

2001 008
✓

SUB-LEASE – WESTERN AUSTRALIA

2001 TIMBERCORP EUCALYPTS PROJECT

BETWEEN

TIMBERCORP SECURITIES LIMITED

ACN 092 311 469

(the "Responsible Entity")

- and -

EACH SEVERAL GROWER

(the "Grower")

CONTENTS

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

THIS SUB-LEASE is made on

30th June 2001

WAPC stamp
approval at
the back

BETWEEN:

FIRST

PARTY

TIMBERCORP SECURITIES LIMITED, ACN. 092 311 469 of 5th Floor, 95 Queen Street, Melbourne, Victoria (the "Responsible Entity"); and

SECOND:

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 Project 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").

THE STATE OF
AUSTRALIA
TASMANIA
DEPT OF TREES
10/6/01 15:11
10/6/01 15:11
10/6/01 15:11

RECITALS:

- A. The Responsible Entity 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 Responsible Entity 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 Project Deed each relevant Grower (or its predecessor in title) has engaged the Responsible Entity to provide certain plantation services for the Grower.

OPERATIVE PROVISIONS:

1. DEFINITIONS

In this Sub-Lease unless the context otherwise requires:

"**Commencement Date**" means in respect of a relevant Grower, the date on which an application for Woodlots under the Prospectus is accepted by the Responsible Entity.

"**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.

"**GST**" means GST within the meaning of A New Tax System (Goods and Services Tax) Act 1999 (as amended)

"**Head Lease**" means the agreement set out adjacent to the description of the Plantation in Part 1 of the Schedule and made between the Responsible Entity (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 Responsible Entity has been granted a lease or sub-lease over the Plantation.

"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 and the Responsible Entity.

"Management Plan" means the plan for the management of a Plantation (as varied by the Responsible Entity) which plans are annexed to the Management Agreement.

"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.

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

"Project Deed" means the deed made between the Responsible Entity as responsible entity and each several Grower constituting managed investment scheme called the 2001 Timbercorp Eucalypts Project.

"Prospectus" means the 2001 Timbercorp Eucalypts Project Prospectus issued by the Responsible Entity.

"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 and any extension under clause 10.1.

"Trees" means the crop of eucalyptus trees the subject of the 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 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 will 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 Project Deed unless the contrary requires.

3. GRANT OF SUB-LEASE

The Responsible Entity 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 Management Agreement; and
- (c) the Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 will be at an end; and
- (b) the Responsible Entity must immediately repay to the relevant Grower any instalments of Annual Rent or other moneys paid by the relevant Grower to the Responsible Entity under this Sub-Lease.

5. RENT

5.1 Annual Rent

The relevant Grower must duly and punctually pay to the Responsible Entity 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 must be reviewed on 31 October 2001 and each 31 October thereafter during the Term (as extended or renewed) ("Review Dates"). The Annual Rent payable on and from each review Date is 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) Weighted average of eight capital cities (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) Weighted average of eight capital cities (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) Weighted average of eight capital cities 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 Responsible Entity 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 Australian Division) at the request of either of them most closely reflects changes in the cost of living for the eight capital cities of Australia. The cost of any expert determination carried out under this clause must be borne equally between the Responsible Entity and the relevant Grower.

6. RELEVANT GROWER'S OBLIGATIONS

The relevant Grower agrees with the Responsible Entity 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.

6.8 Permit Responsible Entity to enter

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

6.9 Comply with other agreements

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

6.10 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 are limited to the unimpeded use of any existing access roads, pathways or fire-breaks on or about their Woodlot.

7. RESPONSIBLE ENTITY'S OBLIGATIONS

7.1 Prior to Commencement Date

The Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity'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 Responsible Entity 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 Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity'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 Responsible Entity or any person claiming through or under the Responsible Entity.

(b) Maintain boundary fence

Maintain or cause to be maintained the fence constructed pursuant to clause 7.1 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 Responsible Entity.

(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 Responsible Entity 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 Responsible Entity 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 is 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 is 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 Responsible Entity 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 Responsible Entity, 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 Responsible Entity 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 Responsible Entity on the relevant Woodlots or on any neighbouring land in respect of which the Responsible Entity 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 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 Responsible Entity 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.

9. RESPONSIBLE ENTITY'S RIGHTS

9.1 General

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

9.2 Graze livestock

The Responsible Entity or its invitees may graze livestock on the relevant Woodlots and retain all income derived from them.

9.3 Bees

The Responsible Entity or its invitees may keep bees on the relevant Woodlots and retain all income derived from them.

9.4 Access

1

The Responsible Entity is entitled to full and free access for the purposes of carrying out its rights and obligations with or without vehicles to the relevant Woodlots along any road or track or any neighbouring land owned or occupied by the Responsible Entity which gives access to the relevant Woodlots from a public road.

9.5 Further access

The Responsible Entity is 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 Responsible Entity.

9.6 Use of sand and gravel

The Responsible Entity 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.

9.7 Signs

The Responsible Entity may at its own expense erect and maintain a sign on the relevant Woodlots detailing such matters as the Responsible Entity reasonably considers appropriate.

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, but continues to pay the Annual Rent, the Grower may by giving written notice to the Responsible Entity 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.

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 Responsible Entity 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 has served a written notice on the Responsible Entity requiring the Responsible Entity to remedy the breach.
- (b) The Responsible Entity 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 three months after the Responsible Entity 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

Responsible Entity 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 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 Responsible Entity. Termination under this clause takes effect on and from the 30 June next following the expiration of the period of notice.

- (b) If so directed by the Responsible Entity 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 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 Responsible Entity. Termination under this clause takes 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 Responsible Entity 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 Responsible Entity 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 is 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 does 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 Responsible Entity nor the relevant Grower is entitled to terminate or rescind this Sub-Lease and the Responsible Entity is not entitled to re-enter the relevant Woodlots or forfeit this Lease, at any time prior to the expiration of the Term.

12. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION

12.1 Removal of stumps, roads and tracks

The Responsible Entity 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 Responsible Entity.

13. OWNERSHIP OF THE TREES

13.1 Ownership

The Responsible Entity acknowledges and agrees with the relevant Grower that for so long as this Sub-Lease has not been terminated for non-payment of Annual Rent under clause 11.1(b) and the relevant Grower continues to pay the Annual Rent the Trees will be and will remain the property of the relevant Grower for the period referred to in paragraph 13.3(b).

13.2 Additional Rights

The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity or of the trustee in bankruptcy, receiver, receiver and manager, controller, administrator or liquidator of the Responsible Entity, or for any other reason whatsoever,

the rights and interests granted to the relevant Grower under clauses 13.1 and 13.2, 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 Responsible Entity must promptly notify the relevant Grower.
- (b) Neither the Responsible Entity nor the Grower may 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 Responsible Entity 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 Responsible Entity as the relevant Grower considers appropriate. The relevant Grower hereby indemnifies the Responsible Entity for any loss suffered by the Responsible Entity as a direct consequence of the relevant Grower exercising its rights under this paragraph (d).
- (e) The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity and the relevant Grower will be entitled to compensation according to their respective interests in the area affected by those activities. The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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.

17. CAVEAT

- 17.1 The relevant Grower may at its own expense lodge a subject to claim caveat at the Office of Titles, Midland in respect of its interest under this Sub-Lease.

- 17.2 The Responsible Entity 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 Responsible Entity 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 do not apply to this Sub-Lease.

18.5 Proper law

This Sub-Lease is governed by and construed in accordance with laws of the State of Western Australia and where applicable the Commonwealth of 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 will 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 constitutes a partnership between the Parties to this Sub-Lease. No Party may 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 is not to 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 to be deemed a waiver of any preceding or succeeding breach of this Sub-Lease.

18.10 Assignment

- (a) The relevant Grower covenants that the Responsible Entity does have the full and free right to deal with any of its rights and interests under this sub lease to such other parties and on such terms and conditions as the Responsible Entity sees fit, providing at all times that the Responsible Entity may 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 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 Responsible Entity.
- (b) All costs associated with the preparation, completion and stamping of any deed of covenant required by the immediately preceding subclause must be paid by the Responsible Entity or Grantee, and the relevant Grower will 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 under this Sub-lease in accordance with the provisions of the Project 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 applies to this Sub-Lease and both sections are expressly excluded.

18.11 Limitation of liability of relevant Grower

- (a) Despite any other provision of this Agreement (other than clause 18.13), in no circumstances is the relevant Grower obliged to contribute any money or incur any other liability under this Agreement in excess of the aggregate

of annual rent, the amount of the fees set out in parts 1(i) to (iii) of the schedule to the Management Agreement and the 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 the Project 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 does not release it from liability under this Sub-Lease.

18.13 Goods and Services Tax

- (a) If any supply made by the Responsible Entity to the Grower under this Agreement is a taxable supply (according to GST law) so that the Responsible Entity is liable to pay GST, the parties agree that the consideration payable for that supply represents the value of the supply (that is, the GST exclusive amount) and not the price for that supply.
- (b) The price for any taxable supply made by the Responsible Entity under this Agreement is the GST inclusive amount which is determined by increasing the consideration payable by an amount equal to the GST exclusive amount multiplied by the the GST rate in force from time to time.
- (c) The Grower must, in respect of each taxable supply, pay the GST inclusive amount when due under this Agreement without deduction or set off and the Project Manger must issue a tax invoice to the Grower no later than 28 days after being requested to do so by the Grower.
- (d) The Grower must also pay to the Responsible Entity any other taxes imposed or assessed in respect of this Lease or any transaction contemplated by this Lease from time to time other than stamp duty and land tax.

PART 1: THE PLANTATIONS AND HEAD LEASE DETAILS (P2001-WA-SPSR)

Plantation Code	Plantation Name	Land Description	Head Lease Details
HDL	Holden 2001	Those parts of Certificate of Title Volume 1873 Folio 20 as are delineated into woodlots numbered 1 to 25 on the map annexed hereto.	Holden Investments Pty. Ltd.
JAK	Jackson 2001	Those parts of Certificates of Title Volume 2066 Folio 812, Volume 11 Folio 250A, Volume 1789 Folio 561 and Volume 1533 Folio 620 as are delineated into woodlots numbered 1 to 174 on the map annexed hereto.	D.J. Jackson and B.J. Jackson
SRR	Scarr 2001	Those parts of Certificate of Title Volume 2193 Folio 665 as are delineated into woodlots numbered 1 to 21 on the map annexed hereto.	K.J. Scarr and L.D. Scarr

PART 3: Term

In respect of a relevant Grower, means the period commencing on the Commencement Date and expiring on the earliest of:

- (a) 30 June 2014;
- (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

Subject to this Sub-Lease

- (a) \$275 per relevant Woodlot payable on or before the Commencement Date in respect of the period from the Commencement Date until 30 June 2001; and
- (b) \$275 per relevant Woodlot per annum, payable
 - (i) on 31 October 2001 in respect of the period from 1 July 2001 to 30 June 2002; and
 - (ii) thereafter, in respect of each subsequent financial year during the Term, on each 31 October during that financial year.

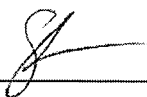
EXECUTED as an agreement

EXECUTED BY **TIMBERCORP**
SECURITIES LIMITED in accordance
with its Constitution in the presence of:

)
)
)



Director



Director/Secretary

EXECUTED by **TIMBERCORP**
SECURITIES LIMITED as agent and
attorney for and on behalf of each several
grower by authority of its directors:

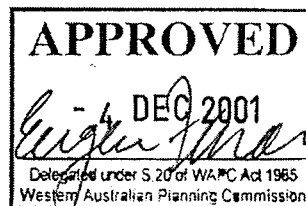
)
)
)
)



Director



Director/Secretary



2001 009

SUB-LEASE – SOUTH AUSTRALIA
2001 TIMBERCORP EUCALYPTS PROJECT

DEVELOPMENT 894 / 2003 / 02

BETWEEN

TIMBERCORP SECURITIES LIMITED

ACN. 092 311 469

(the "Responsible Entity")

- and -

EACH SEVERAL GROWER

(the "Grower")

WATTLE RANGE COUNCIL

Approved Plan Pursuant to Section 33 (1) (a),
(c), (f) of the Development Act 1993

Approval No 894/ ~~1003~~/02

Date of Approval..... 22.03.02

Delegate..... *Myles Palmer*

Date..... 12.04.02

SUB-LEASE – SOUTH AUSTRALIA

2001 TIMBERCORP EUCALYPTS PROJECT

BETWEEN

TIMBERCORP SECURITIES LIMITED

ACN. 092 311 469

(the "Responsible Entity")

- and -

EACH SEVERAL GROWER

(the "Grower")

CONTENTS

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

THIS SUB-LEASE is made on 30 June 2001

BETWEEN:

FIRST PARTY:

TIMBERCORP SECURITIES LIMITED, ACN. 092 311 469 of 5th Floor, 95 Queen Street, Melbourne, Victoria (the "Responsible Entity"); and

SECOND 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 Project 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").

RECITALS:

- A. The Responsible Entity 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 Responsible Entity 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 Project Deed each relevant Grower (or its predecessor in title) has engaged the Responsible Entity to provide certain plantation services for the Grower.

OPERATIVE PROVISIONS:

1. DEFINITIONS

In this Sub-Lease unless the context otherwise requires:

"Commencement Date" means in respect of a relevant Grower, the date on which an application for Woodlots under the Prospectus is accepted by the Responsible Entity.

"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 set out adjacent to the description of the Plantation in Part 1 of the Schedule and made between the Responsible Entity (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 Responsible Entity has been granted a lease or sub-lease over the Plantation.

"GST" means GST within the meaning of A New Tax System (Goods and Services Tax) Act 1999 (as amended)

"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 and the Responsible Entity.

