

IN THE SUPREME COURT OF VICTORIA AT MELBOURNE
COMMERCIAL AND EQUITY DIVISION
COMMERCIAL COURT

S CI 2011

**IN THE MATTER OF TIMBERCORP SECURITIES LIMITED
(IN LIQUIDATION) (ACN 092 311 469)**

**TIMBERCORP SECURITIES LIMITED (IN LIQUIDATION) (ACN 092 311 469)
IN ITS CAPACITY AS RESPONSIBLE ENTITY OF THE 2004 TIMBERCORP CITRUS
PROJECT (ARSN 108 887 538) AND THE 2005 TIMBERCORP CITRUS PROJECT (ARSN
114 091 299) AND ORS ACCORDING TO THE SCHEDULE**
Plaintiffs

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 28 February 2011
Filed on behalf of: the Plaintiffs

Prepared by:

ARNOLD BLOCH LEIBLER

Lawyers and Advisers

Level 21

333 Collins Street

MELBOURNE 3000

Solicitor's Code: 54

DX 38455 Melbourne

Tel: 9229 9999

Fax: 9229 9900

Ref: 011572335

(Leon Zwier - lzwier@abl.com.au)

This is the exhibit marked "MAK-10" now produced and shown to **MARK ANTHONY KORDA** at the time of swearing his affidavit on 28 February 2011.

MEAGAN LOUISE GROSE
Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

Before me:

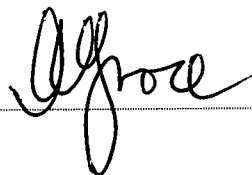


Exhibit "MAK-10"
**Letter from Jane Sheridan to Chris Day dated
15 November 2010**

Filed on behalf of the Plaintiffs
ARNOLD BLOCH LEIBLER
Lawyers and Advisers
Level 21
333 Collins Street
Melbourne 3000

DX 38455 Melbourne
Tel: 9229 9999
Fax: 9229 9900
Ref: 011572335
(Leon Zwier)

Arnold Bloch Leibler

Lawyers and Advisers

15 November 2010

Private & Confidential

Mr Chris Day
Chief Executive Officer
Food and Beverage Australia Limited
PO Box 719
Unley SA 5061

Your Ref
Our Ref JCS
File No. 011499489

Contact
Jane Sheridan
Direct 61 3 9229 9815
Facsimile 61 3 9229 9944
jsheridan@abl.com.au



Dear Sir

Timbercorp Citrus Project

We refer to the meeting held on 9 November 2010.

As you know, Timbercorp Securities Limited (In Liquidation) ("TSL") is currently the responsible entity of the 2004 Timbercorp Citrus Project and the 2005 Timbercorp Citrus Project (collectively, "Projects") and we act for the liquidators of TSL ("Liquidators").

We understand that your assistant was taking the minutes for the meetings of the Projects held on 14 September 2010, 14 October 2010 and 9 November 2010. So that the Liquidators may ensure that TSL complies with its statutory obligations, would you please provide to us a copy of the minutes of each meeting, together with a copy of each of the resolutions passed at those meetings. Would you also please let us know if Food and Beverage Australia Limited ("FABAL") has consented or will consent to becoming the responsible entity for each of the Projects and, if so, provide to us that consent in writing.

We note, in this regard, that upon being registered as the new responsible entity, the rights, obligations and liabilities of TSL as the former responsible entity in relation to the Projects will become rights, obligations and liabilities of FABAL. The Liquidators had hoped to discuss with you at the meeting which had been convened for 1 October 2010 some of the liabilities of which the Liquidators are aware that would be assumed by FABAL.

The rights, obligations and liabilities to be assumed by FABAL as the new responsible entity will include rights, obligations and liabilities under the Crop Sale Agreement and leasing arrangements for each Project.

As you are aware, under the Crop Sale Agreements, on the appointment of a new responsible entity, the land owner and citrus grove manager are entitled to elect to terminate the crop sale arrangements and seek payment of the amounts owing to them for the provision of the land and management services respectively.

