

## ORIGINAL TO SIGN



Regional Commercial & Agribusiness  
 2/69 Brisbane Street  
 Launceston, TAS 7250  
 Phone **Confidential**  
 Fax **Confidential**  
 www.anz.com

Mr MG Hirst  
 Michael Hirst Family Trust  
 'Glen Rowan'  
**Confidential**  
 Westbury TAS 7303

02 August 2011

Dear Mr Hirst

### LETTER OF OFFER

ANZ is pleased to offer the facilities set out below on the conditions set out in this letter.

In this letter, some words or phrases have special meanings. The meaning of those words and phrases are defined in the ANZ Business Banking Finance Conditions of Use and any Specific Conditions of Use which apply to your Facilities. When you are reading this letter, you should also refer to those documents.

#### Summary of Facilities Available:

**Michael George Hugill Hirst in his own capacity and as trustee for the Michael Hirst Family Trust A.B.N. 58 884 300 457**

- |                                     |                |
|-------------------------------------|----------------|
| • ANZ Revolving Agri Line           | \$1,400,000.00 |
| • ANZ Business Loan (Variable Rate) | \$3,697,545.00 |

#### Details of Facilities

Details of the facilities are set out below. The facilities specified are only available to the client named before the facility details.

##### Client

Michael George Hugill Hirst in his own capacity and as trustee for the Michael Hirst Family Trust A.B.N. 58 884 300 457

##### ANZ Revolving Agri Line

Facility limit:	\$1,400,000.00
Term of the facility:	Your ANZ Revolving Agri Line Facility commences on the date that, in ANZ's opinion, all of the Conditions Precedent in clause 5 of the Finance Conditions of Use have been satisfied.  Your ANZ Revolving Agri Line Facility will continue until either or both (whichever occurs earlier) a Review Event or an Event of Default (as defined in the Finance Conditions of Use) occurs.
Purpose:	Working capital requirements.
Interest rate:	ANZ's Business Mortgage Index (BMI) rate, currently 9.51% pa plus a margin of 2.48% pa.

Interest payment:	<p>ANZ's Business Mortgage Index (BMI) rate varies from time to time and is published weekly, usually each Monday, in the Australian Financial Review and on <a href="http://www.anz.com">www.anz.com</a>.</p> <p>Interest on your ANZ Revolving Agri Line is calculated on the daily outstanding debit balance of your account. The interest rate applied each day is equal to the annual percentage rate applicable at the time divided by 365.</p> <p>Interest is payable Monthly in Arrears during the term of your facility. The actual debiting date will be based on the date your account was opened unless either a different debiting date is agreed on by you and ANZ, or ANZ changes the debiting date by giving you notice in accordance with this offer.</p> <p>Interest debited to your account will accrue interest at the same rate and in the same manner as advances under this facility.</p>
Informal Overdraft Interest Rate:	<p>The Facility Limit is the maximum amount of credit (inclusive of any interest and fees debited to your account) that you may incur unless ANZ agrees to advance you any further amount under an Informal Overdraft facility. If ANZ provides you with an Informal Overdraft facility, you will be charged the Interest Rate plus a further 4.00% pa on the sum of the Informal Overdraft and any applicable Informal Overdraft Assessment Fee. In addition, if any State or Territory law requires additional stamp duty to be paid as a result of the excess occurring, that duty will be debited to your account.</p>
Fees:	<p>A Loan Approval Fee of \$1,000.00 is payable on your acceptance of ANZ's offer.</p> <p>A Credit Facility Fee of \$7,000.00 per annum, calculated on a daily basis on the facility limit applicable to your account. This fee is debited to your account:</p> <ul style="list-style-type: none"> <li>• quarterly in arrears based on your account opening date; and</li> <li>• on a pro-rata basis, whenever there is a change to the facility limit.</li> </ul> <p>If a debit balance remains owing on the account after your overdraft has expired or been terminated by ANZ, ANZ may continue to charge credit facility fees.</p> <p>An Honour Fee of \$37.70 is payable if ANZ pays drawings on your account in excess of the Facility Limit. This fee is payable on the date of the excess drawing.</p> <p>An Outward Dishonour Fee of \$37.70 is payable when a cheque written, direct debit or periodical payment from your account is dishonoured due to the lack of cleared funds in your account.</p>
Prepayment:	<p>You can terminate your ANZ Revolving Agri Line facility at any time by repaying all amounts owing under this facility and notifying ANZ.</p>
<b>ANZ Business Loan (Variable Rate)</b>	
Facility amount:	\$3,697,545.00.
Term of the facility:	<p>The maximum term of your loan is 1 year(s) and 9 month(s) commencing from the date of Drawing, expiring on 23/08/2012.</p>
Purpose:	<p>Completion of homestead renovations on "Parkleigh" and "Glen Rowan". Plus completion of Dam on "Parkleigh".</p>

