

SUPREME COURT OF QUEENSLAND

**REGISTRY
NUMBER**

Brisbane
8792 2013

Applicants

**KORDAMENTHA PTY LTD (ACN 100 169 391) AND
CALIBRE CAPITAL LTD (ACN 108 318 985) IN THEIR
CAPACITY AS TRUSTEES FOR THE LM MANAGED
PERFORMANCE FUND**

AND

Respondent

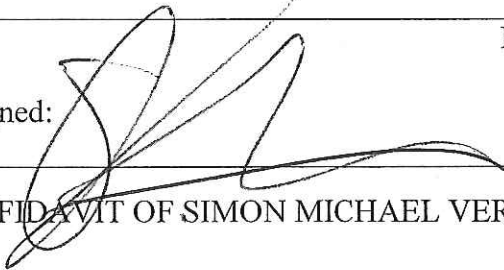
**LM INVESTMENT MANAGEMENT LIMITED
(RECEIVERS AND MANAGERS APPOINTED) (IN
LIQUIDATION) (ACN 077 208 461)**

AFFIDAVIT

SIMON MICHAEL VERTULLO of Level 14, 12 Creek Street , Brisbane in the State of
Queensland, chartered accountant, states on oath:

Introduction

1. I am a Partner and authorised officer of KordaMentha Pty Ltd and am duly authorised to swear this affidavit on behalf of the applicants in their capacity as trustees of the LM Managed Performance Fund ('MPF').
2. I am a registered and official liquidator, a chartered accountant and I have a bachelor of commerce. I have been working in insolvency and restructuring since

Signed:  Page 1 Taken by: 

AFFIDAVIT OF SIMON MICHAEL VERTULLO

Filed on behalf of the Applicants

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Reference MJV DOB 407744031

Form 46 Rule 431

1996. During this period I have worked with hundreds of companies which are insolvent and/or are experiencing financial distress. I am a partner at the firm of KordaMentha which is one of Australia's largest restructuring firms.

3. Except where otherwise indicated, the matters deposed to in this affidavit are deposed to from my own personal knowledge of the facts and circumstances. Where I depose to matters from information and belief, I believe those matters to be true.

Purpose of this affidavit

4. This affidavit is sworn in support of an application by the applicants for directions pursuant to section 96 of the *Trusts Act* 1973 (Qld) as to whether they are justified in commencing and maintaining proceedings against the respondent for possible breaches by it during the period it was trustee of the MPF.
5. If this Honourable Court directs that the applicants ought commence and maintain this proceeding against the respondent, then as the respondent is in liquidation the applicants also seek leave pursuant to section 471B of the *Corporations Act* 2001 (Cth) to proceed against a company in liquidation. They would also seek the consequential orders identified on the face of the Originating Application herein.
6. Exhibit **SMV- 1** is a true copy of a draft statement of claim which the applicants would file in this proceeding if directed to do so and if leave were given.
7. The applicants have obtained confidential legal advice concerning the matters pleaded in the draft statement of claim. So far as possible they wish to continue to maintain the legal professional privilege which they contend covers the advice. Accordingly, they intend to seek to tender that advice at the hearing of their application for directions pursuant to section 96 but to submit that the Court should make an appropriate confidentiality order in respect of the advice.

Parties

8. The respondent, LM Investment Management Limited (Receivers and Managers appointed)(in Liquidation)(ACN 077 208 461) ('**LMIM**') was incorporated on 31 January 1997. Exhibit **SMV- 2** is a true copy of an current company search of

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LMIM obtained from the Australian Securities and Investments Commission's ('ASIC') electronic database on 16 September 2013.

9. LMIM established a unit trust called the LM Managed Performance Fund and became trustee of that trust by deed of 4 December 2001. The deed was called the 'Constitution'. Exhibit **SMV- 3** is a true copy of the Constitution.
10. By Deed Poll dated 25 November 2009, LMIM exercised a power under the Constitution by deleting all save two of its terms and replacing those terms with the terms expressed in the Deed Poll. Exhibit **SMV- 4** is a true copy of the Deed Poll.
11. LMIM remained the trustee of the MPF until it was removed and replaced by the applicants, KordaMentha Pty Ltd (ACN 100 169 391) and Calibre Capital Ltd (ACN 108 318 985) by order of the Chief Justice of Queensland made on 12 April 2013 and confirmed on 13 May 2013. Exhibits **SMV- 5** and **SMV- 6** are true copies of historical company searches obtained from ASIC's electronic database on 17 September 2013, of each applicant.
12. LMIM is also, and has at all material times been, the responsible entity for the LM Australian Income Fund (ARSN 133 497 917) ('**AIF**'), a registered managed investment scheme. Exhibit **SMV- 7** is a true copy of a search of AIF obtained from ASIC's electronic database on 17 September 2013.

Loan to Peregian Beach

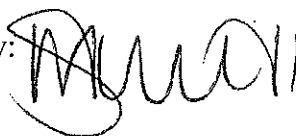
13. Exhibit **SMV- 8** is a true copy of a document described as "MPF Investment Committee – Synopsis" dated 21 June 2010 relating to a proposed loan by LMIM as trustee for the MPF to Peregian Beach Pty Ltd (ACN 127 412 864) ('**Peregian Beach**'). Exhibit **SMV- 9** is a true copy of an historical company search of Peregian Beach obtained from ASIC's electronic database on 17 September 2013.
14. Exhibit **SMV- 10** is a true copy of a handwritten diary note dated 28 June 2010 of a credit committee meeting in which a loan to Peregian Beach was approved.
15. On or about 29 June 2010, LMIM in its capacity as trustee of MPF entered into a Loan Agreement with, among others, Peregian Beach.
16. Exhibit **SMV- 11** is a true copy of the Loan Agreement.

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17. LMIM's loan to Peregian Beach related to Peregian Beach's proposed acquisition of Lot 26 on SP224073, County of Stanley, Parish of Redcliffe, Title Reference 50780250 ('**Lot 26**'). A title search of this property undertaken on 6 August 2013 is exhibit **SMV- 12**.
18. On 29 June 2010, Peregian Beach executed a fixed and floating charge (no. 2010141) ('**Charge**') over all of its assets and undertaking in favour of LMIM. This charge, a true copy of which is exhibit **SMV- 13** was registered on or about 8 July 2010 at ASIC.
19. On 5 August 2010, Stockland North Lakes Pty Ltd (ACN 068 244 762) ('**Stockland**'), as vendor, and Peregian Beach, as borrower, entered into a contract regarding Lot 26 ('**Contract of Sale**'). Exhibit **SMV- 14** is a true copy of the Contract of Sale. The Contract of Sale was varied on a number of occasions. In this affidavit, I only refer to the relevant variations.
20. On 21 October 2010, the Charge was varied. Exhibit **SMV- 15** is a true copy of a deed of variation of the Charge.
21. On 3 June 2011, Stockland, as registered proprietor, subdivided Lot 26 in to three lots, one of which is Lot 74 on SP236546, is comprised in title reference 508487222, County of Stanley, Parish of Redcliffe ('**Lot 74**'). Exhibit **SMV- 16** is a true copy of a title search of Lot 74 undertaken on 13 August 2013.
22. On or about 1 November 2011, The Trust Company (PTAL) Limited (ACN 008 412 913) ('**Trust Company**') was appointed custodian of the assets of MPF, and LMIM as trustee of MPF at that time assigned its legal interest in, among other things, the Loan Agreement and the security under that agreement to Trust Company.
23. Exhibit **SMV- 17** is a true copy of the Deed of Assignment dated 1 November 2011 between LMIM and the Trust Company.
24. Exhibit **SMV- 18** is a true copy of the Custody Agreement dated 4 February 1999, which I believe is referred to in the Deed of Assignment.

25. On 9 December 2011, one Shelley Chalmers sent an email at 9:14am to the AIF Credit Committee. The only copy of that email presently available to me is heavily redacted but it records the following:

".....

LD (attending but non voting as there is a fund conflict issue in respect of this loan),

...

....

Proposed transaction: AIF Loan to Peregrine Beach Pty Ltd (Northlakes)

[6 lines of redaction]

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, [multiple words redacted] 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.

[2 lines of redaction]

There are issues with settlement timing (as MPF needs to provide some equity funding and has some cash flow issues). [3 lines of redaction]

Approved on the following basis:

Interest rate [multiple words redacted]

Up front fee [2 lines redacted]

\$0 commitment fee [11 lines redacted]"

Exhibit **SMV- 19** is a true copy of this email as redacted.

26. At 2:34pm on 20 December 2011, Bronwyn Kingston, the Property Asset Manager of LMIM sent an email to the 'Credit Committee' of LMIM that stated:

"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.

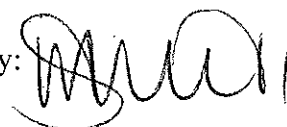
Note however that the AIF transaction is not proceeding at this stage, but is likely to occur in the new year.

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

Signed:
ME 108120073 (W2007)

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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:-

<i>Settlement</i>	<i>\$1M (which includes part purchase price, stamp duty, GST and headworks charges)</i>
<i>On or before 15.2.12</i>	<i>\$300,000</i>
<i>On or before 29.2.12</i>	<i>\$500,000</i>
<i>On or before 30.6.12</i>	<i>balance (approx \$1.4M)</i>

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 find this interest each month.

Please confirm your agreement to the above proposal."

Exhibit **SMV- 20** is a true copy of this email.

27. On 22 December 2011, Peregian Beach granted Stockland a first registered mortgage numbered 714235917 over Lot 74 (the mortgage was signed by Stockland on 22 December 2011) ('**Stockland Mortgage**'). Exhibit **SMV- 21** is a true copy of the Stockland Mortgage.
28. On 22 December 2011:
- (a) the Trust Company, Peregian Beach and its guarantors entered into a Deed of Variation of Loan Agreement. Exhibit **SMV- 22** is a true copy of this Deed of Variation of the Loan Agreement;
 - (b) Stockland and Peregian Beach entered into a Deed of Variation of the Contract of Sale. Exhibit **SMV- 23** is a true copy of this Deed of Variation;
 - (c) ownership of Lot 74 was transferred by Transfer numbered 714235916 from Stockland to Peregian Beach. Exhibit **SMV- 24** is a true copy of transfer no. 714235916.

29. On 23 December 2011, a then second ranking mortgage numbered 714236897 was registered over Lot 74 in favour of Trust Company, acting as custodian for MPF. Exhibit **SMV- 25** is a true copy of the second ranking mortgage no. 714236897.
30. Settlement of the sale of Lot 74 by Stockland to Peregian Beach occurred on 22 December 2011, but it appears that Stockland extended part of the purchase price to Peregian Beach by way of vendor finance. This was done by Stockland taking the Stockland Mortgage as security for the instalment payments that had not been made at settlement of the Contract of Sale. Exhibit **SMV- 26** is a true copy of a settlement statement prepared by Shand Taylor Lawyers for this settlement on 22 December 2011.
31. On 25 June 2012, PTAL as custodian for the AIF, PTAL as custodian for the MPF, LMIM and some other parties entered into a Priority and Subordination Deed (**'Priority Deed'**), a true copy of which is exhibit **SMV- 27**.
32. As is apparent from the definition of "First Mortgage Loan Agreement" in the Priority Deed, the Trust Company as custodian for the AIF and LMIM had or were about to enter into a loan agreement with Peregian Beach, as borrower, for a total amount of \$1,710,006.00 (**'AIF Loan Agreement'**). I do not have a copy of the AIF Loan Agreement.
33. The amount being borrowed under the Loan Agreement appears to be based on the final deferred payment due under the Contract of Sale. This can be seen from reviewing the said settlement statement prepared by Shand Taylor Lawyers.
34. On 26 June 2012, Stockland executed a release of the Stockland Mortgage over Lot 74. Stockland's Release of Mortgage numbered 714574198 was registered on 18 July 2012. A true copy of this Release of Mortgage is exhibit **SMV- 28**.
35. On 6 July 2012, Peregian Beach executed a mortgage over Lot 74 in favour of Trust Company in its capacity as custodian of AIF. This mortgage was registered on 18 July 2012. Exhibit **SMV- 29** is a true copy of AIF's registered mortgage no. 714574199 over Lot 74.
36. On 30 June 2012, Trust Company as custodian of the MPF and Trust Company as custodian of the AIF executed a Mortgage Priority no. 714602919. This Mortgage

Priority was registered on 2 August 2012. Exhibit **SMV- 30** is a true copy of this Mortgage Priority.

Drawdowns

- 37. Exhibit **SMV- 31** is a true copy of a statement for the Loan Agreement recording all debits and credits from 1 July 2010 to 18 March 2013. The statement forms part of the books and records of LMIM.
- 38. As can be seen from the statement, it appears that there are at least five significant debits under the Loan Agreement that were made for payments to the Trust Company as custodian for the AIF or LMIM as trustee for the AIF.
- 39. Exhibit **SMV- 32** is true copy of three bank cheque requisitions made under the Loan Agreement relating to the funding of the acquisition of Lot 74.

Last financial reports

- 40. Exhibit **SMV- 33** is the annual financial report of MPF as at 30 June 2012.
- 41. Exhibit **SMV- 34** is the annual financial report of AIF as at 30 June 2012.

Sale of debt and securities

- 42. The parties to this proceeding cooperated to effect the sale of Peregrine Beach's indebtedness to them and their respective securities for those debts, pursuant to a suite of documents which I do not intend to exhibit to this my affidavit. That sale settled on 10 September 2013.
- 43. From the proceeds of sale, a sum of \$429,135.04 was received by the applicants and a sum of \$1,925,729.92 was received by the respondent.

Standstill agreement

- 44. In order for the parties to this proceeding to have time to define the issues between them, they have entered into a standstill agreement, a true copy of which is exhibit **SMV- 35**.

Signed
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45. This proceeding is intended to be the proceeding referred to in the standstill agreement.

SWORN by SIMON MICHAEL VERTULLO on 19 September 2013

at Brisbane

Deponent

in the presence of:

Solicitor/Commissioner for

Declarations/Justice of the Peace

SUPREME COURT OF QUEENSLAND

REGISTRY Brisbane
NUMBER 2013

Applicants

**KORDAMENTHA PTY LTD (ACN 100 169 391) AND
CALIBRE CAPITAL LTD (ACN 108 318 985) IN THEIR
CAPACITY AS TRUSTEES FOR THE LM MANAGED
PERFORMANCE FUND**

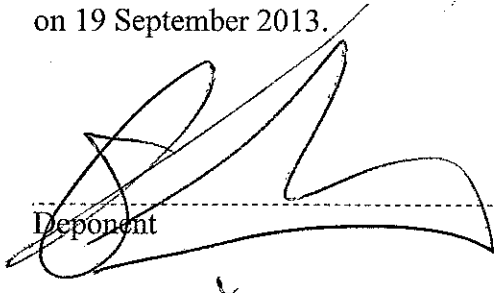
AND

Respondent

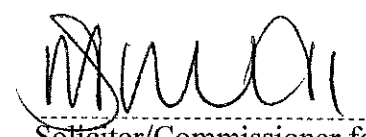
**LM INVESTMENT MANAGEMENT LIMITED
(RECEIVERS AND MANAGERS APPOINTED) (IN
LIQUIDATION) (ACN 077 208 461)**

CERTIFICATE OF EXHIBIT

Exhibit SMV-1 to SMV-12 to the affidavit of SIMON MICHAEL VERTULLO SWORN
on 19 September 2013.



Deponent



Solicitor/Commissioner for
Declarations/Justice of the Peace

CERTIFICATE OF EXHIBIT

Filed on behalf of the applicants

Form 47 Rule 435

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Reference MJV DOB 40-7744031

SUPREME COURT OF QUEENSLAND

REGISTRY Brisbane
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Applicants

**KORDAMENTHA PTY LTD (ACN 100 169 391) AND
CALIBRE CAPITAL LTD (ACN 108 318 985) IN THEIR
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PERFORMANCE FUND**

AND

Respondent

**LM INVESTMENT MANAGEMENT LIMITED
(RECEIVERS AND MANAGERS APPOINTED) (IN
LIQUIDATION) (ACN 077 208 461)**

LIST OF EXHIBITS

Exhibit	Document	Pages
Exhibits Book 1		
SMV-1	Draft statement of claim	1-19
SMV-2	ASIC current company search of LMIM dated 16 September 2013	20-30
SMV-3	Constitution of 4 December 2001	31-54
SMV-4	Deed Poll dated 25 November 2009	55-93
SMV-5	ASIC historical company search of KordaMentha Pty Ltd dated 17 September 2013	94-98

CERTIFICATE OF EXHIBIT

Filed on behalf of the applicants

Form 47 Rule 435

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Reference MJV DOB 40-7744031

Exhibit	Document	Pages
SMV-6	ASIC historical company search of Calibre Capital Ltd dated 17 September 2013	99-104
SMV-7	ASIC search of AIF dated 17 September 2013	105-107
SMV-8	MPF Investment Committee - Synopsis dated 21 June 2010	108-161
SMV-9	ASIC historical company search of Peregian Beach Pty Ltd dated 17 September 2013	162-165
SMV-10	Handwritten diary note dated 28 June 2010	166
SMV-11	Loan agreement dated 29 June 2010	167-195
SMV-12	Title search of Lot 26 on SP224073, County of Stanley, Parish of Redcliffe, Title Reference 50780250 dated 6 August 2013	196-197
Exhibits Book 2		
SMV-13	Fixed and floating charge (no. 2010141) dated 29 June 2010	198-229
SMV-14	Contract dated 5 August 2010	230-267
SMV-15	Deed of variation dated 21 October 2010	268-310
SMV-16	Title search of Lot 74 on SP236546, County of Stanley, Parish of Redcliffe, Title Reference 508487222 dated 13 August 2013	311-312
SMV-17	Deed of assignment dated 1 November 2011	313-348
SMV-18	Custody agreement dated 4 February 1999	349-379
SMV-19	Redacted email Shelley Chalmers to AIF Credit Committee dated 9 December 2011	380

Exhibit	Document	Pages
SMV-20	Email Bronwyn Kingston to the 'Credit Committee' dated 20 December 2011	381-382
SMV-21	Stockland mortgage no. 714235917 dated 22 December 2011	383-396
Exhibits Book 3		
SMV-22	Deed of Variation of Loan Agreement dated 22 December 2011	397-443
SMV-23	Deed of Variation of Contract of Sale dated 22 December 2011	444-484
SMV-24	Transfer no. 714235916	485
SMV-25	Mortgage no. 714236897	486-488
SMV-26	Settlement statement of Lot 74	489-491
SMV-27	Priority Subordination Deed dated 25 June 2012	492-513
SMV-28	Release of Mortgage numbered 714574198	514
SMV-29	Mortgage no. 714574199	515-519
SMV-30	Mortgage Priority no. 714602919	520
SMV-31	Statement for Loan Agreement from 1 July 2010 to 18 March 2013	521-527
SMV-32	Three bank requisitions made under the Loan Agreement	528-532
SMV-33	Annual financial report of MPF as at 30 June 2012	533-573
SMV-34	Annual financial report of AIF as at 30 June 2012	574-613
SMV-35	Standstill Agreement	614

SUPRME COURT OF QUEENSLAND

Registry:

Number:

Plaintiffs: **KORDAMENTHA PTY LTD (ACN 100 169 391)
AND CALIBRE CAPITAL LTD (ACN 108 318 985)
IN THEIR CAPACITY AS TRUSTEES FOR THE
LM MANAGED PERFORMANCE FUND**

AND

Defendant: **LM INVESTMENT MANAGEMENT LIMITED
(RECEIVERS AND MANAGERS APPOINTED)
(IN LIQUIDATION) (ACN 077 208 461)**

STATEMENT OF CLAIM

This claim in this proceeding is made in reliance on the following facts:

The parties

1. The plaintiffs are duly incorporated according to law and capable of suing in their corporate names.
2. The defendant ("LMIM"):
 - (a) is duly incorporated and capable of being sued in its corporate name; and
 - (b) 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.

The MPF

3. By a deed dated 4 December 2001, LMIM established a unit trust called the LM Managed Performance Fund (the "MPF") and became trustee of that trust.
4. The deed dated 4 December 2001 –

- (a) referred to LMIM as “the Manager” and to itself as “the Constitution”; and
 - (b) allowed the Manager to modify or repeal or replace the Constitution if satisfied that the change did not affect Members’ rights.
5. In this pleading, LMIM in its capacity as the trustee for the MPF is referred to as “**LMIM atf MPF**”.
 6. By Deed Poll dated 25 November 2009, LMIM atf MPF exercised the power under the Constitution to modify or repeal the Constitution as it existed at that time by deleting all save two of its terms and replacing those terms with the terms expressed in the Deed Poll.
 7. The Constitution as amended by the Deed Poll contained the terms of the trust and governed the rights and obligations *inter se* of LMIM and the Members of the MPF and constituted LMIM a fiduciary in relation to the Members of the MPF. The plaintiffs will rely on the full terms of Constitution as amended by the Deed Poll at the hearing of this proceeding.
 8. LMIM was the trustee of the MPF from 4 December 2001 to 12 April 2013 and, in that capacity, engaged in the solicitation of funds from third parties (whether directly or through financial advisers) who would become Members of the MPF and the investment of those funds in property investment and structured loans for the purchase and/or development of Australian real property.
 9. Pursuant to an order of this honourable court made on 12 April 2013, LMIM was removed as the trustee of the MPF and replaced by the plaintiffs.

The AIF

10. At all material times:
 - (a) LMIM was also the responsible entity of the LM Australian Income Fund Currency Protected ARSN 133 497 917 (the “**AIF**”), a scheme registered under section 601EB of the *Corporations Act 2001* (Cth) (“**Corporations Act**”);

(b) pursuant to section 601FC of the Corporations Act, LMIM held the scheme property of the AIF on trust for its members.

11. In this pleading LMIM in its capacity as the responsible entity of the AIF and trustee of the scheme property is referred to as “**LMIM atf AIF**”.
12. LMIM has been the trustee of the AIF since its establishment in about August 2004 and, in that capacity, engaged in the solicitation of funds from members of the public who then became Members of the fund and the investment of those funds in structured loans for the purchase and/or development of Australian real property.
13. The AIF was adversely affected by the global financial crisis and the associated fall in the Australian property market in consequence of which, by about March 2009, LMIM atf AIF decided that the AIF should be closed and that the AIF would not accept any funds from any person who was not an existing member of the AIF.

