

RGAG DOCA**Key Terms Description**

Proponent Rewards Growers Advocacy Group Inc (RGAG).

Companies Rewards Projects Limited, Rewards Group Limited, Rewards Management Pty Ltd, Rewards Land Pty Ltd and Rural Labour Pty Ltd (Rewards Group).

Purpose The purpose of the proposal is to reconstruct and recapitalise the Rewards Group and in that way:

- Facilitate the payment of the Secured Debt in a quick and certain timeframe;
- Provide an opportunity for the Timber and Tropical Fruit MIS Schemes to be reconstructed and the grower value to be preserved;
- Maximise the return to the unsecured creditors of the Rewards Group in a certain and timely way; and
- Enable as much as possible of the business of the Rewards Group to survive as a going concern and in that way protect the employment of many of the employees of the Rewards Group.

Benefits to Stakeholders of Rewards Group

The proposed DOCAs will benefit stakeholders of the Rewards Group by:

Secured Creditor – NAB

- Enable restructure of MIS such that properties can be readily sold.
- Putting all properties on a commercial rental basis to maximise realisable value of properties.
- Unencumber certain properties / projects from MIS constraints to enable immediate realisation.
- Complete payout of secured creditor debt within a short timeline.
- Mitigate potential legal debate / claims with growers over ownership issues if the schemes were to be wound up.

Employees

- Opportunity to continue employment with the Rewards Group.
- Will receive a return equal or greater than in a liquidation scenario and a timely return.

Unsecured Creditors

- A greater likely return than in a liquidation scenario by virtue of the proposed proceeds from future grower contributions, trading surplus, crop harvest proceeds and any surplus from sale of certain land which may not be available to unsecured creditors in a liquidation scenario.
- Preservation of other assets such as potential legal claims and debtor recovery prospects which may provide a return to unsecured creditors.
- Mitigate potential claims against the Group by growers and thus reduce the unsecured creditor pool.

Growers

- Growers will maintain interest in certain schemes and / or interest in the long term restructure of the Rewards Group MIS corporatisation model.

Land owners

- Opportunity for land owners to renew lease terms and receive commercial benefit.

Suppliers and Contractors

- Opportunity for suppliers and contractors to benefit from any commercial arrangements moving forward for the continued operation of the MIS projects.

Funding	<p>Rewards Group in particular the RE (through the Deed Administrator) will receive funding from:</p> <ul style="list-style-type: none"> • Black Tree sufficient to convene all necessary Grower meetings for Forestry schemes. • FABAL sufficient to convene necessary Grower meetings for Horticultural schemes. • Collection of harvest receipts. • Collection of grower payments.
National Australia Bank Payments and Security	<p>Payment of National Australia Bank debt in full through sale and / or refinance of properties.</p>
Re-entry of Property Leases	<p>On and subject to The Ark Fund Ltd and Rewards Land Pty Ltd serving notices of re-entry for the leases over the properties subject to the Schemes / MIS Projects the subject of this proposal, by 19 October 2010, Rewards Projects (via its administrators) and RGAG provide written acknowledgements that leaseholds in the Properties have determined. By midnight on 19 October 2010, Rewards Projects (via its administrators, deed administrators or liquidators) will vacate possession of each of the Properties, at which time the deed of forbearance described in the DOCA term sheet shall become effective.</p>
Deed of Forbearance	<p>Subject to certain conditions being satisfied by RGAG and this DOCA coming into existence the receivers of Rewards Land and The Ark Fund will forbear from</p> <p>(a) disposing of, or committing to dispose of, the DOCA Properties (for the properties subject to the Schemes / MIS Projects the subject of this proposal), or any of them; or</p> <p>(b) claiming for unpaid rent or other claims by NAB</p> <p>of an outgoing Responsible Entity until Monday, 28 February 2011. This period can be accelerated by NAB, at its sole discretion, if a milestone date set out in the Timeline is not met.</p> <p>It is acknowledged that the Timeline may be varied by mutual agreement of RGAG, the Administrators and NAB (subject to any necessary grower or creditor approvals required) The parties should be aware that the forbearance comes to an end if any of the events do not occur, in full, by the dates set out. Put another way, partial settlement, or settlement only of the Rewards facilities, or only the Ark facilities, or only the proposed purchase of forestry or Tropical Fruits properties, shall not constitute performance of this obligation. Similarly, if the proposed purchase of the forestry or Tropical Fruits properties will not result in a full satisfaction of amounts outstanding by Rewards and Ark companies, the forbearance will come to an end and neither the receivers nor the Bank shall be obliged to give effect to any sale arrangement, or release securities over, some of the properties.</p>
MIS Scheme Amendments	<p>Conditional upon the DOCA being approved, separate meetings must be held of each of the Timber and Tropical Fruit MIS Schemes, to approve resolutions to:</p> <ol style="list-style-type: none"> 1. Vary the Schemes to the satisfaction of the Proponent; 2. Where necessary, approve the contributions to Rewards Projects Limited from scheme assets as contemplated under this DOCA; and 3. If required by the Proponent, change the Responsible Entity of the Schemes to an entity nominated by the Proponent (subject to Due Diligence).
Existing Crop and Finance Tripartite Deeds	<p>The Proponent acknowledges that Rewards Projects Limited and its Administrators entered into a Crop and Finance Tripartite Deed with Food and Beverage Australia Limited and RGAG on 17 September 2010 for the current harvest of the Kumbia, Childers, Mareeba and Dandaragan tropical fruit crop (2006, 2007 and 2008 tropical fruit crop). The Proponent acknowledges that this arrangement remains in force subject to this DOCA and</p>

