

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIA DISTRICT REGISTRY

No. VID 1019 of 2010

IN THE MATTER OF WILLMOTT FORESTS LIMITED (RECEIVERS AND MANAGERS
APPOINTED) (ADMINISTRATORS APPOINTED)
ACN 063 263 650

WILLMOTT FORESTS LIMITED (RECEIVERS AND MANAGERS APPOINTED)
(ADMINISTRATORS APPOINTED)
ACN 063 263 650

IN ITS PERSONAL CAPACITY AND IN ITS CAPACITY AS RESPONSIBLE ENTITY OF
EACH OF THE MANAGED INVESTMENTS SCHEMES LISTED IN SCHEDULE 1 AND IN
ITS CAPACITY AS MANAGER OF THE UNREGISTERED MANAGED INVESTMENT
SCHEMES LISTED IN SCHEDULE 2
First Plaintiff

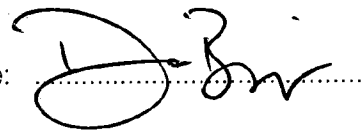
CRAIG DAVID CROSBIE
Second Plaintiff

IAN MENZIES CARSON
Third Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

This is the exhibit marked "CDC-12" now produced and shown to **CRAIG DAVID CROSBIE**
at the time of swearing his affidavit on 4 February 2011.

Before me:



DANIEL JOSEPH BRIGGS
Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne 3000
An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

Filed on behalf of the Plaintiffs
ARNOLD BLOCH LEIBLER
Lawyers and Advisers
Level 21
333 Collins Street
Melbourne 3000
ABL/1352538v1

DX 38455 Melbourne
Tel: 9229 9999
Fax: 9229 9900
Ref: 01-1565015
(Leon Zwier)

CommonwealthBank



Commonwealth Bank of Australia
ABN 48 123 123 124

NSW

Telephone 02 91172955
Facsimile
Internet: www.commbank.com.au

IAN CARSON & CRAIG CROSBIE
PPB ADVISORY
LEVEL 21
181 WILLIAM STREET
MELBOURNE VIC 3000

24 January 2011

Dear MESSRS CARSON & CROSBIE

LETTER OF OFFER

I am pleased to advise that the Commonwealth Bank has approved facilities totalling \$5,000,000 as detailed below.

Borrower(s): Willmott Forests Limited ACN 063 263 650 (Receivers and Managers Appointed) (Administrators Appointed) (Willmott) and Ian Menzies Carson and Craig David Crosbie in their personal capacities and as joint and several voluntary administrators of Willmott.

Total Facility Summary:	Approved
A. Overdraft	\$500,000
B. BetterBusiness Bill Facility - Variable Rate	\$4,500,000
Total Facility	\$5,000,000

This approval is subject to the conditions outlined in this Letter of Offer, the attached Terms and Conditions for Commercial Lending Facilities and the Fees and Charges Schedule. Please take the time to read these documents carefully before returning the signed Acceptance of Offer Document.

These facilities are subject to annual review.

On behalf of the Commonwealth Bank, it has been my pleasure to assist you with this finance. If you wish to discuss any aspect of the Letter of Offer or any other issues, please do not hesitate to contact me.

Yours sincerely

SM

Stephen Musso
Manager Specialised Lending
Tel: 02 91172955

FACILITY INFORMATION

RETURN TO BANK

Product-specific information is highlighted below. General facility information is discussed in the next section titled 'General Facility Information'.

A. Overdraft

Purpose		Administration Funding Facility.
Limit	\$500,000	
Term		This Facility has an indefinite revolving term. The amount owing on the Overdraft is payable on demand.
Interest Rate	13.24% pa.	Overdraft Index Rate 11.24% pa. plus a margin of 2.00% pa. (Rates subject to change). Interest is to be charged monthly, unless otherwise agreed.
Interest Rate Applying to Excesses	15.74% pa.	Overdraft Index Rate 11.24% pa. plus a margin of 4.50% pa. (Rates subject to change). Interest is to be charged monthly, unless otherwise agreed.
Repayment Arrangements		Interest only payments.
Overdraft Line Fee	1.12% pa.	Calculated on the peak Limit or peak debt where the debit balance exceeds the Limit during the previous month. Payable on the first Business Day of each month and on cancellation of the Limit.
Nominated Account for Facility Payments		To be advised.
Specific Conditions of Use		Additional fees apply. Refer to the Fees and Charges section of the Business Cheque and Savings Accounts General Information and Terms and Conditions.