"Management Plan" means the plan for the management of a Plantation (as varied by the Responsible Entity) which plans are annexed to the Management Agreement.

"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.

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

"Project Deed" means the deed made between the Responsible Entity as responsible entity and each several Grower constituting managed investment scheme called the 2001 Timbercorp Eucalypts Project.

"Prospectus" means the 2001 Timbercorp Eucalypts Project Prospectus issued by the Responsible Entity.

"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 and any extension under clause 10.1.

"Trees" means the crop of eucalyptus trees the subject of the 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 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 will 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 Project Deed unless the contrary requires.

3. GRANT OF SUB-LEASE

The Responsible Entity 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) all local, State and Commonwealth government approvals, licences or permission required for the establishment of the Trees;
- (b) in the event the Leased Area is part only of an allotment as defined by Part 19AB of the Real Property Act 1886, approval to this Lease under the Development Act 1993.
- (c) in the event the Leased Area is the whole or part of land under the Crown Lands Act 1929 and a lease or sublease of such land requires consent to be given under the Crown Lands Act 1929, consent under the Crown Lands Act 1929.

The conditions referred to in paragraphs (a), (b) and (c) are deemed to be conditions subsequent.

4.2 Other agreements

This Sub-Lease is subject to and conditional upon:

- (a) the relevant Grower entering into the Management Agreement;
- (b) the Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 will be at an end; and
- (b) the Responsible Entity must immediately repay to the relevant Grower any instalments of Annual Rent or other moneys paid by the relevant Grower to the Responsible Entity under this Sub-Lease.

5. RENT

5.1 Annual Rent

The relevant Grower must duly and punctually pay to the Responsible Entity 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 must be reviewed on 31 October 2001 and each 31 October thereafter during the Term (as extended or renewed) ("Review Dates"). The Annual Rent payable on and from each review Date is 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) Weighted average of eight capital cities (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) Weighted average of eight capital cities (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) Weighted average of eight capital cities 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 Responsible Entity 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 (South Australian Division) at the request of either of them most closely reflects changes in the cost of living for the eight capital cities of Australia. The cost of any expert determination carried out under this clause must be borne equally between the Responsible Entity and the relevant Grower.

6. RELEVANT GROWER'S OBLIGATIONS

The relevant Grower agrees with the Responsible Entity 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.

6.8 Permit Responsible Entity to enter

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

6.9 Comply with other agreements

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

6.10 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 are limited to the unimpeded use of any existing access roads, pathways or fire-breaks on or about their Woodlot.

7. RESPONSIBLE ENTITY'S OBLIGATIONS**7.1 Prior to Commencement Date**

The Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity's expense prior to the Commencement Date (or such later date as the relevant Grower may agree) construct or cause to be constructed a fence along the external boundary of the relevant Plantation, or in such other location as the Responsible Entity deems fit, suitable to restrain livestock from straying onto the relevant Woodlots.

7.2 During the Term

The Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity'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 Responsible Entity or any person claiming through or under the Responsible Entity.

(b) Maintain boundary fence

Maintain or cause to be maintained the fence constructed pursuant to clause 7.1 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 Responsible Entity.

(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 Responsible Entity 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 Responsible Entity 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 is 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 is 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 Responsible Entity 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 Responsible Entity, 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 Responsible Entity 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 Responsible Entity on the relevant Woodlots or on any neighbouring land in respect of which the Responsible Entity 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 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 Responsible Entity 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.

9. RESPONSIBLE ENTITY'S RIGHTS

9.1 General

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

9.2 **Graze livestock**

The Responsible Entity or its invitees may graze livestock on the relevant Woodlots and retain all income derived from them.

9.3 **Bees**

The Responsible Entity or its invitees may keep bees on the relevant Woodlots and retain all income derived from them.

9.4 **Access**

The Responsible Entity is entitled to full and free access for the purposes of carrying out its rights and obligations with or without vehicles to the relevant Woodlots along any road or track or any neighbouring land owned or occupied by the Responsible Entity which gives access to the relevant Woodlots from a public road.

9.5 **Further access**

The Responsible Entity is 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 Responsible Entity.

9.6 **Use of sand and gravel**

The Responsible Entity 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.

9.7 **Signs**

The Responsible Entity may at its own expense erect and maintain a sign on the relevant Woodlots detailing such matters as the Responsible Entity reasonably considers appropriate.

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, but continues to pay the Annual Rent, the Grower may by giving written notice to the Responsible Entity 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 South Australia or the government of the Commonwealth of Australia; or
- (f) any Act of Parliament, regulation, by-law, order, ordinance or rule.

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 Responsible Entity 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 has served a written notice on the Responsible Entity requiring the Responsible Entity to remedy the breach.
- (b) The Responsible Entity 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 three months after the Responsible Entity 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 Responsible Entity 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 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 Responsible Entity. Termination under this clause takes effect on and from the 30 June next following the expiration of the period of notice.

- (b) If so directed by the Responsible Entity 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 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 Responsible Entity. Termination under this clause takes 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 Responsible Entity 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 Responsible Entity and the lessor or sub-lessor under the Head Lease with reasonable access to the surrendered area.

11.4 Effect of termination

- (i) Termination of this Sub-Lease under clauses 11.1 or 11.2 or reduction of the relevant Woodlots under clause 11.3 is without prejudice to any rights or obligations which may have accrued prior to the date of termination.
- (j) Termination of this Sub-Lease in respect of a relevant Woodlot or part of a relevant Woodlot under this Part 11 does 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 Responsible Entity nor the relevant Grower is entitled to terminate or rescind this Sub-Lease and the Responsible Entity is not entitled to re-enter the relevant Woodlots or forfeit this Lease, at any time prior to the expiration of the Term.

12. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION

12.1 Removal of stumps, roads and tracks

The Responsible Entity 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 Responsible Entity.

13. OWNERSHIP OF THE TREES

13.1 Ownership

The Responsible Entity acknowledges and agrees with the relevant Grower that for so long as this Sub-Lease has not been terminated for non-payment of Annual Rent under clause 11.1(b) and the relevant Grower continues to pay the Annual Rent the Trees will be and will remain the property of the relevant Grower for the period referred to in paragraph 13.3(b).

13.2 Additional Rights

The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity or of the trustee in bankruptcy, receiver, receiver and manager, controller, administrator or liquidator of the Responsible Entity, or for any other reason whatsoever,
 the rights and interests granted to the relevant Grower under clauses 13.1 and 13.2, 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 1971 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 1940 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 Responsible Entity must promptly notify the relevant Grower.
- (b) Neither the Responsible Entity nor the Grower may 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 Responsible Entity 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 Responsible Entity as the relevant Grower considers appropriate. The relevant Grower hereby indemnifies the Responsible Entity for any loss suffered by the Responsible Entity as a direct consequence of the relevant Grower exercising its rights under this paragraph (d).
- (e) The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity and the relevant Grower will be entitled to

compensation according to their respective interests in the area affected by those activities. The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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:

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

17. CAVEAT

- 17.1 The relevant Grower may at its own expense lodge a caveat, in respect of its interest under this Sub-Lease.
- 17.2 The Responsible Entity agrees to provide to the relevant Grower all plans and other details reasonably necessary to enable the relevant Grower to lodge a 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 Responsible Entity 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 Real Property Act

To the extent permitted by law, all provisions implied in leases by the Real Property Act 1886 are expressly excluded.

18.4 Proper law

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

18.5 Severability

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

18.6 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.

18.7 No Partnership

Nothing contained in this Sub-Lease constitutes a partnership between the Parties to this Sub-Lease. No Party may 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 not to be deemed to give any right or remedy to any such party whether referred to in this Sub-Lease or not.

18.8 Waivers

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

18.9 Assignment

- (a) The relevant Grower covenants that the Responsible Entity does have the full and free right to deal with any of its rights and interests under this Sub-Lease to such other parties and on such terms and conditions as the Responsible Entity sees fit, providing at all times that the Responsible Entity may 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 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 Responsible Entity.
- (b) All costs associated with the preparation, completion and stamping of any deed of covenant required by the immediately preceding subclause must be paid by the Responsible Entity or Grantee, and the relevant Grower will 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 under this Sub-lease in accordance with the provisions of the Project 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.

18.10 Limitation of liability of relevant Grower

- (a) Despite any other provision of this Agreement (other than clause 18.12), in no circumstances is the relevant Grower obliged to contribute any money or incur any other liability under this Agreement in excess of the aggregate of annual rent, the amount of the fees set out in parts 1(i) to (iii) of the schedule to the Management Agreement and the Proceeds.
- (d) 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 the Project Deed, then the relevant Grower no longer remains liable under this Sub-Lease.

18.11 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 does not release it from liability under this Sub-Lease.

18.12 Goods and Services Tax

- (a) If any supply made by the Responsible Entity to the Grower under this Agreement is a taxable supply (according to GST law) so that the Responsible Entity is liable to pay GST, the parties agree that the consideration payable for that supply represents the value of the supply (that is, the GST exclusive amount) and not the price for that supply.
- (b) The price for any taxable supply made by the Responsible Entity under this Agreement is the GST inclusive amount which is determined by increasing the consideration payable by an amount equal to the GST exclusive amount multiplied by the GST rate in force from time to time.
- (c) The Grower must, in respect of each taxable supply, pay the GST inclusive amount when due under this Agreement without deduction or set off and the Project Manager must issue a tax invoice to the Grower no later than 28 days after being requested to do so by the Grower.
- (d) The Grower must also pay to the Responsible Entity any other taxes imposed or assessed in respect of this Lease or any transaction contemplated by this Lease from time to time other than stamp duty and land tax.

PART 1: THE PLANTATIONS AND HEAD LEASE DETAILS (P2001-SA-SPSR)

Plantation Code	Plantation Name	Land Description	Head Lease Details
LET	Lester 2001	Those parts of Certificate of Title Volume 1379 Folio 5 as are delineated into woodlots numbered 1 to 430 on the map annexed hereto.	Plantation Land Ltd.
TOI	Tomich North 2001	Those parts of Certificates of Title Volume 1378 Folio 44 and Volume 1378 Folio 43 as are delineated into woodlots numbered 238 to 570 and 576 to 732 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
TOC	Tomich South 2001	Those parts of Certificates of Title Volume 1112 Folio 6, Volume 1416 Folio 29, Volume 5072 Folio 545 and Volume 1416 Folio 30 as are delineated into woodlots numbered 1 to 1074 on the map annexed hereto. (259 Allocated)	Timbercorp Lands Pty. Ltd.

PART 3: Term

In respect of a relevant Grower, means the period commencing on the Commencement Date and expiring on the earliest of:

- (a) 30 June 2014;
- (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

Subject to this Sub-lease:

- (a) \$275 per relevant Woodlot payable on or before the Commencement Date in respect of the period from the Commencement Date until 30 June 2001; and
- (b) \$275 per relevant Woodlot per annum, payable
 - (i) on 31 October 2001 in respect of the period from 1 July 2001 to 30 June 2002; and
 - (ii) thereafter, in respect of each subsequent financial year during the Term, on each 31 October during that financial year.

EXECUTED as an agreement

EXECUTED BY TIMBERCORP)
SECURITIES LIMITED in accordance)
with its Constitution in the presence of:)



Director



Director/Secretary

EXECUTED by TIMBERCORP)
SECURITIES LIMITED as agent and)
attorney for and on behalf of each several)
grower by authority of its directors:)



Director



Director/Secretary

2001 008
✓

SUB-LEASE – WESTERN AUSTRALIA

2001 TIMBERCORP EUCALYPTS PROJECT

BETWEEN

TIMBERCORP SECURITIES LIMITED

ACN 092 311 469

(the "Responsible Entity")

- and -

EACH SEVERAL GROWER

(the "Grower")

CONTENTS

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

THIS SUB-LEASE is made on

30th June 2001

WAPC Stamp
approval at
the back

BETWEEN:

FIRST

PARTY

TIMBERCORP SECURITIES LIMITED, ACN. 092 311 469 of 5th Floor, 95 Queen Street, Melbourne, Victoria (the "Responsible Entity"); and

SECOND:

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 Project 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").

ON 11 JUL 2001
WESTERN AUSTRALIAN GOVERNMENT
RECEIVED
DEPT OF MINERAL RESOURCES
11/7/01 10:10 AM
11/7/01 10:10 AM

RECITALS:

- A. The Responsible Entity 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 Responsible Entity 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 Project Deed each relevant Grower (or its predecessor in title) has engaged the Responsible Entity to provide certain plantation services for the Grower.

OPERATIVE PROVISIONS:

1. DEFINITIONS

In this Sub-Lease unless the context otherwise requires:

"Commencement Date" means in respect of a relevant Grower, the date on which an application for Woodlots under the Prospectus is accepted by the Responsible Entity.

"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.

"GST" means GST within the meaning of A New Tax System (Goods and Services Tax) Act 1999 (as amended)

"Head Lease" means the agreement set out adjacent to the description of the Plantation in Part 1 of the Schedule and made between the Responsible Entity (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 Responsible Entity has been granted a lease or sub-lease over the Plantation.

"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 and the Responsible Entity.

"Management Plan" means the plan for the management of a Plantation (as varied by the Responsible Entity) which plans are annexed to the Management Agreement.

"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.

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

"Project Deed" means the deed made between the Responsible Entity as responsible entity and each several Grower constituting managed investment scheme called the 2001 Timbercorp Eucalypts Project.

"Prospectus" means the 2001 Timbercorp Eucalypts Project Prospectus issued by the Responsible Entity.

"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 and any extension under clause 10.1.

"Trees" means the crop of eucalyptus trees the subject of the 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 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 will 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 Project Deed unless the contrary requires.