Particulars

The best particulars which the plaintiffs can presently provide of the decision is to say that the fact that it occurred in the terms pleaded is an inference to be drawn from the terms of the annual report of the AIF as at 30 June 2012

14. After the fund was closed LMIM atf AIF embarked upon a process of winding up the AIF's loan book, such that its prime focus was to seek repayment of the fund's loans from its borrowers at their respective maturity dates with a view to paying back the fund's credit facility and ensuring a return of capital for Members.

Particulars

The best particulars which the plaintiffs can presently provide of the fact of the alleged course of conduct and its prime focus is to say that the fact that it occurred in the terms pleaded is an inference to be drawn from the terms of the annual report of the AIF as at 30 June 2012

Duties owed by LMIM atf MPF

15. At all material times LMIM atf MPF owed a duty to the members of the MPF to act in good faith and honestly for the benefit of the members of the MPF as a whole ("**the duty of good faith**").
16. The duty of good faith required LMIM atf MPF at all material times –
 - (a) to act with the intention of furthering the interests of the members of the MPF; and
 - (b) not to act with the intention of furthering the interests of anyone else (whether LMIM personally, or the members of the AIF) at the expense of the members of the MPF.
17. At all material times, LMIM atf MPF owed a fiduciary duty to the members of the MPF:
 - (a) not to place itself in a position of conflict of interest or duty ("**the no conflict duty**"); and
 - (b) not to obtain an unauthorised benefit from its role as trustee of the MPF ("**the no profit duty**").

Background to the breaches of duty by LMIM atf MPF

The initial loan transaction

18. On 28 June 2010, LMIM atf MPF considered and approved a proposal that it would lend money to Peregian Beach Pty Ltd ACN 127 412 864 ("**Peregian Beach**"), which proposal had, amongst other things, the following elements:
 - (a) LMIM atf MPF would provide funding to Peregian Beach to purchase a parcel of land from Stockland North Lakes Pty ("**Stockland**") for \$2,380,000, with a contemplated settlement occurring in about August 2011.
 - (b) The funding would be by the provision of a 40 month loan facility of a maximum of \$6 million.
 - (c) The contemplation was that the facility would be used for (1) an initial draw down of about \$86,800 which would be for the deposit

payable upon the execution of the purchase contract and associated fees; (2) a further draw down of up to \$660,838 before settlement; and (3) a draw down for the balance of the purchase price upon settlement.

- (d) After settlement, Peregian Beach would construct a unit development on the land and the funding for construction would be by an external financier and would involved funding up to \$16.472 million.
 - (e) The loan would be secured in a number of specified ways including by fixed and floating charges over Peregian Beach and, when the purchase contract settled, by a first registered mortgagee in favour of LMIM atf MPF.
 - (f) That first registered mortgage would become subordinated to the interests of the external financier when funding was obtained from the external financier for the construction and that would occur about 5 months after settlement in about month 18. At that time the first registered mortgage in favour of LMIM atf MPF would convert to a second registered mortgage which would rank behind the security given in favour of the external financier.
19. On or about 29 June 2010, LMIM atf MPF (as Lender) entered into a Loan Agreement with Peregian Beach (as Borrower) (“**the Loan Agreement**”).
20. Amongst other things, the Loan Agreement provided:
- (a) ‘The Lender [LMIM] may in its sole discretion on the terms and conditions set out in this Agreement...lend and advance to the Borrower [Peregian Beach] the Loan Amount [\$6,000,000] for the Purpose’: clause 2.1(1).
 - (b) The ‘Purpose’ of the loan was described in clause 1.1(2) as ‘funding to assist with the acquisition of the Land [which was defined in clause 1.2(12) to mean ‘the land described as Lot 26 on Survey Plan 224073 comprised in Title Reference 50780250 County Stanley, Parish Redcliff (“**Lot 26**”)], including to pay the deposit (or an

amount not exceeding \$80,000) in respect of the SPA'. The term 'SPA' was defined in clause 1.1(25) to mean 'the sale and purchase agreement between the Borrower (as buyer) and Stockland North Lakes Pty Ltd ACN 068 244 762 (as seller) in respect of the Land'.

- (c) The Loan Amount may be drawn down in two or more tranches: clause 2.1(2).
- (d) The Borrower was required to provide the Lender with 'Security'. The term 'Security' was defined in clause 1.1(23) to mean essentially two things: the security set out in Item 9 of the Schedule to the Loan Agreement; and, any additional security 'provided in accordance with clause 5.1(c)'. Item 9 described the Security as follows:
 - (i) "First registered Deed of Charge intended to be executed on or about date of this Agreement by the Borrower as mortgagor in favour of the Lender as mortgagee over all the property, assets and undertaking of the Borrower of whatsoever nature and kind and wheresoever situation, present and future.
 - (ii) First registered Deed of Charge executed on the same date as this Agreement by Glenside Group (Qld) Pty Ltd ACN 144 620 093 as mortgagor in favour of the Lender as mortgagee over all the property, assets and undertaking of Glenside Group (Qld) Pty Ltd of whatsoever nature and kind and wheresoever situated, present and future.
 - (iii) Guarantee Indemnity by each Guarantor and supported by fixed and floating charges and land mortgages over all of the assets (present and future) of each corporate Guarantor."
- (e) Subject to the exercise of a discretion by the Lender to the contrary, the Date for Repayment was '40 calendar months from the date of the first advance of the Loan Amount'; and, provided for interest to be paid at a Higher Rate of 29% per annum or a Lower Rate of 25% per annum depending upon whether or not the Borrower has

complied with all terms of the Loan Agreement as at an interest payment date (clause 4.3, Item 8(b) Schedule); and, interest was payable monthly in arrears (Item 8(a), Schedule).

- (f) The Lender could assign or otherwise deal with its rights under the Loan Agreement or the Security: clause 21.1.
21. On 29 June 2010, Peregian Beach executed a fixed and floating charge (numbered 2010141) over all of its assets and undertaking in favour of LMIM (“**Charge**”) and the Charge was registered on or about 8 July 2010 given dealing no. 2010141.
 22. Amongst other things, the Charge relevantly provided that:
 - (a) it was a fixed charge over any interest of the Mortgagor in any present and future interests in real property (clause 4.1(a)(iii)) and fixed over interests in personal property that is not acquired for disposal in the ordinary course of the Mortgagor's business;
 - (b) it was a fixed charge over the Contract between Peregian Beach and Stockland (clause 4.1(b) and Item 11 of Schedule); and
 - (c) it was ‘a first charge and takes priority over all other security interests over the Secured Property, unless otherwise agreed in writing by the Mortgagee’ (clause 4.5).
 23. On 1 July 2010, Peregian Beach made its first draw downs under the Loan Agreement:
 - (a) \$27,500 directly to Peregian Beach; and
 - (b) \$47,600 to Shand Taylor Lawyers.
 24. On 5 August 2010, Stockland North Lakes Pty Ltd (“**Stockland**”), as vendor, and Peregian Beach, as purchaser, entered into a contract of sale regarding Lot 26 (“**Contract of Sale**”) which did not nominate any specific completion date but provided that completion would be 14 days after the satisfaction of certain defined conditions precedent.

Conduct affecting the security held by LMIM atf MPF

25. On 21 October 2010, the Charge was varied so as to change Item 9 of the Schedule of the Charge from \$20 million to \$75 million.
26. On 3 June 2011, Lot 26 was subdivided by its registered proprietor Stockland into three lots, one of which was Lot 74 on Survey Plan 236546 comprised in title Reference 50848722, County of Stanley, Parish of Redcliff ("**Lot 74**").
27. On or about 1 November 2011, pursuant to a deed of assignment ("**Deed of Assignment**") of that date between Trust Company (PTAL) Limited ("**PTAL**") and LMIM:
 - (a) PTAL was appointed as custodian of the MPF in accordance with the terms of the Custody Agreement dated 4 February 1999 (**the "Custody Agreement"**);
 - (b) LMIM atf MPF relevantly assigned its legal interest in the Loan Agreement and Security (including the Charge) under that agreement to PTAL.
28. The legal effect of the Deed of Assignment and the Custody Agreement was to make PTAL trustee of the legal interest in the Loan Agreement and the Security for LMIM atf MPF.
29. The effect of clause 4.1 of the Custody Agreement was to empower LMIM atf MPF, subject to the terms of that agreement, to cause PTAL to act on instructions from LMIM atf MPF in relation to the Loan Agreement and the Security.

The indebtedness of Peregian Beach to LMIM atf MPF

30. Peregian Beach made draw downs and was charged interest under the Loan Agreement on the dates and in the amounts set out in Schedule 1 to this statement of claim.
31. At all material times, LMIM knew of the draw downs which had been made, the interest which had been charged and of the quantum of the outstanding balance owed by Peregian Beach from time to time.
32. As at the end of November 2011:

- (a) Peregian Beach had made drawn downs such that the outstanding balance under the Loan Agreement was about \$947,295.28; and
- (b) Peregian Beach's indebtedness was secured in favour of LMIM atf MPF in the manner pleaded in [20] and [21].

The breaches of duty

Decisions made prior to settlement of the Contract of Sale

33. On about 8 December 2011, LMIM engaged in a self dealing transaction when –
- (a) LMIM atf MPF invited LMIM atf AIF to participate in the Peregian Beach transaction by making a loan to Peregian Beach to fund the settlement of the Contract of Sale which it was contemplated would take place within a few weeks time;
 - (b) LMIM atf AIF approved making a loan to Peregian Beach to fund the settlement of the Contract of Sale; and
 - (c) LMIM determined that LMIM atf AIF would take a first mortgage position in relation to its loan and LMIM atf MPF would take a second mortgage position in relation to its loan.

Particulars

The best particulars which the plaintiff can presently provide is to say that the conduct of LMIM in both capacities is evidenced by –

- (i) the internal email sent by Shelley Chalmers to an internal credit committee of LMIM atf AIF known as the 801 Credit Committee at 9.14am on 9 December 2011; and
 - (ii) the internal email sent by Bronwyn Kingston to an internal credit committee of LMIM at 2:34pm on 20 December 2011.
34. As at the time of the self dealing transaction referred to in [33], it was neither in fact for the benefit of the members of the MPF nor could it reasonably have been thought to be for the benefit of the members of the MPF that LMIM atf AIF to Peregian Beach would participate in the Peregian Beach

transaction in terms which entirely subordinated the lending which had already been made by LMIM atf MPF to subsequent lending by LMIM atf AIF.

35. Further, by engaging in the self dealing transaction referred to in [33], LMIM placed itself in a position where –
 - (a) the duties which it owed to the members of the MPF conflicted with its interest in its capacity as the responsible entity for AIF; and further or alternatively
 - (b) the duties which it owed to the members of the MPF conflicted with the duties which it owed to the members of the AIF.
36. Moreover, at the time it engaged in the self dealing transaction referred to in [33] and, it follows, at all of the subsequent dealings between LMIM atf MPF and LMIM atf AIF pleaded in this pleading, LMIM had actual knowledge that the participation of LMIM atf AIF in the Peregrine Beach transaction involved a conflict of the nature pleaded in [35(a)] or alternatively [35(b)] above.

Particulars

That LMIM had the knowledge pleaded is an inference to be drawn from the terms of the internal email sent by Shelley Chalmers to an internal credit committee of LMIM atf AIF known as the 801 Credit Committee at 9.14am on 9 December 2011 which specifically recorded the recognition that there was a “fund conflict” in respect of the loan.

37. On about 20 December 2011, LMIM made further decisions in relation to the self dealing transaction referred to in [33] when –
 - (a) It determined that LMIM atf AIF would not participate in the Peregrine Beach transaction at the time of the settlement of the Contract of Sale which it was contemplated would take place within a few days but that it was likely LMIM atf AIF would do so sometime during 2012.

- (b) It determined that LMIM atf MPF would provide further loans to Peregian Beach to enable settlement of the Contract of Sale in the following manner.
- (c) The settlement price would be met by a combination of vendor finance from Stockland up to \$2.5million and further lending from LMIM atf MPF as follows:

At settlement (covering part purchase price, stamp duty, GST and headworks charges)	\$1,000,000
On or before 15.2.12	\$300,000
On or before 29.2.12	\$500,000
On or before 30.6.12	balance (approx \$1.4M)

- (d) Stockland's vendor finance would be secured by a first mortgage over the land and the lending by LMIM atf MPF would be secured by a second mortgage over the land (and, of course, the existing securities which had been given by Peregian Beach to LMIM atf MPF which had been assigned to PTAL).

Particulars

The best particulars which the plaintiff can presently provide is to say that the conduct of LMIM in both capacities is evidenced by the internal email sent by Bronwyn Kingston to an internal credit committee of LMIM at 2:34pm on 20 December 2011 and the subsequent email confirmation of approval of the proposal so recorded.

The settlement of the Contract of Sale

38. The Contract of Sale settled in the way which had been contemplated by LMIM on 20 December 2011 when the events set out in the following paragraphs under this heading took place.
39. On 22 December 2011, Stockland and Peregian Beach entered into a deed of variation in relation to the Contract of Sale, the relevant effect of which was to provide vendor finance by amending clause 60 of the Contract of Sale to provide, in effect, for the following payments to Stockland:

- (a) \$250,000 on completion plus some adjustments;
 - (b) \$300,000 on or before 15 February 2012;
 - (c) \$500,000 on or before 29 February 2012;
 - (d) \$1,330,000 plus the uplift amount from clause 59.2, on or before 30 June 2012.
40. On 22 December 2011, Peregian Beach and Stockland entered into a mortgage ("**Stockland Mortgage**") over Lot 74 the effect of which was to secure, inter alia, the vendor finance in the form of the outstanding payments under the Contract of Sale.
41. On 22 December 2011, PTAL, Peregian Beach and its Guarantors (as defined in the Loan Agreement) and Glenside Group Pty Ltd entered into a Deed of Variation of the Loan Agreement, the relevant effect of which was to provide that security for the Loan Agreement would include a second registered mortgage to be given by Peregian Beach over Lot 74 in favour of PTAL.
42. On 22 December 2011, a bank cheque in the amount of \$946,949.47 was drawn under the Loan Agreement and used by Peregian Beach to fund part of the acquisition of Lot 74.
43. On 22 December 2011, the Contract of Sale settled and ownership of Lot 74 was transferred (by registered transfer no. 714235916) from Stockland to Peregian Beach for a consideration of \$2,685,537.
44. On 22 December 2011:
- (a) the Stockland Mortgage was registered and given dealing no. 714235917.
 - (b) Peregian Beach granted PTAL a mortgage over Lot 74 to secure the moneys owed under the Loan Agreement ("**MPF Mortgage**").
45. On 23 December 2011, the MPF Mortgage was registered and given dealing no. 714236897.

46. As at about 22 December 2011 after the various settlement payments had been made:

- (a) Peregian Beach had made drawn downs such that the outstanding balance under the Loan Agreement was about \$2,001,751.60; and
- (b) Peregian Beach's indebtedness was secured in favour of LMIM atf MPF by –
 - (i) The MPF mortgage held by PTAL on behalf of LMIM atf MPF; and
 - (ii) The other securities pleaded in [20] and [21].

Events post-settlement and pre-subordination

47. On 12 January 2012, the Australian Securities and Investments Commission received a form 311 notification of assignment of charge (dealing no. 7E4208576) in favour of PTAL relating to the Charge.

48. On 9 February 2012, a bank cheque in the amount of \$300,000 was drawn under the Loan Agreement and used by Peregian Beach to fund the part of the acquisition of Lot 74.

49. On 29 February 2012, a bank cheque in the amount of \$500,035 was drawn under the Loan Agreement and used by Peregian Beach to fund part of the acquisition of Lot 74.

50. As at about 18 June 2012, after those payments had been made:

- (a) Peregian Beach had made drawn downs such that the outstanding balance under the Loan Agreement was about \$3,236,658.63; and
- (b) Peregian Beach's indebtedness was still secured in favour of LMIM atf MPF in the manner pleaded in [46(b)].

LMIM atf MPF subordinates its position to LMIM atf AIF

51. Between about 25 June 2012 and 2 August 2012, and in apparent fulfilment of the earlier self dealings pleaded at [33] and [37], LMIM engaged in further self dealings by which –

- (a) LMIM determined that LMIM atf AIF would participate in the Peregian Beach transaction by making a loan to Peregian Beach of about \$1,710,006 so that Peregian Beach could payout Stockland and obtain the release of the Stockland mortgage;
- (b) LMIM determined that that lending should occur on terms which entirely subordinated the lending of in excess of \$3,236,658.63 which had already been made by LMIM atf MPF to the subsequent lending of about \$1,710,006 by LMIM atf AIF;
- (c) LMIM atf MPF and LMIM atf AIF entered into (and respectively caused PTAL as custodian to enter into) various deeds and priority arrangements to bring about that subordination.

Particulars of [51(a)] to [(c)]

- (a) The best particulars which the plaintiffs can presently provide of the alleged determinations made by LMIM are that they are an inference to be drawn from the fact and terms of the instruments pleaded in [55], [56], [58], [59] and [63] below.
 - (b) The deeds and priority arrangements (“the **“Priority Arrangements”**”) which brought about the alleged subordination are the Priority Deed, Mortgage Priority and Priority Registration pleaded in [55] [56], [58], [59] and [63] below.
52. As at the time of the self dealings referred to in [51], it was neither in fact for the benefit of the members of the MPF nor could it reasonably have been thought to be for the benefit of the members of the MPF that LMIM atf AIF would participate in the Peregian Beach transaction in terms which entirely subordinated the lending which had already been made by LMIM atf MPF to the subsequent lending by LMIM atf AIF.
53. Further, by engaging in the self dealings referred to in [51], and, as pleaded in [35], as it well knew, LMIM continued to place itself in a position where –

- (a) the duties which it owed to the members of the MPF conflicted with its interest in its capacity as the responsible entity for AIF; and further or alternatively
- (b) the duties which it owed to the members of the MPF conflicted with the duties which it owed to the members of the AIF.

54. At a time unknown to the plaintiffs but prior to 25 June 2012, PTAL and LMIM atf AIF entered into an agreement the effect of which was that PTAL agreed to act as custodian for the AIF on terms which involved PTAL agreeing to act on instructions from LMIM atf AIF.

Particulars

The best particulars which the plaintiffs can presently provide are to say that the alleged fact and terms of the custody agreement are an inference to be drawn from the fact and terms of the instruments pleaded in [56], [58], [59] and [63] below.

55. On or about 25 June 2012, PTAL as custodian for the AIF, LMIM atf AIF, Peregrine Beach, David Hawes and Glenside Group Pty Ltd entered into a loan agreement (“**AIF Loan Agreement**”) pursuant to which PTAL, as lender, agreed to lend to Peregrine Beach, as borrower, the sum of \$1,710,006.

Particulars

The best particulars which the plaintiffs can presently provide are to say that the alleged fact and terms of the custody agreement are an inference to be drawn from the fact and terms of the instruments pleaded in [56], [58], [59] and [63] below.

56. On 25 June 2012, a Priority and Subordination Deed (“**Priority Deed**”) was entered into by PTAL as custodian for the AIF, LMIM, PTAL as custodian for the MPF, Peregrine Beach, David Hawes and Glenside Group Pty Ltd, the effect of which was –

- (a) to grant PTAL as custodian for the AIF Loan Agreement priority over PTAL as custodian for the Loan Agreement;

- (b) to grant LMIM atf AIF priority over LMIM atf MPF in relation to the interests held on trust for them by PTAL in, respectively, the AIF Loan Agreement and the Loan Agreement.
- 57. On 26 June 2012, Stockland executed a release of the Stockland Mortgage.
- 58. On 30 June 2012, PTAL as custodian for the MPF and PTAL as custodian for the AIF executed a Mortgage Priority ("**Mortgage Priority**").
- 59. On 6 July 2012, Peregian Beach executed a mortgage over Lot 74 in favour of PTAL in its capacity as custodian of the AIF ("**AIF Mortgage**").
- 60. LMIM caused PTAL to take the AIF Mortgage.
- 61. On 18 July 2012:
 - (a) Stockland's release of mortgage was registered and given dealing no. 714574198;
 - (b) the AIF Mortgage was registered and given dealing no. 714574199.
- 62. LMIM caused PTAL to register the AIF Mortgage.
- 63. On 2 August 2012, the Mortgage Priority was registered and given dealing no. 714602919 ("**Priority Registration**"), the effect of which was to grant priority to the AIF Mortgage over the MPF Mortgage.
- 64. LMIM caused PTAL to register the Priority Registration.

Draw downs under the Loan Agreement for the benefit of LMIM atf AIF

- 65. During the period of about 28 June 2012 to about 3 January 2012, LMIM atf MPF caused or permitted loans to be made to Peregian Beach under the Loan Agreement for the purposes of Peregian Beach making payments to LMIM atf AIF under the AIF Loan Agreement (collectively the "**AIF draw downs**").

Particulars

At least the following draw downs made under the Loan Agreement were draw downs which were for the benefit of LMIM atf AIF:

- (a) \$188,100.66 on 28 June 2012 for "AIF loan establishment fee";
- (b) \$14,521.78 on 4 September 2012 for "Payment of AIF July interest";
- (c) \$20,691.80 on 11 October 2012 for "Transfer from MPF to AIF for payment of September Loan Interest";
- (d) \$19,860.47 on 2 January 2013 for "Payment to AIF for October interest";
- (e) \$20,512.62 on 3 January 2013 for "AIF loan interest November 2012 interest paid by MPF".

66. As at the time of the loans referred to in [65], it was neither in fact for the benefit of the members of the MPF nor could it reasonably have been thought to be for the benefit of the members of the MPF that LMIM atf MPF would lend monies to Peregian Beach for the purposes pleaded in [65].

Conclusion as to breaches of duty by LMIM

67. LMIM breached the duty of good faith by conducting itself in the manner pleaded in [33] to [37], [51] to [53] and [65] and [66] above.
68. LMIM did not either seek or obtain the informed consent of the members of the MPF that it engage in the conduct pleaded in [33] to [37], [51] to [53] and [65] and [66] above.
69. LMIM breached the no conflict rule and the no profit rule by conducting itself in the manner pleaded in [33] to [37], [51] to [53] and [65] and [66] above.

