

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIA DISTRICT REGISTRY

No. 541 of 2009

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

AND

IN THE MATTER OF TIMBERCORP LIMITED (IN LIQUIDATION)
ACN: 055 185 067

TIMBERCORP SECURITIES LIMITED (IN
LIQUIDATION) and OTHERS
(ACN 092 311 469)

Plaintiff

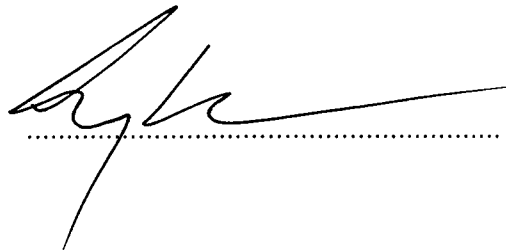
WA CHIP & PULP CO. PTY LTD
and OTHERS
(ACN 008 720 518)

Defendants

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "MAK-1" now produced and shown to **MARK ANTHONY KORDA** at the time of swearing his affidavit on 23 July 2009.

Before me:



LUCY HANNAH KIRWAN
Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

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: 01-1499489
(Leon Zwier/Lucy Kirwan)

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Our ref: CP:LB 004.07.2009

3rd July 2009

Mark Korda and Leanne Chesser,
As Liquidators of the Companies
Timbercorp Limited & Timbercorp Securities Limited
C/- Korda Mentha Pty Ltd
GPO Box 2985
MELBOURNE VIC 3001

Dear Sir/Madam

Sub Leases

Timbercorp Limited (In Liquidation) – Timbercorp Securities Limited (In Liquidation)
WA Chip & Pulp Co. Pty Ltd – WACAP Treefarms Pty Ltd

Please find attached:

- Application Requiring Liquidator to Decide Whether to Disclaim Property
- Schedule "A" listing Sub Leases between
 - Timbercorp Limited and WA Chip & Pulp Co. Pty Ltd
 - Timbercorp Limited and WACAP Treefarms Pty Ltd
 - Timbercorp Securities Limited and WACAP Treefarms Pty Ltd
 - Timbercorp Securities Limited and WA Chip & Pulp Co. Pty Ltd

We await your decision at your earliest convenience.

Yours faithfully

CHRIS PALMER
General Manager Corporate Services

encl

Form 527

Paragraph 568(8)(a)

Corporations Act 2001

Application Requiring Liquidator to Decide Whether to Disclaim Property

**Timbercorp Limited (In Liquidation)
Timbercorp Securities Limited (In Liquidation)
("the Companies")**

To: Mark Korda and Leanne Chesser, the liquidators of the Companies.

Under section 568(8)(a), application is made to you by WA Chip and Pulp Co Pty Ltd and WACAP Treefarms Pty Ltd requiring you to decide whether or not you will disclaim any of the property described in the Schedule to this notice.

The applicants have interests in the property as sub-lessors.

SCHEDULE

Various subleases between WA Chip and Pulp Co Pty Ltd and WACAP Treefarms Pty Ltd as sublessors and Timbercorp Limited and Timbercorp Securities Limited as sublessees, as described in "Schedule A" attached.

Dated 3rd July 2009

EXECUTED by WA CHIP AND PULP CO PTY LTD


Signature of director

Masashi Watanabe

Name

EXECUTED by WACAP TREEFARMS PTY LTD


Signature of director

Masashi Watanabe

Name


Signature of director/secretary

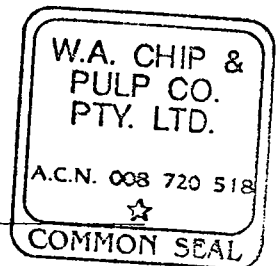
Christopher John Palmer

Name


Signature of director/secretary

Christopher John Palmer

Name



Schedule "A"

Lease Ref	Tenant Name	Owner Name	Property Name	Reference	Head Lease Ref	Date of Execution
0244-SL1	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	500 Acres	Not Registered	G555073	30 June 1997
0244-SL2	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	Charlottes Plain	Not Registered	G555073	30 June 1997
0254-SL	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	De Munck	Not Registered	G592964	30 June 1998
0181-SL	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	Old Kent River		G285971	30 June 1996
0212-SL	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	Riggs	Not Registered	G405935	30 June 1997
0155-SL	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	Riggs	Not Registered	G104760	30 June 1996
0209-SL	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	Riggs	Not Registered	G405936	30 June 1997
0218-SL	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	Tipperary	Not Registered	G495196	30 June 1997
0244-SL3	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	Tom Hughes	Not Registered	G555073	30 June 1997
0195-SL	Timbercorp Limited	WA Chip & Pulp Co. Pty Ltd	Weber	Not Registered	G223638	30 June 1997
Lease Ref	Tenant Name	Owner Name	Property Name	Reference	Head Lease Ref	Date of Execution
0269-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	500 Acres	Not Registered	G902546	30 June 1998
0262-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Corbalup	Not Registered	G872038	30 June 1998
0263-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Corbalup	Not Registered	H506766	30 June 1998
0277-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Crosby	Not Registered	G914823	30 June 1998
0270-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Cyclone	Not Registered	G885391	30 June 1998
0261-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Duncton	Not Registered	H506967	30 June 1998
0267-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Lamberti	Not Registered	G873261	30 June 1998
0268-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Longhorn	Not Registered	G889832	30 June 1998
0300-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	McAndrew	Not Registered	G984610	30 June 1998
0280-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	McDaniel	Not Registered	G899824	30 June 1998
0271-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Minjiminjup	Not Registered	H509960	30 June 1998
0272-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Minjiminjup	Not Registered	G883667	30 June 1998
0308-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Southern Finch	Not Registered	H195585	9 April 1999
0256-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Van Bremen	Not Registered	G735909	30 June 1998
0293-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Waddington	Not Registered	G941806	30 June 1998
0257-SL	Timbercorp Limited	WACAP Treefarms Pty Ltd	Wilcox	Not Registered	G882197	30 June 1998
Lease Ref	Tenant Name	Owner Name	Property Name	Reference	Head Lease Ref	Date of Execution
0316-SL	Timbercorp Securities Limited	WACAP Treefarms Pty Ltd	Yungup	K883307SL	H898009	27 February 2009
Lease Ref	Tenant Name	Owner Name	Property Name	Reference	Head Lease Ref	Date of Execution
0002-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Adams	J245213SL	F209717	30 November 2004
0193-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Anning	K140721SL	G234506	27 February 2007
0158-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Beames	K541425SL	G125070	27 February 2007
0214-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Boylan	K581668SL	G416546	5 March 2008
0167-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Bracknell	K114287SL	G181958	27 February 2007

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0219-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Bracknell	K510723SL	G446814L	28 November 2007
0246-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Bush	K868010SL	G868346	17 September 2008
0147-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Carmarthen	K119252SL	G026591	27 February 2007
0017-SL1	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Chittleborough	K137844SL	F253012	27 February 2007
0017-SL2	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Chittleborough	K137843SL	F253012	27 February 2007
0017-SL3	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Chittleborough	J245209SL	F253012	30 November 2004
0211-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Deep Creek	K528058SL	G407973	28 November 2007
0187-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Dennis	K798558SL	G193767	19 November 2008
0148-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Determes	K114356SL	G044632L	27 February 2007
0149-SL1	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Determes	K510768SL	G044631L	28 November 2007
0149-SL2	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Determes	K510770SL	G044631L	28 December 2007
0156-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Dhublock	K510773SL	G110546	28 November 2007
0179-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Duffy	K114353SL	G461768	27 February 2007
0021-SL1	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Duncan	J948191SL	F253011	12 May 2008
0021-SL2	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Duncan	J948191SL	F253011	1 June 2006
0226-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Erith	K514758SL	G542949	28 November 2007
0027-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Erskine	J245212SL	F221823	30 November 2004
0045-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Eulup	K114279SL	F233745	27 February 2007
0046-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Eulup	J245211SL	F209728	30 November 2004
0128-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Field	K127834SL	F960017	27 February 2007
0129-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Field	K127836SL	F960016	27 February 2007
0125-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Gindarra	K134443SL	F928132	27 February 2007
0034-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Gylls	K552138SL	F260671	28 November 2007
0035-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Gylls	Unregistered	F260673	28 November 2007
0033-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Gylls	J245210SL	F260672	30 November 2004
0173-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Henwood	K512337SL	G246670	28 November 2007
0115-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Hollingworth	K660229SL	F726147	28 November 2007
0228-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Jenkins	K528061SL	G571176	28 November 2007
0229-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Jenkins	K546107SL	G541149	28 November 2007
0042-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Jones	J245218SL	F250882	30 November 2004
0043-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Jones	J245214SL	F250883	30 November 2004
0177-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Knowle Hill	K119256SL	G181960	27 February 2007
0223-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Lambert	K490185SL	G541096	28 November 2007
0232-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Leween	K528060SL	G723084	28 November 2007
0182-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Lymon	K120861SL	G240159	23 February 2007
0236-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Martin	K510738SL	G599793	28 November 2007
0208-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Milner	Not Registered	G334144	27 February 2007
0233-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Naturi	K741740SL	G619488	25 November 2007
0139-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Nekel	K114334SL	F978217	27 February 2007
0121-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Pavlovich	K114269SL	F903541	27 February 2007
0157-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Pavlovich	K514751SL	G265515	28 November 2007
0136-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Preston Park	K130911SL	G318348	27 February 2007
0176-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Preston Park	K212176SL	G295113	27 February 2007
0250-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Ross	K528059SL	G585645	28 November 2007
0251-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Ross	K510744SL	G591968	28 November 2007

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[Signature]

0203-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Shanbrel	K114341SL	G251464	27 February 2007
0170-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Slade	K114351SL	G240160	27 February 2007
0171-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Slade	K127828	G240151	27 February 2007
0210-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Stain	K510751SL	G281327	28 November 2007
0227-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Stain	K510760SL	G530122	28 November 2007
0174-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Thomas 1	K512335SL	G246669	28 November 2007
0144-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Townsend	K120876SL	G92253	27 February 2007
0145-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Townsend	K120857SL	G028162	27 February 2007
0146-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Townsend	K120878SL	G100390	27 February 2007
0088-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Trappitt	K129259SL	F348410	1 June 2006
0089-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Trappitt	K129257SL	F348411	1 June 2006
0188-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Weber	K114348SL	G223640	27 February 2007
0194-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Weber	K512331SL	G223639	28 November 2007
0241-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	White Toro	K529569SL	G541077	29 November 2007
0178-SL	Timbercorp Securities Limited	WA Chip & Pulp Co. Pty Ltd	Wychwood	K512339SL	G217971	28 November 2007

1/13
CJD

Lucy Kirwan

From: Neil Delroy [Neil@agribusiness.com.au]
Sent: Monday, 6 July 2009 4:02 PM
To: Nicole Flint; Leon Zwier
Cc: Andrew.Tregear@asic.gov.au; Andrew Malarkey; ksmart@westnet.com.au; dclark@clarkwhyte.com; Ian Delroy
Subject: Timbercorp Securities Limited (In Liquidation) and Timbercorp Limited (In Liquidation) - Jasper Farms - Leases

Arnold Bloch Leibler,
Level 21,
333 Collins Street,
Melbourne Vic. 3000

Att: Mr Leon Zwier.

Dear Sirs,

RE: Timbercorp Securities Limited and Timbercorp Limited.(In Liquidation)

We acknowledge receipt of your letter of 6th July 2009 sent this morning by e-mail.

We confirm, pursuant to Section 568(8) of the Corporations Act 2001, that Jasper Farms Holdings Pty Ltd does require the Liquidator to decide whether he will disclaim the property (both the Land Lease and the Water Licence Lease) within the time limited by the Act. This request was previously made to Andrew Malarkey on the 2nd of July.

The Timbercorp group and it's liquidators are not :-

Paying any rent on the property nor on the new house built at the companies request. (In fact, the last payment was received on the 27th of March 2009, over 100 days ago.)

Maintaining insurance over the property, nor

Paying any of the costs of maintaining and operating the avocado orchard on the Busselton property which costs are running at a rate of approximately \$45,000 a week. (The last payment was made on the 17th of April and was for costs to the 2nd of April. Thus, since the 2nd of April Timbercorp entities have failed to meet any costs of maintaining the orchard for a period of 3 months.)

The Liquidators have repeatedly emphasised that the companies are hopelessly insolvent . In addition, the avocado project is insolvent and requires a substantial injection of further capital over the next few years before it will be able to operated profitably.

Even if, which is unlikely, 100% of growers pay their rents there will still be a shortfall as the growers' rents don't cover Timbercorp's rental liabilities.

Jasper Farms Holdings' analysis of the avocado scheme shows growers will have negative cash flows for four years and the WA orchard requires further funds in excess of \$7.5 million before it is cash flows positive. It's a total period of 10 years before the scheme growers have a cumulative cash flow positive return from the scheme. Any increase in defaulting growers (which is highly likely given the Timbercorp collapse and lack of future funding from Timbercorp Finance) will place additional pressure on the schemes continuation and any alternatives Responsible Entity.

The continued indecision by the Liquidators and their failure to undertake their management obligations are endangering both the orchard and the water licence and, rather than being expended on operating expences, it appears a very large part of the available cash is being applied to liquidators and legal fees.

Significant time has already elapsed whereby the administrators/Timbercorp could have conducted an analysis of the

22/07/2009

schemes and taken necessary actions to fund the schemes going forward. By now it should have been possible to put forward a clear plan to continue the schemes, if one existed.

Your letter, in clause 6, states that “the liquidators are engaging with parties who may wish to recapitalize some of the schemes or buy the properties on which some of the schemes are conducted”. Can you confirm there is a specific plan to recapitalize the 2006 Avocado scheme and if so, can you provide any details? In regards the sales of properties, we fail to see the relevance to our situation. Clause 20.3 of the Land Lease states that time is of the essence in the contract. As stated, a great deal of time has already elapsed since the last payment toward maintenance of the property was made and since Timbercorp entered into administration.

Could you please clarify why yourselves and the liquidators believe the Liquidators are not using or occupying and are not in possession of the orchard property when, on that property, they continue to own and grow out tens of thousands of avocado trees owned by the company in liquidation?

In regards to the test case before the courts today we do not believe it is relevant to our leases which you acknowledge in point 8 of your email. In fact selecting a test case with a related party and where the timber lots are a January 1999 project is about as atypical as you could find I would think.

The leases were specifically drafted so that any litigation was to be conducted in Western Australia (Land Lease clause 20.5 and Water License Lease clause 17.5). Our lawyers are based in Western Australia and the orchard itself is in Western Australia, hence the contract clause requires court proceedings concerning those agreements to be conducted in Western Australia.

Given that time is of the essence your urgent response to the issues raised would be appreciated.

Yours Faithfully,

Neil Delroy
Director
Jasper Farms Holdings Pty Ltd

Lucy Kirwan

From: Nick Courtney [ncourtney@kordamentha.com]
Sent: Thursday, 2 July 2009 7:48 PM
To: Ian Delroy
Cc: Neil Delroy; Andrew Malarkey
Subject: RE: Jasper Farms
Attachments: 090702-L-Jasper Farm-crs-js.pdf

Ian,

Please find attached a lease letter that was sent to Timbercorp landlords today.

Regards,

Nick Courtney | Associate Director
KordaMentha | Level 24, 333 Collins Street, Melbourne VIC 3000
t +61 3 8623 3424 | f +61 3 8623 3399
e ncourtney@kordamentha.com | w www.kordamentha.com

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From: Ian Delroy [mailto:Ian@agribusiness.com.au]
Sent: Thursday, 2 July 2009 6:17 PM
To: Andrew Malarkey; Nick Courtney
Cc: Neil Delroy; ksmart@westnet.com.au; dclark@clarkwhyte.com
Subject: Jasper Farms
Importance: High

Andrew and Nick

Yesterday you stated that it is the intention of the liquidators to disclaim the leases relating to the Jasper Farms Avocado Project, unless Jasper Farms, as lessors, were prepared to give a "rent free period" to the liquidators of between 7 to 14 days (7 days in Nicks email and 14 days per Andrews verbal request).

We have advised you that Jasper Farms is not prepared to do this.

We have today sent to Timber Corp a Notice of Demand for outstanding rental as at 30 June 2009. A copy of the notice is enclosed.


Please note that Jasper Farms will hold Timber Corp Ltd and the liquidators (Korda Mentha) liable for all such outstanding rentals plus rental accruing from and including 1 July 2009 until receipt of a notice of disclaimer from the liquidators.


Kindly advise the liquidators intentions by return, as we are a small company, and it is inequitable and unreasonable that we should be left in a state of uncertainty whilst expenses continue to accrue.

Regards

Ian Delroy
Financial Controller
Agribusiness Research and Management
13 Adelaide St Busselton WA 6280
☎: 61 (08) 9752 5463 📠: 61 (08) 9754 1992

22/07/2009

 : 0438 546 363

 : ian@agribusiness.com.au

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APPLICATION UNDER SECTION 568 (8) OF THE CORPORATIONS ACT

TO: Timbercorp Securities Ltd ACN 092 311 469 (In Liquidation) ("the Lessee")
OF: Level 8, 461 Bourke St Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Angela Marie Zambonetti
OF: PO Box 253 Albany Western Australia ("the Lessor")

WHEREAS:

1. On or about 15 January 2008, the Lessee entered into a Lease with the Lessor ("the Lease") commencing 1 January 2008 and expiring on 15 April 2020 of the following land:

Description	Extent	Volume	Folio
That part of Lot 5795 on Deposited Plan 206516 marked "K" on Deposited Plan 58857	Part	2091	988

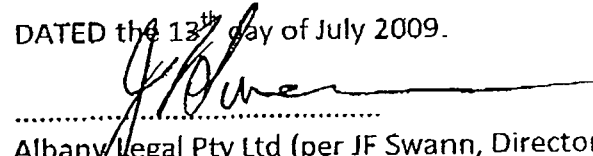
("the Leased Land").

2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
- they will not and do not adopt or ratify the Lease;
 - they will not use or occupy the Leased Land; and
 - they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

- hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
- requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 13th day of July 2009.


Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Limited ACN 055 185 067 (In Liquidation) (formerly Timbercorp Eucalypts Limited) ("the Lessee")
OF: 95 Queen St Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: David John Towes and Heather Lee Towes
Of 340 Bluff Creek Road, Manypeaks, formerly of RMB 201 Manypeaks, Western Australia ("the Lessor")

TAKE NOTICE that:

1. On 23 June 1999, the Lessee entered into a Lease with the Lessor of the following land for a term of 12 years commencing 1 January 2000, as extended for a further period of 12 years from 1 January 2012 by an Extension of Lease dated 23 June 1999 ("the Lease"):

Description	Extent	Volume	Folio
Those parts as are hatched on the plan annexed to the Lease of Plantagenet Location 6483 and being part of Lot 2 on Diagram 60805	Part	1601	180

("the Leased Land").

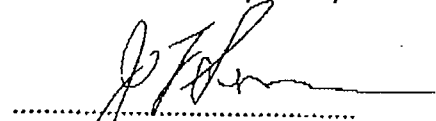
2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
 - a. they will not and do not adopt or ratify the Lease;
 - b. they will not use or occupy the Leased Land; and
 - c. they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and

2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 16th day of July 2009.



