

2002 013
(public & private)
Sublease – Carina

2002 Almond Projects

Almond Land Pty Ltd

Timbercorp Securities Limited

NM TAYLOR
L A W Y E R S

Level 7
350 Collins Street
MELBOURNE VIC 3000

Telephone: 9600 3525
Facsimile: 9600 3527

Table of Contents

1. DEFINITIONS AND INTERPRETATION	2
1.1 DEFINITIONS	2
1.2 INTERPRETATION	3
1.3 HEADINGS	3
2. CAPACITY AND LIABILITY OF THE SUBLESSEE	3
2.1 CAPACITY OF SUBLESSEE	3
2.2 BENEFIT TO SUBLESSEE	3
2.3 LIMITATION OF LIABILITY	4
3. TERM	4
4. RENT	4
5. RATES, TAXES AND CHARGES	4
6. USE OF LAND	4
7. GOVERNMENT REQUIREMENTS	5
8. INSPECTION OF LAND	5
9. QUIET ENJOYMENT	5
10. ASSIGNMENTS, SUBSUBLEASES, MORTGAGES AND LICENCES	5
10.1 ASSIGNMENT BY SUBLESSEE	5
10.2 SUBLESSOR CONSENTS TO SUBLESSEE SUB-LETTING	5
10.3 SUBLESSEE MUST NOT MORTGAGE ITS INTEREST	5
11. DEFAULT AND RE-ENTRY	5
11.1 DEFAULT BY SUBLESSEE	5
11.2 RE-ENTRY BY SUBLESSOR	6
11.3 RE-ENTRY DOES NOT PREJUDICE SUBLESSOR'S RIGHTS	6
11.4 SUBLESSOR DISCHARGED FROM OBLIGATIONS	6
12. TERMINATION	6
13. SUBLESSOR'S RISK	6
14. LEGAL COSTS	6
15. NOTICES	6
16. PROPER LAW	7
17. SEVERANCE	7
18. ENTIRE AGREEMENT	7
19. GST	7

Details of this Sublease

Date of the Sublease:

This Sublease is made on 11 September

2001.

1. ALMOND LAND PTY LTD

ACN 091 460 392
Level 8, 461 Bourke Street
Melbourne, Victoria, 3000

(Sublessor)

2. TIMBERCORP SECURITIES LTD

ACN 092 311 469
Level 8, 461 Bourke Street
Melbourne, Victoria, 3000

(Sublessee)

Background

- A. The Sublessor has purchased the Land from Kyndalyn Park Pty Ltd ('Vendor') pursuant to a contract of sale made on 13 March 2001.
- B. Pending settlement of the acquisition of the Land in accordance with the contract of sale, to facilitate the carrying on of almond managed investment projects, the Vendor agreed:
- (a) to lease the Land to the Sublessor on the terms contained in a Sublease made on 13 March 2001;
 - (b) to the grant of a ~~sub~~ Sublease of the Land by the Sublessor to the Sublessee and the grant by the Sublessee of a sub-underlease of the Land to the Sublessor.
- C. The Sublessor wishes to grant a sublease of the Land that is used for each relevant Project to the Sublessee for the Term described in clause 3 on the terms and conditions contained in this Sublease.

The Parties Agree as Follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Sublease, unless the context or contrary intention appears, the following words and expressions have the meanings set opposite them:

Almondlot Management Agreement:	the agreement of that name as defined in the Constitution;
Business Day:	any day other than a Saturday, Sunday or a public holiday on which banks are open for business with the public in Melbourne;
Constitution:	the Constitution of the 2002 Timbercorp Almond Project ;
Grower:	the Grower as defined in the Constitution or an Information Memorandum;
GST:	has the meaning given in A New Tax System (Goods and Services Tax) Act 1999 (as amended);
GST Law:	the same as in the A New Tax System (Goods and Services Tax) Act 1999 (as amended);
2002 Information Memorandum	the information memorandum dated 11 September 2001 in relation to the 2002 Timbercorp Almond Project (Private Offer No. 1);
Land:	that part of the land described in the Schedule that will be used for the Project;
Licence and Joint Venture Agreement:	the agreement of that name as defined in the Constitution or the 2002 Information Memorandum;
Project:	the 2002 Timbercorp Almond Project and/or the 2002 Timbercorp Almond Project (Private Offer No. 1);
Project Manager	the project manager for the time being of a Project;
Project and Management Agreement	the agreement of that name as defined in the 2002 Information Memorandum;
Responsible Entity:	the responsible entity or project manager for the time being under the Constitution;
Sub-underlease:	the Sub-underlease entered into between the Sublessee as Sub-underlessor and the Sublessor as Sub-underlessee in respect of part of the Land;
Term:	the term of this Sublease, as described in clause 3;

1.2 Interpretation

In this Sublease, unless expressed or implied to the contrary:

