

5/1998

ENFORCEABLE UNDERTAKING

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

SECTION 93AA Australian Securities & Investments Commission Act ("ASC Act")

This undertaking is made to the Australian Securities and Investments Commission ("ASIC") by:

Australian Rural Group Limited
ACN 002 635 501
ARG House
McLennan Close
Bathurst NSW 2795

1. Background

- 1.1 Australian Rural Group Limited ACN 002 635 501 ("ARG") is a company duly incorporated pursuant to the laws of New South Wales.
- 1.2 ARG is the trustee or representative, approved pursuant to section 1067(4) of the Corporations Law, for the purpose of the following deeds ("Deeds") that create the following schemes ("Schemes"):
 - Deed dated 31 December 1990 that creates Tumut River Orchard Project;
 - Deed dated 26 May 1993 that creates Coonabarabran Orchard Project;
 - Deed dated 24 May 1994 that creates Queensland Orchard Project;
 - Deed dated 18 March 1996 that creates Treetop Plums Project;
 - Deed dated 16 January 1997 that creates Treetop Apples Project; and
 - Deed dated 4 June 1997 that creates Harcourt Vines Scheme.
- 1.3 Immediately prior to 30 June 1998 Tumut River Orchard Management Limited ACN 003 501 611 ("TROM") was the management company regarding each of the Schemes.
- 1.4 By deed dated 30 June 1998 TROM resigned as the management company regarding the Schemes, Treetop Projects Limited ACN 081 209 298 ("TPL") agreed to be the management company regarding the Schemes and ARG appointed TPL as the management company regarding the Schemes.

- 1.5 ASIC has formed the view that the deed dated 30 June 1998 modified the Deeds, that neither paragraphs 1069A(7)(a) or 1069A(7)(b) of the Corporations Law applied and therefore the modification of the Deeds should have occurred in accordance with the procedure set out in subsection 1069A(2) of the Corporations Law.
- 1.6 If the Deeds had been modified in accordance with the procedure set out in subsection 1069A(2) of the Corporations Law the modification, and hence the appointment of TPL as the management company regarding the Schemes, could only have occurred as a consequence of a resolution at a meeting of investors.
- 1.7 ASIC has concluded that in these circumstances, regarding each of the Schemes, ARG should convene meetings of the respective investors to consider whether TPL should be removed as the management company regarding each Scheme and that such meetings should be held by 31 October 1998.

2. Undertaking

- 2.1 ARG hereby undertakes to ASIC that, for each Scheme, ARG will:
- (a) by sending a request ("Request") by facsimile and post at least 35 days before the Proposed Meeting (as referred to in paragraph 2.1(b)) to each body corporate, who has expressed an interest to ARG in being appointed as the management company of the Scheme, at the body corporate's last known address, request the body corporate, to provide ("Provided Information") to ARG at least 21 days before the proposed meeting:
 - (i) confirmation that the body corporate will accept an appointment as the management company of the Scheme if ARG were to appoint the body corporate as the management company of the Scheme in 1998;
 - (ii) advice as to any conditions imposed by that body corporate that must be satisfied prior to the body corporate accepting such an appointment;
 - (iii) information (including most recent balance sheet and profit and loss statement, most recent audited balance sheet and profit and loss statement, details of material changes since most recent balance sheet and profit and loss statement) that shows the body corporate's financial position;
 - (iv) budgets and business plans that relate to the period in which the Scheme will be operating;

- (v) profiles of key individuals who will assist the body corporate perform the duties and obligations of the management company of the Scheme;
 - (vi) information as to what experience the body corporate has that is relevant to the duties and obligations of the management company of the Scheme; and
 - (vii) information as to what resources (equipment, personnel and financial) the body corporate will have available to perform the duties and obligations of the management company;
- (b) by sending notice ("Notice") by post of the proposed meeting at least 14 days before the proposed meeting ("Proposed Meeting") to each investor in the Scheme at the investor's last known address or, in the case of joint holders, to the joint holder whose name appears first in the management company's records, convene a meeting of the investors, on or prior to 31 October 1998, for the purpose of voting on a resolution that TPL be removed as the management company in relation to the Scheme, such resolution being drafted in the form set out in attachment A to this enforceable undertaking ("Proposed Resolution");
- (c) send with the Notice the Proposed Resolution;
- (d) regarding the Proposed Meeting:
- (i) determine which Australian capital city is the closest to the registered address of each investor and convene the meeting at the capital city that is the closest to the registered address of the greater number of investors;
 - (ii) convene the meeting on a week day excluding a public holiday;
 - (iii) convene the meeting at a time between the hours of 10.00am and 3.00pm;
 - (iv) only allow investors, TPL and ARG to address the meeting;
 - (v) keep an attendance record ("Attendance Record") of the meeting that details each person's name, capacity (investor or observer) and their voting entitlement;
 - (vi) keep detailed minutes ("Minutes") of the meeting; and