.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568 (8) OF THE CORPORATIONS ACT

TO: Timbercorp Securities Ltd ACN 092 311 469 (In Liquidation) ("the Lessee")
 OF: Level 8, 461 Bourke St Melbourne Vic 3000 (Fax: 03 9670 4271)
 AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
 OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Edvige Mary Bice Zambonetti
 Of 12 Dicks Street, Albany, Western Australia (formerly of Road Mail Box, Jackson Road Napier via Albany Western Australia)

AND FROM: Ken Anthony Zambonetti and Angela Marie Zambonetti
 OF: PO Box 253 Albany Western Australia

AND FROM: Edwin John Zambonetti and Christine Michele Zambonetti
 OF: 2200 Settlement Road, Napier Western Australia
 ("the Lessor")

Whereas:

1. On or about 27 October 2008, the Lessee entered into a Lease with the Lessor ("the Lease") commencing 1 October 2008 and expiring on 15 April 2020 of the following land:

Description	Extent	Volume	Folio
That part of Lot 5794 on Deposited Plan 206516 delineated and stippled on the sketch attached to the Lease	Part	1869	646

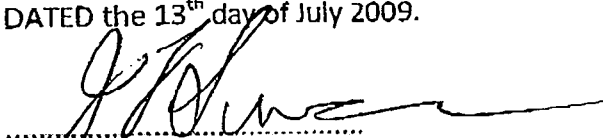
("the Leased Land").

2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
 - a. they will not and do not adopt or ratify the Lease;
 - b. they will not use or occupy the Leased Land; and
 - c. they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 13th day of July 2009.



Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568 (8) OF THE CORPORATIONS ACT

TO: Timbercorp Ltd ACN 055 185 067 (In Liquidation) (formerly Timbercorp Eucalypts Ltd) ("the Lessee")
 OF: 95 Queen St Melbourne Vic 3000 (Fax: 03 9670 4271)
 AND OF: 3/191 Chester Pass Road, Albany WA 6330 (Fax: 08 9842 8582)

AND TO: Korda Mentha (Attention: Mr Mark Korda)
 OF: Level 24, 333 Collins St, Melbourne Vic 3000 (fax: 03 8623 3399)

AND TO: Permanent Trustee Company Limited ACN 000 000 993
 OF: 294-296 Collins St, Melbourne Vic 3000

FROM: Geoffrey Telfer Couper and Janet Feeney Couper
 Of PO Box 251 Mt Barker WA 6324 ("the Lessor")

TAKE NOTICE that:

1. On or about 1 March 1999, the Lessee entered into a Lease with the Lessor for a term of 12 years commencing from 1 March 1999 ("the Lease") of the following land:

Those parts as are hatched on the plans annexed to the Lease of:

Description	Extent	Volume	Folio
Plantagenet Location 3214	Part	1070	523
Plantagenet Location 3924	Part	1091	400
Plantagenet Location 1634	Part	1097	49
Plantagenet Location 4076	Part	1317	815
Plantagenet Location 5195 and portion of Plantagenet Location 6029 together being Lot 6 the subject of Diagram 72656	Part	1783	377

("the Leased Land").

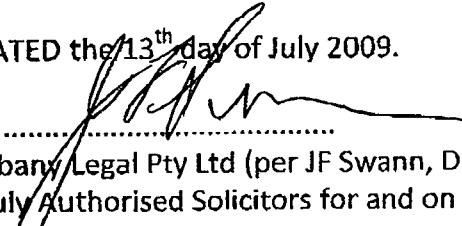
2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
 - a. they will not and do not adopt or ratify the Lease;
 - b. they will not use or occupy the Leased Land; and
 - c. they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and

2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 13th day of July 2009.


.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Ltd ACN 055 185 067 (In Liquidation) ("the Lessee")
OF: 95 Queen St Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Graham John Chatley
Of PO Box 1011, Manjimup Western Australia ("the Lessor")

TAKE NOTICE that:

1. On 24 November 1999, the Lessee entered into a Lease with the Lessor ("the Lease") of the following land for a term of 12 years commencing 1 January 2000:

Description	Extent	Volume	Folio
Those parts as are hatched on the plans annexed to the Lease of			
Lot 1 on Diagram 32363	Part	1308	877
Lot2 on Diagram 32363	Part	1308	876

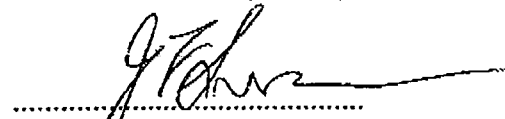
("the Leased Land").

2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
- they will not and do not adopt or ratify the Lease;
 - they will not use or occupy the Leased Land; and
 - they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

- hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
- requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 15th day of July 2009.

A handwritten signature in black ink, appearing to read 'JF Swann', is written over a dotted line.

Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Securities Ltd ACN 092 311 469 (In Liquidation) ("**the Lessee**")
OF: Level 8, 461 Bourke St Melbourne Vic 3000 (Fax: 03 9670 4271 – Attention: Gideon Meltzer)
AND OF: 3/191 Chester Pass Road, Albany WA 6330 (Fax: 08 9842 8582)

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Intrinsic Pty Ltd ACN 009 063 335
Of 501 Albany Highway, Albany Western Australia ("**the Lessor**")

TAKE NOTICE that:

1. On 31 October 2008, the Lessee entered into a Lease with the Lessor ("**the Lease**") of the following land for a term of 12 years commencing 15 October 2008:

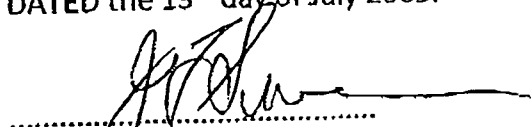
Description	Extent	Volume	Folio
That part of Lot 1 on Diagram 55823 hachured and shaded pink on the dimensioned lease area map attached to the Lease	Part	1555	119

("the Leased Land").
2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
 - a. they will not and do not adopt or ratify the Lease;
 - b. they will not use or occupy the Leased Land; and
 - c. they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 13th day of July 2009.



.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Securities Ltd ACN 092 311 469 (In Liquidation) ("the Lessee")
 OF: Level 8, 461 Bourke St Melbourne Vic 3000 (Fax: 03 9670 4271)
 AND OF: 3/191 Chester Pass Road, Albany WA 6330 (Fax: 08 9842 8582)

AND TO: Korda Mentha (Attention: Mr Mark Korda)
 OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

AND TO: Permanent Trustee Company Limited ACN 000 000 993
 OF: 294-296 Collins St, Melbourne Vic 3000

FROM: Kent Rochester and Michelle Lee Tysoe
 Of formerly of 50 Yatana Road, Bayonet Head, but now of 14 Aurora Rise, Albany
 Western Australia ("the Lessor")

TAKE NOTICE that:

1. On 20 November 2006, the Lessee entered into a Sub-Lease with the Lessor ("the Lease") of the following land for a term of 12 years commencing 1 September 2006:

Lease No.	Description	Extent	Volume	Folio
L144452	Those parts of Lot 5962 on Deposited Plan 206218 as are delineated and marked A on the plan annexed to the Lease	Part	LR3082	369

("the Leased Land").

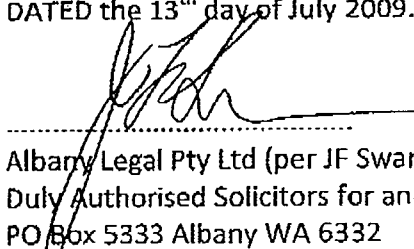
2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
 - a. they will not and do not adopt or ratify the Lease;
 - b. they will not use or occupy the Leased Land; and
 - c. they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
2. requires the Liquidators to make this decision within 28 days after the receipt of

this application or for such extended period as may be allowed by the Court.

DATED the 13th day of July 2009.



.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor:
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Ltd ACN 055 185 067 (In Liquidation) (formerly Timbercorp Eucalypts Ltd) ("**the Lessee**")
OF: 95 Queen St Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

AND TO: Permanent Trustee Company Limited ACN 000 000 993
OF: 294-296 Collins St, Melbourne Vic 3000

FROM: Kent Rochester and Michelle Lee Rochester (nee Tysoe)
Of formerly of 50 Yatana Road, Bayonet Head, but now of 14 Aurora Rise, Albany Western Australia ("**the Lessor**")

TAKE NOTICE that:

1. On 13 January 1999, the Lessee entered into a Sub-Lease with William Neil Rochester of 32 Burnett Avenue, Leeming Western Australia ("**the Lease**") of the following land then described as:

Lease No.	Description
Crown Lease 1081/1962 Perpetual Lease P1210	Those parts as are hatched on Plans 1 and 2 annexed to the lease, of Plantagenet Location 5962

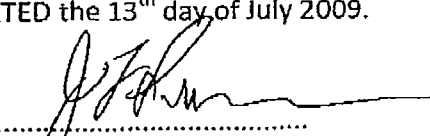
but now described as Lot 5962 on Deposited Plan 206218 (Certificate of Title Volume LR 3082 Folio 369) for a term of 12 years commencing 1 January 1999 ("**the Leased Land**").

2. The Lessor is the successor in title to the Leased Land from William Neil Rochester of 32 Burnett Avenue, Leeming Western Australia.
3. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("**Liquidators**").
4. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
 - a. they will not and do not adopt or ratify the Lease;
 - b. they will not use or occupy the Leased Land; and
 - c. they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 13th day of July 2009.


.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Ltd ACN 055 185 067 (In Liquidation) (formerly Timbercorp Eucalypts Ltd) ("the Lessee")
OF: Level 7, Stalbridge Chambers, 443 Little Collins St, Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

AND TO: Permanent Trustee Company Limited ACN 000 000 993
OF: 294-296 Collins St, Melbourne Vic 3000

FROM: Kim Andrew Lay
Of 1 French St., Coral Bay, Western Australia (formerly of RMB 9582, Chester Pass Road, Albany, Western Australia) ("the Lessor")

TAKE NOTICE that:

1. On or about 27 June 1997, the Lessee entered into a Sub-Lease with the Lessor, of the following land for an initial term of 12 years commencing 2 July 1997 which was extended by an Extension of Lease dated 1 January 2008 for a further period of 12 Years and 363 days from 2 July 2009 ("the Lease"):

Description	Extent	Volume	Folio
That part of Plantagenet Location 5891 as is hatched on the plans annexed to the Lease	Part	1677	677

("the Leased Land").

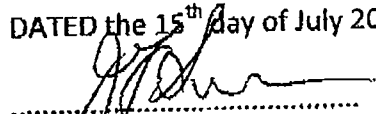
2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
 - a. they will not and do not adopt or ratify the Lease;
 - b. they will not use or occupy the Leased Land; and
 - c. they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and

2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 15th day of July 2009.



.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Securities Ltd ACN 092 311 469 (In Liquidation) ("the Lessee")
OF: Level 8, 461 Bourke St Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Kim Andrew Lay
Of 1 French St., Coral Bay, Western Australia ("the Lessor")

TAKE NOTICE that:

1. On or about 1 January 2008, the Lessee entered into a Lease with the Lessor ("the Lease") of the following land for a term of 14 years commencing 1 January 2008:

Description	Extent	Volume	Folio
That part of Lot 3888 on Deposited Plan 81411 marked "A" on Deposited Plan 57741	Part	1704	204

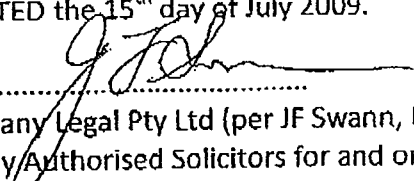
("the Leased Land").

2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
- they will not and do not adopt or ratify the Lease;
 - they will not use or occupy the Leased Land; and
 - they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

- hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
- requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 15th day of July 2009.


.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION CORPORATIONS ACT 568(8)

TO: Timbercorp Securities Ltd ACN 092 311 469 (In Liquidation)
("the Sub-Lessee")
OF: Level 8, 461 Bourke St, Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330 (Fax: 08 9842 8582)
AND TO: Korda Mentha (Attention: Mr Mark Korda)
OFF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)
FROM: Marsh John Franklin
OF: 137 Waychinicup Rd, Manypeaks, Western Australia, 6328 (The Sub-Lessor)

SUB LEASE:	DESCRIPTION	EXTENT	VOLUME	FOLIO
LEASE NO CL751/1955	That part of lot 5308 on Deposited Plan 205930 marked "B" on Deposited Plan 55992	Part	LR3137	645

Application under section 568(8) of the corporations act.

Dear Mr korda,

I refer to your last letter dated July 2nd and to the proceedings in the Federal Court last Friday 10th July where the decision was passed down that the liquidators (Korda Mentha) are not obliged to pay the rent because they have not elected or chosen, to retain possession of the leased land for the purpose of liquidation.

Now I draw your attention to Section 568(8) of the Corporations Act, which states.

8) Where:

(a) an application in writing has been made to the liquidator by a person interested in property requiring the liquidator to decide whether he or she will disclaim the property;

(b) the liquidator has, for the period of 28 days after the receipt of the application or for such extended period as is allowed by court, declined or neglected to disclaim the property;

the liquidator is not entitled to disclaim the property under this section and in the case of a contract, he or she is taken to have adopted it.

So I would humbly ask, could you please let me know as soon as possible, whether or not you intend to disclaim the above Sub-lease.

Dated: The 13th July 2009


Marsh John Franklin.

APPLICATION UNDER SECTION 568 (8) OF THE CORPORATIONS ACT

TO: Timbercorp Securities Ltd ACN 092 311 469 (In Liquidation) ("**the Lessee**")
OF: Level 8, 461 Bourke St Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

AND TO: Permanent Trustee Company Limited ACN 000 000 993
OF: 294-296 Collins St, Melbourne Vic 3000

FROM: Melinda Marianne Nell Sinclair and Bradley Douglas
OF: 124 Yungup Road North, Napier (formerly of RMB 9621 Albany) Western Australia ("**the Lessor**")

TAKE NOTICE that:

1. On or about 17 June 1998, the Lessee entered into a Lease with the Lessor ("**the Lease**") for a period of 12 years commencing 1 January 1999 of the following land:

Description	Extent	Volume	Folio
Those parts of Lot 1 the subject of Diagram 0678 (being portion of Plantagenet Locations 5852 and 6060) as are hatched on the plan annexed to the Lease	Part	1894	64

("the Leased Land").

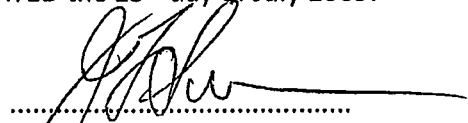
2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
- they will not and do not adopt or ratify the Lease;
 - they will not use or occupy the Leased Land; and
 - they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and

2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 13th day of July 2009.



.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Ltd ACN 055 185 067 (In Liquidation) (formerly Timbercorp Eucalypts Ltd) ("the Lessee")
OF: 95 Queen St Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Richard Gerald Hardie and Joanne Lea Hardie
Of 8450 Albany Highway, Banister and formerly of RMB 544 Boddington, Western Australia ("the Lessor")

TAKE NOTICE that:

1. On 25 June 1999, the Lessee entered into a Lease with G.M. Hardie Pty Ltd ACN 008 703 259 of 20 Denis St., Subiaco, Western Australia ("the Lease") of the following land for a term of 12 years commencing 15 March 2000:

Description	Extent	Volume	Folio
Those parts as are hatched on the plan annexed to the Lease of portion of Avon Location 4819 and being Lot 5 on Plan 11005 (less portion resumed)	Part	1393	443

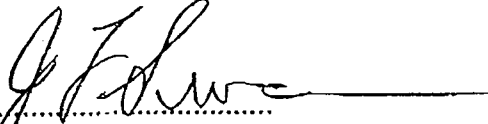
("the Leased Land").

2. The Lessor subsequently became the registered proprietor of the Leased Land and entered into a Deed of Covenant dated 9 February 2000 with the Lessee whereby the Lessor became bound by the provisions of the Lease as if the Lessor was originally named in the Lease as the lessor.
3. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
4. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
- they will not and do not adopt or ratify the Lease;
 - they will not use or occupy the Leased Land; and
 - they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 14th day of July 2009.



.....

Albany Legal Pty Ltd (per JF Swann, Director)

Duly Authorised Solicitors for and on behalf of the Lessor.

PO Box 5333 Albany WA 6332

Fax: 08 9847 4233

Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Ltd ACN 055 185 067 (In Liquidation) ("**the Lessee**")
 OF: 95 Queen St, Melbourne Vic 3000 (Fax: 03 9670 4271)
 AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
 OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Rodney John Winston Hester
 Of PO Box 159, Bridgetown, Western Australia ("**the Lessor**")

TAKE NOTICE that:

1. On or about 24 November 1999, the Lessee entered into a Lease with the Lessor, of the following land for an initial term of 12 years commencing 1 January 2000 ("**the Lease**"):

Description	Extent	Volume	Folio
Those parts of:			
Portion of Nelson Location 2267	Part	2159	1000
Nelson Location 1627	Part	1149	876
Nelson Location 1787 and portion of Nelson Location 1626 (less portion resumed)	Part	1149	873
Nelson Location 1993	Part	1265	147
as are hatched on the plans annexed to the Lease			

("the Leased Land").

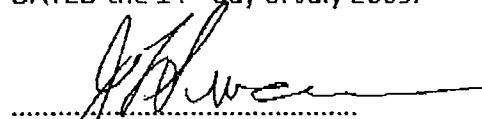
2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("**Liquidators**").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
 - a. they will not and do not adopt or ratify the Lease;
 - b. they will not use or occupy the Leased Land; and
 - c. they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and

2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 14th day of July 2009.



.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233

Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Ltd ACN 055 185 067 (In Liquidation) ("**the Lessee**")
OF: 95 Queen St, Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Rodney John Winston Hester and Lorraine Grace Hester
Of PO Box 159, Bridgetown, Western Australia ("**the Lessor**")

TAKE NOTICE that:

1. On or about 24 November 1999, the Lessee entered into a Lease with the Lessor, of the following land for an initial term of 12 years commencing 1 January 2000 ("**the Lease**"):

Description	Extent	Volume	Folio
Portion of Nelson Location 1626 as cross hatched on the plan annexed to the Lease	Part	1686	803

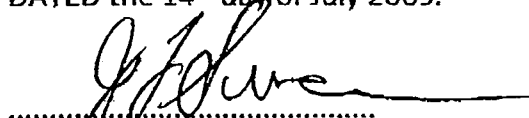
("the Leased Land").

2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("**Liquidators**").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
- they will not and do not adopt or ratify the Lease;
 - they will not use or occupy the Leased Land; and
 - they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

- hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
- requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 14th day of July 2009.

A handwritten signature in black ink, appearing to read 'JF Swann', is written over a dotted line.

Albany Legal Pty Ltd (per JF Swann, Director)

Duly Authorised Solicitors for and on behalf of the Lessor.

PO Box 5333 Albany WA 6332

Fax: 08 9847 4233

Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Securities Ltd ACN 092 311 469 (In Liquidation) ("the Lessee")
OF: Level 8, 461 Bourke St Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Rodney John Winston Hester
OF: PO Box 159 Bridgetown Western Australia ("the Lessor")

TAKE NOTICE that:

1. On or about 6 December 2006, the Lessee entered into a Lease with the Lessor ("the Lease") of the following land for a term of 14 years commencing 1 January 2007:

Description	Extent	Volume	Folio
That part of Lot 282 on Deposited Plan 47495 as is delineated and hatched on the sketch attached to the Lease	Part	263	694

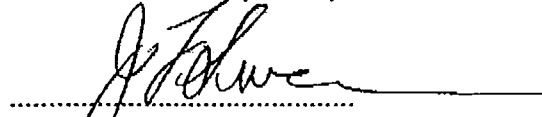
("the Leased Land").

2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
 - a. they will not and do not adopt or ratify the Lease;
 - b. they will not use or occupy the Leased Land; and
 - c. they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

1. hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
2. requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 14th day of July 2009.

A handwritten signature in black ink, appearing to read 'JF Swann', is written over a horizontal dotted line.

Albany Legal Pty Ltd (per JF Swann, Director)

Duly Authorised Solicitors for and on behalf of the Lessor.