3. GRANT OF SUB-LEASE

The Responsible Entity 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 Management Agreement; and
- (c) the Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 will be at an end; and
- (b) the Responsible Entity must immediately repay to the relevant Grower any instalments of Annual Rent or other moneys paid by the relevant Grower to the Responsible Entity under this Sub-Lease.

5. RENT

5.1 Annual Rent

The relevant Grower must duly and punctually pay to the Responsible Entity 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 must be reviewed on 31 October 2001 and each 31 October thereafter during the Term (as extended or renewed) ("Review Dates"). The Annual Rent payable on and from each review Date is 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) Weighted average of eight capital cities (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) Weighted average of eight capital cities (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) Weighted average of eight capital cities 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 Responsible Entity 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 Australian Division) at the request of either of them most closely reflects changes in the cost of living for the eight capital cities of Australia. The cost of any expert determination carried out under this clause must be borne equally between the Responsible Entity and the relevant Grower.

6. RELEVANT GROWER'S OBLIGATIONS

The relevant Grower agrees with the Responsible Entity 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.

6.8 Permit Responsible Entity to enter

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

6.9 Comply with other agreements

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

6.10 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 are limited to the unimpeded use of any existing access roads, pathways or fire-breaks on or about their Woodlot.

7. RESPONSIBLE ENTITY'S OBLIGATIONS

7.1 Prior to Commencement Date

The Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity'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 Responsible Entity 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 Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity'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 Responsible Entity or any person claiming through or under the Responsible Entity.

(b) Maintain boundary fence

Maintain or cause to be maintained the fence constructed pursuant to clause 7.1 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 Responsible Entity.

(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 Responsible Entity 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 Responsible Entity 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 is 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 is 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 Responsible Entity 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 Responsible Entity, 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 Responsible Entity 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 Responsible Entity on the relevant Woodlots or on any neighbouring land in respect of which the Responsible Entity 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 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 Responsible Entity 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.

9. RESPONSIBLE ENTITY'S RIGHTS

9.1 General

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

9.2 Graze livestock

The Responsible Entity or its invitees may graze livestock on the relevant Woodlots and retain all income derived from them.

9.3 Bees

The Responsible Entity or its invitees may keep bees on the relevant Woodlots and retain all income derived from them.

9.4 Access

1

The Responsible Entity is entitled to full and free access for the purposes of carrying out its rights and obligations with or without vehicles to the relevant Woodlots along any road or track or any neighbouring land owned or occupied by the Responsible Entity which gives access to the relevant Woodlots from a public road.

9.5 Further access

The Responsible Entity is 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 Responsible Entity.

9.6 Use of sand and gravel

The Responsible Entity 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.

9.7 Signs

The Responsible Entity may at its own expense erect and maintain a sign on the relevant Woodlots detailing such matters as the Responsible Entity reasonably considers appropriate.

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, but continues to pay the Annual Rent, the Grower may by giving written notice to the Responsible Entity 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.

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 Responsible Entity 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 has served a written notice on the Responsible Entity requiring the Responsible Entity to remedy the breach.
- (b) The Responsible Entity 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 three months after the Responsible Entity 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

Responsible Entity 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 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 Responsible Entity. Termination under this clause takes effect on and from the 30 June next following the expiration of the period of notice.

- (b) If so directed by the Responsible Entity 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 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 Responsible Entity. Termination under this clause takes 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 Responsible Entity 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 Responsible Entity 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 is 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 does 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 Responsible Entity nor the relevant Grower is entitled to terminate or rescind this Sub-Lease and the Responsible Entity is not entitled to re-enter the relevant Woodlots or forfeit this Lease, at any time prior to the expiration of the Term.

12. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION

12.1 Removal of stumps, roads and tracks

The Responsible Entity 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 Responsible Entity.

13. OWNERSHIP OF THE TREES

13.1 Ownership

The Responsible Entity acknowledges and agrees with the relevant Grower that for so long as this Sub-Lease has not been terminated for non-payment of Annual Rent under clause 11.1(b) and the relevant Grower continues to pay the Annual Rent the Trees will be and will remain the property of the relevant Grower for the period referred to in paragraph 13.3(b).

13.2 Additional Rights

The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity or of the trustee in bankruptcy, receiver, receiver and manager, controller, administrator or liquidator of the Responsible Entity, or for any other reason whatsoever,

the rights and interests granted to the relevant Grower under clauses 13.1 and 13.2, 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 Responsible Entity must promptly notify the relevant Grower.
- (b) Neither the Responsible Entity nor the Grower may 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 Responsible Entity 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 Responsible Entity as the relevant Grower considers appropriate. The relevant Grower hereby indemnifies the Responsible Entity for any loss suffered by the Responsible Entity as a direct consequence of the relevant Grower exercising its rights under this paragraph (d).
- (e) The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity and the relevant Grower will be entitled to compensation according to their respective interests in the area affected by those activities. The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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.

17. CAVEAT

- 17.1 The relevant Grower may at its own expense lodge a subject to claim caveat at the Office of Titles, Midland in respect of its interest under this Sub-Lease.

- 17.2 The Responsible Entity 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 Responsible Entity 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 do not apply to this Sub-Lease.

18.5 Proper law

This Sub-Lease is governed by and construed in accordance with laws of the State of Western Australia and where applicable the Commonwealth of 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 will 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 constitutes a partnership between the Parties to this Sub-Lease. No Party may 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 is not to 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 to be deemed a waiver of any preceding or succeeding breach of this Sub-Lease.

18.10 Assignment

- (a) The relevant Grower covenants that the Responsible Entity does have the full and free right to deal with any of its rights and interests under this sub lease to such other parties and on such terms and conditions as the Responsible Entity sees fit, providing at all times that the Responsible Entity may 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 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 Responsible Entity.
- (b) All costs associated with the preparation, completion and stamping of any deed of covenant required by the immediately preceding subclause must be paid by the Responsible Entity or Grantee, and the relevant Grower will 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 under this Sub-lease in accordance with the provisions of the Project 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 applies to this Sub-Lease and both sections are expressly excluded.

18.11 Limitation of liability of relevant Grower

- (a) Despite any other provision of this Agreement (other than clause 18.13), in no circumstances is the relevant Grower obliged to contribute any money or incur any other liability under this Agreement in excess of the aggregate

of annual rent, the amount of the fees set out in parts 1(i) to (iii) of the schedule to the Management Agreement and the 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 the Project 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 does not release it from liability under this Sub-Lease.

18.13 Goods and Services Tax

- (a) If any supply made by the Responsible Entity to the Grower under this Agreement is a taxable supply (according to GST law) so that the Responsible Entity is liable to pay GST, the parties agree that the consideration payable for that supply represents the value of the supply (that is, the GST exclusive amount) and not the price for that supply.
- (b) The price for any taxable supply made by the Responsible Entity under this Agreement is the GST inclusive amount which is determined by increasing the consideration payable by an amount equal to the GST exclusive amount multiplied by the the GST rate in force from time to time.
- (c) The Grower must, in respect of each taxable supply, pay the GST inclusive amount when due under this Agreement without deduction or set off and the Project Manger must issue a tax invoice to the Grower no later than 28 days after being requested to do so by the Grower.
- (d) The Grower must also pay to the Responsible Entity any other taxes imposed or assessed in respect of this Lease or any transaction contemplated by this Lease from time to time other than stamp duty and land tax.

PART 1: THE PLANTATIONS AND HEAD LEASE DETAILS (P2001-WA-SPSR)

Plantation Code	Plantation Name	Land Description	Head Lease Details
HDL	Holden 2001	Those parts of Certificate of Title Volume 1873 Folio 20 as are delineated into woodlots numbered 1 to 25 on the map annexed hereto.	Holden Investments Pty. Ltd.
JAK	Jackson 2001	Those parts of Certificates of Title Volume 2066 Folio 812, Volume 11 Folio 250A, Volume 1789 Folio 561 and Volume 1533 Folio 620 as are delineated into woodlots numbered 1 to 174 on the map annexed hereto.	D.J. Jackson and B.J. Jackson
SRR	Scarr 2001	Those parts of Certificate of Title Volume 2193 Folio 665 as are delineated into woodlots numbered 1 to 21 on the map annexed hereto.	K.J. Scarr and L.D. Scarr

PART 3: Term

In respect of a relevant Grower, means the period commencing on the Commencement Date and expiring on the earliest of:

- (a) 30 June 2014;
- (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

Subject to this Sub-Lease


- (a) \$275 per relevant Woodlot payable on or before the Commencement Date in respect of the period from the Commencement Date until 30 June 2001; and
- (b) \$275 per relevant Woodlot per annum, payable
 - (i) on 31 October 2001 in respect of the period from 1 July 2001 to 30 June 2002; and
 - (ii) thereafter, in respect of each subsequent financial year during the Term, on each 31 October during that financial year.

EXECUTED as an agreement

EXECUTED BY TIMBERCORP)
SECURITIES LIMITED in accordance)
with its Constitution in the presence of:)




Director

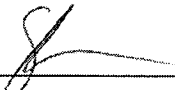


Director/~~Secretary~~

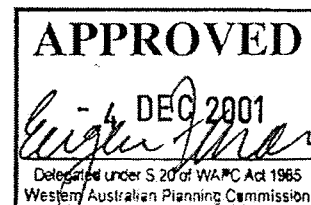
EXECUTED by **TIMBERCORP**)
SECURITIES LIMITED as agent and)
attorney for and on behalf of each several)
grower by authority of its directors:)



Director



Director/~~Secretary~~



2001 009

SUB-LEASE – SOUTH AUSTRALIA

2001 TIMBERCORP EUCALYPTS PROJECT

DEVELOPMENT 894 / 2003 / 02

BETWEEN

TIMBERCORP SECURITIES LIMITED

ACN. 092 311 469

(the "Responsible Entity")

- and -

EACH SEVERAL GROWER

(the "Grower")

WATTLE RANGE COUNCIL

Approved Plan Pursuant to Section 33 (1) (a),
(c), (f) of the Development Act 1993

Approval No 894/2003...../02

Date of Approval.....22.03.02

Delegate.....*Myles Palmer*

Date.....12.04.02

SUB-LEASE – SOUTH AUSTRALIA

2001 TIMBERCORP EUCALYPTS PROJECT

BETWEEN

TIMBERCORP SECURITIES LIMITED

ACN. 092 311 469

(the "Responsible Entity")

- and -

EACH SEVERAL GROWER

(the "Grower")

CONTENTS

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

THIS SUB-LEASE is made on 30 June 2001

BETWEEN:

FIRST PARTY:

TIMBERCORP SECURITIES LIMITED, ACN. 092 311 469 of 5th Floor, 95 Queen Street, Melbourne, Victoria (the "Responsible Entity"); and

SECOND 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 Project 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").

RECITALS:

- A. The Responsible Entity 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 Responsible Entity 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 Project Deed each relevant Grower (or its predecessor in title) has engaged the Responsible Entity to provide certain plantation services for the Grower.

OPERATIVE PROVISIONS:

1. DEFINITIONS

In this Sub-Lease unless the context otherwise requires:

"Commencement Date" means in respect of a relevant Grower, the date on which an application for Woodlots under the Prospectus is accepted by the Responsible Entity.

"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 set out adjacent to the description of the Plantation in Part 1 of the Schedule and made between the Responsible Entity (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 Responsible Entity has been granted a lease or sub-lease over the Plantation.

"GST" means GST within the meaning of A New Tax System (Goods and Services Tax) Act 1999 (as amended)

"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 and the Responsible Entity.

"Management Plan" means the plan for the management of a Plantation (as varied by the Responsible Entity) which plans are annexed to the Management Agreement.

"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.

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

"Project Deed" means the deed made between the Responsible Entity as responsible entity and each several Grower constituting managed investment scheme called the 2001 Timbercorp Eucalypts Project.

"Prospectus" means the 2001 Timbercorp Eucalypts Project Prospectus issued by the Responsible Entity.

"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 and any extension under clause 10.1.

"Trees" means the crop of eucalyptus trees the subject of the 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 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 will 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 Project Deed unless the contrary requires.

3. GRANT OF SUB-LEASE

The Responsible Entity 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) all local, State and Commonwealth government approvals, licences or permission required for the establishment of the Trees;
- (b) in the event the Leased Area is part only of an allotment as defined by Part 19AB of the Real Property Act 1886, approval to this Lease under the Development Act 1993.
- (c) in the event the Leased Area is the whole or part of land under the Crown Lands Act 1929 and a lease or sublease of such land requires consent to be given under the Crown Lands Act 1929, consent under the Crown Lands Act 1929.

The conditions referred to in paragraphs (a), (b) and (c) are deemed to be conditions subsequent.

4.2 Other agreements

This Sub-Lease is subject to and conditional upon:

- (a) the relevant Grower entering into the Management Agreement;
- (b) the Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 will be at an end; and
- (b) the Responsible Entity must immediately repay to the relevant Grower any instalments of Annual Rent or other moneys paid by the relevant Grower to the Responsible Entity under this Sub-Lease.

5. RENT

5.1 Annual Rent

The relevant Grower must duly and punctually pay to the Responsible Entity 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 must be reviewed on 31 October 2001 and each 31 October thereafter during the Term (as extended or renewed) ("Review Dates"). The Annual Rent payable on and from each review Date is 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) Weighted average of eight capital cities (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) Weighted average of eight capital cities (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) Weighted average of eight capital cities 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 Responsible Entity 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 (South Australian Division) at the request of either of them most closely reflects changes in the cost of living for the eight capital cities of Australia. The cost of any expert determination carried out under this clause must be borne equally between the Responsible Entity and the relevant Grower.