You must not use the loan funds for any other purpose without first obtaining ANZ's approval in writing.

**Advancing/Drawing on your Facility:** In addition to the terms and conditions in clause 3 of the Finance Conditions of Use, the maximum period over which you may progressively draw your Facility is one year from the date of your first Drawing, unless otherwise provided for in this letter.

At the expiration of this period, if your total Drawings under the Facility are less than the Facility Limit, you agree that ANZ may reduce your Facility Limit to equal the total Drawings under the Facility.

**Repayment:** Monthly Interest only repayments and full clearance of debt upon expiry of term.

**Interest rate:** ANZ's Business Mortgage Index (BMI) rate, currently 9.51% pa plus a margin of 0.93% pa.

ANZ's Business Mortgage Index (BMI) rate varies from time to time and is published weekly, usually each Monday, in the Australian Financial Review and on www.anz.com.

**Interest payment:** Monthly in Arrears.

**Fees:** A Loan Approval Fee of \$0.00 is payable on your acceptance of ANZ's offer.

A Loan Administration Charge of \$187.50 is payable quarterly in arrears, with the first payment being payable one quarter after the date of first Drawing.

A Late Payment Fee of \$35.00 is charged monthly where the whole or any part of the loan repayment has been unpaid for 30 days or more. When this fee is charged it must be paid immediately along with the outstanding repayment.

**Security**

Security for the facilities are as follows:

- a) Individual Guarantee and Indemnity from Michael George Hugill Hirst in his own capacity and as trustee for the Pippa Trust A.B.N. 52 379 070 512 in favour of ANZ in respect of the obligations of Michael George Hugill Hirst in his own capacity and as trustee for the Michael Hirst Family Trust A.B.N. 58 884 300 457 limited to \$5,098,000.00 - Held Supported by
  - First Registered Mortgage given by Michael George Hugill Hirst in his own capacity and as trustee for the Pippa Trust A.B.N. 52 379 070 512 being the registered proprietor over the property situated at 'Parkleigh Confidential', 'Glen Rowan' Confidential, Westbury Confidential, Confidential, Priestley's Lane, Confidential - Held;
- b) First Registered Mortgage given by Michael George Hugill Hirst in his own capacity and as trustee for the Pippa Trust A.B.N. 52 379 070 512 being the registered proprietor over the property situated at 'Parkleigh Confidential', 'Glen Rowan' Confidential, Westbury Confidential, Confidential, Priestley's Lane, Confidential - Held;
- c) First Registered Mortgage given by Michael George Hugill Hirst in his own capacity and as trustee for the Michael Hirst Family Trust A.B.N. 58 884 300 457 being the registered proprietor over the property situated at 'Esk Farm' Confidential - Held;

- d) First Registered Stock Mortgage over all livestock owned by Michael George Hugill Hirst in his own capacity and as trustee for the Michael Hirst Family Trust A.B.N. 58 884 300 457 and depastured on the properties described as 'Esk Farm' Confidential or any lands used in addition to, or substitution, of the above properties - Held; ✓

### Fees and Charges

A schedule of estimated bank fees and government duties, taxes and charges is attached to this letter for your reference.