PO Box 5333 Albany WA 6332

Fax: 08 9847 4233

Email: jim@albanylegal.com.au

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Ltd ACN 055 185 067 (In Liquidation) (formerly Timbercorp Eucalypts Ltd) ("the Lessee")
OF: 95 Queen St Melbourne Vic 3000 (Fax: 03 9670 4271)
AND OF: 3/191 Chester Pass Road, Albany WA 6330 (Fax: 08 9842 8582)

AND TO: Korda Mentha (Attention: Mr Mark Korda)
OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

AND TO: Permanent Trustee Company Limited ACN 000 000 993
OF: 294-296 Collins St, Melbourne Vic 3000

FROM: William Neil Rochester
Of 32 Burnett Avenue, Leeming Western Australia ("the Lessor")

TAKE NOTICE that:

1. On 13 January 1999, the Lessee entered into a Sub-Lease with the Lessor ("the Lease") of the following land for a term of 12 years commencing 1 January 1999:

Lease No.	Description
Crown Lease 1081/1962 Perpetual Lease P1210	Those parts as are hatched on Plans 1 and 2 annexed to the lease, of Plantagenet Location 5962

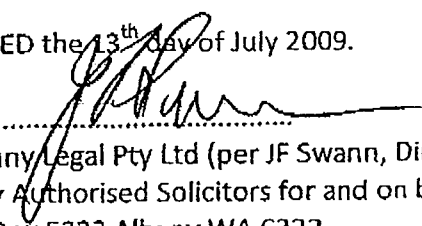
("the Leased Land").

2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
- they will not and do not adopt or ratify the Lease;
 - they will not use or occupy the Leased Land; and
 - they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

- hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
- requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 13th day of July 2009.


.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor.
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

Partner Cameron Hancock
Reply to Brisbane Office
Direct Line 07 3235 0408
Direct Fax 07 3235 0430
E-mail chancock@bcilaw.com.au
Our Reference CJH:KLZ:14481

14 July 2009

Fax (03 8623 3333) and Express Post

Mr Mark Korda and Leanne Kylie Chesser
(Liquidators of Timbercorp Limited)
C/- Korda Mentha
Level 24
333 Collins Street
Melbourne, Victoria, 3000

Dear Mark and Leanne

**REGISTERED LEASE NOS. 708966212, 708966214 AND 708966217 IN FAVOUR OF
TIMBERCORP LIMITED**

We act on behalf of Ronald Arthur Simpson and Fay Leone Simpson in their personal capacity and in their capacity as trustee under Instrument No. 701444432.

Our client has entered into the follows three (3) leases with Timbercorp Limited

- Registered Lease No. 708966212 from Ronald Arthur Simpson and Fay Leone Simpson to Timbercorp Limited with respect to Lot 3 on CP C3773, Lot 5 on RP 50689 AND Lot 3 on RP 50689 (**Goodwood West Lease**)
- Registered Lease No. 708966214 from Ronald Arthur Simpson and Fay Leone Simpson to Timbercorp Limited with respect to Lot 2 on CP CK1816 (**SPT Goodwood Home Lease**)
- Registered Lease No. 708966217 from Ronald Arthur Simpson and Fay Leone Simpson as trustee under instrument No. 701444432 to Timbercorp Limited with respect to Lot 2 on RP809400 (**SF1 Goodwood Home Lease**)

With respect to each lease and in accordance with section 568(8) of the Corporations Act 2001 we enclose Form 527s for your attention.

We look forward to your response within the period as specified by section 568(8)(b) of the Corporations Act 2001.

Yours faithfully


Cameron Hancock
Partner
enclosure

Brisbane

Level 3, 67 Astor Terrace Spring Hill QLD 4000 • GPO Box 5299 Brisbane QLD 4001
Tel 07 3235 0400 Fax 07 3235 0430

Bundaberg

Corner Walla and Bourbong Street Bundaberg QLD 4670 • PO Box 1 Bundaberg QLD 4670
Tel 07 4155 5400 Fax 07 4155 5430

FORM 527

(paragraph 568(8)(a))

Australian Company Number: 055 185 067

Corporation Act 2001

APPLICATION REQUIRING LIQUIDATOR TO DECIDE WHETHER TO DISCLAIM PROPERTY

Timbercorp Limited

To Mark Korda and Leanne Kylie Chesser, the liquidator of the company.

Under paragraph 568(8)(a), application is made to you by Ronald Arthur Simpson and Fay Leone Simpson of 1721 Goodwood Road, Childers in the State of Queensland requiring you to decide whether you will disclaim the property described in the Schedule to this notice or not.

The applicant has the following interest in the property: Landlord

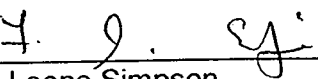
SCHEDULE

- Registered Lease No. 708966212 from Ronald Arthur Simpson and Fay Leone Simpson to Timbercorp Limited with respect to Lot 3 on CP C3773, Lot 5 on RP 50689 AND Lot 3 on RP 50689

Dated



Ronald Arthur Simpson



Fay Leone Simpson

FORM 527

(paragraph 568(8)(a))

Australian Company Number: 055 185 067

Corporation Act 2001

APPLICATION REQUIRING LIQUIDATOR TO DECIDE WHETHER TO DISCLAIM PROPERTY

Timbercorp Limited

To Mark Korda and Leanne Kylie Chesser, the liquidator of the company.

Under paragraph 568(8)(a), application is made to you by Ronald Arthur Simpson and Fay Leone Simpson of 1721 Goodwood Road, Childers in the State of Queensland requiring you to decide whether you will disclaim the property described in the Schedule to this notice or not.

The applicant has the following interest in the property: Landlord

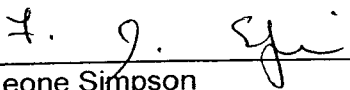
SCHEDULE

- Registered Lease No. 708966214 from Ronald Arthur Simpson and Fay Leone Simpson to Timbercorp Limited with respect to Lot 2 on CP CK1816

Dated



Ronald Arthur Simpson



Fay Leone Simpson

FORM 527

(paragraph 568(8)(a))

Australian Company Number: 055 185 067

Corporation Act 2001

APPLICATION REQUIRING LIQUIDATOR TO DECIDE WHETHER TO DISCLAIM PROPERTY

Timbercorp Limited

To Mark Korda and Leanne Kylie Chesser, the liquidator of the company.


Under paragraph 568(8)(a), application is made to you by Ronald Arthur Simpson and Fay Leone Simpson as trustee under instrument No. 701444432 of 1721 Goodwood Road, Childers in the State of Queensland requiring you to decide whether you will disclaim the property described in the Schedule to this notice or not.

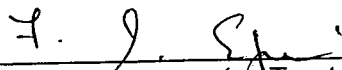
The applicant has the following interest in the property: Landlord

SCHEDULE

- Registered Lease No. 708966217 from Ronald Arthur Simpson and Fay Leone Simpson as trustee under instrument No. 701444432 to Timbercorp Limited with respect to Lot 2 on RP809400

Dated


Ronald Arthur Simpson (as Trustee)


Fay Leone Simpson (as Trustee)

JONATHAN MEYER

LAWYER

JM:MD:090077

14 July 2009

KordaMentha
Level 24
333 Collins Street
MELBOURNE VIC 3000

By Fax: (03) 8623 3399

Attention: Mr Mark Korda

Dear Sirs

~~SUBLEASES 0192989 AND 0192985 EACH BETWEEN FAIRWAY DEVELOPMENTS (WA) PTY LIMITED AND TIMBERCORP EUCALYPTIS LIMITED (THE "LEASES")~~

NOTICE OF TERMINATION

NOTICE OF DEFAULT

NOTICE PURSUANT TO SECTION 568(8) OF THE CORPORATIONS ACT 2001 (CTII)

We refer to your letter dated 2 July 2009 (your "letter") in relation to the Leases, and to the declaratory order of the court in relation to the liquidator's status on 10 July 2009¹.

The Leases are in terms identical, save and except that they each relate to a separate parcel of land. A reference in this letter to any clause is a reference to that clause in both Leases.

We consider that by your letter you have repudiated the Leases. Your unequivocal renouncement of your liabilities under the Leases evinces a clear intention no longer to be bound by the Leases. Your unwillingness to perform your obligations under the Leases clearly relates to the Leases as a whole, and in particular the obligation to pay rent. We note that nothing in the reasons for judgment of Finkelstein J, indicates relief from the liquidator's obligations with regard to the Leases at common law.

¹ *Timbercorp Securities Limited (in liq) v Plantation Land Limited* [2009] FCA 741

Australian
Business
Number
22 615 383 486

53 Peel Terrace
Busselton WA 6280
PO Box 953
Busselton WA 6280

P: (08) 9752 4166
F: (08) 9754 1732
E: office@jmlegal.com.au
W: jonmeyer.com.au

In the circumstances, and in reliance on your letter, we give notice of termination of the Leases for prospective breach with immediate effect.

In the alternative, we consider notwithstanding the foregoing, that the Leases are terminated at law upon your repudiation with immediate effect.

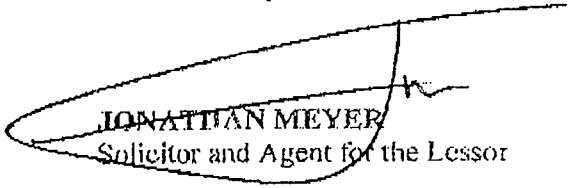
In accordance with clause 12.3(b) the Sub-Lessee's rights and interests pursuant to the Leases, including those granted under clause 12.1 and 12.2 cease with immediate effect.

~~For the avoidance of doubt, and should this notice of termination be found to be ineffective for~~
any reason, including pursuant to clause 10.7 of the Leases or pursuant to any order of the court, we give notice that:

1. as at 1 July 2009 the Sub-Lessee is in arrears in respect of one quarterly instalment of Annual Rent and, subject to the foregoing, in accordance with clause 10.1 we request payment. In light of your letter we consider any request for payment an exercise in futility. We do so out of an abundance of caution, and in doing so in no way elect to affirm the Leases; and
2. we apply pursuant to section 568(8) of the *Corporations Act* 2001 (Cth) requiring that you decide whether to disclaim the Leases.

We reserve our accrued rights under the Leases, in the liquidation, and at law.

Your faithfully.



JONATHIAN MEYER

Solicitor and Agent for the Lessor

APPLICATION UNDER SECTION 568(8) OF THE CORPORATIONS ACT

TO: Timbercorp Securities Ltd ACN 092 311 469 (In Liquidation) ("the Lessee")
 OF: Level 8, 461 Bourke St Melbourne Vic 3000 (Fax: 03 9670 4271)
 AND OF: 3/191 Chester Pass Road, Albany WA 6330

AND TO: Korda Mentha (Attention: Mr Mark Korda)
 OF: Level 24, 333 Collins St, Melbourne Vic 3000 (Fax: 03 8623 3399)

FROM: Walitj Aboriginal Corporation
 Of 64 Campbell Road, Albany, Western Australia ("the Lessor")

TAKE NOTICE that:

1. On 2 August 2008, the Lessee entered into a Sub-Lease with the Lessor ("the Lease") of the following land for a term of 14 years commencing 1 March 2009:

Lease No.	Description	Extent	Volume	Folio
G914761	Those parts of each of Lot 6599 on	Part	1736	598
	Deposited Plan (DP) 214927, Lot	Part	2122	967
	7262 on DP 213440 and Lot 7382 on DP 182531 marked A on the sketch marked Annexure A to the Lease	Part	2122	968

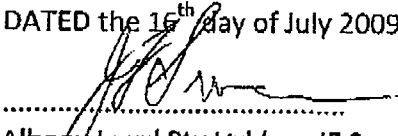
("the Leased Land").

2. On or about 29 June 2009, the creditors of the Lessee resolved to wind up the Lessee and partners of Korda Mentha were appointed as the liquidators of the Lessee ("Liquidators").
3. On or about 2 July 2009, the Liquidators notified the Lessor in writing that:
- they will not and do not adopt or ratify the Lease;
 - they will not use or occupy the Leased Land; and
 - they will not enter onto the Leased Land or perform any of the obligations under the Lease.

TAKE NOTICE THAT pursuant to section 568(8) of the Corporations Act, the Lessor:

- hereby applies in writing to the Liquidators, requiring the Liquidators to decide whether or not the liquidators will disclaim the Lease and the Leased Land; and
- requires the Liquidators to make this decision within 28 days after the receipt of this application or for such extended period as may be allowed by the Court.

DATED the 16th day of July 2009.


.....
Albany Legal Pty Ltd (per JF Swann, Director)
Duly Authorised Solicitors for and on behalf of the Lessor
PO Box 5333 Albany WA 6332
Fax: 08 9847 4233
Email: jim@albanylegal.com.au

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIA DISTRICT REGISTRY

No. 541 of 2009

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

AND

IN THE MATTER OF TIMBERCORP LIMITED (IN LIQUIDATION)
ACN: 055 185 067

TIMBERCORP SECURITIES LIMITED (IN
LIQUIDATION) and OTHERS
(ACN 092 311 469)

Plaintiff

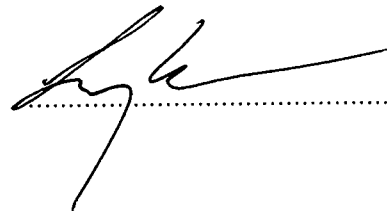
WA CHIP & PULP CO. PTY LTD
and OTHERS
(ACN 008 720 518)

Defendants

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MAK-2**" now produced and shown to **MARK ANTHONY KORDA** at the time of swearing his affidavit on 23 July 2009.

Before me:



LUCY HANNAH KIRWAN
Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne 3000

An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

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: 01-1499489
(Leon Zwier/Lucy Kirwan)

HEAD SUB-LEASE
MINJIMINJUP 98 TREEFARM

B E T W E E N

BUNNINGS TREEFARMS PTY LTD

A.C.N. 009 378 607

("the Lessor")

-and-

TIMBERCORP EUCALYPTS LIMITED

A.C.N. 055 185 067

("the Lessee")

-and-

PERMANENT TRUSTEE COMPANY LIMITED

A.C.N. 000 000 993

("the Representative")

CONTENTS

PART 1 GRANT OF SUB-LEASE	1
PART 2 CONDITIONS	1
PART 3 RENT	2
PART 4 LESSEE'S OBLIGATIONS	2
PART 5 LESSOR'S OBLIGATIONS	3
PART 6 LESSEE'S RIGHTS	4
PART 7 LESSOR'S RIGHTS	5
PART 8 EXTENSION OF THE TERM	5
PART 9 FORCE MAJEURE	6
PART 10 EARLY TERMINATION AND REDUCTION OF THE LEASED AREA	6
PART 11 RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION	10
PART 12 OWNERSHIP OF THE PLANTATION CROP	10
PART 13 MINING AND PETROLEUM ACTIVITIES	11
PART 14 GENERAL	11
PART 15 DEFINITIONS AND INTERPRETATION	14
SCHEDULE	

\$2-

THIS SUB-LEASE is made on 30 June 1998.

BETWEEN

BUNNINGS TREEFARMS PTY LTD ACN 009 378 607 of 2-10 Adams Drive, Welshpool, Western Australia (the "Lessor");

TIMBERCORP EUCALYPTS LIMITED ACN 055 185 067 of 7th Floor, Stalbridge Chambers, 443 Little Collins Street, Melbourne, Victoria, ("the Lessee"); and

PERMANENT TRUSTEE COMPANY LIMITED ACN 000 000 993 of 294-296 Collins Street, Melbourne, Victoria ("the Representative").

RECITALS

- A. The Lessor holds a lease or sub-lease in respect of the Leased Area.
- B. The Lessor has agreed to sub-lease the Leased Area to the Lessee on the terms and conditions contained in this Sub-Lease.
- C. The Representative is a party to this Sub-Lease only in its capacity as Representative for each several Grower under the Agency Deed and for the sole purpose of assuming the rights, duties and obligations of the Lessee in the circumstances and on the terms and conditions set out in clause 14.4(d).

OPERATIVE PROVISIONS

Part 1 Grant of Sub-Lease

1.1 Sub-Lease

The Lessor leases to the Lessee the Leased Area for the Term for the purpose of growing, tending and harvesting the Plantation Crop.

Part 2 Conditions

2.1 Consents and approvals

This Sub-Lease is subject to and conditional upon the obtaining of the following consents and approvals, on terms reasonably acceptable to the Lessee, within twelve (12) months after the date of execution of this Sub-Lease:

- (a) The approval of the Western Australian Planning Commission under section 20(1)(a) of the Town Planning and Development Act 1928 (if such approval is required).
- (b) All local, State and Commonwealth government approvals, licences or permissions required for the establishment of the Plantation Crop.

The condition referred to in paragraph (b) above shall be deemed to be a condition subsequent.

2.2 Other agreements

This Sub-Lease is subject to and conditional upon the Lessee or its Related Body Corporate entering into the following agreements with the Lessor or its Related Body Corporate in respect of the Plantation Crop on or prior to the Commencement Date:

- (a) Plantation Services Agreement; and
- (b) Wood Purchase Agreement.

2.3 Each Party to use all reasonable endeavours to ensure conditions satisfied

Each of the Parties will use all reasonable endeavours to ensure that the conditions specified in clause 2.1 are satisfied as soon as is reasonably practicable, and where required will keep the other Party fully informed as to progress towards satisfaction of the conditions.

2.4 Failure of conditions

If any of the conditions referred to in clauses 2.1 or 2.2 are not satisfied within the time limited in those clauses:

- (a) this Sub-Lease shall be at an end and be deemed never to have been of any force or effect; and

WESTERN AUSTRALIA
20-06-98
DJP \$ ***** 2.00
0/3 \$ *****2,311.16

- (b) the Lessor shall immediately repay to the Lessee any instalments of Annual Rent or other moneys paid by the Lessee to the Lessor under this Sub-Lease.

Part 3 Rent

3.1 Annual Rent

The Lessee shall duly and punctually pay to the Lessor during the Term the rent specified in Item 3 of the Schedule as reviewed from time to time in accordance with clause 3.2.

3.2 Rent reviews

The Annual Rent shall be reviewed on the first 30 June after the date of execution of this Sub-Lease (whether or not the date of execution of this Sub-Lease falls before or after the Commencement Date) and each 30 June thereafter during the Term ("Review Dates"). The Annual Rent payable on and from each Review Date shall be the lesser of:

- (a) the Annual Rent payable immediately prior to the relevant Review Date increased by eight per cent (8%); and
- (b) the amount calculated in accordance with the following formula:

$$NR = R \times \frac{NCPI}{CPI}$$

Where:

NR is the Annual Rent payable on and from the relevant Review Date.

R is the Annual Rent payable immediately prior to the relevant Review Date.

NCPI is the Consumer Price Index (All Groups) for the City of Perth (or any substitute accepted by the government of the Commonwealth of Australia) as last published by the Australian Bureau of Statistics prior to the relevant Review Date.

CPI is the Consumer Price Index (All Groups) for the City of Perth (or any substitute accepted by the government of the Commonwealth of Australia) as last published by the Australian Bureau of Statistics prior to

the immediately preceding Review Date or, in the case of the first review, as last published by the Australian Bureau of Statistics prior to the Commencement Date.

3.3 Discontinuation or suspension of CPI

If the Consumer Price Index (All Groups) for the City of Perth is discontinued or suspended, the method of review set out in clause 3.2(b) will cease to apply and will be replaced with such alternative method as is mutually agreed between the Parties or, if the Parties fail to agree, such alternative method as in the opinion of an expert appointed by the President for the time being of the Institute of Chartered Accountants (Western Australia Division) at the request of either Party most closely reflects changes in the cost of living for the City of Perth. The cost of any expert determination carried out under this clause shall be borne equally between the Parties.

