**SUPREME COURT OF QUEENSLAND**

**REGISTRY:** **Brisbane**
**NUMBER:** **8884 of 2014**

First Applicants: **JOHN RICHARD PARK AND GINETTE DAWN MULLER IN THEIR CAPACITY AS JOINT AND SEVERAL LIQUIDATORS OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) ACN 077 208 461**

AND

Second Applicants: **LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) ACN 077 208 461 AS RESPONSIBLE ENTITY FOR THE LM AUSTRALIAN INCOME FUND**

AND

Respondents: **KORDAMENTHA PTY LTD ACN 100 169 391 AND CALIBRE CAPITAL LIMITED ACN 108 318 985 AS TRUSTEE FOR THE LM MANAGED PERFORMANCE FUND**

**SIMON JEREMY TICKNER** of Care of Level ~~1~~ 3, 38 Cavill Avenue, Surfers Paradise in the State of Queensland, Consultant states on oath:-

## Introduction

1. I am a former director of the Second Applicant, LM Investment Management Limited (in Liquidation) (**"LMIM"**), a position which I held between 18 September, 2008 and ~~1 August~~ 13 July, 2012.

**PAGE 1**

Signed

Solicitor/~~Barrister/Justice of the Peace~~

**AFFIDAVIT OF SIMON JEREMY TICKNER**

Filed on behalf of the Second Respondents

Form 46 Rule 431

**Russells**
Level 18
300 Queen Street
**BRISBANE 4000**
Phone: 07 3004 8888
Fax: 07 3004 8899

IAB_20130956_103.docm

2. I am aware of proceedings in the Supreme Court of Queensland matter number 8792 of 2013 brought by KordaMentha Pty Ltd ("**Korda**")and Calibre Capital Limited ("**Calibre**") as trustees (together, the "**Trustees**") for the LM Managed Performance Fund ("**MPF**") against LMIM (the "**MPF Proceeding**").

3. I have seen a copy of the draft Statement of Claim exhibited to the affidavit of Simon Vertullo sworn 25 September, 2014 in the MPF Proceeding.

4. I was not contacted by any representative of either the Applicants in the MPF Proceedings or their solicitors prior to the institution of those proceedings or since. Other than discussions with Russells in preparing this statement, I have not provided a witness statement about the matters the subject of the MPF Proceedings.

5. Now produced and shown to me and marked "**SJT-1**" is an indexed paginated bundle of documents to which I will refer in this affidavit. References to page numbers in **[ ]** are references to the page numbers of SJT-1. Save as where otherwise indicated the documents in SJT-1 have been taken from the business records of LMIM.

**Background**

6. I was directly involved with the loan transactions referred to in the Statement of Claim.

7. I was a member of the MPF Credit Committee which considered and approved the loan by LMIM, as the trustee at the time of the MPF, to Peregian Beach Pty Ltd ("**Peregian Beach**") on 28 June, 2010 and recommended its variation to the Board of LMIM on 8 December, 2011.



Signed

Solicitor/~~Barrister~~/~~Justice of the Peace~~

## Comments on Statement of Claim

8. Following are my comments on the respective paragraphs in the Statement of Claim.

9. As to paragraph 2, I agree that LMIM has since at least 1999 carried on business as a professional trustee in the course of which it created and then managed investment funds, deriving at least part of its income from management fees it charged in relation to each fund. During the period of my appointment as a director of LMIM, part of my role was, together with my other directors, managing those managed investment funds.

10. As to paragraph 4, I agree that the MPF was a unit trust established on or about 4 December, 2001.

11. As to paragraph 9, I agree that from the time of its constitution until in or about April, 2013, LMIM was the trustee of the MPF and in that capacity engaged in the solicitation of funds from third parties who would become members (or unit holders) of the MPF and in the investment of those funds in property investment and structured loans for the purchase and or development of Australian real property.

12. As to paragraph 10, I am aware that on or about 12 April, 2013, LMIM was removed as the trustee of the MPF and was replaced by the Trustees.

13. As to paragraph 11, I agree that LMIM was also the responsible entity of the LM Australian Income Fund Currency Protected ("**AIF**").



Signed

Solicitor/~~Barrister/Justice of the Peace~~

14. I agree that on or about 1 November, 2011 PTAL and LMIM signed an amending deed generally to the effect set out in paragraph 14 of the Statement of Claim.

**MPF Loan to Peregian Beach**

15. As to paragraphs 18-24 I say that on 23 June, 2010, Bronwyn Kingston of the LMIM Commercial Lending Department circulated by email to the MPF Credit Committee a credit synopsis and supporting information regarding a proposal for a new MPF loan to Peregian Beach. A true copy of the email and loan synopsis is at **[1]**.

16. On 28 June, 2010, the MPF Credit Committee considered and approved a proposal to lend money to Peregian Beach broadly on the terms set out in paragraph 18 of the Statement of Claim. I am aware that the Minutes of that meeting were confirmed by a simple handwritten memo acknowledging the agreement of persons present at that meeting. A true copy of the memo is at **[38]**. I was one of the persons present and my initials can be seen in that memo as "**ST**". I say that the meeting considered all of the relevant material before it including the loan synopsis and supporting material circulated by email from Bronwyn Kingston to members of the Credit Committee on or about 23 June, 2010. The loan was agreed on the basis that the proposal met LMIM as trustee for the MPF's standard lending criteria.

17. I am also aware that LMIM as trustee for the MPF subsequently entered into a loan agreement and other security documentation usual for a loan of that type by LMIM.

18. Amongst other related things, the loan was to assist Peregian Beach in meeting the various costs involved in acquiring a site at North Lakes (the "**Site**") from



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Stockland and taking preparatory steps toward the ultimate goal of constructing residential properties on the Site. It was a usual practice of the MPF to make loans of that type which were somewhat speculative in that the only security was over the current and future assets of the Company and not something more secure such as a registered first mortgage over real property with a loan to value ratio geared in favour of the lender. This type of funding is known in the finance industry as "mezzanine finance". The interest charged on this loan took that risk into account. The rate of 25% per annum was at that time in line with other mezzanine finance available in the market place.

19. As is evident from the loan synopsis it was always intended that the MPF loan would be subordinated to a registered first mortgage to a third party financier funding the construction costs for the development. This was expected to occur at the time of settlement of the purchase of the land from Stockland.

20. I am aware that the contract of sale between Peregian and Stockland for the purchase of the Site (the "**Contract**") contained provisions that required Peregian Beach to settle the Contract 14 days after the satisfaction of conditions precedent set out in clause 31 of the Contract. I recall that those conditions were all met and completion was to occur in late December, 2011. The balance amount required to complete settlement was approximately $3.313M. There had been to that time draw downs by Peregian Beach to meet development management costs, development application costs, the deposit under the contract and other costs related to the acquisition. The total of the draw downs was $947,295.28.

21. At that time MPF did not have sufficient available cashflow in order to meet such a significant call on funding during that period and for the period into the



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then near future. The cashflow of the MPF remained tight and required daily management and daily allocation and re-allocation of any spare cash. The cashflow constraints were due to a number of factors. Significantly low inflows of cash well below the budgeted amounts was a primary cause. Inflows at the time ranged approximately between $7M and $12M per month, although sometimes it was higher or lower than those amounts, whilst the budget requirements were $15M per month.

22. Because of that cashflow shortage, as at December, 2011 MPF was unable to fulfil its obligations to Peregian Beach to provide sufficient funds for it to settle on the acquisition of the Site. The Credit Committee for the AIF considered and ultimately approved, in the ordinary manner, a proposal that AIF would fund the balance of the purchase price for the land and take a first mortgage position ahead of MPF.

23. As an alternative position, I also took a role in negotiating with Stockland for it to provide vendor finance of the $3.313M required for settlement. Stockland ultimately agreed to provide that vendor finance on terms which were provided for in a variation of the Contract. It therefore became unnecessary for AIF to provide any funding to Peregian Beach at that time.

24. As to paragraphs 30-32 in the Statement of Claim I agree with the allegations therein (although Schedule 1 referred to has not been provided to me and therefore I cannot agree with the amounts of any particular drawdowns or interest alleged). MPF maintained detailed accounts of all of its loans and the draw downs made against those loans were completely and accurately recorded as they were made from time to time. I agree that Peregian Beach had made draw downs totalling



Signed

Solicitor/~~Barrister/Justice of the Peace~~

$947,295.28 as at the end of November, 2011. A true copy of the MPF loan statement for Peregian Beach is at **[39]**.

25. As to paragraph 33 of the Statement of Claim I agree that the AIF agreed to participate in the Peregian Beach loan on the terms set out in the Credit Committee minutes contained in emails sent by Shelley Chalmers on 9 December, 2011 and by Bronwyn Kingston on 20 December, 2011, true copies of which are at **[46]** and **[53]** respectively.

26. It is entirely incorrect for the Trustees to say at paragraph 34 of the Statement of Claim that the proposed loan transaction, with AIF in taking a lead role ahead of the MPF, was not for the benefit of MPF. MPF, because of its cashflow issues, was in a position where it potentially would breach its obligations to provide funding to Peregian Beach. If that occurred Stockland could have moved to enforce the Contract and sue Peregian Beach to settle or terminated the Contract and sued Peregian Beach for damages. In either case there was a substantial risk that Peregian Beach would be unable to repay the amount owing by it to MPF. I also expect Peregian Beach in turn could have sued to recover damages from the MPF.

27. As part of the negotiation with Stockland the instalment amounts and repayment instalment due dates were planned to coincide with the anticipated availability of sufficient cash for MPF to be able to fund the balance of the purchase price for Peregian Beach.

28. MPF was able to fund the instalments due at settlement of the purchase and the two subsequent instalments of $300,000 and $500,000.



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Solicitor/~~Barrister~~/Justice of the Peace

29. The final instalment payment was due by 30 June, 2012. Ahead of that time, however, we had confirmed that MPF would not have the requisite cashflow to meet the approximately $1.7M required. Again, MPF found itself in the position that it potentially could not meets its obligations and would be in breach of its loan agreement and liable for action against it by Peregian Beach, and that it may be unable to recover a substantial proportion of the funds owed to it by Peregian Beach.

30. On 5 June, 2012, the AIF Committee met. I was the Chair of that meeting which discussed and approved in principle the funding of a loan by the AIF to Peregian Beach on terms sufficient to provide funding for the final settlement of the land purchase. The intention was that the loan would only be for a period of 12 months and also noting that construction on the Site (with the anticipated funding from another financier) would commence on or about 1 October, 2012. The minutes of the meeting (a copy of which is at **[63]**) record a potential conflict and note that suitable documentation dealing with the conflict of interest issues and any external consultant's report dealing with the issues would need to be finalised before settlement. Those minutes accurately reflect the considerations and decision of the Credit Committee at that meeting.

31. On 26 June, 2012, a further meeting of the Credit Committee discussing and approving the loan (subject to approval by the Board of LMIM due to the conflict of interest issues) was also made. In consideration of the conflict record, LMIM had obtained advice from both Thomson Lawyers and WMS Chartered Accountants, on the basis of which the Committee considered that the loan could proceed. A copy of the minutes of that meeting is at **[73]**.



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Solicitor/~~Barrister/Justice of the Peace~~

32. As to paragraph 37(a) of the Statement of Claim, I do not agree that it was determined by LMIM as Trustee for AIF that it would not participate in the Peregian Beach transaction at that time, but rather Peregian Beach agreed to accept instead the offer of Vendor finance from Stockland.

33. As to paragraph 37(b), the proposed further lending to Peregian Beach from MPF in order to effect settlement was entirely consistent with the purpose of the MPF loan which was approved up to a maximum of $6M. If not for MPF's cashflow shortage then MPF would have funded the entire settlement amount in December, 2011. While I had a role in the negotiation of the Vendor finance, that was an agreement struck between the Stockland as Vendor, and Peregian Beach as Purchaser, and operated (among other things) to the benefit and protection of MPF. Neither MPF nor AIF was a party to that transaction.

34. As to paragraphs 38-50, I say that the matters set out occurred on or about those dates. In particular I note that as at about 18 June, 2012 Peregian Beach's indebtedness to MPF, secured by way of second mortgage, was approximately $3.236M.

35. As to paragraphs 51 and 52, I agree that the transactions took place as stated. This occurred in the context that the Vendor finance was due to be repaid on or before 30 June, 2012 and MPF did not have the capacity to meet the further funding required. It was therefore necessary that Peregian Beach obtain funding from another source in order to complete the purchase of the Site.

36. In considering the funding to be provided by AIF we considered the valuation of the Site. One valuation, at approximately June, 2011, was



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Solicitor/Barrister/~~Justice of the Peace~~

approximately $2.7M. The updated version obtained in or about June, 2012 similarly valued the Site at approximately $2.7M. AIF would not have lent any money to Peregian Beach to settle the contract unless the lending proposal met its standard criteria, which included an acceptable loan to value ratio (in this instance approximately 65%) and that it had the security of a first mortgage registered over the title.

**Benefit to MPF**

37. In my view the AIF loan was to the benefit of the MPF. I say this because:

(a) Because of cashflow constraints MPF was not in a position to fund the final part of the vendor finance transaction;

(b) That inability to provide funds, in breach of its obligations, was likely to have caused a breach of Peregian Beach's obligations to Stockland;

(c) Such a breach would be likely to have resulted in Stockland repossessing and selling Lot 74 in order to recover the funds owed to it by Peregian Beach, and Peregian Beach consequently making a claim against the MPF.

(d) Those consequences would also have resulted in MPF failing to recover the vast bulk of the funds then owing to it by Peregian Beach, whereas if the contemplated development proceeded there was likely to be a far better prospect of the MPF being fully repaid;

(e) Finally, MPF was not in any worse position, as second mortgagee, than it had been while Stockland was first mortgagee; indeed, the interest under the AIF loan was less than the interest under the Stockland vendor finance, thus being to the benefit of Peregian Beach and indirectly to MPF's benefit by reducing the amount of Peregian Beach's future indebtedness to its first mortgagee.



Signed

Solicitor/Ba~~rrister/Justice of the Peace~~

38. Because of the provision of finance by the AIF, there were no breaches of obligations and Peregian Beach was able repay the vendor finance that it had obtained the previous December in order to complete the acquisition of the Site.

39. As to paragraphs 64 and 65 of the Statement of Claim I agree that the drawdowns particularised were in fact drawn down from AIF under the AIF Loan Agreement but dispute the contentions that the draw downs were not for the benefit of the members of the MPF. These drawdowns enabled Peregian Beach to comply with its obligations to the First Mortgagee while it sought construction finance and continued in its attempts to sell units which, if successful, was expected ultimately to lead to repayment of the MPF loan, all of which had been contemplated at the time the MPF Loan Agreement was made.

40. All the facts and circumstances deposed to are within my own knowledge save such as are deposed to from information only and my means of knowledge and sources of information appear on the face of this my Affidavit.

**SWORN** by **SIMON JEREMY TICKNER** on 2 October, 2014 at Surfers Paradise in the presence of:

Deponent

Solicitor/~~Barrister/Justice of the Peace~~

**SUPREME COURT OF QUEENSLAND**

**REGISTRY:** **Brisbane**
**NUMBER:** **8884 of 2014**

| | |
|---|---|
| First Applicants: | **JOHN RICHARD PARK AND GINETTE DAWN MULLER IN THEIR CAPACITY AS JOINT AND SEVERAL LIQUIDATORS OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) ACN 077 208 461** |
| | AND |
| Second Applicants: | **LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) ACN 077 208 461 AS RESPONSIBLE ENTITY FOR THE LM AUSTRALIAN INCOME FUND** |
| | AND |
| Respondents: | **KORDAMENTHA PTY LTD ACN 100 169 391 AND CALIBRE CAPITAL LIMITED ACN 108 318 985 AS TRUSTEE FOR THE LM MANAGED PERFORMANCE FUND** |

Bound and marked SJT-1 are the exhibits to the Affidavit of **SIMON JEREMY TICKNER** sworn 2 October, 2014:

Deponent

Solicitor/~~Barrister/Justice of the Peace~~

**CERTIFICATE OF EXHIBIT**

Filed on behalf of the Second Respondents

Form 47 Rule 435

**Russells**
Level 18
300 Queen Street
**BRISBANE** **4000**
Phone: 07 3004 8888
Fax: 07 3004 8899

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**SUPREME COURT OF QUEENSLAND**

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## INDEX TO EXHIBITS OF AFFIDAVIT OF SIMON JEREMY TICKNER SWORN 2 OCTOBER, 2014



**INDEX TO EXHIBITS**

Filed on behalf of the Respondents


**Russells**
Level 18
300 Queen Street
**BRISBANE 4000**
Phone: 07 3004 8888
Fax: 07 3004 8899


IAB_20130956_104.docm

**SUPREME COURT OF QUEENSLAND**

**REGISTRY:** **Brisbane**
**NUMBER:** **8884 of 2014**

First Applicants: **JOHN RICHARD PARK AND GINETTE DAWN MULLER IN THEIR CAPACITY AS JOINT AND SEVERAL LIQUIDATORS OF LM INVESTMENT MANAGEMENT LIMITED (IN LIQUIDATION) ACN 077 208 461**

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**INDEX TO EXHIBITS OF AFFIDAVIT OF SIMON JEREMY TICKNER SWORN 2 OCTOBER, 2014**

| Exhibit No. | Description | Page No. |
|---|---|---|
| **SJT-1** | Email Bronwyn Kingston of LMIM Commercial Lending Department to MPF Credit Committee enclosing a credit synopsis | 1 – 37 |
| | Handwritten memo dated 28 June, 2010 | 38 |
| | MPF loan statement for Peregian Beach | 39 – 45 |
| | Emails sent by Shelley Chalmers on 9 December, 2011 | 46 – 52 |
| | Emails sent by Bronwyn Kingston on 20 December, 2011 | 53 – 62 |
| | Minutes of Meeting of AIF Committee on 5 June, 2012 | 63 – 72 |
| | Minutes of Meeting of Credit Committee on 26 June, 2012 | 73 - 74 |

**INDEX TO EXHIBITS**

Filed on behalf of the Respondents

**Russells**
Level 18
300 Queen Street
**BRISBANE 4000**
Phone: 07 3004 8888
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IAB_20130956_104.docm

**Ann McCallum**

**From:** Bronwyn Kingston
**Sent:** Wednesday, 23 June 2010 2:51 PM
**To:** 321 MPF Investment Committee
**Cc:** Matthew Batchelder; Scott Willis; Brett Hawkins
**Subject:** North Lakes - Peregian Beach Pty Ltd

**Importance:** High

**Attachments:** CC synopsis MPF.doc; Attach I.pdf; Attach A.pdf; Attach B.pdf; Attach C.pdf; Attach D.pdf; Attach E.pdf; Attach F.pdf; Attach G.pdf; Attach H.pdf

Hi all,

Please find attached Credit Synopsis and Supporting Information on the proposed new MPF loan due to settle (deposit only) this Friday 25th June, 2010.

I have attached voting buttons for approval, however as it is a fairly complex matter, will also call a meeting to discuss (if we can fit it in tomorrow/Friday morning).

Please speak to Matt, Scott or Brett if you have any queries in regards to the synopsis, or bring your thoughts to the meeting.

Thanks

Bron

CC synopsis MPF.doc (158 KB) Attach I.pdf (32 KB) Attach A.pdf (2 MB) Attach B.pdf (630 KB) Attach C.pdf (551 KB) Attach D.pdf (913 KB) Attach E.pdf (2 MB)
Attach F.pdf (61 KB) Attach G.pdf (31 KB) Attach H.pdf (49 KB)

Bronwyn Kingston
Commercial Lending Department
LM Investment Management Ltd
Phone: (07) 5584 4500
Fax: (07) 5592 2505
Email: bkingston@LMaustralia.com
Visit Our Website: www.LMaustralia.com/

# MPF INVESTMENT COMMITTEE - SYNOPSIS

| DATE: 21/06/2010 | TRANSACTION: Peregian Beach Pty Ltd | LM MANAGER: | BROKER: |
|---|---|---|---|

**DETAILS OF PROPOSED TRANSACTION:**

MPF proposes to fund the purchase of a proposed 7,000m2 parcel of land located in the newly established suburb of 'North Lakes'. This property has a mixed use residential and commercial zoning under the current Northlake's Town Centre Frame "E" Precinct Sector Plan. Details are as follows:

- Proposed Borrower to be Peregian Beach Pty Ltd A.C.N 127 412 864, with David Hawes being the sole director and Shareholder of the Company.
- Peregian Beach Pty Ltd A.C.N 127 412 864 will be purchasing the proposed parcel of land from 'Stockland North Lakes Pty Ltd for a contracted amount of $2,340,000 (subject to final survey)
- 1st Loan drawdown (Month 1) – Total draw of $86,800 (including initial deposit for land of $53,800, $33,000 DM fees) is due and payable to the Vendor upon execution of the contract by both parties.
- The total of funds advanced prior to acceptance of terms and proceeding to settlement is $660,838 including GST.
- Completion of the purchase contract and finalization of the purchase price will be subject to the satisfaction of all Conditions Precedent, as follows:
  - the Registrar within the meaning of the *Land Sales Act 1984* granting to the Vendor an exemption from compliance with Sections 8, 9, 10 and 10A of that Act by that day which is three (3) months after the Contract Date;
  - the approval by the Council of an amendment to the Sector Plan to enable 100 dwelling units/ha on terms acceptable to the Vendor by that day which is six (6) months after the Contract Date;
  - the Purchaser obtaining a development permit from the Council for a material change of use to permit the use of the Land for apartments (maximum 100 dwelling units/ha) and shop < 300m2 GFA on terms which are satisfactory to the Purchaser acting reasonably within four (4) months after the lodgement of the application;
  - the registration in the Department of Environment and Resource Management of the Plan of Subdivision by 30 August 2011.
- North Lakes is one of Australia's most successful and popular master planned communities in an excellent location. North Lakes is 25 kilometres north of the Brisbane CBD and approximately 25 minutes from the domestic and international airport.
- The proposed site is located within approximately 500 metres from the established Westfield Shopping Centre and just kilometres away from schools, childcare centre's, library, 18 Hole Championship Golf Course and it's own medical precinct.
- To date no high density residential development exists within North Lakes

**RISK ANALYSIS / CONSIDERATIONS BY PROPOSED BORROWER AND REVIEWED/ VERIFIED BY ASSET MANAGER (WITH COMMENTARY):**

**Property Market:**
Recovering property market with timing for initial pre sales being 12 months from date of contract signing. As noted above this style of development is untested in North Lakes and therefore Glenside have obtained independent market research through Ray White. The nominated price points for the units compared to standard residential product within North Lakes is comparable and at sub $400K is purposely priced at the lower end of the market. The price points are parallel to sales being achieved for smaller units in the outer Mango Hill Precinct, refer to Attachment A.

