

**2006 Timbercorp Almond
Project**

Management Agreement

Timbercorp Securities Limited

Almond Management Pty Ltd

2006 Timbercorp Almond Project

Table of Contents

DETAILS OF THIS MANAGEMENT AGREEMENT	1
1. DEFINITIONS AND INTERPRETATION.....	1
1.1 DEFINITIONS.....	1
1.2 INTERPRETATION	4
1.3 HEADINGS	4
1.4 CAPACITY OF TSL	4
1.5 MANAGEMENT AGREEMENT IS NOT SCHEME PROPERTY	4
2. TERM	4
2.1 COMMENCEMENT DATE.....	4
2.2 TERMINATION DATE	5
3. APPOINTMENT OF ALMOND MANAGEMENT.....	5
3.1 ENGAGEMENT OF ALMOND MANAGEMENT	5
3.2 ALMOND MANAGEMENT TO CARRY OUT ORCHARD SERVICES AS INDEPENDENT CONTRACTOR.....	5
3.3 AUTHORITY TO ACT	5
3.4 PERFORMANCE OF OBLIGATIONS.....	5
3.5 ADDITIONAL SERVICES.....	6
3.6 ACCEPTANCE OF ENGAGEMENT.....	6
4. ORCHARD MANAGEMENT.....	6
4.1 MANAGEMENT PLAN AND GOOD PRACTICE	6
4.2 SERVICES FOR PERIOD ENDING 30 JUNE 2006	6
4.2A SUBSEQUENT YEAR SERVICES	9
4.3 NO UNLAWFUL ACTS	11
4.4 NOTIFY TSL OF NOTICES	11
5. HARVESTING.....	12
5.1 HARVESTING	12
5.2 HARVESTING METHOD	12
5.3 DELIVERY	12
5.4 STORAGE	12
6. PROCESSING AND SALE.....	12
6.1 PROCESSING OF ALMONDS	12
6.2 MARKETING AND SALE	12
6.3 GATHER IN PRODUCT	13
6.4 LIEN.....	13
6.5 ACTION FOR RECOVERY OF SALE PROCEEDS.....	13
6.6 PAYMENT OF SALE PROCEEDS	13
7. ADMINISTRATIVE SERVICES	14
7.1 SERVICES	14
8. DELEGATION OF RESPONSIBILITIES	14
9. ACCESS TO ORCHARD.....	14
9.1 ALMOND MANAGEMENT HAS ACCESS.....	14
9.2 REMOVAL OF ALMOND MANAGEMENT'S PROPERTY AFTER TERMINATION.....	14
9.3 ROADS AND TRACKS.....	14
9.4 GROWER'S ACCESS.....	15
9.5 WARRANTY AS TO ACCESS.....	15
9.6 FAILURE TO PERFORM IF ACCESS DENIED	15
10. NO LEASE OR LICENCE.....	15

11. RECORDS	15
12. REPORTING	15
12.1 ANNUAL REPORT	15
12.2 CERTIFICATION	16
12.3 STATEMENT OF INCOME AND EXPENSES	16
13. COMPLIANCE WITH MANAGEMENT PLAN.....	16
13.1 MANAGEMENT PLAN	16
13.2 NO OBLIGATION TO COMPLY WITH MANAGEMENT PLAN	16
13.3 RECOMMENDATION OR DIRECTION BY TSL	16
13.4 CHANGES TO MANAGEMENT PLAN	16
13.5 PERFORMANCE OF MANAGEMENT SERVICES	16
14. ORCHARD MANAGEMENT FEES	17
14.1 FEES PAYABLE TO ALMOND MANAGEMENT	17
15. TERMINATION	17
15.1 TERMINATION OF AGREEMENT BY TSL OR ALMOND MANAGEMENT.....	17
15.2 TERMINATION BY TSL	17
15.3 CHANGE OF RESPONSIBLE ENTITY	17
15.4 EFFECT OF TERMINATION.....	18
16. INDEMNITY.....	18
17. GST	18
18. DISPUTES	19
18.1 PROCEDURE MUST BE FOLLOWED	19
18.2 PARTIES MUST ATTEMPT TO RESOLVE	19
18.3 MEDIATION	19
19. NOTICE.....	19
19.1 FORM OF NOTICE.....	19
19.2 RECEIPT OF NOTICE	20
20. RELATIONSHIP OF THE PARTIES.....	20
21. COSTS.....	20
22. AGREEMENT WILL BIND SUCCESSORS	20
23. ENTIRE AGREEMENT	20
24. SEVERANCE	20
25. WAIVER	21
26. AMENDMENTS.....	21
27. GOVERNING LAW	21
28. METHODS FOR ASSESSING ALMOND MANAGEMENT'S PERFORMANCE	21
28.1 MEETINGS	21
28.2 REPORTS AND STATEMENTS	21
28.3 APPOINTMENT OF REPRESENTATIVE	21

Details of this Management Agreement

Date of the Agreement:

This Agreement is made on 3 march 2006.

Parties to the Agreement:

1. **TIMBERCORP SECURITIES LIMITED**
ACN 092 311 469
Level 8, 461 Bourke Street
Melbourne Victoria 3000

(TSL)

2. **ALMOND MANAGEMENT PTY LTD**
ACN 094 468 845
Level 8, 461 Bourke Street
Melbourne Victoria 3000

(Almond Management)

Background to the Agreement

- A. TSL is the single responsible entity of the 2006 Timbercorp Almond Project.
- B. Under the Almondlot Management Agreement, TSL has been or will be appointed by the Growers to cultivate and maintain Almond Trees on, and generally manage, the Almondlots in accordance with the Management Plan and to carry out and perform each Growers' obligations under the Sub-leases.
- C. TSL wishes to engage Almond Management to manage the Orchard.
- D. The parties have agreed that Almond Management will manage the Orchard in accordance with the reasonable directions of TSL and subject to the terms and conditions of this Agreement.