Part 4 Lessee's obligations

The Lessee agrees with the Lessor that the Lessee will at the Lessee's expense during the Term:

4.1 Permitted use

Use the Leased Area for the purpose of growing, tending and harvesting a plantation or plantations of eucalyptus trees.

4.2 Forestry practice

Comply with sound silvicultural and environmental practices adopted within the forestry industry.

4.3 Comply with laws

Comply with all laws and regulations relating to the use and occupancy of the Leased Area.

4.4 Repairs

Promptly repair any damage caused by the Lessee or its employees, agents or contractors to any roads, tracks or fences on the Leased Area or on any neighbouring land.

4.5 Interference with activities

Take all reasonable steps to avoid interfering with the activities carried out on any neighbouring land by the owner or occupier of that land.

4.6 Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to vegetation, livestock, crops or water reserves on any neighbouring land.

4.7 Native vegetation

Not cut down, damage or destroy any native vegetation on the Leased Area without the prior written consent of the Lessor.

4.8 Buildings

Not erect any buildings, structures or dwellings or use any caravans on the Leased Area for accommodation purposes except to the extent that such facilities are reasonably required by the Lessee for the bona fide management of the Plantation Crop.

4.9 Remove facilities

Remove any building, structure, dwelling or caravan from the Leased Area as soon as it is no longer reasonably required by the Lessee for the bona fide management of the Plantation Crop.

4.10 Permit Lessor to enter

Permit the Lessor to enter upon the Leased Area from time to time with or without equipment for the purpose of performing the Lessor's obligations under any Project Document.

4.11 Comply with other agreements

Comply with the provisions of the Plantation Services Agreement and comply, or use its best endeavours to procure compliance by the Lessee's Related Body Corporate (as applicable), with the Wood Purchase Agreement.

Part 5 Lessor's obligations

5.1 Prior to Commencement Date

The Lessor agrees with the Lessee that the Lessor will at the Lessor's expense prior to the Commencement Date (or such later date as the Lessee may agree):

5.1.1 Boundary fence

Construct or cause to be constructed a fence along the external boundary of the Leased Area, or in such other location as the Lessor deems fit, suitable to restrain livestock from straying onto the Leased Area.

5.1.2 Declared plants and animals

Take or cause to be taken all reasonable steps to control any plants or animals on or about the Leased Area which are "declared plants" or "declared animals" within the meaning of the Agriculture and Related Resources Protection Act 1976.

5.2 During the Term

The Lessor agrees with the Lessee that the Lessor will at the Lessor's expense during the Term:

5.2.1 Quiet enjoyment

Allow the Lessee to peaceably and quietly hold and enjoy the Leased Area without any interruption by the Lessor or any person claiming through or under the Lessor.

5.2.2 Maintain boundary fence

Maintain or cause to be maintained the fence constructed pursuant to clause 5.1.1 on the Leased Area in good and substantial repair and condition.

5.2.3 Rates and taxes

Duly and punctually pay or cause to be paid all rates, taxes and other charges levied by any government or other authority in respect of the Leased Area.

5.2.4 Comply with laws

Comply with all laws and regulations relating to the use and occupancy of any neighbouring land occupied by the Lessor.

5.2.5 Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to vegetation, livestock, crops or water reserves on the Leased Area.

5.2.6 Comply with Head Lease

Comply with the provisions of the Head Lease.

5.2.7 Graze livestock

To the extent that the Lessor is reasonably able to do so, graze livestock on the Leased Area in a manner which will reduce the fire hazard of grass growing on the Leased Area but will not damage the Plantation Crop.

5.2.8 Control of fires

Take all necessary measures to ensure that any fires which may occur or be lit on any neighbouring land owned or occupied by the Lessor are properly controlled and supervised.

5.2.9 Lighting of fires

Not without the prior written approval of the Lessee (such approval not to be unreasonably withheld) light any fires:

- (a) on neighbouring land owned or occupied by the Lessor during "prohibited burning times" or "restricted burning times" within the meaning of the Bush Fires Act 1954; or
- (b) on the Leased Area at any time during the Term.

5.2.10 Notification of fires

Promptly notify the Lessee of:

- (a) any fire in the vicinity of the Leased Area which may threaten the Plantation Crop; and
- (b) any notice or notification received by the Lessor from the owner or occupier of any adjoining land pursuant to the provisions of the Bush Fires Act 1954.

5.2.11 Encumbrances

Not create any encumbrances over the Leased Area or any part thereof ranking in

priority to the interests of the Lessee under this Sub-Lease OTHER THAN the Plantation Services Agreement and Wood Purchase Agreement and any fixed and floating charge granted in favour of the Lessor by the Lessee or any Related Body Corporate of the Lessee.

Part 6 Lessee's rights

6.1 General

The Lessor hereby grants to the Lessee the rights set out in this Part to be exercised by the Lessee during the Term.

6.2 Harvest

The Lessee shall be entitled to harvest the Plantation Crop and to remove and sell the products derived from the Plantation Crop and to retain all income from such sale.

6.3 Access

The Lessee shall be entitled to full and free access to the Leased Area along any road or track on any neighbouring land over which the Lessor has similar rights and which gives access to the Leased Area from a public road.

6.4 Construct roads and tracks

The Lessee may with the prior written consent of the Lessor (which consent shall not be unreasonably withheld) construct and maintain such roads and tracks (including, if necessary, bridges and culverts) on the Leased Area or on any neighbouring land in respect of which the Lessor has similar rights, as are reasonably required by the Lessee to provide access to the Leased Area from a public road for log haulage.

6.5 Use of sand and gravel

For the purposes of constructing and maintaining the roads and tracks referred to in clause 6.4 the Lessee may take and use sand, gravel and other material available from a place approved by the Lessor on the Leased Area or on any neighbouring land in respect of which the Lessor has similar rights, in such quantities as the Lessee reasonably requires. If the Lessee exercises its rights under this clause, the Lessee must rehabilitate the surface of the land to an

appearance as near as possible to the appearance of the surface of the surrounding land.

6.6 Graze livestock

In the event that the owner under the Head Lease or the Lessor does not graze livestock under clauses 5.2.7 or 7.2 then the Lessee may graze livestock on the Leased Area and retain all income derived therefrom.

6.7 Bees

In the event that the owner under the Head Lease or the Lessor does not keep bees under clause 7.3 then the Lessee may keep bees on the Leased Area and retain all income derived therefrom.

6.8 Security

The Lessee may at its own expense padlock any gates on roads or tracks entering the Leased Area and take such other measures to exclude trespassers as the Lessee reasonably considers appropriate. Upon request, the Lessee must provide the Lessor with a key to any padlocks, or if the Lessee has taken any other measures under this clause, such other means of entry, to the Leased Area.

6.9 Signs

The Lessee may at its own expense erect and maintain a sign on the Leased Area detailing the name, area, tree species, year of planting or such other matters as the Lessee reasonably considers appropriate.

Part 7 Lessor's rights

7.1 General

The Lessee hereby grants to the Lessor the rights set out in this part to be exercised by the Lessor during the Term.

7.2 Graze livestock

The owner under the Head Lease or the Lessor may graze livestock on the Leased Area and retain all income derived therefrom.

7.3 Bees

The owner under the Head Lease or the Lessor may keep bees on the Leased Area and retain all income therefrom.

7.4 Access

The Lessor and its employees, agents and contractors shall be entitled to full and free access for the purposes of grazing livestock and/or keeping bees with or without vehicles to the Leased Area along any road or track or any neighbouring land owned or occupied by the Lessor which gives access to the Leased Area from a public road.

7.5 Further access

The Lessor and its employees agents and contractors shall be entitled to full and free access with or without vehicles to the Leased Area for the purpose of accessing neighbouring land owned or occupied by the Lessor.

7.6 Use of sand and gravel

The Lessor may with the approval of the Lessee take and use sand, gravel and other material from a place on the Leased Area which does not derogate from the productivity of the Plantation Crop. The Lessee may withhold the approval in the event that it believes that the removal of the sand, gravel and other material will derogate from the productivity of the Plantation Crop.

Part 8 Extension of the Term

8.1 Lessee's option to extend Term

Subject to the Lessor having the right to extend the term of the Head Lease, the Lessee may by giving written notice to the Lessor ("the Lessee's Notice") not less than four (4) months prior to the expiration of the Term, elect to extend the Term for the purpose of growing, tending and harvesting a second rotation of the Plantation Crop:

- (a) in respect of the whole of the Leased Area; or
- (b) at the absolute discretion of the Lessor, in respect of any part of the Leased Area;

for the period expiring on the day immediately preceding the termination date of the Head Lease. Upon receipt of the Lessee's notice the Lessor must immediately extend the term of the Head Lease for a further 12 years.

If the Lessee elects to extend the Term under this clause in respect of part only of the Leased Area and the Lessor permits the Lessee to do so, references in this Sub-Lease to the "Leased Area" and to "Land Units" thereof shall during the period of extension be deemed to be references to that part of the Leased Area or its constituent Land Units as applicable.

8.2 Extension of other Agreements

Any extension of the Term under this Part operates to extend the term of the Plantation Services Agreement and the Wood Purchase Agreement for a similar period.

8.3 Extension for late harvesting

If the Lessee is prevented from:

- (a) harvesting the Plantation Crop;
- (b) removing from the Leased Area the products derived from the Plantation Crop; or
- (c) processing the products derived from the Plantation Crop,

due to an event of Force Majeure, the Lessee may by giving written notice to the Lessor elect to extend the Term for a period of time equal to the duration of the event of Force Majeure.

Part 9 Force Majeure

9.1 Definition of Force Majeure

For the purposes of clause 8.4 "Force Majeure" means:

- (a) Act of God, fire, explosion, earthquake, landslide, flood, wash-out, lightning, storm or tempest;
- (b) strikes, lockouts, stoppages, restraints of labour or other industrial disturbances;
- (c) war, acts of public enemies, riot, civil commotion or sabotage;
- (d) breakdown of or accident to plant, machinery or equipment except where such breakdown is due to a failure by the Party claiming Force Majeure to maintain the plant, machinery or equipment in a proper manner;

- (e) restraints, embargoes or other unforeseeable actions by the government of Western Australia or the government of the Commonwealth of Australia; or
- (f) any Act of Parliament, regulation, by-law, order, ordinance or rule.

9.2 Lack of funds

Performance or fulfilment of an obligation shall not be taken to be prevented by Force Majeure if it is prevented by lack of funds or by inability to use available funds resulting from Force Majeure.

9.3 Claiming benefit of Force Majeure

A Party claiming the benefit or protection of clause 8.3 shall:

- (a) promptly give notice to the other Party of the occurrence and circumstances in respect of which the claim arises;
- (b) take all reasonable steps to ameliorate and remedy the consequences of that occurrence without delay; and
- (c) resume performance in full of its obligations under this Sub-lease as soon as reasonably practicable.

9.4 Strikes, etc

Notwithstanding anything to the contrary contained in clause 9.3, no Party is by clause 9.3 required to settle any strikes, lockouts or other industrial disputes or disturbances on terms which in the opinion of such Party are contrary to its interests.

Part 10

Early termination and reduction of the Leased Area

10.1 Termination during extended Term

If the Term has been extended under clause 8.1 then the Lessee may elect to terminate this Sub-Lease by giving written notice of termination to the Lessor at least 4 months prior to commencement of harvesting of the second rotation of the Plantation Crop. If the Lessee gives notice of such termination to the Lessor under this clause 10.1, then this Sub-Lease will terminate on the date on which such harvesting is completed.

10.2 Termination by Lessee

The Lessee may terminate this Sub-Lease with immediate effect if the Lessor commits a material breach of this Sub-Lease and fails to remedy the breach or make reasonable compensation in money within one month after the Lessee has served a written notice on the Lessor requiring the Lessor to remedy the breach.

10.3 Termination by Lessor

- (a) Subject to clause 10.4, the Lessor may terminate this Sub-Lease with immediate effect if the Lessee fails to pay any instalment of Annual Rent or any other monetary sum payable under any Project Document by the due date for payment and such amount is not paid in full within six (6) months after the Lessor has served a written notice on the Lessee requesting payment.
- (b) The Lessor may terminate this Sub-Lease in respect of a Land Unit with immediate effect if the Lessee commits a material breach of this Sub-Lease in respect of that Land Unit (other than a failure to pay any instalment of Annual Rent or any other monetary sum payable by the Lessee under any Project Document) and fails to remedy the breach or make reasonable compensation in money within thirty (30) days after the Lessor has served a written notice on the Lessee requiring the Lessee to remedy the breach.

If this Sub-Lease is terminated in respect of a Land Unit under this clause 10.3, the provisions of clauses 10.4(b)(2), (3) and (4) shall apply to that termination as if references in those clauses to Defaulting Land Units were references to the Land Unit(s) in respect of which there has been a termination under this clause 10.3(c).

10.4 Termination of Defaulting Land Units

- (a) If:
 - (1) the Lessee fails to pay the whole or part of any instalment of Annual Rent or any other

monetary sum payable by the Lessee under any Project Document (the "Overdue Amount") within six (6) months after the due date for payment;

- (2) the non-payment of the Overdue Amount was due to the failure of a Grower to pay rent or other moneys to the Lessee in respect of a Land Unit ("the Defaulting Land Units");
- (3) the Lessee has given written notice to the Lessor clearly identifying the Defaulting Land Units and requesting that the Lessor not exercise any rights it has or may have under clause 10.2(b) in respect of the non-payment of the Overdue Amount; and
- (4) the Lessee has no right of termination under clause 10.5 or 10.6 in respect of any part of the Defaulting Land Units,

then the Lessor shall not be entitled to exercise its rights under clause 10.3(a) in respect of the non-payment of the Overdue Amount but may, in lieu of those rights, terminate this Sub-Lease with immediate effect in respect of the Defaulting Land Units.

- (b) If this Sub-Lease is terminated in respect of any Defaulting Land Units, with effect on and from the date of such termination:

- (1) the Lessee will be excused and released from its obligation to pay the Overdue Amount to the extent that the Overdue Amount relates to the Defaulting Land Units;
- (2) all right, title, estate and interest of the Lessee and the Grower in the Defaulting Land Units and in the Plantation Crop growing on the Defaulting Land Units ("the Forfeited Trees") shall terminate and vest in the Lessor;

- (3) the Defaulting Land Units will cease to form part of the Leased Area; and
- (4) subject to paragraph (5), the following provisions shall apply to the harvesting of the Forfeited Trees:

- (A) The Lessee shall harvest or cause to be harvested the Forfeited Trees at the same time as the Plantation Crop.
- (B) The Lessor shall pay to the Lessee an amount in respect of harvesting costs calculated in accordance with the following formula:

$$A = X \times \frac{Y}{Y+Z}$$

Where:

A is the amount payable by the Lessor to the Lessee under this sub-clause in respect of harvesting costs.

X is the total amount of the costs directly and reasonably incurred by the Lessee in harvesting the Plantation Crop and the Forfeited Trees.

Y is the total number of Defaulting Land Units in respect of which there has been a termination under this clause 10.4.

Z is the total number of Land Units (excluding any Defaulting Land Units) comprised in the Leased Area as at the date of harvesting.

- (C) All logs and other products derived from the Plantation Crop and the Forfeited Trees will be pooled as between the Lessor and the Lessee and the Lessor will receive

that proportion of such logs and other products as is determined in accordance with the following formula:

$$P = \frac{Y}{Y+Z} \times 100$$

Where:

P is the proportion of the total logs and other products derived from the Plantation Crop and the Forfeited Trees which the Lessor is entitled to receive expressed as a percentage.

Y is the total number of Defaulting Land Units in respect of which there has been a termination under this clause 10.4.

Z is the total number of Land Units (excluding any Defaulting Land Units) comprised in the Leased Area as at the date of harvesting.

- (4) Notwithstanding paragraph 10.4(b)(4), where any of the Defaulting Land Units are readily identifiable as a whole management compartment (being an area of Trees surrounded by firebreaks and/or access roads or tracks), the Lessor may elect that paragraph 10.4(b)(4) does not apply to those Defaulting Land Units. Where the Lessor so elects, the Lessor is to harvest the Forfeited Trees on those Defaulting Land Units and is to retain the product derived from those Forfeited Trees.

10.5 Loss of Plantation Crop

(a) If:

- (1) the whole or a substantial part of the Plantation Crop is

damaged or destroyed whether by fire or any other cause whatsoever; or

- (2) an independent forestry consultant commissioned by the Lessee reasonably determines that the whole or a substantial part of the Plantation Crop is no longer commercially viable,

the Lessee may terminate this Sub-Lease by giving not less than three (3) months' prior written notice of such termination to the Lessor. Termination under this clause shall take effect on and from the 30 June next following the expiration of the period of notice.

- (b) If so directed by the Lessor in writing within two (2) months after receipt of the Lessee's notice of termination, the Lessee shall at the Lessee's expense forthwith remove from the Leased Area all trees, logs, stumps and debris forming part of or derived from the Plantation Crop and re-seed pasture on the Leased Area.

10.6 Reduction of the Leased Area

- (a) If:
 - (1) the whole or any part of the Plantation Crop on a Land Unit is damaged or destroyed whether by fire or any other cause whatsoever; or
 - (2) an independent forestry consultant commissioned by the Lessee reasonably determines that the whole or any part of the Plantation Crop on a Land Unit is no longer commercially viable,

the Lessee may terminate this Sub-Lease in respect of that portion of the Land Unit on which the affected part of the Plantation Crop is or was growing ("the Surrendered Area"), by giving not less than three (3) months prior written notice of such termination to the Lessor. Termination under this clause shall take effect on and from the later of:

- (1) the 30 June next following the expiration of the period of notice; and

- (2) the date on which the Lessee has met all of its obligations under clause 10.6(b).

- (b) If so directed by the Lessor in writing within two (2) months after receipt of the Lessee's notice of termination, the Lessee shall at the Lessee's expense forthwith remove from the Surrendered Area all trees, logs, stumps and debris forming part of or derived from the Plantation Crop and, provided it is reasonably practicable to do so, fence off the Surrendered Area from the remainder of the Leased Area, re-seed pasture on the Surrendered Area and provide the Lessor and the lessor or sub-lessor under the Head Lease with reasonable access to the Surrendered Area.

10.7 Effect of termination

- (a) Termination of the whole or any part of this Sub-Lease under clause 10.1, 10.2, 10.3, 10.5 or 10.6 shall be without prejudice to any rights or obligations which may have accrued prior to the date of termination.
- (b) Termination of this Sub-Lease in respect of a Land Unit under clause 10.3(c), 10.4 or 10.6 shall not affect the rights or obligations of the Parties in respect of any other part of the Leased Area.
- (c) Termination of this Sub-Lease in respect of part of a Land Unit under clause 10.5 shall not affect the rights or obligations of the Parties in respect of any other part of that Land Unit.

10.8 Limited right of termination

Except as expressly provided in this Part, neither Party shall be entitled to terminate or rescind this Sub-Lease and the Lessor shall not be entitled to re-enter the Leased Area or forfeit this Lease, at any time prior to the expiration of the Term (as extended or renewed).

Part 11

Rights and obligations on expiration or termination

11.1 Removal of stumps, roads and tracks

The Lessor acknowledges and agrees with the Lessee that, except to the extent that clauses 10.4(b) and 10.5(b) apply, the Lessee will not be liable to remove or to pay for the removal of:

- (a) any stumps from the Leased Area; or
- (b) any roads or tracks constructed on the Leased Area or on any neighbouring land under clause 6.4,

at the expiration or earlier termination of this Sub-Lease.

11.2 Removal of products and equipment

During the three (3) month period following the expiration of this Sub-Lease, the Lessee may enter upon the Leased Area and remove any plant, equipment, implements or other things brought onto the Leased Area by or on behalf of the Lessee during the Term.