- (vii) conduct the meeting as if:
 - A. the meeting is a meeting convened under section 1069A of the Corporations Law;
 - B. section 1069B of the Corporations Law which concerns proxy voting applies to the meeting;
 - C. pursuant to paragraph 1069C(1)(b) of the Corporations Law, ASIC has approved as the nominee of ARG for the purposes of presiding over the Proposed Meeting, a person who has not had any dealings, in either a commercial capacity or on behalf of ARG, with TPL, TROM or any body corporate who has advised ARG that they will accept an appointment as the management company of the Scheme if ARG were to appoint the body corporate as the management company of the Scheme in 1998; and
 - D. subsection 1069C(2) of the Corporations Law which concerns the conduct of meetings applies to the meeting;
- (e) send with the Notice details ("Details") regarding the procedure for voting by proxy and a proxy form (Proxy Form);
- (f) send with the Notice a summary ("Summary") of the Provided Information that was provided by a body corporate who has confirmed that the body corporate will accept an appointment as the management company of the Scheme if ARG were to appoint the body corporate as the management company of the Scheme in 1998;
- (g) make the Provided Information that was provided by such a body corporate available to the investors at ARG's registered office at ARG House, McLennan Cl, Bathurst, New South Wales;
- (h) include in the Summary a list of the Provided Information provided by such a body corporate and details of where the investors can inspect that Provided Information;
- (i) send with the Notice an outline ("Outline") of what ARG will do regarding the Scheme if it is resolved that TPL be removed as management company in relation to the Scheme;
- (j) advise in the Outline whether ARG will assume the duties and obligations of the management company under the relevant Deed that constituted the Scheme;

- (l) advise in the Outline whether ARG intends to appoint a body corporate as the management company of the Scheme without convening such a meeting of investors;
- (m) if the holders of 50% or more of the value of prescribed interests in the Scheme resolve at the meeting that TPL regarding that Scheme should be removed, request pursuant to sub regulation 7.12.15(6)(g) of the Corporations Regulations that TPL retire as the management company of the Scheme; and
- (n) send by post to Graeme Plath of ASIC, GPO Box 9827 Canberra City, ACT, 2601:
 - (i) within five days of the Request being sent by post, a copy of the Request;
 - (ii) within five days of the Notice being sent by post, copies of the Notice, Proposed Resolution, Summary, Outline, Details and Proxy Form; and
 - (iii) within five days of the meeting being held, a copy of the Attendance Record and a copy of the Minutes.

3. Acknowledgments

3.1 ARG acknowledges that ASIC:

- (a) may issue a media release on execution of this undertaking referring to its terms and the concerns of ASIC which led to its execution;
- (b) may from time to time publicly refer to this undertaking; and
- (c) will make this undertaking available for public inspection.

3.2 ARG acknowledges that this undertaking in no way derogates from the rights and remedies available to any other person arising from any conduct described in this undertaking.

3.3 ARG acknowledges that this undertaking has no operative force until accepted by ASIC.


3.4 ASIC acknowledges that ARG does not agree with ASIC's view that "neither paragraphs 1069A (7)(a) or 1069A(7)(b) of the Corporation Law applied and therefore the modification of the Deeds should have occurred in accordance with the procedure set out in subsection 1069A(2) of the Corporation Law".

3.5 ASIC acknowledges that ARG is willing to convene the meetings of investors in accordance with this undertaking but that ARG does not regard such convening as an admission of any sort nor agreement with the ASIC view that "neither paragraphs 1069A (7)(a) or 1069A(7)(b) of the Corporations Law

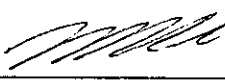
applied and therefore the modification of the Deeds should have occurred in accordance with the procedure set out in subsection 1069A(2) of the Corporations Law".

The Common Seal of)
Australian Rural Group Limited)
ACN 002 635 501 was affixed to)
this undertaking in the presence of:)





Director



Director/Secretary

TONI LEIGH RYAN
AUTHORISED SIGNATORY

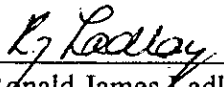
Name (Print)

THERESE KATHLEEN MELVILLE
COMPANY SECRETARY

Name (Print)

This 18th day of September 1998

**ACCEPTED BY THE AUSTRALIAN SECURITIES AND INVESTMENTS
COMMISSION PURSUANT TO SECTION 93AA OF THE ASC LAW BY ITS
DULY AUTHORISED DELEGATE**



Ronald James Ladlay
Director Operations

This 21st day of September 1998

Attachment A

"That the management company, Treetop Projects Limited ACN 081 209 298 be removed as the management company in relation to the scheme known as the (1) which is constituted by deed dated (2)"

Regarding the meetings concerning the following Schemes insert the name of the relevant Scheme set out in (1) and insert the relevant date set out in (2):

Scheme that meeting concerns	(1)	(2)
Tumut River Orchard Project	Tumut River Orchard Project	31 December 1990
Coonabarabran Orchard Project	Coonabarabran Orchard Project	26 May 1993
Queensland Orchard Project	Queensland Orchard Project	24 May 1994
Treetop Plums Project	Treetop Plums Project	18 March 1996
Treetop Apples Project	Treetop Apples Project	16 January 1997
Harcourt Vines Scheme	Harcourt Vines Scheme	4 June 1997