



Model Contract No 4. “Fixed Quantity or Lump Sum Sale”

Landowner / Harvest Manager - Purchaser

**8 Fraser Road Gympie, Qld, 4570 p:07 5483 6535 f: 07 5483996
e:pfsq@bigpond.com**

STANDING TIMBER PURCHASE CONTRACT (FIXED QUANTITY)

THIS AGREEMENT made this day of 2012

BETWEEN: THE LANDOWNER / HARVEST MANAGER referred to in Schedule 1 (hereinafter called "the Manager") of the One Part

AND: THE PURCHASER referred to in Schedule 1 ("the Purchaser") of the Other Part

WHEREAS the Manager is duly authorised or entitled to sell timber now standing on the land described in Schedule 1

AND WHEREAS the Manager has agreed to sell and the Purchaser has agreed to cut and purchase certain timber standing on the land

AND WHEREAS the parties wish to reflect in writing the terms and conditions of their agreements

NOW THIS DEED WITNESSES:-

1. The Manager agrees to sell to the Purchaser and the Purchaser agrees to purchase from the Manager fixed quantities of timber standing on the land satisfying the specifications and available in compliance with the conditions set out in the Forest Harvesting Operational Plan Schedule 2 ("the Plan").
2. The purchase price for the timber hereby sold shall be in accordance with the prices set out in the Forest Harvesting Operational Plan Schedule 2 ("the Plan") and is to be paid by the Purchaser to the Manager by instalments within 14 days of the end of the month in which the timber was removed in an amount that bears the same proportion to the total price as the quantity of timber removed bears to the total quantity of timber sold.
 - 2.1 If the manager is unable to supply the fixed quantities provided for in clause 1 then the price payable shall be reduced by the sum equal to the sum that bears the same proportion to the fixed price for the timber sold as the shortfall in quantity of the timber sold bears to the fixed quantity of timber sold.
3. The Plan and Procedures shall form part of this Agreement as if the terms and conditions were embodied in this Agreement.

4. All timber hereby sold shall be cut and removed from the land by the Purchaser at the Purchaser's own cost and expense on or before the date set out in Schedule 2.
5. The Manager will allow the Purchaser or its employees, servants and agents, to enter the land and remove the timber, with all necessary equipment provided:-
 - (a) All operations on the part of the Purchaser shall be carried out consistently with the Plan and in a proper and workmanlike manner in accordance with all statutes, ordinances, by-laws and codes of practice for timber harvesting in privately owned forests in Queensland (including the Vegetation Management Act 1999, as amended and Forest Practices Code, and the Workplace Health and Safety Queensland Forests Harvesting Code of Practice)..
 - (b) All operations by the Purchaser shall be conducted so as to cause as little injury as possible to the land, retained timber, livestock, improvements or growing crops.
 - (c) All product classification and measurement is to be carried out in accordance with the Procedures
6. The Purchaser shall give to the Manager a minimum of twenty four (24) hours notice, to open up fences on the land for the purposes of this agreement on the proviso that the Purchaser shall reinstate such fences.
7. The Purchaser shall leave all gates on the land as they are found unless otherwise agreed with the Manager.
8. The Purchaser, its servants, agents and contractors will enter upon the land at their own risk and the Manager shall not be liable for any loss, damage or injury suffered by such person whilst upon the land.
9. The Purchaser agrees that:-
 - (a) if any damage is done to the land, fences or improvements thereon, livestock grazing thereon, any crops growing thereon; or

(b) any loss whatsoever suffered by the Manager due to the Purchasers failure to comply with any statute ordinance and by-law relating to the cutting of timber and its operations on the land;

such damage shall forthwith be made good by the Purchaser and in default thereof the amount of such damage may be recovered by the Manager from the Purchaser as a liquidated debt.

10. The Purchaser shall not light any fires on the land, unless specified within the Plan.

11. The Purchaser shall provide to the Manager at the end of each fortnight whilst the Purchaser is conducting operations upon the land and at any other time on request of the Manager copies of cutter and load docket and such other information as reasonably required by the Manager, to the satisfaction of the Manager.

12.1 In the event that the Purchaser fails to make payment of any instalment of the purchase price then no further timber shall be cut or removed by the Purchaser under the terms of this Agreement until the instalment plus interest has been paid to the Manager by way of bank cheque.

12.2 The Purchaser shall pay the Manager interest at the rate of 2% per month or part thereof on any moneys due and payable under this agreement (including any liquidated damages) from the due date for payment of such moneys until payment.

13.1 In the event that the purchaser is in breach of the Plan or Procedures or fails to comply with the reasonable directions of the Manager the Manager may notify the purchaser of the suspension of contract works and the purchaser shall immediately cease operations.