- (a) a reference to this or any other document includes a variation or replacement of it;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of it;
- (c) the singular includes the plural and vice versa;
- (d) if a word is defined, cognate words have corresponding definitions;
- (e) a reference to a person includes a firm, body corporate, an unincorporated association or an authority;
- (f) a reference to a person includes the person's legal personal representatives, successors, substitutes (including persons taking by novation) and permitted assigns and transferees;
- (g) a reference to a gender includes the other genders;
- (h) a reference to a clause, recital or schedule is to a clause, recital or schedule in or to this Sublease;
- (i) if a party comprises two or more persons, this Sublease binds them jointly and each of them severally
- (j) if any of the persons comprising the Grower is a trustee, this Sublease binds that person in its capacity as a trustee and personally;
- (k) the word "include" or "includes" is to be read as if the expression "(but is not limited to)" immediately followed such word and the word "including" is to be read as if the expression "(but not limited to)" immediately followed such word; and
- (l) the recitals form part of this agreement.

1.3 Headings

Headings are for convenience only and do not affect the interpretation of this Sublease.

2. CAPACITY AND LIABILITY OF THE SUBLESSEE

2.1 Capacity of Sublessee

The parties acknowledge that:

- (a) the Sublessee has entered into this Sublease in its capacity as:
 - (i) Responsible Entity under the Constitution of a Project; and
 - (ii) as representative of Growers of the 2002 Timbercorp Almond Project (Private Offer No. 1).
- (b) the Sublessee has full, complete and valid authority and power to enter into this Sublease under the terms of the Constitution of a Project.

2.2 Benefit to Sublessee

The parties acknowledge and agree that every agreement and condition in this Sublease for the benefit of the Sublessee benefits the Sublessee:

-
- (i) personally;
 - (ii) in its capacity as Responsible Entity under the Constitution; and
 - (iii) in its capacity as representative of Growers under the 2002 Timbercorp Almond Project (Private Offer No. 1).

2.3 Limitation of liability

The parties agree that the Sublessee will in no circumstances be required to satisfy any liability of the Sublessor for breach of any obligation pursuant to or in respect of this Sublease out of any funds, property or assets other than the assets held as the responsible entity under the Constitution under the Sublessee's control and in its possession and available to be properly resorted to by the Sublessee.

3. TERM

The Sublessor grants the following Sublease to the Sublessee:

- (a) in respect of the 2002 Timbercorp Almond Project, a Sublease over the Land used for that Project for a period commencing on the date of this Sublease and, subject to clause 12, expiring on 30 June 2022; and
- (b) in respect of the 2002 Timbercorp Almond Project (Private Offer No. 1), a Sublease over the Land used for that Project for a period commencing on the date of this Sublease and, subject to clause 12, expiring on 30 June 2022.

4. RENT

If demanded by the Sublessor, the Sublessee must pay to the Sublessor an amount of \$1.00 per annum for the term of this Sublease.

5. RATES, TAXES AND CHARGES

The Sublessor must pay all charges and assessments levied upon the Land including, but not limited to:

- (a) local authority rates;
- (b) sewerage rates; and
- (c) State and other land tax.

6. USE OF LAND

The Sublessee must only use the Land in accordance with the Constitution, Almondlot Management Agreement, Project and Management Agreement and Licence and Joint Venture Agreement (as applicable). The Sublessee may only use the Land in any other manner with the prior and express written consent of the Sublessor, which consent may be given or refused at the absolute discretion of the Sublessor.

7. GOVERNMENT REQUIREMENTS

The Sublessor must comply with all statutes, ordinances, orders or regulations of any Commonwealth, State or local authority affecting or relating to the Land.

8. INSPECTION OF LAND

The Sublessor may, at all reasonable times, enter upon the Land and view its state of repair.

9. QUIET ENJOYMENT

The Sublessee may, during the term of this Sublease, possess the Land without interruption from the Sublessor or any person claiming through it, except to the extent that the interruption is expressly permitted by this Sublease.

10. ASSIGNMENTS, SUB-UNDERLEASES, MORTGAGES AND LICENCES

10.1 Assignment by Sublessee

Subject to clause 10.2, the Sublessee must not assign its interest under this Sublease or transfer, sublet or part with possession of the relevant Land or any part of the Land without the prior written consent of the Sublessor, which consent is not to be unreasonably withheld.

10.2 Sublessor consents to Sublessee sub-letting

The Sublessor consents and authorises the Sublessee to sub-underlease relevant Land back to the Sublessor under the Sub-underlease. Upon the Sub-underlease terminating for whatever reason, the Sublessor irrevocably authorises and consents to the granting or continuation (or both) by the Sublessee of a right to occupy or use the Land granted under the relevant Licence and Joint Venture Agreement.

10.3 Sublessee must not mortgage its interest

The Sublessee must not mortgage, charge or otherwise encumber its estate or interest in this Sublease without prior written consent of the Sublessor. The consent may be granted conditionally or refused if the security documents entitle a mortgagee of the land to enter into possession of the Land. In any other case, the consent must not be unreasonably withheld by the Sublessor.