B. BetterBusiness Bill Facility - Variable Rate

Purpose		Administration Funding Facility.
Facility Limit	\$4,500,000	
Term of Facility	2 years	From the date of funding.
CBA Bill Rate	4.97% pa.	The bill rate is the indicative yield rate for 90 day bills with a face value of \$4,500,000. Indicative CBA Bill Rate 4.97% pa. (Rates subject to change). The actual CBA Bill Rate will be determined on the day of, or the working day preceding each drawdown.
Repayment Arrangements		Interest only payments. Residual balance: \$4,500,000.
Line Fee	3.50% pa.	Calculated as a percentage on the Bill Facility Limit. Payable within two months of the date of the signed Letter of Offer or on the date of implementation of this Facility (whichever occurs first) and monthly in advance thereafter.
Bill Handling Fee	\$150.00	Payable on initial drawdown and each time Replacement Bills are drawn.
Nominated Account for Facility Payments		To be advised.

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Specific Conditions of Use

The Terms and Conditions for Commercial Lending Facilities (Terms and Conditions) are amended as follows:

All references in the Terms and Conditions to a "Bill Rate" or "Fixed Bill Rate" are to be replaced by "CBA Bill Rate" and "CBA Fixed Bill Rate" respectively as if references to the "Bill Rate" or "Fixed Bill Rate" were respectively references to the "CBA Bill Rate" and "CBA Fixed Bill Rate."

Clause 1 is amended by insertion of the following definitions:

CBA Bill Rate: the rate of discount, expressed as a percentage yield to maturity per annum, at which on the day the Bank is prepared to purchase Bills, under similar facilities which apply the CBA Bill Rate, for similar amounts and terms as those nominated by the Borrower where the Bank agrees to accept or endorse such Bills as an accommodation to the Borrower;

CBA Fixed Bill Rate: the rate of discount, expressed as a percentage yield to maturity per annum, agreed between the Borrower's Agent and the Bank pursuant to clause 5.3, 6.10 or 6.12 and which is fixed to apply for the Fixed Rate Period.

Specific Conditions of Use

The Bank may consider re-financing the residual balance at the Facility maturity date. Any request to refinance the residual balance should be presented to the Bank at least two months prior to the Facility maturity date along with latest financial data and would be considered by the Bank on a fresh transaction basis. Any request to refinance the residual balance would be subject to the Bank's credit policies and processes at that time. No commitment is given or implied that the Bank will refinance the residual balance at the Facility maturity date.

GENERAL FACILITY INFORMATION

Facility information that is relevant to multiple products (e.g., Bank fees, security and specific conditions) is highlighted below:

Facility Establishment

A non-refundable Establishment and Security Processing Fee of \$62,500 covering all facilities in this approval is now due.

Please refer to the attached Fees and Charges Schedule for additional Bank fees, government charges and duties and other incidental costs that may apply.

Terms and Conditions for Commercial Lending Facilities

Reference to the Terms and Conditions for Commercial Lending Facilities in this Letter of Offer relate to the publication dated 13/03/2009.

Security

Security for all facilities is as follows (unless otherwise specified):

Status	Details
New	The land known as "Bombala".

Security :

Subject to what follows, the Bank will not look to take security by way of mortgage or charge over the Company's assets for the provision of this financial accommodation but rather will rely on the Administrators' personal liability under section 443A of the Corporations Act ("the Act") for debts incurred during the Administration, and the fact that the Administrator has a statutory right of indemnity from the assets of the Company to cover debts incurred in the Administration pursuant to section 443D of the Act and a lien on those assets under section 443F to support that indemnity.

As a condition of acceptance of this offer, the Administrators will personally undertake that they will not grant a mortgage, charge or any other security interest over the unencumbered assets of the Company to any other party and will not seek any orders under section 447A of the Act relieving them of their personal liability under section 443A of the Act or altering the operation sections 443D or 443F of the Act.

In the event the Administrators seek relief from personal liability from the Court under section 447A of the Act, the Bank requires, as a condition of its continuing to make this financial accommodation available, that the Administrators will immediately grant to the Bank a mortgage in registrable form over the Bombala Land on such terms as the Bank thinks fit. In the event a mortgage is granted to the Bank over the Bombala Land, the Bank agrees that any free assets will be excluded from that mortgage.

RETURN TO BANK

Conditions prior to Funding

In addition to the conditions detailed in the attached Terms and Conditions for Commercial Lending Facilities, the following conditions need to be satisfied before you can access the facilities:

Valuation of Security Property

- A Valuation of the Security Property comprising the parcels of land known as "Bombala" is to be undertaken on the basis of instructions given by the Bank to a valuer approved by it. That valuation must be acceptable to the Bank.

Costs for the Borrowers' Account

- All costs including but not limited to statutory costs, legal fees, professional fees, valuation costs and Government charges are for the account of the Borrowers'.

Conditions after Funding

In addition to the conditions detailed in the attached Terms and Conditions for Commercial Lending Facilities, the following conditions need to be satisfied after funding:

Resignation of Administrator

- The Bank is to be advised as soon as practicable and no greater than 2 days subsequent to the resignation of either appointed administrator from Willmott Forests Limited and/or resignation from the PPB Advisory entity or any related partnership.