**Acquisition Risk:**
Subject to MPF ability to settle on contract in August 2011.

**Geographic Risk:**
Site is located in close proximity to the North Lakes Town Centre which offers local employment opportunities and public transport facilities, however no railway service in the immediate area, refer to Site Plan in Attachment B.

**Site and Environmental Risk:**
Located on existing street frontage and lot cleared of all vegetation. Contamination risk dealt with by developer and Geotechnical information is limited to compaction reports from the developer. Information has been reviewed and signed off by builder, refer Attachment C.

**Services Risk:**
None all services are located in adjacent street frontage and shall be upgraded as necessary for the proposal by the developer

under the conditions of the contract.

**Planning Risk:**
Settlement of the contract is subject to developer obtaining density increase to 100 Dw/Ha for the development proposal. Proposal height at 5 storeys is untested but within the scope of the North lakes DCP.

**Construction Access Risk:**
Nil.

**Design Risk:**
Tight timeframes for preparation of the DA have been signed off by Glenside and consultants. Proposal is subject to North Lakes review and approval at both DA and BA stages to comply with standards of the estate. Potential cost risks to comply with North Lakes requirements have been included in feasibility, refer to Attachment D.

**Construction Risk:**
Construction cost allowances are based on benchmark project in Cleveland and cross checked against Capalaba. Glenside have provided QS report, refer Attachment E.

**Financing Risk:**
Feasibility is based on 20% equity contribution (land purchase and soft costs to commencement of construction) with 100% construction funding sourced by Glenside and provided by external financier, refer to Attachment F. Although preliminary feedback notes this model is feasible there is risk of a requirement for further equity contributions by MPF. Feasibility based on achieving 50% pre sales; risk of external financier requiring additional presales.

**Documentation & Legal Risk:**
Land contract has been reviewed and funding agreements between all parties have been prepared by Monoghan Lawyers. Glenside to seek independent legal advice and sign off prior to execution of contracts.

**Taxation Risks:**
Margin scheme assumed based on a value of land dated 01/07/2000 of $850K, refer to Attachment G.

**Union and OH&S Risk:**
Only reputable building companies should be considered and appointed contractor should be agreed by all parties.

**Sensitivity:**
Analysis completed in feasibility and potential for cost increases, construction and sales period extensions show that the equity return is protected whilst end dales values are achieved, refer to Attachment H.

**Other Risks:**
The proposal only allows for car parking provision of 1 space per unit. This has been adopted due to the proximity to the Town Centre and to help to contain construction costs however could be negatively perceived by the market. Commentary from Glenside provided in Attachment I.

| PROPOSED PARTIES/SECURITIES | |
|---|---|
| **BORROWER/S** | Peregian Beach Pty Ltd A.C.N 127 412 884 |
| **MORTGAGOR/S** | Peregian Beach Pty Ltd A.C.N 127 412 884 |
| **GUARANTOR/S** | David Hawes, Glenside Group (Qld) Pty Ltd |
| **CHARGOR / S** | Glenside Group (Qld) Pty Ltd |
| **LOAN PURPOSE** | Provide equity funding for the purchase of property at North Lakes |
| **PROPERTY ADDRESS** | Endeavour Boulevard, North Lakes. (Part of Lot 26 on S/P 224073 being proposed Lot 74 as shown on the Plan of Subdivision) |
| **FIRST MORTGAGEE DETAILS (if applicable)** | LENDER: MPF MAX LOAN: $6.0m LVR%: 80% INTEREST RATE: 25%<br>PRIORITY TERMS: First Registered Mortgage to come into place upon settlement due in 13 months time (approx). The registered 1st Mortgage will revert to a 2nd behind the financier for Construction Funding, approximately month 10. |
| **SUBSEQUENT LENDERS** (NB not to come into place until 18 mths approx) | LENDER: TBA MAX LOAN: $16.472M INTEREST RATE: 10%<br>PRIORITY TERMS:<br>ACCEPTABLE TO LM: Yes / No<br>Comments: |

| | |
|---|---|
| **COLLATERAL SECURITY DETAILS (Mortgagor, property description, valuation, existing mortgages)** | Registered first Mortgage over property situated at Endeavour Boulevard, North lakes being Proposed Lot 74 described as Part of Lot 607 on SP174537. Reverting to 2nd Mortgage behind financier for Construction funding.<br><br>Fixed and floating charge over the borrowing entity being 'Peregian Beach Pty Ltd A.C.N 127 412 864<br><br>Fixed and Floating Charge over Glenside Group (Qld) Pty Ltd A.C.N<br><br>Guarantee provided by Borrowing Entity 'Peregian Beach Pty Ltd A.C.N 127 412 864<br>Guarantee provided by Glenside Group Pty Ltd A.C.N<br><br>Personal Guarantee provided by David Hawes<br><br>Loan agreement provides for all development profit to be attributed to existing loans Lot 111 and Greensquare. |

| **LOAN DETAILS:** | | | |
|---|---|---|---|
| **LOAN FACILITY** | **$8.0M** | **LVR (ON COMP): 90 %** | **TERM: 40 mths** |
| **PURCHASE PRICE** | **$2.380M** | **REFINANCE: NA** | **$** |
| **GST TREATMENT ON PURCHASE** | **Margin Scheme** | | |
| **1st DRAW** | **$86,800** | **LVR (1ST draw): 0%**<br>**No security in place until month 13.** | |
| **LOAN AS % OF FUND ASSETS: (target <30%)** | **%** | **PROJECT RETURNS AGAINST HURDLE RATES: Current hurdles IRR before interest - 20% ROE – 30% Profit / Costs - 20%** | **Equity IRR 37.5%**<br>**IRR 24.3%**<br>**ROE 120%**<br>**Profit/Costs 22.5%** |
| **TARGET DATE FOR RETURN OF CAPITAL (in line with overall fund requirements)** | **Month 39** | **PROJECT KEY PERFORMANCE TARGETS:**<br>**Development Management agreement with Glenside Group to include relevant KPI's throughout development timeframe to ensure project delivery.**<br><br>**Include Clause for MPF to assume control if KPI not met in accordance with DMA.** | **Sector Plan Amendment Month 6**<br>**Development Application Month 9**<br>**Development Approval Month 13**<br>**Land Settlement Month 13**<br>**50% Presale target Month 18**<br>**Construction Finance approval Month 18**<br>**Construction Start Month 18**<br>**Construction Completion Month 33**<br>**Strata Plan Tiles Month 34**<br>**Initial Unit Settlements Month 35**<br><br>**(Refer to attached Gant Chart in Attachment J)** |

| **VALUATION DETAILS:** | | | | |
|---|---|---|---|---|
| **Valuation:** | **"As is" $2.380M TBC by valuation prior to settlement** | **GSTexc** | **"On completion" $24.95M** | **GSTexc** |
| **Supporting information: (incl date of valuation, basis of value, valuer)** | | | | |

| **RENTAL/PROPERTY DETAILS:** | | | | |
|---|---|---|---|---|
| **Commercial Property:** | **Lease income nett p.a. NA** | **Lease terms:** | **Lease expiry:** | **NLA m2**<br>**$ m2** |
| **Development:** | **Unit price $395,000 (ave)** | **Unit sell rate m2 $4,647 (ave)** | **Unit sizes 85 m2 (ave)** | |

| | | | | | |
|---|---|---|---|---|---|
| X1 b/r | 70 X2 b/r | X3 b/r | X4 b/r | 300m2 retail at $3,850m2 | Land val per unit $34,000 |
| Presales: | 31 units (50%) prior to commencement of construction with prediction of further 12 unit presales during the construction period being a total of 65% presales.<br><br>Retail to be settled post construction. | | | | |

| BACKGROUND OF BORROWER (including credit worthiness assessment) | | | |
|---|---|---|---|
| Existing borrower David Hawes of Glenalta Group. 2 current facilities being Greensquare and Lot 111. Refer to files for history. | | | |
| ASSETS $ | LIABILITIES $ | NETT $ | INCOME: $ |

| SWOT ANALYSIS | |
|---|---|
| Positives: | |
| Negatives: | |

| INVESTMENT COMMITTEE DECISION: | | | |
|---|---|---|---|
| Result | ☐ Approved | ☐ Declined | ☐ Review & Re-present |
| Panel valuer to be: | | Subject to assessment and panel appointment? | |
| Commitment fee | $ | Issue finance offer: | Yes ☐ No ☐ |
| Presale Requirements: | • ______% of units ***in each Stage *** prior to construction / before initial settlement<br>• ______% of current market value exclusive of GST *** prior to construction / before initial settlement<br>• ______% of total loan amount *** prior to construction / before initial settlement | | |

**Special conditions for Letter of Offer**

**Investment Committee Comments**

Comprehensive due diligence is required to be finalised before initial settlement and will include:

- Detailed risk assessment
- Financial analysis
- Legal sign off
- Engagement of experienced professional personnel as required
- Compliance with internal compliance program
- Set up of processes for ongoing monitoring and managing of asset
- –
- –

**INVESTMENT COMMITTEE MEMBERS SIGNED**

Ratio of signatures:.................. CL ..........3......... Senior Exec.

DATE OF MEETING: ...28/6/10...

**APPROVED INTEREST RATE / TERMS:**

Interest Rate: 25 %

Broker trail — %

**Total Rate** 25 %

Up front fee ______ % (***/ excl of legals?)

Other fee/s $ ______________

Principal reduction $______________

Has pricing already been approved by Pricing Committee?

Yes No

Term: 40 months (to 1st month immediately following)

LVR: ______% 'as is' Exclusive GST

Inclusive GST

LVR: ______% 'on comp' Exclusive GST

Inclusive GST

Attachment (A)
6 pages

**Matthew Batcheldor**

**From:** David Hawes [dh@glensidegroup.com.au]
**Sent:** Tuesday, 1 June 2010 7:38 AM
**To:** Matthew Batcheldor
**Cc:** 'Steele Augustine'
**Subject:** RE: Agent advice
**Attachments:** RE THE 315,000 PRICE COMPARITIVE TO OURS.

Matt,

We have addressed this issue extensively in research of competing product in February and March. I attach Steele's review of that market research on which we have based our final sales forecasts.
We went back to Ray White for an update on the sketchy detail it had provided 1 year earlier and it indicated a price range today of $370 - $395. The letter came as you saw it.
We do not think that they, or the agent you met in September last year, really know how to assess new markets like this.
Our forecasts are at the top end of the RW forecast in today's prices – they have been our prices since we first prepared feasibilities on this project over 12 months ago. We remain of the view that they are reasonable. Certainly when compared on $/m2 with inferior located and specified product selling off-plan nearby the forecast's are reasonable.
The sensitivity tab on the feasibility will give you returns on different variations of all variables Matt.

**David Hawes**
Managing Director

e. dh@glensidegroup.com.au
m. 0409 56 33 00

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PO Box 539
Balgowlah NSW
2093 Australia
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f. 02 9986 1681
w. www.glensidegroup.com.au
ecologically driven developmen



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**From:** Matthew Batcheldor [mailto:mbatcheldor@lmaustralia.com]
**Sent:** Monday, 31 May 2010 4:08 PM
**To:** David Hawes; Scott Willis
**Subject:** FW: Agent advice

David

These prices seem to be less than as anticipated in the current feaso.

What does this do to the feaso based on agents new estimates??

Regards

Matt Batcheldor
Development Analyst Commercial Lending
*LM Investment Management Ltd*

Phone: (07) 5684 4500
Mobile: 0428 488576
Fax: (07) 5592 2505
Email: mbatchelder@LMaustralia.com
Visit Our Website: www.LMaustralia.com/

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**From:** David Hawes [mailto:dh@glensidegroup.com.au]
**Sent:** Monday, 31 May 2010 10:26 AM
**To:** Scott Willis; Matthew Batchelder
**Subject:** Agent advice

Scott/ Matt,
RW advice updated. We're chasing the debt funding advice now.

**David Hawes**
Managing Director

e. dh@glensidegroup.com.au
m. 0408 56 33 08

glensidegroup | PO Box 539 Balgowlah NSW 2093 Australia | t. 02 9866 1650 f. 02 9888 1681 w. www.glensidegroup.com.au | ecologically driven development

**Matthew Batcheldor**

**From:** Steele Augustine [steele@glensidegroup.com.au]
**Sent:** Friday, 19 March 2010 2:34 PM
**To:** dh@glensidegroup.com.au
**Subject:** RE THE 315,000 PRICE COMPARITIVE TO OURS.

David,

PAINT TO PAINT COMPARISONS.

Here is the breakdown of their internal areas.

Dining 10.53,kitchen 8.84, lounge 15.21, bed 1, 11.56 bed 2 , 12.984, en suite 5.44 , bathroom 6, entrance 3.4 total rounded at 74m2 At a selling price of $315,000 that is a sales square meter rate of $4257.00.

- Note they maintain that this price is a pre.construction price and will increase throughout the duration.

According to Mike our wall to wall internal area is 85m2 . At a selling price of $385.000 that is a sales square meter rate of $4529.00

I think that the additional $272m2 dearer that we are, is easily quantified by amortising the finishes, extensive landscape, pool, height, garaging, lifts and structure.

That's about all that I can find for now.

Regards,

**Steele Augustine**

e. steele@glensidegroup.com.au
m 0437 113 008

glensidegroup | PO Box 675
Stones Corner. QLD
4120 Australia
w. www.glensidegroup.com.au | ecologically driven development

Please consider the environment before printing this email.

**Ray White.** Project Marketing

Suite 7
52 High Street
Toowong QLD 4068
tel 07 3726 1400
fax 07 3871 1558
enquiries@raywhiteprojects.com.au
raywhiteprojects.com.au

Steele Augustine
Glenside Group
PO Box 539
Balgowlah NSW 2093

Dear Steele

**RE: Lot 74 Endeavour Boulevard North Lakes Two Stage Residential Development 80 Apartments**

Further to our market report dated 21 April 2009 and subsequent update we have perused the latest floor plans and sketch dated 19 May, 2010 prepared by 'Think Tank Architects' and advise as follows:

The plans have followed our original market brief to include approx 85m2 net internal or 90m2 saleable area, two bathroom, two bedroom, 12 sqm balcony and one car space.

We recognize that this is not a defined market for one bedroom product and that a three bedroom product would be out stripped in demand by Stocklands cheaper house and land package. The central pool, garden access walkways, walk through coffee shop and convenience store will create ambience and lifestyle for the project.

***FINISHES AND INCLUSIONS***

We note that the kitchens and vanities are to have a stone finish whilst the facings will be two pack. All internal and external wet areas are to have quality tiled floors whilst all other floor surfaces will have an A grade carpet. Return cycle air conditioning will be provided to the main living and master bedroom, the two bedrooms will be fitted with ceilings fans.

The wall oven, hotplates, dishwasher, range hood, shower screens and clothes dryer will be of quality.

Soft furnishings will include vertical drapes and an acceptable standard of light fittings throughout. Inter com security will also be provided.

Mixer taps and general bathroom and kitchen fittings to be locally manufactured.

Generally the building will be low maintenance, eco friendly with usable size swimming pool, with a fully landscaped entertaining outdoor cabana and BBQ area serviced by a shower and ablution block.

*BUYER PROFILE*

As previously stated, we see the captive market as being the over 50s, downsizing from the local area, new folk coming into the expanding North Lakes work force, Buyers not wishing to be home dwellers but want CBD CONVENIENCE, FIRST HOME BUYERS AND THOSE with Children attending the multiple school range, along with investors attracted to the cheaper product range.

*PRICING*

Local market research both in the Northlake's district, Mango Hill Precinct and neighboring Redcliffe indicates that prices ranging between $360,000 to $389,000 aprox in today's market.

*PRESALES*

To achieve off the plan pre-sales, we will need to have the following marketing tools, On-site display office showing kitchen and bathroom, model of project, artist impressions, signage, brochures, press marketing, website, internet listings, etc....

Should you require any further information, please do not hesitate to contact the undersigned.

Yours faithfully
**RAY WHITE PROJECT MARKETING**

Graeme Sharp
Managing Director

**Disclaimer**

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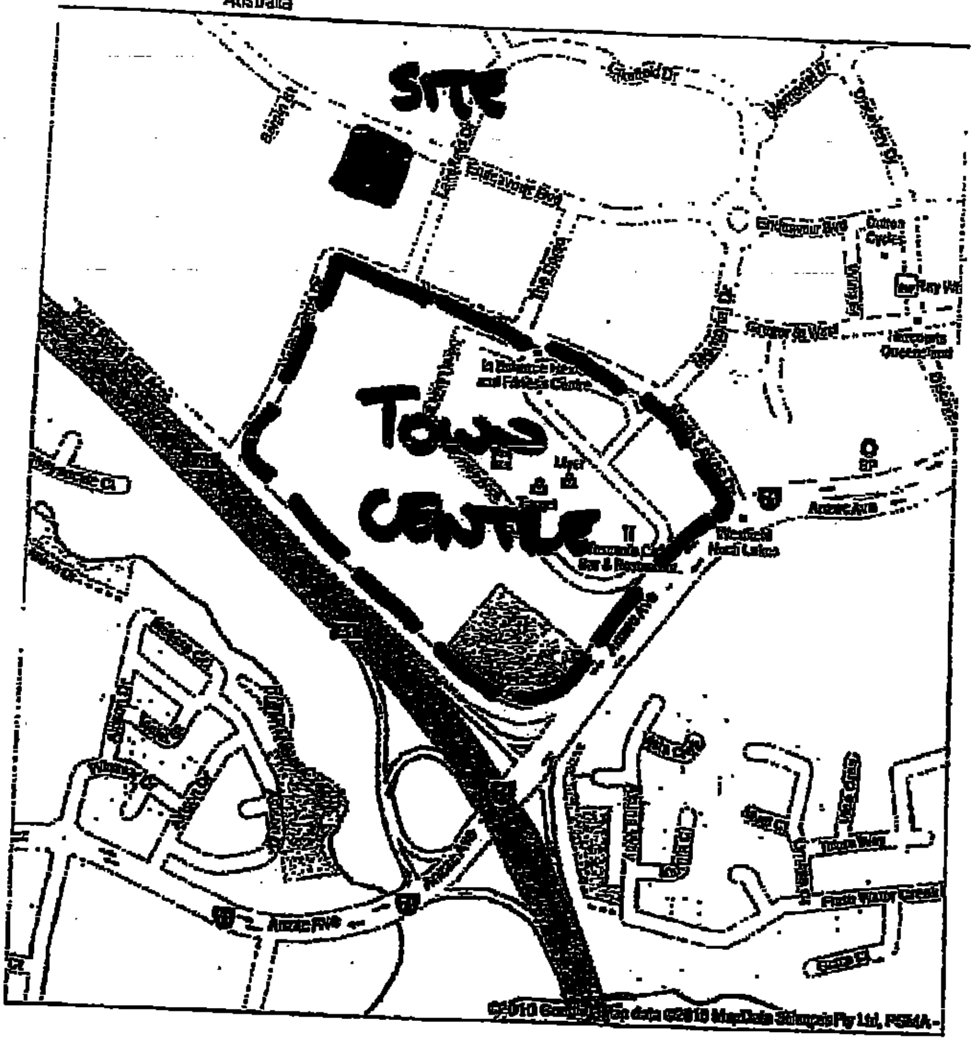
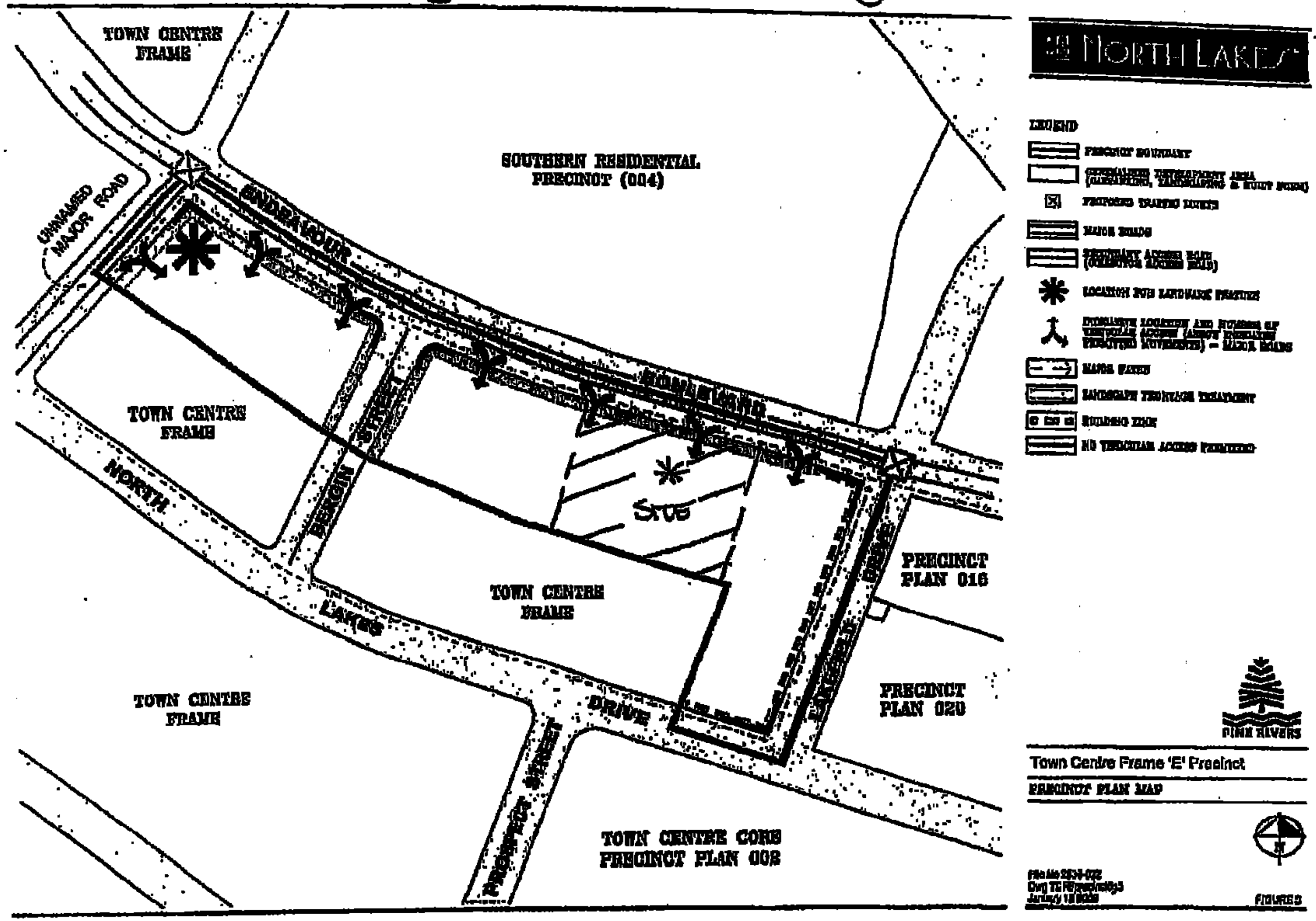
Attachment 8
2 pages