The Parties Agree as Follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires or implies, the following expressions have the meanings set opposite each of them:

Almondlot:	Each stapled and separately identifiable area of the Land comprising approximately 0.25 hectares: (a) on which a Grower will carry on the business of primary production; or (b) which TSL will continue to manage in accordance with the Constitution and the relevant Almondlot Management Agreement after a defaulting Grower has ceased to participate in the Project in respect of a relevant Almondlot, and includes the Almond Trees, the Capital Works and the Water Licences attributed to the Project;
Almondlot Management Agreement:	an agreement for the management of the business of the Growers conducted on the Almondlots between TSL, in its personal capacity, and each of the Growers;
Almonds:	the Almonds grown or growing on the Grower's Almondlots or the Orchard, whichever is applicable, and whether harvested or unharvested;
Almond Trees:	the almond trees planted or to be planted on the Orchard;
Best Horticultural Practice:	sound horticultural and environmental practices and industry practices for similar orchards;
Business Day:	a day other than a Saturday or Sunday or public holiday on which all trading banks are open for general banking business in Melbourne, Victoria;
Capital Works:	the infrastructure and capital works, including the planting of Almond Trees, that the Land Owner has carried out, and any other works that the Land Owner may be required in future to carry out, at its cost, on the Orchard;
Commencement Date:	the date of this Agreement;
Constitution:	the constitution which governs the Project;
Crop:	the Almonds taken from the Almond Trees grown on the Growers' Almondlots or the Orchard, whichever is applicable;
Financial Year:	a period of 12 months ending on 30 June in any year and includes the period commencing on the date of this Agreement and ending on 30 June 2006 and the period ending on the termination of this Agreement and commencing on the preceding 1 July;
Government Agency:	a government or government department, a governmental, semi-governmental or judicial person or a person (whether autonomous or not) charged with the administration of any applicable law;
Grower:	a "Participant Grower" in the Project as that term is defined in the Constitution;
GST:	a tax, levy, duty, charge or deduction, together with any related

	additional tax, interest, penalty, fine or other charge, imposed by or under a GST Law;
GST Law:	the same as in the A New Tax System (Goods and Services Tax) Act 1999 (as amended);
GST Rate:	the rate of GST under GST Law;
Land:	the land on which the Project will be conducted as described in the PDS or such other land which is used for the Project;
Land Owner:	Almond Land Pty Ltd (ACN 091 460 392) of Level 8, 461 Bourke Street, Melbourne, in the State of Victoria;
Management Plan:	the management plan for a Financial Year prepared by or on behalf of TSL;
Orchard:	all of the Almondlots;
Orchard Services:	the services described in clauses 4 and 5;
Part A Almondlot:	means that part of a Participating Grower's Almondlot that will be fully planted by 23 June 2006 (subject to planting taking place in appropriate climatic and horticultural conditions), representing no less than 15% of the Participating Grower's Almondlot;
Participating Interest:	has the same meaning as in the Constitution;
PDS:	the product disclosure statement issued by TSL under which TSL offers for subscription interests in the Project;
Pre Planting Capital Works:	the capital works described in clause 2.1(a)(i)-(vii) of the Sub-Leases which have been, or will be, carried out on the Orchard by the Land Owner;
Product:	Almonds in a saleable condition;
Project:	the 2006 Timbercorp Almond Project promoted by the TSL relating to the management of an almond orchard, the cultivation and harvesting of Almond Trees and the processing of Almonds for commercial gain;
Project Documents:	the agreements entered into by the TSL under clauses 13.3 and 13.4 of the Constitution;
Project Operations:	the growing, cultivation and management of a commercial almond orchard and includes the Orchard Services, the harvesting and processing of the Almonds, delivery of the Almonds for distribution to or on behalf of the Growers in accordance with their Participating Interests and procuring the sale of Almonds;
Sub-leases:	the sub-leases between the TSL, in its personal capacity and sub-lessor, and each of the Growers, as sub-lessees, in relation to the Growers' Almondlots;
Term:	the term of this Agreement under clause 2;
Water Licences:	the water licences owned or acquired by the Land Owner, leased to TSL and attributed to the Project as required from time to time, up to a maximum of 3.125 megalitres per Almondlot, as reduced

	by any variation in the maximum licence entitlement from time to time by the relevant water authority restricting the amount or rate at which water may be taken, or the purpose for which it may be taken or prohibiting the taking of water or the purpose of its use.
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1.2 Interpretation

In this Agreement, 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 assigns and transferees;
- (g) a reference to a gender includes the other genders;
- (h) a reference to "\$" or "dollars" is a reference to Australian dollars;
- (h) a reference to a clause, recital or schedule is to a clause, recital or schedule in or to this Agreement; and
- (i) if a party comprises two or more persons, this Agreement binds them jointly and each of them severally and it also binds the executors, administrators and permitted assigns of them and of each of them and of any two or more of them jointly and each of them severally.

1.3 Headings

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

1.4 Capacity of TSL

TSL enters into this Agreement in its personal capacity.

1.5 Management Agreement is not Scheme Property

This Agreement does not form part of "scheme property", as defined in section 9 of the Corporations Act, of the Project.

2. TERM

2.1 Commencement Date

This Agreement will commence on the Commencement Date.