ACCEPTANCE OF OFFER

To accept this offer of finance, you must sign the Acceptance of Offer and return it within 30 days of the date of issue. Once accepted, this Letter of Offer, the Terms and Conditions for Commercial Lending, the Fees and Charges Schedule and any other document referred to herein and (if applicable) any Letters of Confirmation comprise the Contract.

I/We understand that the Bank may withdraw this offer or may not be obliged to make the facilities available, if I/we do not satisfy the conditions in this letter and the attached Terms and Conditions for Commercial Lending Facilities.

Execution

Joint borrowings involve joint and several liability. You should read the Contract carefully and fully understand your responsibilities before you sign.

By accepting this Letter of Offer I/We acknowledge that any Security listed as securing a particular Facility or Facilities only secures that Facility or Facilities and any other Security listed in this Letter of Offer extends to cover my/our obligations under the Contract. I/We also acknowledge that any land mortgage listed in this Letter of Offer given by me/us on or after 13 June 2005 covers all other moneys I/we owe to the Bank now or in the future on any accounts which are not subject to the National Credit Code.

I/We acknowledge that the name of individual persons given to the Bank are true and correct and that the law prohibits the use of false names, as well as the giving, use or production of false and misleading information or documents in connection with the provision of financial services and the making, possession or use of a false document in connection with an identification procedure.

I/We further acknowledge that I/we have considered appropriate advice, legal or otherwise, before entering into this Contract.

Dated ___/___/___

SIGNED by Ian Menzies Carson:

.....
Signature of Borrower

SIGNED by Craig David Crosbie:

.....
Signature of Borrower

EXECUTED by
Willmott Forests Limited ACN 063 263 650 (Receivers and Managers Appointed) (Administrators Appointed)
by being signed by its joint and several administrators who are authorised
to sign for the company, in the presence of:

.....
Witness
Full Name:
Address:

.....
Administrator
Full Name: Ian Menzies Carson
Address:

.....
Administrator
Full Name: Craig David Crosbie
Address:

FEES & CHARGES SCHEDULE

The following schedule contains the estimated Bank fees, Business MasterCard fees (if applicable), government charges and duties and incidental costs associated with your facilities. This information is accurate as of 24/01/2011.

The Bank may change the amount of the fee(s) and method of calculation, and impose new fee(s) in accordance with the Bank's Terms & Conditions for Commercial Lending Facilities.

The Bank reserves the right to debit any new fees from the Nominated Account or the Loan Account in accordance with the Bank's Terms & Conditions for Commercial Lending Facilities.

Commitment Fees

Overdraft	0.15% pa.	Calculated on the approved limit or amount. Payable monthly in advance whilst the outstanding commitment or undrawn balance exceeds \$25,000 and has not been taken up within two months of the date of acceptance of this Offer.
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Other Bank Fees

Establishment and Security Processing Fee	\$62,500	This fee is to partially reimburse the Bank for the costs involved in the investigation of applications and the implementation of advances and security documentation. It is payable on your acceptance of this offer and is non-refundable.
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Commercial Lending Facilities.

Terms and Conditions



These are the Bank's Terms and Conditions for Commercial Lending Facilities. The Contract for a Facility is made up of these Terms and Conditions and the Letter of Offer or Acceptance Document which sets out the particulars of the Facility including any of the particulars of special covenants or undertakings.

Other terms and conditions may apply to a Facility by operation of law.

The Contract for a Variable Rate Facility, a BetterBusiness Loan Fixed Rate Residentially Secured, a Contingent Liability Facility or a Trade Finance Facility is made on the day the Bank receives the Letter of Offer or Acceptance Document for the Facility signed or executed by the Borrower. The Contract for a Facility which includes a fixed rate facility (other than a BetterBusiness Loan Fixed Rate Residentially Secured), a Flexi Loan or both is made on the day the Bank receives the Letter of Offer or Acceptance Document signed or executed by the Borrower which includes a completed Authority to Act as Agent relating to the Facility bearing the signature of the Borrower's Agent.

If the Borrower is an individual or small business the relevant provisions of the Code of Banking Practice apply to the Loan facility provided under the Contract.

NOTE: The Bank has published a booklet called "The Better Banking Book" which contains useful information on a range of banking matters including the rights and obligations that arise out of the banker and customer relationship, account opening procedures, our obligations regarding confidentiality of the Borrower's information, the Bank's complaint handling procedures, bank cheques, the advisability of the Borrower informing the Bank promptly when the Borrower is in financial difficulty and the advisability of the Borrower reading the terms and conditions applying to any banking service provided to the Borrower or in which the Borrower is interested. You can obtain a copy of The Better Banking Book from any branch of the Bank or by asking your Relationship Manager.