6. RELEVANT GROWER'S OBLIGATIONS

The relevant Grower agrees with the Responsible Entity 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.

6.8 Permit Responsible Entity to enter

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

6.9 Comply with other agreements

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

6.10 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 are limited to the unimpeded use of any existing access roads, pathways or fire-breaks on or about their Woodlot.

7. RESPONSIBLE ENTITY'S OBLIGATIONS**7.1 Prior to Commencement Date**

The Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity's expense prior to the Commencement Date (or such later date as the relevant Grower may agree) construct or cause to be constructed a fence along the external boundary of the relevant Plantation, or in such other location as the Responsible Entity deems fit, suitable to restrain livestock from straying onto the relevant Woodlots.

7.2 During the Term

The Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity'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 Responsible Entity or any person claiming through or under the Responsible Entity.

(b) Maintain boundary fence

Maintain or cause to be maintained the fence constructed pursuant to clause 7.1 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 Responsible Entity.

(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 Responsible Entity 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 Responsible Entity 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 is 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 is 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 Responsible Entity 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 Responsible Entity, 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 Responsible Entity 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 Responsible Entity on the relevant Woodlots or on any neighbouring land in respect of which the Responsible Entity 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 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 Responsible Entity 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.

9. RESPONSIBLE ENTITY'S RIGHTS

9.1 General

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

9.2 **Graze livestock**

The Responsible Entity or its invitees may graze livestock on the relevant Woodlots and retain all income derived from them.

9.3 **Bees**

The Responsible Entity or its invitees may keep bees on the relevant Woodlots and retain all income derived from them.

9.4 **Access**

The Responsible Entity is entitled to full and free access for the purposes of carrying out its rights and obligations with or without vehicles to the relevant Woodlots along any road or track or any neighbouring land owned or occupied by the Responsible Entity which gives access to the relevant Woodlots from a public road.

9.5 **Further access**

The Responsible Entity is 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 Responsible Entity.

9.6 **Use of sand and gravel**

The Responsible Entity 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.

9.7 **Signs**

The Responsible Entity may at its own expense erect and maintain a sign on the relevant Woodlots detailing such matters as the Responsible Entity reasonably considers appropriate.

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, but continues to pay the Annual Rent, the Grower may by giving written notice to the Responsible Entity 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 South Australia or the government of the Commonwealth of Australia; or
- (f) any Act of Parliament, regulation, by-law, order, ordinance or rule.

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 Responsible Entity 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 has served a written notice on the Responsible Entity requiring the Responsible Entity to remedy the breach.
- (b) The Responsible Entity 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 three months after the Responsible Entity 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 Responsible Entity 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 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 Responsible Entity. Termination under this clause takes effect on and from the 30 June next following the expiration of the period of notice.

- (b) If so directed by the Responsible Entity 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 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 Responsible Entity. Termination under this clause takes 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 Responsible Entity 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 Responsible Entity and the lessor or sub-lessor under the Head Lease with reasonable access to the surrendered area.

11.4 Effect of termination

- (i) Termination of this Sub-Lease under clauses 11.1 or 11.2 or reduction of the relevant Woodlots under clause 11.3 is without prejudice to any rights or obligations which may have accrued prior to the date of termination.
- (j) Termination of this Sub-Lease in respect of a relevant Woodlot or part of a relevant Woodlot under this Part 11 does 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 Responsible Entity nor the relevant Grower is entitled to terminate or rescind this Sub-Lease and the Responsible Entity is not entitled to re-enter the relevant Woodlots or forfeit this Lease, at any time prior to the expiration of the Term.

12. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION**12.1 Removal of stumps, roads and tracks**

The Responsible Entity 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 Responsible Entity.

13. OWNERSHIP OF THE TREES

13.1 Ownership

The Responsible Entity acknowledges and agrees with the relevant Grower that for so long as this Sub-Lease has not been terminated for non-payment of Annual Rent under clause 11.1(b) and the relevant Grower continues to pay the Annual Rent the Trees will be and will remain the property of the relevant Grower for the period referred to in paragraph 13.3(b).

13.2 Additional Rights

The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity or of the trustee in bankruptcy, receiver, receiver and manager, controller, administrator or liquidator of the Responsible Entity, or for any other reason whatsoever,
 the rights and interests granted to the relevant Grower under clauses 13.1 and 13.2, 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 1971 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 1940 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 Responsible Entity must promptly notify the relevant Grower.
- (b) Neither the Responsible Entity nor the Grower may 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 Responsible Entity 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 Responsible Entity as the relevant Grower considers appropriate. The relevant Grower hereby indemnifies the Responsible Entity for any loss suffered by the Responsible Entity as a direct consequence of the relevant Grower exercising its rights under this paragraph (d).
- (e) The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity and the relevant Grower will be entitled to

compensation according to their respective interests in the area affected by those activities. The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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:
 - (e) if personally delivered, upon receipt;
 - (f) if sent by pre-paid post within Australia, on the third day after posting;
 - (g) if sent by pre-paid post outside Australia, on the seventh day after posting; and
 - (h) if sent by facsimile, upon production of a successful transmission report by the sender's facsimile machine.

17. CAVEAT

- 17.1 The relevant Grower may at its own expense lodge a caveat, in respect of its interest under this Sub-Lease.
- 17.2 The Responsible Entity agrees to provide to the relevant Grower all plans and other details reasonably necessary to enable the relevant Grower to lodge a 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 Responsible Entity 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 Real Property Act

To the extent permitted by law, all provisions implied in leases by the Real Property Act 1886 are expressly excluded.

18.4 Proper law

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

18.5 Severability

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

18.6 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.

18.7 No Partnership

Nothing contained in this Sub-Lease constitutes a partnership between the Parties to this Sub-Lease. No Party may 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 not to be deemed to give any right or remedy to any such party whether referred to in this Sub-Lease or not.

18.8 Waivers

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

18.9 Assignment

- (a) The relevant Grower covenants that the Responsible Entity does have the full and free right to deal with any of its rights and interests under this Sub-Lease to such other parties and on such terms and conditions as the Responsible Entity sees fit, providing at all times that the Responsible Entity may 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 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 Responsible Entity.
- (b) All costs associated with the preparation, completion and stamping of any deed of covenant required by the immediately preceding subclause must be paid by the Responsible Entity or Grantee, and the relevant Grower will 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 under this Sub-lease in accordance with the provisions of the Project 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.

18.10 Limitation of liability of relevant Grower

- (a) Despite any other provision of this Agreement (other than clause 18.12), in no circumstances is the relevant Grower obliged to contribute any money or incur any other liability under this Agreement in excess of the aggregate of annual rent, the amount of the fees set out in parts 1(i) to (iii) of the schedule to the Management Agreement and the Proceeds.
- (d) 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 the Project Deed, then the relevant Grower no longer remains liable under this Sub-Lease.

18.11 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 does not release it from liability under this Sub-Lease.

18.12 Goods and Services Tax

- (a) If any supply made by the Responsible Entity to the Grower under this Agreement is a taxable supply (according to GST law) so that the Responsible Entity is liable to pay GST, the parties agree that the consideration payable for that supply represents the value of the supply (that is, the GST exclusive amount) and not the price for that supply.
- (b) The price for any taxable supply made by the Responsible Entity under this Agreement is the GST inclusive amount which is determined by increasing the consideration payable by an amount equal to the GST exclusive amount multiplied by the GST rate in force from time to time.
- (c) The Grower must, in respect of each taxable supply, pay the GST inclusive amount when due under this Agreement without deduction or set off and the Project Manager must issue a tax invoice to the Grower no later than 28 days after being requested to do so by the Grower.
- (d) The Grower must also pay to the Responsible Entity any other taxes imposed or assessed in respect of this Lease or any transaction contemplated by this Lease from time to time other than stamp duty and land tax.

PART 1: THE PLANTATIONS AND HEAD LEASE DETAILS (P2001-SA-SPSR)

Plantation Code	Plantation Name	Land Description	Head Lease Details
LET	Lester 2001	Those parts of Certificate of Title Volume 1379 Folio 5 as are delineated into woodlots numbered 1 to 430 on the map annexed hereto.	Plantation Land Ltd.
TOI	Tomich North 2001	Those parts of Certificates of Title Volume 1378 Folio 44 and Volume 1378 Folio 43 as are delineated into woodlots numbered 238 to 570 and 576 to 732 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
TOC	Tomich South 2001	Those parts of Certificates of Title Volume 1112 Folio 6, Volume 1416 Folio 29, Volume 5072 Folio 545 and Volume 1416 Folio 30 as are delineated into woodlots numbered 1 to 1074 on the map annexed hereto. (259 Allocated)	Timbercorp Lands Pty. Ltd.

PART 3: Term

In respect of a relevant Grower, means the period commencing on the Commencement Date and expiring on the earliest of:

- (a) 30 June 2014;
- (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

Subject to this Sub-lease:

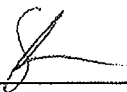
- (a) \$275 per relevant Woodlot payable on or before the Commencement Date in respect of the period from the Commencement Date until 30 June 2001; and
- (b) \$275 per relevant Woodlot per annum, payable
 - (i) on 31 October 2001 in respect of the period from 1 July 2001 to 30 June 2002; and
 - (ii) thereafter, in respect of each subsequent financial year during the Term, on each 31 October during that financial year.

EXECUTED as an agreement

EXECUTED BY TIMBERCORP)
SECURITIES LIMITED in accordance)
with its Constitution in the presence of:)

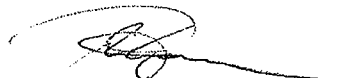


Director

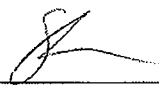


Director/Secretary

EXECUTED by TIMBERCORP)
SECURITIES LIMITED as agent and)
attorney for and on behalf of each several)
grower by authority of its directors:)



Director



Director/Secretary

DEED OF VARIATION

MADE BETWEEN: TIMBERCORP SECURITIES LTD A.C.N. 092 311 469 of Level 8,461 Bourke Street Melbourne Vic 3000 (the "Responsible Entity"); and

AND: Each several person who is named or otherwise described in Part 2 of the Schedule of Sub Lease – South Australia 2001 Timbercorp Eucalypts Project (the "SA 2001 Sub-Lease") and his transferees and assigns (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").

WHEREAS:

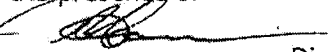
- A The Responsible Entity and the relevant Growers have entered into the SA 2001 Sub-Lease;
- B Since entering into the SA 2001 Sub-Lease, it has been discovered that the SA 2001 Sub-Lease includes errors as to descriptions of lands, maps and identification of lands the subject of the SA 2001 Sub-Lease.
- C Now the Responsible Entity and the relevant Growers desire to vary the SA 2001 Sub-Lease to properly reflect the intent of the SA 2001 Sub-Lease.


NOW IT IS AGREED THAT:

- 1. The Part 1: The Plantations and Head Lease Details (P2001 – SA – SPSR) attached hereto as Annexure A shall replace The Plantations and Head Lease Details (P2001-SA – SPSR) contained in the SA 2001 Sub – Lease.
- 2. Maps identified as Drawings Nos SA/01-3-274/501/001, SA /01-3-274/501/002, SA/01-3-274/501/003, SA /01-3-273/501/001 and SA/01-3-273/501/002 shall replace the maps contained in the SA 2001 Sub-Lease Numbered SA/01-3-274/501/001, SA/01-3-274/501/002, SA/01-3-274/501/003, SA/01-3-273/501/001 SA/01-3-273/501/002, SA/01-3-273/501/003 and SA/01-3-273/501/004 respectively.
- 3. Lot Nos to Land in Part 2 of the Schedule of the SA 2001 Sub-Lease shall in lieu of the numbers TOI 238 to TOI 570 inclusive and TOI 576 to TOI 732 inclusive be renumbered TOI 1 to TOI 332 inclusive and TOI 576 to TOI 732 inclusive.
- 4. The variations set out in clause 1 to 3 above shall be deemed to have taken effect at the same time as the SA 2001 Sub-Lease came into effect.

IN WITNESS WHEREOF the Responsible Entity and the relevant Growers have executed
this Deed of Variation this 19th day of March. 2002

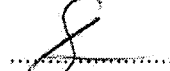
Executed by)
TIMBERCORP)
SECURITIES LIMITED)
in accordance with)
its Constitution in)
the presence of)


..... Director


..... Director/~~Secretary~~

Executed by TIMBERCORP)
SECURITIES LIMITED as agent)
and attorney for and our behalf)
of each several growers by)
authority of its Directors:)


..... Director


..... Director/~~Secretary~~

PART 1: THE PLANTATIONS AND HEAD LEASE DETAILS (P2001-SA-SPSR)

Plantation Code	Plantation Name	Land Description	Head Lease Details
LET	Lester 2001	Those parts of Crown Lease Volume 1379 Folio 5 as are delineated into woodlots numbered 1 to 430 on the map annexed hereto.	Plantation Land Ltd.
TOI	Tomich North 2001	Those parts of Crown Lease Volume 1378 Folio 43 and Volume 1378 Folio 44 as are delineated into woodlots numbered 1 to 332 and 338 to 494 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
TOC	Tomich South 2001	Those parts of Crown Lease Volume 1112 Folio 6, Volume 1416 Folio 29, Volume 1416 Folio 30 and Certificate of Title Volume 5072 Folio 545 as are delineated into woodlots numbered 1 to 260 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.