Consequences of the breaches of duty by LMIM

70. In consequence of the breaches of duty by LMIM, LMIM secured for the members of the AIF the benefit of the subordination of the lending which had already been made by LMIM atf MPF to the subsequent lending by LMIM atf AIF which was effected by the Priority Arrangements.
71. Peregian Beach defaulted on its loan repayment obligations under the Loan Agreement and the AIF Loan Agreement, in consequence of which LMIM

became entitled to exercise its rights as against Peregian Beach and in respect of Lot 74.

72. Rather than exercise its powers of sale in respect of Lot 74, LMIM sought to maximise its return by effecting the assignment to a third party of Peregian Beach's indebtedness under the Loan Agreement and the AIF Loan Agreement and the various security rights held by LMIM and PTAL in respect of those debts.
73. The assignment settled on 10 September 2013 and from the proceeds of that assignment, a sum of \$429,135.04 was received by the plaintiffs and a sum of \$1,925,729.92 was received by the LMIM atf AIF and paid into trust pending the resolution of this dispute.
74. In the premises, the value of the benefit which LMIM obtained in consequence of its breach of its duties as trustee for the MPF is the sum of \$1,925,729.92.
75. In further consequence of the breaches of duty by LMIM, LMIM secured for the members of the AIF the benefit of the AIF draw downs, the value of which was the quantum of the payments which were made

AND THE PLAINTIFFS CLAIM:

1. A declaration that LMIM holds the proceeds of the assignment which it received on about 10 September 2013 on constructive trust for the plaintiffs.
2. An order that LMIM pay to the plaintiffs the amount of \$1,925,729.92 together with any accretions which accrue thereto.
3. A declaration that LMIM hold the quantum of the AIF draw downs on constructive trust for the plaintiffs.
4. An order that LMIM pay to the plaintiffs the quantum of the AIF draw downs.
5. Interest pursuant to section 58 of the *Civil Proceedings Act 2011* (Qld).
6. Costs.

Signed:

Description:

This pleading was settled by Mr John Bond QC and Mr Edward Goodwin of Counsel.

NOTICE AS TO DEFENCE

Your defence must be attached to your notice of intention to defend.

SMV-2

ASIC & Business Names

ORGANISATIONAL SEARCH ON LM INVESTMENT MANAGEMENT LIMITED

Current Extract

This information was extracted from ASIC database on 16 September 2013 at 10:07AM

This extract contains information derived from the Australian Securities and Investment Commission's (ASIC) database under section 1274A of the Corporations Act 2001. Please advise ASIC of any error or omission which you may identify.

077 208 461	LM INVESTMENT MANAGEMENT LIMITED	DOCUMENT NO.
	077 208 461	
ABN	68 077 208 461	
Registered in	QLD	
Date Registered	31-Jan-1997	
Review Date	31-Jan-2014	

Current Organisation Details

Name	LM INVESTMENT MANAGEMENT LIMITED	7E5097309
Name Start	06-Aug-1998	
Status	EXTERNALLY ADMINISTERED	
	For information about this status refer to the documents listed under the heading "External Administration and/or Appointment of Controller", below.	
Type	AUSTRALIAN PUBLIC COMPANY	
Class	LIMITED BY SHARES	
Subclass	UNLISTED PUBLIC COMPANY	
Disclosing Entity	NO	

Current Registered Office

Address	FTI CONSULTING, 'CORPORATE CENTRE ONE' LEVEL 9, 2	7E5105009
	CORPORATE COURT, BUNDALL, QLD, 4217	
Start Date	29-Mar-2013	

Current Principal Place of Business

Address	LEVEL 4 RSL CENTRE, 9 BEACH ROAD, SURFERS PARADISE,
	QLD, 4217
Start Date	01-Jul-1998

Current Director

Officer Name	EGHARD VAN DER HOVEN	1F0109176
ABN	Not available	
Birth Details	21-Jan-1962 DURBAN SOUTH AFRICA	
Address	10 ROWES COURT, SORRENTO, QLD, 4217	

Appointment Date	22-Jun-2006	
Officer Name	PETER CHARLES DRAKE	1E2914414
ABN	Not available	
Birth Details	23-Aug-1955 WHANGARA NEW ZEALAND	
Address	13 ALBATROSS AVENUE, NOBBY BEACH, QLD, 4218	
Appointment Date	31-Jan-1997	
Officer Name	FRANCENE MAREE MULDER	1F0069214
ABN	Not available	
Birth Details	24-Apr-1961 SOUTHPORT QLD	
Address	109 STRAWBERRY ROAD, MUDGEERABA, QLD, 4213	
Appointment Date	30-Sep-2006	

Current Appointed Auditor

Officer Name	ERNST & YOUNG	020698531
Number	024870595	(FR 2004)
ABN	Not available	
Address	'WATERFRONT PLACE' LEVEL 1, 1 EAGLE STREET, BRISBANE, QLD, 4000	
Appointment Date	01-Oct-2003	

Current Receiver Manager

Officer Name	JOSEPH DAVID HAYES	7E5366580
ABN	Not available	
Address	MCGRATHNICOL, 'MCGRATHNICOL' LEVEL 31, 60 MARGARET STREET, SYDNEY, NSW, 2000	
Appointment Date	11-Jul-2013	
Officer Name	ANTHONY NORMAN CONNELLY	7E5366580
ABN	Not available	
Address	LEVEL 14, 145 EAGLE STREET, BRISBANE, QLD, 4000	
Appointment Date	11-Jul-2013	

Current Appointed Liquidator (Creditors Voluntary Winding up)

Officer Name	JOHN RICHARD PARK	7E5415398
ABN	Not available	
Address	FTI CONSULTING, 'CORPORATE CENTRE ONE' LEVEL 9, 2 CORPORATE COURT, BUNDALL, QLD, 4217	
Appointment Date	01-Aug-2013	
Officer Name	GINETTE DAWN MULLER	7E5415398
ABN	Not available	
Address	FTI CONSULTING, 'CORPORATE CENTRE ONE' LEVEL 9, 2 CORPORATE COURT, BUNDALL, QLD, 4217	
Appointment Date	01-Aug-2013	
Officer Name	GINETTE DAWN MULLER	7E5415403
ABN	Not available	

Address	FTI CONSULTING, 'CORPORATE CENTRE ONE' LEVEL 9, 2 CORPORATE COURT, BUNDALL, QLD, 4217	
Appointment Date	01-Aug-2013	
Officer Name	JOHN RICHARD PARK	7E5415403
ABN	Not available	
Address	FTI CONSULTING, 'CORPORATE CENTRE ONE' LEVEL 9, 2 CORPORATE COURT, BUNDALL, QLD, 4217	
Appointment Date	01-Aug-2013	

Appointment of secretary is optional. In the event no secretary is appointed the director(s) assume the responsibilities under the Law.

Current Issued Capital

Type	Current	7E2830546
Class	ORD ORDINARY	
Number of Shares/Interests issued	35	
Total amount paid/taken to be paid	\$1032012.56	
Total amount due and payable	\$0.00	

Note: For each class of shares issued by a proprietary company, ASIC records the details of the twenty members of the class (based on shareholdings). The details of any other members holding the same number of shares as the twentieth ranked member will also be recorded by ASIC on the database. Where available, historical records show that a member has ceased to be ranked amongst the twenty members. This may, but does not necessarily mean, that they have ceased to be a member of the company.

Documents Relating to External Administration and/or Appointment

This extract may not list all documents relating to this status. State and territory records should be searched.

Received	Form Type	Processed	No. Pages	Effective	
06-Sep-2013 507G	507 REPORT AS TO AFFAIRS FROM MANAGING CONTROLLER WHO IS ALSO A RECEIVER/MANAGER	06-Sep-2013	21	11-Jul-2013	7E5494220
02-Sep-2013 524Z	524 PRESENTATION OF ACCOUNTS & STATEMENT PRESENTATION OF FINAL ACCOUNTS OF ADMINISTRATOR	02-Sep-2013	14	31-Jul-2013	7E5481607
23-Aug-2013 5011A	5011 COPY OF MINUTES OF MEETING OF MEMBERS, CREDITORS, CONTRIBUTORIES OR COMMITTEE OF INSPECTION OTHER THAN UNDER S.436E OR S.439A	23-Aug-2013	6	31-Jul-2013	7E5462841
13-Aug-2013 5011B	5011 COPY OF MINUTES OF MEETING OF MEMBERS, CREDITORS, CONTRIBUTORIES OR COMMITTEE OF INSPECTION UNDER S.436E OR S.439A	13-Aug-2013	43	01-Aug-2013	7E5436451
02-Aug-2013 505J	505 NOTIFICATION OF APPOINTMENT OF LIQUIDATOR (CREDITORS' VOLUNTARY WINDING UP)	02-Aug-2013	2	01-Aug-2013	7E5415403

02-Aug-2013	509D	02-Aug-2013	2	01-Aug-2013	7E5415398
509DA	NOTICE UNDER S.446A OF SPECIAL RESOLUTION TO WIND UP COMPANY RESOLVED THAT COMPANY BE WOUND UP UNDER 439C(C)				
12-Jul-2013	505	12-Jul-2013	2	11-Jul-2013	7E5366580
505B	NOTIFICATION OF APPOINTMENT OF RECEIVER AND MANAGER				
11-Jul-2013	504	25-Jul-2013	4	11-Jul-2013	028593214
504B	NOTIFICATION OF APPOINTMENT OF A RECEIVER AND MANAGER				
13-May-2013	5011	13-May-2013	4	26-Apr-2013	7E5211783
5011A	COPY OF MINUTES OF MEETING OF MEMBERS, CREDITORS, CONTRIBUTORIES OR COMMITTEE OF INSPECTION OTHER THAN UNDER S.436E OR S.439A				
12-Apr-2013	5011	12-Apr-2013	45	02-Apr-2013	7E5149299
5011B	COPY OF MINUTES OF MEETING OF MEMBERS, CREDITORS, CONTRIBUTORIES OR COMMITTEE OF INSPECTION UNDER S.436E OR S.439A Altered by 028 521 226				
19-Mar-2013	505	19-Mar-2013	2	19-Mar-2013	7E5097309
505U	NOTIFICATION OF APPT OF ADMINISTRATOR UNDER S.436A, 436B, 436C, 436E(4), 449B, 449C(1), 449C(4) OR 449(6)				

Document Details

Received	Form Type	Processed	No. Pages	Effective	
05-Aug-2013	484		0	05-Aug-2013	1F0478329
484E	Change to Company Details Appointment or Cessation of A Company Officeholder Document under requisition				
02-Aug-2013	484		0	02-Aug-2013	028687053
484E	Change to Company Details Appointment or Cessation of A Company Officeholder Document under requisition				
08-Jul-2013	484	29-Jul-2013	3	08-Jul-2013	1F0336384
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
20-Jun-2013	484	20-Jun-2013	2	20-Jun-2013	7E5304606
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
15-May-2013	FS90	15-May-2013	1	19-Mar-2013	7E5217844
FS90A	Notice That a Product in a Pds Has Ceased to Be Available - By Afs Licensee				
01-May-2013	902	05-Jun-2013	47	02-Apr-2013	028521226
902	Supplementary Document Alters 7E5 149 299				

10-Apr-2013	FS67	10-Apr-2013	1	10-Apr-2013	028227992
FS67	Order Suspending Afs Licence				
22-Mar-2013	484	22-Mar-2013	2	22-Mar-2013	7E5105009
484B	Change to Company Details Change of Registered Address				
28-Feb-2013	5122	01-Mar-2013	1	28-Feb-2013	020500750
5122	Notice of Declaration Re Managed Investment Scheme				
17-Jan-2013	FS90	17-Jan-2013	1	16-Jan-2013	7E4965053
FS90A	Notice That a Product in a Pds Has Ceased to Be Available - By Afs Licensee				
03-Dec-2012	FS90	03-Dec-2012	2	04-Oct-2012	7E4885393
FS90A	Notice That a Product in a Pds Has Ceased to Be Available - By Afs Licensee				
28-Nov-2012	878	28-Nov-2012	1	28-Nov-2012	027957724
878	Notice of Australian Offer Under Foreign Recognition Scheme				
07-Nov-2012	FS88	07-Nov-2012	3	07-Nov-2012	7E4833611
FS88A	Pds In-Use Notice - By Afs Licensee				
02-Nov-2012	878	02-Nov-2012	2	02-Nov-2012	7E4824597
878	Notice of Australian Offer Under Foreign Recognition Scheme				
02-Nov-2012	FS88	02-Nov-2012	3	02-Nov-2012	7E4824598
FS88A	Pds In-Use Notice - By Afs Licensee				
22-Oct-2012	484	22-Oct-2012	2	22-Oct-2012	7E4797015
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
05-Oct-2012	388	09-Nov-2012	44	30-Jun-2012	028208422 (FR 2012)
388A	Financial Report Financial Report - Public Company Or Disclosing Entity				
07-Sep-2012	484	07-Sep-2012	2	07-Sep-2012	7E4705266
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
07-Sep-2012	FS02	07-Sep-2012	26	07-Sep-2012	0L0310250
FS02	Copy of Afs Licence				
06-Sep-2012	FS90	06-Sep-2012	2	31-Aug-2012	7E4701411
FS90A	Notice That a Product in a Pds Has Ceased to Be Available - By Afs Licensee				
27-Aug-2012	FS90	27-Aug-2012	2	18-Jul-2012	7E4678949
FS90A	Notice That a Product in a Pds Has Ceased to Be Available - By Afs Licensee				
27-Aug-2012	FS90	27-Aug-2012	2	16-Aug-2012	7E4678937
FS90A	Notice That a Product in a Pds Has Ceased to Be Available - By Afs Licensee				

27-Aug-2012	FS90	27-Aug-2012	2	21-Jun-2012	7E4678920
FS90A	Notice That a Product in a Pds Has Ceased to Be Available - By Afs Licensee				
27-Aug-2012	FS90	27-Aug-2012	2	21-Jun-2012	7E4678906
FS90A	Notice That a Product in a Pds Has Ceased to Be Available - By Afs Licensee				
27-Aug-2012	FS90	27-Aug-2012	2	18-Apr-2012	7E4678887
FS90A	NOTICE THAT A PRODUCT IN A PDS HAS CEASED TO BE AVAILABLE - BY AFS LICENSEE				
27-Aug-2012	FS90	27-Aug-2012	2	26-Apr-2012	7E4678876
FS90A	NOTICE THAT A PRODUCT IN A PDS HAS CEASED TO BE AVAILABLE - BY AFS LICENSEE				
27-Aug-2012	FS90	27-Aug-2012	2	15-Feb-2012	7E4678848
FS90A	NOTICE THAT A PRODUCT IN A PDS HAS CEASED TO BE AVAILABLE - BY AFS LICENSEE				
27-Aug-2012	FS90	27-Aug-2012	2	05-Dec-2011	7E4678833
FS90A	NOTICE THAT A PRODUCT IN A PDS HAS CEASED TO BE AVAILABLE - BY AFS LICENSEE				
27-Aug-2012	FS90	27-Aug-2012	2	04-Oct-2011	7E4677637
FS90A	NOTICE THAT A PRODUCT IN A PDS HAS CEASED TO BE AVAILABLE - BY AFS LICENSEE				
27-Aug-2012	FS88	27-Aug-2012	3	27-Aug-2012	7E4677593
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
09-Aug-2012	484	09-Aug-2012	2	09-Aug-2012	7E4644566
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
13-Jul-2012	484	13-Jul-2012	2	13-Jul-2012	7E4588883
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
05-Jul-2012	878	05-Jul-2012	1	05-Jul-2012	027956096
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
29-Jun-2012	878	29-Jun-2012	2	29-Jun-2012	7E4554303
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
29-Jun-2012	FS88	29-Jun-2012	3	29-Jun-2012	7E4554304
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
15-Jun-2012	FS02	15-Jun-2012	26	15-Jun-2012	0L0310084
FS02	COPY OF AFS LICENCE				
04-Jun-2012	878	04-Jun-2012	1	04-Jun-2012	027954654
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				

04-Jun-2012	878	04-Jun-2012	1	04-Jun-2012	027954653
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
01-Jun-2012	878	01-Jun-2012	2	01-Jun-2012	7E4492353
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
01-Jun-2012	FS88	01-Jun-2012	3	01-Jun-2012	7E4492354
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
01-Jun-2012	878	01-Jun-2012	2	01-Jun-2012	7E4492327
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
01-Jun-2012	FS88	01-Jun-2012	3	01-Jun-2012	7E4492328
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
30-May-2012	878	30-May-2012	1	30-May-2012	027954594
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
28-May-2012	878	28-May-2012	2	28-May-2012	7E4479732
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
28-May-2012	FS88	28-May-2012	3	28-May-2012	7E4479733
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
30-Mar-2012	878	30-Mar-2012	2	30-Mar-2012	7E4369372
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
30-Mar-2012	FS88	30-Mar-2012	3	30-Mar-2012	7E4369373
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
30-Mar-2012	878	30-Mar-2012	2	30-Mar-2012	7E4369336
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
30-Mar-2012	FS88	30-Mar-2012	3	30-Mar-2012	7E4369337
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
29-Mar-2012	484	29-Mar-2012	2	29-Mar-2012	7E4367220
484E	CHANGE TO COMPANY DETAILS APPOINTMENT OR CESSATION OF A COMPANY OFFICEHOLDER				
27-Jan-2012	878	27-Jan-2012	2	27-Jan-2012	7E4240824
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
27-Jan-2012	FS88	27-Jan-2012	3	27-Jan-2012	7E4240825
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
27-Jan-2012	878	27-Jan-2012	2	27-Jan-2012	7E4240743
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
27-Jan-2012	FS88	27-Jan-2012	3	27-Jan-2012	7E4240744
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				

17-Nov-2011	484	17-Nov-2011	2	17-Nov-2011	7E4097067
484A1	CHANGE TO COMPANY DETAILS CHANGE OFFICEHOLDER NAME OR ADDRESS				
15-Nov-2011	878	15-Nov-2011	2	15-Nov-2011	7E4091788
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
15-Nov-2011	FS88	15-Nov-2011	3	15-Nov-2011	7E4091789
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
27-Oct-2011	484	27-Oct-2011	2	27-Oct-2011	7E4048590
484A1	CHANGE TO COMPANY DETAILS CHANGE OFFICEHOLDER NAME OR ADDRESS				
30-Sep-2011	388	13-Oct-2011	54	30-Jun-2011	026442958 (FR 2011)
388A	FINANCIAL REPORT FINANCIAL REPORT - PUBLIC COMPANY OR DISCLOSING ENTITY				
16-Sep-2011	878	16-Sep-2011	2	16-Sep-2011	7E3954068
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
16-Sep-2011	FS88	16-Sep-2011	3	16-Sep-2011	7E3954069
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
01-Sep-2011	878	01-Sep-2011	2	01-Sep-2011	7E3920691
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
01-Sep-2011	FS88	01-Sep-2011	3	01-Sep-2011	7E3920692
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
18-Jul-2011	878	18-Jul-2011	2	18-Jul-2011	7E3819934
878	NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME				
18-Jul-2011	FS88	18-Jul-2011	3	18-Jul-2011	7E3819935
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
20-May-2011	FS89	20-May-2011	1	20-May-2011	7E3682315
FS89A	NOTICE OF CHANGE TO FEES AND CHARGES IN A PDS - BY AFS LICENSEE				
30-Mar-2011	5122	31-Mar-2011	1	30-Mar-2011	020500654
5122	NOTICE OF DECLARATION RE MANAGED INVESTMENT SCHEME				
30-Mar-2011	FS02	30-Mar-2011	26	30-Mar-2011	0L0309025
FS02	COPY OF AFS LICENCE				
10-Nov-2010	309	11-Nov-2010	33	22-Oct-2010	027320265
309A	NOTIFICATION OF DETAILS OF A CHARGE				
10-Nov-2010	309	11-Nov-2010	33	22-Oct-2010	027320264
309A	NOTIFICATION OF DETAILS OF A CHARGE				
01-Oct-2010	388	08-Nov-2010	63	30-Jun-2010	027353763 (FR 2010)
388A	FINANCIAL REPORT FINANCIAL REPORT - PUBLIC COMPANY OR				

DISCLOSING ENTITY

30-Jul-2010	350	03-Aug-2010	3	30-Jul-2010	026641595
350	CERTIFICATION OF COMPLIANCE WITH STAMP DUTIES LAW BY				
	PROVISIONAL CHARGE				
	Alters 025 130 504				
13-Jul-2010	309	13-Jul-2010	36	01-Jul-2010	025130504
309A	NOTIFICATION OF DETAILS OF A CHARGE				
	Altered by 026 641 595				
02-Jul-2010	312	05-Jul-2010	6	02-Jul-2010	026600340
312C	NOTIFICATION OF RELEASE OF PROPERTY				
02-Jul-2010	312	05-Jul-2010	6	02-Jul-2010	026600337
312C	NOTIFICATION OF RELEASE OF PROPERTY				
02-Jul-2010	312	05-Jul-2010	3	02-Jul-2010	026600336
312C	NOTIFICATION OF RELEASE OF PROPERTY				
15-Apr-2010	FS88	15-Apr-2010	3	15-Apr-2010	7E2831759
FS88A	PDS IN-USE NOTICE - BY AFS LICENSEE				
15-Apr-2010	484	15-Apr-2010	2	15-Apr-2010	7E2830546
484	CHANGE TO COMPANY DETAILS				
484O	CHANGES TO SHARE STRUCTURE				
484G	NOTIFICATION OF SHARE ISSUE				
25-Mar-2010	484	26-Mar-2010	3	25-Mar-2010	1F0292823
484A1	CHANGE TO COMPANY DETAILS CHANGE OFFICEHOLDER NAME OR				
	ADDRESS				
23-Mar-2010	FS02	23-Mar-2010	25	23-Mar-2010	0L0307664
FS02	COPY OF AFS LICENCE				
17-Mar-2010	2205	19-Mar-2010	7	30-Sep-2009	026421806
2205B	NOTIFICATION OF RESOLUTION RELATING TO SHARES CONVERT				
	SHARES				
	INTO LARGER OR SMALLER NUMBER				
12-Mar-2010	FS90	12-Mar-2010	2	12-Mar-2010	7E2762221
FS90A	NOTICE THAT A PRODUCT IN A PDS HAS CEASED TO BE AVAILABLE -				
	BY AFS LICENSEE				
11-Nov-2009	5120	12-Nov-2009	7	11-Nov-2009	020500491
5120	NOTICE OF EXEMPTION RE MANAGED INVESTMENT SCHEME				
11-Nov-2009	5120	18-Nov-2009	0	11-Nov-2009	020500486
5120	NOTICE OF EXEMPTION RE MANAGED INVESTMENT SCHEME				
28-Oct-2009	350	29-Oct-2009	2	28-Oct-2009	024981690
350	CERTIFICATION OF COMPLIANCE WITH STAMP DUTIES LAW BY				
	PROVISIONAL CHARGE				
	Alters 025 004 000				
30-Sep-2009	388	27-Oct-2009	59	30-Jun-2009	023417762
388A	FINANCIAL REPORT FINANCIAL REPORT - PUBLIC COMPANY OR			(FR 2009)	

