

Our Ref: AJ  
Your Ref:



23 February 2009

**By Facsimile 9262 1933**

Rodgers Reidy  
Chartered Accountants  
333 George Street,  
Sydney NSW 2000

Attention: Mr Geoffrey Reidy

Dear Sir

**Collective Olive Groves Limited (Administrator Appointed)**

We refer to our letter of 19 December 2009.

We refer to the recent decision of the Victorian Supreme Court in *Pyrenees Vineyard Management Ltd v Frajman* [2008] VSC 552 (4 December 2008).

In view of that decision our client claims title to the water and reticulation equipment installed by Australian Olives Limited at Yallamundi pursuant to section 601FC(2) of the Corporations Act, 2001. We are instructed that the above company was placed into administration because of an alleged contingent liability for the acquisition of that water and reticulation equipment. However given that this property is scheme property held by our client on trust for the investors, no such contingent liability can arise.

We are also instructed to put you on notice that the Lease Nos. 702511726, 703,360092, 70460823 in the name of Australian Olives Limited and any other lease over the Project land (**Leases**) are also scheme property. This is clear not only from the above case but also the case of *Syncap Management (Rural) Australia Ltd v Lyford (2004) 51 ACSR 223*. We have written to the lawyers for Australian Olives Limited requesting transfer of these leases. However by reason of the aforesaid decisions and the NSW Supreme Case of *Re Investa Properties Ltd (2001) 187 ALR 462*, it does not matter in whose name the lease appears, such leases are deemed to be held by our client as trustee for the Growers pursuant to section 601FC(2) of the Corporations Act, 2001.

Our client will be issuing proceedings shortly against Australian Olives Limited for orders that the Leases be transferred to our client pursuant to its obligations under section 601FR of the Corporations Act, 2001 and their fiduciary obligations as a former trustee of the scheme property of the Projects.

We are instructed that a valuation was obtained by you in relation to the Project land which disregards the interests of our client under the leases and the interests of Growers under the licence agreements.

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We are therefore instructed to put you on notice of our client's interests in the aforesaid property as trustee for the Growers and that accordingly our client will take whatever action is required to protect the interests of Growers.

Yours faithfully  
**Piper Alderman**

Per:

**Alan Jessup**  
Partner

A handwritten signature in black ink, appearing to be "AJ", written over the typed name "Alan Jessup".