Woodlot Plan Tomich North Treefarm (SA) 2001 Project, 2001 Plant

ROAD

LAWLEYS



SHEET 1 OF 3

C. OF T. VOL. FOL. 1378/43 & 44
BEING SECTIONS 140, 143 AND 144
HUNDREDS OF SPENCE
PROPERTY CODE: TOI

Land Use Area	674.4 ha
Total Area	674 ha
Net Plantable Area	495.3 ha
Percentage Plantable	73 %
Area Buffer %	
C1 50.3 0 75	C6 114 0 17
C2 24.9 0 43	C7 18.0 0 12.0
C3 24.9 0 43	C8 18.0 0 12.0
C4 37.5 0 56	C9 55.0 0 81
C5 52.0 0 8	C10 40.0 0 61
Non Plantable	
Remnant Vegetation	19.0 2.8
Shallow Soil	37.1 5.5
Exotic Vegetation	neg neg
Remnant Subsoil	33.0 4.7
Wet Area	13.3 2.0
Sal Backs	38.4 5.7
Fishbeaks	
Total	674.4 100.0
Total on structure Woodlots: 495	

Symbol	Description	Setback
---	Title Boundary	10
---	Lease Boundary	10
---	Public Land Boundary	
---	Boundary	0
---	Remnant Vegetation	10
---	Relieved	10m, 20m or 30m
---	Specimen Tree	10
---	Fire Contol Dam	10
---	Power Line	20
---	Utility Line	10
---	Drainage Line	2
---	Access Track	1.5
---	Proposed Log Haul Route	
---	Unused Road Reserve	
---	Vehicle Access: Fire Turn	
---	Vehicle Access: Fire Turn	
---	Light Vehicle Access Only	
---	Row Direction	
---	Fire Access and	
---	Compartment Boundary	
---	CFA Map Cylinder, Sign	
---	E 505600	
---	AMG Coordinate of Access	

NOTE: Setbacks are as stated above unless otherwise noted

NARACORTE

N

CFS 23

Project Managers

Timbercorp Hamilton Office

TEL: 03 5572 3970

Quality Assurance: Timbercorp

M.C.

Plan and Database prepared by

RAPID MAP AUSTRALIA Pty Ltd

Sub 5.7 Timbercorp

Number 2001

Tel: 03 9455 1829

Fax: 03 9455 1926

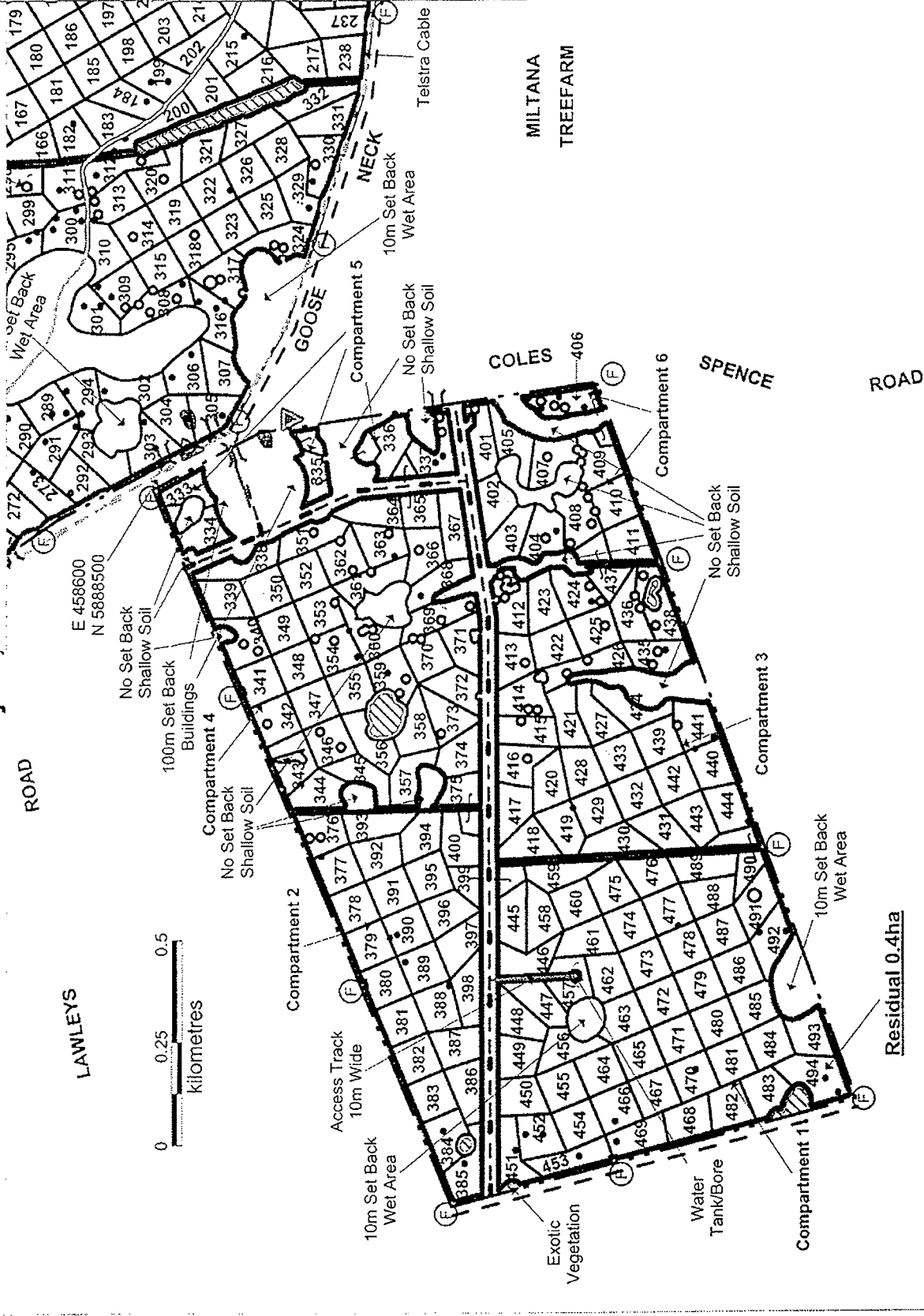
Quality Assurance: Timbercorp

Signature

Date

SA/01-3-274/501/001

02



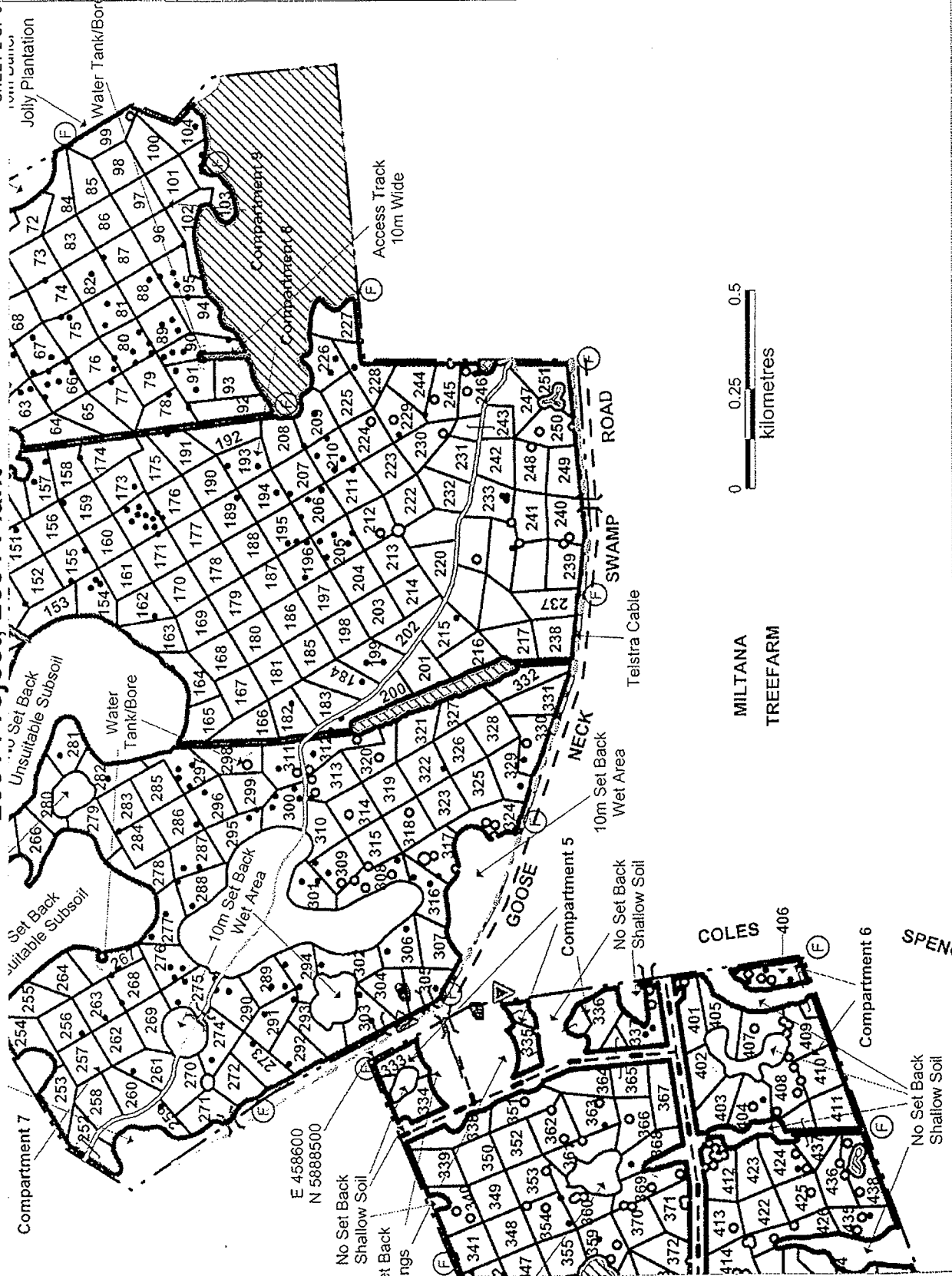
Residual 0.4ha

BLUE GUM PLANTING 2001

AERIAL PHOTOGRAPHY CAPTURED ON 4/2/97

C. OF T. VOL./FOL. 1378/43 & 44
BEING SECTIONS 140, 143 AND 144
HUNDRED OF SPENCE
PROPERTY CODE: TOI

SHEET 2 OF 3

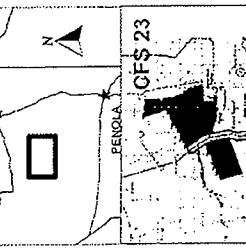


Land Use Area		Title Area	674.4 ha
Total Area	674 ha		
Net Plantable Area	495.3 ha		
Percentile Plantable	73 %		
Area/Builer	%	Area/Builer	%
C1	50.3	0	17
C2	24.9	37	110
C3	37.2	49	23
C4	33.5	56	81
C5	5.2	0.8	10
Non Plantable			
- Shallow Soil			
- Remnant Vegetation			
- Exotic Vegetation			
- Unsuitable Subsoil			
- Wet Areas			
- Soil banks			
- Wetlands			
Total		674.4	100

Symbol	Description	Backsack
	Trile Boundary	10
	Lease Boundary	10
	Public Land Boundary	
	Compartment Boundary	0
	Remnant Vegetation	10
	Released Tank or 20m Sprayline	0
	Wastepail	10
	Fire Control Dumb	10
	Power Line	20
	Utility Line	10
	Drainage Line	2
	Access Track	1.5
	Proposed Log Haul Route	
	Unusual Road Reserve	
	Vehicular Access, Fire Turf	
	No Vehicular Access,	
	Light Vehicular Access Only	
	Flow Direction	
	Fire Access and Compartment Boundary	
	CFA Map Cylinder, Sign	
	E 505600	
	AMG Coordinate of Access	

NOTE: Backsacks are as stated above unless otherwise noted.

NARACOORTE



Project Managers

Timbercorp Hamilton Office
TEL: 03 5572 3970

Signature _____ Date _____

M.C.