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PART I – DEFINITIONS AND INTERPRETATION

1. Definitions

The following definitions apply under the Contract:

Acceptance Document: the acceptance document prepared by the Bank setting out the particulars or indicative particulars of a Facility, or variation of a Facility (and any acceptance document replacing an earlier acceptance document) and includes a Terms Schedule and other documents attached to the acceptance document;

Accounts: the Borrower's and all of the Related Parties' profit and loss accounts and balance sheets on an individual and consolidated basis for a particular period, together with any statements, reports and notes (including, without limitation any directors' statements and reports and any auditor's reports) attached to or intended to be read with the profit and loss accounts or the balance sheets or both;

Administrative Fee or Administration Fee: the fee the Borrower must pay the Bank to cover the Bank's administrative costs relating to the prepayment of a BetterBusiness Loan – Fixed Rate or a Fixed Rate Bill Facility or a Flexi Fixed Rate Sub-Account or a Flexi Market Rate Sub-Account. The amount of the fee is set out in the Bank's Fees and Charges Schedule for Commercial Lending Facilities;

Aggregate Facility Limit (AFL): the limit on the Borrower's Credit Exposure as set out in the Letter of Offer or Acceptance Document;

AgriBusiness Line of Credit: the facility under that name made available under the Contract;

Approved Limit: the total amount of credit specified in the Letter of Offer or Terms Schedule which the Bank is prepared to advance to the Borrower under a Business Select facility;

Authorised Representatives: the representatives of the Borrower or a Third Party Drawer (as the context requires) identified in an authority, relating to the drawing of Bills, given respectively by the Borrower or the Third Party Drawer to the Bank;

Authorised Signatories: any officer of the Bank;

Authority to Act as Agent: the authority signed or executed by the Borrower, in the form provided by the Bank, which specifies a person appointed by the Borrower to agree by telephone, facsimile transmission, email or any other method approved by the Bank in writing:

- (i) the particulars of the date of first drawdown or funding first instalment due date, frequency of instalments, fixed rate maturity date and/or Fixed Rate Period or term, and interest rate to

be included in the Letter of Offer or the Terms Schedule or the Letter of Confirmation;

- (ii) the necessary particulars to be included in any replacement Letter of Offer or Terms Schedule to be utilised upon the variation of or addition to any Facility under the Contract or on the occurrence of any of the events contemplated in clauses 6.9, 6.10 and 6.12;
- (iii) the particulars necessary to complete any agreement ancillary to or contemplated by any Facility under the Contract including, without limitation, any arrangement or instrument relating to the protection or minimisation of the interest rate or Bill Rate or CBA Bill Rate under any Facility; and
- (iv) or, in respect of any Flexi Loan, the matters necessary to fund or vary a Sub-Account, including the drawdown amount, the date of first drawdown, the date of variation, the interest rate type, the interest charging cycle, the Reset Period, the Nominated Account and, in the case of a Flexi Fixed Rate Sub-Account, the Fixed Rate Period;

and any replacement authority, in the form provided by the Bank, signed or executed by the Borrower which appoints another person to agree by telephone, facsimile transmission, email or any other method approved by the Bank in writing the matters referred to in (i), (ii), (iii) and (iv) above;

Availability Period: the period expiring on the third anniversary of the date of the initial "Letter of Offer" or Acceptance Document in respect of the Business Select facility subject to any extensions, reductions or cancellations as referred to in clause 21.2;

Average Debtor Collections: The number of days calculated by the following function:

- closing debtors;

multiplied by:

- the number of days in a Reporting Period;

divided by:

- total sales in the Reporting Period;

Average Stock Turnover: The number of days calculated by the following function:

- closing stock;

multiplied by:

- the number of days in a Reporting Period;

divided by:

- total stock purchases in the Reporting Period;

Bank: Commonwealth Bank of Australia ABN 48 123 123 124, its successors or assigns;

BBSY (Bid) Rate:

- (a) the bank bill swap rate (expressed as a percentage per annum to four decimal places) which is the bid rate shown at approximately 10.10 a.m. (Sydney time) on the page "BBSY" of the Reuters Monitor System on the first day of that Interest Period for that Interest Period; or, if such rate is not available for any reason;
- (b) the arithmetic mean, (rounded upwards, if necessary, to four decimal places) of the rates quoted to the Bank by the Reference Banks at or about 10.30 a.m. (Sydney time) on the first day of that Interest Period (disregarding the highest and lowest rates quoted) for the purchase of a Bill accepted by the Bank or Reference Banks having a face amount equal to the amount of the Advance and a tenor equal or approximately equal to that Interest Period (or, if that Interest Period is subject to adjustment, for a term equal or approximately equal to the duration of that Interest Period prior to such adjustment), or, if fewer than 2 Reference Banks are willing to provide quotes;
- (c) the rate reasonably determined by the Bank to be its cost of funds having regard to prevailing market conditions.