### Existing Facilities

Despite anything in the Finance Conditions of Use, the existing conditions of the ANZ Business Loan (Variable Rate) continue to apply.

### ANZ Business Banking Finance Conditions of Use, Finance Fees and Charges and Specific Conditions of Use

The ANZ Business Banking Finance Conditions of Use (the "Finance Conditions of Use") apply in conjunction with the ANZ Business Banking Finance Fees and Charges and the ANZ Business Banking General Fees and Charges and any applicable Specific Conditions of Use. Together with this letter they form your agreement with ANZ. Copies of the applicable documents are enclosed with this letter unless they have previously been provided by ANZ.

### Financial Reports

You agree to provide ANZ with:

- Your financial statements and the financial statements of any guarantor who is an individual within 30 days of request. For the purpose of this condition, financial statements includes any financial records, projections or statements.

### Conditions Precedent

ANZ's obligations to make any facilities available is subject to our being satisfied that you have complied with clause 5 of the Finance Conditions of Use.

### Other Conditions

The following covenants apply to your facilities:

- You execute or undertake to execute (or arrange for its execution) in favour of ANZ a first Water Rights Mortgage incorporating the ANZs Standard Provisions for Water Mortgages registrable in or notifiable to the relevant water authority over any water rights held or to be held by you (or anyone on your behalf or associated with you), which, either now or later, are or may be used upon the mortgaged land, whether or not any of those water rights:
  - (i) attach to or benefit the mortgaged land or any other land;
  - (ii) remain unused;
  - (iii) are transferable for the benefit of any other land or person or corporation; or
  - (iv) are transferable by any other person or corporation to you.

You also undertake:

- (i) to execute all other documents and securities as ANZ may require to enable ANZ to be fully secured in respect of those water rights;
  - (ii) to direct the Water Authority to deliver to ANZ any document of title to the Water Rights;
  - (iii) to deliver to ANZ the document of title to the Water Rights immediately, if it is issued to you; and
  - (iv) not, without ANZs prior consent, to deal with, lease or dispose of any Water Right or any interest or right relating to a Water Right, either temporarily or permanently.
- You agree that the following properties may be revalued for ANZ at least once every 24 months at your cost

while facilities continue to be provided by ANZ:

Property known as 'Esk Farm' Confidential in Tasmania Confidential

161.85 hectares situate Confidential Mount Direction in Tasmania Confidential

Property known as 'Glen Rowan' Confidential, Westbury Tasmania Confidential

Property known as 'Parkleigh' Confidential Tasmania Confidential

209 hectares situate Priestleys Lane, Confidential Tasmania Confidential

Each valuation must be undertaken by a valuer acceptable to ANZ.

In addition, ANZ reserves the right to revalue at any time any property held as security at its cost.

- The full net proceeds from the sale of 'Parkleigh' Confidential Tasmania Confidential Confidential are to be lodged in permanent Term loan debt reduction with ANZ.
- You acknowledge that the remaining balance on your \$3,697,545.00 variable rate ANZ Business Loan must be:
  - (i) repaid in full at the termination date; or (ii) renegotiated (subject to ANZ's normal credit approval criteria) prior to the termination date.
- You agree that if you enter into the loan or facility as a trustee, you will be liable under the loan or facility both personally and as trustee of the trust. You also assure ANZ that:
  - (i) the loan or facility is for a proper purpose under the trust;
  - (ii) you have the power and authority under the trust to enter into the contract; and
  - (iii) You have the right to be indemnified fully out of the trust property, before the beneficiaries of the trust, for all liabilities you incur under the loan or facility.

### Conditions Continue

Until you accept this offer (and have complied with all conditions precedent), the arrangements for the facilities that ANZ is making available to you, including the conditions on which those facilities are being made available, continue.

### Offer Period

This offer is available for acceptance until the close of business on 01 September 2011, unless otherwise extended by ANZ in writing.