11.3 Products and equipment left by the Lessee

- (a) Any plant, equipment, implements or other things brought onto the Leased Area by or on behalf of the Lessee, which are not removed by the Lessee within the three (3) month period referred to in clause 11.2; and
- (b) any part of the Plantation Crop not harvested by the Lessee during the Term (as extended or renewed),

shall be the property of the Lessor.

Part 12

Ownership of the Plantation Crop

12.1 Ownership

Subject to clause 10.3, the Lessor acknowledges and agrees with the Lessee that the Plantation Crop will be and shall remain the property of the Lessee or any Grower for the period referred to in sub-clause 12.3.2.

12.2 Additional Rights

The Lessor hereby transfers and grants to the Lessee the following rights in addition to the other rights granted to the Lessee under this Sub-Lease:

- (a) to establish, tend and manage the Plantation Crop and to cultivate and plant seedling trees as part of the Plantation Crop;
- (b) to enter upon the Leased Area with or without vehicles and, to the exclusion of the Lessor and all other persons, to harvest the Plantation Crop and remove and sell the products derived from the Plantation Crop; and
- (c) to exercise and enjoy such of the rights and powers granted to the Lessee under this Lease as may be necessary to enable the Lessee to exercise the rights referred to in paragraphs (a) and (b) above.

12.3 Independent Proprietary Interest

12.3.1 The rights and interests granted to the Lessee under clauses 12.1 and 12.2 constitute an independent and severable grant of a proprietary interest in the Leased Area by the Lessor to the Lessee.

12.3.2 In the event that the Term or the leasehold interest of the Lessee under this Sub-Lease:

- (a) ends; or
- (b) is terminated (other than by effluxion of time or by the operation of Parts 2 or 10); or
- (c) becomes void whether by reason of some act or default of the Lessor or of the trustee in bankruptcy, receiver, receiver and manager, controller, administrator or liquidator of the Lessor, or for any other reason whatsoever,

the rights and interests granted to the Lessee under clauses 12.1 and 12.2 shall, unless expressly surrendered by the Lessee, continue in full force and effect and may be exercised and enjoyed by the Lessee until the date

on which the Term (as extended or renewed) would have ended by effluxion of time.

Part 13

Mining and petroleum activities

13.1 Definitions

In this part, the following expressions have the following meanings:

"Mining Activities" means all activities that may be carried out pursuant to a Mining Tenement.

"Mining Tenement" means any right or title available under the Mining Act 1978, and includes a permit to enter on private land.

"Petroleum Activities" means all activities that may be carried out pursuant to a Petroleum Title.

"Petroleum Title" means any right or title available under the Petroleum Act 1967, and includes a permit to enter on private land.

13.2 Application for Mining Tenement or Petroleum Title

If any person applies for a Mining Tenement or a Petroleum Title over any part of the Leased Area, then the following provisions shall apply:

- (a) The Lessor shall promptly notify the Lessee.
- (b) Neither the Lessor nor the Lessee shall consent to the application or do any act or thing that may assist the grant of the application without the prior written consent of the other Party.
- (c) The Lessee shall be entitled to object to or resist the application or to restrict the scope of the rights to be obtained by virtue of the grant of the application, to the fullest extent permitted by law.
- (d) For the purpose of giving full effect to paragraph (c) above, the Lessor shall sign such documents as the Lessee may require, and the Lessee shall be entitled to take such proceedings in the name of the Lessor as the Lessee considers appropriate. The Lessee

hereby indemnifies the Lessor for any loss suffered by the Lessor as a direct consequence of the Lessee exercising its rights under this paragraph (d).

- (e) The Lessor hereby appoints the Lessee its lawful attorney to execute the documents and to do the things referred to in paragraph (d).

13.3 Grant of Mining Tenement or Petroleum Title

If a Mining Tenement or a Petroleum Title is granted over any part of the Leased Area, then the following provisions shall apply:

- (a) The Lessor shall keep the Lessee informed as to the Mining Activities or Petroleum Activities carried out upon the Leased Area, and shall forward copies of all communications with the persons carrying out or proposing to carry out such activities.
- (b) The Lessor shall not consent to any use of water, felling of trees, stripping of bark or cutting of timber on the Leased Area.
- (c) If any compensation becomes payable by virtue of or in respect of Mining Activities or Petroleum Activities on the Leased Area, then the Lessor and the Lessee shall be entitled to compensation according to their respective interests in the area affected by those activities. The Lessor and the Lessee shall each be responsible for negotiating and recovering such compensation.
- (d) If the whole or part of this Sub-Lease is terminated under clause 10.4 or 10.5 as a result of Mining Activities or Petroleum Activities being carried out on the Leased Area, the provisions of clauses 10.4(b) and 10.5(b) shall not apply in respect of such termination.

Part 14 General

14.1 Warranties

The Lessor represents and warrants that:

- (a) as at the date of execution of this Sub-Lease, the Head Lease is valid and subsisting;
- (b) the Lessor is entitled under the Head Lease to grant this Sub-Lease to the Lessee; and
- (c) any consents which may be required to the granting of this Sub-Lease (other than those referred to in clause 2.1) have been obtained.

14.2 Costs

- (a) Each Party agrees to pay its own costs of and incidental to the preparation and negotiation of this Sub-Lease.
- (b) The Lessor agrees to pay all stamp duty and any registration fees payable on this Sub-lease.
- (c) Each Party agrees to pay its own costs of and incidental to the service of any notice requiring the other Party to remedy a default under this Sub-Lease.

14.3 Notices

All notices, consents, approvals and other communications required or authorised to be given under this Sub-Lease ("Notices") must be in writing and may be personally delivered or sent by pre-paid post or facsimile to the addressee's address specified in this Sub-Lease or such other address as the addressee may have notified from time to time. A Notice shall be deemed to be received:

- (a) if personally delivered, upon receipt;
- (b) if sent by pre-paid post within Australia, on the third day after posting;
- (c) if sent by pre-paid post outside Australia, on the seventh day after posting; and
- (d) if sent by facsimile, upon production of a successful transmission report by the sender's facsimile machine.

Each Party who sends a notice under this Sub-Lease agrees to immediately forward to the Representative a copy of any notice sent to the other Party if non compliance by the

recipient of the notice may give the sender grounds for termination of this Sub-Lease.

14.4 Dealings

- (a) The Lessee may sub-lease or grant a licence to occupy the whole or any part of the Leased Area without having to obtain the consent of the Lessor but only on terms and conditions consistent with this Sub-Lease and with the agreements and arrangements referred to in clause 2.2.
- (b) Subject to clause 14.4(c) neither Party may assign this Sub-Lease without first obtaining the consent of the other Party (which consent shall not be unreasonably withheld) and arranging (at the assigning party's cost) for the assignee to enter into a deed of covenant with the other party in a form approved by the other party under which the assignee agrees to comply with and be bound by the provisions of this Sub-Lease as if the assignee were named in this Sub-Lease in the place of the assigning party.
- (c) If for any reason whatsoever the Lessee ceases to be the Project Manager under the Agency Deed the Lessor will consent to the assignment of this Sub-Lease to any person fulfilling the position of Project Manager under the Agency Deed for the time being, subject to the proposed assignee assuming all the obligations of the Lessee under the Project Documents.
- (d) Notwithstanding anything to the contrary express or implied in this Sub-Lease, if the Lessee has failed to pay any instalment of Annual Rent or any other monetary sum payable by the Lessee under this Sub-Lease or under the Plantation Services Agreement and the Lessor has served notice on the Lessee requesting payment the Representative may, at its sole discretion, remedy such default by the Lessee and, upon doing so, and for so long as it continues to perform all duties and meet all

liabilities of the Lessee under this Sub-Lease, assume all the rights of the Lessee under this Sub-Lease provided that:

- (i) the Representative will assume no personal liability for doing so but will do so only in its capacity as Representative under the Agency Deed;
- (ii) the Representative is not bound to comply with the obligations contained in paragraphs 10.4(b) and 10.5(b) PROVIDED THAT:
 - (A) the Representative must re-imburse the Lessor the direct and reasonable costs incurred by the Lessor in performing any works under sub clauses 10.4(b) and 10.5(b) in respect of any Land Unit or part of a Land Unit out of any proceeds that the relevant Grower is entitled to receive in respect of that Land Unit; and
 - (B) the Representative must provide the Lessor and the lessor under the Head Lease with reasonable access to the Surrendered Area.
- (iii) a liability arising under this Sub-Lease can be enforced against the Representative only to the extent to which the Representative is entitled to be indemnified for the liability out of the property of the relevant Timbercorp Eucalypts Project under the Agency Deed; and
- (iv) this limitation of the Representative's liability applies despite any other provision of this Sub-Lease and extends to all liabilities and obligations of the Representative in any way

connected with any representation, warranty, conduct, omission, agreement or transaction related to the 1998 Timbercorp Eucalypts Project or this Sub-Lease provided that the Representative exercises its powers in good faith.

- (e) The Lessee is only entitled to assign this Sub-Lease under clause 14.4(b) or clause 14.4(c) if the assignee has entered into a deed of covenant with the Lessor in a form approved by the Lessor under which the assignee agrees to comply with and be bound by the provisions of the Wood Purchase Agreement as if the assignee were named in that agreement as Project Manager in the place of the Lessee.

14.5 Caveat

- (a) The Lessee may lodge a subject to claim caveat at the Office of Titles, Midland in respect of its interest under this Sub-Lease.
- (b) The Lessor agrees to provide to the Lessee all plans and other details reasonably necessary to enable the Lessee to lodge a subject to claim caveat.
- (c) Upon the expiration or earlier termination of this Sub-Lease, the Lessee must promptly withdraw at its own expense any caveat lodged under this clause.

14.6 Further assurances

Each Party agrees to sign such documents and do all such acts, matters and things as may be reasonably required by the other Party to give effect to this Sub-Lease.

14.7 Voiding insurances

Each Party agrees that it will not do or permit or suffer to be done any act, matter or thing which may prejudice or render void or voidable any insurances in respect of the Leased Area, the Plantation Crop, any Defaulting Land Units in respect of which there has been a termination under clause 10.4 or any Forfeited Trees, or result in the

premiums for such insurances being increased.

14.8 Transfer of Land Act

To the extent permitted by law, all provisions implied by the Transfer of Land Act 1893 are expressly excluded from this Sub-Lease.

14.9 Property Law Act

The provisions of sections 80 and 82 of the Property Law Act 1969 shall not apply to this Sub-Lease.

14.10 No partnership

Nothing contained in this Sub-Lease shall constitute either Party the partner or agent of the other Party and each Party agrees that it will not hold itself out as the partner or agent of the other Party. Subject to paragraphs 14.4(c) and (d), this Sub-Lease is not for the benefit of any person not a party to this Sub-Lease and shall not be deemed to give any right or remedy to any such person.

14.11 Waivers

No waiver by a Party of any breach of this Sub-Lease shall be deemed a waiver of any preceding or succeeding breach of this Sub-Lease.

14.12 Proper law

This Sub-Lease shall be governed by and construed in accordance with the laws of the State of Western Australia and the Parties agree to submit to the jurisdiction of the courts of that State.

14.13 Severability

If any provision of this Sub-Lease is or becomes void or unenforceable, that provision shall be severed from this Sub-Lease to the intent that the remaining provisions of this Sub-Lease shall continue in full force and effect.

14.14 Parties may act through agents

All rights granted to a Party and all obligations imposed on a Party under this Sub-Lease may be enjoyed or performed (as the case may be) by that Party's employees, agents and contractors.

Part 15

Definitions and interpretation

15.1 Definitions

In this Sub-Lease, the following words and expressions have the following meanings:

"**Agency Deed**" means the agency deed made on 1 May 1992 between the Lessee, the Representative and each several Grower (as amended from time to time).

"**Annual Rent**" means the rent specified in Item 3 of the Schedule as reviewed from time to time in accordance with clause 3.2.

"**Commencement Date**" means the commencement date of this Sub-Lease referred to in Item 2 of the Schedule.

"**Defaulting Land Unit**" is defined in clause 10.4(a)(2).

"**Forfeited Trees**" is defined in clause 10.4(b)(2).

"**Grower**" means the sub-lessee of the Lessee.

"**Head Lease**" means the head lease referred to in Item 4 of the Schedule.

"**Land Unit**" means any of the pieces of land, each of approximately one hectare in area, which together comprise the Leased Area and which are specified in Item 1 of the Schedule and/or identified on the map attached to this Sub-Lease.

"**Leased Area**" means the land described in Item 1 of the Schedule (as reduced pursuant to this Sub-Lease if applicable).

"**month**" means calendar month.

"**Overdue Amount**" is defined in Clause 10.4(a)(1).

"**Party**" means the Lessor or the Lessee, as the case may be, or where the Representative has assumed the rights, duties and obligations of the Lessee under paragraph 14.4(d), the Lessor or the Representative, as the case may be.

"**Plantation Crop**" means the crop or crops of eucalyptus trees planted and tended or to be planted and tended on the Leased Area by the Lessee (as reduced pursuant to this Sub-Lease if applicable).

"Plantation Services Agreement" means an agreement to provide plantation services in respect of the Plantation Crop entered into between the Lessor (or its nominee) and the Lessee (or its nominee) on or before the Commencement Date.

"Project Documents" means this Sub-Lease and the Plantation Services Agreement.

"Related Body Corporate" has the meaning given to that term in section 9 of the Corporations Law.

"Review Dates" means the dates referred to in clause 3.2.

"Term" means the term of this Sub-Lease, comprising the initial term specified in Item 2 of the Schedule and, where the context permits, any extension of that term under Part 8.

"Wood Purchase Agreement" means an agreement to purchase the produce from the Plantation Crop entered into between the Lessor (or its nominee) and the Lessee (or its nominee) on or before the Commencement Date.

15.2 Interpretation

In this Sub-Lease, unless the context otherwise requires:

- (a) the singular number includes the plural and vice versa and a word denoting one gender includes each of the other genders;
- (b) "person" includes a firm, a corporation and any incorporated body;
- (c) headings are for convenience only and do not affect the interpretation of this Sub-Lease;
- (d) a reference to an Act of Parliament shall be read as a reference to that Act as amended, modified or replaced from time to time and includes any regulations, by-laws, orders, ordinances or rules made under that Act;
- (e) a reference to a Party to this Sub-Lease includes that Party's transferees, successors and permitted assigns;

- (f) if the Lessee comprises more than one person, the provisions of this Sub-Lease binds all of them jointly and each of them severally;
- (g) except to the extent that the Representative may assume the rights of the Lessee, if the Lessee or any of the persons comprising the Lessee is a trustee, this Sub-Lease binds that person in its capacity as trustee and personally; and
- (h) where the word "include" or "includes" is used, it is to be read as if the expression "(but is not limited to)" immediately followed such word and where the word "including" is used, it is to be read as if the expression "(but not limited to)" immediately followed such word.

SCHEDULE

Item 1 Leased Area (attach map clearly identifying each Land Unit):

Those portions of Hay Location 1085 being part of the land described in Certificate of Title Volume 1109 Folio 875, and those parts of Hay Location 743 being part of the land described in Certificate of Title Volume 1170 Folio 816, as are delineated into one hectare units numbered from 1 to 262 on the map annexed hereto.

Hectare Units: 262

Item 2 Initial Term:

The period commencing on 30 June 1998 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date;
- (b) the date harvesting of the Plantation Crop is completed for the first time; and
- (c) the day immediately preceding the termination date of the Head Lease.

Item 3 Annual Rent:

For each Land Unit the sum of two hundred and five dollars (\$205.00) per annum payable annually in advance on 30 June during each year of the Term.

PROVIDED THAT upon termination of this Sub-Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Lessor shall forthwith refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee shall forthwith pay that amount to the Lessor.

Item 4 Head Lease:

- (1) Commencement Date: 15 March 1998
- (2) Termination date: 14 March 2016

- (3) Name of lessor or sub-lessor under the Head Lease:

Loc.743 - Philip Thomas SLADE and Betty Doreen SLADE

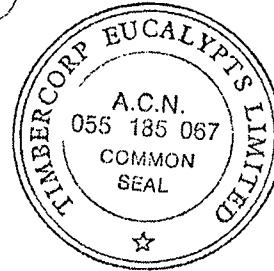
Loc. 1085 - Philip Thomas SLADE, Betty Doreen SLADE, and David Slade

EXECUTED as a deed.

THE COMMON SEAL of BUNNINGS TREEFARMS PTY LTD is affixed in accordance with its Articles of Association in the presence of:

Secretary/Director

Director



THE COMMON SEAL of TIMBERCORP EUCALYPTS LIMITED is affixed in accordance with its Articles of Association in the presence of:

Secretary

Director

EXECUTED in Melbourne by PERMANENT TRUSTEE COMPANY LIMITED by being SIGNED SEALED AND DELIVERED by its

attorney

pursuant to a Power of Attorney dated

25 JUN 1998

in the presence of:

Witness:

Name of Witness: Williams

S. SILAVECKY
MANAGER
Permanent Trustee Co Ltd



1998 ~~143~~
214

SUB-LEASE – WESTERN AUSTRALIA
(1998 PROJECT - 1998 PLANTINGS)
(SINGLE ROTATION)

B E T W E E N

TIMBERCORP EUCALYPTS LIMITED

A.C.N. 055 185 067

(the "Project Manager")

- and -

PERMANENT TRUSTEE COMPANY LIMITED

A.C.N. 000 000 993

(the "Representative")

- and -

EACH SEVERAL GROWER

(the "Grower")

CONTENTS

1. DEFINITIONS	1
2. INTERPRETATION	3
3. GRANT OF SUB-LEASE	3
4. CONDITIONS	4
5. RENT	5
6. RELEVANT GROWER'S OBLIGATIONS	6
7. PROJECT MANAGER'S OBLIGATIONS	7
8. RELEVANT GROWER'S RIGHTS	8
9. LESSOR'S RIGHTS	10
10. FORCE MAJEURE	10
11. EARLY TERMINATION AND REDUCTION OF THE RELEVANT WOODLOTS	11
12. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION	14
13. OWNERSHIP OF THE TREES	14
14. MINING AND PETROLEUM ACTIVITIES	15
15. WARRANTIES	17
16. NOTICES	17
17. CAVEAT	17
18. GENERAL	18

THIS SUB-LEASE is made on

30

June 1998.

BETWEEN:

FIRST PARTY: **TIMBERCORP EUCALYPTS LIMITED**, A.C.N. 055 185 067 of 5th Floor, 95 Queen Street, Melbourne, Victoria (the "Project Manager"); and

SECOND PERMANENT TRUSTEE COMPANY LIMITED, A.C.N. 000 000 993 of 294-296 Collins Street, Melbourne, Victoria ("the Representative"); and

THIRD PARTY: Each several person who is named or otherwise described in Part 2 of the Schedule and his transferees and assigns (as permitted under the Agency Deed) (each of whom is called a "Grower"; whichever relevant Grower is of concern in any particular circumstances is called "the relevant Grower"; and all of whom are called "the relevant Growers").

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D/S \$ *****28,549.70

RECITALS:

- A. The Project Manager holds leases or sub-leases over the pieces of land described in Part 1 of the Schedule (each such piece of land being called in this Sub-Lease a "Plantation").
- B. The Project Manager has agreed to sub-let to each relevant Grower one or more separate Woodlots as set out in Part 2 of the Schedule, each Woodlot comprising part of one of the Plantations, for the purpose of planting, tending and harvesting a plantation of eucalyptus trees on the basis that the relevant Grower will pay rent and upon the further terms and conditions set out in this Sub-Lease.
- C. Pursuant to the provisions of the Agency Deed each relevant Grower (or its predecessor in title) has contributed Plantation Money to the Representative as the relevant Grower's agent to be expended on certain plantation services and for other purposes.
- D. The Representative is a party to this Sub-Lease only in its capacity as Representative for the relevant Growers under the Agency Deed and for the purpose of assuming the rights, duties and obligations of the Project Manager in the circumstances and on the terms and conditions set out in clause 11.6.