2.2 Termination Date

Subject to clause 15, this Agreement will terminate on the earlier of:

- (a) termination of the Project; and
- (b) 30 June 2030.¹

3. APPOINTMENT OF ALMOND MANAGEMENT

3.1 Engagement of Almond Management

TSL engages Almond Management on the terms and conditions set out in this Agreement generally to manage and administer the Project, manage, direct, conduct the Project Operations on behalf of the Grower, and to perform the Orchard Services.

3.2 Almond Management to Carry Out Orchard Services as Independent Contractor

The parties agree and acknowledge that:

- (a) Almond Management will carry out the Orchard Services as an independent contractor and not as agent or contractor of the Grower;
- (b) Almond Management has no recourse in any circumstances whatsoever to a Grower or to assets of the Grower or the Project, including the proceeds from the sale of the Crop or Product, for any fees, expenses or amounts due to Almond Management from TSL under this Agreement.

3.3 Authority to Act

Almond Management does not have any authority to act for, or to assume any obligation or liability on behalf of, the Grower or the Growers except such authority as is conferred on Almond Management by this Agreement or the Constitution.

3.4 Performance of Obligations

- (a) Subject to this Agreement, Almond Management must use reasonable endeavours to perform all its functions, exercise its powers under this Agreement and conduct the Project Operations:
 - (i) in a commercially reasonable manner;
 - (ii) honestly;
 - (iii) generally in accordance with Best Horticultural Practice which are generally recognised and adopted in Australia and are known and acceptable to Almond Management and suitable for use on the Orchard; and
 - (iv) in the best interests of all the Growers and not in the interests of Almond Management if those interests are not the same as those of the Growers.
- (b) The phrase "commercially reasonable manner" means, in any particular circumstances, a manner which Almond Management honestly believes is commercially reasonable in those circumstances (having regard where appropriate to the fact that Almond Management has to meet the costs of

conducting the Project Operations out of the fees paid to it). Subject to paragraph 3.4(a)(iv), the phrase does not require Almond Management to have regard to the interests of any person other than itself.

3.5 Additional Services

In addition to the activities set out in clause 3.1 and without limiting the generality of clause 3.1, Almond Management must, at its own expense, provide all necessary administrative, supervisory and consulting services.

3.6 Acceptance of Engagement

Almond Management accepts its engagement on the terms and conditions of this Agreement.

4. ORCHARD MANAGEMENT

4.1 Management Plan and Good Practice

Almond Management must cultivate and manage the Orchard in accordance with:

- (a) the Management Plan; and
- (b) Best Horticultural Practice.

The initial Management Plan for the Financial Year ending 30 June 2006 will be prepared within 30 days of the Commencement Date and attached to this Agreement as the First Schedule.

4.2 Services for period ending 30 June 2006

Without limiting the generality of clause 4.1, Almond Management will carry out the following services in the period ending 30 June 2006. Almond Management may determine the most appropriate time to carry out the services provided that the services must be completed on or before 30 June 2006:

Infrastructure Management Services

These services are carried out from the Commencement Date until 30 June 2006:

- (a) undertake a comprehensive internal quality assurance audit in respect of the Pre-Planting Capital Works carried out by the Land Owner under clause 2.1 of the Sub-leases, including but not limited to all irrigation infrastructure, valves, pumps, moisture monitoring equipment;
- (b) keep the following in good repair and condition:
 - (i) any access road or roads within the Orchard, all waterways, dams, irrigation and pumping equipment within the Orchard, as necessary;
 - (ii) all fences, fire-breaks and other improvements within the Orchard, as necessary;
 - (iii) all farm equipment, plant and equipment, tractors, vehicles, protective gear and other things used to perform the services described in this clause;
- (c) as permitted by law, control or eradicate rabbits and other vermin which have caused or may cause damage to the Orchard by fumigating and poisoning and complying with the provisions of all relevant statutes, regulations and by-laws

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- (and all amendments) and any other statutes, rules, regulations and by-laws relating to or affecting the Almondlots or the Participant Grower;
- (d) to the extent that any fertilisers, nutrients and other chemicals are used, keep proper and accurate records of all fertilisers, nutrients and other chemicals applied to the Orchard and store the chemicals in accordance with all legal requirements;
 - (e) use and apply appropriate soil management techniques and undertake or procure the carrying out of drainage works to reduce soil erosion, maintain soil quality and carry out or procure the carrying out of drainage work and other works to control salinity levels; and
 - (f) carry out any other activity that may be required to generally maintain the Orchard in accordance with Best Horticultural Practice or in respect of the provision of the services listed in paragraphs (a)-(e) above including:
 - (i) training of staff in use of equipment, infrastructure and performance of duties;
 - (ii) supervision of contractors performing any of the services; and
 - (iii) obtaining professional services and advice which Almond Management may consider necessary or desirable in connection with the services.

Administrative and other Management Services

The following services will also be carried out by Almond Management from the Commencement Date until 30 June 2006:

- (g) prepare a market report to the Participating Grower detailing the following:
 - (i) world market situation (covering crop positions in major producing countries and general supply/demand dynamics);
 - (ii) the Australian supply situation (covering the expected crop size for Australia);
 - (iii) the domestic market situation (covering the Australian market and prices achieved over the past 3, 6 and 12 months or any other relevant periods);
 - (iv) the export market situation (covering each of the main export markets and prices achieved over the past 3, 6 and 12 months or any other relevant periods);
 - (v) information on Project crop (covering new or potential supply contracts and markets, key customers, promotional activities and other relevant matters);
 - (vi) a 12-month outlook (covering available information on expected supply/demand and price trends over upcoming 12 month period having regard to exchange rate fluctuations, CPI movements and other relevant matters); medium-term outlook (covering a 2-5 year period);
 - (vii) any new articles in relation to the supply, consumption and pricing of almonds; and
 - (viii) any other relevant market information.
- (h) carry out any other obligation to be performed by Timbercorp Securities and Almond Management pursuant to the terms and conditions of any agreement entered into by Timbercorp Securities and Almond Management respectively;
- (i) procure on behalf of the Participant Grower and keep current with a reputable insurer the insurance policies described in clause 12 of the Almondlot