Google maps
Australia




TOWN CENTRE FRAME
SOUTHERN RESIDENTIAL PRECINCT (004)
UNNAMED MAJOR ROAD
TOWN CENTRE FRAME
NORTH
LAKES
DRIVE
TOWN CENTRE FRAME
TOWN CENTRE FRAME
PRECINCT PLAN 016
PRECINCT PLAN 020
TOWN CENTRE CORE PRECINCT PLAN 002
NORTH LAKES
PINE RIVERS
Town Centre Frame 'E' Precinct
PRECINCT PLAN MAP
FIGURE 3

Attachment C
2 Pages

**Scott Willis**

**From:** Wayne Cullen [wayne@cullengroup.net.au]
**Sent:** Wednesday, 28 April 2010 11:49 AM
**To:** David Hawes
**Cc:** Bill Engwirda; Steele Augustine; Michael Jullyan
**Subject:** RE: North Lakes DD
**Follow Up Flag:** Follow up
**Due By:** Wednesday, 28 April 2010 9:00 AM
**Flag Status:** Flagged
**Attachments:** image004.jpg; image001.png

David,

Please see response herein:

Regards,
Wayne Cullen
Director

cullengroup

P- 07 5534 4077
F - 07 5534 6277
M - 0419 762 415
E - wayne@cullengroup.net.au

---

**From:** David Hawes [mailto:dh@glensidegroup.com.au]
**Sent:** Wednesday, 21 April 2010 3:02 PM
**To:** Wayne Cullen
**Cc:** 'michael jullyan'; 'Steele Augustine'
**Subject:** North Lakes DD

Wayne,
Could you confirm in email the following to assist in finalising our DD document:

1. Allowance in price for onsite detention and what assumptions were made to do this – detention would be included in rate
2. Confirmation that drainage is assumed to run to the street via gravity – confirmed.
3. Assumption in relation to ground conditions and the basis of that assumption – has a site inspection been carried out? – Site Inspection undertaken. Level 1 Compaction certificate certifies that the area in question was compacted to 98% Standard which is classed as control fill but it doesn't indicate what base is underlying. In discussion with and engineer from the company that provided the report they advised the soil conditions varied from Rock to Sandy clay's, therefore it is difficult to determine what footing structure may be required. With a tower the engineers will want a bearing capacity of around 150kpa, this may require piers under the footings down into natural ground depending on the depth of level 1 fill. The budget will accommodate piers down to around 3metres
4. That access to the site for construction will not be penalised if we have to build in 2 stages –

21/06/2010

Alternative construction access will be required if building in 2 stages. This would be covered in our construction safety plan

5. Comment on proposed design/staging and any cost penalties associated – The overall budget will accommodate staged construction
6. Likely cost escalation foreseen in the next 12 months – Very hard to forecast, and materials are marginally increasing at present. Minor escalation may occur.
7. Any Subcontractor availability issues assuming build start in 18 months. Are there trades which may present cost blowouts? – trades are getting harder to obtain due to the stimulus package but in 18months this work should be nearing completion, so trades may be hungry again.
8. CG Level of confidence that cost plan price can be designed to. – We are confident that the cost plan price proposed for the project in its current form can be design to, as long as we are overseeing the design development phase.
9. Potential for increased union activity affecting the build price/ programme. – Our safety policy should keep unions away, the project being on the outskirts of Brisbane should also assist with minimal visits but you never know, there is always a risk that unions could affect the budget and program. The Waters Edge project in Cleveland did not suffer and budget or program increases from union activity.

Could you have this back to me by Friday?

Thanks,

**David Hawes**
Managing Director

e. dh@glensidegroup.com.au
m. 0408 58 33 00

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Attachment (D)
21 Pages

# Financial Feasibility Model

Estate Master for Excel Licensed to: LM Investment Management Ltd

## North Lakes

### North Lakes

21.05.10 - 70 units/ 300 m2 retail

| | | | |
|---|---|---|---|
| Date of Report: | 21-June-10 | Project Size: | 70. Apartments<br>1 per 100.0 SqM of Site Area |
| Time Span: | May-10 to Feb-14 | | |
| Type: | Mixed Use | Project Size: | 300. M2 NLA retail<br>1 per 23.33 SqM of Site Area |
| Status: | Under Review | | |
| Site Area: | 7,000. SqM | FSR: | 1.25:1 |
| | | Equated GFA: | 8,750.0 |
| Prepared By: | David Hawes | Address: | Lot 74 Endeavour Drive, |
| Prepared For: | David Hawes | | North Lakes |
| Developer: | Glenside Group Pty Ltd | | QLD |
| | | | 0 |

# Summary of Project Returns

ESTATE MASTER
PROPERTY SYSTEMS
Development Feasibility

**North Lakes**

North Lakes

[illegible] - 73 units/[illegible] m2 retail

| | |
|---|---|
| Date Report [illegible] | Project Size 73 Apartments |
| Type: Mixed Use | [illegible] |
| Status: Under Review | Project Size: [illegible] |
| Site Area: [illegible] | [illegible] |
| FSR: [illegible] | Escalation: [illegible] |

[illegible]

| COSTS & REVENUES | | | | AUD Total | AUD Per Apartment | AUD Per m2 NLA (retail) |
|---|---|---|---|---|---|---|
| **REVENUE** | Quantity | Sqm | AUD/Sqm | AUD | | |
| Total Sales Revenue | 73 | 300.0 | [illegible] | 28,[illegible] | 408,[illegible] | 95,[illegible] |
| Residential - 2 Bedroom Units | 73 | - | - | 27,430,000 | | |
| Retail Shops | 3 | 300.0 | 3,[illegible] | 1,[illegible] | | |
| Less Selling Costs | | | | (1,[illegible]) | 16,[illegible] | 3,817 |
| NET SALE PROCEEDS | | | | 27,[illegible] | [illegible] | [illegible] |
| | Average Yield | Sqm | AUD/Sqm/annum | AUD | | |
| Rental Income | - | - | - | - | - | - |
| Less Outgoings & Vacancies | | | | - | - | - |
| Less Letting Fees | | | | - | - | - |
| Less Incentives (Rent Free and Fit-out Costs) | | | | - | - | - |
| Less Other Leasing Costs | | | | - | - | - |
| NET RENTAL INCOME | | | | - | - | - |
| Interest Received | | | | [illegible] | [illegible] | [illegible] |
| Other Income | | | | - | - | - |
| TOTAL REVENUE (before GST paid) | | | | 27,[illegible] | [illegible] | [illegible] |
| Less GST paid | | | | ([illegible]) | [illegible] | [illegible] |
| TOTAL REVENUE (after GST paid) | | | | [illegible] | [illegible] | [illegible] |
| **COSTS** | | | | | | |
| Land Purchase Cost | | | | 2,[illegible] | 34,[illegible] | [illegible] |
| Land Transaction Costs | | | | 21[illegible] | 3,[illegible] | [illegible] |
| Construction (inc. Construct. Contingency) | | | | [illegible] | [illegible] | [illegible] |
| Built Form | | | | [illegible] | | |
| Contingency | | | | [illegible] | | |
| Professional Fees | | | | [illegible] | [illegible] | [illegible] |
| Statutory Fees | | | | [illegible] | [illegible] | [illegible] |
| [illegible] | | | | 40,[illegible] | [illegible] | [illegible] |
| Miscellaneous Costs 2 | | | | - | - | - |
| Miscellaneous Costs 3 | | | | - | - | - |
| Project Contingency (Project Reserve) | | | | - | - | - |
| Land Holding Costs | | | | 77,[illegible] | 1,[illegible] | [illegible] |
| Pre-Sale Commissions | | | | [illegible] | 4,[illegible] | 1,[illegible] |
| Finance Charges (inc. Fees) | | | | [illegible] | [illegible] | [illegible] |
| Interest Expense | | | | [illegible] | [illegible] | [illegible] |
| TOTAL COSTS (before GST reclaimed) | | | | [illegible] | [illegible] | [illegible] |
| Less GST reclaimed | | | | ([illegible]) | [illegible] | [illegible] |
| Plus Corporate Tax | | | | - | - | - |
| TOTAL COSTS (after GST reclaimed) | | | | [illegible] | [illegible] | [illegible] |

## PERFORMANCE INDICATORS

| | | |
|---|---|---|
| Net Development Profit [1] | 2,[illegible] | |
| Development Margin (or Profit/Risk Margin) [3] | [illegible]% | on total development costs (inc. selling costs). |
| Residual Land Value (Target Margin) [4] | [illegible] | (at 20% target development margin) |
| Net Present Value [5] | [illegible] | (at [illegible]% per ann. discount rate, nominal) |
| Benefit Cost Ratio [6] | 1.0[illegible] | (at [illegible]% per ann. discount rate, nominal) |
| Project Internal Rate of Return (IRR) [7] | [illegible]% | (per ann. nominal) |
| Residual Land Value (based on NPV) [8] | 2,112,[illegible] | |
| Equity IRR | [illegible]% | (per ann. nominal) |
| Equity Contribution | [illegible] | |
| Peak Debt Exposure | 1[illegible],[illegible] | |
| Equity to Debt Ratio | [illegible]% | |
| Weighted Average Cost of Capital (WACC) [9] | [illegible]% | |
| Breakeven Date for Cumulative Cash Flow [10] | Aug-2013 | (Month 3[illegible]) |
| Rent Cover [11] | N.A. | |
| Profit Erosion [12] | N.A. | |

Footnotes:
1. [illegible]
2. [illegible]
3. [illegible]
4. [illegible]
5. [illegible]
6. [illegible]
7. [illegible]
8. [illegible]
9. [illegible]
10. [illegible]
11. [illegible]
12. [illegible]

## Summary of Project Returns

ESTATEMASTER
PROPERTY SOFTWARE
Development Feasibility

North Lakes

North Lakes

[illegible]

| RETURNS ON FUNDS INVESTED | Equity | Loan 1 | | | Loan 4 | Total Debt |
|---|---|---|---|---|---|---|
| | | Lender Name | | | Lender Name | |
| Funds Invested (Cash Outlay)[1] | 3,508,723 | 13,329,082 | | | 105,888 | 18,382,[illegible] |
| % of Total Funds Invested | 18.61% | 79.[illegible]% | | | 0.53% | 80.11% |
| Peak Exposure[2] | 8,558,362 | 18,318,507 | | | 105,288 | 15,471,[illegible] |
| Date of Peak Exposure | Mar-43 | Feb-43 | | | Feb-43 | Feb-43 |
| Month of Peak Exposure | Month 34 | Month 33 | | | Month 33 | Month 33 |
| Weighted Average Interest Rate | 35.00% | 18.00% | | | N.A. | 0.58% |
| Interest Charged | 2,034,532 | 1,184,768 | | | - | 1,184,768 |
| Line Fees Charged | - | - | | | - | - |
| Application Fees Charged | - | 152,250 | | | - | 152,250 |
| Profit Share Received | - | - | | | - | - |
| Total Profit to Funders[3] | 4,578,[illegible] | 1,2[illegible],977 | | | - | 1,338,977 |
| Margin on Funds Invested[4] | 120.1[illegible]% | 8.76% | | | 8.00% | 8.72% |
| Payback Date[5] | Aug-43 | Apr-43 | | | Mar-43 | Apr-43 |
| Month of Payback | Month 39 | Month 35 | | | Month 34 | Month 35 |
| IRR on Funds Invested[6] | 37.42% | 11.4[illegible]% | | | 8.50% | 11.42% |
| Equity to Debt Ratio[7] | | 23.85% | | | 3842.97% | 84.53% |
| Loan to Value Ratio[8] | 20.[illegible]% | 52.1[illegible]% | | | 0.27% | 57.[illegible]% |
| Loan Ratio[9] | 27.89% | 72.31% | | | 0.53% | 82.[illegible]% |
| | of Project Finance Costs (excl. Land Fees and [illegible]) | of Project Finance Costs (excl. Land Fees and [illegible]) | | | of Project Costs (excl. Land Fees and [illegible]) | of Project Costs (excl. Land Fees and [illegible]) |

Footnotes:
1. [illegible]
2. [illegible]
3. [illegible]
4. [illegible]
5. [illegible]
6. [illegible]
7. [illegible]
8. [illegible]
9. [illegible]

# Main Inputs for North Lakes



[illegible]

## Preliminary

| | | | |
|---|---|---|---|
| Cash Flow Title | North Lakes | [illegible] | 21.06.10 - 70 units/300 m2 retail |
| [illegible] | [illegible] | | |
| [illegible] | [illegible] | | |
| [illegible] | [illegible] | [illegible] | |
| [illegible] | [illegible] | [illegible] | |
| [illegible] | [illegible] | [illegible] | [illegible] |

## Goods and Services Tax

(Using Margin Scheme)

| | |
|---|---|
| [illegible] | [illegible] |
| [illegible] | [illegible] |

## 1000 Land Purchase & Acquisition Costs

Land Purchase Price [illegible]

[illegible]

| | | | |
|---|---|---|---|
| Total Current Costs (ex GST) | Total Current Costs (inc GST) | Total Escalated Cost | |
| [illegible] | [illegible] | [illegible] | |
| TOTAL | [illegible] | [illegible] | [illegible] |

## Cost Escalation

[illegible]

## 2000 Project Contingency

[illegible]

## Main Inputs for North Lakes

North Lakes - 21.05.10 - 70 units / 300 m2 retail

### 3000 Professional Fees

Costs to be entered Net of GST

| Code | Stage | Description | % of Construction | Add / GR No. Units | Rate / Rate / Unit | Escalate (Y/N) | S-Curve | Month Start | Month Span | Cash Flow Period | Add GST | Remarks | Total Current Costs (ex GST) | Total Current Costs (inc GST) | Total Escalated Cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 3001 | [illegible] | Project Management | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| 3002 | [illegible] | [illegible] - DA | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| 3003 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| 3004 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| 3005 | | | | | | | | | | | Y | | | | |
| 3006 | | | | | | | | | | | Y | | | | |
| 3007 | | | | | | | | | | | Y | | | | |
| 3008 | | | | | | | | | | | Y | | | | |
| 3009 | | | | | | | | | | | Y | | | | |
| 3010 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| 3099 | [illegible] | [illegible] Management | [illegible] | | | | | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| | | | | | | | | | | | | Manual Input (refer to Cash Flow) | [illegible] | [illegible] | [illegible] |
| | | | | | | | | | | | | TOTAL | [illegible] | [illegible] | [illegible] |

Dif

### 4000 Construction Costs

Costs to be entered Net of GST

| Code | Stage | Description | Cost Type | Units | Rate / Rate / Units | Escalate (Y/N) | S-Curve | Month Start | Month Span | Cash Flow Period | Add GST | Remarks | Total Current Costs (ex GST) | Total Current Costs (inc GST) | Total Escalated Cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 4001 | | | | | | | | | | | | | | | |
| 4002 | [illegible] | [illegible] | Bill | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| 4003 | [illegible] | [illegible] | Bill | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| 4004 | | | | | | | | | | | Y | | | | |
| 4005 | | | | | | | | | | | Y | | | | |
| 4006 | | | | | | | | | | | Y | | | | |
| 4007 | | | | | | | | | | | Y | | | | |
| 4008 | | | | | | | | | | | Y | | | | |
| | | | | | | | | | | | | Manual Input (refer to Cash Flow) | [illegible] | [illegible] | [illegible] |
| 4099 | | Construction Contingency | [illegible] | | | | | | | | | Construction Contingency | [illegible] | [illegible] | [illegible] |
| | | | | | | | | | | | | TOTAL | [illegible] | [illegible] | [illegible] |

### 5000 Statutory Fees

Costs to be entered Net of GST

| Code | Stage | Description | Units | Rate / Rate / Units | Escalate (Y/N) | S-Curve | Month Start | Month Span | Cash Flow Period | Add GST | Remarks | Total Current Costs (ex GST) | Total Current Costs (inc GST) | Total Escalated Cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5001 | [illegible] | DA Fees | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | N | | [illegible] | [illegible] | [illegible] |
| 5002 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | N | | [illegible] | [illegible] | [illegible] |
| 5003 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | N | | [illegible] | [illegible] | [illegible] |
| 5004 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | N | | [illegible] | [illegible] | [illegible] |
| 5005 | | | | | | | | | | N | | | | |
| 5006 | | | | | | | | | | N | | | | |
| 5007 | | | | | | | | | | N | | | | |
| 5008 | | | | | | | | | | N | | | | |
| | | | | | | | | | | | Manual Input (refer to Cash Flow) | [illegible] | [illegible] | [illegible] |
| | | | | | | | | | | | TOTAL | [illegible] | [illegible] | [illegible] |

### 5500 Survey/Soils

Costs to be entered Net of GST

| Code | Stage | Description | % of Construction | Add / GR No. Units | Base Rate / Unit | Escalate (Y/N) | S-Curve | Month Start | Month Span | Cash Flow Period | Add GST | Remarks | Total Current Costs (ex GST) | Total Current Costs (inc GST) | Total Escalated Cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Y | | [illegible] | [illegible] | [illegible] |
| [illegible] | | | [illegible] | | | | | | | | Y | | | | |
| [illegible] | | | [illegible] | | | | | | | | Y | | | | |
| | | | | | | | | | | | | Manual Input (refer to Cash Flow) | [illegible] | [illegible] | [illegible] |
| | | | | | | | | | | | | TOTAL | [illegible] | [illegible] | [illegible] |

### 6000 Miscellaneous Costs 2

Costs to be entered Net of GST

| Code | Stage | Description | % of Construction | Add / GR No. Units | Base Rate / Unit | Escalate (Y/N) | S-Curve | Month Start | Month Span | Cash Flow Period | Add GST | Remarks | Total Current Costs (ex GST) | Total Current Costs (inc GST) | Total Escalated Cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6001 | | | [illegible] | | | | | | | | Y | | | | |
| 6002 | | | [illegible] | | | | | | | | Y | | | | |
| 6003 | | | [illegible] | | | | | | | | Y | | | | |
| 6004 | | | [illegible] | | | | | | | | Y | | | | |
| 6005 | | | [illegible] | | | | | | | | Y | | | | |
| | | | | | | | | | | | | Manual Input (refer to Cash Flow) | | | |
| | | | | | | | | | | | | TOTAL | | | |

### 6010 Miscellaneous Costs 3

Costs to be entered Net of GST

| Code | Stage | Description | % of Construction | Add / GR No. Units | Base Rate / Unit | Escalate (Y/N) | S-Curve | Month Start | Month Span | Cash Flow Period | Add GST | Remarks | Total Current Costs (ex GST) | Total Current Costs (inc GST) | Total Escalated Cost |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 6011 | [illegible] | | [illegible] | | | | | 0 | | | Y | | | | |