Rewards Projects Limited and its Administrators are bound by the terms of this arrangement.

The Proponent acknowledges that Rewards Projects Limited and its Administrators intend to enter into a Crop and Finance Tripartite Deed for the current harvest of the Kununurra tropical fruit crop. The Proponent acknowledges that this arrangement remains in force subject to this DOCA and Rewards Projects Limited and its Administrators are bound by the terms of this arrangement.

The Proponent acknowledges that Rewards Projects Limited and its Administrators entered into a Loan Agreement with the Connections Group in early June 2010 for the current harvest of the Yarra Valley and Caboolture berries 2007 and 2008 scheme crops. The Proponent acknowledges that this arrangement remains in force subject to this DOCA and Rewards Projects Limited and its Administrators are bound by the terms of this arrangement.

By 31 October 2010, the existing Crop and Finance Tripartite Deed shall be terminated and a new Crop Deed (New Crop Deed) is executed between the administrators, receivers and FABAL and appropriate orders sought from the Court approving liens in favour of FABAL and the receivers for costs and remuneration directly referable to the costs of realising the proceeds of crop harvests for the 2006, 2007 and 2008 Rewards Group Tropical Fruits Projects (excluding Kununurra properties).

The receivers shall deal with harvests in accordance with the New Crop Deed. This agreement shall provide for the remittance of all net proceeds to the Deed Administrators of Rewards Projects. Subject to appropriate creditors and shareholder approval, Rewards Land and Ark, via their receivers, shall waive any further entitlement to proceeds from harvests undertaken during the currency of the New Crop Deed and any entitlements to proceeds under the existing Crop and Finance Tripartite Deed. The existing Crop and Finance Tripartite Deed remains effective until the New Crop Sale Deed is executed and Rewards Land, Ark, the receivers and the Bank shall not be entitled to any proceeds from harvests conducted under it.

DOCA

Under the DOCAs for each of the entities in the Rewards Group which will be conditional upon the MIS Scheme Arrangements being passed:

1. The administrators will become the Deed Administrators.
2. The claims of all creditors (including Grower claimants, any shareholder claimants and ordinary unsecured creditors) of all of the entities in the Rewards Group (Unsecured Creditors) will be released.
3. Creditors Trust/s will be created and the Unsecured Creditors will only be entitled to participate as beneficiaries of the Creditors' Trust.
4. The Deed Administrators of Rewards Projects Ltd will be responsible for dealing with or closure of the MIS Schemes not required unless replaced by a Responsible Entity other than the Proponent.
5. The Proponent is to negotiate new commercial lease terms with respective land owners of the MIS projects. The Proponent will seek a change in the Constitutions of the MIS projects such that the payments to the Responsible Entity will facilitate payments by the Responsible Entity to the land owning companies to reflect commercial lease rates.

Assets to be Acquired and Realised

The Proponent or its nominee will endeavour to obtain:

- RGAG or its nominee to acquire all shares in Rewards Projects Limited.
- An offer to acquire forestry land properties of the schemes owned by Rewards Group and Ark.
- An offer to acquire loan books held by the Rewards Group.
- An offer to acquire Sandalwood Land Unit Trust and Teak Land Unit Trust land.
- An offer to acquire certain horticultural properties.