DISCLOSING ENTITY

10-Sep-2009 312C	312 NOTIFICATION OF RELEASE OF PROPERTY	11-Sep-2009 3		10-Sep-2009	025003997
10-Sep-2009 311B	311 NOTIFICATION OF CHANGE TO DETAILS OF CHARGE	11-Sep-2009 29		04-Sep-2009	025003998
10-Sep-2009 309A	309 NOTIFICATION OF DETAILS OF A CHARGE Altered by 024 981 690	11-Sep-2009 43		07-Sep-2009	025004000
19-Aug-2009 878	878 NOTICE OF AUSTRALIAN OFFER UNDER FOREIGN RECOGNITION SCHEME	07-Apr-2010 57		19-Aug-2009	026070205
12-Jun-2009 FS89A	FS89 NOTICE OF CHANGE TO FEES AND CHARGES IN A PDS - BY AFS LICENSEE	12-Jun-2009 1		12-Jun-2009	7E2239769
27-May-2009 FS02	FS02 COPY OF AFS LICENCE	27-May-2009 26		27-May-2009	0L0501962
07-May-2009 FS88A	FS88 PDS IN-USE NOTICE - BY AFS LICENSEE	07-May-2009 3		06-May-2009	7E2173585
14-Apr-2009 5120	5120 NOTICE OF EXEMPTION RE MANAGED INVESTMENT SCHEME	08-May-2009 5		14-Apr-2009	024672203
14-Apr-2009 5122	5122 NOTICE OF DECLARATION RE MANAGED INVESTMENT SCHEME	08-May-2009 5		14-Apr-2009	024672204
26-Mar-2009 388A	388 FINANCIAL REPORT FINANCIAL REPORT - PUBLIC COMPANY OR DISCLOSING ENTITY	03-Apr-2009 56		30-Jun-2008	025509063 (FR 2008)
23-Mar-2009 309A	309 NOTIFICATION OF DETAILS OF A CHARGE	24-Mar-2009 38		20-Mar-2009	025477874
05-Mar-2009 FS90A	FS90 NOTICE THAT A PRODUCT IN A PDS HAS CEASED TO BE AVAILABLE - BY AFS LICENSEE	05-Mar-2009 1		03-Mar-2009	7E2068686
05-Mar-2009 FS90A	FS90 NOTICE THAT A PRODUCT IN A PDS HAS CEASED TO BE AVAILABLE - BY AFS LICENSEE	05-Mar-2009 2		03-Mar-2009	7E2068666
05-Mar-2009 FS90A	FS90 NOTICE THAT A PRODUCT IN A PDS HAS CEASED TO BE AVAILABLE - BY AFS LICENSEE	05-Mar-2009 2		03-Mar-2009	7E2068655

THERE ARE FURTHER DOCUMENTS LODGED BY THIS COMPANY.
SELECT THE 'ORDER COMPANY DOCUMENTS' OPTION FROM THE
ORGANISATIONAL SEARCH SUMMARY SCREEN TO OBTAIN A
COMPLETE LIST OF COMPANY DOCUMENTS.

Financial Reports

Balance Date	Report Due Date	AGM Due Date	Extended AGM Due Date	AGM Held Date	Outstanding	
30-Jun-1999	31-Oct-1999	Unknown	Unknown	Unknown	N	016010134
30-Jun-2000	31-Oct-2000	Unknown	Unknown	Unknown	N	015964651
30-Jun-2001	31-Oct-2001	Unknown	Unknown	Unknown	N	017705919
30-Jun-2002	31-Oct-2002	Unknown	Unknown	Unknown	N	019168593
30-Jun-2003	31-Oct-2003	Unknown	Unknown	Unknown	N	019791166
30-Jun-2004	31-Oct-2004	Unknown	Unknown	Unknown	N	020698531
30-Jun-2005	30-Nov-2005	Unknown	Unknown	Unknown	N	022718227
30-Jun-2006	31-Oct-2006	Unknown	Unknown	Unknown	N	022755830
30-Jun-2007	31-Oct-2007	Unknown	Unknown	Unknown	N	024088738
30-Jun-2008	31-Oct-2008	Unknown	Unknown	Unknown	N	025509063
30-Jun-2009	31-Oct-2009	Unknown	Unknown	Unknown	N	023417762
30-Jun-2010	31-Oct-2010	Unknown	Unknown	Unknown	N	027353763
30-Jun-2011	31-Oct-2011	Unknown	Unknown	Unknown	N	026442958
30-Jun-2012	31-Oct-2012	Unknown	Unknown	Unknown	N	028208422

*** End of Extract ***

SMV-3

**LM INVESTMENT MANAGEMENT LIMITED
ACN 077 208 461**

AND

**THE MEMBERS AS THEY ARE CONSTITUTED
FROM TIME TO TIME OF THE
THE LM MANAGED PERFORMANCE FUND**

CONSTITUTION

**HICKEY LAWYERS
Level 6, Corporate Centre One
Corner Bundall Road and Slatyer Avenue
BUNDALL QLD 4217**

**PH: (07) 5574 1000
FAX: (07) 5574 1130**

DEED made this day of December 2001
BETWEEN: LM INVESTMENT MANAGEMENT LIMITED ACN 077 208 461 a company
 duly incorporated in Queensland having its registered office at Level 4,
 RSL Centre, 44A Cavill Avenue, Surfers Paradise in the State of
 Queensland (the "Manager")
AND: All those persons who from time to time apply for Units and are accepted
 as Unitholders of the Scheme ("the Members")

WHEREAS:

- A. The Manager wishes to establish a unit trust called The LM Managed Performance Fund.
 (the "Scheme")
- B. By applying to invest in the Scheme through an Offer Document a person will become a
 Member and be bound by this Constitution.
- C. This Constitution is made with the intent that the benefits and obligations hereof will enure
 not only to the Manager but also to the extent provided herein to every person who is or
 becomes a Member.

IT IS AGREED:

1. DICTIONARY AND INTERPRETATION

1.1 Dictionary of Terms

In this Constitution:

"Accounting Standards" means the accounting standards and practices
determined under clause 1.3;

"Applicant" anyone who submits an application for Unit/s in the Scheme in
accordance with the Offer Document;

"Application Form" an application in writing for Unit/s in the Scheme attached to
the Offer Document.

"Application Money" the amount received from an Applicant when lodging the
application in respect of the Unit/s applied for in accordance with the Offer
Document;

"ASIC" the Australian Securities and Investments Commission;

"Auditor" means the auditor of the Scheme appointed by the Manager.

"Business Day" any day on which trading banks are open for business on the
Gold Coast, Queensland;

"Class" means a class of Units, being Units which have the same rights.

"Constitution" this document including any Schedule, Annexure or Amendments
to it

"Distributable Income" means as detailed in Clause 10.3;

"Distribution Period" means the period referred to in Clause 11.1

"Dollars", "A\$" and "\$" mean the lawful currency of the Commonwealth of
Australia;

"Extraordinary Resolution" has the same meaning as in the Law.

"Financial Year" means:

- (a) the period from the Commencement Date to midnight on the next 30 June;
- (b) each subsequent period of 12 months ending at midnight on each 30 June preceding the Vesting Date; and
- (c) the period beginning at midnight on the 30 June immediately preceding the Vesting Date and ending on the Vesting Date;

"Investment Confirmation Statement" means a statement issued by the Manager to a Member pursuant to clause 5.7;

"Issue Price" means the price at which a Unit is issued as detailed in clause 6;

"Law" means the Corporations Act 2001;

"Liabilities" means at any time the aggregate of the following at that time as calculated by the Manager:

- (a) Each liability of the Manager in respect of the Scheme or, where appropriate, a proper provision in accordance with the applicable Accounting Standards in respect of that liability.
- (b) Each other amount payable out of the Scheme Fund or, where appropriate, a proper provision in accordance with the applicable Accounting Standards in respect of that liability.
- (c) Other appropriate provisions in accordance with the applicable Accounting Standards.

"LMA" means LM Administration Pty Ltd ACN 055 691 426

"Manager" means LM Investment Management Limited ACN 077 208 461

"Member" in relation to a Unit, means the person registered as the holder of that Unit (including joint holders).

"Net Fund Value" at any time, means the value of the Scheme Fund less the liabilities at that time;

"Offer Document" means an Offer Document or any Supplementary Offer Document issued by the Manager in relation to the Scheme.

"Power" means any right, power, authority, discretion or remedy conferred on the Manager by this Constitution or any applicable law;

"Redemption Price" means the Redemption Price calculated in accordance with clause 7.4;

"Register" means the register of Members maintained by the Manager under clause 20;

"Scheme" means the trust created by this Deed to be known as The LM Managed Performance Fund;

"Scheme Fund" means assets of the Scheme including but not limited to:

- (a) contributions of money or money's worth to the Scheme; and
- (b) money borrowed or raised by the Manager for the purposes of the Scheme; and

- (c) property acquired, directly or indirectly, with, or with the proceeds of, contributions or money referred to in paragraph (a) or (b); and
- (d) the income and property derived, directly or indirectly from contributions, money or property referred to in paragraph (a), (b) or (c).

"Tax Act" means the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth);

"Unit" means an undivided interest in the Scheme Fund created and issued under this Constitution; and

"Valuation Date" means the date which is the last day of each quarter or any date during each quarter at the Manager's discretion or the date on which the Manager determines there has been a material change in the value of the Scheme Fund.

"Vesting Date" means the date of termination of the Scheme under clause 14.

1.2 Interpretation

- (a) Reference to:
 - (i) one gender includes the others;
 - (ii) the singular includes the plural and the plural includes the singular;
 - (iii) a person includes a body corporate;
 - (iv) an associate of a person means another person who is associated with that person by application of any of the provisions of Division 2 of Part 1.2 of the *Corporations Act 2001*;
 - (v) a party includes the party's executors, administrators, successors and permitted assigns;
 - (vi) a statute, regulation or provision of a statute or regulation ("Statutory Provision") includes:
 - that Statutory Provision as amended or re-enacted from time to time; and
 - a statute, regulation or provision enacted in replacement of that Statutory Provision;
 - (vii) "pay" includes transfer, convey and assign; and
 - (viii) "income" is not limited to "assessable income" as defined in ITAA.
- (b) "Including" and similar expressions are not words of limitation
- (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (d) Headings are for convenience only and do not form part of this Deed or affect its interpretation.
- (e) If a party consists of more than 1 person, this Deed binds each of them separately and any 2 or more of them jointly.

- (f) A reference to dealing with a Unit includes any subscription, redemption, sale, assignment, encumbrance, or other disposition whether by act or omission and whether affecting the legal or equitable interest in the Unit.

1.3 Accounting Standards

In respect of any accounting practice relevant to this Constitution, the following accounting standards apply as if the Scheme were a company:

- (a) the accounting standards required under the Law.
- (b) If no accounting standard applies under clause 1.3(a), the accounting practice determined by the Manager.

2. ESTABLISHMENT OF SCHEME

2.1 Appointment of Responsible Entity

The Manager agrees to act as trustee of the Scheme.

2.2 Declaration of Trust

The Manager declares that it holds the Scheme Fund on trust for the Members.

2.3 Name of Scheme

The name of the Scheme is The LM Managed Performance Fund or any other name that the Manager may determine from time to time.

2.4 Initial Issue

LMA has paid \$1.00 to the Manager to establish the Scheme Fund and the Manager has issued LMA or its nominee one Unit in return for that payment.

3. UNITS AND MEMBERS

3.1 Units

The beneficial interest in the Scheme Fund will be divided into Units. Unless the terms of issue of a Unit or a Class otherwise provide, all Units will carry all rights, and be subject to all the obligations of Members under this Constitution.

3.2 Classes

Different Classes of Units may be issued. If the Manager determines in relation to particular Units, the terms of issue of those Units may eliminate, reduce or enhance any of the rights or obligations which would otherwise be carried by such Units.

3.3 Fractions

Fractions of a Unit may not be issued. When any calculations under this Constitution would result in the issue of a fraction of a Unit, the number of Units to be issued must be rounded down to the nearest whole Unit.

3.4 Equal value

At any time, all the Units in a Class are of equal value,

3.5 Interest

A Unit confers an interest in the Scheme Fund as a whole. No Unit confers any interest in any particular asset of the Scheme Fund.

3.6 Consolidation and re-division

(a) Subject to clause 3.6(b) the Manager may at any time divide the Scheme Fund into any number of Units other than the number into which the Scheme Fund is for the time being divided.

(b) A division of a kind referred to in clause 3.6(a) must not change the ratio of Units in a Class registered in the name of any Member to the Units on Issue in the Class.

3.7 Rights attaching to Units

(a) A Member holds a Unit subject to the rights and obligations attaching to that Unit.

(b) Each Member agrees not to:

(i) interfere with any rights or powers of the Manager under this Constitution;

(ii) purport to exercise a right in respect of the Scheme Fund or claim any interest in an asset of the Scheme Fund (for example, by lodging a caveat affecting an asset of the Scheme Fund); or

(iii) require an asset of the Scheme Fund to be transferred to the Member.

3.8 Conditions

The Manager may impose such conditions on the issue of Units as it determines including that the Member may not give effect to any mortgage, charge, lien, or other encumbrances other than as expressly permitted by the Manager.

4. BINDING ON ALL PARTIES

4.1 This Constitution is binding on the Manager and on all Members of the Scheme as they are constituted from time to time.

4.2 By executing the Application Form attached to the Offer Document or any subsequent document the Members as are constituted from time to time agree to be bound by the terms and conditions of this Constitution.

5. ISSUE OF UNITS

5.1 Offer

The Manager may at any time:

(a) offer Units for subscription or sale; or

(b) invite persons to make offers to subscribe for or buy Units.

5.2 Form of Application

Each Application for Units:-

(a) must be made by Application Form attached to an Offer Document or any subsequent document; and

- (b) must be accompanied by Application Moneys as required by any relevant Offer Document or any subsequent document;

5.3 Acceptance or rejection

The Manager may, without giving any reason:

- (a) accept an Application;
- (b) reject an Application; or
- (c) reject part of the Application.

5.4 Uncleared funds

Units issued against Application Money in the form of a cheque or other payment order (other than in cleared funds) are void if the cheque or payment order is not subsequently cleared.

5.5 Issue of Units

Units are taken to be issued when:

- (a) the Application Money for the Issue Price is received by the Manager; and
- (b) the Manager accepts the Application and the Units are entered in the Register, or at such other time as the Manager determines.

5.6 Number of Units Issued

The number of Units issued at any time in respect of an Application for Units will be calculated as follows:

- (a) by dividing the Application Moneys paid by the applicable Issue Price at that time;
- (b) by rounding down to the nearest unit.

5.7 Investment Confirmation Statement

The evidence of a Members holding in the Scheme will be the latest extract from the Register as provided from time to time to a Member by the Manager in a Investment Confirmation Statement.

- 5.8** Notwithstanding clauses 5.1 - 5.6, the Manager may, in its discretion, allot Units on terms and conditions it thinks fit.

6. ISSUE PRICE

The issue price of a Unit will be calculated as follows:

(Net Fund Value)

(Number of Units Issued)

calculated on the last Valuation Date prior to the date of issue.

7. TERM OF INVESTMENT AND REDEMPTION OF UNITS

7.1 Minimum Term and Conditions

The minimum term of the investment and conditions attaching to the redemption of the Units (withdrawal of funds) are detailed in the Offer Document under which

the Member applied for Units. The minimum term and the minimum notice period for redemption requests may be varied by the Manager from time to time.

7.2 Notice to Redeem

Subject to clause 7.1 a Member may request a redemption of all or part of its Units in the manner prescribed by the Offer Document.

7.3 No Obligation

- (a) Subject to the provisions of clause 7.2 and 7.3(b) the Manager will agree to a Members request for redemption of Units.
- (b) The Manager is not obliged to agree to any request for redemption of Units for such periods as it in its sole discretion determines where:-
 - (i) The Scheme's cash reserves fall below 5% of the value of the Scheme's Issued Units; or
 - (ii) In any calendar month the Manager receives net redemption requests equal to 10% or more of the value of the Scheme's Issued Units; or
 - (iii) Any other event or circumstances arises which the Manager considers in its absolute discretion may be detrimental to the interests of the Members in the Scheme.

7.4 Redemption Price

The Redemption Price of each Unit pursuant to clause 7 shall be calculated as follows:

(Net Fund Value)

(Number of Units Issued)

calculated on the last Valuation Date prior to the date of redemption.

7.5 Redemption by the Manager

The Manager may redeem any Units at any time without notice of such redemption to the relevant Unit Holders.

7.6 Payment

- (a) The Manager must pay to the holder of a redeemed Unit so much of the Distributable Income for the Distribution Period as the Manager considers is reasonably attributed to the Unit for the period from the commencement of the then current Distribution Period to the date of the redemption.
- (b) The Manager must pay to the holder of the redeemed Units the Redemption Price for each redeemed Unit plus the amount referred to in clause 7.6(a) within one month after the Manager's obligation to pay the Redemption Price under clause 7.7 arises.

7.7 Cancellation of Units

Upon the redemption of Units, the Units must be cancelled and the name of the holder must be removed from the Register as a holder of those Units and the Manager's obligation to pay the Redemption Price and the amount referred to in clause 7.6(a) per Unit for each redeemed Unit arises.

8. TRANSFER OF UNITS

8.1 Transferability of Units

- (a) Subject to this Constitution, a Unit may be transferred by instrument in writing, in any form authorised by Law or in any other form that the Manager approves.
- (b) A Transferor of Units remains the holder of the Units transferred until the transfer is registered.

8.2 Registration of Transfers

- (a) The following documents must be lodged for registration at the registered office of the Manager or the location of the Register:
 - (i) the instrument of transfer; and
 - (ii) any other information that the Manager may require to establish the transferor's right to transfer the Units.
- (b) On compliance with clause 8.2(a), the Manager will, subject to the powers of the Manager to refuse registration, register the transferee as a Member.

8.3 Where registration may be refused

Where permitted to do so by Law or this Constitution, the Manager may refuse to register any transfer of Units.

8.4 Where registration must be refused

If the transferee is not a Member the Manager must not consent to the registration until the Manager is satisfied that the transferee has read or had the opportunity to read this Constitution and has agreed to be bound by its provisions.

8.5 Notice of non-registration

If the Manager declines to register any transfer of Units, the Manager must within 5 Business Days after the transfer was lodged with the Manager give to the person who lodged the transfer written notice of, and the reasons for, the decision to decline registration.

8.6 Suspension of transfers

The registration of transfers of Units may be suspended at any time and for any period as the Manager from time to time decides.

9. TRANSMISSION OF UNITS

9.1 Entitlement to Units on death

- (a) If a Member dies:

- (i) the survivor or survivors, where the Member was a joint holder; and
- (ii) the legal personal representatives of the deceased, where the Member was a sole holder,

will be the only persons recognised by the Manager as having any title to the Member's interest in the Units.

- (b) The Manager may require evidence of a Member's death and grant of probate as it thinks fit.
- (c) This clause does not release the estate of the deceased joint Member from any liability in respect of a Unit that had been jointly held by the Member with other persons.

9.2 Registration of persons entitled

- (a) Subject to the Bankruptcy Act 1966 and to the production of any information that is properly required by the Manager, a person becoming entitled to a Unit in consequence of the death or bankruptcy (or other legal disability) of a Member may elect to:
 - (i) be registered personally as a Member; or
 - (ii) have another person registered as the Member.
- (b) All the limitations, restrictions and provisions of this Constitution relating to:
 - (i) the right to transfer Units;
 - (ii) the registration of the transfer of Units;apply to any relevant transfer as if the death or bankruptcy or legal disability of the Unit Member had not occurred and the notice or transfer were a transfer signed by that Member.

9.3 Distributions and other rights

- (a) If a Member dies or suffers a legal disability, the Member's legal personal representative or the trustee of the Member's estate (as the case may be) is, on the production of all information as is properly required by the Manager, entitled to the same distributions, entitlements and other advantages and to the same rights (whether in relation to meetings of the Scheme or to voting or otherwise) as the Member would have been entitled to if the Member had not died or suffered a legal disability.
- (b) Where two or more persons are jointly entitled to any Unit as a result of the death of a Member, they will, for the purposes of this Constitution, be taken to be joint holders of the Unit.

10. DISTRIBUTABLE INCOME

10.1 Income of the Scheme Fund

The income of the Scheme Fund for each Financial Year will be determined in accordance with applicable Accounting Standards.

10.2 Expenses and provisions of the Scheme Fund

For each Financial Year:

- (a) the Expenses of the Scheme Fund will be determined in accordance with the applicable Accounting Standards; and
- (b) provisions or other transfers to or from reserves may be made in relation to such items as the Manager considers appropriate in accordance with the applicable Accounting Standards including, but not limited to, provisions for income equalisation.

10.3 Distributable Income

The Distributable Income of the Scheme Fund is Income of the Scheme Fund less Expenses and provisions of the Scheme Fund.

11. DISTRIBUTIONS

11.1 Distribution Period

The Distribution Period is one calendar month or as otherwise determined by the Manager in its absolute discretion.

11.2 Distributions

- (a) The Manager must distribute the Distributable Income relating to each Distribution Period within 7 days of the end of each Distribution Period.
- (b) For each Distribution Period a Member is entitled to that proportion of the Distributable Income as is equal to the number of Units held by the Member on the last day of the Distribution Period divided by the number of Units on the Register on that date.