13.2 After notification the parties shall immediately meet in an effort to resolve procedures, agree on rectification works, the application of penalties set out in the Procedures or Plan and all matters in dispute.

13.3 If the dispute is not resolved by agreement of the parties within 7 days of the date of the notice then the Manager may terminate this contract by notice in writing.

14. The Manager may determine this Agreement at any time and without prior notice should the Purchaser, his, her or its servants, agents or contractors be guilty of any dishonesty, serious misconduct or serious neglect of duty or refuse to comply with any reasonable instructions or directions given by the Manager.

15. If by the due date of completion, the Purchaser having complied with all other terms and conditions of this agreement, including payment of all instalments, the Purchasers have been delayed and unable, due to no fault of the Purchaser, to complete cutting and removal of timber from the land then the Purchasers may continue to cut and remove timber for a period equivalent to the period of delay.

16. This Agreement is for the sale of goods and nothing in this Agreement is to be construed as granting profit-a-prendre to the Purchaser or granting any exclusive rights of occupation or any right of way in or over the land.

17. The Manager will not, dispose of or charge any interest in the land to any person without first disclosing provisions of this Agreement to the person and notifying the Purchaser as soon as possible.

18. Goods and Services Tax

18.1 The parties agree that:-

- (a) unless the context so excludes then the terms used in this clause shall have the same meaning as they do in the A New Tax System (Goods and Services) Act 1999 *as amended (The GST Act)*;
- (b) the consideration or payments reserved pursuant to the terms of this contract are expressed as the GST exclusive value of the supply to which they relate; and
- (c) the amount payable for any supply pursuant to this contract shall be the price of the supply calculated pursuant to this clause.

18.2 In the event that GST is payable on any supply pursuant to the terms of this contract, then the price of the supply to be paid pursuant to this contract shall be equal to the GST exclusive value of the supply plus GST payable on the supply.

19. The Manager shall supply to the Purchaser a tax invoice in relation to the supply of timber or if so required will authorise the preparation of a recipient created tax invoice.

20 The parties shall each bear their own costs of and incidental to the preparation of the agreement.

21 The risk of damage to the timber hereby sold will hereby pass from the Manager to the Purchaser as and when timber is felled.

22.1 The Manager reserves the following rights in relation to the timber until the full purchase price owed by the Purchaser to the Manager is fully paid:-

- (a) Legal ownership of the timber hereby sold;
- (b) To enter the Purchaser's premises or any associated company or agent where the timber hereby sold is located (without liability for trespass or any resulting damage) and retake possession of the timber hereby sold; and
- (c) To keep or sell any timber repossessed pursuant to the preceding sub-clause.

22.2 If the timber hereby sold is re-sold by the Purchaser, it must hold part of the proceeds of any such sale as represents the price of the timber hereby sold in a separate identifiable account as the beneficial property of the Manager and must pay the amount to the Manager on request. Notwithstanding the provisions above, the Manager is entitled to maintain an action against the Purchaser for the purchase price.

23. The law of Queensland governs this Agreement.

23.1 The parties submit to the non-exclusive jurisdiction of the courts of Queensland and the Federal Court of Australia.

24. Each party must promptly at its own cost do all things (including executing all documents) necessary or desirable to give full effect to this Agreement.

25. If anything in this Agreement is unenforceable, illegal or void then it is severed and the rest of this Agreement remains in force.

26. This Agreement:

- (a) contains the entire agreement and understanding between the parties on everything connected with the subject matter of this Agreement; and
- (b) supersedes any prior agreement or understanding on anything connected with that subject matter. and
- (c) embodies and includes the provisions of the Plan and Procedures as if they were terms and conditions of this agreement

27. An amendment or variation to this Agreement is not effective unless it is in writing and signed by the parties.

28. A party's failure or delay to exercise a power or right does not operate as a waiver of that power or right.

28.1 The exercise of a power or right does not preclude either its exercise in the future or the exercise of any other power or right.

28.2 A waiver is not effective unless it is in writing.

28.3 Waiver of a power or right is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given.

SIGNED SEALED AND DELIVERED as a)
 Deed by the Manager)
 in the presence of:) _____

 Witness (who warrants that he is not a party to this deed or named herein)
 Full name of Witness _____
 Full address of Witness _____

SIGNED SEALED AND DELIVERED as a)
 Deed by the Purchaser)
 in the presence of:) _____

 Witness (who warrants that he is not a party to this deed or named herein)
 Full name of Witness _____
 Full address of Witness _____

SCHEDULE 1

The Grower:
(Name in Full)
Address

Not applicable

The Manager:
(Name in Full)
(Address)

The Purchaser:
(Name in Full)
(Address)

The Contractor:
(Name in full)
(Address)

Not applicable

The Seller
(Name in full)
(Address)

Not applicable

The Land

ALL THAT the property containing hectares or thereabouts situated at

And comprised and described as on
County of Parish of
Shire of , the approximate position of which is shown
on the Plan.