OPERATIVE PROVISIONS:

1. DEFINITIONS

In this Sub-Lease unless the context otherwise requires:

"Agency Deed" means the Agency Deed made on 1 May 1992 between the Project Manager, the Representative and each several Applicant and Grower and amended by the first supplemental deed made on 29 March 1993, the second supplemental deed made on 3 May 1993, the third supplemental deed made on 21 April 1994, the fourth supplemental deed made on 11 April 1995, the fifth supplemental deed made on 2 April 1996, the sixth supplemental deed made on 3 March 1997 and the seventh supplemental deed made on 12 March 1998 between those parties.

"relevant Wood Purchase Agreement" means an agreement for the sale of Wood from the relevant Woodlots and other Woodlots on the Plantations that are leased under the Bunnings Head Leases (but not the non Bunnings Head Leases) entered into by one or more several Growers and the Representative with Bunnings Treefarms Pty Ltd, (the "Purchaser" therein) and its successors and assigns.

"Commencement Date" means the date set out in Part 3 of the Schedule.

"Debris" means all those parts of Trees which are not Wood (including branches and treetops), but excluding stumps and roots, wire, rope and miscellaneous rubbish.

"Force Majeure" has the meaning set out in clause 10.2.

"Head Lease" means the agreement dated the date set out adjacent to the description of the Plantation in Part 1 of the Schedule and made between the Project Manager (as lessee or sub-lessee as the case may be) and the person listed as the proprietor (as lessor or sub-lessor as the case may be) whereby the Project Manager has been granted a lease or sub-lease over the Plantation subject to the provisions of the said agreement; and

- A. **"Bunnings Head Lease"** means a Head Lease that is a sub-lease between Bunnings Treefarms Pty Ltd, the Representative and the Project Manager; and
- B. **"non Bunnings Head Lease"** means a Head Lease that is a lease or a sub-lease between a person who is not Bunnings Treefarms Pty Ltd, the Representative (if applicable), and the Project Manager.

"relevant Management Agreement" means the agreement of even date for the carrying out of certain plantation services on the relevant Woodlots and on the relevant Plantation between each several Grower, the Project Manager and the Representative.

"Management Plan" means the plan for the management of each Plantation (as varied by the Project Manager with the approval of the Representative) which plans are annexed to the relevant Management Agreement and the expression "relevant Management Plan" means the plan for the management of the relevant Plantation.

"month" means calendar month.

"Party" means a party to this Sub-Lease and includes the transferees, successors and permitted assigns of that party.

"Plantation" has the meaning set out in Recital A. The "relevant Plantation" is the Plantation which contains a relevant Woodlot.

"Plantation Money" has the same meaning as in sub-clause 1.1 of the Agency Deed.

"Proceeds" has the same meaning as in sub-clause 1.1 of the Agency Deed.

"relevant Prospectus" means the Timbercorp Eucalypts Project 1998 Prospectus issued by the [Project Manager].

"Schedule" means the schedule appearing at the back of this Sub-Lease.

"Term" means the term of this Sub-Lease as specified in Part 3 of the Schedule plus any extension thereof under clause 10.1.

"Trees" means the crop of eucalyptus trees the subject of the relevant Management Plan planted and tended or to be planted and tended on the relevant Woodlots, or on the relevant Plantation, whichever is applicable.

"Wood" means any saleable wood derived from Trees grown pursuant to this Sub-Lease and the relevant Management Agreement on the relevant Woodlots, or on the relevant Plantation, whichever is applicable, whether in the form of trees, logs, timber or otherwise.

"relevant Woodlots" means the Woodlot or Woodlots to which the relevant Grower is entitled under the provisions of this Sub-Lease as specified in Part 2 of the Schedule and more particularly delineated on the maps in Part 1 of the Schedule.

2. INTERPRETATION

In this Sub-Lease, unless the context otherwise requires:

- (a) The singular number includes the plural and vice versa and a word denoting one gender includes each of the other genders.
- (b) "person" includes a firm, corporation and any incorporated body.
- (c) Headings are for convenience only and do not affect the interpretation of this Sub-Lease.
- (d) A reference to an Act of Parliament shall be read as a reference to that Act as amended, modified or replaced from time to time and includes any regulations, by-laws, orders, ordinances or rules made under that Act.
- (e) A reference to a Party to this Sub-Lease includes that Party's transferees, successors and permitted assigns.
- (f) If the relevant Grower comprises more than one person, this Sub-Lease binds all of them jointly and each of them severally. If any of the persons comprising the relevant Grower is a trustee, this Sub-Lease binds that person in its capacity as a trustee and personally.
- (g) Where the word "include" or "includes" is used, it is to be read as if the expression "(but is not limited to)" immediately followed such word and where the word "including" is used, it is to be read as if the expression "(but not limited to)" immediately followed such word.
- (h) Words and expressions used in this Sub-Lease have the same meaning as in the Agency Deed unless the contrary requires.

3. GRANT OF SUB-LEASE

The Project Manager sub-leases to the relevant Grower the Woodlot or Woodlots described against the name of the relevant Grower in Part 2 of the Schedule for the

Term for the purpose of growing, tending and harvesting a plantation or plantations of eucalyptus trees.

4. CONDITIONS

4.1 Consents and approvals

This Sub-Lease is subject to and conditional upon the obtaining of the following consents and approvals within twelve (12) months after the date of execution of this Sub-Lease:

- (a) the approval of the Western Australian Planning Commission under section 20(1)(a) of the Town Planning and Development Act 1928 (if such approval is required); and
- (b) all local, State and Commonwealth government approvals, licences or permission required for the establishment of the Trees.

The condition referred to in paragraph 4.1(b) is deemed to be a condition subsequent.

4.2 Other agreements

This Sub-Lease is subject to and conditional upon:

- (a) the relevant Grower entering into the relevant Management Agreement;
- (b) the relevant Grower entering into, in respect of relevant Woodlots comprising part of a Plantation that has been leased under a Bunnings Head Lease, the relevant Wood Purchase Agreement; and
- (c) the Project Manager entering into the Head Lease,

in respect of the Trees on or prior to the Commencement Date.

4.3 Use all reasonable endeavours to ensure conditions satisfied

The Project Manager must use all reasonable endeavours to ensure that the condition specified in clause 4.1(a) is satisfied as soon as is reasonably practicable. Each of the Project Manager and the relevant Grower will use all reasonable endeavours to ensure that the conditions specified in clause 4.1(b) are satisfied as soon as is reasonably practicable, and where required will keep each other fully informed as to progress towards satisfaction of the conditions.

4.4 Failure of conditions

If any of the conditions referred to in clauses 4.1 or 4.2 of this Sub-Lease or any like conditions referred to in the Head Lease are not obtained within the time limited in those clauses:

- (a) this Sub-Lease shall be at an end; and

- (b) the Project Manager shall immediately repay to the relevant Grower any instalments of Annual Rent or other moneys paid by the relevant Grower to the Project Manager under this Sub-Lease.

5. RENT

5.1 Annual Rent

The relevant Grower shall duly and punctually pay to the Project Manager during the Term the rent specified in Part 4 of the Schedule as reviewed from time to time in accordance with clause 5.2 ("Annual Rent").

5.2 Rent reviews

The Annual Rent shall be reviewed on the first 31 May after the date of execution of this Sub-Lease (whether or not the date of execution of this Sub-Lease falls before or after the Commencement Date) and each 31 May thereafter during the Term (as extended or renewed) ("Review Dates"). The Annual Rent payable on and from each review Date shall be the greater of:

- (a) the Annual Rent payable immediately prior to the relevant Review Date; and
- (b) the amount calculated in accordance with the following formula:

$$NR = R \times \frac{NCPI}{CPI}$$

Where:

NR is the Annual Rent payable on and from the relevant Review Date.

R is the Annual Rent payable immediately prior to the relevant Review Date.

NCPI is the Consumer Price Index (All Groups) for the City of Perth (or any substitute accepted by the government of the Commonwealth of Australia) as last published by the Australian Bureau of Statistics prior to the relevant Review Date.

CPI is the Consumer Price Index (All Groups) for the City of Perth (or any substitute accepted by the government of the Commonwealth of Australia) as last published by the Australian Bureau of Statistics prior to the immediately preceding Review Date or, in the case of the first review, as last published by the Australian Bureau of Statistics prior to the date of execution of this Lease.

5.3 Discontinuation or suspension of CPI

If the Consumer Price Index (All Groups) for the City of Perth is discontinued or suspended, the method of review set out in clause 5.2(b) will cease to apply and will be replaced with such alternative method as is mutually agreed between the Project Manager and the relevant Grower or, if they fail to agree, such alternative method as in the opinion of an expert appointed by the President for the time being of the Institute of Chartered Accountants (Western Australia Division) at the request of either of them most closely reflects changes in the cost of living for the City of Perth. The cost of any

expert determination carried out under this clause shall be borne equally between the Project Manager and the relevant Grower.

6. RELEVANT GROWER'S OBLIGATIONS

The relevant Grower agrees with the Project Manager that the relevant Grower will at the relevant Grower's expense during the Term:

6.1 Permitted use

Use the relevant Woodlots solely for the purpose of growing, tending and harvesting a plantation or plantations of eucalyptus trees.

6.2 Forestry practice

Comply with sound silvicultural and environmental practices adopted within the forestry industry.

6.3 Comply with laws

Comply with all laws and regulations relating to the use and occupancy of the relevant Woodlots.

6.4 Repairs

Promptly repair any damage caused by the relevant Grower or its employees, agents or contractors to any roads, tracks or fences on the relevant Woodlots or on any neighbouring land.

6.5 Interference with activities

Take all reasonable steps to avoid interfering with the activities carried out on any neighbouring land by the owner or occupier of that land.

6.6 Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to vegetation, livestock, crops or water reserves on any neighbouring land.

6.7 Buildings

Not erect any buildings, structures or dwellings or use any caravans on the relevant Woodlots for accommodation purposes except to the extent that such facilities are reasonably required by the relevant Grower for the bona fide management of the Trees.

6.8 Remove facilities

Remove any building, structure, dwelling or caravan from the relevant Woodlots as soon as it is no longer reasonably required by the relevant Grower for the bona fide management of the Trees.

6.9 Permit Project Manager to enter

Permit the Project Manager to enter upon the relevant Woodlots from time to time with or without equipment for the purpose of performing the Project Manager's obligations under this Sub-Lease.

6.10 Comply with other agreements

Comply or procure compliance with the provisions of the agreements referred to in paragraphs 4.2(a) and (b).

6.11 Give access to owners of adjoining Woodlots

Give such rights of way and free access to the owners or occupiers of any Woodlot adjoining the relevant Woodlots as are necessary for their proper use and enjoyment of their Woodlots, but such rights of access shall be limited to the unimpeded use of any existing access roads, pathways or fire-breaks on or about their Woodlot.

7. PROJECT MANAGER'S OBLIGATIONS**7.1 Prior to Commencement Date**

The Project Manager agrees with the relevant Grower that the Project Manager will at the Project Manager's expense prior to the Commencement Date (or such later date as the relevant Grower may agree):

(a) Boundary fence

Construct or cause to be constructed a fence along the external boundary of the relevant Plantation, or in such other location as the Project Manager deems fit, suitable to restrain livestock from straying onto the relevant Woodlots.

(b) Declared plants and animals

Take or cause to be taken all reasonable steps to control any plants or animals on or about the relevant Woodlots which are "declared plants" or "declared animals" within the meaning of the Agriculture and Related Resources Protection Act 1976.

7.2 During the Term

The Project Manager agrees with the relevant Grower that the Project Manager will at the Project Manager's expense during the Term:

(a) Quiet enjoyment

Allow the relevant Grower to peaceably and quietly hold and enjoy the relevant Woodlots without any interruption by the Project Manager or any person claiming through or under the Project Manager.

(b) Maintain boundary fence

Maintain or cause to be maintained the fence constructed pursuant to clause 7.1 on the relevant Woodlots in good and substantial repair and condition.

(c) Rates and taxes

Duly and punctually pay or cause to be paid all rates, taxes and other charges levied by any government or other authority in respect of the relevant Woodlots.

(d) Comply with laws

Comply with all laws and regulations relating to the use and occupancy of any neighbouring land occupied by the Project Manager.

(e) Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to vegetation, livestock, crops or water reserves on the relevant Woodlots.

(f) Comply with Head Lease

Comply with the provisions of the Head Lease.

(g) Control of fires

Take all necessary measures to ensure that any fires which may occur or be lit on any neighbouring land owned or occupied by the Project Manager are properly controlled and supervised.

(h) Not create any encumbrances

Not create any encumbrances over the relevant Plantation or the relevant Woodlots or any part thereof ranking in priority to the interests of the relevant Growers under this Sub-Lease other than the agreement referred to in paragraph 4.2(a).

8. RELEVANT GROWER'S RIGHTS

8.1 General

The Project Manager hereby grants to the relevant Grower the rights set out in this part to be exercised by the relevant Grower during the Term.

8.2 Harvest

The relevant Grower shall be entitled to harvest the Trees and to remove and sell the products derived from the Trees and to retain all income from such sale.

8.3 Trees are property of the relevant Grower

The parties acknowledge and agree that the Trees are and will remain the property of the relevant Grower until the end of the Term.

8.4 Access

The relevant Grower shall be entitled to full and free access for any purpose whatsoever to the relevant Woodlots along any road or track on any neighbouring land in respect of which the Project Manager has similar rights and which gives access to the relevant Woodlots from a public road.

8.5 Construct roads and tracks

The relevant Grower may with the prior written consent of the Project Manager, which consent must not be unreasonably withheld, construct and maintain such roads and tracks (including, if necessary, bridges and culverts) on the relevant Woodlots or on any neighbouring land in respect of which the Project Manager has similar rights, as are reasonably required by the relevant Grower to provide access to the relevant Woodlots from a public road for log haulage.

8.6 Use of sand and gravel

For the purposes of constructing and maintaining the roads and tracks referred to in clause 8.5 the relevant Grower may take and use sand, gravel and other material available from a place approved by the Project Manager on the relevant Woodlots or on any neighbouring land in respect of which the Project Manager has similar rights, in such quantities as the relevant Grower reasonably requires. If the relevant Grower exercises its rights under this clause, the relevant Grower must rehabilitate the surface of the land to an appearance as near as possible to the appearance of the surface of the surrounding land.

8.7 Graze livestock

In the event that none of: the owner of the relevant Plantation, the lessor under the Head Lease or the Project Manager graze livestock under clause 9.2, the relevant Grower may graze livestock on the relevant Woodlots and retain all income derived therefrom.

8.8 Bees

In the event that none of: the owner of the relevant Plantation, the lessor under the Head Lease or the Project Manager keep bees under clause 9.3, the relevant Grower may keep bees on the relevant Woodlots.

8.9 Security

The relevant Grower may at its own expense padlock any gates on roads or tracks entering the relevant Woodlots and take such other measures to exclude trespassers as the relevant Grower reasonably considers appropriate. Upon request, the relevant Grower must provide the Project Manager with a key to any padlocks, or if the relevant Grower has taken any other measures under this clause, such other means of entry, to the relevant Woodlots.

8.10 Signs

The relevant Grower may at its own expense erect and maintain a sign on the relevant Woodlots detailing the name, area, tree species, year of planting and such other matters as the relevant Grower reasonably considers appropriate.

9. Lessor's rights

9.1 General

The Grower hereby grants to the Project Manager the rights set out in this part to be exercised by the Project Manager during the Term.

9.2 Graze livestock

The Project Manager or its invitees may graze livestock on the relevant Woodlots and retain all income derived therefrom.

9.3 Bees

The Project Manager or its invitees may keep bees on the relevant Woodlots and retain all income derived therefrom.

9.4 Access

The Project Manager shall be entitled to full and free access for the purposes of grazing livestock and/or keeping bees with or without vehicles to the relevant Woodlots along any road or track or any neighbouring land owned or occupied by the Project Manager which gives access to the relevant Woodlots from a public road.

9.5 Further access

The Project Manager shall be entitled to full and free access with or without vehicles to the relevant Woodlots for the purpose of accessing neighbouring land owned or occupied by the Project Manager.

9.6 Use of sand and gravel

The Project Manager may with the approval of the Grower take and use sand, gravel and other material from a place on the relevant Woodlots which does not derogate from the productivity of the Trees. The Grower may withhold the approval in the event that it believes that the removal of the sand, gravel and other material will derogate from the productivity of the Trees.

10. FORCE MAJEURE

10.1 Extension for late harvesting

If the relevant Grower is prevented from:

- (a) harvesting the Trees;
- (b) removing from the relevant Woodlots the products derived from the Trees;
or
- (c) processing the products derived from the Trees,

due to an event of Force Majeure, the relevant Grower or the Representative on behalf of the relevant Grower may by giving written notice to the Project Manager elect to extend the Term for a period of time equal to the duration of the event of Force Majeure.

10.2 Definition of Force Majeure

In this part "Force Majeure" means:

- (a) Act of God, fire, explosion, earthquake, landslide, flood, wash-out, lightning, storm or tempest;
- (b) strikes, lockouts, stoppages, restraints of labour or other industrial disturbances;
- (c) war, acts of public enemies, riot, civil commotion or sabotage;
- (d) breakdown of or accident to plant, machinery or equipment (excluding a breakdown caused by any failure of the person claiming Force Majeure to maintain plant, machinery or equipment in a proper manner);
- (e) restraints, embargoes or other unforeseeable actions by the government of Western Australia or the government of the Commonwealth of Australia; or
- (f) any Act of Parliament, regulation, by-law, order, ordinance or rule.

10.3 Lack of funds

Performance or fulfilment of an obligation shall not be taken to be prevented by Force Majeure if it is prevented by lack of funds or by inability to use available funds resulting from Force Majeure.

10.4 Claiming benefit of Force Majeure

If the relevant Grower claims the benefit or protection of clause 10.1, the relevant Grower must:

- (a) promptly give notice to the Project Manager of the occurrence and of which the claim arises;
- (b) take all reasonable steps to ameliorate and remedy the consequences of that occurrence without delay; and
- (c) resume performance in full of its obligations under this Sub-Lease as soon as reasonably practicable.

10.5 Strikes, etc

Notwithstanding anything to the contrary contained in clause 10.4, no Party is by clause 10.4 required to settle any strikes, lockouts or other industrial disputes or disturbances on terms which in the opinion of such Party are contrary to its interests.

11. EARLY TERMINATION AND REDUCTION OF THE RELEVANT WOODLOTS

11.1 Termination for default

- (a) The relevant Grower may terminate this Sub-Lease in respect of the relevant Woodlots with immediate effect if the Project Manager commits a material breach of this Sub-Lease and fails to remedy the breach or make reasonable compensation in money within thirty (30) days after the relevant

Grower or the Representative on behalf of the relevant Grower has served a written notice on the Project Manager requiring the Project Manager to remedy the breach.

- (b) The Project Manager may terminate this Sub-Lease in respect of the relevant woodlots with immediate effect if:
 - (i) the relevant Grower fails to pay any instalment of annual rent by the due date for payment and such amount is not paid in full within 6 months after the Project Manager has served a written notice on the relevant Grower requesting payment; or
 - (ii) the relevant Grower commits a material breach of this Sub-Lease and fails to remedy the breach or make reasonable compensation in money within thirty (30) days after the Project Manager has served a written notice on the relevant Grower requiring the relevant Grower to remedy the breach.