Page 2 of 8 Pages

## Main Inputs for North Lakes

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| | | |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |

North Lakes = [illegible]

| | | | | |
|---|---|---|---|---|
| [illegible] | | [illegible] | [illegible] | [illegible] |
| [illegible] | | [illegible] | [illegible] | [illegible] |
| [illegible] | | [illegible] | [illegible] | [illegible] |
| [illegible] | | [illegible] | [illegible] | [illegible] |
| | [illegible] | [illegible] | [illegible] | [illegible] |
| | TOTAL | [illegible] | [illegible] | [illegible] |

[illegible]

[illegible]

# Main Inputs for North Lakes

North Lakes - 21.05.10 - 70 units/[illegible]

## 7000 Land Holding Costs

Costs to be entered Net of GST

| Code | Stage | Description | No. Units | Base Rate Ann. | Time | Escalate |
|---|---|---|---|---|---|---|
| 7001 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7002 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7003 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7004 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7005 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7006 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7007 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7008 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7009 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7010 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - |
| 7011 | | | | | [illegible] | - |
| 7012 | | | | | [illegible] | - |
| 7013 | | | | | [illegible] | - |
| 7014 | | | | | [illegible] | - |
| 7015 | | | - | - | [illegible] | - |

| Add GST | Remarks | Total Annual Costs (exc GST) | Total Annual Costs (inc GST) | Total Escalated Cost |
|---|---|---|---|---|
| [illegible] | | [illegible] | [illegible] | [illegible] |
| Manual input (refer to Cash Flow) | TOTAL | [illegible] | [illegible] | 27,[illegible] |

## Sales and Rental Revenue Escalation

[illegible]

## 7100 Selling And Leasing Costs

[illegible]

| Add GST | Remarks | Total Current Costs (exc GST) | Total Current Costs (inc GST) | Total Escalated Cost |
|---|---|---|---|---|
| [illegible] | | [illegible] | [illegible] | [illegible] |
| | TOTAL | [illegible] | [illegible] | [illegible] |

Other Selling Costs

To be entered Net of GST

[illegible]

Other Leasing Costs

To be entered Net of GST

[illegible]

| Add GST | Remarks | Total Current Costs (exc GST) | Total Current Costs (inc GST) | Total Escalated Cost |
|---|---|---|---|---|
| [illegible] | | [illegible] | [illegible] | [illegible] |
| Manual input (refer to Cash Flow) | TOTAL | - | - | - |

## Main Inputs for North Lakes

### Sales Revenue Collection Profile

North Lakes - 21.07.10 - 78 units/ 300 m2 retail

9001 Sales

Sales Revenue is to be entered inclusive of GST

| Code | Stage | Description | No. Units | Total Area | Current Sale Price | Gross Sale Method | Pre-Sales Month Start | Pre-Sales Month Span | Settlement Month Start | Settlement Month Span | Cash Flow Period | Units/Area per Month |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| GST (Y/N) | Land Use Code | | Total Current Sales Revenue (exc GST) | Total Current Sales Revenue (inc GST) | Total Escalated Sales Revenue |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| | | TOTAL | [illegible] | [illegible] | [illegible] |

9101 Other Income

Other Income is to be entered inclusive of GST

| Code | Stage | Description | Land Use Code | Units | Gross Rate / Units |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

| Month Start | Month Span | Cash Flow Period |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

| GST Included | Remarks | Total Current Income (exc GST) | Total Current Income (inc GST) | Total Escalated Income |
|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| | TOTAL | [illegible] | [illegible] | [illegible] |

10000 Financing

(Advanced Mode)

Equity

[illegible]

Opening Balance

Developer's Injections [illegible]

Interest Charged [illegible]

Interest Received [illegible]

Injections by Enter Land Owner Name [illegible]

Loan 1

Lender Name

Opening Balance

Drawdown [illegible]

Refinanced by Equity

Interest Rate [illegible]

Fees

Application Fee

Line Fee

Interest Charged [illegible]

Application Fees [illegible]

Line Fees [illegible]

Profit Split [illegible]

# Main Inputs for North Lakes

North Lakes - [illegible] - 70 units/ [illegible] retail

## Loan 2

| | | | |
|---|---|---|---|
| Description | [illegible] | | |
| Facility Limit | Fixed Amount | [illegible] | |
| [illegible] | - | | Fixed Amount |
| [illegible] | [illegible] | | |
| [illegible] | [illegible] | N.A. | [illegible] |
| Interest Rate | [illegible] | | |
| Fees | Amount | Percentage | [illegible] |
| Application Fee | - | [illegible] | [illegible] |
| Line Fee | - | [illegible] | |
| [illegible] | [illegible] | | |

Opening Balance

| Loan 2 Totals | |
|---|---|
| Drawdown | - |
| Interest Charged | - |
| Application Fees | - |
| Line Fees | - |
| Profit Split | - |

## Loan 3

| | | | |
|---|---|---|---|
| Description | [illegible] | | |
| Facility Limit | Fixed Amount | [illegible] | |
| [illegible] | - | | Fixed Amount |
| [illegible] | [illegible] | | |
| [illegible] | [illegible] | N.A. | Is financed by Equity |
| Interest Rate | [illegible] | | |
| Fees | Amount | Percentage | [illegible] |
| Application Fee | - | [illegible] | [illegible] |
| Line Fee | - | [illegible] | |
| [illegible] | [illegible] | | |

Opening Balance

| Loan 3 Totals | |
|---|---|
| Drawdown | - |
| Interest Charged | - |
| Application Fees | - |
| Line Fees | - |
| Profit Split | - |

## Loan 4

| | | | |
|---|---|---|---|
| Description | Lender Name | | |
| [illegible] | - | | |
| Interest Rate | [illegible] | | |
| Fees | Amount | Percentage | [illegible] |
| Application Fee | - | [illegible] | [illegible] |
| Line Fee | - | [illegible] | |
| [illegible] | [illegible] | | |

[illegible]

Opening Balance

| Loan 4 Totals | |
|---|---|
| Drawdown | [illegible] |
| Interest Charged | - |
| Application Fees | - |
| Line Fees | - |

Interest Charged to [illegible]

| Code | Stage | [illegible] | No. of Units | [illegible] Unit | [illegible] |
|---|---|---|---|---|---|
| [illegible] | - | [illegible] | | | - |
| [illegible] | - | [illegible] | - | - | - |
| [illegible] | - | [illegible] | [illegible] | [illegible] | - |
| [illegible] | - | [illegible] | [illegible] | [illegible] | - |
| [illegible] | - | [illegible] | 1 | [illegible] | - |
| [illegible] | - | [illegible] | - | - | - |
| [illegible] | - | [illegible] | - | - | - |
| [illegible] | - | [illegible] | - | - | - |

| [illegible] | [illegible] | [illegible] |
|---|---|---|
| [illegible] | [illegible] | [illegible] |

| [illegible] | Remarks | Total Cost (inc. [illegible]) | Total [illegible] | Total [illegible] Cost |
|---|---|---|---|---|
| | | - | - | - |
| | | - | - | - |
| | | [illegible] | [illegible] | [illegible] |
| | | [illegible] | [illegible] | [illegible] |
| | | [illegible] | [illegible] | [illegible] |
| | | - | - | - |
| | | - | - | - |
| | | - | - | - |
| [illegible] | | - | - | - |
| TOTAL | | [illegible] | [illegible] | [illegible] |

## Project Hurdle Rates

| | | |
|---|---|---|
| [illegible] | [illegible] | [illegible] |
| | | |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | |

## Cash Flow Table for North Lakes

North Lakes - 21.06/10 - 70 units/ 920 m2 retail

| PROJECT CASH FLOW | TOTAL | GST | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Oct-10 | Nov-10 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 | [illegible] | [illegible] |
| [illegible] | | | | | | | | | | | | | | | | |
| Units Sold | 70.00 | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| Cumulative Units Sold | | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| % Units Sold | | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| [illegible] Sold | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| Cumulative [illegible] Sold | | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| % [illegible] Sold | | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| AUD Sold | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| Cumulative AUD Sold | | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| % AUD Sold | | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| [illegible] | | | | | | | | | | | | | | | | |
| Units Handed Over | 70.00 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative Units Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % Units Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] Handed Over | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative [illegible] Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % [illegible] Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AUD Handed Over | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative AUD Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % AUD Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| PROJECT CASH FLOW | | | | | | | | | | | | | | | | |
| REVENUE | | | | | | | | | | | | | | | | |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL NET REVENUE | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| COSTS | | | | | | | | | | | | | | | | |
| [illegible] | [illegible] | | [illegible] | [illegible] | | | | | | | | | | | | |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - | [illegible] | | | | | | [illegible] | [illegible] |
| [illegible] | [illegible] | | | | | | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | [illegible] | [illegible] |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | [illegible] | - | - | - | [illegible] |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

# Cash Flow Table for North Lakes

North Lakes - 21.05.10 - 70 units/ 500 m2 retail

| PROJECT CASH FLOW | TOTAL | GST | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financials | | | | | | | | | | | | | | | | |
| Equity | | | | | | | | | | | | | | | | |
| Manual Adjustments (Inject + / Repay -) | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Injections | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | - | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Interest Charged | [illegible] | | - | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Equity Repayment | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less Paid Share | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Equity Balance | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Equity Cash Flow | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | | | | | | | | | | | | | | |
| Surplus Cash Invested | [illegible] | | - | - | - | - | - | [illegible] | - | - | - | - | - | - | - | - |
| Cash Reserve Deducted | [illegible] | | - | - | - | - | - | - | [illegible] | - | - | - | - | - | - | - |
| Interest on Surplus Cash | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus Cash Balance | | | - | - | - | - | - | [illegible] | - | - | - | - | - | - | - | - |
| Loan 1 - [illegible] | | | | | | | | | | | | | | | | |
| Manual Adjustments (Drawdown + / Repay -) | - | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Drawdown | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Interest Rate (% p.a.) | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Interest Charged | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Application and Line Fees | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid by Equity | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Repayment | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and Fees | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % of Project & Finance Costs (inc interest/fees and net of GST) | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit Share | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan 1 Cash Flow | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan 2 - [illegible] | | | | | | | | | | | | | | | | |
| Manual Adjustments (Drawdown + / Repay -) | - | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drawdown | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Interest Rate (% p.a.) | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Interest Charged | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Application and Line Fees | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid by Equity | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Repayment | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and Fees | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % of Project Costs (net of interest/fees and GST) | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit Share | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan 2 Cash Flow | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan 3 - [illegible] | | | | | | | | | | | | | | | | |
| Manual Adjustments (Drawdown + / Repay -) | - | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Drawdown | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Interest Rate (% p.a.) | - | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Interest Charged | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Application and Line Fees | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid by Equity | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Repayment | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and Fees | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % of Land Purchase Price | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Profit Share | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan 3 Cash Flow | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan 4 - [illegible] | | | | | | | | | | | | | | | | |
| Drawdown | [illegible] | | | | | | | | | | | | | | | |
| Loan Interest Rate (% p.a.) | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Interest Charged | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Application and Line Fees | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid by Equity | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Repayment | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest and Fees | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % of Project Costs (net of interest/fees and GST) | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan 4 Cash Flow | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | | | | | | | | | | | | | | | | |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| PROJECT CASH FLOW | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | | | | | | | | | | | | | | |
| PV Net Cash Flow | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| NPV of Future Cash Flows | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| NPV (values calculated [illegible]) | [illegible] | | | | | | | | | | | | | | | |

[illegible]

**Cash Flow Table for North Lakes**

North Lakes - 21.05.10 - 70 units/ 200 m2 retail

| PROJECT CASH FLOW | TOTAL | GST | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | | | | | | | | | | | | | | | | |
| Units Sold | 70.00 | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Cumulative Units Sold | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| % Units Sold | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Sqm Sold | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Cumulative Sqm Sold | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| % Sqm Sold | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| AUD Sold | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Cumulative AUD Sold | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| % AUD Sold | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | | | | | | | | | | | | | | |
| Units Handed Over | 70.00 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative Units Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % Units Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sqm Handed Over | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative Sqm Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % Sqm Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| AUD Handed Over | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cumulative AUD Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| % AUD Handed Over | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| PROJECT CASH FLOW | | | | | | | | | | | | | | | | |
| REVENUE | | | | | | | | | | | | | | | | |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL NET REVENUE | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| COSTS | | | | | | | | | | | | | | | | |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | - | - | - | - | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | - | - | [illegible] | - | - | - | - | - | [illegible] | - | - | [illegible] | - | - |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| TOTAL COSTS | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## Cash Flow Table for North Lakes

North Lakes - 21.05.10 - 70 units/ 300 m2 retail)

| PROJECT CASH FLOW | TOTAL | CNT | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## Cash Flow Table for North Lakes

North Lakes - 21.05.10 - 70 units / 300 m2 retail

| PROJECT CASH FLOW | TOTAL | GST | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| PROJECT CASH FLOW | | | | | | | | | | | | | | | | |
| REVENUE | | | | | | | | | | | | | | | | |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| TOTAL NET REVENUE | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| COSTS | | | | | | | | | | | | | | | | |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## Cash Flow Table for North Lakes

| PROJECT CASH FLOW | TOTAL | GST | [illegible] |
|---|---|---|---|
| [illegible] | [illegible] | | [illegible] |

## Cash Flow Table for North Lakes

North Lakes - 21.06.10 - 70 units/ 300 m2 retail

| PROJECT CASH FLOW | TOTAL | OUT | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|---|
| SALES SUMMARY | | | | | | |
| Units Sold | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| Cumulative Units Sold | | | [illegible] | [illegible] | [illegible] | [illegible] |
| % Units Sold | | | [illegible] | [illegible] | [illegible] | [illegible] |
| Sq m Sold | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| Cumulative Sq m Sold | | | [illegible] | [illegible] | [illegible] | [illegible] |
| % Sq m Sold | | | [illegible] | [illegible] | [illegible] | [illegible] |
| AUD Sold | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| Cumulative AUD Sold | | | [illegible] | [illegible] | [illegible] | [illegible] |
| % AUD Sold | | | [illegible] | [illegible] | [illegible] | [illegible] |
| SETTLEMENT SUMMARY | | | | | | |
| Units Handed Over | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| Cumulative Units Handed Over | | | [illegible] | [illegible] | [illegible] | [illegible] |
| % Units Handed Over | | | [illegible] | [illegible] | [illegible] | [illegible] |
| Sq m Handed Over | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| Cumulative Sq m Handed Over | | | [illegible] | [illegible] | [illegible] | [illegible] |
| % Sq m Handed Over | | | [illegible] | [illegible] | [illegible] | [illegible] |
| AUD Handed Over | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| Cumulative AUD Handed Over | | | [illegible] | [illegible] | [illegible] | [illegible] |
| % AUD Handed Over | | | [illegible] | [illegible] | [illegible] | [illegible] |
| PROJECT CASH FLOW | | | | | | |
| REVENUE | | | | | | |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| TOTAL NET REVENUE | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| COSTS | | | | | | |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| TOTAL COSTS | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |

## Cash Flow Table for North Lakes

| PROJECT CASH FLOW | TOTAL | GST | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |
| [illegible] | [illegible] | | [illegible] | [illegible] | [illegible] | [illegible] |

[illegible]