SCHEDULE 2



**FOREST HARVESTING
OPERATIONAL PLAN/AGREEMENT**

FOREST HARVESTING OPERATIONAL PLAN

OBJECTIVE OF HARVEST MANAGEMENT

Aim of Management

Private Forestry Service Queensland has the objective of achieving a fundamental rule in relation to native forest management; to leave the forest in a condition that has the capacity to regenerate and improve in quality and health over time. All harvest management operations performed by Private Forestry Service Queensland are conducted in accordance with currently accepted best management practices and endeavour to be in full compliance with all relevant legislation and regulation.

Tree Retention Standards

Sustainable native forest management is achieved by optimising growing space. Tree stocking levels i.e. stems per hectare, is dependent upon tree species, their diameter and the quality of the site. The larger a tree gets, the more space is required to maintain tree health and growth vigour. Site quality, forest structure and species composition are used as an indicator of site carrying capacity with direct implications for retained tree stocking levels as appropriate to their diameter class.

By selectively removing the poorer stems on a cyclic basis, the stand is given the opportunity to regenerate from the superior retained stems. Tree retention is based upon superior crown health, bole form, optimal spacing and maximization of stem value. As trees reach their optimal value for their product type, they are removed through a treatment/harvest. By only removing poorer stems, trees that have reached their optimal value and unhealthy stocking (re-spacing regeneration), the forest will continue to improve over time.

Stand Protection

A major aspect of harvest management performed by Private Forestry Service Queensland is the protection of the retained stand. The application of skilled directional felling, avoiding tree smash and the use of trees to be removed as rub trees during snigging, assist in achieving this outcome.

Desired Outcomes

When these principals are applied along with watercourse protection, habitat tree retention and appropriate drainage, the productivity of the forest, the ecosystem vitality and structural diversity are all enhanced. In addition, ground cover increases in response to well spaced trees and consequently soil erosion is minimised and grazing opportunities increase.

PROPERTY DETAILS

Property manager/Landowner:

Property Address:

Postal Address:

Phone Number: Home:

Mobile:

Property Description:

Vegetation Management Act Classification/s of Harvest Areas (if applicable):

HARVEST MANAGER and/or CONTRACTOR DETAILS

Name: Private Forestry Service Queensland Inc

Address: 8 Fraser Road Gympie Qld, 4570

Postal Address: As Above

Ph- Landline: 0754 836 535 **M:** 0428 457 322 **E:** pfsq@bigpond.com

HARVEST CONTRACTOR DETAILS (if different from the above)

Name:

Address:

Postal Address:

Ph- Landline:

M:

E:

RESOURCE DETAILS

Size of Area to be Harvested (ha): **Gross:** 16.9 ha **Net:** 10 ha

Forest Type: Dry Eucalypt Forest

Commercial Species: Spotted gum, Grey gum, Grey Ironbark, Bloodwood, Forest Red Gum

Range of Commercial Products:

Sawlog, salvage, poles, girders, veneer billets, fencing timbers, etc as available

Management Unit Description:

Specific areas to be logged as per attached map (attach an example map)

Utilities Present:

Power lines x 2, water tank on hill, buildings, underground pipelines, pump at dam, fences and goat yard. As per attached map

OPERATION LIMITATIONS

Safety in Harvest Operations:

All standard harvest operation signage must be erected before and during harvest operations and placed according to Workplace Health and Safety Queensland (WPHS) requirements, including the most current WPHS Queensland 'Forests Harvesting Code of Practice'.

Appropriate person protective equipment (PPE) must be worn at all times during harvest operations. No person is to enter harvest area without appropriate PPE, which includes helmet, safety boots and high visibility vest. No person is to enter the harvest area without the prior knowledge of the harvest manager.

All harvest machinery will have appropriate 'Roll over protection systems' (ROPS) and 'Falling object protective systems' (FOPS) according to WPHS.

Buffer and No Logging Zones:

Areas where no logging is permitted should be identified, zones to be marked with red paint and recorded on the attached map.

Filter Zones:

Areas where no felling of trees is permitted in the direction of any waterway or watercourse. Filter zones should be identified in field with paint marking and then recorded on the attached map.