11.2 Loss of Trees

- (a) If, in respect of any of the relevant Woodlots:
 - (i) the whole or a substantial part of the Trees is damaged or destroyed whether by fire or any other cause whatsoever; or
 - (ii) an independent forestry consultant commissioned by the relevant Grower reasonably determines that the whole or a substantial part of the Trees is no longer commercially viable,

the relevant Grower or the Representative acting on behalf of the relevant Grower may terminate this Sub-Lease in respect of the relevant Woodlots by giving not less than four (4) months' prior written notice of such termination to the Project Manager. Termination under this clause shall take effect on and from the 30 June next following the expiration of the period of notice.
- (b) If so directed by the Project Manager in writing within two (2) months after receipt of the relevant Grower's notice of termination, the relevant Grower must, subject to clause 18.11, at the relevant Grower's expense forthwith remove from the relevant Woodlots all trees, logs, stumps and debris forming part of or derived from the Trees and re-seed pasture on the relevant Woodlots.

11.3 Reduction of the relevant Woodlots

- (a) If in respect of any of the relevant Woodlots:
 - (i) part of the Trees is damaged or destroyed whether by fire or any other cause whatsoever; or
 - (ii) an independent forestry consultant commissioned by the relevant Grower reasonably determines that part of the Trees is no longer commercially viable,

the relevant Grower or the Representative acting on behalf of the relevant Grower may terminate this Sub-Lease in respect of that portion of the relevant Woodlots on which the affected part of the Trees is or was growing ("the surrendered area"), by giving not less than four months prior written notice of such termination to the Project Manager. Termination under this clause shall take effect on and from the later of:

- (i) the 30 June next following the expiration of the period of notice; and
 - (ii) the date on which the relevant Grower has met all of its obligations under clause 11.3(b).
- (b) If so directed by the Project Manager in writing within two (2) months after receipt of the relevant Grower's notice of termination, the relevant Grower must, subject to clause 18.11, at the relevant Grower's expense forthwith remove from the surrendered area all trees, logs, stumps and debris forming part of or derived from the Trees and, provided it is reasonably practicable to do so, fence off the surrendered area from the remainder of the relevant Woodlots, re-seed pasture on the surrendered area and provide the Project Manager and the lessor or sub-lessor under the Head Lease with reasonable access to the surrendered area.

11.4 Effect of termination

- (a) Termination of this Sub-Lease under clauses 11.1 or 11.2 or reduction of the relevant Woodlots under clause 11.3 shall be without prejudice to any rights or obligations which may have accrued prior to the date of termination.
- (b) Termination of this Sub-Lease in respect of a relevant Woodlot or part of a relevant Woodlot under this part 11 shall not affect the rights or obligations of the Parties in respect of any other relevant Woodlot or other part of the relevant Woodlot.

11.5 Limited right of termination

Except as expressly provided in this Part, neither the Project Manager nor the relevant Grower shall be entitled to terminate or rescind this Sub-Lease and the Project Manager shall not be entitled to re-enter the relevant Woodlots or forfeit this Lease, at any time prior to the expiration of the Term.

11.6 Representative may assume rights duties and obligations of Project Manager

Notwithstanding anything to the contrary express or implied in this Sub-Lease, if for any reason whatsoever the Project Manager ceases to be the Project Manager of the 1998 Timbercorp Eucalypts Project, the Representative may (but is not obliged to) at its sole discretion, assume all the rights, subject to it assuming all duties, liabilities and obligations, of the Project Manager under this Sub-Lease until such time as a new project manager is appointed PROVIDED THAT:

- (a) the Representative will assume no personal liability for doing so but will do so only in its capacity as Representative under the Agency Deed;
- (b) a liability arising under this Sub-Lease can be enforced against the Representative only to the extent to which the Representative is entitled to be indemnified for the liability under the Agency Deed; and
- (c) this limitation of the Representative's liability applies despite any other provision of the Sub-Lease and extends to all liabilities and obligations of the Representative in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the relevant Project or this Sub-Lease provided that the Representative exercises its powers in good faith.

12. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION

12.1 Removal of stumps, roads and tracks

The Project Manager acknowledges and agrees with the relevant Grower that, except to the extent that clauses 11.2(b) and 11.3(b) apply, the relevant Grower will not be liable to remove or to pay for the removal of:

- (a) any stumps from the relevant Woodlots; or
- (b) any roads or tracks constructed on the relevant Woodlots or on any neighbouring land under clause 8.5,

at the expiration or earlier termination of this Sub-Lease.

12.2 Removal of products and equipment

During the three (3) month period following the expiration of this Sub-Lease, the relevant Grower may enter upon the relevant Woodlots and remove any products derived from the Trees and any plant, equipment, implements or other things brought onto the relevant Woodlots by or on behalf of the relevant Grower during the Term.

12.3 Products and equipment left by the relevant Grower

- (a) Any plant, equipment, implements or other things brought onto the relevant Woodlots by or on behalf of the relevant Grower, which are not removed by the relevant Grower within the three (3) month period referred to in clause 12.2; and
- (b) any part of the Trees not harvested by the relevant Grower during the Term (as extended or renewed),

will be the property of the Project Manager.

13. Ownership of the Trees

13.1 Ownership

The Project Manager acknowledges and agrees with the relevant Grower that the Trees will be and shall remain the property of the relevant Grower for the period referred to in paragraph 13.3(b).

13.2 Additional Rights

The Project Manager hereby transfers and grants to the relevant Grower the following rights in addition to the other rights granted to the relevant Grower under this Sub-Lease:

- (a) to establish, tend and manage the Trees and to cultivate and plant seedling trees as part of the Trees;
- (b) to enter upon the relevant Woodlots with or without vehicles and, to the exclusion of the Project Manager and all other persons, to harvest the Trees and remove and sell the products derived from the Trees; and
- (c) to exercise and enjoy such of the rights and powers granted to the relevant Grower under this Lease as may be necessary to enable the relevant Grower to exercise the rights referred to in paragraphs (a) and (b) above.

13.3 Independent Proprietary Interest

- (a) The rights and interests granted to the relevant Grower under clauses 13.1 and 13.2 constitute an independent and severable grant of a proprietary interest in the relevant Woodlots by the Project Manager to the relevant Grower.
- (b) In the event that the Term or the leasehold interest of the relevant Grower under this Sub-Lease:
 - (i) ends; or
 - (ii) is terminated (other than by effluxion of time or by the operation of Parts 4 or 11); or
 - (iii) becomes void whether by reason of some act or default of the Project Manager or of the trustee in bankruptcy, receiver, receiver and manager, controller, administrator or liquidator of the Project Manager, or for any other reason whatsoever,
 the rights and interests granted to the relevant Grower under clauses 13.1 and 13.2 shall, unless expressly surrendered by the relevant Grower, continue in full force and effect and may be exercised and enjoyed by the relevant Grower until the date on which the Term would have ended by effluxion of time.

14. MINING AND PETROLEUM ACTIVITIES

14.1 Definitions

In this part, the following expressions have the following meanings:

"Mining Activities" means all activities that may be carried out pursuant to a Mining Tenement.

"Mining Tenement" means any right or title available under the Mining Act 1978, and includes a permit to enter on private land.

"Petroleum Activities" means all activities that may be carried out pursuant to a Petroleum Title.

"Petroleum Title" means any right or title available under the Petroleum Act 1967, and includes a permit to enter on private land.

14.2 Application for Mining Tenement or Petroleum Title

If any person applies for a Mining Tenement or a Petroleum Title over any part of the relevant Woodlots, then the following provisions will apply:

- (a) The Project Manager must promptly notify the relevant Grower.
- (b) Neither the Project Manager nor the Grower shall consent to the application or do any act or thing that may assist the grant of the application.
- (c) The relevant Grower will be entitled to object to or resist the application or to restrict the scope of the rights to be obtained by virtue of the grant of the application, to the fullest extent permitted by law.
- (d) For the purpose of giving full effect to paragraph (c) above, the Project Manager must sign such documents as the relevant Grower may require, and the relevant Grower will be entitled to take such proceedings in the name of the Project Manager as the relevant Grower considers appropriate. The relevant Grower hereby indemnifies the Project Manager for any loss suffered by the Project Manager as a direct consequence of the relevant Grower exercising its rights under this paragraph (d).
- (e) The Project Manager hereby appoints the relevant Grower its lawful attorney to execute the documents and to do the things referred to in paragraph (d).

14.3 Grant of Mining Tenement or Petroleum Title

If a Mining Tenement or a Petroleum Title is granted over any part of the relevant Woodlots, then the following provisions will apply:

- (a) The Project Manager must keep the relevant Grower informed as to the Mining Activities or Petroleum Activities carried out upon the relevant Woodlots, and must forward copies of all communications with the persons carrying out or proposing to carry out such activities.
- (b) The Project Manager must not consent to any use of water, felling of trees, stripping of bark or cutting of timber on the relevant Woodlots.
- (c) If any compensation becomes payable by virtue of or in respect of Mining Activities or Petroleum Activities on the relevant Woodlots, then the Project Manager and the relevant Grower will be entitled to compensation according to their respective interests in the area affected by those activities. The Project Manager and the relevant Grower will each be responsible for negotiating and recovering such compensation.
- (d) If this Sub-Lease is terminated under clause 11.2 or area of the relevant Woodlots is reduced under clause 11.3 as a result of Mining Activities or Petroleum Activities being carried out on the relevant Woodlots, the

provisions of clauses 11.2(b) and 11.3(b) will not apply in respect of such termination or reduction.

15. Warranties

The Project Manager represents and warrants that:

- 15.1 as at the date of execution of this Sub-Lease, the Head Lease is valid and subsisting;
- 15.2 the Project Manager is entitled under the Head Lease to grant this Sub-Lease to the relevant Grower; and
- 15.3 any consents which may be required to the granting of this Sub-Lease (other than those referred to in clause 4.1) have been obtained.

16. Notices

- 16.1 All notices, consents, approvals and other communications required or authorised to be given under this Sub-Lease ("Notices") must be in writing and may be personally delivered or sent by pre-paid post or facsimile to the addressee's address specified in this Sub-Lease or such other address as the addressee may have notified from time to time. A Notice shall be deemed to be received:
 - (a) if personally delivered, upon receipt;
 - (b) if sent by pre-paid post within Australia, on the third day after posting;
 - (c) if sent by pre-paid post outside Australia, on the seventh day after posting; and
 - (d) if sent by facsimile, upon production of a successful transmission report by the sender's facsimile machine.
- 16.2 The Representative may give any Notice under this Sub-Lease on behalf of the relevant Grower.

17. Caveat

- 17.1 The relevant Grower may lodge a subject to claim caveat at the Office of Titles, Midland in respect of its interest under this Sub-Lease.
- 17.2 The Project Manager agrees to provide to the relevant Grower all plans and other details reasonably necessary to enable the relevant Grower to lodge a subject to claim caveat.
- 17.3 Upon the expiration or earlier termination of this Sub-Lease, the relevant Grower must promptly withdraw at its own expense any caveat lodged under this clause.
- 17.4 The relevant Grower irrevocably appoints the Project Manager its attorney to execute a withdrawal of any caveat required to be withdrawn by the Grower pursuant to clause 17.3 in the event of the relevant Grower failing promptly to do so.

- 17.5 The relevant Grower agrees to ratify anything done by the attorney in accordance with clause 17.4.

18. GENERAL

18.1 Further assurances

Each Party agrees to sign such documents and do all such acts, matters and things as may be reasonably required by any other Party to give effect to this Sub-Lease.

18.2 Voiding insurances

Each Party agrees that it will not do or permit or suffer to be done any act, manner or thing which may prejudice or render void or voidable any insurances in respect of the relevant Woodlots or the Trees or result in the premiums for such insurances being increased.

18.3 Transfer of Land Act

To the extent permitted by law, all provisions implied by the Transfer of Land Act 1893 are expressly excluded from this Sub-Lease.

18.4 Property Law Act

The provisions of section 80 and 82 of the Property Law Act 1969 shall not apply to this Sub-Lease.

18.5 Proper law

This Sub-Lease shall be governed by and construed in accordance with laws of the State of Western Australia and the parties agree to submit to the jurisdiction of the courts of that State.

18.6 Severability

If any provision of this Sub-Lease is or becomes void or unforeseeable, that provision shall be severed from this Sub-Lease to the intent that the remaining provisions of this Sub-Lease shall continue in full force and effect.

18.7 Parties may act through agents

All rights granted to a Party and all obligations imposed on a Party under this Sub-Lease may be enjoyed or performed (as the case may be) by that Party's employees, agents and contractors.

18.8 No Partnership

Nothing contained in this Sub-Lease shall constitute a partnership between the Parties to this Sub-Lease. No Party shall hold itself out as the partner of the other of them. This Sub-Lease is not for the benefit of any person not a party to this Sub-Lease and shall not be deemed to give any right or remedy to any such party whether referred to in this Sub-Lease or not.

18.9 Waivers

No waiver by any Party of any breach of this Sub-Lease shall be deemed a waiver of any preceding or succeeding breach of this Sub-Lease.

18.10 Assignment

- (a) The relevant Grower covenants that the Project Manager shall have the full and free right to deal with any of its rights and interests hereunder to such other parties and on such terms and conditions as the Project Manager sees fit, providing at all times that the Project Manager shall not transfer, lease, mortgage, charge, assign, part with possession or otherwise dispose of its interest in the relevant Woodlots without first obtaining a deed of covenant by the proposed transferee, lessee, mortgagee, chargee, assignee, person who acquires possession or person who receives the disposal (the "Grantee") containing a covenant by the Grantee in favour of the relevant Grower and the Representative that the Grantee will at all times during the Term observe and perform all or any of the covenants contained or implied in this Sub-Lease to be observed or performed by the Project Manager.
- (b) All costs associated with the preparation, completion and stamping of any deed of covenant required by the immediately preceding sub-clause shall be paid by the Project Manager or Grantee, and the relevant Grower shall not be required to contribute in any way to such costs.
- (c) The relevant Grower may only transfer, mortgage, assign or otherwise dispose of this Sub-Lease or any of its rights or interests hereunder in accordance with the provisions of the Agency Deed and otherwise may not assign sub-let or part with possession of the relevant Woodlots or any part thereof or otherwise by any act or deed to procure or allow or suffer (either voluntarily or involuntarily) the relevant Woodlots or any part thereof to be assigned transferred or sub-let or the possession thereof parted with and for all or any part of the term AND IT IS HEREBY DECLARED that nothing contained or implied in sections 80 and 82 of the Property Law Act 1969 shall apply to this Sub-Lease and both sections are hereby expressly excluded.

18.11 Limitation of liability of relevant Grower and Representative

- (a) Except in relation to the obligation to pay Annual Rent in no circumstances shall the relevant Grower be obliged to contribute any money or incur any other liability under this Sub-Lease beyond the amount of any Plantation Money for the time being held by the Representative as agent for the relevant Grower pursuant to the Agency Deed and Proceeds.
- (b) Once a transmission, transfer, mortgage, assignment or other disposal of the entire interest of the relevant Grower has been perfected in accordance with the provisions of clause 8 of the Agency

Deed, then the relevant Grower no longer remains liable under this Sub-Lease.

18.12 Delegation

The relevant Grower may, for the better performance of its obligations under this Sub-Lease, employ any person as an agent and all rights granted and obligations imposed upon the relevant Grower (except the grant to the relevant Grower of the leasehold estate) may be enjoyed and performed by the relevant Grower's agent, contractors and their employees, but delegation of any of the relevant Grower's obligations under this Sub-Lease shall not release it from liability under this Sub-Lease.

18.13 Representative

- (a) The Project Manager covenants with the Representative to observe and perform all the covenants conditions and stipulations contained herein which are required to be observed and performed on the part of the Project Manager.
- (b) The Representative is a party to this Sub-Lease in its capacity as a representative for the relevant Grower only and the Representative shall have no personal liability in relation to this Sub-Lease.
- (c) The Representative's legal costs, the costs charges and expenses of and in connection with the preparation and service of any notice under clause 11.1(a) and any other costs associated with performing its obligations under this Sub-Lease will be shared between the relevant Growers in accordance with clause 15.6 of the Agency Deed, and may be deducted from the Purchase Price payable to the Grower under the relevant Wood Purchase Agreement or otherwise from any Proceeds of the relevant Grower and the relevant Grower irrevocably authorises the Representative to deduct such amounts.

PART 1: THE PLANTATIONS AND HEAD LEASE DETAILS

Plantation Code	Plantation Name	Land Description	Head Lease Details
PAV	Pavlovich 98	Those portions of Hay Location 360 and 474 (Certificate of Title Volume 1150 Folio 947) as are delineated into woodlots numbered from 406 to 705 on the map "Pavlovich" annexed hereto	Bunnings Treefarms Pty Ltd
KYM	Kymundyip 98	Those portions of Plantagenet Location 6575 (Certificate of Title Volume 1844 Folio 991) as are delineated into woodlots numbered from 1 to 20 on the map titled "Kymundyip" annexed hereto	Bunnings Treefarms Pty Ltd
SHE	Shedley 98	Those portions of Nelson Location 12042 and 12043 (Certificate of Title Volume 255 Folio 1963)) as are delineated into woodlots numbered from 1 to 68 on the map titled "Shedley" annexed hereto	Bunnings Treefarms Pty Ltd
LAB	Lamberti 98	Those portions of Sussex Location 2185 (Certificate of Title Volume 1122 Folio 674) as are delineated into woodlots numbered from 1 to 51 on the map titled "Lamberti" annexed hereto	Bunnings Treefarms Pty Ltd
LON	Longhorn 98	Those portions of Sussex Location 1034 (Certificate of Title Volume 160 Folio 40A) together with those portions of Sussex Location 2183 (Certificate of Title Volume 160 Folio 39A) as are delineated into woodlots numbered from 1 to 75 on the map titled "Longhorn" annexed hereto	Bunnings Treefarms Pty Ltd
PET	Pettersen 98	Those portions of Nelson Location 5945 being part of the land described in Certificate of Title Volume 1215 Folio 912, and those parts of Nelson Location 3610 being part of the land described in Certificate of Title Volume 1021 Folio 185, as are delineated into one hectare units numbered from 1 to 65 on the map titled "Pettersen" annexed hereto	Bunnings Treefarms Pty Ltd

Plantation Code	Plantation Name	Land Description	Head Lease Details
MIN	Minjiminjup 98	Those portions of Hay Location 1085 being part of the land described in Certificate of Title Volume 1109 Folio 875, and those parts of Hay Location 743 being part of the land described in Certificate of Title Volume 1170 Folio 816, as are delineated into one hectare units numbered from 1 to 262 on the map titled "Minjiminjup" annexed hereto	Bunnings Treefarms Pty Ltd
WAJ	Walitj 98	Those portions of Plantagenet Location 6599 being part of the land described in Certificate of Title Volume 1736 Folio 598, and those parts of Plantagenet Location 7382, being part of the land described in Certificate of Title Volume 2122 Folio 968 and those parts of Plantagenet Location 7262 being part of the land described in Certificate of Title Volume 2122 Folio 967, as are delineated into one hectare units numbered from 1 to 130 on the map titled "Walitj" annexed hereto	Bunnings Treefarms Pty Ltd
DAN	McDaniel 98	Those portions of Denmark Lot 380 628 (Certificate of Title Volume 1078 Folio 618) and Denmark Lot 628 (Certificate of Title Volume 1732 Folio 565) as are delineated into woodlots numbered from 1 to 28 on the map titled "McDaniel" annexed hereto	Bunnings Treefarms Pty Ltd
REY	Reynold 98	Those portions of Lot 11 of Plantagenet Locations 5251 and 6092 (Certificate of Title Volume 2087 Folio 664) as are delineated into woodlots numbered from 1 to 24 on the map titled "Reynolds" annexed hereto	Bunnings Treefarms Pty Ltd
MCA	McAndrew 98	Those portions of Lot 3 of Plantagenet Location 5278 being Lot 20 on Diagram 93325 as are delineated into woodlots numbered from 1 to 38 on the map titled "McAndrew" annexed hereto	Bunnings Treefarms Pty Ltd
WAD	Waddington 98	Those portions of Plantagenet Location 6061 (Certificate of Title Volume 1317 Folio 435) as are delineated into woodlots numbered from 1 to 37 on the map titled "Waddington" annexed hereto	Bunnings Treefarms Pty Ltd