**RADOM
MAP 7**

601 Kelly
P.O. Box 100
Burke, VA 22015
Tel: 703 445 1503

100-33552-1833
 FBI - 079435 1920

Quality Assurance Report	Signature	Date
	<i>[Signature]</i>	

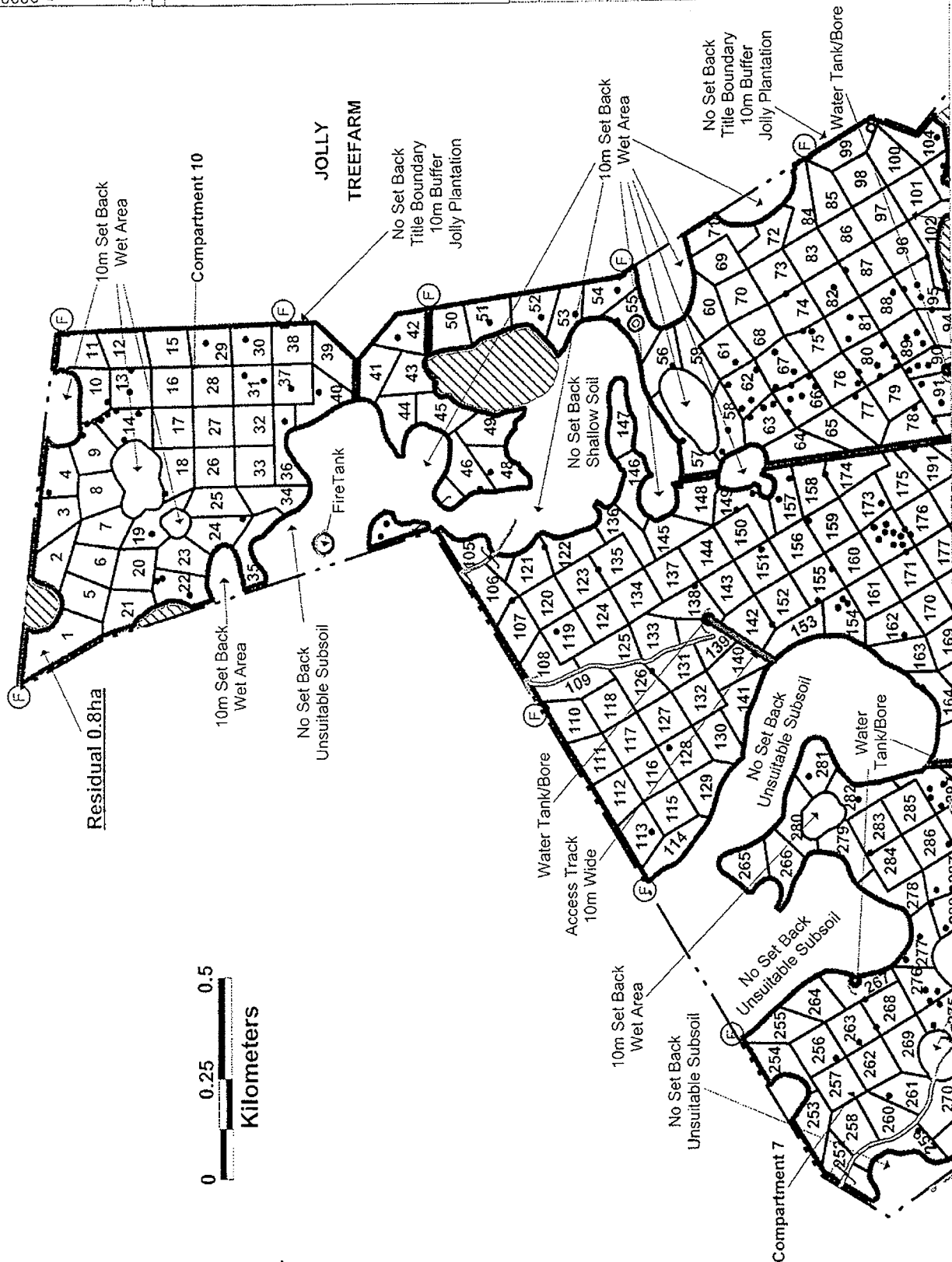
15/10/10	Rev
R.W.	15/10/10
Drawing No	

SA01-3-274/501/002	02
--------------------	----

Woodlot Plan Tomich North Treefarm (SA) 2001 Project, 2001 Plant

C. OF T. VOL. FOL. 1378/43 & 44
BEING SECTIONS 140, 143 AND 144
HUNDRED OF SPENCE
PROPERTY CODE: TOI

SHEET 3 OF 3



Land Use Area		674.4 ha
Title Area		674.4 ha
Net Plantable Area		495.3 ha
Percent Plantable		73 %
Area Buffer %		
C1 50.3	0.75	C8 11.4 0.17
C2 24.9	0.37	C7 81.0 0.120
C3 33.2	0.50	C6 155.9 0.231
C4 52.0	0.78	C5 40.0 0.60
Non Plantable		
- Shallow Soil		19.0 2.8
- Runnam Vegetation		37.1 5.5
- Exotic Vegetation		neg neg
- Unsuitable Subsoil		39.3 5.8
- Wet Areas		13.0 2.0
- Firebreaks		38.4 5.7
Total		674.4 100.0
Total one-hectare Woodlot: 494		

Symbol	Description	Setback
—	Title Boundary	10
—	Lease Boundary	10
—	Public Land Boundary	0
—	Compartment Boundary	0
—	Romani Vegetation	10
—	Retained	10m, 20m or 30m
—	Specimen Tree	10
—	Waterpoint	10
—	Fire Control Dam	20
—	Power Line	10
—	Utility Line	10
—	Drainage Line	2
—	Access Track	15
—	Proposed Log Haul Route	15
—	Unused Road Reserve	15
—	Vehicle Access, Fire Turn	15
—	No Vehicle Access, Light Vehicle Access Only	15
—	Row Direction	15
—	Fire Access and Compartment Boundary	15
—	CFA Map Cylinder, Sign	15
—	AMG Coordinate of Access	15

NOTE: Setbacks are as stated above unless otherwise noted

NARACORRYE

CFS 23

Project Managers
Timbercorp Hamilton Office
TEL : 03 5572 3970

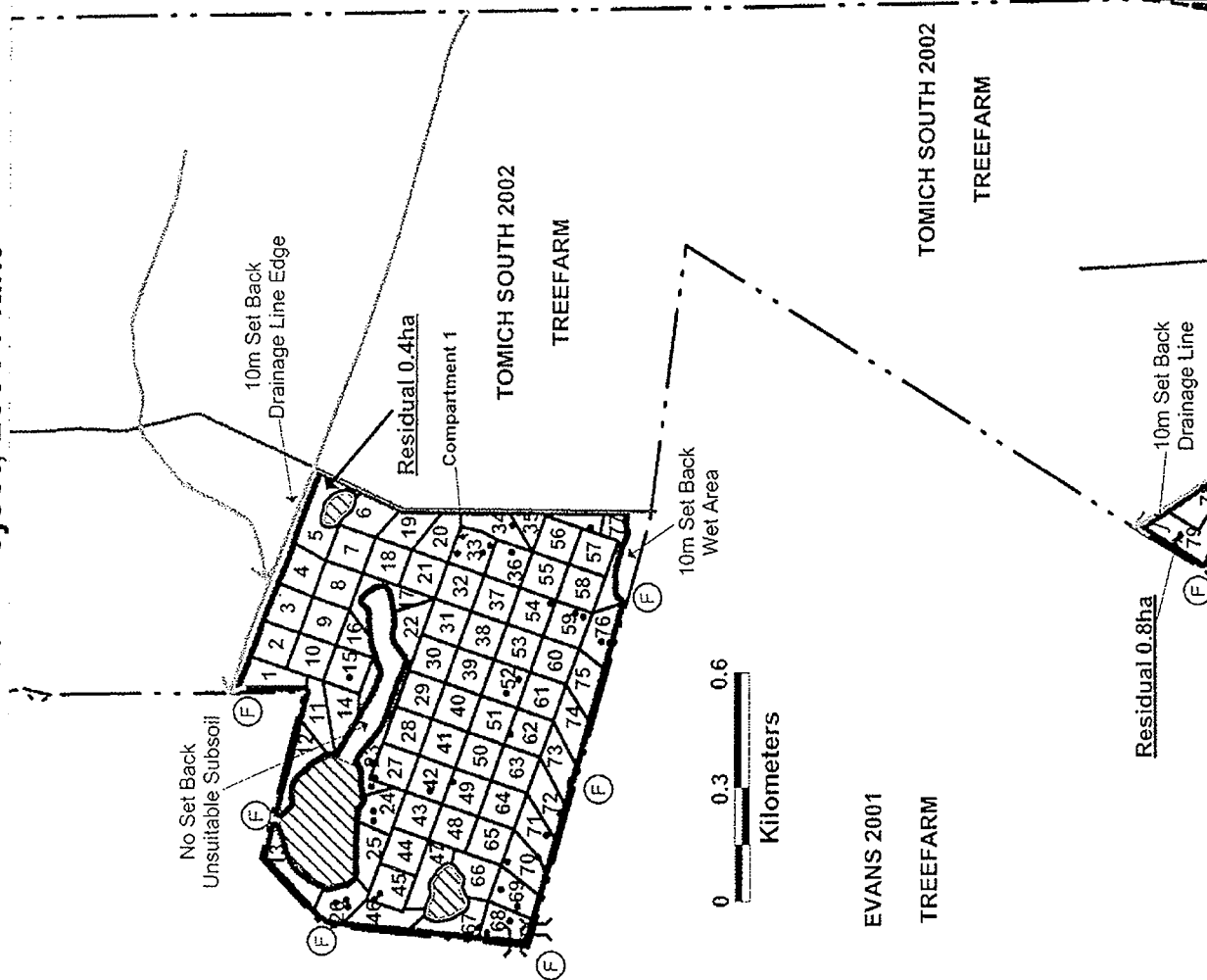
Quality Assurance Timbercorp
M.C. [Signature]
Date 15/10/01

SA01-3-274/501/003

Woodlot Plan Tomich South Treefarm (SA) 2001 Project, 2001 Plant

C. OF T. VOL. FOL. 1172/6, 1416/29, 1416/30
BEING SECTIONS 60, 72, 149, 175 AND LOT 1, DP 27492
HUNDRED OF COLES
PROPERTY CODE: TOC

SHEET 1 of 2



Land Use Area	1829.8 ha
Title Area	451 ha
Total Area	277 ha
Net Plantable Area	277 ha
Percentile Plantable	61 %
Area	ha
Compartment 1	77.4
Compartment 2	101.0
Compartment 3	11.5
Compartment 4	57.4
Non Plantable	1.9
Unsuitable Subsoil	0.0
Shaded Area	0.0
Remnant Vegetation	141.5
Deep Sined	0.0
Wet Areas	0.9
Set Backs	4.6
Firebreaks	25.1
Total	451.4
Total one-hectare Woodlots	275

Symbol	Description	Setback
---	Title Boundary	10
- - -	Lease Boundary	10
---	Compartment	0
---	Boundary	0
---	Remnant Vegetation	10
---	Residual	10
---	10m, 20m or 30m	0
---	Specimen Tree	10
---	Waterpoint	10
---	Fire Control Dam	10
---	Power Line	20
---	Utility Line	n/s
---	Drainage Line	2
---	Access Track	1.5
---	Proposed Log Haul Route	1.5
---	Unused Road Reserve	10
---	Vehicular Access, Fire Turn	10
---	Row Direction	10
---	Fire Access and	10
---	Compartment Boundary	10
---	CFA Map Cylinder, Sign	10
---	E 505880	10
---	AMG Coordinate of Access	10

NOTE: Setbacks are as stated above unless otherwise noted.

MAP 16

Project Managers
Timbercorp Hamilton Office
TEL : 03 5572 3978
Quality Assurance Timbercorp
N.C.
Date
Signature

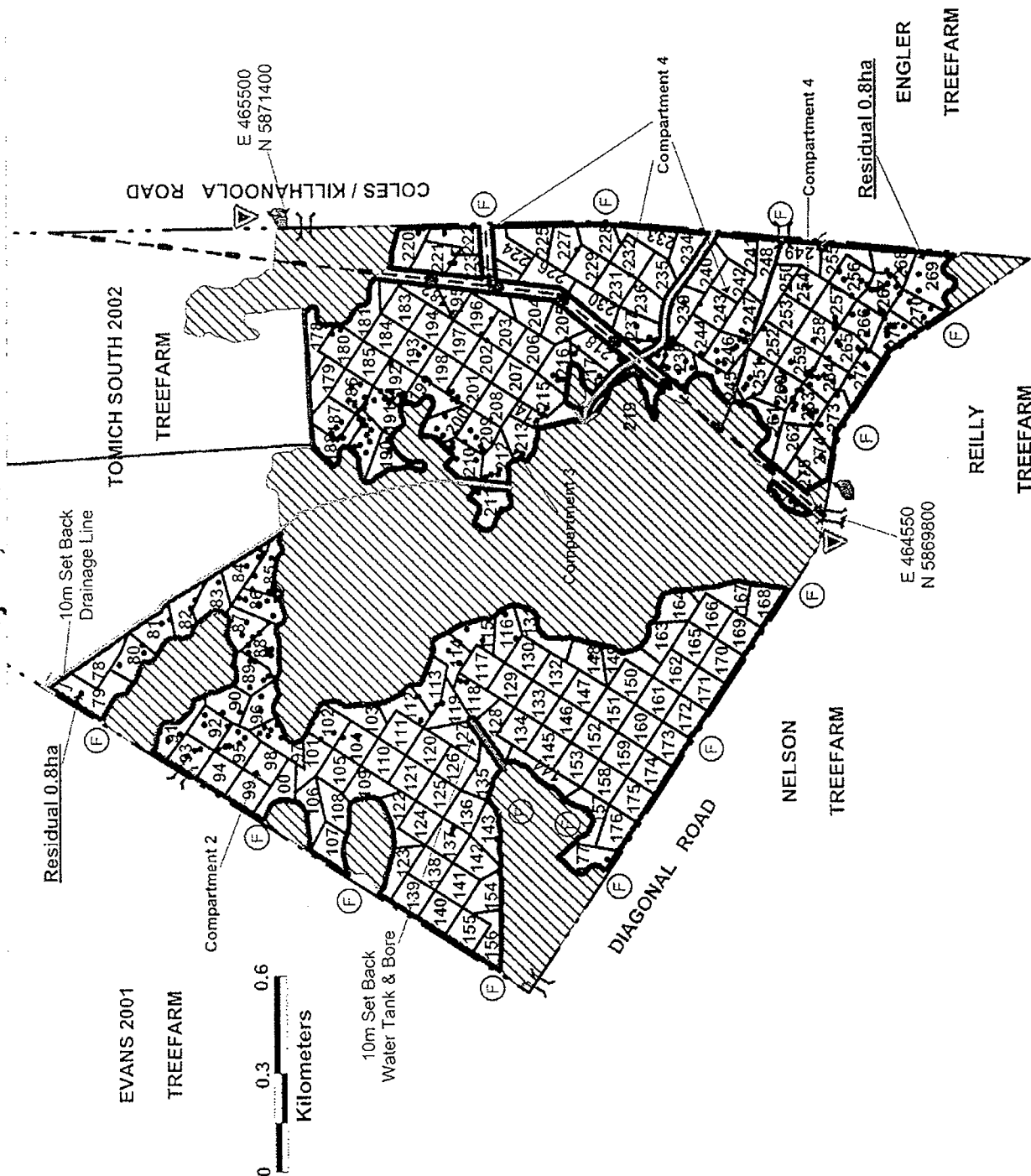
Print and Outlines prepared by
NAP O MAP GLOBAL Pty. Ltd
Suite 5, 2 Research Avenue
Tel : 03 9454 1029
Fax : 03 9454 1026