In respect of the sale of the properties above, subject to National Australia Bank's consent the Deed Administrators are to obtain two independent valuations prior to entering into the binding contracts for sale of the properties of which the acquisition prices proposed by the



acquiring parties must be greater than the average of these values.

Other surplus land assets remaining after discharge of National Australia Bank's debt not acquired by Black Tree and FABAL are to be realised by the Deed Administrators for the benefit of creditors.

Marketing of properties	<p>From 20 October 2010, the receivers are free to undertake such marketing and sale campaigns as they wish, but cannot dispose of any of the Properties subject to the Schemes / MIS projects before 31 January 2011, or such earlier date if a Milestone date is not met on the date set out above (time being of the essence).</p>
Change of Trustee	<p>By 30 November 2010, the administrators shall call a meeting of the holders of Trusts, the trustee of which is Rewards Projects, holding property leased (or previously leased) to Projects associated with Rewards entities, to change the Trustee to a party determined by the unit holders.</p>
Ark DOCA key terms	<p>The completion of the Rewards Group DOCAs is contingent on completion of the Ark DOCA.</p> <p>Essentially under the Ark DOCA, the Deed Administrators of Ark are to enter into binding finance agreements or complete the sale of properties to give effect to repayment of the NAB facilities.</p>
Creditors' Trust	<p>Upon completion of the DOCAs a Creditors' Trust will be formed for Rewards Projects Limited. The Trustees will be the Deed Administrators. The assets of the Rewards Projects Limited's Creditors Trust will comprise of:</p> <ul style="list-style-type: none">• Outstanding grower debtor balances as at the date of execution of the DOCA.• All future grower contributions payable to 31 March 2011 (estimated value range of \$2M to \$3M) less ongoing operating expenses of the schemes incurred by the Administrators / Deed Administrators.• Trading Surplus from current harvests (estimated value range of up to \$4M).• Any and all legal actions identified by the Administrators or Deed Administrators existing from circumstances arising prior or during the Administrators' appointment will be to the benefit of the Creditors' Trust.• All excess land and other assets of the company which existed at the date of execution of the DOCA after discharge of National Australia Bank debt.• The Trustees will seek to realise these assets as soon as practicable for the benefit of creditors. <p>Funds contributed from the Trading Surplus and Future Grower Contributions are subject to growers' approval.</p> <p>The Creditors' Trust will pay all Administrator and Deed Administrator fees and costs and debts incurred. The balance will be paid to creditors in order of priority under the Act.</p> <p>Upon completion of the DOCAs Creditors' Trusts will be formed for Rewards Land Pty Ltd, Rural Labour Pty Ltd, Rewards Management Pty Ltd and Rewards Group Limited. The Trustees will be the Deed Administrators. The assets of these Creditors' Trusts will comprise of the following:</p> <ul style="list-style-type: none">• Current existing assets as at the date of execution of the DOCA.• Any and all legal actions identified by the Administrators or Deed Administrators existing from circumstances arising prior or during the Administrators' appointment will be to the benefit of the Creditors' Trusts.• The Trustees will seek to realise these assets as soon as practicable for the benefit of creditors. <p>The Creditors' Trust will pay all Administrator and Deed Administrator fees and costs and debts incurred. The balance will be paid to creditors in order of priority under the Act.</p>