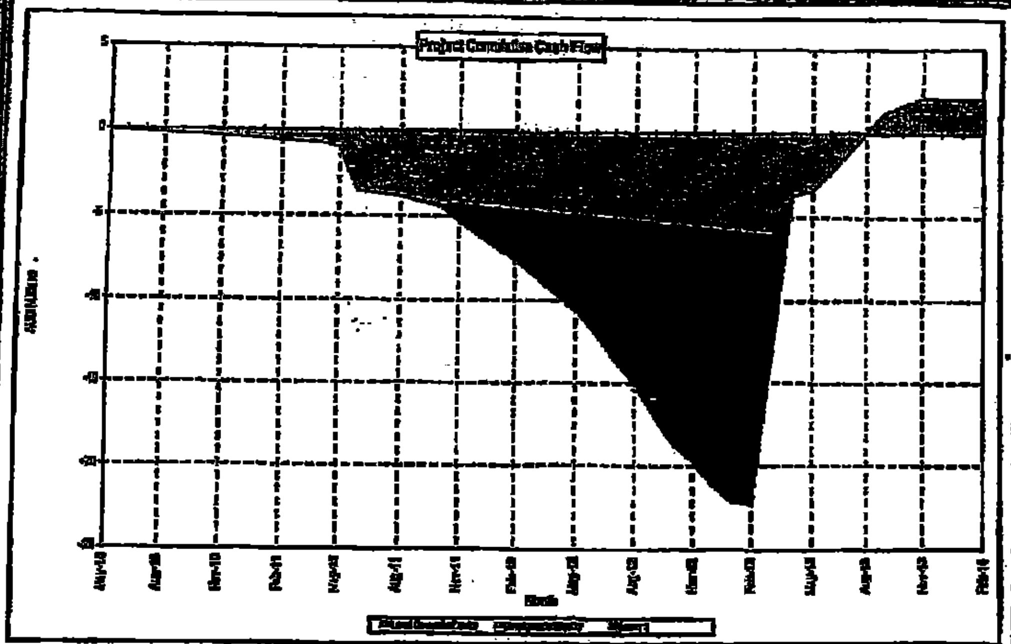
## Cash Flow Charts

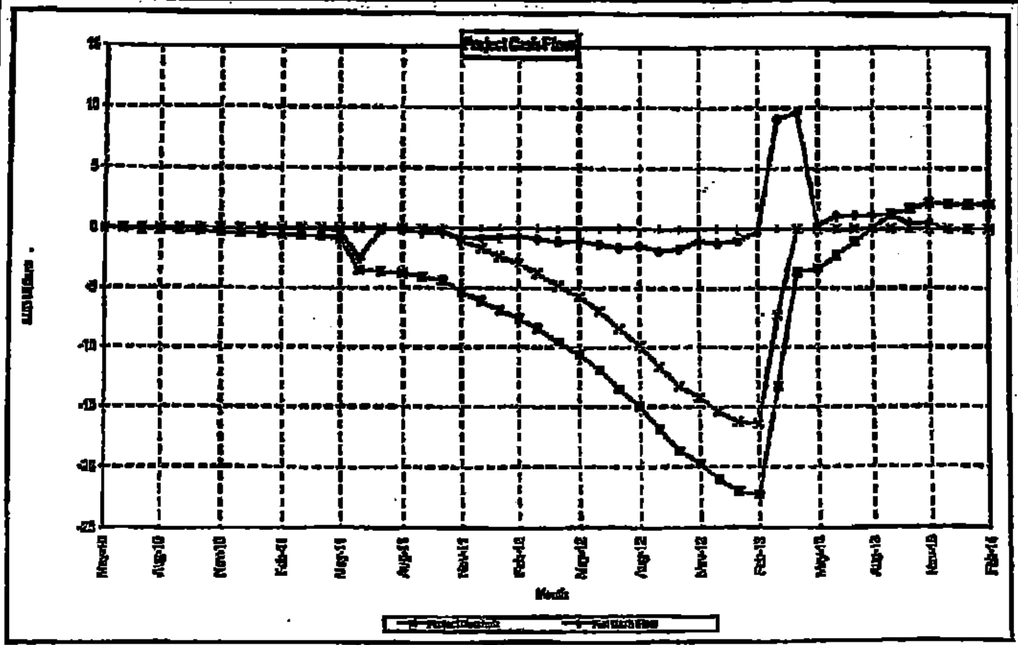
ESTATEMASTER

Development Feasibility

North Lakes

North Lakes



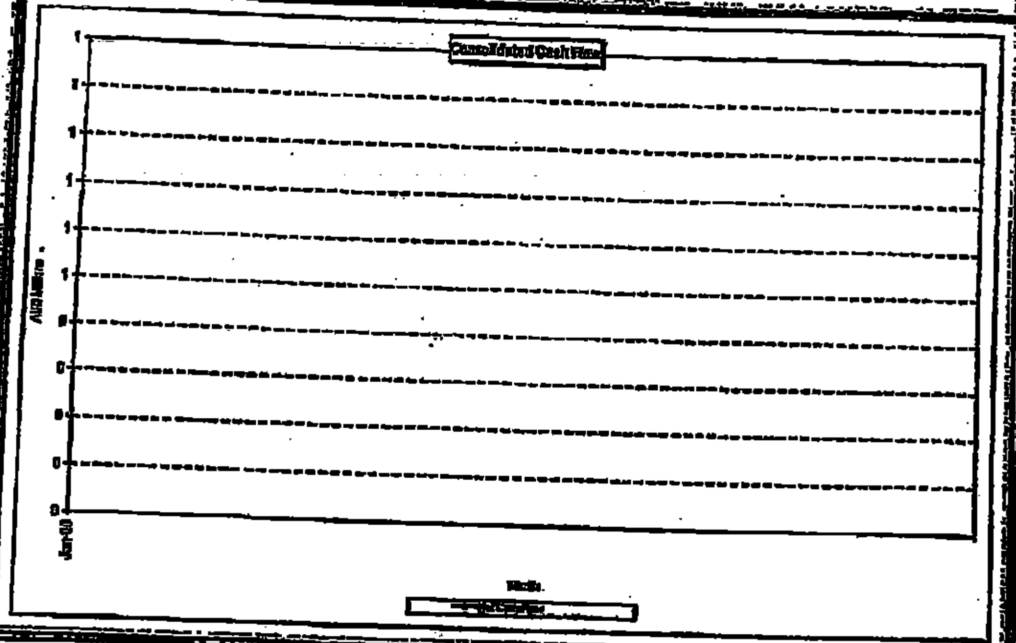
# Cash Flow Charts

ESTATEMASTER

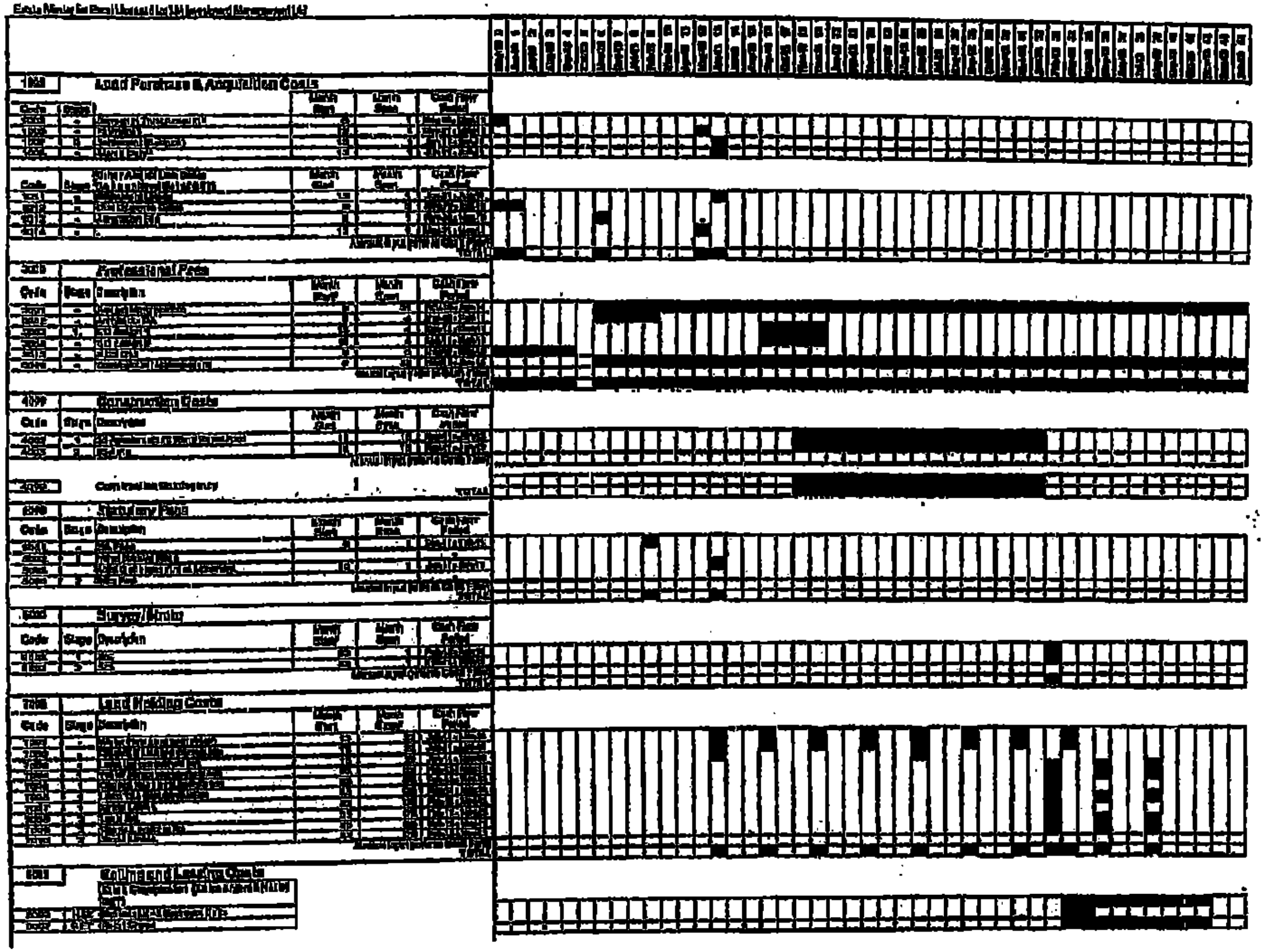
Development Feasibility

**North Lakes**

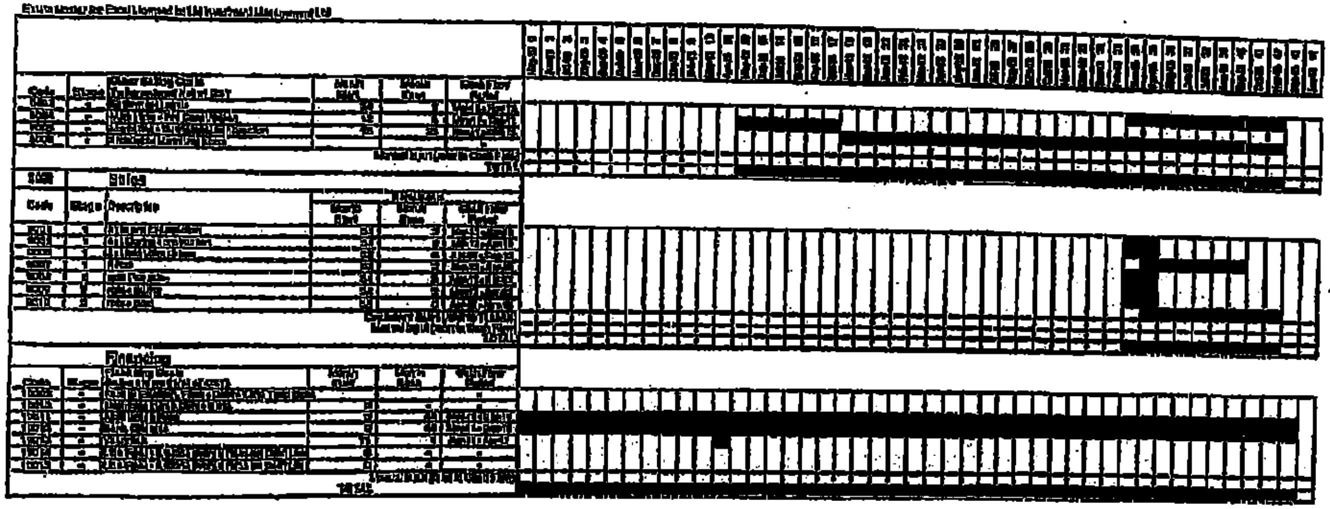
North Lakes



## Gantt Chart for North Lakes



## Gantt Chart for North Lakes



# MEMO TO

SMV-10

SUBJECT

DATE REFERENCE NUMBER

~~MPF~~ C C. MEETING 28/6/2010

MPF APPROVAL

PD, ST, LD, EVH, DM, BK.

· Approved to draw from MPF – to be reviewed as to funding in future – which fund will take over.

REPLY / ACTION WANTED: ☐

TODAY ☐

TOMORROW ☐

NOT URGENT ☐

PLEASE TELEPHONE ☐

REPLY:

YOUR COMMENT NOTED ☐

MATTER ATTENDED TO ☐

# FROM

Note

NB A4 MEMO

Date: December 12, 2011

**LM Investment Management Ltd**

David Hawes
Peregian Beach Pty Ltd
POBOX 539
BALGOWLAH NSW 2093

| | |
|---|---|
| **Borrower ID** | **134747** |
| **Statement begins** | 01/01/2004 |
| **Statement ends** | 12/12/2011 |
| **Interest rate** | 25.00% |
| **Max Approved Amount** | $6,000,000.00 |
| **Loan balance** | $947,295.28DB |
| **Commencement date** | 01/07/2010 |
| **Expiry Date** | 01/11/2013 |

## Loan Summary

**Account number** **100289644**

**Part of Lot 74 Endeavour Blvd, North Lakes, Qld** MPF2-434

| | |
|---|---|
| Brought forward balance | 0.00 |
| Interest on Loan | 126,664.53 |
| Loan Draw | 820,630.75 |
| **Closing balance as at 12/12/2011** | **$947,295.28DB** |

Date: December 12, 2011

**LM Investment Management Ltd**

| Statement begins | 01/01/2004 |
|---|---|
| Statement ends | 12/12/2011 |

## Loan Transactions

Account number 100289644

| Date | Transaction description | | Debits | Credits | Balance |
|---|---|---|---|---|---|
| 01/07/2010 | Brought forward balance | | | | 0.00DB |
| 01/07/2010 | Loan Draw | | 75,100.00 | | 75,100.00DB |
| | Shand Taylor Trust A/C | $47,600.00 | | | |
| | Peregian Beach Pty Ltd | $27,500.00 | | | |
| 18/07/2010 | Interest on Loan | | 874.45 | | 75,974.45DB |
| 05/08/2010 | Loan Draw | | 29,370.82 | | 105,345.27DB |
| | Peregian Beach Pty Ltd | $29,370.82 | | | |
| 18/08/2010 | Interest on Loan | | 1,874.68 | | 107,219.95DB |
| 30/08/2010 | Loan Draw | | 7,955.00 | | 115,174.95DB |
| | Peregian Beach Pty Ltd | $7,920.00 | | | |
| | Suncorp Fee | $35.00 | | | |
| 18/09/2010 | Interest on Loan | | 2,380.11 | | 117,555.06DB |
| 23/09/2010 | Loan Draw | | 4,495.81 | | 122,050.87DB |
| | DLA Phillips Fox | $4,495.81 | | | |
| 23/09/2010 | Loan Draw | | 31,419.96 | | 153,470.83DB |
| | Peregian Beach Pty Ltd | $31,384.96 | | | |
| | Suncorp Fee | $35.00 | | | |
| 18/10/2010 | Interest on Loan | | 3,030.52 | | 156,501.35DB |
| 28/10/2010 | Loan Draw | | 32,392.50 | | 188,893.85DB |
| | Peregian Beach Pty Ltd | $32,362.50 | | | |
| | Suncorp Bank Fee | $30.00 | | | |
| 18/11/2010 | Interest on Loan | | 3,788.90 | | 192,682.75DB |
| 19/11/2010 | Loan Draw | | 28,054.50 | | 220,737.25DB |
| | Peregian Beach Pty Ltd | $28,054.50 | | | |
| 18/12/2010 | Interest on Loan | | 4,516.48 | | 225,253.73DB |
| 21/12/2010 | Loan Draw | | 30,278.50 | | 255,532.23DB |
| | Peregian Beach Pty Ltd | $30,278.50 | | | |
| 18/01/2011 | Interest on Loan | | 5,363.47 | | 260,895.70DB |
| 20/01/2011 | Loan Draw | | 4,997.00 | | 265,892.70DB |
| 08/02/2011 | Loan Draw | | 600.00 | | 266,492.70DB |
| | DLA Phillips Fox | $600.00 | | | |
| 15/02/2011 | Loan Draw | | 14,465.50 | | 280,958.20DB |
| 18/02/2011 | Interest on Loan | | 5,672.65 | | 286,630.85DB |
| 18/03/2011 | Interest on Loan | | 5,497.03 | | 292,127.88DB |
| 21/03/2011 | Loan Draw | | 53,871.50 | | 345,999.38DB |
| | Peregian Beach Pty Ltd | $53,871.50 | | | |
| 15/04/2011 | Loan Draw | | 24,628.38 | | 370,627.76DB |
| | Peregian Beach Pty Ltd | $24,628.38 | | | |
| 18/04/2011 | Interest on Loan | | 7,286.47 | | 377,914.23DB |

Date: December 12, 2011

**LM Investment Management Ltd**

| | |
|---|---|
| **Statement begins** | 01/01/2004 |
| **Statement ends** | 12/12/2011 |

## Loan Transactions

**Account number**

| Date | Transaction description | | Debits | Credits | Balance |
|---|---|---|---|---|---|
| 18/05/2011 | Interest on Loan | | 7,765.36 | | 385,679.59DB |
| 25/05/2011 | Loan Draw | | 6,087.50 | | 391,767.09DB |
| 18/06/2011 | Interest on Loan | | 8,289.16 | | 400,056.25DB |
| 22/06/2011 | Loan Draw | | 65,108.00 | | 465,164.25DB |
| 07/07/2011 | Loan Draw | | 2,016.30 | | 467,180.55DB |
| 14/07/2011 | Loan Draw<br>Peregian Beach Pty Ltd | $97,172.25 | 97,172.25 | | 564,352.80DB |
| 18/07/2011 | Interest on Loan | | 9,661.20 | | 574,014.00DB |
| 29/07/2011 | Loan Draw | | 97,172.25 | | 671,186.25DB |
| 18/08/2011 | Interest on Loan | | 13,519.09 | | 684,705.34DB |
| 18/08/2011 | Loan Draw | | 22,730.00 | AX. | 707,435.34DB |
| 18/09/2011 | Interest on Loan | | 15,020.89 | | 722,456.23DB |
| 18/10/2011 | Interest on Loan | | 14,844.99 | | 737,301.22DB |
| 20/10/2011 | Loan Draw<br>Peregian Beach Pty Ltd | $81,762.74 | 81,762.74 | | 819,063.96DB |
| 18/11/2011 | Interest on Loan | | 17,279.08 | | 836,343.04DB |
| 24/11/2011 | Loan Draw | | 110,952.24 | | 947,295.28DB |
| | **Closing balance as at 12/12/2011** | | | | **$947,295.28DB** |

Change over of accounting System
effective 1/7/2011

# Loan Statement

LM Investment Management Ltd

Date28/03/2013



Account Number MPF0000463

| Date | Trans # | Transaction Description | Debits | Credits | Balance |
|---|---|---|---|---|---|
| 1/07/2011 | | Brought Forward Balance | | | |
| 1/07/2011 | 000040 | Opening balance<br>Opening balance transferred from Composer system as at 1.7.2011 | 465,164.25 | | 465,164.25 |
| 7/07/2011 | 000323 | Loan draw<br>Monaghan legal Inv 96 & 440 $1103.85<br><br>Reimbursement to LMFMIF for payment made to Monaghan legal on 30.6.2011 for Inv 272 - $912.45 | 2,016.30 | | 467,180.55 |
| 14/07/2011 | 000322 | Loan draw<br>Peregian Beach Pty Ltd - June draw down | 97,172.25 | | 564,352.80 |
| 18/07/2011 | 000321 | Loan interest<br>Loan interest due 18.7.2011 | 9,661.20 | | 574,014.00 |
| 07/2011 | 000320 | Loan draw<br>Peregian Beach Pty Ltd - July draw down | 97,172.25 | | 671,186.25 |
| 18/08/2011 | 000318 | Loan interest<br>Loan interest due 18.8.11 | 13,519.09 | | 684,705.34 |
| 18/08/2011 | 000319 | Loan draw<br>Peregian Beach Pty Ltd - July draw down | 22,730.00 | | 707,435.34 |
| 18/09/2011 | 000317 | Loan interest<br>Loan interest due 18.9.2011 | 15,020.89 | | 722,456.23 |
| 18/10/2011 | 000316 | Loan interest<br>Loan interest due 18.10.11 | 14,844.99 | | 737,301.22 |
| 20/10/2011 | 000324 | Loan draw<br>Peregian Beach Pty Ltd - September draw | 81,762.74 | | 819,063.96 |
| 18/11/2011 | 000987 | Applied Interest | 17,279.08 | | 836,343.04 |
| 24/11/2011 | 001008 | Loan draw<br>Tfer to Peregian Beach Pty Ltd for October 2011 drawdown | 110,952.24 | | 947,295.28 |
| 16/12/2011 | 001206 | Loan Draw | 88,376.78 | | 1,035,672.06 |
| 18/12/2011 | 001396 | Applied Interest | 19,130.07 | | 1,054,802.13 |
| 22/12/2011 | 001226 | Payment to Stockland<br>Payment to Stockland Development Pty Ltd. Part of settlement proceeds of $803,177.07 | 803,177.07 | | 1,857,979.20 |
| 22/12/2011 | 001227 | Paym. to Office of State Rev.<br>Payment to Office of State Revenue. Part of Settlement Proceeds of $126,669.00 | 126,669.00 | | 1,984,648.20 |
| 2/2011 | 001228 | Payment to Shand Taylor<br>Payment to Shand Taylor of $5,775.00 - Part of Settlement Proceeds | 5,775.00 | | 1,990,423.20 |
| 22/12/2011 | 001229 | Payment to Reaburn Solicitors<br>Payment to Reaburn Solicitors Trust Account of $3,784.00 - Part of Settlement Proceeds | 3,784.00 | | 1,994,207.20 |
| 22/12/2011 | 001230 | Payment to DERM<br>Payment to DERM of $7267.90 - Part of Settlement Proceeds | 7,267.90 | | 2,001,475.10 |
| 22/12/2011 | 001231 | Payment to DERM<br>Payment to DERM of $132.50 - Part of Settlement Proceeds | 132.50 | | 2,001,607.60 |
| 22/12/2011 | 001232 | Payment to ASIC<br>Payment to ASIC of $144.00 - Part of Settlement Proceeds | 144.00 | | 2,001,751.60 |
| 10/01/2012 | 001261 | Payment to Stockland Develop.<br>Loan Draw - payment to Stockland Development Pty Ltd for LOT 74 Mortgage of $10,315.09 | 10,315.09 | | 2,012,066.69 |
| 10/01/2012 | 001282 | Loan Draw<br>Loy 74 Mortgage | 10,315.09 | | 2,022,381.78 |

## Loan Statement

LM Investment Management Ltd

Date28/03/2013



Account Number MPF0000463

| Date | Trans # | Transaction Description | Debits | Credits | Balance |
|---|---|---|---|---|---|
| 10/01/2012 | 001321 | REV Payment to Stockland Dev<br>Reversal of Loan Draw - Loan Draw Activity Schedule Entered in Twice | | -10,315.09 | 2,012,066.69 |
| 13/01/2012 | 001283 | Loan Draw<br>January 2012 Drawdown | 39,486.46 | | 2,051,553.15 |
| 18/01/2012 | 001561 | Applied Interest | 40,156.15 | | 2,091,709.30 |
| 31/01/2012 | 001586 | Loan Draw<br>Payment to Stockland Development Pty Ltd for 1st Mortgage Interest for Lot 74 | 31,976.75 | | 2,123,686.05 |
| 3/02/2012 | 001610 | Loan Reduction<br>GST Refund | | -300,000.00 | 1,823,686.05 |
| 9/02/2012 | 001631 | Loan Draw<br>Payment to Stockland Development Pty Ltd for Second Instalment of Purchase Contract | 300,000.00 | | 2,123,686.05 |
| 02/2012 | 001687 | Loan Draw<br>Payment to Monaghan Lawyers for Inv 717 | 869.00 | | 2,124,555.05 |
| 1 2/2012 | 001765 | Applied Interest | 46,529.67 | | 2,171,084.72 |
| 29/02/2012 | 001811 | Loan Draw<br>Payment to Peregian Beach Pty Ltd for Sales Office Electricity Account | 612.47 | | 2,171,697.19 |
| 29/02/2012 | 001812 | Loan Draw<br>Payment to Stockland Developments Pty Ltd for Lot 74 Contract Instalment in the sum of $500,000.00 + $35.00 RTGS Fee | 500,035.00 | | 2,671,732.19 |
| 1/03/2012 | 001820 | Loan Draw<br>Payment to Stockland Development Pty Ltd for Interest due 1st March 2012 (Lot 74 Mortgage) for $27,365.82 + RTGS Fee $35.00 | 27,400.82 | | 2,699,133.01 |
| 16/03/2012 | 001869 | Loan Draw<br>Payment to Peregian Beach Pty Ltd for Jan 12 Management Fee and Payment to Realestate.com | 16,563.17 | | 2,715,696.18 |
| 18/03/2012 | 001948 | Applied Interest | 49,502.77 | | 2,765,198.95 |
| 2/04/2012 | 002045 | Fee Draw<br>Payment to Stockland Developments Pty Ltd for Interest due 2 April, 2012 for Lot 74 Mortgage in the sum of $21,785.01 + $35.00 RTGS Fee | 21,820.01 | | 2,787,018.96 |
| /2012 | 002063 | Loan Draw<br>Payment to Peregian Beach Pty Ltd for balance of Feb Drawdown - Draw 20 in the sum of $13,458.65 + RTGS Fee $35.00 | 13,493.65 | | 2,800,512.61 |
| 16/04/2012 | 002111 | Loan Draw<br>Payment to Peregian Beach Pty Ltd for part payment of March Draw (Draw 21) | 6,308.62 | | 2,806,821.23 |
| 18/04/2012 | 002213 | Applied Interest | 58,947.27 | | 2,865,768.50 |
| 20/04/2012 | 002228 | Loan Draw<br>Payment to Peregian Beach Pty Ltd for Draw 22 & Balance of Draw 21 in the sum of $86,376.70<br><br>Payment to Monaghan Lawyers for Inv No. 768 in the sum of $3,736.70<br><br>Payment to Thomson Lawyers for Inv 451615 in the sum of $19,628.53 | 110,122.39 | | 2,975,890.89 |
| 26/04/2012 | 002282 | Loan Draw<br>Payment to Stockland Development Pty Ltd for Interest Payment due 1 May, 2012 on Lot | 21,082.27 | | 2,996,973.16 |