Quality Assurance Rapid Map
N.C.
Date
Signature

SA401-3-273501001

**Woodlot Plan Tomich South Treefarm (SA)
2001 Project, 2001 Plant**

AERIAL PHOTOGRAPHY CAPTURED ON 4/2/97

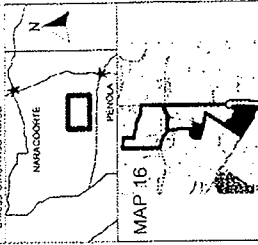


Land Use Area		Area Balance	
Total Area	1829.6 ha	Total Area	1829.6 ha
Forest	451 ha	Forest	451 ha
Non Plantable Area	277 ha	Non Plantable Area	277 ha
Plantable Area	1352.6 ha	Plantable Area	1352.6 ha
Percentable Plantable	61 %	Percentable Plantable	61 %
Non Plantable			
Compartment 1	77.4	Compartment 1	77.4
Compartment 2	101.0	Compartment 2	101.0
Compartment 3	41.6	Compartment 3	41.6
Compartment 4	57.4	Compartment 4	57.4
Non Plantable			
Unsuitable Subsoil	1.9	Unsuitable Subsoil	1.9
Shallow Soil	0	Shallow Soil	0
Non Plantable Vegetation	141.5	Non Plantable Vegetation	141.5
Deep Sand	0	Deep Sand	0
Shallow Sand	0.7	Shallow Sand	0.7
Stony Soil	4.6	Stony Soil	4.6
Silt Banks	4.6	Silt Banks	4.6
Floodbreaks	25.1	Floodbreaks	25.1
Total	451.4	Total	451.4

Total one-hectare woodlots: 275

Symbol	Description	Setback
	Title Boundary	10
	Lease Boundary	10
	Compartiment Boundary	0
	Remnant Vegetation	10
	10m Zone of 30m	0
	Specimen Tree	10
	Waterpoint	10
	Fire Control Dam	10
	Power Line	20
	Utility Line	ndis
	Drainage Line	2
	Access Track	1.5
	Proposed Log Haul Route	
	Unsett Road Route	
	Vehicle Access, Fire Lane	
	Row Direction	
	Fire Access and Compartiment Boundary	
	CFA Map Cylinder, Sign	
	AMS, Compartment of Access	

NOTE : Solbacks are as stated above unless otherwise noted



Project Managers

Timbercorp Hamilton Office
TEL : 03 5572 3970

Quality Assurance Timbercorp

Signature _____ Date _____
M.C.

Plan and Outline are prepared by

RUPIO MANS GLOBAL PTY LTD
Suite 5, 2 Rosemead Avenue

THE
WORLD'S
LARGEST
BOOKSTORE

Quality Assurance Rapid Map

Initial	Signature	Date
R.W.	<i>[Signature]</i>	17/10/01

Drawing No.

SA01-3-273/501/002

SUB-LEASE – VICTORIA

2001 TIMBERCORP EUCALYPTS PROJECT

BETWEEN

TIMBERCORP SECURITIES LIMITED

ACN. 092 31 469

(the "Responsible Entity")

- and -

EACH SEVERAL GROWER

(the "Grower")

CONTENTS

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

DATE OF THIS SUB-LEASE:

30 June 2001.

BETWEEN:

FIRST

PARTY

TIMBERCORP SECURITIES LIMITED, ACN. 092 311 469 of 5th Floor, 95 Queen Street, Melbourne, Victoria (the "Responsible Entity"); and

SECOND:

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 Project 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").

RECITALS:

- A. The Responsible Entity 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 Responsible Entity 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 Project Deed each relevant Grower (or its predecessor in title) has engaged the Responsible Entity to provide certain plantation services for the Grower.

OPERATIVE PROVISIONS:

1. DEFINITIONS

In this Sub-Lease unless the context otherwise requires:

"Commencement Date" means in respect of a relevant Grower, the date on which an application for Woodlots under the Prospectus is accepted by the Responsible Entity.

"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.

"GST" means GST within the meaning of A New Tax System (Goods and Services Tax) Act 1999 (as amended)

"Head Lease" means the agreement set out adjacent to the description of the Plantation in Part 1 of the Schedule and made between the Responsible Entity (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 Responsible Entity has been granted a lease or sub-lease over the Plantation.

"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 and the Responsible Entity.

"Management Plan" means the plan for the management of a Plantation (as varied by the Responsible Entity) which plans are annexed to the Management Agreement.

"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.

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

"Project Deed" means the deed made between the Responsible Entity as responsible entity and each several Grower constituting managed investment scheme called the 2001 Timbercorp Eucalypts Project.

"Prospectus" means the 2001 Timbercorp Eucalypts Project Prospectus issued by the Responsible Entity.

"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 and any extension under clause 10.1.

"Trees" means the crop of eucalyptus trees the subject of the 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 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 will 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 Project Deed unless the contrary requires.

3. GRANT OF SUB-LEASE

The Responsible Entity 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 all local, State and Commonwealth government approvals, licences or permission required for the establishment of the Trees within twelve (12) months after the date of execution of this Sub-Lease. This condition 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;
and
- (b) the Responsible Entity 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

Each of the Responsible Entity and the relevant Grower will use all reasonable endeavours to ensure that the conditions specified in clause 4.1 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 will be at an end; and
- (b) the Responsible Entity must immediately repay to the relevant Grower any instalments of Annual Rent or other moneys paid by the relevant Grower to the Responsible Entity under this Sub-Lease.

5. RENT

5.1 Annual Rent

The relevant Grower must duly and punctually pay to the Responsible Entity 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 must be reviewed on 31 October 2001 and each 31 October thereafter during the Term (as extended or renewed) ("Review Dates"). The Annual Rent payable on and from each review Date is 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) Weighted average of eight capital cities (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) Weighted average of eight capital cities (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) Weighted average of eight capital cities 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 Responsible Entity 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 (Victorian Division) at the request of either of them most closely reflects changes in the cost of living for the eight capital cities of Australia. The cost of any expert determination carried out under this clause must be borne equally between the Responsible Entity and the relevant Grower.

6. RELEVANT GROWER'S OBLIGATIONS

The relevant Grower agrees with the Responsible Entity 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.

6.8 Permit Responsible Entity to enter

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

6.9 Comply with other agreements

Comply or procure compliance with the provisions of the agreement referred to in paragraph 4.2(a).

6.10 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 are limited to the unimpeded use of any existing access roads, pathways or fire-breaks on or about their Woodlot.

7. RESPONSIBLE ENTITY'S OBLIGATIONS**7.1 Construction of Boundary Fence prior to Commencement Date**

The Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity's expense prior to the Commencement Date (or such later date as the relevant Grower may agree) construct or cause to be constructed a fence along the external boundary of the relevant Plantation, or in such other location as the Responsible Entity deems fit, suitable to restrain livestock from straying onto the relevant Woodlots.

7.2 During the Term

The Responsible Entity agrees with the relevant Grower that the Responsible Entity will at the Responsible Entity'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 Responsible Entity or any person claiming through or under the Responsible Entity.

(b) Maintain boundary fence

Maintain or cause to be maintained the fence constructed pursuant to clause 7.1 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 Responsible Entity.

(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 Responsible Entity 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 Responsible Entity 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 is 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 is 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 Responsible Entity 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 Responsible Entity, 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 Responsible Entity 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 Responsible Entity on the relevant Woodlots or on any neighbouring land in respect of which the Responsible Entity 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 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 Responsible Entity 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.

9. Responsible Entity's rights

9.1 General

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

9.2 Graze livestock

The Responsible Entity or its invitees may graze livestock on the relevant Woodlots and retain all income derived from them.

9.3 Bees

The Responsible Entity or its invitees may keep bees on the relevant Woodlots and retain all income derived from them.

9.4 Access

The Responsible Entity is entitled to full and free access for the purposes of carrying out its rights and obligations with or without vehicles to the relevant Woodlots along any road or track or any neighbouring land owned or occupied by the Responsible Entity which gives access to the relevant Woodlots from a public road.

9.5 Further access

The Responsible Entity is 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 Responsible Entity.

9.6 Use of sand and gravel

The Responsible Entity 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.

9.7 Signs

The Responsible Entity may at its own expense erect and maintain a sign on the relevant Woodlots detailing such matters as the Responsible Entity reasonably considers appropriate.

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, but continues to pay the Annual Rent, the Grower may by giving written notice to the Responsible Entity 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 Victoria or the government of the Commonwealth of Australia; or
- (f) any Act of Parliament, regulation, by-law, order, ordinance or rule.

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 Responsible Entity 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 has served a written notice on the Responsible Entity requiring the Responsible Entity to remedy the breach.
- (b) The Responsible Entity 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 three months after the Responsible Entity 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 Responsible Entity 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 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 Responsible Entity. Termination under this clause takes effect on and from the 30 June next following the expiration of the period of notice.
- (b) If so directed by the Responsible Entity 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 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 Responsible Entity. Termination under this clause takes 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 Responsible Entity 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 Responsible Entity 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 is 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 does 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 Responsible Entity nor the relevant Grower is entitled to terminate or rescind this Sub-Lease and the Responsible Entity is not entitled to re-enter the relevant Woodlots or forfeit this Lease, at any time prior to the expiration of the Term.

12. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION

12.1 Removal of stumps, roads and tracks

The Responsible Entity 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 Responsible Entity.

13. Ownership of the Trees

13.1 Ownership

The Responsible Entity acknowledges and agrees with the relevant Grower that for so long as this Sub-Lease has not been terminated for non-payment of Annual Rent under clause 11.1(b) and the relevant Grower continues to pay the Annual Rent the Trees will be and will remain the property of the relevant Grower for the period referred to in paragraph 13.3(b).

13.2 Additional Rights

The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity or of the trustee in bankruptcy, receiver, receiver and manager, controller, administrator or liquidator of the Responsible Entity, or for any other reason whatsoever,

the rights and interests granted to the relevant Grower under clauses 13.1 and 13.2, 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 Mineral Resources Development Act 1990 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 1958 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 Responsible Entity must promptly notify the relevant Grower.
- (b) Neither the Responsible Entity nor the Grower may 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 Responsible Entity 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 Responsible Entity as the relevant Grower considers appropriate. The relevant Grower hereby indemnifies the Responsible Entity for any loss suffered by the Responsible Entity as a direct consequence of the relevant Grower exercising its rights under this paragraph (d).
- (e) The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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 Responsible Entity and the relevant Grower will be entitled to compensation according to their respective interests in the area affected by those activities. The Responsible Entity 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 Responsible Entity 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 Responsible Entity 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.

17. **Caveat**

- 17.1 The relevant Grower may at its own expense lodge a caveat at the Land Titles Office in respect of its interest under this Sub-Lease.
- 17.2 The Responsible Entity agrees to provide to the relevant Grower all plans and other details reasonably necessary to enable the relevant Grower to lodge a 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 Responsible Entity 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 1958 are expressly excluded from this Sub-Lease.

18.4 Property Law Act

The provisions of section 144(1) of the Property Law Act 1958 do not apply to this Sub-Lease.

18.5 Proper law

This Sub-Lease is governed by and construed in accordance with laws of the State of Victoria and where applicable of the Commonwealth of 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 will be severed from this Sub-Lease to the intent that the remaining provisions of this Sub-Lease will 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 may constitute a partnership between the Parties to this Sub-Lease. No Party may 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 is not to 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 is to be deemed a waiver of any preceding or succeeding breach of this Sub-Lease.

18.10 Assignment

- (a) The relevant Grower covenants that the Responsible Entity does have the full and free right to deal with any of its rights and interests under this Sub-Lease to such other parties and on such terms and conditions as the Responsible Entity sees fit, providing at all times that the Responsible Entity may 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 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 Responsible Entity.
- (b) All costs associated with the preparation, completion and stamping of any deed of covenant required by the immediately preceding subclause must be paid by the Responsible Entity or Grantee, and the relevant Grower will 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 SubLease or any of its rights or interests under this Sub-Lease in accordance with the provisions of the Project 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 applies to this Sub-Lease and both sections are hereby expressly excluded.

18.11 Limitation of liability of relevant Grower

- (a) Despite any other provision of this Agreement (other than clause 18.13), in no circumstances is the relevant Grower obliged to contribute any money or incur any other liability under this Agreement in excess of the aggregate of annual rent, the amount of the fees set out in parts 1(i) to (iii) of the schedule to the Management Agreement and the 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 the Project 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 does not release it from liability under this Sub-Lease.

18.13 Goods and Services Tax

- (a) If any supply made by the Responsible Entity to the Grower under this Agreement is a taxable supply (according to GST law) so that the Responsible Entity is liable to pay GST, the parties agree that the consideration payable for that supply represents the value of the supply (that is, the GST exclusive amount) and not the price for that supply.
- (b) The price for any taxable supply made by the Responsible Entity under this Agreement is the GST inclusive amount which is determined by increasing the consideration payable by an amount equal to the GST exclusive amount multiplied by the GST rate in force from time to time
- (c) The Grower must, in respect of each taxable supply, pay the GST inclusive amount when due under this Agreement without deduction or set off and the Project Manager must issue a tax invoice to the Grower no later than 28 days after being requested to do so by the Grower.
- (d) The Grower must also pay to the Responsible Entity any other taxes imposed or assessed in respect of this Lease or any transaction contemplated by this Lease from time to time other than stamp duty and land tax.