11.3 Present entitlement

Unless otherwise agreed by the Manager and subject to the rights, restrictions and obligations attaching to any particular Unit or Class, the Members on the Register will be presently entitled to the Distributable Income of the Scheme Fund on the last day of each Distribution Period.

11.4 Capital distributions

The Manager may distribute capital of the Scheme Fund to the Members. Subject to the rights, obligations and restrictions attaching to any particular Unit or Class, a Member is entitled to that proportion of the capital to be distributed as is equal to the number of Units held by that Member on a date determined by the Manager divided by the number of Units on the Register on that date. A distribution may be in cash or by way of bonus Units.

11.5 Grossed up Tax amounts

Subject to any rights, obligations and restrictions attaching to any particular Unit or Class, the grossed up amount under the Tax Act in relation to Tax credits or franking rebates is taken to be distributed to Unit Members in proportion to the Distributable Income for a Distribution Period as the case may be, which is referable to a dividend or other income to which they are presently entitled.

11.6 Reinvestment of Distributable Income

- (a) The Manager may invite Members to reinvest any or all of their distributable income entitlement by way of application for additional Units in the Scheme.
- (b) The terms of any such offer of reinvestment will be determined by the Manager in its discretion and may be withdrawn or varied by the Manager at any time.
- (c) The Manager may determine that unless the Member specifically directs otherwise they will be deemed to have accepted the reinvestment offer.
- (d) The Units issued as a result of an offer to reinvest will be deemed to have been issued on the first day of the next Distribution Period immediately following the Distribution Period in respect of which the distributable income being reinvested was payable.

12. NATURE OF MANAGER POWERS

12.1 The Manager has all the powers:

- (a) of a natural person to invest and borrow on security of the Scheme Fund;
- (b) in respect of the Scheme and the Scheme Fund that it is possible under the Law to confer on a Manager and on a Trustee;
- (c) as though it were the absolute owner of the Scheme Fund and acting in its personal capacity; or
- (d) necessary for fulfilling its obligations under this Constitution and under the Law.

12.2 Without limiting the generality of clause 12. 1, the Manager may:

- (a) purchase, sell, lease, improve, encumber, sub-divide, hire, licence, exchange, develop, grant leases and licenses and enter into any other agreement or dealing including the surrender or termination of any dealing in relation to any property forming or which is to form part of the Scheme Fund, on any terms the Manager thinks fit;
- (b) repair, renovate, demolish, build or alter any improvement to any property forming part of the Scheme Fund;
- (c) determine any rental to be paid for the use of any property;
- (d) exercise all powers and obligations in relation to any investment forming part of the Scheme Fund, including but not limited to:

- (i) attending and voting at meetings;
 - (ii) appointing proxies for meetings;
 - (iii) taking up a rights issue; and
 - (iv) paying calls under any contract.
 - (e) exercise any Power and perform all obligations in relation to any property forming part of the Scheme Fund as if the Manager is the beneficial owner of the property;
 - (f) accept a conveyance or transfer of any property as part of the Scheme Fund;
 - (g) enter into possession of and manage any property interests of the Scheme Fund.
- 12.3 Without limiting the generality of clause 12.1, the Manager may:
- (a) invest in any "securities" as defined in Section 92(1) of the Law:
 - (i) whether or not a trustee could properly acquire the security; and
 - (ii) on personal credit, with or without security;
 - (b) invest any money on loan to, or on deposit with, any person (including a Member or Related Corporation):
 - (i) with or without interest;
 - (ii) with or without security; and
 - (iii) repayable on any terms the Manager thinks fit;
 - (c) enter into swap transactions, futures contracts, forward rate agreements, foreign exchange agreements;
 - (d) grant or take up an option to acquire property; and
invest in or make a loan to any managed investment fund or scheme, including any managed investment fund or scheme that the Manager is the responsible entity of.
- 12.4 The Manager may invest any money required to be invested on loan to or on deposit with any Member or Related Corporation on any terms the Manager thinks fit.
- 12.5 The Manager may:
- (a) exchange any investment for any other investment authorised under this Constitution;
 - (b) vary the terms of any investment or the security given for that investment; and
 - (c) surrender any investments.
- 12.6 The Manager may:
- (a) use the income or capital of the Scheme Fund to carry on any trade or business, either as a sole trader or in partnership;
 - (b) engage any managers and other employees;

- (c) enter into any arrangement for sharing profits, co-operation, joint venture or reciprocal concessions;
- (d) act in relation to the trade or business as if the Manager were beneficially entitled to it;
- (e) set aside an amount out of the Scheme Fund which, in the Manager's opinion, is sufficient to meet any debt or obligation;
- (f) open and operate an account with any financial institution;
- (g) sign, draw, endorse or execute in a manner determined by the Manager:
 - (i) any cheque or other negotiable or transferable instrument; and
 - (ii) any receipt for money paid to the Manager;
- (h) borrow or raise money with or without giving security over the Scheme Fund or any part of it on any terms including any rate of interest and any fees and expenses as the Manager thinks fit;
- (i) make, draw, accept, endorse, discount, sell, purchase, negotiate and otherwise deal with any promissory note, bill of exchange, commercial bill, bill of lading, warrant, debenture, certificate of deposit or other transferable document or financial instrument for any purpose the Manager thinks fit;
- (j) encumber the Scheme Fund in favour of any person in relation to any obligation of the Manager on behalf of the Scheme;
- (k) to the extent permitted by law:
 - (i) guarantee the payment of money or the performance of any other obligation; and
 - (ii) grant any indemnity in respect of any obligation;to any person whether or not in relation to the obligations of a Member or for the benefit of the Scheme.

12.7 Without limiting the generality of clause 12.1, the Manager may:

- (a) make any claim or demand or take any action on behalf of a Member of the Scheme;
- (b) refer any dispute affecting the assets of the Scheme to arbitration, other than a dispute involving a Member; and
- (c) settle on any terms any matter which arises in relation to the Scheme (if the Manager settles any matter the settlement is binding on all persons interested in the Scheme, including all Members).

12.8 To the extent allowed by law:

- (a) any restriction or prohibition imposed upon the Manager in relation to the investment from time to time of the Scheme Fund or any part thereof is hereby excluded from the obligations imposed.

- (b) without derogating from the generality of the foregoing this exclusion specifically applies to any "Prudent Person Rule" or the like which may be implied by any future enactment of legislation.

12.9 To the extent allowed by law:

- (a) the Manager may borrow or raise money with or without security over the Scheme Fund or any part of it on any terms, including any rate of interest and any fees and expenses as the Manager thinks fit;
- (b) the Manager may deal with any property to exercise all the powers of a mortgagee pursuant to the mortgage terms and conditions.

12.10 The Manager may use Scheme Funds to assist it with its working capital requirements.

13. COMPLAINTS PROCEDURES

13.1 Complaints may be made in writing or by telephone to the Compliance Officer of the Manager.

13.2 If, after the expiry of thirty days from the date on which the Member first notified the Compliance Officer of its complaint the Member feels that their Complaint has not been satisfactorily resolved the Compliance Officer will refer the complaint to the Board of the Manager for resolution.

14. TERM OF SCHEME

The Scheme begins on the Commencement Date and is to be wound up on the earlier to occur of:

- 14.1 the date which is eighty years from the Commencement Date; and
- 14.2 any earlier date which the Manager, in its absolute discretion may appoint as the Vesting Date.

The Scheme shall only be wound up in accordance with the Law and this Constitution.

15. WINDING UP THE SCHEME

15.1 If the manager wishes to wind up the Scheme pursuant to clause 14, the Manager must give to the Members of the Scheme a notice in writing explaining the proposal to wind up the Scheme.

15.2 The Manager shall not accept any further applications for Units in the Scheme or make any further loans from the Scheme Fund at a time after the Manager has become obliged to ensure the Scheme is wound up or after the Scheme has started to be wound up.

15.3 The Manager shall manage the Scheme until such time as all winding up procedures have been completed.

15.4 Subject to the provisions of this clause 15 upon winding up of the Scheme the Manager must:

- (a) realise the assets of the Scheme Fund;

- (b) pay all liabilities of the Manager in its capacity as Trustee of the Scheme including, but not limited to, liabilities owed to any Member who is a creditor of the Scheme;
- (c) subject to any special rights or restrictions attached to any Unit, distribute the net proceeds of realisation among the Members in the same proportion specified in Clause 11.4;
- (d) The Members must pay the costs and expenses of a distribution of assets under clause 15.4(c) in the same proportion specified in Clause 11.4.
- (e) The Manager may postpone the realisation of the Scheme Fund for as long as it thinks fit and is not liable for any loss or damage attributable to the postponement.
- (f) The Manager may retain for as long as it thinks fit any part of the Scheme Fund which in its opinion may be required to meet any actual or contingent liability of the Scheme.
- (g) The Manager must distribute among the Members in accordance with clause 15.6 anything retained under clause 15.4(f) which is subsequently not required.

15.5 If on completion of the winding up of a registered Scheme, the Manager or such other person who may be winding up the Scheme has in their possession or under their control any unclaimed or undistributed money or other property that was part of the Scheme Property the Manager or person winding up the Scheme must, as soon as practicable, pay the money or transfer the property to the ASIC to be dealt with pursuant to Part 9.7 of the Law.

15.6 Capital Guarantee

(a) Peter Charles Drake has provided a Guarantee to the Manager in its capacity as Trustee for the Members pursuant to which he personally guarantees the payment of each Member's entitlements calculated to the Vesting Date in the event of any shortfall in the assets of the Scheme if the Scheme is wound up. This Guarantee will only apply to Members who are registered as Unit Holders in the Register on the date on which the Scheme is wound up and Peter Charles Drake will only be required to make payment of any claims which are made under the Guarantee on a date 12 months from the Vesting Date of the Scheme.

(b) LM Investment Management Limited ACN 077 208 461 guarantees the payment of each Members entitlements calculated to the Vesting Date in the event of any shortfall in the assets of the Scheme if the Scheme is wound up. This guarantee will only apply to Members who are registered as Unit Holders in the Register on the date on which the Scheme is wound up. LM Investment Management Limited ACN 077 208 461 will ensure that all amounts which are

guaranteed under this clause are paid to qualifying Members within 12 months from the Vesting Date of the Scheme.

16. VALUE OF THE SCHEME FUND

16.1 Valuation of the Scheme Fund

The Manager may cause the Scheme Fund to be valued at any time in accordance with the Valuation Policy of the Manager.

17. FEES, TAXES, COSTS AND EXPENSES

17.1 Taxes:

The Manager may use the Scheme Fund to pay any Tax or other obligation, liability or expense required by any applicable law in relation to:

- (a) this Constitution;
- (b) any amount incurred or payable by the Manager;
- (c) a gift or settlement effected by this Constitution;
- (d) the exercise by the Manager of any Power; or
- (e) money or investments held by or on behalf of the Manager under this Constitution.

17.2 Payment of Debts:

The Manager may set aside any money from the Scheme Fund which, in the Manager's opinion, is sufficient to meet any present or future obligation of the Scheme Fund.

17.3 Fees:

The Manager is entitled to be paid fees from the Scheme Fund in the amounts as detailed in the Offer Document or in any Offer Document and in relation to the performance of its duties as detailed in this Constitution and the Law.

17.4 The Manager shall be entitled to fees for the following duties:

- (a) In relation to the subscription and redemption of units;
- (b) In relation to the transfer or transmission of Units;
- (c) In relation to arranging any finance facility in connection with the purchase of any asset of the Scheme;
- (d) In relation to due diligence enquiries generally;
- (e) In relation to the sale of real estate or assets of the Scheme Fund;
- (f) In relation to the promotion and management of the Scheme. This fee is payable monthly;
- (g) In relation to the winding-up of the Scheme;
- (h) In relation to the performance of its duties and obligations pursuant to the Law and this Constitution.

17.5 The Manager is entitled to be paid a success fee calculated in relation to a Distribution Period or Financial Year as the difference between the net profit of the Scheme and the net distribution or forecast to be paid to Members by the Manager during that Distribution Period or Financial Year.

17.6 Costs and Expenses

The Manager shall be indemnified out of Scheme Property for liabilities or expenses incurred in relation to the performance of its duties; including:

- (a) Auditor's fees;
- (b) Legal fees and outgoings
- (c) Barrister/QC - Legal Counsel Fees;
- (d) Fees and expenses incurred in respect of any service providers and/or employees of the Scheme;
- (e) All costs, charges and expenses incurred in connection with the acquisition, custody, transfer or disposal of any asset of the Scheme Fund or investments (for example commissions, brokerage, legal fees, bank charges and stamp duty);
- (f) Independent expert's or consultant's fees including but not limited to marketing agents, property specialists, surveyors, quantity surveyors, town planners, engineers;
- (g) Property report/property consultants fees;
- (h) Real estate agent's sales commissions;
- (i) Costs of maintenance of any asset of the Scheme Fund;
- (j) Outstanding accounts relating to any asset of the Scheme Fund such as council rates;
- (k) Locksmith for changing locks of any asset of the Scheme Fund as appropriate;
- (l) Insurance (property and contents);
- (m) Removalists for removal of borrower's property as appropriate;
- (n) Security guards to attend any asset of the Scheme Fund as appropriate;
- (o) Building and/or property inspection report fees - i.e. building, town planning experts and the like;
- (p) all ASIC charges;
- (q) all costs of supplying Members with copies of this Constitution and any other documents required by the Law to be provided to Members;
- (r) all costs and expenses incurred in producing Offer Documents and Supplementary Offer Documents or any other disclosure document required by the Law;
- (s) reasonable costs incurred in protecting or preserving all assets offered as security;
- (t) all liability, loss, cost, expense or damage arising from the proper performance of its duties in connection with the Scheme performed by the Manager or by any agent appointed pursuant to the Law;

- (u) any liability, loss, cost, expense or damage arising from the lawful exercise by the Manager and the Custodian of their rights under the Power of Attorney contained in clause 19;
- (v) Fees and expenses of any agent or delegate appointed by the Manager;
- (w) Bank and government duties and charges on the operation of bank accounts;
- (x) Costs, charges and expenses incurred in connection with borrowing money on behalf of the Scheme under the Constitution;
- (y) Insurances directly or indirectly protecting the Scheme Fund;
- (z) Fees and charges of any regulatory or statutory authority;
- (aa) Taxes in respect of the Scheme but not Taxes of the Manager [save and except any goods and services or similar tax ("GST")] which are payable by the Manager on its own account;
- (bb) Costs of printing and postage of cheques, advices, reports, notices and other documents produced during the management of the Scheme;
- (cc) Expenses incurred in connection with maintaining accounting records and registers of the Scheme and of the Scheme Auditors;
- (dd) Costs and disbursements incurred in the preparation and lodgement of returns under the Law, Tax Act or any other laws for the Scheme;
- (ee) Costs of convening and holding meetings of Members;
- (ff) Costs and disbursements incurred by or on behalf of the Manager in connection with its retirement and the appointment of a substitute;
- (gg) Costs and disbursements incurred by the Manager in the initiation, conduct and settlement of any court proceedings;
- (hh) Costs of any insurance premiums insuring against the costs of legal proceedings (whether successful or not);
- (ii) Costs of advertising the availability of funds for lending;
- (jj) Brokerage and underwriting fees;
- (kk) If and when the Manager becomes responsible to pay any GST in respect of any services provided to the Scheme or any payments in respect of GST to be made by the Members or the Manager in respect of the Scheme or under the terms of this Constitution then the Manager shall be entitled to be indemnified in respect of such GST from the Scheme Fund;

17.7 In the event that the Manager has not performed its duties, the lack of entitlement to payment of fees pursuant to clause 17.3 is only in respect of that part of the payment which relates to the specific lack of proper performance on any given matter. Nothing in this clause shall be interpreted to mean that the Manager is not entitled to be paid fees and expenses for work properly performed.

- 17.8 In the event of any dispute regarding the payment of fees and expenses, the Manager shall be paid such fees and expenses until the dispute is fully determined. Any overpayment of the Manager shall be repaid forthwith upon the identification of the overpayment.
- 17.9 The Manager is entitled to recover fees and expenses from the Scheme provided they have been incurred in accordance with this Constitution.
- 17.10 All fees payable to the Manager include any goods and services tax.

18. INDEMNITY AND LIABILITY

- 18.1 The following clauses apply to the extent permitted by law:
- (a) The Manager is not liable for any loss or damage to any person (including any Member) arising out of any matter unless, in respect of that matter, it acted both:
 - (i) otherwise than in accordance with this Constitution and its duties; and
 - (ii) without a belief held in good faith that it was acting in accordance with this Constitution or its duties.In any case the liability of the Manager in relation to the Scheme is limited to the Scheme Property, from which the Manager is entitled to be, and is in fact, indemnified.
 - (b) In particular, the Manager is not liable for any loss or damage to any person arising out of any matter where, in respect of that matter:
 - (i) it relied in good faith on the services of, or information or advice from, or purporting to be from, any person appointed by the Manager;
 - (ii) it acted as required by Law; or
 - (iii) it relied in good faith upon any signature, marking or documents.
 - (c) In addition to any indemnity under any Law, the Manager has a right of indemnity out of the Scheme Property on a full indemnity basis, in respect of a matter unless, in respect of that matter, the Manager has acted negligently, fraudulently or in breach of trust.
 - (d) The Manager is not liable to account to any Member for any payments made by the Manager in good faith to any duly authorised authority of the Commonwealth of Australia or any State or Territory of Australia for taxes or other statutory charges.

19. POWERS OF ATTORNEY

- 19.1 Each Member by execution of the Application Form or the transfer by which he/she/it acquires Units in the Scheme appoints the Manager and any director officer attorney or substitute nominated by the Manager severally for this purpose as its attorney and agent with the right:

- (a) at any time to:
 - (i) sign any document in relation to any subscription and redemption agreement;
 - (ii) sign any document in relation to the transfer or transmission of Units;
 - (iii) sign any variation of this Constitution;
 - (iv) sign any document required by ASIC to be executed by a Member in respect of the Scheme.
- (b) at the request in writing of the Manager the Member must execute separate Powers of Attorney in a form reasonably required by the Manager appointing the Manager as its attorney for the purpose of this clause.
- (c) any attorney may exercise its rights notwithstanding that the exercise of the right constitutes a conflict of interest or duty;

19.2 Each Member indemnifies and shall keep indemnified any attorney against any liability, loss, cost, expense or damage arising from the lawful exercise of any right by the attorney under the Power of Attorney.

20. THE REGISTER

20.1 Keeping registers

The Manager must establish and keep a register of Members, and if applicable, the other registers required by the Law.

20.2 Information in registers

To the extent applicable, the registers must be kept in accordance with, and contain the information required by the Law. Otherwise, the Manager may decide what information is included in the registers. If the Law applies, the Manager has the powers conferred under the Law in relation to the register.

20.3 Changes

Every Member must promptly notify the Manager of any change of name or address and the Manager must alter the relevant register accordingly.

21. NOTICES

21.1. A notice or other communication connected with this Constitution has no legal effect unless it is in writing.

21.2. Notices may be:-

- (i) sent by post, postage prepaid to the address for the Member in the Manager's register of interests; or
- (ii) sent by facsimile to the facsimile number of the Member; or
- (iii) sent by email to the email address for the Member in the Managers register of interests; or
- (iv) otherwise delivered at the address of the addressee of the Member as is subsequently notified.

21.3 A Notice must be treated as given and received:

- (i) if sent by the Manager;
 - a by post, on the second business day (at the address to which it is posted) after posting;
 - b by facsimile before 5.00 pm on a business day at the date of receipt, on the day it is sent and otherwise on the next Business Day at the place of delivery;
 - c by email on the date the sending machine indicates that the notice or other document was sent.
- (ii) If sent by the Member by post, facsimile or email, upon receipt of such notice by the Manager.

21.4 A Notice sent or delivered by the Manager in a manner provided by clause 21.2 must be treated as validly given to and received by the member even if:

- (i) the addressee has been liquidated or deregistered or is absent from the place at which the Notice is delivered or to which it is sent; or
- (ii) the notice is returned unclaimed.

21.5 Any Notice by a party may be given and may be signed by the solicitor for the party.

21.6 Any Notice to a Member may be given to the solicitor for the Member by any of the means listed in clause 21.2 to the solicitor's business address, email address or facsimile number as the case may be.

22. LIABILITY OF MEMBERS

22.1 The liability of each Member, whether actual, contingent or prospective, is limited to the unpaid Issue Price of his/her/its Units except if the Manager and the relevant Member agree otherwise in writing that the liability of a Member may be further limited or waived.

22.2 A creditor or other person claiming against the Manager as trustee of the Scheme has no recourse against a Member and no Member is personally liable to indemnify the Manager, any creditor of the Manager or any person claiming against the Manager in respect of any actual, contingent, prospective or other liability of the Manager in relation to the Scheme Fund.

23. APPOINTMENT AND REMOVAL OF TRUSTEE

23.1 Retirement or Resignation of Trustee

- (a) The Manager may retire upon giving 3 months' notice to the Members of its desire to do so.
- (b) The Manager must resign:
 - (i) if it is removed as provided by law;
 - (ii) if (being a corporation) it becomes an externally-administered body corporate as defined in the *Corporations Act 2001*; or

- (iii) if (being a natural person) he or she is found to be of unsound mind or becomes bankrupt.

23.2 Unit Holders May Appoint New Trustee

The holders of not less than 50% of the Units on Issue may by notice in writing appoint a new Manager to fill a vacancy in the office of Manager.

23.3 Transfer of Records

Upon the resignation, retirement, or removal of the Manager, the Manager must hand to the new Trustee all books, records, documents and other matters pertaining to the Scheme and at the expense of the Scheme do all things necessary to transfer legal title and the assets of the Scheme to the new Trustee.

23.4 Deed of Adoption by New Trustee

The new Trustee appointed under clause 23.2 must execute a deed in a form approved by the holders of not less than 50% of the Units on Issue by which the new Trustee undertakes to the Members to carry out the obligations of the Trustee under this Deed.

24. CHANGING THE CONSTITUTION

24.1 This Constitution may be modified or repealed or replaced with a new Constitution by the Manager if the Manager reasonably considers the change will not adversely affect Members' rights or is deemed necessary to conduct the affairs of the Scheme.