Employees' Claims	<p>Employees' claims enjoy the same priority for distribution under the Creditors' Trust per section 556 of the Corporations Act.</p> <p>Employees are to receive a return not less than that in a liquidation scenario of the Rewards Group (incorporating any advances which employees would be eligible to claim under GEERS in a liquidation scenario).</p>
New directors and control of Rewards Group post DOCA	<p>Upon completion of the Rewards Group's DOCAs control of Rewards Projects Limited will revert to the Proponent by the appointment of new directors and new shareholders nominated by the Proponent (Rewards Group Limited to no longer hold shares in Rewards Projects Limited). The Deed Administrators are to assist in implementing these changes at completion.</p> <p>Upon completion of the Rewards Group Ltd, Rewards Management Pty Ltd and Rewards Land Pty Ltd DOCAs control of these companies is to revert to the existing directors.</p>
Conditions Precedent	<p>Completion will be subject to the following conditions:</p> <ol style="list-style-type: none"> a) Satisfactory arrangements to facilitate full repayment of National Australia Bank debt b) Approval by the Committee of Creditors of the Rewards Group; c) Approval by creditors of the various Rewards Group entities to the Deed of Company Arrangement at a meeting to be held on 19 October 2010; d) Approval by creditors of Ark to the Deed of Company Arrangement at a meeting to be held around early November 2010; e) A convening of Meetings of Growers of the Timber Schemes and the Tropical Fruit Schemes to vary the respective constitutions in a form satisfactory to the Proponent; f) The Proponent is to negotiate new commercial lease terms with respective land owners of the MIS projects. The Proponent will seek a change in the Constitutions of the MIS projects such that the payments to the Responsible Entity will facilitate payments by the Responsible Entity to the land owning companies to reflect commercial lease rates. g) Approval by the Court to any applications applicable to this proposal; h) Regulatory and other applicable approvals; and i) Replacement of directors.
Change in Constitutions	<p>The Proponent will seek a change in the Constitutions of the MIS projects such that the payments to the RE will facilitate payments by the RE to the land owning companies to reflect commercial lease rates.</p>
Transaction Documents	<p>Upon acceptance by creditors of the DOCA the parties to the DOCA will negotiate in good faith the following transaction documents:</p> <ol style="list-style-type: none"> a) The Deeds of Company Arrangement; b) Binding Contracts of Sale for Land; c) The Creditors' Trust Deeds; and d) Any other document reasonably required.
Exclusivity	<p>During the DOCA the Deed Administrators will not solicit, encourage, initiate or participate in any discussions with third parties interested in the Timber Scheme or the Tropical Fruit Schemes without the prior consent of RGAG.</p>
Benefit of Legal Claims	<p>Any and all legal actions identified by the Administrators or Deed Administrators will be to the benefit of the Creditors' Trust.</p>
Benefit of Insurance Policies	<p>The benefit of any insurance policy held by RPL will be preserved by including a clause similar to the following:</p>

1.1. In this clause:

- (1) **Insured Claim** means the Claim of an Insured Creditor to which insurance held by or on behalf of the Company or available under any legislation would, but for this Deed, have application;
- (2) **Insured Creditor** means a Creditor with a Creditor's Claim to which insurance held by or on behalf of the Company or available under any legislation would, but for this Deed, have application;
- (3) **Insurance Excess** means any part of an Insured Claim which will not be indemnified by insurance held by or on behalf of the Company or available under any legislation (including but not limited to any deductible or excess); and
- (4) **Insurance Proceeds** means any amount in respect of an Insured Claim received by the Company or the Deed Administrator by reason of insurance held by or on behalf of the Company or available under any legislation.

1.2. This clause **Error! Reference source not found.** applies when there is an Insured Creditor.

1.3. When this clause **Error! Reference source not found.** applies:

- (1) Subject to leave of the Court in accordance with s.444E(3) of the *Corporations Act 2001* (Cth), the Insured Creditor may begin or proceed with a proceeding against the Company in respect of the Insured Claim.
- (2) Section 562 of the *Corporations Act 2001* (Cth) applies to this Deed in relation to any Insurance Proceeds and does so as if reference to the "third party" was a reference to the Insured Creditor for whose Insured Claim the Insurance Proceeds were received. To the extent that there is an Insurance Excess the Insured Creditor will, in relation to that part of the Insured Claim, be subject to all of the provisions of this Deed.



- (3) If the Insured Claim is not resolved when this Deed is otherwise ready for termination in accordance with clause ##termination clause##:
- (a) the Deed may be terminated in any event;
 - (b) on termination of the Deed the component of the Insured Claim represented by the Insurance Excess is released in accordance with clause ##release clause ##. Clause ##release clause## does not apply to the remainder of the Insured Claim until resolution of the Insured Claim. However, until resolution of the Insured Claim:
 - (i) the Insured Creditor must make all reasonable endeavours to resolve the Insured Claim as soon as possible; and
 - (ii) the Insured Creditor's entitlement in respect of the Insured Claim is limited to any Insurance Proceeds in fact received by the Company on account of the Insured Claim.
- (4) On resolution of the Insured Claim:
- (a) the Company must pay to the Insured Creditor any Insurance Proceeds in fact received by the Company on account of the Insured Claim; and
 - (b) clause ##release clause##then applies.

Completion On or prior to 31 March 2011.