For this definition "Reference Banks" means National Australia Bank Limited, Westpac Banking Corporation and Australia and New Zealand Banking Group Limited or such other banks or financial institutions as the Borrower and the Bank may from time to time agree.

Beneficiary: a beneficiary of a trust of which the Borrower or a Related Party is a trustee;

BetterBusiness Loan: the loan under that name made available under the Contract or the balance of that Loan at any time remaining unpaid;

BetterBusiness Loan – Fixed Rate: the BetterBusiness Loan made available under the Contract while it is being conducted at a fixed interest rate;

BetterBusiness Loan – Fixed Rate Residentially Secured: the BetterBusiness Loan made available in that name under the Contract while it is being conducted at the residentially secured fixed interest rate;

BetterBusiness Loan – Variable Rate: the BetterBusiness Loan made available under the Contract while it is being conducted at a variable interest rate;

Bill: a bill of exchange (other than a cheque) for the purposes of the Bills of Exchange Act 1909;

Bill Facility: the facility made available under the Contract and by which the Borrower may raise money by having Bills discounted;

Bill Rate: the rate of discount, expressed as a percentage yield to maturity per annum, at which

the Bank is prepared to purchase Bills of an amount and term nominated by the Borrower where the Bank agrees to accept or endorse such Bills as an accommodation to the Borrower;

Borrower: the person or persons set out in the Letter of Offer or the Acceptance Document and their successors;

Borrower's Agent: the agent of the Borrower in respect of a Facility identified in an Authority to Act as Agent;

Business Asset Ratio: the ratio of:

- the sum of each Group Member's:
 - Qualifying Current Assets;
 - cash; and
 - short term deposits/investments;

to:

- the sum of each Group Member's Creditors;

Business Day: a day that is not:

(a) a Saturday or Sunday; or

(b) a public holiday, special holiday or bank holiday:

- in the case of charging and payment of interest and fees, throughout Australia; or
- in all other cases, in any place where a payment is required by the Contract.

Business Line of Credit: the facility under that name made available under the Contract;

Business Select: the facility under which credit is available to the Borrowers up to the Approved Limit through one or more facilities in accordance with Part VIII;

Capital Equity: the facility under that name made available under the Contract;

CBA Bill Rate: the rate of discount, expressed as a percentage yield to maturity per annum, at which on the day the Bank is prepared to purchase Bills, under similar facilities which apply the CBA Bill Rate, for similar amounts and terms as those nominated by the Borrower where the Bank agrees to accept or endorse such Bills as an accommodation to the Borrower;

CBA Fixed Bill Rate: the rate of discount, expressed as a percentage yield to maturity per annum, agreed between the Borrower's Agent and the Bank pursuant to clause 5.3, 6.10, 6.12 and which is fixed to apply for the Fixed Rate period;

Common Maturity Pool Date: the date set by the Bank at its option when the pool constituted by the aggregation of fixed rate term advances or bill facilities of which the BetterBusiness Loan – Fixed Rate or Bill Facility or Flexi Fixed Rate Sub-Account has been taken by the Bank to be part, falls due for repayment in full being a date within one calendar month on

either side of the maturity date set out in the Letter of Offer or Terms Schedule;

Common Rollover Date: the date set by the Bank for the rollover of Bills when the pool constituted by the aggregation of Bills, of which Bills under a Bill Facility have been taken by the Bank to be part, mature, being a date within the Common Rollover Date Range;

Common Rollover Date Range: the range of dates, determined by the Bank, by reference to the bill term selected under clause 5.2, with which a Bill may be set to mature;

Compliance Certificate: the certificate, in the form attached to the Letter of Offer or Acceptance Document and referred to as the 'Compliance Certificate', the Borrower is required to give the Bank from time to time under clause 17.1(a);

Conditions after Funding: the conditions, covenants or undertakings (if any) to be observed by the Borrower after funding of the Facility set out in the section of the Letter of Offer or Acceptance Document headed "Conditions after Funding" or at Item 14 of the Terms Schedule (other requirements are set out in these Terms and Conditions);

Contingent Liability: any financial accommodation the Bank makes available to the Borrower under a Contingent Liability Facility and includes a letter of credit or a bank guarantee issued at the Borrower's request or an autopay facility;

Contingent Liability Facility: a facility made available under the Contract under which the Bank, at the Borrower's request from time to time, issues or makes available contingent liabilities up to a limit set by the Bank;

Contract: the agreement between the parties which is comprised of the Letter of Offer or Acceptance Document the Borrower signs and any other documents referred to in the Letter of Offer or Acceptance Document and these Terms and Conditions and any Letter of Confirmation;

Control: the power to directly or indirectly govern the financial and operating policies of an Entity so as to obtain benefits from its activities;