PART 1: THE PLANTATIONS AND HEAD LEASE DETAILS (P2001-VIC-SPSR)

Plantation Code	Plantation Name	Land Description	Head Lease Details
BOO	Baloo 2001	Those parts of Certificates of Title Volume 9545 Folio 810 as are delineated into woodlots numbered 1 to 107 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
CAO	Carroll 2001	Those parts of Certificate of Title Volume 10545 Folio 788 as are delineated into woodlots numbered 1 to 82 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
COC	Coradjil 201	Those parts of Certificate of Title Volume 9861 Folio 481 as are delineated into woodlots numbered 1 to 172 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
DAB	Danby 2001	Those parts of Certificate of Title Volume 10548 Folio 519 as are delineated into woodlots numbered 1 to 58 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
DUG	Doug 2001	Those parts of Certificates of Title Volume 8461 Folio 289 and Volume 6509 Folio 682 as are delineated into woodlots numbered 1 to 115 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
DWN	Down 2001	Those parts of Certificate of Title Volume 7467 Folio 058 as are delineated into woodlots numbered 1 to 5, 7 to 73, 75 to 76 on the map annexed hereto.	Plantation Land Ltd.
ETR	Ettrick 2001	Those parts of Certificate of Title Volume 6935 Folio 825 as are delineated into woodlots numbered 1 to 21 on the map annexed hereto.	Timbercorp Plantations Pty. Ltd.
FRI	Fridays 2001	Those parts of Certificate of Title Volume 8657 Folio 256 as are delineated into woodlots numbered 1 to 15, 17 to 25, 27, 29 to 42, 44 to 47, 49 to 69, 71 on the map annexed hereto.	Plantation Land Ltd.

Plantation Code	Plantation Name	Land Description	Head Lease Details
HNT	Henty 2001	Those parts of Certificates of Title Volume 8669 Folio 703, Volume 8190 Folio 980 and Volume 8274 Folio 293 as are delineated into woodlots numbered 1 to 33 on the map annexed hereto.	G.J.W. Van Driel
HOE	Hodges 2001	Those parts of Certificate of Title Volume 10556 Folio 404 as are delineated into woodlots numbered 1 to 43 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
LAN	Langton 2001	Those parts of Certificates of Title Volume 9135 Folio 725 and Volume 9135 Folio 726 as are delineated into woodlots numbered 1 to 351 on the map annexed hereto.	Timbercorp Plantations Pty. Ltd.
LEU	Leura 2001	Those parts of Certificates of Title Volume 9849 Folio 291 and Volume 1277 Folio 370 as are delineated into woodlots numbered 1 to 86 on the map annexed hereto.	R.D. & H.M. Robertson
LID	Lindsey 2001	Those parts of Crown Grant Volume 7430 Folio 585 as are delineated into woodlots numbered 1 to 4, 6 to 10, 14 to 16, 18, 21 to 22, 24 to 40 on the map annexed hereto.	Plantation Land Ltd.
MER	Merna 2001	Those parts of Certificate of Title Volume 10007 Folio 758 as are delineated into woodlots numbered 1 to 57, 62 to 87 on the map annexed hereto.	Plantation Land Ltd.
PIN	Pine Heath 2001	Those parts of Certificates of Title Volume 10552 Folio 907, Volume 5343 Folio 577 and Volume 4711 Folio 073 as are delineated into woodlots numbered 1 to 358 on the map annexed hereto.	Timbercorp Plantations Pty. Ltd.

Plantation Code	Plantation Name	Land Description	Head Lease Details
RAL	Ralph 2001	Those parts of Certificates of Title Volume 10524 Folio 213, Volume 9329 Folio 981, Volume 8083 Folio 298, Volume 8753 Folio 442, Volume 8733 Folio 441 and Crown Grants Volume 8504 Folio 611 and Volume 8560 Folio 319 as are delineated into woodlots numbered 1 to 96, 98 to 148 on the map annexed hereto.	Plantation Land Ltd.
RAT	Rathmullen 2001	Those parts of Certificates of Title Volume 3716 Folio 067, Volume 4932 Folio 263, Volume 5403 Folio 581 and Volume 6981 Folio 173 as are delineated into woodlots numbered 1 to 19 on the map annexed hereto.	K.A. Lane
RIA	Riordan 2001	Those parts of Certificate of Title Volume 5582 Folio 216 as are delineated into woodlots numbered 1 to 112 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
ROO	Robb 2001	Those parts of Certificates of Title Volume 10014 Folio 715 and Volume 10014 Folio 716 as are delineated into woodlots numbered 1 to 101, 106 to 107, 112 to 115, 125, 131 to 262 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
SHL	Shalders 2001	Those parts of Certificate of Title Volume 9050 Folio as are delineated into woodlots numbered 1 to 104 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
TAR	Tarrone 2001	Those parts of Certificate of Title Volume 8685 Folio 588 as are delineated into woodlots numbered 1 to 5, 7 to 32 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
THE	The Gums 2001	Those parts of Certificates of Title Volume 9476 Folio 528, Volume 10583 Folio 753, Volume 9108 Folio 104 and Volume 9278 Folio 901 as are delineated into woodlots numbered 1 to 107 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.

Plantation Code	Plantation Name	Land Description	Head Lease Details
TPK	The Park 2001	Those parts of Certificate of Title Volume 10509 Folio 236 as are delineated into woodlots numbered 271 to 278 and 304 to 322 on the map annexed hereto.	Timbercorp Plantations Pty. Ltd.
VAD	Vandriel 2001	Those parts of Certificates of Title Volume 10051 Folio 711 and Volume 10051 Folio 712 as are delineated into woodlots numbered 1 to 50 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
YAN	Yangoora 2001	Those parts of Certificates of Title Volume 10586 Folio 411 and Volume 8659 Folio 593 as are delineated into woodlots numbered 1 to 145 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.

PART 3: Term

In respect of a relevant Grower, means the period commencing on the Commencement Date and expiring on the earliest of:

- (a) 30 June 2014;
- (b) the date harvesting of the Wood is completed; and
- (c) the day immediately preceding the termination date of the Head Lease.

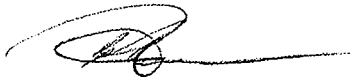
PART 4: Annual Rent

Subject to this Sub-lease:

- (a) \$275 per relevant Woodlot payable on or before the Commencement Date in respect of the period from the Commencement Date until 30 June 2001; and
- (b) \$275 per relevant Woodlot per annum, payable
 - (i) on 31 October 2001 in respect of the period from 1 July 2001 to 30 June 2002; and
 - (ii) thereafter, in respect of each subsequent financial year during the Term, on each 31 October during that financial year.

EXECUTED as an agreement

EXECUTED BY TIMBERCORP)
SECURITIES LIMITED in accordance)
with its Constitution in the presence of:)

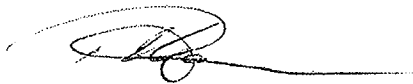


Director

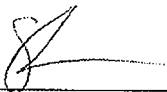


Director/Secretary

EXECUTED by **TIMBERCORP**)
SECURITIES LIMITED as agent and)
attorney for and on behalf of each several)
grower by authority of its directors:)



Director



Director/Secretary

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIA DISTRICT REGISTRY
GENERAL DIVISION

No. VID of 2009

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

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

Plaintiffs

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MAK-14**" now produced and shown to **MARK ANTHONY KORDA**
at the time of swearing his affidavit on 13 August 2009.

Before me:.....

Catherine Helen Macrae
A solicitor of Arnold Bloch Leibler
Solicitor for the Plaintiffs

AUSTRALIA'S PREMIER FORESTRY ASSETS

Expressions of Interest Sought

Timbercorp Group

(In Liquidation)

The Liquidators of the Timbercorp Group in Australia are seeking expressions of interest to acquire or recapitalise:

- 97,500 hectares (241,000 acres) of high-yielding premium quality Eucalyptus Globulus in various stages of growth, located close to seaports
- 38,800 hectares (96,500 acres) of freehold land and leasehold interest in 58,700 hectares (145,000 acres) of land in the Green Triangle (Victoria and South Australia) and south-west Western Australia – two of the world's best forestry locations for soil and climate
- An established and highly skilled forestry management business, awarded FSC Australia Award for best large forest manager in 2008, with seed-to-port management and processing rights for up to 1.8 million GMT/year
- 50% ownership in Albany Chip Terminal with loading capacity of 1.3 million GMT/year

Expressions of Interest are sought from parties to acquire or recapitalise the full complement of forestry assets.

For further information, please contact:

Scott Langdon on (03) 8623 3335 or by email on slangdon@kordamentha.com
www.kordamentha.com



TIMBERCORP
AGRI-BUSINESS
INVESTMENT MANAGERS



KordaMentha

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIA DISTRICT REGISTRY
GENERAL DIVISION

No. VID of 2009

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

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

Plaintiffs

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MAK-17**" now produced and shown to **MARK ANTHONY KORDA** at the time of swearing his affidavit on 13 August 2009.

Before me:.....

Catherine Helen Macrae
A solicitor of Arnold Bloch Leibler
Solicitor for the Plaintiffs

Corporations Act 2001

NOTICE OF FEDERAL COURT HEARING OF
1997 TIMBERCORP EUCALYPTS PROJECT (ARSN 112 309 234);
1998 TIMBERCORP EUCALYPTS PROJECT (ARSN 112 309 216);
1999 TIMBERCORP EUCALYPTS PROJECT (ARSN 085 827 872);
1999 TIMBERCORP EUCALYPTS DOUBLE ROTATION PROJECT (Private Offer)
2000 TIMBERCORP EUCALYPTS PROJECT (ARSN 091 172 093);
2001 TIMBERCORP EUCALYPTS PROJECT (ARSN 094 392 000);
2002 TIMBERCORP EUCALYPTS PROJECT (ARSN 098 233 571);
2003 TIMBERCORP EUCALYPTS PROJECT (ARSN 103 183 446);
2004 TIMBERCORP EUCALYPTS PROJECT (ARSN 108 099 645);
2004 TIMBERCORP TIMBERLOT (SINGLE PAYMENT) PROJECT (ARSN 108 336 830)
2005 TIMBERCORP TIMBERLOT (SINGLE PAYMENT) PROJECT (ARSN 111 683 491) and
2007/2008 TIMBERCORP TIMBERLOT (SINGLE PAYMENT) PROJECT (ARSN 122 510 981)
(Collectively "the Schemes")

NOTICE IS HEREBY GIVEN that a Federal Court hearing is to be held on 14 August 2009 at 9:30am, at the Federal Court of Australia at 305 William Street, Melbourne. The application by Timbercorp Securities Limited (In Liquidation) is for the Liquidators to seek a power of sale to enable the implementation of the sale/recapitalisation strategy.

The court documents will be posted on the www.kordamentha.com and www.timbercorp.com.au websites as they become available. Please check the websites or contact the Timbercorp information hotline on 1800 628 188 if you require additional information.

Dated 12 August 2009

MARK KORDA
Liquidator

Please insert this notice in the Public Notices section in the next issue of "The Australian" and charge to:-

Timbercorp Limited (In Liquidation)
C/- KordaMentha
GPO Box 2985
MELBOURNE VIC 3000
Attention: Jordan Karp

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIA DISTRICT REGISTRY
GENERAL DIVISION

No. VID of 2009

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

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

Plaintiffs

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "**MAK-18**" now produced and shown to **MARK ANTHONY KORDA**
at the time of swearing his affidavit on 13 August 2009.

Before me: 

Catherine Helen Macrae
A solicitor of Arnold Bloch Leibler
Solicitor for the Plaintiffs

THE AUSTRALIAN THURSDAY AUGUST 13 2009

30 PRIME SPACE

Corporations Act 2001

**NOTICE OF FEDERAL COURT HEARING OF
1997 TIMBERCORP EUCALYPTS PROJECT
(ARSN 112 309 234);
1998 TIMBERCORP EUCALYPTS PROJECT
(ARSN 112 309 216);
1999 TIMBERCORP EUCALYPTS PROJECT
(ARSN 085 827 872);
1999 TIMBERCORP EUCALYPTS DOUBLE ROTATION
PROJECT (Private Offer)
2000 TIMBERCORP EUCALYPTS PROJECT
(ARSN 091 172 093);
2001 TIMBERCORP EUCALYPTS PROJECT
(ARSN 094 392 000);
2002 TIMBERCORP EUCALYPTS PROJECT
(ARSN 098 233 571);
2003 TIMBERCORP EUCALYPTS PROJECT
(ARSN 103 183 446);
2004 TIMBERCORP EUCALYPTS PROJECT
(ARSN 108 099 645);
2004 TIMBERCORP TIMBERLOT (SINGLE PAYMENT)
PROJECT (ARSN 108 336 830)
2005 TIMBERCORP TIMBERLOT (SINGLE PAYMENT)
PROJECT (ARSN 111 683 491) and
2007/2008 TIMBERCORP TIMBERLOT (SINGLE
PAYMENT) PROJECT (ARSN 122 510 981)
(Collectively "the Schemes")**

NOTICE IS HEREBY GIVEN that a Federal Court hearing is to be held on 14 August 2009 at 9:30am, at the Federal Court of Australia at 305 William Street, Melbourne. The application by Timbercorp Securities Limited (In Liquidation) is for the Liquidators to seek a power of sale to enable the implementation of the sale/recapitalisation strategy.

The court documents will be posted on the www.kordamentha.com and www.timbercorp.com.au websites as they become available. Please check the websites or contact the Timbercorp information hotline on 1800 628 188 if you require additional information.

Dated 12 August 2009

MARK KORDA
Liquidator