ANZ may withdraw this offer at any time before you accept it if ANZ becomes aware of anything which, in ANZ's opinion, adversely alters the basis on which ANZ made this offer.

### Acceptance

Please accept the offer by signing the duplicate of this letter where indicated and return it to me at this office.

Yours faithfully

Confidential

Agribusiness Manager

**Acceptance**

To: Australia and New Zealand Banking Group Limited  
2/69 Brisbane Street  
Launceston, TAS 7250

**Acceptance** of Letter of offer dated 02 August 2011

I accept ANZ's offer to provide the facilities on the conditions detailed in this letter of offer and acknowledge receipt of the ANZ Business Banking Finance Conditions of Use, ANZ Business Banking Finance Fees and Charges and applicable Specific Conditions of Use.

Dated 15-8-2011

SIGNED by Michael George Hugill Hirst in his own capacity and as trustee for the Michael Hirst Family Trust A.B.N. 58 884 300 457

Confidential

x

Signature of Partner

Michael Hirst  
Print name of Partner

Bank Use Only
<u>15/8/2011</u>
Date acceptance received

**Schedule of Fees and Charges**

The following is a schedule of estimated bank fees, government charges and duties and incidental costs as at 02 August 2011. ANZ will tell you about any changes to these fees and charges.

<b>Fees</b>	<b>Amount</b>	<b>Total</b>
Total Loan\Limit approval fee	\$1,000.00	\$1,000.00
	<b>Total</b>	<b>\$1,000.00</b>

**Consent to Providing Information to a Guarantor**

To: Australia and New Zealand Banking Group Limited  
2/69 Brisbane Street  
Launceston, TAS 7250

**Consent to providing information to a guarantor** of letter of offer dated 02 August 2011

I agree that ANZ can provide each guarantor with:

- a copy of this letter of offer and any variations.
- copies of any requests for payment that are given to us by ANZ.
- statements as to the amount owing on the account for this/these facilities.
- any information deemed appropriate by ANZ.

Dated 15-8-2011

SIGNED by Michael George Hugill Hirst in his own capacity and as trustee for the Michael Hirst Family Trust A.B.N. 58 884 300 457

Confidential

x

\_\_\_\_\_  
Signature of Partner

Michael Hirst  
Print name of Partner

Bank Use Only
<u>15/8/2011</u>
Date acceptance received



**Guarantor Acknowledgement**

To: Australia and New Zealand Banking Group Limited  
 2/69 Brisbane Street  
 Launceston, TAS 7250

**Guarantor acknowledgement** of Letter of Offer dated 02 August 2011

Each of the following guarantors acknowledges that:

- i) they have received, read and understood the copy of the 'Code of Banking Practice Guarantor Disclosure' brochure provided to each of them by ANZ; and
- ii) the securities given, or to be given by them secure all present and future obligations of the Client(s) to ANZ, including obligations in respect of the facilities.

By providing this guarantor acknowledgement to the facility, each guarantor acknowledges that the provisions contained in the "Privacy and Confidentiality - ANZ's Collection, Use and Disclosure of Confidential Information" clause of the Finance Conditions of Use apply to them.

Note: The guarantors are, prior to executing this guarantor acknowledgement, entitled to request that ANZ provides to them the information that the Bank is required to provide new guarantors under clause 28 of the Code of Banking Practice. The guarantors should contact the Clients' ANZ Manager to request that information.

Dated 15-8-2011

In respect of securities given or to be given where the liability is limited, the following guarantor acknowledges that the securities secure all present and future obligations of the Client(s) to ANZ, including obligations in respect of the Facilities. However, ANZ's right to enforce any security may be limited according to the conditions of that security.

SIGNED by Michael George Hugill Hirst in his own capacity and as trustee for the Pippa Trust A.B.N. 52 379 070 512

Confidential

X  
 Signature of Partner

Michael Hirst  
 Print name of Partner

Bank Use Only  <u>15/8/2011</u>  Date acceptance received
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