# Loan Statement

**LM Investment Management Ltd**

Date28/03/2013



Account Number MPF0000463

| Date | Trans # | Transaction Description | Debits | Credits | Balance |
|---|---|---|---|---|---|
| | | 74 Mortgage. | | | |
| 18/05/2012 | 002411 | Applied Interest | 61,147.74 | | 3,058,120.90 |
| 21/05/2012 | 002450 | Loan Draw<br>Peregian Beach May 2012 Drawdwon | 78,529.15 | | 3,136,650.05 |
| 28/05/2012 | 002471 | Loan Draw<br>Stockland North Lakes - Reimbursement of Legal Fees Inv 1096293 | 5,775.00 | | 3,142,425.05 |
| 30/05/2012 | 002496 | Loan Draw<br>Stockland Developments Interest due 1 June 2012 - "Lot 74 Mortgage" | 21,820.01 | | 3,164,245.06 |
| 31/05/2012 | 002494 | Loan Draw<br>CBRE- valuation fee invoice R073419645 | 5,720.00 | | 3,169,965.06 |
| 18/06/2012 | 002634 | Applied Interest | 66,693.57 | | 3,236,658.63 |
| 28/06/2012 | 002687 | Loan Draw<br>Draw to pay AIF loan establishment fee | 188,100.66 | | 3,424,759.29 |
| [illegible]8/06/2012 | 002688 | Loan Draw<br>~~Final interest payment to Stockland~~ | 19,676.78 | | 3,444,436.07 |
| 4/07/2012 | 002706 | Loan Draw<br>Agent's fees for settlement of Loan - T.F. Wardrobe Solicitors | 137.90 | | 3,444,573.97 |
| 12/07/2012 | 002723 | Loan Draw<br>Reimburse AIFfor PPSR Registration fee | 130.00 | | 3,444,703.97 |
| 12/07/2012 | 002724 | Loan Draw<br>Registration fees on Stockland Release & LM AIF Mortgage | 265.00 | | 3,444,968.97 |
| 18/07/2012 | 002887 | Applied Interest | 69,166.40 | | 3,514,135.37 |
| 24/07/2012 | 002781 | Draw<br>Registration fees on Mortgage priority | 132.50 | | 3,514,267.87 |
| 25/07/2012 | 002783 | Loan Draw<br>Payment to Peregian Beach Pty Ltd for part payment of monthly drawdown | 37,399.88 | | 3,551,667.75 |
| 1/08/2012 | 002809 | Loan Draw<br>Additional registration fee on Mortgage priority due to fee increase by DERM | 4.60 | | 3,551,672.35 |
| 18/08/2012 | 003065 | Applied Interest | 75,026.77 | | 3,626,699.12 |
| 23/08/2012 | 002989 | Loan Draw<br>Payment to Peregian Beach Pty Ltd for payment of June 2012 Drawdown | 37,399.88 | | 3,664,099.00 |
| [illegible]/2012 | 003132 | Loan Draw<br>Part payment of Claim 25 | 30,000.00 | | 3,694,099.00 |
| 4/09/2012 | 003135 | Loan Draw<br>Payment of AIF July Interest | 14,521.78 | | 3,708,620.78 |
| 5/09/2012 | 003127 | Loan Draw<br>Payment to Peregian Beach Pty Ltd for Balance of Claim 24 & Full payment of Claim 25 | 69,881.28 | | 3,778,502.06 |
| 5/09/2012 | 003129 | Loan Draw<br>August Interest | 20,449.32 | | 3,798,951.38 |
| 18/09/2012 | 003352 | Applied Interest | 78,686.93 | | 3,877,638.31 |
| 3/10/2012 | 003422 | Loan Draw<br>Payment to Peregian Beach Pty Ltd for Claim 27 | 52,351.95 | | 3,929,990.26 |
| 11/10/2012 | 003447 | Loan Draw<br>Transfer from MPF to AIF for payment of September Loan Interest | 20,691.80 | | 3,950,682.06 |
| 18/10/2012 | 003548 | Applied Interest | 80,095.13 | | 4,030,777.19 |
| 31/10/2012 | 003605 | Loan Draw<br>Payment to Peregian Beach for Monthly Claim No. 28 | 38,742.62 | | 4,069,519.81 |

# Loan Statement

LM Investment Management Ltd

Date28/03/2013



Account Number MPF0000463

| Date | Trans # | Transaction Description | Debits | Credits | Balance |
|---|---|---|---|---|---|
| 18/11/2012 | 003785 | Applied Interest | 85,827.50 | | 4,155,347.31 |
| 18/11/2012 | 003939 | Interest adjustment<br>Non recognised interest on GL | | -130,316.00 | 4,025,031.31 |
| 18/11/2012 | 003963 | Applied Interest<br>Recognising non posted lower rate interest November 2012 | 130,316.00 | | 4,155,347.31 |
| 18/12/2012 | 004037 | Applied Interest | 54,496.36 | | 4,209,843.67 |
| 20/12/2012 | 004051 | Various Creditors<br>TFR from MPF to Periglan Beach for I & L fee up fron dev brokers fees & $10 towards october claim. 10000 towards centro pmt | 78,173.86 | | 4,288,017.53 |
| 20/12/2012 | 004119 | Payment to Creditors<br>TFR from MPF to Peregian Beach for Payments to Creditors | 78,173.86 | | 4,366,191.39 |
| [illegible]/12/2012 | 004128 | Reversal Payment to Creditors<br>Reversal on double up entry for Payment to Creditors. | | -78,173.86 | 4,288,017.53 |
| 2/01/2013 | 004050 | Loan Draw<br>Payment to AIF for October interest | 19,860.47 | | 4,307,878.00 |
| 3/01/2013 | 004107 | AIF loan interest<br>November 2012 interest paid by MPF | 20,512.62 | | 4,328,390.62 |
| 18/01/2013 | 004246 | Applied Interest | 59,307.72 | | 4,387,698.34 |
| 29/01/2013 | 004295 | Monthly Claim<br>TFR to Peregian Beach for Monthly Claim. Claim no. 30 - Part Payment | 15,000.00 | | 4,402,698.34 |
| 8/02/2013 | 004333 | Loan Draw<br>Part payment claim 31 | 10,000.00 | | 4,412,698.34 |
| 12/02/2013 | 004369 | Loan Draw<br>TFR from MPF to Peregian Beach for final payment of November 2012 claim | 20,000.00 | | 4,432,698.34 |
| 18/02/2013 | 004466 | Applied Interest | 59,852.56 | | 4,492,550.90 |
| 12/03/2013 | 004566 | Draw<br>Pmt Dec mthly claim and part payment Jan 13 Claim | 100,000.00 | | 4,592,550.90 |
| 18/03/2013 | 004651 | Applied Interest | 55,404.46 | | 4,647,955.36 |

**Shelley Chalmers**

| | |
|---|---|
| **From:** | Shelley Chalmers |
| **Sent:** | Friday, 9 December 2011 9:14 AM |
| **To:** | 801 Credit Committee |
| **Subject:** | Minutes of AIF CC Meeting 8.12.11 - AIF loan to Perergian Beach Pty Ltd (Northlakes) |

**Minutes of AIF CC meeting held 8.12.11**

**Committee members in attendance:**

**AIF:** **ST (Chair),**
**LD (attending but non voting as the is a fund conflict issue in respect of this loan),**
**PD, EVH, GF, SK, SC, AM**

By invitation: AP

**__Proposed transaction: AIF loan to Peregian Beach Pty Ltd (Northlakes)__**

- Please read these minutes in conjunction with the synopsis submitted at meeting.
- This is a known asset, already funded by MPF in early pre-settlement stages
- There are no presales, marketing having only just started in last few weeks. It is a little too early to tell how sales and marketing will result at this stage.
- To date, the MPF has funded certain costs of pre-purchase, project management, DA costs and interest.
- DA for 92 units issued on 5.12.11
- MPF had a loan approval in place to fund the land settlement, however is experiencing some cash flow issues and is unable to fund the land settlement. On this basis MPF requested AIF to consider funding the land settlement.
- AIF having considered its risk position, but recognising an opportunity for a good return, indicated its willingness to approve this application on the basis that it does so on very similar terms to that were being offered by MPF
- The DA having issued on 5.12.11, settlement of the purchase is now required to take place on 19.12.11 (14 days after obtaining of DA).
- There are issues with settlement timing (as MPF needs to provide some equity funding and has some cash flow issues ). On this basis an extension of settlement is to be sought. MPF CC will then separately discuss its options going forward. This issue to be resolved over next couple of days and then AIF can issue its formal offer letter.

**Approved on the following basis:**

- Interest rate 14% (MPF to pay monthly loan interest from its loan facility)
- Up front fee - 11 % of total loan amount (to be deducted from loan amount on settlement draw, in addition to legal and other usual deductions)
- $0 commitment fee in this instance on the basis that we know the project and due diligence has been more or less done to a larger part
- Term 12 months
- LVR 75 % as is (one day 1), reducing to 65% by approximately February 2012 upon return of GST refund
- Maximum loan amount - $2,070,000.00 on settlement, reducing to $1,794,000.00 in approximately February 2012 upon return of GST refund
- 0 Presales – although LM requires to review the sales and marketing position and methods being applied by the borrower.
- Suitable undertakings/authorities to be put into place as part of the legal documentation to secure the return of the GST refund.
- Valuation from an acceptable panel valuer (already under way)

**CONFLICT ISSUES:**

**This transaction comprises AIF (1st) and MPF (2nd) funding and therefore there is a conflict of interest. Committee members, when making their decision did so on the basis that the Fund would enter into this transaction on an arms length basis for an un-related entity or in non-conflict circumstances. To that end, Lisa D'arcy as Chairperson of MPF CC attended this meeting in her role as member of the MPF CC, but refrained from voting on this decision. Suitable documentation dealing with conflict of interest issues and any external consultant reports dealing with this issue to be finalised prior to intial settlement and filed both on the loan file and in the LM Conflicts Register.**

**<u>VOTES:</u>**

**AIF: 7 members were in attendance (including 4 X S/Exec). A quorum was present.**

Lending Policies for CC specifically state:

*"The quorum for a CC meeting is 5 people, which must include a minimum of 2 Senior Executive Members (of which 1 must be an executive member.*

*A two thirds majority vote (of the meeting attendees) is required for approval of loan applications, however unanimous approval is generally sought from all voting members.*
*Where a two third majority is not a whole number it is rounded down to the nearest whole number."*

**It is considered that number of votes achieved meet LP&P requirements.**

Shelley Chalmers
Property Asset Management
**LM Investment Management Ltd**
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Fax: (07) 5592 2505
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Visit our Website: www.LMaustralia.com/

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The global pathway to Australian investment solutions

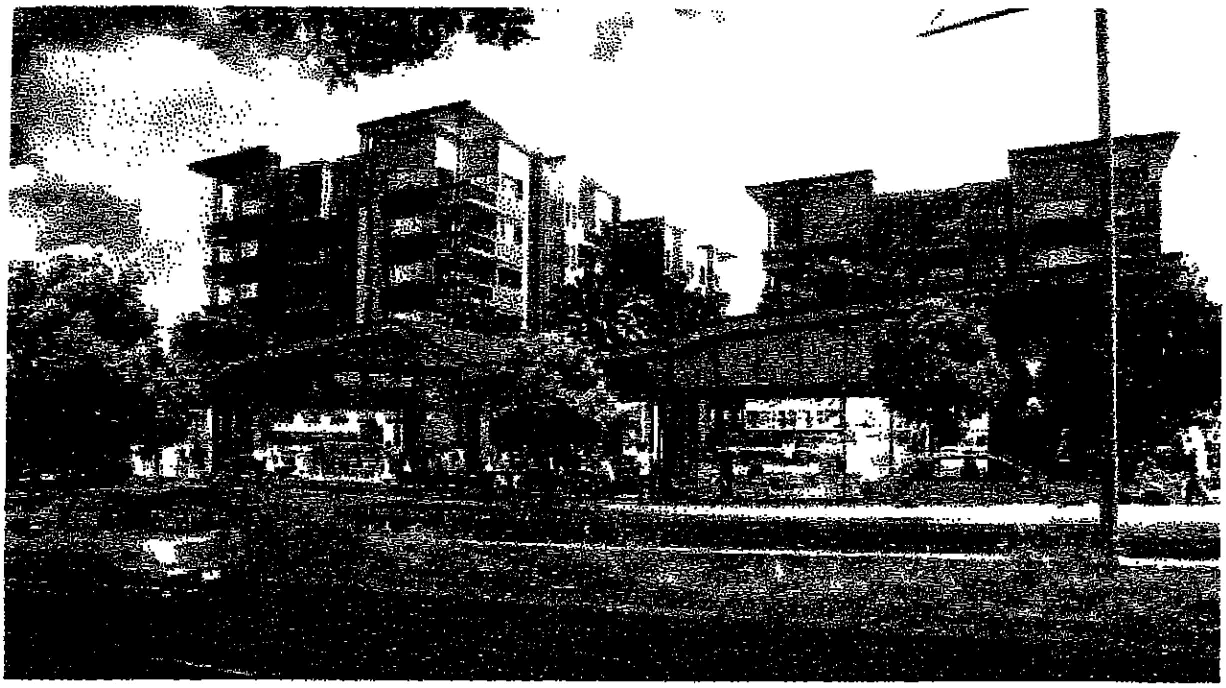
# CREDIT COMMITTEE SYNOPSIS

| FUND: LM AUSTRALIAN INCOME FUND CURRENCY PROTECTED | | | |
|---|---|---|---|
| **DATE** | **TRANSACTION NAME** | **LM INTRODUCER** | **BROKER** |
| 30.11.11 | Peregian Beach (North Lakes) | SK/BK | n/a – Direct |

**TRANSACTION DETAILS**

***BACKGROUND***

- Peregian Beach Pty Ltd (solely owned by David Hawes) has entered into a Contract to acquire Part of Lot 26 on SP 224073 (being proposed Lot 74 as shown on the Plan of Subdivision) from Stockland North Lakes Pty Ltd for the sum of $2,760,000 plus GST;
- The vacant site is approximately 7,000m2 in area and is situated at Lot 74 Endeavour Drive, North Lakes (north of Brisbane), Queensland;
- Settlement of the land is due on 19th December, 2011 – 14 days after the DA is obtained (expected on 5th December 2011);
- A Development Application has been lodged to construct 92 x 2 bedroom apartments plus 300 sqm of commercial space as illustrated below:-



- Pre-sales marketing commenced on 2nd November 2011 (including the opening of the sales office). There have been 32 enquiries since, however no sales have been achieved at this point. Approximately 59 contracts will be required to secure construction funding for the whole development. Settlement of the land is not conditional on pre-sales;
- Development costs to date have been funded by MPF under a separate loan agreement.

***PROPOSAL***

- It is proposed the AIF part fund the settlement of the land, secured by a registered First Mortgage;
- CB Richard Ellis valued the property on behalf of the AIF for $2.76million on 16 August, 2011 on a direct comparison basis;
- The Settlement Sum is estimated as follows:

| | | | |
|---|---|---|---|
| Total Land Purchase Price | $ | 2,760,000 | |
| GST on Purchase | $ | 276,000 | to be reclaimed in February 2012 |

| | | | |
|---|---|---|---|
| | $ | 3,036,000 | |
| Less Deposit Paid | $ | 42,840 | |
| Land Balance | $ | 2,993,160 | |
| Stamp Duty | $ | 145,065 | based on GST inclusive Price |
| Settlement Legal Fees | $ | 12,000 | |
| Due Diligence Costs | $ | 3,000 | |
| Infrastructure Charges Reimbursement | $ | 290,000 | |
| Balance Owing @ Settlement | $ | 3,443,225 | |

- It is proposed AIF fund to a 65% LVR for a 12 month term i.e. $2,760,000 x 65% = $1,794,000.
- In addition, it is proposed AIF fund the 10% GST on the Purchase Price ($276,000) on the strict proviso the funds are returned to AIF in February 2012. The LVR increases to 75% (including this GST payment). It is considered reasonable to approve the GST payment in view of its reimbursement in two months' time and the payment being underpinned by the Australian Government. The AIF lending policy permits a maximum LVR of 75% at settlement. The LVR will return to 65% upon repayment of the GST.

| PARTIES/SECURITY: | |
|---|---|
| BORROWER/S | Peregian Beach Pty Ltd |
| ORTGAGOR/S | Peregian Beach Pty Ltd |
| GUARANTOR/S | David Richard Hawes, Glenside Group (Qld) Pty Ltd, Lot 111 Pty Ltd, Green Square Pty Ltd |
| LOAN PURPOSE | To assist with the purchase of the land. |

| LOAN DETAILS: | | | |
|---|---|---|---|
| PROPERTY ADDRESS | Lot 74 Endeavour Boulevard, North Lakes, Brisbane | | |
| LOAN FACILITY | $2,070,000 | LVR: 75% initially, reducing to 65% on re-claiming the GST ($276,000) in February 2012. | TERM: 12 months |
| PURCHASE PRICE | $2,760,000 + GST | | |
| 1st DRAW | $2,070,000 | LVR: 75% initially, reducing to 65% on re-claiming the GST ($276,000) in February 2012. | Due: 19th December 2011 |

| VALUATION/ RENTAL/ PROPERTY DETAILS: | | | |
|---|---|---|---|
| Valuation: | "Land Only" $2,760,000 | GST exclusive | Valued by: CBRE<br>Valuation dated: 16 August, 2011 |

## SERVICEABILITY/BACKGROUND OF BORROWER

- Existing Borrower David Hawes of Glenside Group;
- 2 current loan facilities being Green Square Developments Pty Ltd and Lot 111 Pty Ltd;
- Updated Financials to be provided for assessment on this loan.

## ASSESSMENT OF EXPOSURE TO FUND (across all projects to the same borrowing entity)

| | |
|---|---|
| Details of other projects and dollar value: | Nil |
| Comments on size of this proposed loan to fund size: | $2,070,000 loan on fund size of $15,078,876.00 = 13.73% of the fund. |
| Consider valuer 1/3 rule | This valuer has not valued on any of the settled loans to date. |
| Related party issues | Current MPF loan in place. |
| Constitutional or Compliance Plan issues | Within AIF lending and compliance guidelines. |

**RELATED PARTY ISSUES**

The transaction involves AIF taking a conservative first mortgage position of 65% on a Value of $2,760,000 (GST Excl). The LVR will rise to 75% for a period of 2 months initially to fund the GST on the Purchase Price, before reducing back to 65% following the repayment of GST.

MPF currently has a loan facility of $6M available to the Borrower. AIF is taking on the first mortgage as it is a conservative LVR with the security of MPF taking out the first mortgage facility in 6 to 12 months' time once construction funding has been obtained.

AIF CC, when making its decision to this application, must do so without consideration to the interests of MPF.

Member approval to a related party transaction would normally be required unless the transaction could be proved as reasonable if the transaction was arms-length or less favourable to the borrower than such reasonable terms. That is to say, AIF must treat the borrower like it would any un-related party when providing its funding terms.

ASIC RG76 discusses factors that must be considered in determining whether arms-length terms apply to exempt a transaction from the need for member approval. In line with that paper, the following matters must be considered by AIF CC (and to be covered in detail in a Conflict record for the transaction):

1. **How the terms of the overall transaction compare with those of any comparable transactions on an arms-length basis.**

   It is recommended to credit committee that this transaction is a conservative transaction with a 75% first mortgage position based on a current Valuation. This will reduce to 65% LVR upon reclaiming the GST on the Purchase Price within 2 months of Settlement. The loan parameters such as interest rate, LVR and term are consistent with other commercial loans AIF has undertaken on an arms-length basis.

2. **Consideration of the nature and content of the bargaining process - (eg whether the lender and borrower have engaged in a true bargaining process).**

   The financial characteristics of the proposed facility are consistent with AIF lending policies.

3. **Consideration of the impact of the transaction on the scheme (AIF).**

   This loan represents 13.73% of the fund size and as such represents a relatively low risk exposure.

4. **Consideration of other options available to the scheme (AIF).**

   Consideration is always given to all available lending options. It was considered appropriate to pursue this opportunity in view of the conservative LVR, first mortgage position and other factors being in accordance with AIF lending guidelines.

5. **Whether expert advice is required to assist in making the judgment that a transaction would be reasonable on an arms-length basis.** A decision requiring an independent report shall be made by the LM Board of Directors as part of the sign off.

**CREDIT COMMITTEE DECISION :**

| | | | | | | |
|---|---|---|---|---|---|---|
| **Result** | ☐ | **Approved** | ☐ | **Declined** | ☐ | **Review & Re-present** |

| | | | |
|---|---|---|---|
| **Panel valuer to be:** | CBRE | Subject to assessment and panel appointment? | NO |
| **Commitment fee** | $n/a | **Issue letter of offer** | Yes ☐ No ☐ |
| **Presale Requirements:** | 0% of lots/units before initial settlement.<br>This facility is to part fund the purchase of the land only. | | |

**Summary of Decisions and any special conditions:**

1. Interest on the AIF facility to be paid by MPF. MPF to provide a limited guarantee covering AIF's interest for the 12 month loan term;
2. An update valuation to be obtained;
3. Priority Deed to be entered into bewteen AIF & MPF.
4. Undertaking about GST refund / appropriate to return GST refund back to AIF.

**Credit Committee Comments**

## APPROVED INTEREST RATE/TERMS:

| | |
|---|---|
| Interest Rate: ~~15~~ _14_ % | Term: 12 months |
| Broker trail: __Nil_ % | LVR: up to 75% 'as is' ☐ Exclusive GST ■ Inclusive GST |
| **Total Rate:** _14_ % | |
| Up-front fee ~~1.1~~ % (excl of legals) 11% UF. | |
| Other fee/s N/A | |
| [illegible] fee/s N/A | |
| Has pricing already been approved by Pricing Committee?<br>No ☐ Yes ☑ | |

**CREDIT COMMITTEE MEMBERS SIGNED**

AIF Credit Committee: Sen/Exec: PD, LD, EVH, [illegible], ST (Chair) Other: AM, SC, GF, [illegible].