Timeline For the avoidance of doubt, the critical timeline is as follows:

Stage	Key Event	Date
Stage 1	Rewards DOCA to be approved by creditors	19 October 2010
Stage 2	Rewards DOCA to be executed	4 November 2010
Stage 3	Ark DOCA to be approved by creditors	November 2010
Stage 4	Ark DOCA to be executed	November 2010
Stage 5	Execution of contracts of sale	7 November 2010



Stage 6	Completion of due diligence	November 2010
Stage 7	MIS scheme meetings to be held to change constitutions	January 2011
Stage 8	MIS scheme meetings to be held to change Responsible Entity, if required	January 2011
Stage 9	Contracts for Sale become unconditional	31 January 2011
Stage 10	Financial Closure and DOCA terminated and Creditors' Trust formed	February / March 2011

Assignment The Proposal (including the Tropical Fruit Scheme Loan and Forestry Scheme Loan) shall be able to be freely assigned and/or transferred by the Proponent.

Committee of Creditors of DOCA / Creditors' Trust If a Committee of Creditors is elected the powers of the Committee shall be, including but not limited to:

- To approve from time to time the Deed Administrators' fees and costs;
- To approve such variations to the DOCA proposal which may be required to facilitate completion of the DOCA materially consistent with the terms set out under this proposal

Variation Should the DOCA become capable of not being completed in its current form the Proponent may put forward a variation to the Deed Administrators for consideration. Any reasonable variation will be put forward to creditors and the DOCA may be varied with appropriate consents being provided by creditors in accordance with the Corporations Act 2001 and terms of the DOCA where applicable.

Governing Law Western Australia

Non-binding Nature This Proposal is non-binding, except for the provisions relating to Exclusivity, Confidentiality, and Governing Law.

Schemes / MIS projects In this proposal:

Timber Schemes include:

TK01R1 Forest Rewards Teak Project 2001 ARSN 096-619-466
TK01R2 Forest Rewards Teak Project 2001 ARSN 096-619-466
TK03R1 Rewards Group Teak Project 3 ARSN 104-486-222
TK03R2 Rewards Group Teak Project 3 ARSN 104-486-222 (Release 2)
TK05R1 Rewards Group Teak Project 4 ARSN 111-957-843
TK05R2 Rewards Group Teak Project 4 ARSN 111-957-843 (Release 2)
TK 06R1 Rewards Group Teak Project 6 ARSN 119-363-727
TK06R2 Rewards Group Teak Project 6 ARSN 119-363-727 (Release 2)
SW00R1 Forest Rewards Sandalwood Project 2000 ARSN 091-534-995
SW01R1 Forest Rewards Sandalwood Project 2001 ARSN 096-165-874
SW02R1 Forest Rewards Sandalwood Project 2002 ARSN 099-571-285
SW04R1 Rewards Group Sandalwood Project 4 ARSN 104-486-240
SW04R2 Rewards Group Sandalwood Project 4 ARSN 104-486-240 (Release 2)
SW05R1 Rewards Group Sandalwood Project 5 ARSN 112-106-313
SW05R2 Rewards Group Sandalwood Project 5 ARSN 112-106-313 (Release 2)
SW05R3 Rewards Group Sandalwood Project 5 ARSN 112-106-313 (Supplementary)
SW07R1 Rewards Group Sandalwood Project 7 ARSN 121-784-325
SW07R2 Rewards Group Sandalwood Project 7 ARSN 121-784-325 (Supplementary)

Tropical Fruit Schemes include:

TC02R1 Rewards Group Tropical Citrus Project ARSN 099-629-973
TF03R1 Rewards Group Tropical Fruits Project – Retail ARSN 103-358-229
TF03W1 Rewards Group Tropical Fruits Project – Wholesale ARSN 103-358-229
TF04R1 Rewards Group Tropical Fruits Project 2004 – Retail ARSN 108-145-160
TF04W1 Rewards Group Tropical Fruits Project 2004 – Wholesale ARSN 108-145-160
TF05R1 Rewards Group Tropical Fruits Project 2005 ARSN 113-282-232

TF06R1 Rewards Group Tropical Fruits Project 2006 ARSN 118-265-526
TF07R1 Rewards Group Tropical Fruits Project 2007 ARSN 124-299-056
TF08R1 Rewards Group Tropical Fruits Project 2008 ARSN 130-040-032

A handwritten signature in black ink, appearing to be 'R. G. G.', written in a cursive style.

PRESIDENT

R G G

19/10/2010 .