24.2 The Manager must send a copy of the Scheme's Constitution to a Member of the Scheme within seven (7) days if the Member:

- (a) asks the Manager in writing for the copy; and
- (b) pays any fee (up to the prescribed amount) required by the Manager

25. ACCOUNTS

25.1 The accounts of the Scheme must be kept and prepared by the Manager in accordance with applicable Accounting Standards.

25.2 The Manager must prepare and make available to Members the financial statements of the Scheme for each financial year.

25.3 The Manager may make the financial statements available to Members by either publishing the statements on the Manager's internet site, emailing the statements to individual Members or by sending the statements to individual Members by facsimile or prepaid post.

25.4 The Manager is not obliged to have the financial statements audited.

26. OTHER ACTIVITIES AND OBLIGATIONS OF THE MANAGER

26.1 Other activities

Subject to the Law, nothing in this Constitution restricts the Manager (or its associates) from:

- (a) dealing with itself (as manager, trustee or responsible entity of another trust or scheme or in another capacity);

- (b) being interested in any contract or transaction with itself (as manager, trustee or responsible entity of another trust or managed investment scheme or in another capacity) or with any Member or retaining for its own benefit profits or benefits derived from any such contract or transaction; or
- (c) acting in the same or similar capacity in relation to any other trust or managed investment scheme.

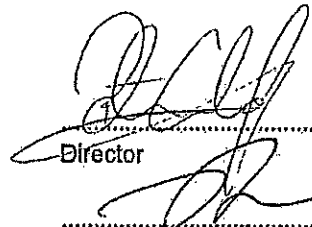
26.2 Other Obligations All obligations of the Manager which might otherwise be implied by Law are expressly excluded to the extent permitted by Law.

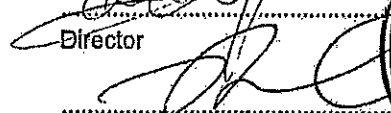
27. GOVERNING LAW

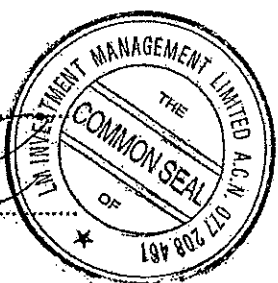
This Deed is governed by the Laws of the State of Queensland.

EXECUTED AS A DEED:

GIVEN under the Common Seal of LM
INVESTMENT MANAGEMENT LIMITED
ACN 077 208 461 by authority of a resolution
of the Board of Directors under the hands of
a Director and the Secretary who certify that
they are the proper officers to affix this seal


.....
Director


.....
Director/Secretary



Deed poll

LM Managed Performance Fund

1784202v2

Version: 1

Deed poll

Dated 25 November 2009

By

Manager **LM Investment Management Limited ACN 077 208 461**
of Level 4, 9 Beach Road Surfers Paradise, Queensland

In favour of

Members

Background

- A The Manager is the trustee of the Scheme.
- B Clause 24.1 of the Constitution allows the Manager to modify, repeal or replace the Constitution if the Manager reasonable considers the change will not adversely affect Members' rights.
- C The Manager is satisfied the changes contemplated by this supplemental deed do not adversely affect Members' rights. This document is made with the intent that the Manager and each Member will be bound by it.

Agreed terms

1 Amendment

The Constitution is amended by deleting clauses 1, 2.3, 2.4, 3 through to 27 and inserting the provisions in the schedule to this supplemental deed.

2 Trust not Confirmed

- (a) Nothing expressly or impliedly contained in this supplemental deed (including the recitals) is effective to confirm, declare or otherwise acknowledge the trust declared under the original constitution, or to impress any new or additional trusts upon property held on trust as at the date of this supplemental deed.
- (b) Nothing in this supplemental deed should be interpreted as creating any new or further trust and at all times, the Scheme remains a simple trust.

3 Manager and Members bound

The Manager and the Members are bound by the terms of the Constitution as amended by this supplemental deed.

Schedule

DICTIONARY AND INTERPRETATION

1.1 Dictionary of Terms

In this Constitution:

"A Class Unit" means a unit in the Scheme that has its Issue Price and Withdrawal Price calculated in a specific manner;

"B Class Unit" means a unit in the Scheme that has its Issue Price and Withdrawal Price calculated in a specific manner;

"Accounting Standards" means the accounting standards and practices determined under clause 1.3;

"Applicant" anyone who submits an application for Unit/s in the Scheme in accordance with the Information Memorandum;

"Application Form" an application in writing for Unit/s in the Scheme attached to the Information Memorandum;

"Application Money" the amount received from an Applicant when lodging the application in respect of the Unit/s applied for in accordance with the Information Memorandum;

"ASIC" the Australian Securities and Investments Commission;

"Auditor" means the auditor of the Scheme appointed by the Manager;

"Authorised Investors" means:

- (1) An investor residing in a jurisdiction other than Australia; or
- (2) If the investor resides in Australia:
 - (a) Investors who invest a minimum amount of \$500,000.00 in the Scheme; or
 - (b) Investors who invest less than \$500,000.00 in the Scheme and provide a certificate from their qualified accountant under the Law confirming that their net assets are not less than \$2,500,000 or that their gross income is not less than \$250,000 per annum for each of the last two financial years; or
 - (c) Certain professional and sophisticated Investors defined under the Law;

"Business Day" any day on which trading banks are generally open for business on the Gold Coast, Queensland;

"Class" means a class of Units, being Units which have the same rights;

"Commencement Date" means the date the Scheme was first

established;

"Constitution" the trust deed for the Scheme including any Schedule, Annexure or Amendments to it;

"Director" means a person appointed as a director of the Manager;

"Distributable Income" means as detailed in Clause 10.3;

"Distribution Period" means the period referred to in Clause 11.1;

"Dollars", "A\$" and "\$" mean the lawful currency of the Commonwealth of Australia;

"Extraordinary Resolution" has the same meaning as in the Law;

"Financial Year" means:

- (a) the period from the Commencement Date to midnight on the next 30 June;
- (b) each subsequent period of 12 months ending at midnight on each 30 June preceding the Vesting Date; and
- (c) the period beginning at midnight on the 30 June immediately preceding the Vesting Date and ending on the Vesting Date;

"Foreign Currency" means a lawful currency other than the currency of the Commonwealth of Australia;

"Information Memorandum" means an Information Memorandum or any Supplementary Information Memorandum issued by the Manager in relation to the Scheme;

"Investment Confirmation Statement" means a statement issued by the Manager to a Member pursuant to clause 5.9;

"Investment Term" means the fixed investment term selected by the Member (initial investment term) when they invest in the Scheme and includes any subsequent fixed term for the investment where the investment is rolled over for that subsequent term but does not include any fixed term under a Savings Plan Option Investment (and the initial fixed investment term and each subsequent fixed term will each be a separate Investment Term, and not a longer combined Investment Term);

"Issue Price" means the price at which a Unit is issued as detailed in clause 6;

"Law" means the Corporations Act 2001;

"Liabilities" means at any time the aggregate of the following at that time as calculated by the Manager in accordance with the Accounting Standards:

- (a) Each liability, excluding Unit Holder Liability, of the Manager in respect of the Scheme or, where appropriate, a proper provision in accordance with the applicable Accounting Standards in respect of that liability;
- (b) Each other amount payable out of the Scheme, excluding Unit Holder Liability or, where appropriate, a proper provision in accordance with the applicable Accounting Standards in respect of that liability; and
- (c) Other appropriate provisions in accordance with the applicable Accounting Standards;

"LMM" means Law Mortgage Management Pty Ltd ACN 055 691 426;

"Manager" means LM Investment Management Limited ABN 68 077 208 461;

"Member" in relation to a Unit, means the person registered as the holder of that Unit (including joint holders);

"Minimum Subscription" means the amount stated in the Information Memorandum as the Minimum Subscription;

"Net Fund Value" means the value of the Scheme Property less the Liabilities on the Valuation Date;

"Power" means any right, power, authority, discretion or remedy conferred on the Manager by this Constitution or any applicable law;

"Register" means the register of Members maintained by the Manager under clause 20;

"Savings Plan Option Investment" means an investment described as the "LM Savings Plan Option" in the Information Memorandum, with terms and conditions as disclosed in the Information Memorandum;

"Scheme" means the trust created by this Deed to be known as The LM Managed Performance Fund;

"Scheme Property" means assets of the Scheme including but not limited to:

- (a) contributions of money or money's worth to the Scheme; and
- (b) money borrowed or raised by the Manager for the purposes of the

Scheme; and

- (c) property acquired, directly or indirectly, with, or with the proceeds of, contributions or money referred to in paragraph (a) or (b); and
- (d) the income and property derived, directly or indirectly from contributions, money or property referred to in paragraph (a), (b) or (c);

"Special Resolution" has the same meaning as in the Law;

"Subscription Account" means a bank account holding the Application Money;

"Tax" includes, but is not limited to:

- (a) stamp duty, excise and penalties relating to these amounts which are imposed on the Manager in respect of any assets in the Scheme;
- (b) taxes and duties and penalties relating to these items imposed as a result of any payment made to or by the Manager under this Constitution;
- (c) taxes imposed or assessed upon:
 - (i) any Application Money;
 - (ii) distributions of Income to Members, capital gains, profits or any other amounts in respect of the Scheme; or
 - (iii) the Manager in respect of its capacity as the Manager of the Scheme;
- (d) financial institutions duties, debits tax, withholding tax, land tax or other property taxes charged by any proper authority in any jurisdiction in Australia in respect of any matter in relation to the Scheme, and every kind of tax, duty, rate, levy, deduction and charge including any GST;

"Tax Act" means the Income Tax Assessment Act 1936 (Cth) and the Income Tax Assessment Act 1997 (Cth);

"Unit" means an undivided interest in the Scheme Property created and issued under this Constitution and unless the context is clearly otherwise includes A Class Units and B Class Units;

"Unit Holder Liability" means the liability of the Scheme to the Members for their undivided interest in the Scheme Property;

"Valuation Date" means the date which is the last day of each month or any date during each month at the Manager's discretion or the date on which the Manager determines there has been a material change in the value of the Scheme Property;

"Vesting Date" means the date of termination of the Scheme under clause 14;

"Withdrawal Notice" means a notice in writing, given:

- (a) at least 90 days before the expiry of the relevant Investment Term; or
- (b) for a Savings Plan Option investment, the period commencing 90 days after the first 12 month period of the Savings Plan Option Investment has expired, and continuing throughout the term of the Savings Plan Option Investment. After the initial 12 month investment period, only 2 such notices may be given within any 12 month period, and any notices in excess of this number will not be valid unless otherwise determined by the RE in its discretion; or
- (d) any other time period as determined by the Manager;

by a Member and received by the Manager stating the Member's name, the number of Units the Member wishes to have redeemed, and any other information reasonably required by the Manager;

"Withdrawal Price" means the price at which a Unit is redeemed as detailed in clause 7.7.

1.2 Interpretation

- (a) Reference to:
 - (i) one gender includes the others;
 - (ii) the singular includes the plural and the plural includes the singular;
 - (iii) a person includes a body corporate;
 - (iv) an associate of a person means another person who is associated with that person by application of any of the provisions of Division 2 of Part 1.2 of the *Corporations Law*;
 - (v) a party includes the party's executors, administrators, successors and permitted assigns;

(vi) a statute, regulation or provision of a statute or regulation ("Statutory Provision") includes:

- that Statutory Provision as amended or re-enacted from time to time; and
- a statute, regulation or provision enacted in replacement of that Statutory Provision;

(vii) "pay" includes transfer, convey and assign; and

(viii) "income" is not limited to "assessable income" as defined in ITAA.

(b) "Including" and similar expressions are not words of limitation

(c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

(d) Headings are for convenience only and do not form part of this Deed or affect its interpretation.

(e) If a party consists of more than 1 person, this Deed binds each of them separately and any 2 or more of them jointly.

(f) A reference to dealing with a Unit includes any subscription, withdrawal, sale, assignment, encumbrance, or other disposition whether by act or omission and whether affecting the legal or equitable interest in the Unit.

1.3 Accounting Standards

In respect of any accounting practice relevant to this Constitution, the following accounting standards apply as if the Scheme were a company:

- (1) the accounting standards required under the Law.
- (2) if no accounting standard applies under clause 1.3(a), the accounting practice determined by the Manager.

2. ESTABLISHMENT OF SCHEME

2.1 Appointment of the Manager

[Not Altered not reproduced]

2.2 Declaration of Trust

[Not Altered not reproduced]

2.3 Name of Scheme

The name of the Scheme is The LM Managed Performance Fund or any other name that the Manager may determine from time to time.

2.4 **Initial Issue**

The Scheme commences at such time when LMM or its nominee pays \$1.00 to the Manager to establish the Scheme. The Manager must issue to LMM or its nominee 1 Unit in return for that payment.

3. **UNITS AND MEMBERS**

3.1 **Units**

The beneficial interest in the Scheme will be divided into Units. Unless the terms of issue of a Unit or a Class otherwise provide, all Units will carry all rights, and be subject to all the obligations of Members under this Constitution.

3.2 **Classes**

Different Classes of Units may be issued. If the Manager determines in relation to particular Units, the terms of issue of those Units may eliminate, reduce or enhance any of the rights or obligations which would otherwise be carried by such Units.

3.3 **Fractions**

Fractions of a Unit may not be issued. When any calculations under this Constitution would result in the issue of a fraction of a Unit, the number of Units to be issued must be rounded down to the nearest whole Unit.

3.4 **Equal value**

At any time, all the Units in a Class are of equal value.

3.5 **Interest**

A Unit confers an interest in the Scheme Property as a whole. No Unit confers any interest in any particular asset of the Scheme Property.

3.6 **Consolidation and re-division**

- (a) Subject to clause 3.6(b) the Manager may at any time divide the Scheme Property into any number of Units other than the number into which the Scheme Property is for the time being divided.
- (b) A division of a kind referred to in clause 3.6(a) must not change the ratio of Units in a Class registered in the name of any Member to the Units on Issue in the Class.

3.7 **Rights attaching to Units**

- (a) A Member holds a Unit subject to the rights and obligations attaching to that Unit.
- (b) Each Member agrees not to:

- (i) interfere with any rights or powers of the Manager under this Constitution;
- (ii) purport to exercise a right in respect of the Scheme Property or claim any interest in an asset of the Scheme (for example, by lodging a caveat affecting an asset of the Scheme); or
- (iii) require an asset of the Scheme to be transferred to the Member.

3.8 Conditions

The Manager may impose such conditions on the issue of Units as it determines including that the Member may not give effect to any mortgage, charge, lien, or other encumbrances other than as expressly permitted by the Manager.

4. BINDING ON ALL PARTIES

- 4.1 This Constitution is binding on the Manager and on all Members of the Scheme as they are constituted from time to time.
- 4.2 By executing the Application Form attached to the Information Memorandum the Members as are constituted from time to time agree to be bound by the terms and conditions of this Constitution.

5. ISSUE OF UNITS

5.1 Offer

The Manager may at any time:

- (a) offer Units for subscription or sale; or
- (b) invite persons to make offers to subscribe for or buy Units.

5.2 Minimum subscription

- (a) The Manager may set a Minimum Subscription for the pool of funds of any one currency for the Scheme at its discretion.
- (b) The Manager will hold Application Money in a Subscription Account until the Minimum Subscription for the pool of funds is received.

5.3 Insufficient Application Money received

The Manager will return or cause to be returned all Application Money to the persons who paid such Application Money, less any taxes and bank charges payable if:

- (a) insufficient Application Money to meet the Minimum Subscription stipulated in Clause 5.2, or
- (b) the Manager withdraws an Information Memorandum (which the Manager is entitled to do) before sufficient Application Money is received, or
- (c) the Manager does not believe there will be sufficient funds available to achieve the aims of the Scheme contemplated in this Constitution or the Information Memorandum.

5.4 Form of Application

Each Application for Units:-

- (a) must be made by Application Form attached to an Information Memorandum; and
- (b) must be accompanied by Application Moneys as required by any relevant Information Memorandum;
- (c) may only be made by an Authorised Investor.

5.5 Acceptance or rejection

The Manager may, without giving any reason:

- (a) accept an Application;
- (b) reject an Application; or
- (c) reject part of the Application.

5.6 Uncleared funds

Units issued against Application Money in the form of a cheque or other payment order (other than in cleared funds) are void if the cheque or payment order is not subsequently cleared.

5.7 Issue of Units

Units are taken to be issued when:

- (a) the Application Money for the Issue Price is received by the Manager; and
- (b) the Manager accepts the Application and the Units are entered in the Register, or at such other time as the Manager determines.

5.8 Number of Units Issued

The number of Units to be issued to an Applicant will be the amount of the Application Money, rounded down to the nearest two decimal places.

5.9 Additional Applications

Additional Applications for investment in the Scheme by existing

Members, not made on an Application Form may be accepted:

- (a) from a Member;
- (b) as a result of an Application;
- (c) in accordance with an Arrangement for as long as and on condition that it complies with the requirements of the Manager and the law or ASIC's policy including any relief granted to the Manager from time to time; and

5.9 Holding Application Money

All Application Money must be held by the Manager on trust for the Applicants in the Subscription Account in accordance with the rules set out in this Constitution .

5.10 Interest on Application Money

The Manager is not required to account to any Member for any interest earned on Application Money held in the Subscription Account.

5.11 The Manager to return Application Money

Where the Manager has rejected (in full or in part) an Application, the relevant Application Money (without interest) must be returned to the Applicant within 14 days.

5.12 Incomplete Application Form

The Manager will, on receipt of any Application Money which is not accompanied by a completed Application Form, as soon as practicable return the Application Money to the relevant Applicant or-

- (a) attempt to obtain the Application Form from the Applicant, and
- (b) bank the Application Money.

5.13 No Application Form received

If the Manager has not received the Application Form by the time the offer is closed under the Information Memorandum, then the Manager must use its best endeavours to return the Application Money to the Applicant as soon as practicable, less any taxes and bank charges payable.

5.14 Investment Confirmation Statement

The evidence of a Members' holding in the Scheme will be the latest extract from the Register as provided from time to time to a Member by the Manager in a Investment Confirmation Statement.

- 5.16 Notwithstanding clauses 5.1 - 5.15, the Manager may, in its discretion, allot Units on terms and conditions it thinks fit.

6. ISSUE PRICE

The issue price of a Unit (being an A Class Unit or a B Class Unit (including each B Unit subClass) shall be calculated as at the close of business on the Business Day prior to issue as follows:

$$(A-B) / C = D$$

$$\frac{(D \times E) + F}{E} = G$$

Where:

A = Net Fund Value excluding distributions accrued but not paid to A Class Unit holders since the Valuation Date

B = Distributions credited but not paid to all B Class Unit holders since the Valuation Date

C = Total number of all Units on issue

D = A Class Unit Issue Price

E = total number of B Class Units on issue in that subClass of B Class Unit holders

F = Distributions credited but not paid to B Class Unit holders in that subclass since the Valuation Date

G = B Class Unit Issue Price for that subClass

The purpose of the above calculations is to reflect differential Unit Issue Prices. An A class Unit Issue Price is not intended to reflect accrued but unpaid distributions. A B class Unit Issue Price is intended to reflect accrued but unpaid distributions and adjusted for the unpaid distributions for that subclass of B class Unit holders.

7. TERM OF INVESTMENT AND WITHDRAWAL OF UNITS

7.1 Minimum Term and Conditions

The minimum term of the investment and conditions attaching to the withdrawal of the Units (withdrawal of funds) are detailed in the Information Memorandum under which the Member applied for Units.

7.2 Fixed investment period

When making their Application, all Applicants must invest for one of the Investment Terms specified in the Information Memorandum.

7.3 Authorised withdrawal

The Manager may authorise withdrawals by any Member in accordance with the following procedure and as disclosed in the Information Memorandum:

- (a) the Information Memorandum may offer fixed Investment Terms to Applicants;
- (b) the fixed Investment Terms must be disclosed in the Information Memorandum;
- (c) during their fixed Investment Term a Member is not entitled to withdraw (except in the absolute discretion of the Manager);
- (d) within the period nominated by the Manager, as disclosed in the Information Memorandum, before the expiry of their fixed Investment Term, the Member must advise the Manager in writing ("Withdrawal Notice") whether the Member is withdrawing from the Scheme.
- (e) If the Member fails to complete and return the Withdrawal Notice within the time period nominated by the Manager, as disclosed in the Information Memorandum, before the end of that Member's fixed Investment Term (and any subsequent Investment Term) and:
 - (i) if the investment is in A Class Units and is made in Australian dollars, the Member will be deemed to have elected to renew their investment in the Scheme for the period of the initial Investment Term in Australian dollars;
 - (ii) if the investment is in A Class Units and is made in a Foreign Currency the Member will be deemed to have elected to renew their investment in the Scheme for a 3 month Investment Term and applied to hedge their reinvestment in the originally nominated currency.
 - (iii) if the investment is in B Class Units and is made in Australian dollars the Member will be deemed to have elected to renew their investment in the Scheme for a 12 month Investment Term (unless the initial Investment Term is longer than 12 months in which case the

Member will be deemed to have elected to renew their investment in the Scheme for the initial investment term) in Australian dollars;

- (iv) if the investment is in B Class Units and is made in a Foreign Currency the Member will be deemed to have elected to renew their investment in the Scheme for a 12 month Investment Term (unless the initial Investment Term is longer than 12 months in which case the Member will be deemed to have elected to renew their investment in the Scheme for the initial investment term) and applied to hedge their reinvestment in the originally nominated currency.

(f) If the Manager allows a Member to withdraw an investment from the Scheme before the end of an Investment Term, the Manager is also entitled to require the Member to pay:

- (i) for investments in Australian dollars a breaking of investment term fee up to 10% of the investment amount;
- (ii) for investments in foreign currency a breaking of investment term fee up to 10% of the investment amount and in addition the Manager will also be entitled to require the Member to pay an amount equal to any other fees or charges arising from the early withdrawal (including fees and charges that may be payable to the financial institution which has organised the investment in the relevant currency).

The charges referred to in this clause 7.3(f) will be deducted from the investment being withdrawn, and paid at the time of withdrawal. Such charges will become part of the Scheme Property.