Ratio of signatures: Senior Exec. .................. Other: ......................

DATE OF MEETING: ....................................

## Shelley Chalmers

| | |
|---|---|
| **From:** | Lisa Darcy |
| **Sent:** | Tuesday, 20 December 2011 3:07 PM |
| **To:** | Bronwyn Kingston |
| **Cc:** | 321 MPF Investment Committee; Scott King; Ann McCallum; Shelley Chalmers |
| **Subject:** | Re: Peregian Beach MPF Variation |

EVH
GF
LD
SK

Approved bron thanks

Lisa D'Arcy
Director
LMIM Ltd

On 20/12/2011, at 2:34 PM, "Bronwyn Kingston" <bkingston@lmaustralia.com> wrote:

Dear Credit Committee

Further to our meeting last week, there are some changes being made to enable settlement of the land to occur.

I understand Simon has discussed this proposal with most of you.

The credit committee approved AIF taking a first mortgage position and MPF going into a second mortgage position.

Note however that the AIF transaction is not proceeding at this stage, but is likely to occur in the new year.

Accordingly, the Vendor (Stockland) have agreed to Vendor finance part of the purchase price up to $2.5M.

Accordingly, MPF will be taking a second mortgage position behind Stockland for a period up to 30 June, 2012 (unless paid out prior).

The contract for purchase has been re-structured to allow for instalment payments as follows:-

MPF funding:-
Settlement $1M (which includes part purchase price, stamp duty, GST and headworks charges)
On or before 15.2.12 $300,000.00
On or before 29.2.12 $500,000.00
On or before 30.6.12 balance (approx $1.4M)

Interest on the Stockland loan will need to be paid at 15% p.a. which is on the remaining balances.

This is a lower rate than the MPF loan and AIF loans would have been at 25%.

MPF will need to continue to fund this interest each month.

Please confirm your agreement to the above proposal.

Thanks

Bron

Bronwyn Kingston
Property Asset Management
***LM Investment Management Ltd***
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Fax: (07) 5592 2505
Email: bkingston@LMaustralia.com
Visit Our Website: www.LMaustralia.com/
<image001.jpg>

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<Peregian Beach Northlakes 28 June 2010.pdf>

**Shelley Chalmers**

**From:** Bronwyn Kingston
**Sent:** Tuesday, 20 December 2011 2:41 PM
**To:** Shelley Chalmers
**Subject:** FW: Peregian Beach MPF Variation

Bronwyn Kingston
Property Asset Management
***LM Investment Management Ltd***
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Fax: (07) 5592 2505
Email: bkingston@LMaustralia.com
Visit Our Website: www.LMaustralia.com/

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**From:** Grant Fischer
**Sent:** Tuesday, 20 December 2011 2:41 PM
**To:** Bronwyn Kingston
**Subject:** Approve: Peregian Beach MPF Variation

**Shelley Chalmers**

**From:** Bronwyn Kingston
**Sent:** Tuesday, 20 December 2011 2:42 PM
**To:** Shelley Chalmers
**Subject:** FW: Peregian Beach MPF Variation

Bronwyn Kingston
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**From:** Eghard van der Hoven
**Sent:** Tuesday, 20 December 2011 2:41 PM
**To:** Bronwyn Kingston
**Subject:** Approve: Peregian Beach MPF Variation

**Shelley Chalmers**

**From:** Bronwyn Kingston
**Sent:** Wednesday, 21 December 2011 9:38 AM
**To:** Shelley Chalmers
**Subject:** FW: Peregian Beach MPF Variation


Bronwyn Kingston
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**LM Investment Management Ltd**
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**From:** Scott King
**Sent:** Wednesday, 21 December 2011 7:17 AM
**To:** Bronwyn Kingston
**Subject:** Approve: Peregian Beach MPF Variation

## Shelley Chalmers

| | |
|---|---|
| **From:** | Shelley Chalmers |
| **Sent:** | Tuesday, 5 June 2012 5:19 PM |
| **To:** | 801 Credit Committee |
| **Cc:** | Bronwyn Kingston; Lee Roebig |
| **Subject:** | Minutes of AIF CC meeting - proposed transaction AIF loan to Peregian Beach Pty Ltd |
| **Attachments:** | Peregian Beach AIF CC approval 5.6.2012.pdf |

**Minutes of AIF CC meeting held 5 June 2012.**

**Committee members in attendance:**

**AIF: ST (Chair), EVH, SK, MP, SC**
**LD (not attending or voting due to conflict of interest)**

By invitation: AP,BK , CL, LR

**There being 5 Voting members present, a quorum existed.**

**Proposed transaction: AIF loan to Peregian Beach Pty Ltd**

- Please read these minutes in conjunction with synopsis submitted at meeting.
- Land hold funding pending anticipated construction on site 1 October 2012.
- Borrower is presently negotiating with other funders and actively marketing off the plan units.

**Approved.**

**Assuming the matter proceeds, approved terms are:**

- Up front 11 % of total loan amount (to be deducted from loan amount on settlement draw, in addition to legal and other usual deductions)
- Term 12 months
- Interest 14 %
- LVR 62 "as is"
- Max loan amount up to $1,710,006.00 (to provide funding for final settlement of land – purchase from Stockland Development)
- Valuation from an acceptable panel valuer

CONFLICT ISSUES:
This transaction comprises AIF (1st) and MPF (2nd) funding and therefore there is a conflict of interest. Committee members, when making their decision did so on the basis
that the Fund would enter into this transaction on an arms length basis for an un-related entity or in non-conflict circumstances. To that end, Lisa D'arcy as Chairperson of MPF CC did not attend this meeting nor vote on this decision. Suitable documentation dealing with conflict of interest issues and any external consultant reports dealing with this issue to be finalised prior to intial settlement and filed both on the loan file and in the LM Conflicts Register.

**VOTES:**

**AIF: 5/10 MEMBERS. (includes 2 X S/Exec).**

**A quorum of 5 members was in attendance at the meeting. The number of votes represented 100% of the quorum.**

Lending Policies for CC specifically state:

*"The quorum for a CC meeting is 5 people, which must include a minimum of 2 Senior Executive Members (of which 1 must be an executive member.*

*A two thirds majority vote (of the meeting attendees) is required for approval of loan applications, however unanimous approval is generally sought from all voting members.*
*Where a two third majority is not a whole number it is rounded down to the nearest whole number."*

It is considered that number of votes achieved meet LP&P requirements.

Shelley Chalmers
Property Asset Management
**LM Investment Management Ltd**
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Fax: (07) 5592 2505
Email: schalmers@LMaustralia.com
Visit our Website: www.LMaustralia.com/

# CREDIT COMMITTEE SYNOPSIS

| FUND: LM AUSTRALIAN INCOME FUND CURRENCY PROTECTED | | | |
|---|---|---|---|
| DATE | TRANSACTION NAME | LM INTRODUCER | BROKER |
| 24.5.12 | Peregian Beach (North Lakes) | SK | n/a – Direct |

**TRANSACTION DETAILS**

***BACKGROUND***

- Peregian Beach Pty Ltd (solely owned by David Hawes) has settled a Contract to acquire Lot 74 on SP 236546 from Stockland North Lakes Pty Ltd for the sum of $2,760,000 plus GST;
- The Borrower was granted a Vendor Finance first mortgage in the sum of $2,500,006.00 which was required to be paid down in instalments. The Borrower has paid the first two instalments of $500,000.00 and $300,000.00 and has been paying the interest each month on the Stockland First Mortgage facility. The balance due to Stockland is now $1,710,006.00 (See attached settlement statement) payable on or before 30 June, 2012.
- The vacant site is approximately 7,000m2 in area and is situated at Lot 74 Endeavour Drive, North Lakes (north of Brisbane), Queensland;
- A Development Application has been approved to construct 92 x 2 bedroom apartments plus 300 sqm of commercial space as illustrated below:-

- Pre-sales marketing commenced on 2nd November 2011 (including the opening of the sales office). There are 5 unconditional contracts in place (to be verified before settlement). Approximately 18 contracts will be required to secure construction funding for the first stage of the development (32 Apartments).
- Development costs and funding of the instalments on the vendor finance and interest on that loan to date have been funded by MPF under a separate loan agreement (currently total $3,136,650.05).
- It is intended by the Borrower that his MPF loan facility will cover the interest on this AIF loan facility.

***PROPOSAL***

- It is proposed the AIF fund the refinance of the Stockland facility, secured by a registered First Mortgage;
- CB Richard Ellis valued the property on behalf of the AIF for $2.76million on 16 August, 2011 on a direct comparison basis;
- Our initial discussions with the valuer indicate there has not been much movement in the market since that time.

- It is proposed AIF fund to a 62% LVR for a 12 month term i.e. $2,760,000 x 62% = $1,710,006.

| PARTIES/SECURITY | |
|---|---|
| BORROWER/S | Peregian Beach Pty Ltd |
| MORTGAGOR/S | Peregian Beach Pty Ltd |
| GUARANTOR/S | David Richard Hawes, Glenside Group (Qld) Pty Ltd. |
| LOAN PURPOSE | To refinance the vendor finance first mortgage |

| LOAN DETAILS: | | | |
|---|---|---|---|
| PROPERTY ADDRESS | Lot 74 Endeavour Boulevard, North Lakes, Brisbane | | |
| LOAN FACILITY | $1,710,006.00 | LVR: 62%. | TERM: 12 months |
| PURCHASE PRICE | n/a | REFINANCE | $1,710,006.00 |
| 1st DRAW | $1,710,006.00 | LVR: 62% | Due: 30th June, 2012 |

| VALUATION/ RENTAL/ PROPERTY DETAILS: | | | |
|---|---|---|---|
| Valuation: | "Land Only" $2,760,000 | GST exclusive | Valued by: CBRE<br>Valuation dated: 16 August, 2011 |

**SERVICEABILITY/BACKGROUND OF BORROWER**

- Existing Borrower David Hawes of Glenside Group;
- 2 current loan facilities being Green Square Developments Pty Ltd and Lot 111 Pty Ltd;
- Updated Financials to be provided for assessment on this loan.

| ASSESSMENT OF EXPOSURE TO FUND (across all projects to the same borrowing entity) | |
|---|---|
| Details of other projects and dollar value: | Nil |
| Comments on size of this proposed loan to fund size: | $1,710,006.00 loan on fund size of $27,800,000.00 = 6.15% of the fund. |
| Consider valuer 1/3 rule | This valuer has not valued on any of the settled loans to date. |
| Related party issues | Current MPF loan in place. |
| Constitutional or Compliance Plan issues | Within AIF lending and compliance guidelines. |

**RELATED PARTY ISSUES**

The transaction involves AIF taking a conservative first mortgage position of 62% on a Value of $2,760,000 (GST Excl).

MPF currently has a loan facility of $6M available to the Borrower. AIF is taking on the first mortgage as it is a conservative LVR with the security of MPF taking out the first mortgage facility in 6 to 12 months' time once construction funding has been obtained.

AIF CC, when making its decision to this application, must do so without consideration to the interests of MPF.

Member approval to a related party transaction would normally be required unless the transaction could be proved as reasonable if the transaction was arms-length or less favourable to the borrower than such reasonable terms. That is to say, AIF must treat the borrower like it would any un-related party when providing its funding terms.

ASIC RG76 discusses factors that must be considered in determining whether arms-length terms apply to exempt a transaction from the need for member approval. In line with that paper, the following matters must be considered by AIF CC (and to be covered in detail in a Conflict record for the transaction):

1. **How the terms of the overall transaction compare with those of any comparable transactions on an arms-length basis.**

   It is recommended to credit committee that this transaction is a conservative transaction with a 62% LVR. The loan parameters such as interest rate, LVR and term are consistent with other commercial loans AIF has undertaken on an arms-length basis.

2. **Consideration of the nature and content of the bargaining process - (eg whether the lender and borrower have engaged in a true bargaining process).**

   The financial characteristics of the proposed facility are consistent with AIF lending policies.

3. **Consideration of the impact of the transaction on the scheme (AIF).**

   This loan represents 6.15% of the fund size and as such represents a relatively low risk exposure.

4. **Consideration of other options available to the scheme (AIF).**

   Consideration is always given to all available lending options. It was considered appropriate to pursue this opportunity in view of the conservative LVR, first mortgage position and other factors being in accordance with AIF lending guidelines.

5. **Whether expert advice is required to assist in making the judgment that a transaction would be reasonable on an arms-length basis.** A decision requiring an independent report shall be made by the LM Board of Directors as part of the sign off.

**CREDIT COMMITTEE DECISION :**

| | | | |
|---|---|---|---|
| **Result** | ☐ **Approved** | ☐ **Declined** | ☐ **Review & Re-present** |
| **Panel valuer to be:** | CBRE | Subject to assessment and panel appointment? | NO |
| **Commitment fee** | $n/a | **Issue letter of offer** | Yes ☐ No ☐ |
| **Presale Requirements:** | 5 units before initial settlement.<br>This facility is to part fund the refinance of the first mortgage on the land only. | | |

| **Summary of Decisions and any special conditions:** |
| --- |
| 1. Interest on the AIF facility to be paid by MPF. MPF to provide a limited guarantee covering AIF's interest for the 12 month loan term;<br>2. An update valuation to be obtained;<br>3. Priority Deed to be entered into bewteen AIF & MPF. |
| **Credit Committee Comments** |
| |

| **APPROVED INTEREST RATE/TERMS:** | |
| --- | --- |
| Interest Rate: _14_ % (Total 25% including up front)<br>Broker trail: _Nil_ %<br>**Total Rate:** _14_ %<br>Up-front fee _11_ % (excl of legals)<br>Other fee/s N/A<br>Exit fee/s N/A<br>Has pricing already been approved by Pricing Committee?<br>No ☐ Yes ☐ | Term: 12 months<br>LVR: up to 62% 'as is' ☐ Exclusive GST<br>☐ Inclusive GST |

| **CREDIT COMMITTEE MEMBERS SIGNED** |
| --- |
| |

AIF Credit Committee: Sen/Exec: PD, LD, EVH, FM, ST (Chair) Other: AM, SC, GF, SK, MP

Ratio of signatures: Senior Exec ................... Other: ........................ \Presenter

DATE OF MEETING: ........5/6/12.................

**Summary of Decisions and any special conditions:**

1. Interest on the AIF facility to be paid by MPF. MPF to provide a limited guarantee covering AIF's interest for the 12 month loan term;
2. An update valuation to be obtained;
3. Priority Deed to be entered into bewteen AIF & MPF.

**Credit Committee Comments**

**APPROVED INTEREST RATE/TERMS:**

| | |
|---|---|
| Interest Rate: _14_ % (Total 25% including up front) | Term: 12 months |
| Broker trail: __Nil_ % | LVR: up to 62% 'as is' ☐ Exclusive GST ☐ Inclusive GST |
| **Total Rate:** _14_ % | |
| Up-front fee _11__ % (excl of legals) | |
| Other fee/s N/A | |
| Exit fee/s N/A | |
| Has pricing already been approved by Pricing Committee? No ☐ Yes ☐ | |

**CREDIT COMMITTEE MEMBERS SIGNED**

AIF Credit Committee: Sen/Exec: PD, LD, EVH, FM, ST (Chair) Other: AM, SC, GF, SK, MP

Ratio of signatures: Senior Exec ................. Other: ......................

\Presenter

DATE OF MEETING: ......5/6/12..................

## Shelley Chalmers

**From:** Simon Tickner
**Sent:** Tuesday, 5 June 2012 3:02 PM
**To:** Shelley Chalmers; Scott King; Bronwyn Kingston
**Subject:** RE: MPF and AIF loans to Peregian Beach

Shelley

AIF term should be for 12 months only. It would want to review its position then if the project was not moving to a construction phase.

Thanks

Simon

---

**From:** Shelley Chalmers
**Sent:** Tuesday, 5 June 2012 2:58 PM
**To:** Scott King; Bronwyn Kingston
**Cc:** Simon Tickner
**Subject:** MPF and AIF loans to Peregian Beach

Hi there, the MPF loan expires on 1.11.13.

Please advise if you are happy for the term to be recommended to CC at 12 months or if you prefer the AIF term expiry to be 1.11.13 so that both repayment dates match. This would mean the AIF loan would be for an approximate term of 17 months instead of 12.

Shelley Chalmers
Property Asset Management
**LM Investment Management Ltd**
Phone: (07) 5584 4500
Fax: (07) 5592 2505
Email: schalmers@LMaustralia.com
Visit our Website: www.LMaustralia.com/

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**LM Investment Management Ltd**
The global pathway to Australian investment solutions

# Forecast Variation Summary

North Lakes

North Lakes

18.04.11 - project staged

| | |
|---|---|
| Time Span: Jun-10 to Jun-16 | Project Size: 82 Apartments |
| Type: Mixed Use | |
| Status: Initial Budget | Project Size: 300 M2 NLA retail |
| Site Area: 7,000 SqM | |
| FSR: 1.25:1 | Exempted GFA: 8,750.0 SqM |

Estate Master Licensed to [illegible] Pty Ltd

| COSTS & REVENUES | Manual Budget Enter Date | Original Jun-2010 | Project Jan-2011 | Previous Mar-2012 | Current Apr-2012 | Variation to Previous | Variation to Project | Variation to Original | Variation to Manual Budget |
|---|---|---|---|---|---|---|---|---|---|
| **REVENUE** | | | | | AUD | | | | |
| Total Sales Revenue | - | 28,585,000 | 37,195,000 | 37,090,000 | 37,105,000 | 18,000 | -90,000 | 8,520,000 | |
| Residential - 2 Bedroom Units | - | 27,430,000 | 36,040,000 | 35,935,000 | 35,950,000 | 15,000 | -90,000 | 8,520,000 | |
| Retail Shops | - | 1,155,000 | 1,155,000 | 1,155,000 | 1,155,000 | | | | |
| Less Selling Costs | - | (1,145,238) | (1,434,813) | (1,489,766) | (1,467,705) | 22,084 | -32,893 | -322,468 | |
| Less Purchasers Costs | - | - | - | - | - | | | | |
| NET SALE PROCEEDS | - | 27,439,763 | 35,760,188 | 35,600,231 | 35,637,295 | 37,064 | -122,893 | 8,197,532 | |
| Rental Income | - | - | - | - | AUD | | | | |
| Less Outgoings & Vacancies | - | - | - | - | - | | | | |
| Less Letting Fees | - | - | - | - | - | | | | |
| Less Incentives (Rent Free and Fit Out Costs) | - | - | - | - | - | | | | |
| Less Other Leasing Costs | - | - | - | - | - | | | | |
| NET RENTAL INCOME | - | - | - | - | - | | | | |
| Interest Received | - | 27,153 | 27,153 | 15,783 | 18,746 | 2,963 | -8,407 | -8,407 | |
| Other Income | - | - | - | - | - | | | | |
| TOTAL REVENUE (before GST paid) | - | 27,466,915 | 35,787,340 | 35,616,014 | 35,656,041 | 40,027 | -131,300 | 8,189,125 | |
| Less GST paid on all Revenue | - | (2,521,364) | (3,304,091) | (3,371,818) | (3,373,182) | -1,364 | -69,091 | -851,818 | |
| TOTAL REVENUE (after GST paid) | - | 24,945,552 | 32,483,249 | 32,244,196 | 32,282,859 | 38,663 | -200,390 | 7,337,307 | |
| **COSTS** | | | | | | | | | |
| Land Purchase Cost | - | 2,380,000 | 2,752,400 | 3,348,867 | 3,348,867 | | 596,467 | 968,867 | |
| Land Transaction Costs | - | 211,165 | 243,655 | 254,335 | 254,335 | | 10,680 | 43,170 | |
| Construction Costs (inc. Contingency) | - | 15,691,830 | 20,380,030 | 21,861,731 | 21,861,731 | | 1,481,701 | 6,169,901 | |
| Built Form | - | 14,944,600 | 19,632,800 | 21,114,500 | 21,114,500 | | 1,481,700 | 6,169,900 | |
| Contingency | - | 747,230 | 747,230 | 747,231 | 747,231 | | 1 | 1 | |
| Professional Fees | - | 1,764,593 | 2,223,201 | 2,566,562 | 2,566,562 | | 343,361 | 801,969 | |
| Statutory Fees | - | 240,000 | 318,000 | 20,000 | 20,000 | | -298,000 | -220,000 | |
| Survey/Strata | - | 38,500 | 51,700 | 51,700 | 51,700 | | | 13,200 | |
| Miscellaneous Costs 2 | - | - | - | - | - | | | | |
| Miscellaneous Costs 3 | - | - | - | - | - | | | | |
| Project Contingency (Project Reserve) | - | - | - | - | - | | | | |
| Land Holding Costs | - | 77,641 | 68,484 | 191,380 | 191,423 | 43 | 122,939 | 113,782 | |
| Pre-Sale Commissions | - | 313,253 | 402,518 | 433,785 | 474,293 | 40,508 | 71,775 | 161,040 | |
| Finance Charges (inc. Line Fees) | - | 205,636 | 286,904 | 367,483 | 882,309 | 514,826 | 595,405 | 676,673 | |
| Interest Expense | - | 1,187,695 | 4,887,177 | 5,462,109 | 5,004,029 | -458,080 | 116,852 | 3,816,334 | |
| TOTAL COSTS (before GST reclaimed) | - | 22,110,312 | 31,612,069 | 34,557,851 | 34,655,249 | 97,297 | 3,043,180 | 12,544,937 | |
| Less GST Credits Reclaimed | - | (1,710,327) | (1,710,327) | (2,726,554) | (2,728,332) | -1,679 | -1,018,006 | -1,018,006 | |
| Plus Corporate Tax | - | - | - | - | - | | | | |
| TOTAL COSTS (after GST reclaimed) | - | 20,399,985 | 29,901,743 | 31,831,298 | 31,926,917 | 95,619 | 2,025,174 | 11,526,931 | |