Stand Hygiene Standards:

All machinery maintenance disposal material i.e. grease canisters; oil, drums, filters and other rubbish must be removed from the site.

Wet/Dry weather operations:

In negotiation with cutters and haulage contractors, haulage from the property will only occur in dry conditions.

Harvesting Slope Limit: NA

Property Access Points: As per attached map

Tree Selection Basis:

Selection of retained trees will be based on the criteria of superior crown, crown dominant or codominant position, superior tree bole form, growth potential and stocking level appropriate to site conditions. All trees marked for retention under the premise of retaining the best possible stand for future forest health and productivity. The logging area will be marked on a selection for retention basis using orange paint. All "unmarked trees" are able to be harvested.

Tree Marking System:

Orange dots on retained stems/trees

Boundary/Logging areas clearly identified:

Property boundaries identified by walking and/or driving property with the contract cutter and property owner.

Maximum Stump Height:

Stump height should be as low as possible (should aim for 300 mm) unless there is a safety reason for leaving a higher stump.

Equipment Restrictions:

A rubber tyred skidder is the only acceptable machinery for snigging operations on this property.

Roading (Construction and Maintenance):

Road maintenance for access to the property and maintenance of loading ramps for log haulage, if required, will be negotiated between the Landowner and Harvest Manager.

EMERGENCY FIRE EQUIPMENT

Contact	Contact Phone	Fire Equipment:
Max Landburg (Local Fire Warden)	54861157	

Water Access Points:

As per attached map or identified to the Harvest Manager and/or Contractor by Landowner/Property Manager.

HARVEST MANAGEMENT

Responsibility for Compliance with Regulations:

During the period of this harvest agreement, the harvest manager (Private Forestry Service Queensland) will ensure compliance with all provisions of the Vegetation Management Act 1999 and Code of practice applying to freehold native forest practices. xxxxxxxxxxxx acting as harvest manager for PFSQ.

Loading areas/log dumps:

The location of loading areas and log dumps will be negotiated between the Harvest Manager and the Landholder and identified as per attached map. Any further loading areas, log dumps, and ramps will be negotiated. Log dumps will be located on cleared areas only.

Snig Tracks:

The location of all major snig tracks will be negotiated between the Landholder and the Harvest Manager. No snig tracks are to traverse water pipe lines.

Drainage and Erosion Control:

The Harvest Contractor will drain all snig tracks and major road access after harvest completion in accordance with Queensland’s Vegetation Management Act 1999, as

amended, and Forest Practices Code. All associated costs of drainage will be borne by the Harvest Contractor.

Special Feature Management Areas:

Post Harvest Inspection:

At the completion of harvest operations and post harvest drainage, before any harvest machinery leaves the site there will be a joint site inspection by the Harvest Manager and the Harvest Contractor. (The Harvest Contractor will provide appropriate notice of anticipated inspection date and time).

INFRINGEMENT PENALTY CLAUSES

Damage to fencing:

All damage caused by harvest operations must be repaired at the Harvest Contractor's expense.

Penalty for felling trees into a watercourse:

Harvest Contractor will avoid felling trees towards watercourses, if unavoidable all tree heads must be removed immediately.

Penalty for harvesting marked or non available trees:

Any marked trees felled without the Harvest Manager's permission will have the appropriate stumpage calculated and the Harvest Contractor will pay the determined value. No cutting and snig rate will be paid for unauthorised removal.

Penalty for excessive stump height:

If stump height is regularly excessive in the opinion of the harvest manager, the Harvest Contractor will be required to re-cut all identified stumps as directed by Harvest Manager.

Management of logging smash/damage to retained trees:

The Harvest Contractor will avoid causing damage to retained trees by applying skilled directional felling techniques. In the case where tree weight distribution

determines that the tree will cause damage to a retained tree, the Harvest Contractor will consult the Harvest Manager.

The Harvest Contractor will take all necessary care to avoid damage to marked trees during snigging and loading operations.

The Harvest Manager has the right to cease all harvest operations instantly, when excessive smash/damage to retained trees is occurring.

Felling Debris:

The Harvest Contractor will avoid pushing logging debris or leaving felled tree heads around the base of retained trees.

Tree Hang-ups:

All hang-up trees must be removed instantly unless for unavoidable reasons this cannot happen. In the case where a hang-up has to be left for a period, the danger zone of one tree length around the hang-up must be cordoned off with flagging tape and appropriate danger signage erected.