Credit Exposure (CE): the amount of all facilities the Bank is willing to make available to the Borrower at a particular time during the term of the Borrower's facilities. The Letter of Offer or Acceptance Document sets out the CE at the date the Bank prepared the Letter of Offer or Acceptance Document;

Credit Funds: any moneys owing or payable or to become owing or payable to the Borrower or any Security Provider by the Bank;

Creditors: the aggregate value of Trade Creditors and Sundry Creditors/Accruals;

Current Assets: the sum of each Group Member's total current assets less the amount of any loans, which are due and payable within twelve months, by any Group Member to beneficiaries or to its shareholders, directors or Related Parties;

Current Liabilities: the sum of each Group Member's total current liabilities less the sum of the amount of any loans, which are due and payable within twelve months, to any Group Member from beneficiaries or from its shareholders, directors or Related Parties;

Current Ratio: the ratio of:

■ Current Assets;

to;

■ Current Liabilities;

Debt Service Coverage Ratio: The ratio of:

■ Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA);

plus:

– Non Recurring Expenses;

minus:

– Non Recurring Income;

to:

■ Principal and interest expenses;

Donations and Grants: The sum of all gifts or other contributions to charity, community or sporting bodies or purposes;

Early Repayment Adjustment: the adjustment the Bank makes in accordance with clause 7 on the prepayment or partial prepayment of a BetterBusiness Loan – Fixed Rate during a fixed rate period or a Fixed Rate Bill Facility during a fixed rate period or on the repayment in full, within 3 years of the date of funding, of a BetterBusiness Loan Variable Rate – Economiser;

Earnings Before Interest and Tax (EBIT): the sum for the Reporting Period of each Group Member's Net Profit Before Tax plus Interest Expenses;

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA): the sum of each Group Member's Net Profit Before Tax for a Reporting Period from each Group Member's business operations plus the sum of each Group Member's:

■ Interest Expense; and

■ depreciation expense and amortisation,

for the Reporting Period;

Entity: any legal, administrative or fiduciary arrangement, organisational structure or other party (including a person);

Event of Default: any of the events of default specified in clause 12.1;

Facility: a facility (other than a lease) which the Bank makes available to the Borrower under the Contract

and the particulars of which are in the Letter of Offer or Acceptance Document signed or executed by the Borrower and (if applicable) a Letter of Confirmation;

Facility Amount or Facility Limit: the limit or amount set out in the Letter of Offer or Terms Schedule to which (as the case may be) the Overdraft, Capital Equity, Contingent Liability Facility, Business Line of Credit, AgriBusiness Line of Credit or Bill Facility can be drawn, or in respect of a Flexi Loan, the total amount of credit which the Bank is prepared to advance (the total of all Sub-Account debit balances must not exceed the Facility Limit);

Fees and Charges Schedule: the Fees and Charges Schedule accompanying the Letter of Offer or Acceptance Document and any variations or additions to it in accordance with clause 11.5;

Fixed Bill Rate: the Bill Rate which is fixed to apply for a Fixed Rate Period;

Fixed Rate Bill Facility: the Bill Facility made available under the Contract while it is being conducted at a Bill Rate or CBA Bill Rate that is fixed;

Fixed Rate Period: any period, ending on a fixed rate maturity date set out in the Letter of Offer or Terms Schedule, Letter of Confirmation or Sub-Account Confirmation Letter in which the interest rate on a BetterBusiness Loan – Fixed Rate or Flexi Fixed Rate Sub-Account or the Bill Rate or CBA Bill Rate on a Fixed Rate Bill Facility is fixed;

Flexi Fixed Rate Sub-Account: A Sub-Account conducted at a fixed interest rate during a Fixed Rate Period;

Flexi Loan: The Flexi Loan facility which the Bank makes available under the Contract which can consist of up to 20 Sub-Accounts, particulars of which are in the Letter of Offer, the Sub-Account Confirmation Letters and any other Bank's letters confirming any variation of a Sub-Account;

Flexi Loan Market Interest Rate: The interest rate (exclusive of any margin), determined by the Bank having regard to current market rates, to be charged on all Flexi Market Rate Sub-Accounts of all customers on which interest is set on that day until the same Reset Date;

Flexi Loan Variable Reference Rate: The reference interest rate (exclusive of any margin), published by the Bank and charged on all Flexi Variable Rate Sub-Accounts;

Flexi Market Rate Sub-Account: A Sub-Account conducted at a Flexi Loan Market Interest Rate;

Flexi Variable Rate Sub-Account: A Sub-Account conducted at a variable interest rate which is set according to the Flexi Loan Variable Reference Rate;

Foreign Bills Negotiated Facility: the Foreign Bills Negotiated Facility made available under the Contract;

Gaming Machine Commissions: (Victoria) the portion of profits from gaming machines distributed by the Victorian Casino and Gaming Authority to approved operators;

Gross Margin for Bar & Bottle Trade: The ratio of:

- Total Revenue (Bar and Bottle) less Cost of Sales (Bar and Bottle);

to:

- Total Revenue (Bar and Bottle);

where:

- Cost of Sales (Bar and Bottle) is to exclude such items as wages, poker machine tax or liquor licence fees where shown in the Accounts under bar and bottle trade;

Group: the Borrower and each party set out in the Letter of Offer or Acceptance Document collectively;

Group Member: the Borrower and each party set out in the Letter of Offer or Acceptance Document individually;

Index Rate: The applicable index rate, reference rate or other interest rate published by the Bank in accordance with clause 11.1 as varied in accordance with clause 11.2.