## PERFORMANCE INDICATORS

| | Manual Budget | Original | Project | Previous | Current | Variation to Previous | Variation to Project | Variation to Original | Variation to Manual Budget |
|---|---|---|---|---|---|---|---|---|---|
| 1 Net Development Profit | - | 4,545,569 | 2,581,807 | 412,898 | 356,942 | -56,956 | -2,225,564 | -4,189,624 | |
| | - | 4,545,569 | 2,581,607 | 412,898 | | -56,856 | -2,225,684 | -4,189,624 | |
| 2 Development Margin (or Profit/Risk Margin) | 0.00% | 21.10% | 8.24% | 1.24% | 1.07% | -0.17% | -7.17% | -20.03% | |
| 4 Net Present Value | - | 630,763 | 678,355 | 34,316 | (285,605) | -289,921 | -933,960 | -896,358 | |
| 5 NPV of Future Cash Flows | - | 630,763 | 1,012,765 | 4,512,988 | 4,222,859 | -290,129 | 3,210,094 | 3,592,106 | |
| 6 Benefit Cost Ratio | - | 1.05 | 1.04 | 1.00 | 0.9830 | -.02 | -.06 | -.09 | |
| 7 Project Internal Rate of Return (IRR) | 0.00% | 24.24% | 22.60% | 20.22% | 18.33% | -1.89% | -5.27% | -5.91% | |
| Equity IRR | 0.00% | 37.25% | 35.73% | 26.39% | 28.20% | -0.18% | -9.53% | -11.05% | |
| Equity Contribution | - | 3,811,963 | 5,469,659 | 5,537,731 | 5,338,008 | -199,724 | -131,651 | 1,526,045 | |
| Peak Debt Exposure | - | 16,435,788 | 0 | 13,518,656 | 13,928,300 | 409,634 | 13,928,300 | -2,567,486 | |
| Equity to Debt Ratio | 0.00% | 24.83% | 27.76% | 24.18% | 22.31% | -1.87% | -5.46% | -2.52% | |
| 8 Weighted Average Cost of Capital (WACC) | 0.00% | 8.00% | 6.11% | 8.28% | 5.75% | -2.54% | -0.36% | -2.25% | |
| 9 Breakeven Date for Cumulative Cash Flow | Jan-1900 | Jul-2013 | N.A. | Mar-2015 | Mar-2015 | | | ▲20 Month(s) | |
| 10 Yield on Cost | 0.00% | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | | |
| 11 Rent Cover | 0 | N.A. | N.A. | N.A. | N.A. | | | | |
| 12 Profit Erosion | 0 | N.A. | N.A. | N.A. | N.A. | | | | |

Footnotes:
1. Development Profit is total revenue less total cost including interest paid and received
2. Reflects the reallocation of Developer's Gross Profit to either Land Owner or Mezzanine Lender
3. Development Margin is profit divided by total development costs (inc selling costs).
4. Net Present Value is the project's cash flow stream discounted to present value. The cash flow stream includes financing costs but excludes interest and corp tax.
5. NPV of Future Cash Flows is the Net Present Value of all future cash flows from the current month (at the month the forecast was set). Excludes all historical cash flow items.
6. Benefit Cost Ratio is the ratio of discounted revenues to discounted costs and excludes financing costs but excludes interest and corp tax.
7. Internal Rate of Return is the discount rate where the NPV equals Zero.
8. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
9. Breakeven date for Cumulative Cash Flow is the last date when total debt and equity is repaid (ie when profit is realised).
10. Yield on Cost is the (annualised) Current Net Annual Rent (as entered in the Input Assumptions) divided by Total Costs (before GST reclaimed), including all Selling Costs.
11. The total net development profit divided by the current net annual rent expressed as a number of years/months.
12. The period of time post practical completion that it can remain unsold (but leased out) until finance and land holding costs erode the profit for the development to zero.

| RETURNS ON FUNDS INVESTED | Manual Budget | Original Jun-2010 | Project Jan-2011 | Previous Mar-2012 | Current Apr-2012 | Variation to Previous | Variation to Project | Variation to Original | Variation to Manual Budget |
|---|---|---|---|---|---|---|---|---|---|
| **Equity** | | | | | | | | | |
| 1 Funds Invested (Cash Outlay) | - | 3,811,962 | 5,469,659 | 5,537,731 | 5,338,008 | -199,724 | -131,651 | 1,526,045 | |
| % of Total Funds Invested | 0.00% | 19.89% | 21.75% | 19.47% | 0.18241637 | -1.23% | -3.61% | -1.65% | |
| 2 Peak Exposure | - | 3,811,963 | 8,777,812 | 7,186,646 | 6,361,988 | -824,658 | -2,415,824 | 2,550,025 | |
| Date of Peak Exposure | Jan-1900 | Nov-2011 | Aug-2013 | Jun-2013 | Nov-2014 | ▲17 Month(s) | ▲15 Month(s) | ▲36 Month(s) | |
| Month of Peak Exposure | N.A. | Month 17 | Month 38 | Month 36 | Month 53 | | | | |
| Weighted Average Interest Rate | 0.00% | N.A. | 24.86% | 24.88% | 24.89% | 0.00% | -0.07% | | |
| Interest Charged | - | - | 3,699,811 | 4,207,405 | 4,080,824 | -126,581 | 381,013 | 4,080,824 | |
| 3 Profit | - | 4,545,568 | 6,281,318 | 4,620,304 | 4,436,767 | -183,537 | -1,844,551 | -108,799 | |
| 4 Margin on Funds Invested | 0.00% | 119.24% | 114.84% | 83.43% | 83.12% | -0.32% | -31.72% | -36.13% | |
| 5 Payback Date | Jan-1900 | Jul-2013 | Jan-2014 | Mar-2015 | Mar-2015 | | ▲14 Month(s) | ▲20 Month(s) | |
| Month of Payback | N.A. | Month 37 | Month 43 | Month 57 | Month 57 | | | | |
| 6 IRR on Funds Invested | 0.00% | 37.25% | 35.73% | 26.39% | 28.20% | -0.19% | -9.53% | -11.05% | |
| 7 Loan to Value Ratio | 0.00% | 13.34% | 23.60% | 19.38% | 17.15% | -2.23% | -6.45% | 3.81% | |
| 8 Loan Ratio | 0.00% | 18.69% | 30.87% | 30.61% | 29.50% | -1.11% | -1.16% | 10.82% | |
| | | Costs (inc Interest/Fees and net of GST). | Costs (inc Interest/Fees and net of GST). | Costs (inc Interest/Fees and net of GST). | of Project & Finance Costs (inc Interest/Fees | | | | |
| **Loan 1 Stockland** | | | | | | | | | |
| Funds Invested (Cash Outlay) | - | 15,247,850 | 19,679,533 | 2,510,009 | 2,510,005 | | -17,169,587 | -12,737,844 | |
| % of Total Funds Invested | 0.00% | 78.56% | 78.25% | 8.82% | 0.08577473 | -0.25% | -69.67% | -70.98% | |
| Peak Exposure | - | 16,330,352 | 21,019,537 | 2,523,325 | 2,523,325 | | -18,496,212 | -13,867,027 | |
| Date of Peak Exposure | Jan-1900 | Mar-2013 | Jul-2013 | Dec-2011 | Dec-2011 | | ▼19 Month(s) | ▼15 Month(s) | |
| Month of Peak Exposure | N.A. | Month 33 | Month 37 | Month 18 | Month 18 | | | | |
| Weighted Average Interest Rate | 0.00% | 10.00% | 7.81% | 13.50% | 13.50% | 0.00% | 5.69% | 3.50% | |
| Interest Charged | - | 1,187,695 | 1,187,366 | 134,318 | 134,318 | | -1,053,048 | -1,053,377 | |
| Line Fees Charged | - | - | (46,418) | - | - | | 46,418 | | |
| Application Fees Charged | - | 152,479 | 198,897 | 13,319 | 13,319 | | -185,578 | -139,160 | |
| Profit Share Received | - | - | - | - | - | | | | |
| Total Profit to Funder | - | 1,340,173 | 1,339,844 | 147,637 | 147,637 | | -1,192,208 | -1,192,536 | |
| Margin on Funds Invested | 0.00% | 8.79% | 6.81% | 5.88% | 5.88% | 0.00% | -0.93% | -2.91% | |
| Payback Date | Jan-1900 | May-2013 | Sep-2013 | Jun-2012 | Jun-2012 | | ▼15 Month(s) | ▼11 Month(s) | |
| Month of Payback | N.A. | Month 35 | Month 39 | Month 24 | Month 24 | | | | |
| IRR on Funds Invested | 0.00% | 11.43% | 9.17% | 14.85% | 14.83% | 0.00% | 5.71% | 3.46% | |
| Loan to Value Ratio | 0.00% | 57.34% | 56.51% | 6.80% | 6.80% | 0.00% | -49.71% | -50.54% | |
| Loan Ratio | 0.00% | 81.31% | 70.30% | 7.93% | 7.90% | -0.02% | -62.39% | -73.41% | |
| | | Costs (inc Interest/Fees and net of GST). | Costs (inc Interest/Fees and net of GST). | Costs (inc Interest/Fees and net of GST). | of Project & Finance Costs (inc Interest/Fees | | | | |
| **Loan 2 Construction debt** | | | | | | | | | |
| Funds Invested (Cash Outlay) | - | - | - | 20,395,680 | 21,414,754 | 1,019,074 | 21,414,754 | 21,414,754 | |
| % of Total Funds Invested | 0.00% | 0.00% | 0.00% | 71.71% | 0.7318089 | 1.47% | 73.18% | 73.18% | |
| Peak Exposure | - | - | - | 13,518,666 | 13,928,300 | 409,634 | 13,928,300 | 13,928,300 | |
| Date of Peak Exposure | Jan-1900 | N.A. | N.A. | Sep-2014 | Oct-2014 | ▲1 Month(s) | | | |
| Month of Peak Exposure | N.A. | N.A. | N.A. | Month 51 | Month 52 | | | | |
| Weighted Average Interest Rate | 0.00% | N.A. | N.A. | 10.00% | 6.50% | -3.50% | | | |
| Interest Charged | - | - | - | 1,120,385 | 788,887 | -331,498 | 788,887 | 788,887 | |
| Line Fees Charged | - | - | - | - | 566,887 | 566,887 | 566,887 | 566,887 | |
| Application Fees Charged | - | - | - | 209,174 | 157,113 | -52,060 | 157,113 | 157,113 | |
| Profit Share Received | - | - | - | - | - | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Show | Total Profit to Funder | - | - | - | 1,329,559 | 1,512,887 | 163,328 | 1,512,887 | 1,512,887 |
| Show | Margin on Funds Invested | 0.00% | N.A. | N.A. | 8.52% | 7.06% | 0.55% | | |
| Show | Payback Date | Jan-1900 | N.A. | N.A. | Jun-2016 | Dec-2014 | ▼6 Month(s) | | |
| Show | Month of Payback | N.A. | N.A. | N.A. | Month 60 | Month 54 | | | |
| Show | IRR on Funds Invested | 0.00% | N.A. | N.A. | 12.04% | 12.86% | 0.82% | | |
| Show | Loan to Value Ratio | 0.00% | N.A. | N.A. | 36.45% | 37.54% | 1.09% | | |
| Show | Loan Ratio | 0.00% | 0.00% | 0.00% | 68.25% | 71.81% | 3.56% | 71.81% | 71.81% |
| | | | of Project Costs (net of Interest/Fees and GST). | of Project Costs (net of Interest/Fees and GST). | Costs (inc Interest/Fees and net of GST). | of Project & Finance Costs (inc Interest/Fees | | | |
| | **Loan 3 Lender Name** | | | | | | | | |
| Show | Funds Invested (Cash Outlay) | - | - | - | - | - | | | |
| Show | % of Total Funds Invested | 0.00% | 0.00% | 0.00% | 0.00% | 0 | 0.00% | 0.00% | 0.00% |
| Show | Peak Exposure | - | - | - | - | - | | | |
| Show | Date of Peak Exposure | Jan-1900 | N.A. | N.A. | N.A. | N.A. | | | |
| Show | Month of Peak Exposure | N.A. | N.A. | N.A. | N.A. | N.A. | | | |
| Show | Weighted Average Interest Rate | 0.00% | N.A. | N.A. | N.A. | N.A. | | | |
| Show | Interest Charged | - | - | - | - | - | | | |
| Show | Line Fees Charged | - | - | - | - | - | | | |
| Show | Application Fees Charged | - | - | - | - | - | | | |
| Show | Profit Share Received | - | - | - | - | - | | | |
| Show | Total Profit to Funder | - | - | - | - | - | | | |
| Show | Margin on Funds Invested | 0.00% | N.A. | N.A. | N.A. | N.A. | | | |
| Show | Payback Date | Jan-1900 | N.A. | N.A. | N.A. | N.A. | | | |
| Show | Month of Payback | N.A. | N.A. | N.A. | N.A. | N.A. | | | |
| Show | IRR on Funds Invested | 0.00% | N.A. | N.A. | N.A. | N.A. | | | |
| Show | Loan to Value Ratio | 0.00% | N.A. | N.A. | N.A. | N.A. | | | |
| Show | Loan Ratio | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| | | | of Project Costs (net of Interest/Fees and GST). | of Project Costs (net of Interest/Fees and GST). | Costs (inc Interest/Fees and net of GST). | of Project & Finance Costs (inc Interest/Fees | | | |
| | **Loan 4 Lender Name** | | | | | | | | |
| Show | Funds Invested (Cash Outlay) | - | 105,433 | - | - | - | | | -105,433 |
| Show | % of Total Funds Invested | 0.00% | 0.55% | 0.00% | 0.00% | 0 | 0.00% | 0.00% | -0.55% |
| Show | Peak Exposure | - | 105,433 | - | - | - | | | -105,433 |
| Show | Date of Peak Exposure | Jan-1900 | Mar-2013 | N.A. | N.A. | N.A. | | | |
| Show | Month of Peak Exposure | N.A. | Month 33 | N.A. | N.A. | N.A. | | | |
| Show | Weighted Average Interest Rate | 0.00% | N.A. | N.A. | N.A. | N.A. | | | |
| Show | Interest Charged | - | - | - | - | - | | | |
| Show | Line Fees Charged | - | - | - | - | - | | | |
| Show | Application Fees Charged | - | - | - | - | - | | | |
| Show | Total Profit to Funder | - | - | - | - | - | | | |
| Show | Margin on Funds Invested | 0.00% | 0.00% | N.A. | N.A. | N.A. | | | |
| Show | Payback Date | Jan-1900 | Apr-2013 | N.A. | N.A. | N.A. | | | |
| Show | Month of Payback | N.A. | Month 34 | N.A. | N.A. | N.A. | | | |
| Show | IRR on Funds Invested | 0.00% | -2.10E-15 | N.A. | N.A. | N.A. | | | |
| Show | Loan to Value Ratio | 0.00% | 0.37% | N.A. | N.A. | N.A. | | | |
| Show | Loan Ratio | 0.00% | 0.55% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | -0.55% |
| | | | of Project Costs (net of Interest/Fees and GST). | of Project Costs (net of Interest/Fees and GST). | of Project Costs (net of Interest/Fees and GST). | of Project Costs (net of Interest/Fees and GST). | | | |
| | **Total Debt** | | | | | | | | |
| Show | Funds Invested (Cash Outlay) | - | 16,353,284 | 19,679,693 | 22,905,896 | 23,924,760 | 1,019,074 | 4,245,067 | 8,571,476 |
| Show | % of Total Funds Invested | 0.00% | 80.11% | 78.26% | 60.53% | 0.61758363 | 1.23% | 3.51% | 1.65% |
| Show | Peak Exposure | - | 16,495,788 | - | 13,518,686 | 13,926,300 | 409,634 | 13,926,300 | -2,667,486 |
| Show | Date of Peak Exposure | Jan-1900 | Mar-2013 | Jun-2010 | Sep-2014 | Oct-2014 | ▲1 Month(s) | ▲62 Month(s) | ▲19 Month(s) |
| Show | Month of Peak Exposure | N.A. | Month 33 | N.A. | Month 51 | Month 52 | | | |
| Show | Weighted Average Interest Rate | 0.00% | 9.99% | 7.61% | 10.29% | 7.03% | -3.29% | -0.76% | -2.56% |
| Show | Interest Charged | - | 1,167,695 | 1,167,366 | 1,254,703 | 929,204 | -331,499 | -264,161 | -264,490 |
| Show | Line Fees Charged | - | - | (46,416) | - | 566,887 | 566,887 | 613,305 | 566,867 |
| Show | Application Fees Charged | - | 152,479 | 199,687 | 222,493 | 170,432 | -52,060 | -28,484 | 17,954 |
| Show | Profit Share Received | - | - | - | - | - | | | |
| Show | Total Profit to Funder(s) | - | 1,340,173 | 1,339,844 | 1,477,195 | 1,680,523 | 163,328 | 320,679 | 320,350 |
| Show | Margin on Funds Invested | 0.00% | 8.73% | 6.81% | 6.45% | 6.94% | 0.49% | 0.13% | -1.79% |
| Show | Payback Date | Jan-1900 | May-2013 | N.A. | Jun-2015 | Dec-2014 | ▼6 Month(s) | | ▲19 Month(s) |
| Show | Month of Payback | N.A. | Month 38 | N.A. | Month 60 | Month 54 | | | |
| Show | Equity to Debt Ratio | 0.00% | 24.83% | 27.79% | 24.16% | 22.31% | -1.87% | -5.48% | -2.62% |
| Show | Loan to Value Ratio | 0.00% | 57.71% | N.A. | 36.45% | 37.54% | 1.09% | | -20.17% |
| Show | Loan Ratio | 0.00% | 87.58% | 84.64% | 92.74% | 97.18% | 4.45% | 12.65% | 8.61% |
| | | | of Project Costs (net of Interest/Fees and GST). | of Project Costs (net of Interest/Fees and GST). | of Project Costs (net of Interest/Fees and GST). | of Project Costs (net of Interest/Fees and GST). | | | |

**Footnotes:**
1. The total amount of funding injected into the project cash flow.
2. The maximum cash flow exposure of that equity/debt facility including capitalised interest.
3. The total repayments less funds invested, including profit share paid or received.
4. Margin is net profit divided by total funds invested (cash outlay).
5. Payback date for the equity/debt facility is the last date when total equity/debt is repaid.
6. IRR on Funds Invested: is the IRR of the equity cash flow including the return of equity and realisation of project profits.
7. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
8. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the nominated ratio calculation method. It includes capitalised interest and fees.

## Shelley Chalmers

**From:** Shelley Chalmers
**Sent:** Tuesday, 26 June 2012 4:25 PM
**To:** 801 Credit Committee
**Subject:** Minutes of AIF CC meeting - Peregian Beach Pty Ltd

**Minutes of AIF FMIF CC meeting held by email vote (last vote received 26.6.12)**

**Committee members voting:**

**AIF: ST (Chair), PD, EVH, FM, GF, SK, MP, SC**

**There being 8 votes out of 10 voting members received.**

**Proposed transaction: AIF loan to Peregian Beach Pty Ltd**

- Please read these minutes in conjunction with synopsis submitted at meeting.
- Revision of LVR in light of valuation now received.
- Maximum LVR now confirmed at 63.5%

**Approved.**

**CONFLICT ISSUES:**
This transaction comprises AIF (1st) and MPF (2nd) funding and therefore there is a conflict of interest. Committee members, when making their decision did so on the basis that the Fund would enter into this transaction on an arms length basis for an un-related entity or in non-conflict circumstances. To that end, Lisa D'arcy as Chairperson of MPF CC refrained from voting on this decision. Suitable documentation dealing with conflict of interest issues and any external consultant reports dealing with this issue to be finalised prior to intial settlement and filed both on the loan file and in the LM Conflicts Register.

**VOTES:**

**AIF: 8/10 MEMBERS. (includes 2 X S/Exec).**

Lending Policies for CC specifically state:

*"The quorum for a CC meeting is 5 people, which must include a minimum of 2 Senior Executive Members (of which 1 must be an executive member.*

*A two thirds majority vote (of the meeting attendees) is required for approval of loan applications, however unanimous approval is generally sought from all voting members.*

*Where a two third majority is not a whole number it is rounded down to the nearest whole number."*

It is considered that number of votes achieved meet LP&P requirements.

Shelley Chalmers
Property Asset Management
**LM Investment Management Ltd**

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**LM Investment Management Ltd**

The global pathway to Australian investment solutions

LM provides a global pathway to Australian investment solutions, and holds under management Australian assets with a gross realisation value in excess of AUD $3 billion. LM receives new business inflows from a licensed intermediary network spanning 70 countries, serviced by 130 LM people across ten global offices. The LM Funds are available with the regulatory approval of Australia, New Zealand and Luxembourg, with further jurisdiction approvals imminent – USA, Canada, United Kingdom, Dublin, Europe, Hong Kong and Singapore. Investment options include cash, savings, conservative and enhanced income debt securities, Luxembourg domiciled SICAV SIF, capital and income guaranteed, UK FSA registered and UCITS registered funds.



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