Management Agreement and all other activities in respect of arranging insurance of the Almonds;

- (j) comply with the Participant Grower's obligations under the Sub-leases by ensuring that the participant Grower carries out on the Land only those activities he or she is entitled to carry out under the Sub-leases and then only subject to the terms and conditions of the Sub-leases; and
- (k) in accordance with clause 6, undertake all marketing activities in respect of the future sale of Almonds, including without limitations entering into forward sales agreements in respect of Almonds and foreign exchange hedging agreements, as required, and monitor and supervise the performance of all contractors in that regard;

Part A Almondlot - Almond Tree Management Services

These services will be carried out by Almond Management from the completion of planting of Part A of the Grower's Almondlots until 30 June 2006. By their very nature, the services relate to the maintenance of established almond trees and therefore, for the avoidance of doubt it is provided expressly that they will not be carried out, nor are they capable of being carried out, on the unplanted part of the Participant Grower's Almondlots. The services are:

- (l) undertake a comprehensive internal quality assurance audit in respect of the Almond Trees, stakes, and all infrastructure associated with the application of fertiliser and water to the Almond Trees including valves, dripper lines and other things;
- (m) obtain a formal verification by 30 June 2006 from an expert that Part A of the Almondlots is of an appropriate standard and all required services have been performed are to an appropriate standard;
- (n) cultivate, tend, cull, replant, spray and otherwise care for the Almond Trees, as necessary;
- (o) undertake pest control, fungicide control and other almond tree disease measures, as necessary;
- (p) operate the irrigation system at various times in order to irrigate the Almondlots;
- (q) fertilise the Almondlots as required, in accordance with Best Horticultural Practice, to maintain satisfactory rates of growth and productivity of the Almond Trees;
- (r) in its absolute discretion and without needing the Participant Grower's consent, destroy any of the Almond Trees which are damaged or which have contracted an exotic, noxious or incurable disease;
- (s) as far as reasonably possible, keep the relevant Almondlots free from competitive weeds or other vegetation which may affect the growth or yield of the Almond Trees;
- (t) protect the Almond Trees from insect infestation, disease and other matters using Best Horticultural Practice, including (as necessary) applying herbicides or pesticides to the relevant Almondlots and spraying under the Almond Trees as permitted by law;
- (u) regularly inspect and repair all stakes, fences and other equipment including plant and machinery, such as tractors and other vehicles used during the period ending 30 June 2006 to carry out tree maintenance services on the Almondlots;

- (v) inspect and, where appropriate, retie the Almond Trees to stakes and attach Almond Trees to trellising in accordance with Best Horticultural Practice; and
- (w) any other activity that may be required to generally maintain the Orchard in accordance with Best Horticultural Practice or in respect of the provision of the services listed in paragraphs (l)-(v) above including including:
 - (i) training of staff in use of equipment, infrastructure and performance of duties;
 - (ii) supervising of contractors performing any of the services; and
 - (iii) obtaining professional services and advice which Almond Management may consider necessary or desirable in connection with the services.

4.2A Subsequent Year Services

Without limiting the generality of clause 4.1, commencing on the later of 1 July 2006 and completion of the planting of Almond Trees on the Participating Grower's Almondlots, and during each subsequent Financial Year during the term of the Project, Almond Management will carry out the following services on the Participant Grower's Almondlots. Almond Management may determine the most appropriate time to carry out the services. The services are:

- (a) intentionally left blank;
- (b) prepare a market report to the Participating Grower detailing the following:
 - (i) world market situation (covering crop positions in major producing countries and general supply/demand dynamics);
 - (ii) the Australian supply situation (covering the expected crop size for Australia);
 - (iii) the domestic market situation (covering the Australian market and prices achieved over the past 3, 6 and 12 months or any, other relevant periods);
 - (iv) the export market situation (covering each of the main export markets and prices achieved over the past 3, 6 and 12 months or any other relevant periods);
 - (v) information on Project crop (covering new or potential supply contracts and markets, key customers, promotional activities and other relevant matters);
 - (iv) 12-month outlook (covering expected supply/demand and price trends over upcoming 12 month period having regard to exchange rate fluctuations, CPI movements and other relevant matters);
 - medium-term outlook (covering a 2-5 year period);
 - (vii) any new articles in relation to the supply, consumption and pricing of almonds; and
 - (viii) other relevant market information.
- (c) in respect of the 2007 Financial Year only, following the completion of planting of all Almond Trees:
 - (i) undertake a further internal quality assurance audit in respect of the Almond Trees, stakes, and all infrastructure associated with the application of fertiliser and water including valves, pumps, dripper lines, moisture monitoring equipment; and
 - (ii) obtain a formal verification from an expert that the remaining part or all of the Almondlots (as the case may be) are of an appropriate

standard and all required services have been performed and to an appropriate standard;