7.4 No Obligation

- (a) Subject to the provisions of clause 7.3 and 7.4(b) the Manager will agree to a Members request for withdrawal of Units.
- (b) The Manager is not obliged to agree to any request for withdrawal of Units for such periods as it in its sole discretion

determines where:-

- (i) The Scheme's cash reserves fall below 5% of the value of the Scheme's Issued Units; or
- (ii) In any calendar month the Manager receives net withdrawal requests equal to 10% or more of the value of the Scheme's Issued Units; or
- (iii) Any other event or circumstances arises which the Manager considers in its absolute discretion may be detrimental to the interests of the Members in the Scheme.

7.5 Withdrawal by the Manager

The Manager may withdraw any Units at any time by giving notice of such withdrawal to the relevant Unit Holders.

7.6 Payment

- (a) The Manager must pay to the holder of a withdrawn Unit so much of the Distributable Income for the Distribution Period as the Manager considers is reasonably attributed to the Unit for the period from the commencement of the then current Distribution Period to the date of the withdrawal.
- (b) The Manager must pay to the holder of the withdrawn Units the withdrawal price as determined in clause 7.8 per Unit for each withdrawn Unit plus the amount referred to in clause 7.6(a):-
 - (i) for Australian dollar investments within 30 days; or
 - (ii) for Non-Australian dollar investments within 5 Business Days after the Manager's obligation to pay the withdrawals price under clause 7.7 arises subject to clause 7.4.

7.7 Cancellation of Units

Upon the withdrawal of Units, the Units must be cancelled and the name of the holder must be removed from the Register as a holder of those Units and the Manager's obligation to pay the withdrawal price and the amount referred to in clause 7.6(a) per Unit for each redeemed Unit arises.

7.8 Withdrawal Price

The Withdrawal Price of each A Class Unit or each B Class Unit (including each B Unit subClass) pursuant to clause 7 shall be calculated in the same manner as the Issue Price.

8. TRANSFER OF UNITS

8.1 Transferability of Units

- (a) Subject to this Constitution, a Unit may be transferred by instrument in writing, in any form authorised by Law or in any other form that the Manager approves.
- (b) A Transferor of Units remains the holder of the Units transferred until the transfer is registered.

8.2 Registration of Transfers

- (a) The following documents must be lodged for registration at the registered office of the Manager or the location of the Register:
 - (i) the instrument of transfer; and
 - (ii) any other information that the Manager may require to establish the transferor's right to transfer the Units.
- (b) On compliance with clause 8.2(a), the Manager will, subject to the powers of the Manager to refuse registration, register the transferee as a Member.

8.3 Where registration may be refused

Where permitted to do so by Law or this Constitution, the Manager may refuse to register any transfer of Units.

8.4 Where registration must be refused

if

- (a) the Manager has notice that the transferor of Units has entered into any borrowing or other form of financial accommodation to provide all or part of the funds to subscribe for or acquire a Unit and has not received confirmation from the financier that the financier consents to the transfer of those Units; or
- (b) the transferor has given a power of attorney in favour of the Manager in the form set out in an application form accompanying the Information Memorandum and the transferee has not executed and provided to the Manager a similar form of power of attorney (with such adaptations as are necessary) in favour of the Manager, the Manager must refuse to register same and must continue to treat the seller or transferor as the case may be as the registered holder for all purposes and the purported sale, purchase, disposal

or transfer shall be of no effect, or

- (c) if the transferee is not a Member the Manager must not consent to the registration until the Manager is satisfied that the transferee has read or had the opportunity to read this Constitution and has agreed to be bound by its provisions.

8.5 Notice of non-registration

If the Manager declines to register any transfer of Units, the Manager must within 5 Business Days after the transfer was lodged with the Manager give to the person who lodged the transfer written notice of, and the reasons for, the decision to decline registration.

8.6 Suspension of transfers

The registration of transfers of Units may be suspended at any time and for any period as the Manager from time to time decides. However, the aggregate of those periods must not exceed 30 days in any calendar year.

9. TRANSMISSION OF UNITS

9.1 Entitlement to Units on death

- (a) If a Member dies:

- (i) the survivor or survivors, where the Member was a joint holder; and
- (ii) the legal personal representatives of the deceased, where the Member was a sole holder,

will be the only persons recognised by the Manager as having any title to the Member's interest in the Units.

- (b) The Manager may require evidence of a Member's death and grant of probate as it thinks fit.
- (c) This clause does not release the estate of the deceased joint Member from any liability in respect of a Unit that had been jointly held by the Member with other persons.

9.2 Registration of persons entitled

- (a) Subject to the Bankruptcy Act 1966 and to the production of any information that is properly required by the Manager, a person becoming entitled to a Unit in consequence of the death or bankruptcy (or other legal disability) of a Member may elect to:
 - (i) be registered personally as a Member; or
 - (ii) have another person registered as the Member.

(b) All the limitations, restrictions and provisions of this Constitution relating to:

- (i) the right to transfer Units;
- (ii) the registration of the transfer of Units;

apply to any relevant transfer as if the death or bankruptcy or legal disability of the Unit Member had not occurred and the notice or transfer were a transfer signed by that Member.

9.3 Distributions and other rights

- (a) If a Member dies or suffers a legal disability, the Member's legal personal representative or the trustee of the Member's estate (as the case may be) is, on the production of all information as is properly required by the Manager, entitled to the same distributions, entitlements and other advantages and to the same rights (whether in relation to meetings of the Scheme or to voting or otherwise) as the Member would have been entitled to if the Member had not died or suffered a legal disability.
- (b) Where two or more persons are jointly entitled to any Unit as a result of the death of a Member, they will, for the purposes of this Constitution, be taken to be joint holders of the Unit.

10. DISTRIBUTABLE INCOME

10.1 Income of the Scheme

The income of the Scheme for each Financial Year will be determined in accordance with applicable Accounting Standards.

10.2 Expenses and provisions of the Scheme

For each Financial Year:

- (a) the Expenses of the Scheme will be determined in accordance with the applicable Accounting Standards; and
- (b) provisions or other transfers to or from reserves may be made in relation to such items as the Manager considers appropriate in accordance with the applicable Accounting Standards including, but not limited to, provisions for income equalisation.

10.3 Distributable Income

The Distributable Income of the Scheme is Income of the Scheme less Expenses and provisions of the Scheme.

11. DISTRIBUTIONS

11.1 Distribution Period

(a) For A Class Unit holders:

- (i) The Distribution Period is one calendar month for Australian dollar investments commencing on the 1st day of each calendar month, or as otherwise determined by the Manager in its absolute discretion.
- (ii) The Distribution Period is one calendar month for investments made in non-Australian dollars where distributions are made in Australian dollars commencing on the 1st day of the investment term, or as otherwise determined by the RE in its absolute discretion.
- (iii) The Distribution Period is the Investment Term for investments made in non-Australian dollars where distributions are made in non-Australian dollars, commencing on the 1st day of the investment term, or as otherwise determined by the RE in its absolute discretion.

(b) For B Class Unit holders the Distribution Period is one calendar month commencing on the 1st day of each calendar month, or as otherwise determined by the Manager in its absolute discretion.

11.2 Distributable Income

The Distributable Income of the Scheme Fund for the Distribution Period will be such amount as the Manager reasonably determines. Distributable Income is paid to Members in their nominated currency (except for non-Australian dollar investments where the investor has chosen to have distributions paid in Australian dollars) after taking into account all direct and indirect costs associated with any currency conversion, and to the extent they have not otherwise been taken into account, any adviser fees or costs associated with individual Members' investments.

11.3 Distributions

- (a) If the payment for Units is made in Australian dollars the Manager must distribute the Distributable Income relating to each Distribution Period within 10 Business Days of the end of each

Distribution Period except:

- (i) on withdrawal of investment where the Distributable Income will be paid in accordance with clause 7.6; or
 - (ii) if the Manager allows and the member elects to be paid Distributable Income other than at the end of the distribution period the Distributable Income will be paid within 10 Business Days after the end of that nominated period, which must be greater than the distribution period and a duration equivalent to multiples of the distribution period.
- (b) If the payment for Units is made in Foreign Currency, which is hedged through a foreign exchange contract by the Scheme, the Distributable Income is paid:
- (i) within 10 Business Days of the end of the Distribution Period; or
 - (ii) where the Investment Term is greater than 12 months, if the Manager allows and the member elects to be paid yearly, the Distributable Income will be paid within 10 Business Days after each 12 monthly anniversary of the investment.
- (c) For each Distribution Period a Member is entitled to that proportion of the Distributable Income as is equal to the number of Units held by the Member on the last day of the Distribution Period divided by the number of Units on the Register on that date.

11.4 Present entitlement

Unless otherwise agreed by the Manager and subject to the rights, restrictions and obligations attaching to any particular Unit or Class, the Members on the Register will be presently entitled to the Distributable Income of the Scheme on the last day of each Distribution Period.

11.5 Capital distributions

The Manager may distribute capital of the Scheme to the Members. Subject to the rights, obligations and restrictions attaching to any particular Unit or Class, a Member is entitled to that proportion of the capital to be distributed as is equal to the number of Units held by that

Member on a date determined by the Manager divided by the number of Units on the Register on that date. A distribution may be in cash or by way of bonus Units.

11.6 Grossed up Tax amounts

Subject to any rights, obligations and restrictions attaching to any particular Unit or Class, the grossed up amount under the Tax Act in relation to Tax credits or franking rebates is taken to be distributed to Unit Members in proportion to the Distributable Income for a Distribution Period as the case may be, which is referable to a dividend or other income to which they are presently entitled.

11.7 Reinvestment of Distributable Income

- (a) The Manager may invite Members to reinvest any or all of their distributable income entitlement by way of application for additional Units in the Scheme.
- (b) The terms of any such offer of reinvestment will be determined by the Manager in its discretion and may be withdrawn or varied by the Manager at any time.
- (c) The Manager may determine that unless the Member specifically directs otherwise they will be deemed to have accepted the reinvestment offer.
- (d) The Units issued as a result of an offer to reinvest will be deemed to have been issued on the first day of the next Distribution Period immediately following the Distribution Period in respect of which the distributable income being reinvested was payable.

12. NATURE OF MANAGER POWERS

12.1 The Manager has all the powers:

- (a) of a natural person to invest and borrow on security of the Scheme Property;
- (b) in respect of the Scheme and the Scheme Property that it is possible under the Law to confer on a Manager and on a Trustee;
- (c) as though it were the absolute owner of the Scheme Property and acting in its personal capacity; or
- (d) necessary for fulfilling its obligations under this Constitution and under the Law.

12.2 Without limiting the generality of clause 12. 1, the Manager may:

- (a) purchase, sell, lease, improve, encumber, sub-divide, hire, licence, exchange, develop, grant leases and licenses and enter into any other agreement or dealing including the surrender or termination of any dealing in relation to any property forming or which is to form part of the Scheme, on any terms the Manager thinks fit;
- (b) repair, renovate, demolish, build or alter any improvement to any property forming part of the Scheme;
- (c) determine any rental to be paid for the use of any property;
- (d) exercise all powers and obligations in relation to any investment forming part of the Scheme Property, including but not limited to:
 - (i) attending and voting at meetings;
 - (ii) appointing proxies for meetings;
 - (iii) taking up a rights issue; and
 - (iv) paying calls under any contract.
- (e) exercise any Power and perform all obligations in relation to any property forming part of the Scheme as if the Manager is the beneficial owner of the property;
- (f) accept a conveyance or transfer of any property as part of the Scheme;
- (g) enter into possession of and manage any property interests of the Scheme;

12.3 Without limiting the generality of clause 12.1, the Manager may:

- (a) invest in any "securities" as defined in Section 92(1) of the Law:
 - (i) whether or not a trustee could properly acquire the security; and
 - (ii) on personal credit, with or without security;
- (b) invest any money on loan to, or on deposit with, any person (including a Member or Related Corporation):
 - (i) with or without interest;
 - (ii) with or without security; and
 - (iii) repayable on any terms the Manager thinks fit;
- (c) enter into swap transactions, futures contracts, forward rate agreements, foreign exchange agreements;

- (d) grant or take up an option to acquire property; and
- (e) invest in or make a loan to any managed investment fund or scheme, including any managed investment fund or scheme that the Manager is the responsible entity of.

12.4 Clause 12.3 applies whether the Manager's purpose in making the investment:

- (a) is to create a capital accretion or to produce income or other profits;
- (b) is partly for a purpose referred to in clause 12.4(a);
- (c) is for any other purpose that the Manager considers benefits the Scheme; or
- (d) is for any purpose that the Manager considers directly or indirectly benefits any Member,

12.5 The Manager may invest any money required to be invested on loan to or on deposit with any Member or Related Corporation on any terms the Manager thinks fit.

12.6 The Manager may:

- (a) exchange any investment for any other investment authorised under this Constitution;
- (b) vary the terms of any investment or the security given for that investment; and
- (c) surrender any investments.

12.7 Without limiting the generality of clause 12.1, the Manager may:

- (a) use the income or capital of the Scheme to carry on any trade or business, either as a sole trader or in partnership;
- (b) engage any managers and other employees;
- (c) enter into any arrangement for sharing profits, co-operation, joint venture or reciprocal concessions;
- (d) act in relation to the trade or business as if the Manager were beneficially entitled to it;
- (e) set aside an amount out of the Scheme Property which, in the Manager's opinion, is sufficient to meet any debt or obligation;
- (f) open and operate an account with any financial institution;
- (g) sign, draw, endorse or execute in a manner determined by the Manager:

- (i) any cheque or other negotiable or transferable instrument; and
 - (ii) any receipt for money paid to the Manager;
 - (h) borrow or raise money with or without giving security over the Scheme Property or any part of it on any terms including any rate of interest and any fees and expenses as the Manager thinks fit;
 - (i) make, draw, accept, endorse, discount, sell, purchase, negotiate and otherwise deal with any promissory note, bill of exchange, commercial bill, bill of lading, warrant, debenture, certificate of deposit or other transferable document or financial instrument for any purpose the Manager thinks fit;
 - (j) encumber the Scheme Property in favour of any person in relation to any obligation of the Manager on behalf of the Scheme;
 - (j) to the extent permitted by law:
 - (i) guarantee the payment of money or the performance of any other obligation; and
 - (ii) grant any indemnity in respect of any obligation;to any person whether or not in relation to the obligations of a Member or for the benefit of the Scheme.
- 12.8 Without limiting the generality of clause 12.1, the Manager may:
- (a) make any claim or demand or take any action on behalf of a Member of the Scheme;
 - (b) refer any dispute affecting the assets of the Scheme to arbitration, other than a dispute involving a Member; and
 - (c) settle on any terms any matter which arises in relation to the Scheme (if the Manager settles any matter the settlement is binding on all persons interested in the Scheme, including all Members).
- 12.9 To the extent allowed by law:
- (a) any restriction or prohibition imposed upon the Manager in relation to the investment from time to time of the Scheme Property or any part thereof is hereby excluded from the obligations imposed.
 - (b) without derogating from the generality of the foregoing this

exclusion specifically applies to any "Prudent Person Rule" or the like which may be implied by any future enactment of legislation.

12.10 To the extent allowed by law:

- (a) the Manager may borrow or raise money with or without security over the Scheme Property or any part of it on any terms, including any rate of interest and any fees and expenses as the Manager thinks fit;
- (b) the Manager may deal with any property to exercise all the powers of a mortgagee pursuant to the mortgage terms and conditions.

12.11 The Manager may use Scheme Property to assist it with its working capital requirements.

13. COMPLAINTS PROCEDURES

13.1 Complaints may be made in writing or by telephone to the Manager.

13.2 The Manager has 30 days to respond to the complaint once it is received. The Manager must attempt to resolve the complaint within a satisfactory time period as determined by the nature of the complaint and the Member's response. If the Member feels that their Complaint has not been satisfactorily resolved it will be referred to a Director or Complaints Manager of the Manager for resolution.

14. TERM OF SCHEME

The Scheme begins on the Commencement Date and is to be wound up on the earlier to occur of:

- (a) the date which is eighty years from the Commencement Date; and
- (b) any earlier date which the Manager, in its absolute discretion may appoint as the Vesting Date.

15. WINDING UP THE SCHEME

15.1 The Scheme shall only be wound up in accordance with the Law and this Constitution.

15.2 The Manager must wind up the Scheme in the following circumstances:-

- (a) if the term of the Scheme as detailed in this Constitution has expired;
- (b) the Members pass an Extraordinary Resolution directing the Manager to wind up the Scheme;

- (c) the Court makes an order directing the Manager to wind up the Scheme.
 - (d) the Members pass an Extraordinary Resolution to remove the Manager but do not at the same time pass an Extraordinary Resolution choosing a company to be the new Manager that consents to becoming the Scheme's Manager;
- 15.3 (a) If the Manager considers that the purpose of the Scheme:
- (i) has been accomplished; or
 - (ii) cannot be accomplished,
- it may take steps to wind up the Scheme.
- (b) If the Manager wishes to wind up the Scheme pursuant to clause 15.3(a), the Manager must give to the Members of the Scheme a notice in writing;
- (i) explaining the proposal to wind up the Scheme, including explaining how the Scheme's purpose has been accomplished or why that purpose cannot be accomplished; and
 - (ii) informing the Members of their rights to take action under Division 1 of Part 2G.4 of the Law for the calling of a Members' meeting to consider the proposed winding up of the Scheme and to vote on an Extraordinary Resolution Members propose about the winding up of the Scheme; and
 - (iii) informing the Members that the Manager is permitted to wind up the Scheme unless a meeting is called to consider the proposed winding up of the Scheme within 28 days of the Manager giving the notice to the Members;
- (c) if no meeting is called within that 28 days to consider the proposed winding up, the Manager may wind up the Scheme.
- 15.4 The Manager shall not accept any further applications for Units in the Scheme or make any further loans from the Scheme at a time after the Manager has become obliged to ensure the Scheme is wound up or after the Scheme has started to be wound up.
- 15.5 The Manager shall manage the Scheme until such time as all winding up

procedures have been completed.

15.6 Subject to the provisions of this clause 15 upon winding up of the Scheme the Manager must:

- (a) realise the assets of the Scheme ;
- (b) pay all liabilities of the Manager in its capacity as Trustee of the Scheme including, but not limited to, liabilities owed to any Member who is a creditor of the Scheme;
- (c) subject to any special rights or restrictions attached to any Unit, distribute the net proceeds of realisation among the Members in the same proportion specified in Clause 11.4;
- (d) The Members must pay the costs and expenses of a distribution of assets under clause 15.6(c) in the same proportion specified in Clause 11.4.
- (e) The Manager may postpone the realisation of the Scheme Property for as long as it thinks fit and is not liable for any loss or damage attributable to the postponement.
- (f) The Manager may retain for as long as it thinks fit any part of the Scheme Property which in its opinion may be required to meet any actual or contingent liability of the Scheme.
- (g) The Manager must distribute among the Members in accordance with clause 15.6 anything retained under clause 15.6(f) which is subsequently not required.

15.7 If on completion of the winding up of a registered Scheme, the Manager or such other person who may be winding up the Scheme has in their possession or under their control any unclaimed or undistributed money or other property that was part of the Scheme Property the Manager or person winding up the Scheme must, as soon as practicable, pay the money or transfer the property to the ASIC to be dealt with pursuant to Part 9.7 of the Law.

15.8 Capital Guarantee

LM Investment Management Limited ACN 077 208 461 guarantees the payment of each Members entitlements in the event of any shortfall in the assets of the Scheme if the Scheme is wound up where the Member became a Member of the Scheme on or before 4 November 2002. This guarantee will only apply to Members who are registered as Unit Holders

in the Register on 4 November 2002 and remain Members on the date on which the Scheme is wound up. LM Investment Management Limited ABN 68 077 208 461 will ensure that all amounts which are guaranteed under this clause are paid to qualifying Members within 12 months of the date on which the Scheme is wound up.

16. VALUE OF THE SCHEME PROPERTY

The Manager may cause the Scheme Property to be valued at any time in accordance with the Valuation Policy of the Manager.

17. FEES, TAXES, COSTS AND EXPENSES

17.1 Taxes:

The Manager may use the Scheme Property to pay any Tax or other obligation, liability or expense required by any applicable law in relation to:

- (a) this Constitution;
- (b) any amount incurred or payable by the Manager;
- (c) a gift or settlement effected by this Constitution;
- (d) the exercise by the Manager of any Power; or
- (e) money or investments held by or on behalf of the Manager under this Constitution.

17.2 Payment of Debts:

The Manager may set aside any money from the Scheme Property which, in the Manager's opinion, is sufficient to meet any present or future obligation of the Scheme.

17.3 Fees:

The Manager is entitled to be paid a management fee from the Scheme Property up to 10% per annum of the Net Fund Value in relation to the performance of its duties as detailed in this Constitution and the Law. This fee is to be calculated monthly and paid at such times as the Manager determines.

17.4 The Manager shall be entitled to fees for the following duties:

- (a) In relation to the subscription and withdrawal of units;
- (b) In relation to the transfer or transmission of Units;
- (c) In relation to arranging any finance facility in connection with the purchase of any asset of the Scheme;
- (d) In relation to due diligence enquiries generally;

- (e) In relation to the sale of real estate or assets of the Scheme Property;
- (f) In relation to the promotion and management of the Scheme. This fee is payable monthly;
- (g) In relation to the winding-up of the Scheme;
- (h) In relation to the performance of its duties and obligations pursuant to the Law and this Constitution.

17.5 The Manager is entitled to be paid a success fee calculated in relation to a reporting period as the difference between the net profit of the Scheme and the net distributor forecast to be paid to Members by the Manager during that reporting period.

