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26 August 2010

Brian Silvia
Administrator
FEA Plantations Limited (Administrators
Appointed) (Receivers Appointed)
C/- BRI Ferrier
1 Castlereagh Street
SYDNEY NSW 2000

Dear Mr Silvia

I am aware that a number of growers in various of the FEA MIS Schemes have raised with you the issue of what might occur to money paid by them to FEA Plantations in its capacity as responsible entity of the various Schemes.

The following points need to be borne in mind:

- 1 Whilst the banks have appointed Tim Norman and Sal Algeri of Deloitte as Receivers of FEA Plantations, that appointment expressly does not extend to the Schemes or FEA Plantations in its capacity as responsible entity.
- 2 In my view, the funds received from the growers and held by FEA Plantations are held by it as responsible entity on behalf of the various Schemes. The appointment of the Receivers does not extent to the grower funds.
- 3 FEA Plantations has appointed Sandhurst Trustees Limited, a subsidiary of Bendigo & Adelaide Bank to act as custodian of assets of the Schemes. Sandhurst Trustees therefore holds, on behalf of FEA Plantations in its capacity as responsible entity the funds.
- 4 Grower funds held by Sandhurst Trustees Limited as custodians can only be drawn down by the Administrators acting on behalf of FEA Plantations as responsible entity for the purposes of the Schemes.
- 5 Funds held by Sandhurst Trustees are segregated Scheme by Scheme and will be used in accordance with the various Constitutions for the Schemes.

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Kind regards



Stephen Sawyer
Partner