HARVEST RATES AND TERMS

Stumpage Payment Rate:

Stumpage Payment Terms:

Payment to landholder at ramp prior to haulage or within 14 days of receipt of timber, etc

Cut and Snig rates:

Cut and Snig rates for special products:

Proposed Commencement Date:

Proposed Completion Date:

Harvest Plan prepared by:

PROPERTY OWNER RESPONSIBILITY

The Landholder shall not perform any forest management activities such as controlled burning, felling, tree paint marking, etc during the period of time the property is being harvested by the Harvest Manager.

Landholder:

Signed:

Signed:

Date:

Harvest Manager:

Signed:

Date:

Harvesting Contractor (if different from the above):

Signed:

Date:

SCHEDULE 3

PROCEDURES FOR LOG CLASSIFICATION AND DOCUMENTATION

Version 1 (Nov 2005)

Disclaimer:

This publication is provided as a guide to landholders and should not be relied upon as the only basis for any decision to take action on any matter that it covers. Readers should make their own enquiries and obtain professional advice, where appropriate, before making such decisions. The people involved in the development and issue of this guide cannot be held responsible or accept any liability for the use of this information.

PROCEDURES FOR LOG CLASSIFICATION AND DOCUMENTATION

Purpose: The purpose of the system described and agreed to by the parties is to record all timber product cut and removed in the harvesting operation and to facilitate reconciliation of product sold with product harvested and merchandised.

Open book: The record of timber cut and product removed shall be open and made available to the landowner, harvest manager, haulage contractor and product purchaser.

Initial Product identification branding: Initial branding of each log and its stump will be done and recorded at stump by the cutter. Minimum branding details will include: Cutter number and log number.

Snigging: No unmarked log will be snig from the place where it was felled.

Classification and measurement details:

Sawlogs and salvage logs are to be branded at the log dump with the log number, log length and log centre diameter (under bark) in either paint pen or by wheel hammer on the end of each log.

All salvage log numbers are circled to delineate 'salvage class' eg. (25) 4.5 x 38.

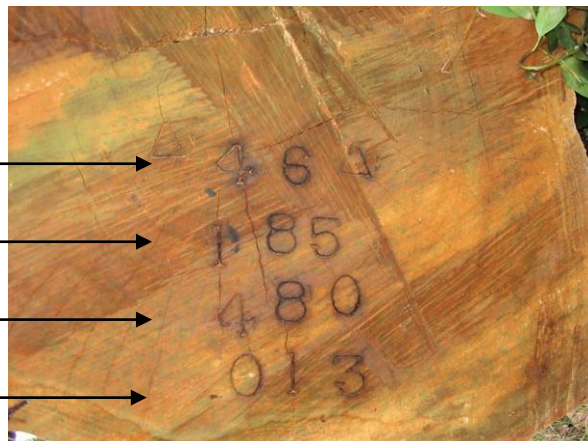
Poles are to be branded with:

Cutter number

Pole length

D-line

Pole number



Rounds are to be branded with species code, length and small end diameter on the butt of each length.

e.g. Spg 6.0 x 200

Cutters docket: The classification and measurement details of each log shall be recorded in a cutters docket as they are merchandised. A Copy of the cutter dockets will be made available as directed by the Landowner and/or Harvest Manager at least weekly and preferably daily.

Multiple products: Logs containing multiple products (eg sawlog and salvage log) shall be recorded in the cutters docket separately under the same log number with A, B, C identifiers. The butt of the log shall be marked with the separate classification and measurement details of each product contained in the log.

Re-entering details: If a log already recorded in the cutters docket is further merchandised the original information is to be ruled through by a single line through the original entry in a way that the original information can still be read. Classification and measurement details of each piece (if cross cut into multiple products) shall be recorded on separate lines of the cutters docket under the original log number with A, B, C identifiers.

Reclassifying: The Landowner and/or Harvest Manager may re-classify or re-measure any log and the new classification or measurement shall be final. Details of the new classification or measurement shall be re-entered in the cutters docket.

Priority Products: All logs are to be merchandised to the highest value products as follows:

PRODUCT	PRODUCT CODES
Veneer billets	V
Girders	G
Poles	P
Saw log	S
Salvage	SL
Round	R
Fencing timber	F

Product Specification: All products shall be classified in accordance with the specifications provided by the Landowner and/or Harvest Manager or as per the attached Schedule.

Product removal procedures: Prior to the removal of any product from the landing the haulage contractor shall complete a load docket with sufficient details of each product loaded such as log number and log dimensions.

Infringements: Failure to brand any sawlog or billet at log landing may warrant suspension of operations.

Missing logs: Any log appearing on the cutters docket but absent from log landing or any load docket will not be paid for and a penalty deduction equal to twice product value deducted from payments.

Payment: All payment for cut snig and haul shall be calculated in accordance with the cutters docket details.

PRODUCT SPECIFICATION