

IN THE FEDERAL COURT OF AUSTRALIA
VICTORIA DISTRICT REGISTRY

VID of 2011

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

WILLMOTT FORESTS LIMITED (RECEIVERS AND MANAGERS APPOINTED)
(LIQUIDATORS 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-22" now produced and shown to **Craig David Crosbie** at
the time of swearing his affidavit on 11 May 2011.

Before me: 

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

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

DX 38455 Melbourne
Tel: 9229 9999
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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 063 263 850 (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

per

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.

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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. *Half the fee at initial funding, with the remainder being payable at bill funding and/or second tranche of funding.*

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 tree 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.

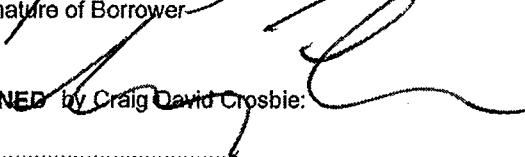
Dated 21/3/11

SIGNED by Ian Menzies Carson



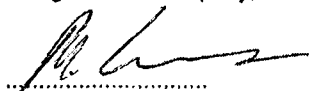
Signature of Borrower

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:



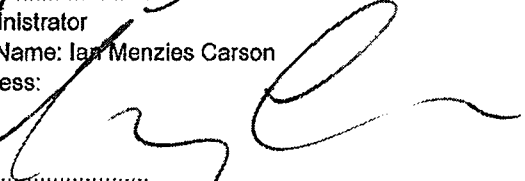
Witness

Full Name: MICHAEL CARMODY
Address: LEVEL 21, 181 WILLIAM ST MELBOURNE VIC 3000



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
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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.

Half
It is payable on your acceptance of this offer and is non-refundable. ~~Half~~ the remaining half is payable at bill funding and/or second tranche of funding and is non-refundable.