- (d) prune the Almond Trees by mechanical or other methods;
- (e) as permitted by law, control or eradicate rabbits and other vermin which have caused or may cause damage to the Almond Trees or the relevant Almondlots by fumigating and poisoning and complying with the provisions of all relevant statutes, regulations and by-laws (and all amendments) and any other statutes, rules, regulations and by-laws relating to or affecting the Almondlots or the Participant Grower;
- (f) undertake pest control, fungicide control and other Almond Tree disease measures, as necessary;
- (g) operate the irrigation system at various times in order to irrigate the relevant Almondlots;
- (h) at its discretion, conduct tests to ascertain the availability of nutrients in the soil on the Almondlots and, based on the results, take whatever action is required to maintain the growth rate and productivity of the Almond Trees;
- (i) fertilise the Almondlots as required, in accordance with Best Horticultural Practice, to maintain satisfactory rates of growth and productivity of the Almond Trees;
- (j) in its absolute discretion and without needing the Participant Grower's consent, destroy any of the Almond Trees or Almonds which have contracted an exotic, noxious or incurable disease;
- (k) as necessary, keep in good repair and condition all fences, irrigation and adequate fire-breaks and other improvements within the Orchard;
- (l) keep the improvements on the Almondlots in good and substantial repair;
- (m) maintain fire breaks in accordance with regulatory and insurance requirements and Best Horticultural Practice;
- (n) maintain the relevant Almondlots in accordance with Best Horticultural Practice including using soil management technique methods to reduce erosion and maintain soil quality;
- (o) as far as reasonably possible, keep the relevant Almondlots free from competitive weeds or other vegetation which may affect the growth or yield of the Almond Trees;
- (p) protect the Almond Trees from insect infestation, disease and competition from competing growth using Best Horticultural Practice, including applying herbicides or pesticides to the relevant Almondlots and spraying under the Almond Trees as permitted by law;
- (q) keep proper and accurate records of all fertilisers, nutrients and other chemicals applied to the relevant Almondlots or Almond Trees;
- (r) regularly inspect and repair all stakes, fences and irrigation equipment on the relevant Almondlots;
- (s) properly maintain all plant and machinery used in the performance of the services;
- (t) inspect and, where appropriate, retie the Almond Trees to stakes and attach Almond Trees to trellising in accordance with Best Horticultural Practice;
- (u) replant any of the Almond Trees in need of replacement in accordance with the terms and conditions of any agreement made with suppliers of the Almond

Trees;

- (v) comply with the Participant Grower's obligations under the Sub-leases (except for those relating to payment of rent);
- (w) keep current with a reputable insurer the insurance policies described in clause 12 of the Almondlot Management Agreement and carry out all other activities in respect of arranging insurance of the Almonds;
- (x) carry out any other obligation to be performed by Timbercorp Securities and Almond Management pursuant to the terms and conditions of any agreement entered into by Timbercorp Securities and Almond Management respectively;
- (y) not discriminate between Participant Growers in the supply of water under the Water Licences;
- (z) if additional water in excess of 3.125 megalitres per Almondlot is required from time to time in order to irrigate the Orchard and such additional water can be reasonably procured by way of temporary water rights, procure such additional water and supply it to all Participant Growers, at a cost to the Participant Growers under paragraph 14.1 of this Agreement, calculated and to be taken into account as Almond Management's reasonable costs of procuring the additional water in operating the relevant Almondlots;
- (aa) review and update the Management Plan for the Project, including a horticultural plan for the Orchard, horticultural program, operational plan and annual financial and operational budgets in relation to these horticultural matters, review the Management Plan and, if necessary, make amendments to it;
- (bb) obtain professional services and advice which Almond Management may consider necessary or desirable in connection with the maintenance of the Almondlots and the Almond Trees;
- (cc) prepare the reports and statements described in clauses 7 and 12 and provide the administrative services required to perform the above services;
- (dd) in accordance with clause 6, undertake all marketing activities in respect of the sale or future sale of Almonds, including without limitations entering into forward sales agreements in respect of Almonds and foreign exchange hedging agreements, as required, and monitor and supervise the performance of contractors in that regard;
- (ee) provide any other service or thing which, in the reasonable opinion of Almond Management is incidental or ancillary to the ongoing management of the relevant Almondlots; and
- (ff) comply with all laws and regulations relating to the use of the relevant Almondlots.

4.3 No Unlawful Acts

Almond Management must not do or allow any unlawful act to be done on or adjacent to the Orchard and nothing in this Agreement or in the Management Plan for any Financial Year will require Almond Management to do so.

4.4 Notify TSL of Notices

Almond Management must give the TSL a copy of any notice (other than rates notices) which it receives from any Government Agency with respect to the Grower's Almondlots or the Orchard within seven days after receipt of the notice.

5. HARVESTING

5.1 Harvesting

Each year during the Term Almond Management will, in accordance with Best Horticultural Practice, test the maturity of the Almonds to determine whether the Almond Trees are ready for harvesting and, having done so, will harvest the mature Almonds Trees.

5.2 Harvesting Method

Harvesting must be done by Almond Management in accordance with Best Horticultural Practice by any method (including machine harvesting) agreed with by TSL.

5.3 Delivery

Almond Management will promptly deliver all harvested Almonds to a delivery point or points nominated from time to time by TSL to enable the Almonds to be processed or sold.

5.4 Storage

Until the harvested Almonds are delivered, Almond Management will store them in an appropriate manner to minimise the deterioration of the Almonds' quality. The Almonds may be stored on the Land or any other premises whether or not owned or operated by TSL or Almond Management.

6. PROCESSING AND SALE

6.1 Processing of Almonds

TSL authorises and directs Almond Management to procure the processing of the Crop into Product and enter into a Project Document as agent and attorney for the Grower.