Plantation Code	Plantation Name	Land Description	Head Lease Details
LIT	Litchfield 98	Those portions of Hay Location 2166 as are delineated into woodlots numbered from 1 to 198 on the map "Litchfield" annexed hereto	VA and BM Litchfield
MOU	Mountview 98	Those portions of Lot 4 the subject of Diagram 85017 of Plantagenet Locations 5959 and 6479 (Certificate of Title Volume 1977 Folio 242) as are delineated into woodlots numbered from 423 to 641 on the map titled "Trent" annexed hereto	Timbercorp Properties Pty Ltd
TRE	Trent 98	Those portions of Lot 10 of Plantagenet Location 31 as are delineated into woodlots numbered from 1 to 104 on the map titled "Trent" annexed hereto	V Trent
BIG	Bigwood 98	Those portions of Nelson Locations 12156 and 12159 as are delineated into woodlots numbered from 1 to 49 on the map titled "Bigwood" annexed hereto	CL, RM and SD Bigwood and J Clapin
OWE	Owens 98	Those portions of Nelson Locations 12417 & Lot 51 of Nelson Location 8148 as are delineated into woodlots numbered from 1 to 136 on the map titled "Owen" annexed hereto	C and F Owen
WOR	Worts 98	Those portions of Nelson Locations 12651 and 12676 as are delineated into woodlots numbered from 1 to 450 and from 453 to 461 on the map titled "Worts" annexed hereto	T, A and C Worts
DRY	Drygan 98	Those portions of Lot 1 of Plantagenet Location 6447 (Certificate of Title Volume 1928 Folio 888) as are delineated into woodlots numbered from 1 to 93 on the map titled "Drygan" annexed hereto	P & L Drygan
MEN	Mengler 98	Those portions of Lot 2 of Plantagenet Location 5727 (Certificate of Title Volume 1968 Folio 808) as are delineated into woodlots numbered from 1 to 85 on the map titled "Mengler" annexed hereto	W. Mengler

Plantation Code	Plantation Name	Land Description	Head Lease Details
ARC	Archpeak 98	Those portions of Plantagenet Location 5220 (Certificate of Title Volume 2111 Folio 608) as are delineated into woodlots numbered from 1 to 211 on the map titled "Archpeak" annexed hereto	Archpeak Pty Ltd
BAR	Barnett 98	Those portions of Plantagenet Location 2813 (Certificate of Title Volume 1235 Folio 918) and Plantagenet Location 2814 (Certificate of Title Volume 1235 Folio 917) as are delineated into woodlots numbered from 1 to 157 on the map titled "Barnett" annexed hereto	J Barnett, M and J Duff and L Duggan

PART 3: Term

The period commencing on 30 June 1998 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date;
- (b) the date harvesting of the Wood is completed; and
- (c) the day immediately preceding the termination date of the Head Lease.

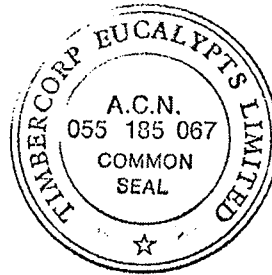
PART 4: Annual Rent

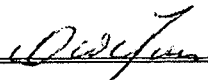
\$240 per relevant Woodlot per annum, payable:

- (a) on or before 30 June 1998 in respect of the period from the Commencement Date to 30 June 1999; and
- (b) thereafter, in respect of each financial year during the Term, on each 31 May preceding the commencement of that financial year.

EXECUTED as an agreement.

THE COMMON SEAL of **TIMBERCORP
EUCALYPTS LIMITED** was affixed in
accordance with its Articles of Association in
the presence of:



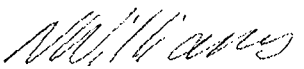
 Director

 Secretary

EXECUTED in Melbourne by PERMANENT
TRUSTEE COMPANY LIMITED by being
SIGNED SEALED AND DELIVERED by its
attorney **STENICK SILAVECKY** pursuant to a
Power of Attorney dated **25 June 1998** in the
presence of:

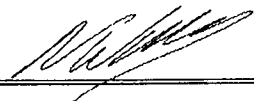


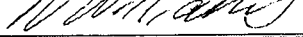
Witness: 

Name of Witness: 

As Agent for and on behalf of each several
relevant Grower
EXECUTED in Melbourne by PERMANENT
TRUSTEE COMPANY LIMITED by being
SIGNED SEALED AND DELIVERED by its
attorney **STENICK SILAVECKY** pursuant to a
Power of Attorney dated **25 June 1998** in the
presence of:



Witness: 

Name of Witness: 



IN THE FEDERAL COURT OF AUSTRALIA
VICTORIA DISTRICT REGISTRY

No. 541 of 2009

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

AND

IN THE MATTER OF TIMBERCORP LIMITED (IN LIQUIDATION)
ACN: 055 185 067

TIMBERCORP SECURITIES LIMITED (IN
LIQUIDATION) and OTHERS
(ACN 092 311 469)

Plaintiff

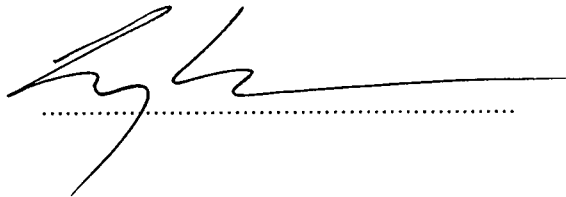
WA CHIP & PULP CO. PTY LTD
and OTHERS
(ACN 008 720 518)

Defendants

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MAK-3**" now produced and shown to **MARK ANTHONY KORDA** at the time of swearing his affidavit on 23 July 2009.

Before me:



LUCY HANNAH KIRWAN
Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

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: 01-1499489
(Leon Zwier/Lucy Kirwan)

INDEMNIFICATION DEED
1998 TIMBERCORP EUCALYPTS PROJECT

Date: 4 November 2004

Parties: PERMANENT TRUSTEE COMPANY LIMITED (the "**Representative**")
(A.C.N. 000 000 993)

TIMBERCORP LIMITED (the "**Manager**")
(A.C.N. 005 185 067)

TIMBERCORP SECURITIES LIMITED ("**TSL**")
(A.C.N. 092 311 469)

Recitals

- M.** The Representative is the representative for Growers in the Timbercorp 1998 Eucalypts Project (referred to as the "**Scheme**") which is governed by the Timbercorp Agency Deed dated 1 May 1992 as amended by First Supplemental Deed made on 29 March 1993, Second Supplemental Deed made on 3 May 1993, Third Supplemental Deed made on 21 April 1994, Fourth Supplemental Deed made on 11 April 1995, Fifth Supplemental Deed made on 2 April 1996, Sixth Supplemental Deed made on 3 March 1997 and Seventh Supplemental Deed made on 12 March 1998 (referred to as the "**Agency Deed**").
- N.** The Manager is the manager of the Scheme.
- O.** The Manager has convened a meeting of Growers to choose TSL as the proposed responsible entity of the Scheme, for the purpose of making an application to register the Scheme as a managed investment scheme under Chapter 5C of the Corporations Act 2001 (Cth) (the "**Corporations Act**").
- P.** Pursuant to section 601FS(1) of the Corporations Act and section 1462 of the *Corporations Law* (as it continues to apply pursuant to section 1408 of the Corporations Act), and subject to section 601FS(2) of the Corporations Act as it applies, TSL, on becoming the responsible entity of the Scheme, will assume the rights, obligations and liabilities of the Representative in relation to the Scheme.
- Q.** Pursuant to section 601FT(1) of the Corporations Act and section 1462 of the *Corporations Law* (as it continues to apply pursuant to section 1408 of the Corporations Act), and subject to section 601FT(2) of the Corporations Act as it applies, any document:
- (e) to which the Representative is a party, in which a reference is made to the Representative, or under which the Representative has acquired or incurred a right, obligation or liability, or might have acquired or incurred a right, obligation or liability if it had remained the representative; and
 - (f) that is capable of having effect after TSL becomes the responsible entity of the Scheme;
- has effect as if TSL (and not the Representative) were a party to it, were referred to in it or had or might have acquired or incurred the right, obligation or liability under it.
- R.** The Manager has agreed to indemnify the Representative on the terms of this deed.

Agreement

1 The Responsible Entity

- (a) As of the date on which TSL is registered as the responsible entity of the Scheme in accordance with Section 601FJ of the Corporation's Act (the "**Effective Date**") the Representative will retire as the representative of the Scheme.
 - (b) TSL accepts its appointment as the responsible entity of the Scheme, effective immediately upon the retirement of the Representative as the representative of the Scheme..
 - (c) With effect on from the Effective Date, the Representative is discharged from further performance of its obligations and duties as representative for the Growers in the Scheme.
 - (d) After the Effective Date TSL will, use all reasonable endeavours:
 - (i) to arrange for the release of the Representative from all contracts, agreements and arrangements, which it is a party to, as representative of the Scheme, including without limitation, all "Agreements" (as that term is defined in the Agency Deed), and
 - (ii) to assume all obligations and liabilities under those contracts, agreements and arrangements in place of the Representative.
 - (e) In the event that the Representative becomes a party (whether as a defendant or plaintiff) to any legal proceedings in its capacity as representative of the Scheme, TSL must use all reasonable endeavours to become a party to those proceedings in substitution for the Representative, so that the Representative is released from the proceedings.
-

2 Scheme Assets

- (a) The Representative will transfer all Scheme assets which it had held on behalf of the Scheme into the name of the agent appointed by TSL to provide custodial services for the Scheme, which agent may be Permanent Trustee Company Limited acting in its capacity as custodian of the Scheme.
- (b) The Representative is authorised and agrees to act on any instructions or requests in relation to the Scheme given to it in writing by TSL for the purposes of clause 2(a).
- (c) The Representative is not liable for acting on any instructions or requests which appear to it to have been properly and regularly signed or given by TSL and is under no duty to inquire whether any such instructions have been so signed or given. However, the Representative may require written confirmation from TSL before acting on any instructions.
- (d) The Representative is not liable for acting on any instructions or requests given to it by TSL which contain any error.
- (e) If the Representative considers that it is necessary to clarify any ambiguity or doubt it may have following receipt of an instruction or request, it will immediately seek clarification from TSL. The Representative will be relieved of its obligation to act or comply with such instruction or request until clarification is received. On receipt of a written clarification the Representative will act in accordance with the instruction or request as amended or confer with TSL.
- (f) The Representative is under no duty to inquire as to whether TSL is acting in proper exercise or performance of its powers or duties in relation to the Scheme.

3 Rights, obligations and liabilities

- (a) Subject to clause 3(b), on and from the Effective Date, the rights, obligations and liabilities of the Representative in relation to the Scheme will become the rights, obligations and liabilities of TSL.
- (b) Despite clause 3(a), the followings rights and liabilities of the Representative remain its rights and liabilities following the Effective Date:
 - (i) any rights of the Representative to be remunerated in accordance with the Agency Deed for the performance of its functions up to, but not including, the Effective Date;
 - (ii) any right of the Representative to be indemnified for expenses it incurred up to, but not including, the Effective Date;
 - (iii) any right, obligation or liability the Representative had as Grower; and
 - (iv) any liability for which the Representative could not have been indemnified out of the assets of the Scheme if it had remained the representative for Growers in the Scheme.

4 Indemnity

- (a) Subject to the terms of this deed, the Manager and TSL jointly and severally, on TSL becoming the responsible entity of the Scheme, indemnify the Representative for any costs, claims, liabilities, losses (including consequential losses) or expenses (including legal costs on a full indemnity basis) (“Costs”) incurred by it after TSL becomes the responsible entity, in relation to any liability, demand, claim or legal proceedings (“Liability”) arising out of, or in connection with:
 - (i) any matter occurring on or before the Representative’s retirement as representative of the Scheme for which the Representative would have been entitled to an indemnity from the assets of the Scheme had the Representative continued as representative for Growers in the Scheme;
 - (ii) the contracts, agreements and arrangements described in clause 1(d);
 - (iii) the Representative complying with, performing or executing any instruction by, or request from, TSL made pursuant to this deed, including without limitation an instruction or request to execute any document relating to the Scheme, or anything arising therefrom;
 - (iv) the process of the Scheme becoming regulated as a managed investments scheme under Chapter 5C of the Corporations Act.
- (b) Subject to the terms of this deed, the Manager and TSL jointly and severally must, at the Representative’s request, satisfy the indemnity contained in this deed by taking over management of any Liability arising and paying or satisfying all Costs.
- (c) The Representative must provide the Manager and TSL with a reasonably complete written description of the details of the relevant Costs or Liability as soon as reasonably practicable.
- (d) The Representative does not need to incur any expense or make any payment in relation to any Costs before claiming on the indemnity in this clause 4.
- (e) The Manager, TSL or both, must, upon written request by the Representative, advance to the Representative such amounts as are reasonably required by the Representative to pay Costs that it may incur in the future.
- (f) The Manager and TSL agree and acknowledge that:
 - (i) the indemnity in this clause 4 is in addition to, and does not limit, the operation of any other existing or future indemnity in favour of the Representative in contract or at law (including any indemnity under the Agency Deed and the Corporations Act);

- (ii) nothing in this deed will be regarded as derogating from any rights, entitlements, indemnities or benefits conferred on the Representative under:
 - (A) Chapter 5C of the Corporations Act or any other part of the Corporations Act;
 - (B) the "*old Corporations Law*" (as defined in section 1371 of the Corporations Act).
 - (g) The Representative acknowledges that the Manager and TSL have agreed to be bound by this deed only if TSL becomes the responsible entity of the Scheme, and not otherwise, and that all of the obligations the Manager and TSL undertake under this deed are undertaken by them only on that condition.
-

5 Capacity

- (a) The parties agree that the Representative enters into this deed both in its individual capacity and in its capacity as representative of the Scheme, and the Representative is entitled to the benefit of the indemnity contained in this deed in both capacities.
 - (b) The parties agree that the Manager enters into this deed both in its individual capacity and in its capacity as manager of the Scheme and the indemnity contained in this deed binds the Manager in both capacities.
 - (c) The parties agree that TSL enters into this deed both in its individual capacity and in its capacity as responsible entity of the Scheme and the indemnity contained in this deed binds TSL in both capacities.
-

6 Costs and taxes

- (a) The Manager and TSL jointly and severally must pay, and hereby indemnify the Representative against, any capital gains tax, good and services tax, stamp duty or other tax (including any related penalty, fine or interest) that may be payable in connection with:
 - (i) this deed; or
 - (ii) any document or transaction contemplated by this deed, including without limitation, the transition of the Scheme to the managed investments regime regulated by Chapter 5C of the Corporations Act.
 - (b) The Manager and TSL jointly and severally must pay, and hereby indemnify the Representative against, the Representative's costs in connection with all the matters described in clauses 6(a)(i) and (ii).
 - (c) The Representative does not need to incur any expense or make any payment in relation to any amount before claiming on the indemnity in this clause 6.
 - (d) The Manager, TSL or both, must, upon written request by the Representative, advance to the Representative such amounts as are reasonably required by the Representative to pay in the future any amount described in clause 6(a) or (b).
-

7 Survival of indemnities

The indemnities in this deed are a continuing obligation, separate and independent from the other obligations of the parties, and survive termination of this deed.

8 Governing law

This deed is governed by the laws of the State of Victoria and the parties submit to the non-exclusive jurisdiction of the courts of the State of Victoria in relation to the determination of any dispute which may arise under this deed.

EXECUTED as a deed

Signed for and on behalf of)
Permanent Trustee Company Limited)
by a duly appointed attorney)
pursuant to power of attorney)
dated 4 NOVEMBER 2004)
in the presence of:)

Signature of witness

Signature of attorney (I have no notice of
revocation of the power of attorney under
which I sign this document)

LEWIS ILIAS APOSTOLOV
Name of witness (please print)

STONICK SILAWEEK
Name of attorney (please print)

Signed sealed and delivered)
Timbercorp Limited)
by a director and secretary/director:)



Signature of secretary/director



Signature of director

Robert J Hance

Name of secretary/director (please print)

Sol Rabinowicz

Name of director (please print)

Signed sealed and delivered)
Timbercorp Securities Limited)
by a director and secretary/director:)



Signature of secretary/director



Signature of director

Robert J Hance

Name of secretary/director (please print)

Sol Rabinowicz

Name of director (please print)

RETIREMENT NOTICE - 1998 TIMBERCORP EUCALYPTS PROJECT

PURSUANT TO SECTION 1455(2) OF THE CORPORATIONS LAW*

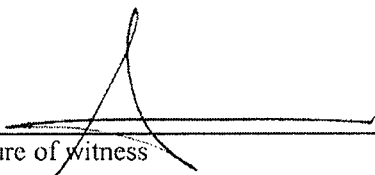
(*As modified by *ASIC Class Order 99/374* and *ASIC Relief* granted to Timbercorp Limited on 28 June 2004 and 1 July 1999, and as it continues to apply to the prescribed interest scheme specified below ("Scheme") in accordance with section 1408 of the *Corporations Act (2001)(Cth)*)

Permanent Trustee Company Limited (ACN 000 000 993) of Level 3, 151 Rathdowne Street, Carlton, Victoria ("**Permanent**") hereby gives written notice to the Manager referred to below of its retirement as representative for growers in the Scheme pursuant to section 1455(2) of the Corporations Law (as modified by *ASIC Class Order 99/374* and *ASIC Relief* granted to Timbercorp Limited on 28 June 2004 and 1 July 1999, and as that modified section continues to apply to the Scheme in accordance with section 1408 of the *Corporations Act (2001)(Cth)*), effective as of the date specified below.

Permanent will serve a copy of this notice on the Australian Securities and Investments Commission.

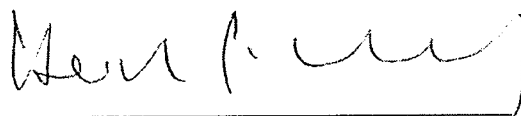
DATE:	1 November 2004
SCHEME:	1998 Timbercorp Eucalypts Project established pursuant to the Agency Deed.
AGENCY DEED:	Timbercorp Agency Deed dated 1 May 1992 as amended by First Supplemental Deed made on 29 March 1993, Second Supplemental Deed made on 3 May 1993, Third Supplemental Deed made on 21 April 1994, Fourth Supplemental Deed made on 11 April 1995, Fifth Supplemental Deed made on 2 April 1996, Sixth Supplemental Deed made on 3 March 1997 and Seventh Supplemental Deed made on 12 March 1998.
MANAGER:	Timbercorp Limited (formerly known as Timbercorp Eucalypts Limited) (ACN 005 185 067) of Level 8, 461 Bourke Street, Melbourne Victoria 3000.

Signed sealed and delivered)
for and on behalf of)
Permanent Trustee Company Limited)
by a duly appointed attorney)
pursuant to power of attorney)
dated 4 NOVEMBER 2004)
in the presence of:)



Signature of witness

LEWIS ILIAS APOSTOLON
Name of witness (please print)



Signature of attorney (I have no notice of
revocation of the power of attorney under
which I sign this document)

STENICK SILAVECKY
Name of attorney (please print)