Level 21
333 Collins Street
Melbourne
Victoria 3000
Australia
DX38455 Melbourne
www.abl.com.au
Telephone
61 3 9229 9999
Facsimile
61 3 9229 9900

MELBOURNE

SYDNEY

Partners
Mark M Leibler AC
Henry D Lanzer
Joseph Borensztajn
Leon Zwiher
Philip Chester
Ross A Paterson
Stephen L Sharp
Kenneth A Gray
Kevin F Frawley
Michael N Dodge
Jane C Sheridan
Steven Klein
Leonie R Thompson
Zaven Mardirossian
Jonathan M Wenig
Paul Sokolowski
Paul Rubenstein
Peter M Seidel
Alex King
John Mitchell
Nicole Gordon
Ben Mahoney
Sam Dollard
Lily Tell
Henry Skene
Andrew Silberberg
Lisa Merryweather
Jonathan Milner
John Mengolian

Senior Litigation
Counsel
Robert J Heathcote

Special Counsel
Danuta Czuchwicki
Simonne Einfeld

Senior Associates
Sue Kee
Jorja Cleeland
Caroline Goulden
Matthew Lees
Genevieve Sexton
Jeremy Leibler
Amelia Kelly
Benjamin Marshall
Kristina Vermey
Seaton Theobald
Reagan Thackwray
Teresa Ward
Jason Blankfield
Kale O'Brien
Christine Fleer
Shaun Cartoon
Nancy Collins
Susanna Ford
Kimberley MacKay

Consultants
Allan Fels AO
Steven M Skala AO

The current leasing arrangements for the land include a lease from the land owner to Timbercorp Limited (In Liquidation) ("**Timbercorp**"), a sub-lease from Timbercorp to the responsible entity and a licence agreement between TSL and the growers. However, Timbercorp does not have sufficient funds to pay the rent owing under the lease to it and the Liquidators believe that the lease will therefore be terminated.

Under the terms of the sub-lease of land from Timbercorp to the responsible entity, if the lease to Timbercorp is terminated, the land owner effectively "steps in" to the sub-lease in place of Timbercorp. The land owner then directly leases the land to the responsible entity and the responsible entity is responsible for paying the full amount of the rent previously payable by Timbercorp. This rent is not limited to the amount of the licence fees collected by the responsible entity from growers and is payable quarterly in advance.

On the basis of the information currently available to the Liquidators, these liabilities (assuming the land owner and manager elect to terminate the crop sale arrangements) may be estimated as follows (excluding GST):

Description	2004 Project (\$)	2005 Project (\$)	Total (\$)
Use and occupancy fee to 22 November 2010	845,164	383,924	1,229,088
Rent from 22 November 2010 to 30 June 2011	1,318,933	589,404	1,908,337
Management fees to 22 November 2010	-	171,000	171,000
Estimated management fees from 22 November 2010 to 30 June 2011	92,000	543,000	635,000
TOTAL	2,256,097	1,687,328	3,943,425

You should note that these are estimates only and that the Liquidators make no representations or warranties as to what the actual amounts will be.

The Liquidators have been notified that the receivers and managers of the land owner have taken out crop insurance for the benefit of growers and that the receivers and managers will be seeking reimbursement of the premium of \$78,759 which has been paid. In addition, the new responsible entity may be required to lease a packing shed for use in the Projects. The Liquidators are unable to quantify at this time what the costs of leasing a packing shed will be.

Mr Chris Day
Food and Beverage Australia Limited

Arnold Bloch Leibler
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Date: 15 November 2010

There will, of course, be other rights, obligations and liabilities assumed by FABAL and the estimates set out in this letter are not definitive of the total liabilities assumed by the new responsible entity and are intended only as a guide to assist FABAL.

The Liquidators remain willing to meet with you to discuss the transition of the responsible entity role.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jane Sheridan', written in a cursive style.

Jane Sheridan
Partner