6.2 Marketing and Sale

TSL authorises and directs Almond Management to:

- (a) store the Crop;
- (b) procure the processing of the Crop, or so much of it as Almond Management determines desirable;
- (c) sell the Product, using its reasonable endeavours to seek to maximise returns, and on such terms and conditions as Almond Management in its absolute discretion determines; and
- (d) in the event that Almond Management determines that any part of the Crop should not be processed into Product, put such Crop to commercial use, using its reasonable endeavours to seek to maximise returns, on such terms and conditions as Almond Management determines in its absolute discretion,

and, for these purposes, will enter into any agreement as agent and attorney for the Grower, first approved by TSL.

6.3 Gather In Product

Prior to the sale of the Product or Crop, Almond Management may gather in all of the Growers' Product or Crop and may store, market and sell the Product or Crop gathered in without having regard to the quantity or quality of the particular Product or Crop from the particular Almondlots. The proceeds of sale of the Product or Crop gathered in will be divided pro rata according to the Growers' Participating Interests in the Product or Crop.

6.4 Lien

- (a) Almond Management acknowledges that TSL can call for a first and paramount lien at any time in respect of the Grower's Participating Interest in the Almonds until such time as any outstanding fees or expenses due and payable to TSL under the Almondlot Management Agreement have been paid.
- (b) Almond Management further acknowledges that TSL is authorised to sell or cause to be sold any of the Growers' Participating Interest in the Almonds over which TSL has the lien for the purpose of applying the sale proceeds in payment of any outstanding fees or expenses due to TSL.

6.5 Action for Recovery of Sale Proceeds

In the event that a payment due by a purchaser of the Product or Crop under an agreement for the sale of the Product or Crop is overdue, TSL authorises Almond Management to take any action which it reasonably considers to be necessary for the purpose of recovering any such outstanding payments or any Product or Crop from the purchaser.

6.6 Payment of Sale Proceeds

- (a) Where it is commercially practicable to do so, Almond Management must direct the purchaser of the Product or Crop under an agreement for the sale of the Product or Crop to make any payments for the Product or Crop directly to TSL or if TSL directs Almond Management, directly to the custodian for the time being of the Project.
 - (b) Where it is commercially impracticable for payments to be made directly to the TSL in accordance with paragraph 6.6(a), Almond Management must:
 - (i) hold the proceeds on bare trust for TSL as responsible entity of the Project, pay them into a separate bank account opened for the purpose and not mix the proceeds with any other moneys, including Almond Management's moneys so that the moneys are clearly identified; and
 - (ii) pay the proceeds to TSL, or if TSL directs Almond Management, to the custodian for the time being of the Project, within 2 Business Days of Almond Management receiving the proceeds.
 - (c) Proceeds from the sale of the Product or Crop are subject to any first and paramount lien that TSL has in accordance with clause 6.4.
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7. ADMINISTRATIVE SERVICES

7.1 Services

Almond Management agrees to provide the following administrative services throughout the term of the Agreement other than the initial year ending 30 June 2006:

- (a) prepare reports to Growers on the allocation and location of Growers' Almondlots;
- (b) prepare reports to Growers detailing the work to be done on each Grower's Almondlot;
- (c) prepare reports to Growers on the matters described in clauses 12.1 and 12.3;
- (d) prepare a statement to the Grower to assist with income tax preparation;
- (e) record the Grower's transactions and make payments on behalf of the Grower;
- (f) general administrative management of the Project;
- (g) review the sales and marketing plan for the Project; and
- (h) co-ordinate visits of Growers to inspect their Almondlots.

8. DELEGATION OF RESPONSIBILITIES

In carrying out and performing its duties and obligations under this Agreement, Almond Management may appoint agents and sub-contractors, engage such personnel and acquire and utilise materials necessary, usual or desirable for the purposes of exercising its powers or performing its obligations under this Agreement, subject to Almond Management at all times remaining primarily responsible to TSL for the carrying out and performance of those duties and responsibilities.

9. ACCESS TO ORCHARD

9.1 Almond Management has Access

Almond Management and its invitees will be entitled to such access to the Orchard as is necessary or desirable to perform Almond Management's obligations under this Agreement.

9.2 Removal of Almond Management's Property after Termination

Almond Management may remove from the Orchard such plant and equipment, implements, furniture and other items brought onto the Orchard within one month after the termination of this Agreement and may enter the Orchard for the purpose of removing such items.

9.3 Roads and Tracks

- (a) Almond Management is entitled (but has no obligation) to construct and maintain roads and tracks on the Orchard primarily and principally to provide access to and from the Orchard from a public road for the:
 - (i) cultivation, maintenance and tending of the Almond Trees and the Almonds;

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- (ii) harvesting of the Almonds; and
 - (iii) removal of the Almonds.
 - (b) Where Almond Management has removed any material for road building purposes, Almond Management must use reasonable endeavours to return the surface of the land to an appearance as close as possible to the appearance of the surface of surrounding land.

9.4 Grower's Access

Almond Management acknowledges that, provided the Grower first gives TSL 7 days' prior notice in writing, TSL must permit the Grower or its duly authorised representatives to have access, at the Grower's expense and risk, at all reasonable times to the Grower's Almondlots and the facilities located on them.

9.5 Warranty as to Access

TSL warrants that it has the right to grant access to the Orchard for the performance by Almond Management of its obligations, and the exercise by Almond Management of its rights under this Agreement will not constitute a trespass against, or an interference with the rights of, the Land Owner, TSL, any of the Growers or any person who derives title through or under the Land Owner.

9.6 Failure to Perform if Access Denied

Almond Management will not be liable for any failure to perform its obligations under this Agreement which arises because it is denied access to, or possession or occupation of, the Orchard or any part of it.

10. NO LEASE OR LICENCE

This Agreement does not create or confer any leasehold or proprietary interest or licence in favour of Almond Management concerning the Orchard.