Interest Coverage Ratio: the ratio of:

- the sum of:
 - Net Profit Before Tax; and
 - Interest Expensefor a Reporting Period;

to:

- Interest Expense for the Reporting Period;

Interest Expense: the aggregate amount of all interest paid or accrued in respect of the sum of all moneys borrowed or raised by or in respect of any financial accommodation granted to any Group Member (including, but not limited to, any fees and charges with respect to any guarantee, indemnity or letter of credit or under any bill of exchange, promissory note or any other acceptance or discounting arrangement and any finance charges paid or payable under any hire purchase agreement or lease agreement for which a Group Member is actually or contingently liable);

Interest Off-set Account: the account in the Borrower's name identified in the Letter of Offer or Terms Schedule as the interest off-set account and any replacement or additional account agreed to by the Borrower and the Bank from time to time;

Irrevocable Documentary Credit Facility: the Irrevocable Documentary Credit Facility made available under the Contract;

Letter of Confirmation: the document, including a Terms Schedule, prepared by the Bank from time to time supplementing the Letter of Offer or Acceptance Document and setting out the date of first and any

subsequent drawdown or funding, first instalment due date, frequency of instalments, fixed rate maturity date and/or Fixed Rate Period or term, and interest rate not completed in the Letter of Offer, a copy of which is sent by post to the Borrower;

Letter of Offer: the offer document prepared by the Bank setting out the particulars or indicative particulars of a Facility, or variation of a Facility (and any offer document replacing an earlier acceptance document) and includes any other documents attached to the offer document;

Limit: the limit or amount set out in the Letter of Offer or Terms Schedule to which (as the case may be) the Overdraft, Capital Equity, Contingent Liability Facility, Business Line of Credit, AgriBusiness Line of Credit or Bill Facility can be drawn or in the case of Multi-Option Facility or Trade Finance Facility the amount set out in the Letter of Offer which contingent liabilities or trade finance facilities provided under such Facility when converted to the Australian Dollar equivalent must not exceed;

Liquidity Ratio: is the ratio of:

- the sum of:
 - Current Assets; and
 - the amount of the financial accommodation the Bank has made available to the Borrower less the amount outstanding actually or contingently under that accommodation;

to:

- Current Liabilities;

Loan: any one of the Overdraft, the Capital Equity, the Business Line of Credit, the AgriBusiness Line of Credit, the BetterBusiness Loan – Variable Rate or the BetterBusiness Loan – Fixed Rate or (as relevant in the context where the word 'Loan' appears in the Contract) the Bank makes available under the Contract;

Loan Account: the account the Bank keeps in the Borrower's name, with which the Bank debits a Loan, any part of a Loan, a Sub-Account or any part of a Sub-Account;

Management Accounts: all or some (at the option of the Bank) of the following:

- balance sheet and profit and loss statement for a Reporting Period; and
- any of the records referred to in sub-clauses 15.2(b)(i)-(iv) the Bank requires for any calendar month which the Bank notifies the Borrower in writing; or
- the extract in the form referred to as the 'Management Account Extract';

Maximum Borrowings: The maximum amount during the previous 12 months of any form of indebtedness (other than Trade Creditors), whether actual or

contingent in respect of money borrowed or raised or other financial accommodation under the Contract or otherwise and including indebtedness under or in respect of a guarantee of such indebtedness or a guarantee given to a financier; any fully drawn loan, a finance lease, a commercial hire purchase, a swap, option, hedge, forward, futures or similar transaction; an acceptance, endorsement or discounting arrangement; a redeemable share or redeemable stock; or; the deferred purchase price (for more than 90 days) of an asset or service or an obligation to deliver assets or services paid for in advance by a financier or otherwise relating to a financing transaction;

Net Gaming Takings: (All States/Territories excluding Victoria) Gross gaming machine takings less gaming machine payouts before gaming machine tax;

Net Profit Before Tax: Net Sales/Revenue less the sum of all expenditure (brought to account on an accrual basis) in the normal operating activities of each Group Member's business;