11. DEFAULT AND RE-ENTRY

11.1 Default by Sublessee

The Sublessor and the Sublessee covenant and agree the following are events of default under this Sublease:

-
- (a) the rent remains unpaid for a period of six months after demanded under clause 4; or
 - (b) the Sublessee commits, permits or suffers to occur any material breach or default in the due and punctual performance of any of its obligations under this Sublease.

11.2 Re-entry by Sublessor

The Sublessor will have the right to re-enter the Land if an act of default in clause 11.1 has not been rectified by the Sublessee to the Sublessor's reasonable satisfaction within three months of the Sublessee receiving written notice from the Sublessor requesting such rectification.

11.3 Re-entry does not prejudice Sublessor's rights

Should the Sublessor exercise its rights under clause 11.2, it will do so without prejudice to any action or other remedy, which the Sublessor has for arrears of rent or breach of covenant or for damages as a result of any breach of the terms of this Sublease by the Sublessee.

11.4 Sublessor discharged from obligations

Where the Sublessor exercises its rights under clause 11.2, and upon re-entry by the Sublessor, the Sublessor will be freed and discharged from any action, suit, claim or demand by, or obligation, to the Sublessee under or by virtue of this Sublease.

12. TERMINATION

If a Project ends then:

- (a) this Sublease is automatically terminated in respect of that Project; and
- (b) both the Sublessor and the Sublessee give to the other of them a power of attorney to do all things and sign all documents necessary to give effect to a termination under this clause only.

13. SUBLESSOR'S RISK

The Sublessor is to assume all risk of loss, damage or injury by fire or otherwise to person or the Sublessor's property by reason of the condition of the Land or any plant, equipment, fixtures or fittings on the Land.

14. LEGAL COSTS

The Sublessor must pay the reasonable costs of the Sublessee's solicitors of and incidental to the preparation, execution, stamping and registration of this Sublease including all registration fees and stamp duty payable and including the cost of obtaining any necessary consents.

15. NOTICES

- 15.1** Any notice to be given under or in connection with this Sublease must be in writing and

may be signed by an authorised representative of the party giving the notice. The notice may be served by:

- (a) hand delivery;
- (b) post or registered or certified mail, or
- (c) fax

to such address or fax number of the party to whom the notice is directed as the addressee may notify prior to such notice being given.

15.2 Any notice will be effective and will be deemed to be received:

- (a) if hand delivered, then upon delivery;
- (b) if posted, then 48 hours after the notice has been properly posted if that falls on a business day, and if not, on the first business day afterwards; and
- (c) if sent by fax, then at the date and time of transmission as shown by the confirmation report from the sender's fax machine indicating that the notice has been received in full by the recipient's fax machine.

16. PROPER LAW

This Sublease is governed by and to be interpreted in accordance with the laws of Victoria and the parties to this Sublease submit to the non-exclusive jurisdiction of the courts of Victoria, Australia and courts of appeal from them for determining any dispute concerning this Sublease or the transactions contemplated by this Sublease.

17. SEVERANCE

This Sublease, so far as possible, must be constructed to give validity to all of its provisions. Any provision found to be prohibited by law will be ineffective so far as it is prohibited without invalidating any other part of this Sublease.

18. ENTIRE AGREEMENT

Each party acknowledges that this Sublease is not entered into in reliance on any representation or warranty, expressed or implied, whether oral, in writing or contained in any brochure, advertisement or otherwise, except as may be specifically set out in this Sublease.

19. GST

- (a) If any supply made by the Sublessor ("Supplier") to the Sublessee ("Recipient") under this Sublease is a taxable supply (according to GST Law) so that the Sublessor is liable to GST, the parties agree that the consideration payable for that taxable supply represents the value of the taxable supply (the "GST Exclusive Amount") and not the price for that taxable supply.
- (b) In addition to the GST Exclusive Amount for a taxable supply under this

Sublease, the Sublessee must pay to the Sublessor a further amount in respect of the taxable supply calculated as an amount equal to the GST Exclusive Amount multiplied by the GST rate.

- (c) The GST payable under paragraph (b) is payable by the Sublessee without deduction or set-off of any other amount, at the same time and on the same basis as the GST Exclusive Amount is payable by the Sublessee under this Sublease.
- (d) The Sublessor must, in respect of a taxable supply made by it under this Sublease, issue to the Sublessee a valid tax invoice in the prescribed form, for the amount of GST referable to that taxable supply, in order that the Recipient may obtain an input tax credit for the amount of GST payable on the taxable supply.

Executed as a Deed


EXECUTED by ALMOND LAND)
PTY LTD by authority of its)
directors:)



Signature
Darren Lipton

Full Name
Director

Position Held




Signature
Robert J Hance

Full Name
Director

Position Held


EXECUTED by TIMBERCORP)
SECURITIES LIMITED by authority)
of its directors:)



Signature
Sol Rabinowicz

Full Name
Director

Position Held



Signature
Robert J Hance

Full Name
Director

Position Held

SCHEDULE

Description of Land (Clause 1.1)

That part of the land shaded orange (public offer) and blue (private offer) on the attached plan being part of the land in certificate of Title Volume 10530 Folio 483.