11. RECORDS

Almond Management will, during the currency of this Agreement, maintain records of the works carried out by Almond Management on the Orchard in respect of all matters considered by Almond Management from time to time to be desirable in the interests of TSL.

12. REPORTING

12.1 Annual Report

Within 90 days from the end of each Financial Year during this Agreement Almond Management will prepare and send a report (**Annual Report**) to TSL that addresses and contains information concerning the following matters:

- (a) the results of the harvest of Almonds;
- (b) the condition of the Orchard, the Grower's Almondlots and Almond Trees;
- (c) any other matters which Almond Management considers material concerning

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- the Orchard, the Grower's Almondlots or the Project and which ought reasonably to be made known to TSL; and
- (d) any other matter reasonably requested by TSL.

12.2 Certification

In the Annual Report Almond Management will certify whether it has performed and observed its obligations under this Agreement.

12.3 Statement of Income and Expenses

Within 90 days after the end of each Financial Year, commencing at the end of the Financial Year in which the Almond Trees start to produce Crop, Almond Management will prepare and provide to TSL an annual statement of income and expenses relating to the management of the Orchard and the sale of each Grower's Product or Crop during the relevant Financial Year.

13. COMPLIANCE WITH MANAGEMENT PLAN

13.1 Management Plan

In performing its obligations under this Agreement, Almond Management must observe and act in accordance with, the Management Plan.

13.2 No Obligation to Comply with Management Plan

Despite the preceding clause, Almond Management is not required to follow or comply with the Management Plan to the extent that a written recommendation or direction from TSL under clause 13.3 requires Almond Management to do something which is not in accordance with the Management Plan.

13.3 Recommendation or Direction by TSL

Almond Management must consider any recommendation or direction made by TSL and where it is satisfied that any such recommendation or direction is in the interests of the Growers and the Project generally, Almond Management must use its best endeavours to carry out the recommendation or direction in accordance with the terms and conditions set out in this Agreement.

13.4 Changes to Management Plan

At any time during the Financial Year to which a Management Plan relates, Almond Management, with the consent of TSL, may make changes to that Management Plan.

13.5 Performance of Management Services

Almond Management will have complete discretion as to the manner and method of conducting the Project Operations, subject to the express terms and conditions of this Agreement.

14. ORCHARD MANAGEMENT FEES

14.1 Fees Payable to Almond Management

In consideration of the Orchard Services and all other services to be provided by Almond Management under this Agreement, TSL will pay to Almond Management the following fees:

- (a) in respect of the period commencing on the Commencement Date and ending on 30 June 2006 an amount per Almondlot to be agreed between the parties payable on or before 30 June 2006 provided that the fee must be no less than \$1,772 per Almondlot; and
- (b) in respect of the period 1 July 2006 to 30 June 2007 - an amount per Almondlot to be agreed between the parties payable on or before 30 June 2007; and
- (c) in respect of the period 1 July 2007 to 30 June 2008 - an amount per Almondlot to be agreed between the parties payable on or before 30 June 2008; and
- (d) thereafter, in respect of each subsequent Financial Year during the Term, an amount per Almondlot calculated by Almond Management as the reasonable costs of managing the Almondlots payable on or before 30 June during that respective Financial Year.

After the actual costs for a Financial Year referred to in paragraph (d) have been determined by Almond Management, Almond Management will, when notifying TSL under paragraph (d) of the projected costs for the succeeding Financial Year, notify TSL of those actual costs and either deduct the surplus from, or add the excess to, the fees payable for the next Financial Year, depending on whether they are more or less than the costs calculated by Almond Management under paragraph (d).

15. TERMINATION

15.1 Termination of Agreement by TSL or Almond Management

Either party may terminate this Agreement if the other party commits a breach of any of its obligations under this Agreement and the default has not been remedied within 30 days after receiving notice notifying it of the breach and requesting it to be remedied.

15.2 Termination by TSL

TSL may terminate this Agreement without notice in its absolute discretion if at any time it considers such termination to be in the interests of the Growers of the Project.

15.3 Change of Responsible Entity

- (a) This Agreement will terminate immediately if TSL ceases to be the single responsible entity of the Project for any reason.
- (b) Immediately prior to:
 - (i) a meeting of Growers being called relating to the retirement or removal of TSL from the office of single responsible entity of the Project and a resolution being passed to that effect;
 - (ii) an application being made to the Court for the appointment of a temporary responsible entity to replace TSL; or

(iii) this Agreement being terminated under this clause 15,

TSL will be deemed to have exercised any rights of step-in which it is entitled to exercise under any contract between Almond Management and Select Harvests Limited (ACN 000 721 380) or any other contractor relating to the Orchard Services and other services under this Agreement.

15.4 Effect of Termination

The termination of this Agreement will terminate the rights and obligations of the parties under this Agreement except to the extent that those rights and obligations are expressed to survive termination. The termination of this Agreement will not prejudice any right, power or remedy to the extent that it accrued prior to or on termination.

16. INDEMNITY

Subject to this Agreement and the law, Almond Management must indemnify and keep indemnified TSL against any liability, demand, loss, costs, charges and expenses which may be incurred by TSL as a result of any breach of Almond Management's obligations under this Agreement, or any neglect or fraud on the part of Almond Management or any of its employees, servants or agents.