Net Profit Before Tax (Bar and Bottle): Net Sales/Revenue less the sum of all expenditure (brought to account on an accrual basis) in the normal operating activities of each Group Member's business and is net of Gaming Machine Tax, but before Donations and Grants;

Net Sales/Revenue: the sum of each Group Member's gross sales/revenue, less discounts allowed in the normal operating activities of a Group Member's business;

Net Trading Surplus: the profit available before allowances are made for taxation, interest, depreciation, leases and hire purchase plus wages/drawings of the Borrower's proprietors/directors;

Net Worth: the sum of each Group Member's Total Tangible Assets less the sum of each Group Member's Total External Liabilities;

Nominated Account: the account set out in the Letter of Offer or Terms Schedule, or the account nominated by the Borrower's Agent in respect of a Flexi Fixed Rate Sub-Account, which is an account for which a statement issues (other than a BetterBusiness Loan, Home Loan, Personal Loan or credit card account) opened by and in the name of the Borrower with the Bank or any account substituted for that account with the Bank's prior written consent;

Non-Tangible Assets: includes but is not limited to goodwill, copyright, patents and licences;

Overdraft: the Overdraft Facility made available under the Contract;

Parties: the Borrower and the Bank;

Prepayment: includes retirement of Bills outstanding under a Bill Facility prior to the end of the Term of the Bill Facility other than as required under the Contract;

Proscribed Person: a person who appears to the Bank either to be:

- (a) a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth);
- (b) in breach of the laws of any jurisdiction relating to money-laundering or counter-terrorism;
- (c) a person with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction; or
- (d) acting on behalf of, or for the benefit of, a person referred to in (a) – (c) above;

Property Development Budget: A document that details the total development costs, sales income and the cash flow timing of the development costs and sales income to determine the feasibility of and funding requirement for the project. Total development costs are on a GST exclusive basis and include acquisition costs, design/council costs, building/construction costs, holding costs, fixed selling costs, interest capitalisation and construction/project contingency. Sales income includes the gross realisations of the project less allowance for GST and sales commission;

Qualifying Current Assets (QCA): the aggregate of:

- accounts receivable which are of less than 91 days standing;
- finished goods excluding:
 - goods declared by the Bank, in writing, or by the Group Member who owns the goods to be obsolete; and
 - goods which are subject to any claim by a supplier on the Group Member; and
- work in progress and raw materials excluding:
 - raw materials declared by the Bank, in writing, or by the Group Member performing the work or which owns the raw materials to be obsolete; and
 - raw materials and goods used in work-in-progress which are subject to any claim by a supplier on a Group Member;

Quick Asset Ratio: the ratio of:

- Current Assets less Total Inventory;

to:

- Current Liabilities;

Related Party:

- any Entity that, at any time during a Reporting Period, has Control or significant influence over the Borrower;
- any Entity that, at any time during a Reporting Period, is subject to Control or significant influence by the Borrower;

- any Entity that, at any time during a Reporting Period, is subject to the Control of the Entity which has Control over the Borrower;
- any Entity that, at any time during a Reporting Period, is subject to the Control of the same Entity which has a significant influence on the Borrower;
- any Entity that, at any time during a Reporting Period, is subject to significant influence by the same Entity which has Control over the Borrower.

For the purposes of this definition:

- a trust may be a Related Party; and
- 'significant influence' means the capacity of an Entity to affect substantially the financial or operating policies or both of another Entity;

Reliquification Bill: a Bill prepared by the Bank pursuant to clause 5.12 to reliquify its position;

Repayment Redraw Facility: the facility described in clauses 4.8 to 4.15 under which the Bank may again make available to the Borrower special repayments made to the BetterBusiness Loan – Variable Rate Loan Account;

Replacement Bill: the Bill which replaces another Bill when that other Bill matures;

Reporting Period: any period of time that the Bank notifies the Borrower in writing to be the Borrower's reporting period;

Requisite Period: means the period between the 16th day of the calendar month immediately prior to the end of a fixed rate period and the end of that calendar month;

Reset Confirmation Letter: The Bank's letter confirming the next Reset Date or other variation to a Sub-Account;

Reset Date: The date specified in a Sub-Account Confirmation Letter or Reset Confirmation Letter (being the last day of the Reset Period);

Reset Period: The period commencing on the day of funding of a Flexi Market Rate Sub-Account or the day after the previous Reset Date and ending on the Reset Date during which the Flexi Loan Market Interest Rate is set.

Rollover Date: the date on which a Bill matures;

Security: any security referred to in the Letter of Offer or Acceptance Document or any security substituted for it with the Bank's prior written consent;

Security Property: the property mortgaged or charged to the Bank by the Security for the purpose of securing the repayment of all moneys owing or to become payable to the Bank under the Contract;

Security Provider: any individual or company (other than the Borrower) providing a Security;

Shortfall: the difference between the face value amount of a Bill maturing on the Rollover Date and the proceeds

