Management “Marginal Commission Schedule,” based on “annual” timber sales (minus x% for marketing only without management inclusion):

≤ \$ 999,999	x%
≥ \$ 1,000,000	x%
≥ \$ 2,000,000	x%
≥ \$ 3,000,000	x%
≥ \$ 4,000,000	x%
≥ \$ 5,000,000	x%
≥ \$ 6,000,000	x%
≥ \$ 7,000,000	x%
≥ \$ 8,000,000	x%

J) Special Notation:

- 1) All work performed is hourly invoiced and payment credited towards individual stands and deducted in upcoming commissioned timber sales (see “Rate Schedule”), unless a sale is schedule to occur within six weeks of work performed (then applied at that time). The credit is deducted from each respective individual stand’s commission in upcoming sales. If the sale is smaller in nature than the previous hourly invoice work, then credit applied to next sale. However, if work exceeds commission, then balance paid at that time and credit applied to future sales.
- 2) Direct work performed for timber sale preparation are the only exceptions to no hourly invoicing, unless the sale is postponed during preparation. However, if the hourly rate schedule exceeds the sale’s commission, then the difference

is paid and credited towards future sales (this usually occurs during sanitation, initial pulpwood thinning, or understocked stands).

- 3) Commissions for rejected sales are paid within 30 days of rejection at the marginal commission schedule based on the highest offer (previous hourly credits deducted), and then credited towards future successful sale.
- 4) Acquisitions are not part of the services performed under this commissioned contract. However, for those tracts acquired under RFC's rate schedule will respectively be credited x% of the acquisition invoiced amount (as the inventory data crosses over into management use). Credits are prorated to each stand acquired.

K) Rate Schedule:

- 1) Field Hourly Rates (marking, inventory, etc.):
 - Senior Forester: \$ x/hour (> 10 years experience).
 - Senior Assistant: \$ x/hour (> 5 years experience).
 - Junior Assistant: \$ x/hour (> 3 years experience).
 - Intern Assistant: \$ x/hour (> 1 year experience).
 - Trial Assistant: \$ x/hour (< 1 year experience).

- 2) Executive Reporting (management plans, financial analysis, etc.):
 - Senior Forester: \$ x/hour (> 10 years experience).
 - Senior Assistant: \$ x/hour (> 5 years experience).
 - Junior Assistant: \$ x/hour (> 3 years experience).

- 3) GIS/GPS Arcview Mapping:
 - Senior Cartographer: \$ x/hour (> 5 years experience).
 - Junior Cartographer: \$ x/hour (> 3 years experience).
 - Intern Cartographer: \$ x/hour (> 1 year experience).
 - Trial Cartographer: \$ x/hour (< 1 year experience).

- 3) Administrative Support:
 - Senior Administrator: \$ x/hour (> 5 years experience).
 - Junior Administrator: \$ x/hour (> 3 years experience).
 - Intern Administrator: \$ x/hour (> 1 year experience).
 - Trial Administrator: \$ x/hour (< 1 year experience).

L) Contract Term: _____.

M) Client signature beside selected service:

- 1) Select "Hourly Rate" only, based on rate schedule (K): _____.
- 2) Select "Marketing" only, based on marginal commission minus x% (I): _____.
- 3) Select "Comprehensive Management," based on marginal commission (I): _____.

N) Client Execution Signature(s): _____ Date: _____.

Print Name: _____.

Owning Entity: _____.

O) _____ Date: _____.

X-Consulting Company