17. GST

- (a) If any supply made by a party ("**Supplier**") to the other ("**Recipient**") under this Agreement is a taxable supply (according to GST Law) so that the Supplier 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 Agreement, the Recipient must pay to the Supplier a further amount in respect of the taxable supply calculated as an amount equal to the GST Exclusive Amount multiplied by the GST rate in force from time to time.
- (c) The GST payable under paragraph 17(b) is payable by the Recipient 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 Recipient under this Agreement.
- (d) The right of a Supplier to payment under this clause is subject to a valid tax invoice, which complies with GST Law, being issued and delivered by the Supplier to the Recipient.
- (e) If a payment to satisfy a claim or a right to claim under or in connection with this Agreement, for example, a claim for damages for breach of contract, gives rise to a liability to pay GST, the payment is the GST Exclusive Amount and an additional amount must be paid to the Supplier in accordance with paragraph 17(b).
- (f) If a decision making body orders that a payment be made to a party to satisfy a claim under or in connection with this Agreement, and such payment will give rise to a liability to pay GST, the parties authorise the decision making body to order that a further amount, calculated as an amount equal to the payment multiplied by the GST Rate, be paid to the party in whose favour the order is made.

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- (g) If a party has a claim under or in connection with this Agreement for a cost on which that party must pay GST, the claim is for the cost plus all GST, except any GST for which that party is entitled to an input tax credit.
 - (h) If a party has a claim under or in connection with this Agreement and the amount of the claim depends on actual or estimated revenue or lost revenue, revenue must be calculated without including any amount received or receivable as reimbursement for GST, whether that amount is separate or included as part of a larger amount.
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18. DISPUTES

18.1 Procedure Must Be Followed

- (a) If there is a dispute between the parties arising from or connected with any provision of this Agreement, the parties must follow the following dispute resolution procedure before commencing legal proceedings, other than proceedings seeking interlocutory relief.
- (b) Either party may give a notice of dispute to the other party if there is a dispute arising out of this Agreement.

18.2 Parties Must Attempt to Resolve

- (a) Upon one party giving a notice of dispute to the other party, both parties must meet within 10 Business Days of the date of that notice in order to try to resolve the dispute.
- (b) If the parties cannot resolve the dispute within 10 Business Days of the date of notice of dispute, either party may refer the matter to mediation.

18.3 Mediation

- (a) Both parties agree to mediate if a dispute is referred to mediation by either one of the parties.
 - (b) The mediator will be agreed by the parties.
 - (c) If the parties cannot agree to a mediator within a further 5 Business Days, a mediator will be chosen by the President for the time being of the Law Institute of Victoria Limited.
 - (d) The parties will equally bear any costs associated with the mediator's fees and will bear their own costs in relation to preparation or representation at the mediation.
 - (e) The mediator will provide a certificate of mediation which sets out the result of the mediation.
 - (f) Subject to clause 18.1, a party may issue legal proceedings only after the mediator has provided a certificate of mediation.
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19. NOTICE

19.1 Form of Notice

Any notice to be given under or in connection with this Agreement 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.

19.2 Receipt of Notice

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.

20. RELATIONSHIP OF THE PARTIES

The relationship between Almond Management and TSL is not, is not intended to be, is not deemed to be and is not to be treated as, a partnership or association or a joint venture.

21. COSTS

The parties will bear their own costs of negotiating and preparing this Agreement.

22. AGREEMENT WILL BIND SUCCESSORS

Subject to clause 15.3, this Agreement will bind and enure for the benefit of the parties and their respective executors, administrators and assigns.

23. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and no warranties, representations, terms, conditions, obligations or other provisions of any nature not contained in it will be of any effect.

24. SEVERANCE

If the term of any provision of this Agreement is invalid or unenforceable, it will be read down to the extent of that invalidity or unenforceability. If the clause is incapable of being read down, any invalid or unenforceable provision will be severed and all other provisions which are self-sustaining and capable of separate enforcement without

regard to the invalid or unenforceable provisions will continue to be valid and enforceable.

25. WAIVER

No failure, delay or indulgence on the part of any party in exercising any power or right conferred upon that party under this Agreement will operate as a waiver of that power or right, nor will any single or partial exercise of such a power or right preclude any future exercise of it or any exercise of any other power or right under this Agreement.

26. AMENDMENTS

This Agreement may be amended by another document in writing and duly signed by the parties to this Agreement.

27. GOVERNING LAW

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

28. METHODS FOR ASSESSING ALMOND MANAGEMENT'S PERFORMANCE

28.1 Meetings

The First Compliance Officer of TSL, as appointed under the Compliance Plan for the Project, and a senior representative of Almond Management will meet every six months to discuss the operation and workability of this Agreement and other issues which either party considers relevant. Meetings between TSL and Almond Management may also take place at any other times as are determined by the parties.

28.2 Reports and Statements

The reports and statements described in clause 12 which Almond Management is required to provide to TSL, must be prepared in a timely manner and will be used by TSL as a method of assessing Almond Management's performance.

28.3 Appointment of Representative

Almond Management must nominate an officer to act as its representative in relation to the performance of Almond Management's duties under this Agreement, and to be readily available to communicate directly with, and provide any information required by, TSL in relation to Almond Management's functions under this Agreement.

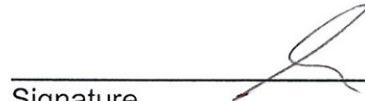
Executed as an Agreement

EXECUTED by TIMBERCORP)
SECURITIES LIMITED in)
accordance with section 127 of)
the Corporations Act:)



Signature
Robert Hance

Full Name
Director



Signature
Mark Pryn


Full Name
~~Director~~/Secretary

EXECUTED by ALMOND)
MANAGEMENT PTY LTD in)
accordance with section 127 of)
the Corporations Act:)



Signature
Robert Hance

Full Name
Director


Signature
Mark Pryn

Full Name
~~Director~~/Secretary

FIRST SCHEDULE

INITIAL MANAGEMENT PLAN

(Clause 4.1)