17.6 Costs and Expenses

The Manager shall be indemnified out of Scheme Property for liabilities or expenses incurred in relation to the performance of its duties, including:

- (a) Auditor's fees;
- (b) Legal fees and outgoings
- (c) Barrister/QC - Legal Counsel Fees;
- (d) Fees and expenses incurred in respect of any service providers and/or employees of the Scheme;
- (e) All costs, charges and expenses incurred in connection with the acquisition, custody, transfer or disposal of any asset of the Scheme or investments (for example commissions, brokerage, legal fees, bank charges and stamp duty);
- (f) Independent expert's or consultant's fees including but not limited to marketing agents, property specialists, surveyors, quantity surveyors, town planners, engineers;
- (g) Property report/property consultants fees;
- (h) Real estate agent's sales commissions;
- (i) Costs of maintenance of any asset of the Scheme;
- (j) Outstanding accounts relating to any asset of the Scheme such as council rates;
- (k) Locksmith for changing locks of any asset of the Scheme as appropriate;
- (l) Insurance (property and contents);

- (m) Removalists for removal of borrower's property as appropriate;
- (n) Security guards to attend any asset of the Scheme as appropriate;
- (o) Building and/or property inspection report fees - i.e. building, town planning experts and the like;
- (p) all ASIC charges;
- (q) all costs of supplying Members with copies of this Constitution and any other documents required by the Law to be provided to Members;
- (r) all costs and expenses incurred in producing Information Memorandums and Supplementary Information Memorandums or any other disclosure document required by the Law;
- (s) reasonable costs incurred in protecting or preserving all assets offered as security;
- (t) all liability, loss, cost, expense or damage arising from the proper performance of its duties in connection with the Scheme performed by the Manager or by any agent appointed pursuant to the Law;
- (u) any liability, loss, cost, expense or damage arising from the lawful exercise by the Manager and the Custodian of their rights under the Power of Attorney contained in clause 19;
- (v) Fees and expenses of any agent, or delegate appointed by the Manager;
- (w) Bank and government duties and charges on the operation of bank accounts;
- (x) Costs, charges and expenses incurred in connection with borrowing money on behalf of the Scheme under the Constitution;
- (y) Insurances directly or indirectly protecting the Scheme Property;
- (z) Fees and charges of any regulatory or statutory authority;
- (aa) Taxes in respect of the Scheme but not Taxes of the Manager [save and except any goods and services or similar tax ("GST")] which are payable by the Manager on its own account;
- (bb) Costs of printing and postage of cheques, advices, reports, notices and other documents produced during the management of the Scheme;

- (cc) Expenses incurred in connection with maintaining accounting records and registers of the Scheme and of the Scheme Auditors;
- (dd) Costs and disbursements incurred in the preparation and lodgment of returns under the Law, Tax Act or any other laws for the Scheme;
- (ee) Costs of convening and holding meetings of Members;
- (ff) Costs and disbursements incurred by or on behalf of the Manager in connection with its retirement and the appointment of a substitute;
- (gg) Costs and disbursements incurred by the Manager in the initiation, conduct and settlement of any court proceedings;
- (hh) Costs of any insurance premiums insuring against the costs of legal proceedings (whether successful or not);
- (ii) Costs of advertising the availability of funds for lending;
- (jj) Brokerage and underwriting fees;
- (kk) If and when the Manager becomes responsible to pay any GST in respect of any services provided to the Scheme or any payments in respect of GST to be made by the Members or the Manager in respect of the Scheme or under the terms of this Constitution then the Manager shall be entitled to be indemnified in respect of such GST from the Scheme Property;

17.7 In the event that the Manager has not performed its duties, the lack of entitlement to payment of fees pursuant to clause 17.3 is only in respect of that part of the payment which relates to the specific lack of proper performance on any given matter. Nothing in this clause shall be interpreted to mean that the Manager is not entitled to be paid fees and expenses for work properly performed.

17.8 In the event of any dispute regarding the payment of fees and expenses, the Manager shall be paid such fees and expenses until the dispute is fully determined. Any overpayment of the Manager shall be repaid forthwith upon the identification of the overpayment.

17.9 The Manager is entitled to recover fees and expenses from the Scheme provided they have been incurred in accordance with this Constitution.

17.10 All fees payable to the Manager are net of any goods and services tax.

18. INDEMNITY AND LIABILITY

18.1 The following clauses apply to the extent permitted by law:

- (a) The Manager is not liable for any loss or damage to any person (including any Member) arising out of any matter unless, in respect of that matter, it acted both:
 - (i) otherwise than in accordance with this Constitution and its duties; and
 - (ii) without a belief held in good faith that it was acting in accordance with this Constitution or its duties.

In any case the liability of the Manager in relation to the Scheme is limited to the Scheme Property, from which the Manager is entitled to be, and is in fact, indemnified.

- (b) In particular, the Manager is not liable for any loss or damage to any person arising out of any matter where, in respect of that matter:
 - (i) it relied in good faith on the services of, or information or advice from, or purporting to be from, any person appointed by the Manager;
 - (ii) it acted as required by Law; or
 - (iii) it relied in good faith upon any signature, marking or documents.

- (c) In addition to any indemnity under any Law, the Manager has a right of indemnity out of the Scheme Property on a full indemnity basis, in respect of a matter unless, in respect of that matter, the Manager has acted negligently, fraudulently or in breach of trust.

- (d) The Manager is not liable to account to any Member for any payments made by the Manager in good faith to any duly authorised authority of the Commonwealth of Australia or any State or Territory of Australia for taxes or other statutory charges.

19. POWERS OF ATTORNEY

19.1 Each Member by execution of the Application Form or the transfer by which he/she/it acquires Units in the Scheme appoints the Manager and any director officer attorney or substitute nominated by the Manager severally for this purpose as its attorney and agent with the right:

- (a) at any time to:
 - (i) sign any document in relation to any subscription and

- withdrawal agreement;
 - (ii) sign any document in relation to the transfer or transmission of Units;
 - (iii) sign any variation of this Constitution;
 - (iv) sign any document required by ASIC to be executed by a Member in respect of the Scheme.
 - (b) at the request in writing of the Manager the Member must execute separate Powers of Attorney in a form reasonably required by the Manager appointing the Manager as its attorney for the purpose of this clause.
 - (c) any attorney may exercise its rights notwithstanding that the exercise of the right constitutes a conflict of interest or duty;
- 19.2 Each Member indemnifies and shall keep indemnified any attorney against any liability, loss, cost, expense or damage arising from the lawful exercise of any right by the attorney under the Power of Attorney.

20. THE REGISTER

20.1 Keeping registers

The Manager must establish and keep a register of Members, and if applicable, the other registers required by the Law.

20.2 Information in registers

To the extent applicable, the registers must be kept in accordance with, and contain the information required by the Law. Otherwise, the Manager may decide what information is included in the registers. If the Law applies, the Manager has the powers conferred under the Law in relation to the register.

20.3 Changes

Every Member must promptly notify the Manager of any change of name or address and the Manager must alter the relevant register accordingly.

21. NOTICES

21.1 A notice or other communication connected with this Constitution has no legal effect unless it is in writing.

21.2 In addition to any other method of service provided by law, the Notice must be:

- (a) sent by post, postage prepaid, to the address for the Member in the Manager's register of interests;

- (b) sent by facsimile to the facsimile number of the Member; or
 - (c) otherwise delivered, including via email, at the address of the addressee of the Member as is subsequently notified.
- 21.3 A Notice must be treated as given and received:
 - (a) if sent by post, on the 2nd Business Day (at the address to which it is posted) after posting;
 - (b) if sent by facsimile or electronically before 5.00 p.m. on a Business Day at the place of receipt, on the day it is sent and otherwise on the next Business Day at the place of delivery.
- 21.4 Despite clause 21.3(ii) a facsimile is not treated as given or received unless at the conclusion of the transmission the sender's facsimile machine issues a transmission report which indicates that the relevant number of pages comprised in the Notice have been sent.
- 21.5 A Notice sent or delivered in a manner provided by clause 21.2 must be treated as validly given to and received by the party to which it is addressed even if:
 - (a) the addressee has been liquidated or deregistered or is absent from the place at which the Notice is delivered or to which it is sent; or
 - (b) the notice is returned unclaimed.
- 21.6 Any Notice by a party may be given and may be signed by the solicitor for the party.
- 21.7 Any Notice to a party may be given to the solicitor for the party by any of the means listed in clause 21.2 to the solicitor's business address or facsimile number as the case may be.

22. LIABILITY OF MEMBERS

- 22.1 The liability of each Member, whether actual, contingent or prospective, is limited to the unpaid Issue Price of his/her/its Units except if the Manager and the relevant Member agree otherwise in writing that the liability of a Member may be further limited or waived.
- 22.2 A creditor or other person claiming against the Manager as trustee of the Scheme has no recourse against a Member and no Member is personally liable to indemnify the Manager, any creditor of the Manager or any person claiming against the Manager in respect of any actual, contingent, prospective or other liability of the Manager in relation to the Scheme.

23. APPOINTMENT AND REMOVAL OF TRUSTEE

23.1 Retirement or Resignation of Trustee

- (a) The Manager may retire upon giving 3 months' notice to the Members of its desire to do so.
- (b) The Manager must resign:
 - (i) if it is removed as provided by law;
 - (ii) if (being a corporation) it becomes an externally-administered body corporate as defined in the *Corporations Act 2001*; or
 - (iii) if (being a natural person) he or she is found to be of unsound mind or becomes bankrupt.

23.2 Unit Holders May Appoint New Trustee

The holders of not less than 50% of the Units on Issue may by notice in writing appoint a new Manager to fill a vacancy in the office of Manager.

23.3 Transfer of Records

Upon the resignation, retirement, or removal of the Manager, the Manager must hand to the new Trustee all books, records, documents and other matters pertaining to the Scheme and at the expense of the Scheme do all things necessary to transfer legal title and the assets of the Scheme to the new Trustee.

23.4 Deed of Adoption by New Trustee

The new Trustee appointed under clause 23.2 must execute a deed in a form approved by the holders of not less than 50% of the Units on Issue by which the new Trustee undertakes to the Members to carry out the obligations of the Trustee under this Deed.

24. CHANGING THE CONSTITUTION

24.1 This Constitution may be modified or repealed or replaced with a new Constitution by the Manager if the Manager reasonably considers the change will not adversely affect Members' rights or is deemed necessary to conduct the affairs of the Scheme.

24.2 The Manager must send a copy of the Scheme's Constitution to a Member of the Scheme within seven (7) days if the Member:

- (a) asks the Manager in writing for the copy; and
- (b) pays any fee (up to the prescribed amount) required by the Manager

25. ACCOUNTS AND REPORTS

- (a) The accounts of the Scheme must be kept and prepared by the Manager in accordance with applicable Accounting Standards and the Law.
- (b) The Manager must prepare and make available to Members the financial statements of the Scheme for each financial year.
- (c) The Manager may make the financial statements available to Members by either publishing the statements on the Manager's internet site, emailing the statements to individual Members or by sending the statements to individual Members by facsimile or prepaid post.

26 OTHER ACTIVITIES AND OBLIGATIONS OF THE MANAGER

26.1 Subject to the Law, nothing in this Constitution restricts the Manager (or its associates) from:

- (a) dealing with itself (as manager, trustee or responsible entity of another trust or scheme or in another capacity);
- (b) being interested in any contract or transaction with itself (as manager, trustee or responsible entity of another trust or managed investment scheme or in another capacity) or with any Member or retaining for its own benefit profits or benefits derived from any such contract or transaction; or
- (c) acting in the same or similar capacity in relation to any other trust or managed investment scheme.

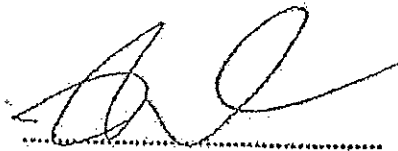
26.2 Other Obligations All obligations of the Manager which might otherwise be implied by Law are expressly excluded to the extent permitted by Law.

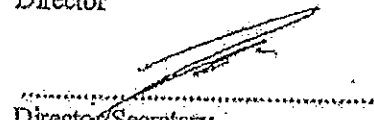
27 GOVERNING LAW

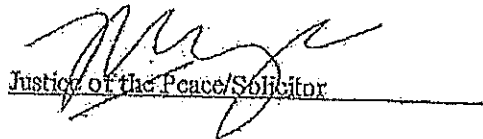
This Deed is governed by the Laws of the State of Queensland. The Manager and the Members submit to the non-exclusive jurisdiction of courts exercising jurisdiction there.

EXECUTED AS A DEED POLL:

GIVEN under the Common Seal of LM
INVESTMENT MANAGEMENT
LIMITED ACN 077 208 461 by
authority of a resolution of the Board of
Directors under the hands of a Director
and the Secretary who certify that they
are the proper officers to affix this seal


.....
Director


.....
Director/Secretary


Justice of the Peace/Solicitor

SMV-5

ASIC & Business Names

ORGANISATIONAL SEARCH ON KORDAMENTHA PTY LTD

Historical Extract

This information was extracted from ASIC database on 17 September 2013 at 02:49PM

This extract contains information derived from the Australian Securities and Investment Commission's (ASIC) database under section 1274A of the Corporations Act 2001. Please advise ASIC of any error or omission which you may identify.

100 169 391	KORDAMENTHA PTY LTD	DOCUMENT NO.
	100 169 391	
ABN	43 100 169 391	
Registered in	VIC	
Date Registered	10-Apr-2002	
Review Date	10-Apr-2014	

Current Organisation Details

Name	KORDAMENTHA PTY LTD	017546648
Name Start	15-Aug-2002	
Status	REGISTERED	
Type	AUSTRALIAN PROPRIETARY COMPANY	
Class	LIMITED BY SHARES	
Subclass	PROPRIETARY COMPANY	
Disclosing Entity	NO	

Ceased/Former Organisation Details

Details Start	10-Apr-2002	0E7209488
Details End	14-Aug-2002	
Name	KORDA MENTHA & COLLEAGUES PTY LTD	
Name Start	10-Apr-2002	
Status	REGISTERED	
Type	AUSTRALIAN PROPRIETARY COMPANY	
Class	LIMITED BY SHARES	
Subclass	PROPRIETARY COMPANY	
Disclosing Entity	NO	

Current Registered Office

Address	LEVEL 24, 333 COLLINS STREET, MELBOURNE, VIC, 3000	018555276
Start Date	23-Oct-2002	

Ceased/Former Registered Office

Address	LEVEL 10, 350 COLLINS STREET, MELBOURNE, VIC, 3000	0E7209488
Start Date	10-Apr-2002	
End Date	22-Oct-2002	

Current Principal Place of Business

Address	LEVEL 24, 333 COLLINS STREET, MELBOURNE, VIC, 3000	018555276
Start Date	21-Oct-2002	

Ceased/Former Principal Place of Business

Address	LEVEL 10, 350 COLLINS STREET, MELBOURNE, VIC, 3000	0E7209488
Start Date	10-Apr-2002	
End Date	20-Oct-2002	

Current Director

Officer Name	MARK ANTHONY KORDA	018866408
ABN	Not available	
Birth Details	25-Mar-1957 MELBOURNE VIC	
Address	KORDAMENTHA, LEVEL 24, 333 COLLINS STREET, MELBOURNE, VIC, 3000	
Appointment Date	10-Apr-2002	

Officer Name	MARK FRANCIS XAVIER MENTHA	018866409
ABN	Not available	
Birth Details	25-Dec-1959 COBRAM VIC	
Address	KORDAMENTHA, LEVEL 24, 333 COLLINS STREET, MELBOURNE, VIC, 3000	
Appointment Date	10-Apr-2002	

Current Secretary

Officer Name	MARK ANTHONY KORDA	018866408
ABN	Not available	
Birth Details	25-Mar-1957 MELBOURNE VIC	
Address	KORDAMENTHA, LEVEL 24, 333 COLLINS STREET, MELBOURNE, VIC, 3000	
Appointment Date	10-Apr-2002	

Ceased/Former Secretary

Officer Name	CAROLYN ANN ASHBY	028382566
ABN	Not available	
Birth Details	24-Jul-1971 MELBOURNE VIC	
Address	115 WHITTLESEA-KINGLAKE ROAD, KINGLAKE, VIC, 3763	
Appointment Date	19-Dec-2012	
Cease Date	30-Jan-2013	

Current Issued Capital

Type	Current	10016939M
Class	ORD	(AR 2002)
	ORDINARY	

Number of Shares/Interests issued	100
Total amount paid/taken to be paid	\$100.00
Total amount due and payable	\$0.00

Note: For each class of shares issued by a proprietary company, ASIC records the details of the twenty members of the class (based on shareholdings). The details of any other members holding the same number of shares as the twentieth ranked member will also be recorded by ASIC on the database. Where available, historical records show that a member has ceased to be ranked amongst the twenty members. This may, but does not necessarily mean, that they have ceased to be a member of the company.

Current Members

Class	ORD	1F0251266
No. Held	50	
Beneficially Owned	NO	Fully paid YES

Name	KMMKIV PTY LTD
ACN	134 280 112
ABN	Not available
Address	LEVEL 24, 333 COLLINS STREET, MELBOURNE, VIC, 3000
Joint Holding	NO

Class	ORD	1F0251266
No. Held	50	
Beneficially Owned	NO	Fully paid YES

Name	KMMMIV PTY LTD
ACN	134 330 386
ABN	Not available
Address	LEVEL 24, 333 COLLINS STREET, MELBOURNE, VIC, 3000
Joint Holding	NO

Ceased/Former Members

Class	ORD	10016939M
No. Held	50	(AR 2002)
Beneficially Owned	YES	Fully paid YES

Name	KORDA, MARK ANTHONY
ACN	Not available
ABN	Not available
Address	KORDAMENTHA, LEVEL 24, 333 COLLINS STREET, MELBOURNE, VIC, 3000
Joint Holding	NO

Class	ORD	10016939M
No. Held	50	(AR 2002)

Beneficially Owned	YES	Fully paid	YES
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Name	MENTHA, MARK FRANCIS XAVIER
ACN	Not available
ABN	Not available
Address	KORDAMENTHA, LEVEL 24, 333 COLLINS STREET, MELBOURNE, VIC, 3000
Joint Holding	NO

Charges

ASIC Charge Number	1569616	Charge status	Satisfied
Date registered	07-Jan-2008	Time registered	16:15:00
Charge type	Fixed		
Date Created	24-Dec-2007		

Chargee	ESANDA FINANCE CORPORATION LIMITED 004 346 043
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Lodged	Form Type	Processed	No. Pages	
18-Feb-2011	312	18-Feb-2011	2	027074425
312	NOTIFICATION OF			
312A	DISCHARGE			

Document Details

Received	Form Type	Processed	No. Pages	Effective	
04-Feb-2013	484	05-Feb-2013	4	05-Feb-2013	028325436
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
19-Dec-2012	484	20-Dec-2012	4	20-Dec-2012	028382566
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
18-Feb-2011	312	18-Feb-2011	2	18-Feb-2011	027074425
312A	Notification of Discharge				
19-Oct-2009	484	20-Oct-2009	5	20-Oct-2009	1F0251266
484N	Change to Company Details Changes to (Members) Share Holdings				
07-Jan-2008	309	07-Jan-2008	6	24-Dec-2007	7E1426252
309A	Notification of Details of a Charge				
28-Jan-2003	304	05-Mar-2003	2	20-Jan-2003	018866409
304C	Notification of Change of Name or Address of Officeholder				
28-Jan-2003	304	05-Mar-2003	2	20-Jan-2003	018866408
304C	Notification of Change of Name or Address of Officeholder				
28-Jan-2003	316	05-Mar-2003	3	23-Jan-2003	10016939M (AR 2002)
316L	Annual Return Annual Return - Proprietary Company				
16-Oct-2002	203	22-Oct-2002	1	21-Oct-2002	018555276

203 Notification Of
 203A Change of Address
 203G Change of Address - Principal Place of Business

15-Aug-2002	205	15-Aug-2002	1	01-Aug-2002	017546648
205A	Notification of Resolution Changing Company Name				

10-Apr-2002	201	10-Apr-2002	3	10-Apr-2002	0E7209488
201C	Application For Registration as a Proprietary Company				

Annual Returns

Year	Return Due Date	Extended Due Date	AGM Due Date	Extended AGM Due Date	AGM Held Date	Outstanding
2002	31-Jan-2003					N

Section 146A of the *Corporations Act 2001* states 'A contact address is the address to which communications and notices are sent from ASIC to the company.'

Address	GPO BOX 2183, MELBOURNE, VIC, 3001
Start Date	11-May-2011
End Date	14-Sep-2011

*** End of Extract ***

SMV-6

ASIC & Business Names

ORGANISATIONAL SEARCH ON CALIBRE CAPITAL LIMITED

Historical Extract

This information was extracted from ASIC database on 17 September 2013 at 02:50PM

This extract contains information derived from the Australian Securities and Investment Commission's (ASIC) database under section 1274A of the Corporations Act 2001. Please advise ASIC of any error or omission which you may identify.

108 318 985	CALIBRE CAPITAL LIMITED	DOCUMENT NO.
	108 318 985	
ABN	66 108 318 985	
Registered in	NSW	
Date Registered	11-Mar-2004	
Review Date	11-Mar-2014	

Current Organisation Details

Name	CALIBRE CAPITAL LIMITED	024617275
Name Start	11-Apr-2008	
Status	REGISTERED	
Type	AUSTRALIAN PUBLIC COMPANY	
Class	LIMITED BY SHARES	
Subclass	UNLISTED PUBLIC COMPANY	
Disclosing Entity	NO	

Ceased/Former Organisation Details

Details Start	14-Jan-2005	021014118
Details End	10-Apr-2008	
Name	CALIBRE CAPITAL PTY LTD	
Name Start	14-Jan-2005	
Status	REGISTERED	
Type	AUSTRALIAN PROPRIETARY COMPANY	
Class	LIMITED BY SHARES	
Subclass	PROPRIETARY COMPANY	
Disclosing Entity	NO	

Details Start	29-Nov-2004	020108190
Details End	13-Jan-2005	
Name	CALIBRECAPITAL PTY LTD	
Name Start	29-Nov-2004	
Status	REGISTERED	
Type	AUSTRALIAN PROPRIETARY COMPANY	
Class	LIMITED BY SHARES	

Subclass	PROPRIETARY COMPANY	
Disclosing Entity	NO	
Details Start	11-Mar-2004	0E9666233
Details End	28-Nov-2004	
Name	MOMENTUM PROPERTY PTY LTD	
Name Start	11-Mar-2004	
Status	REGISTERED	
Type	AUSTRALIAN PROPRIETARY COMPANY	
Class	LIMITED BY SHARES	
Subclass	PROPRIETARY COMPANY	
Disclosing Entity	NO	

Current Registered Office

Address	LEVEL 5 CHIFLEY TOWER, 2 CHIFLEY SQUARE, SYDNEY, NSW, 2000	1E0471047
Start Date	03-Dec-2004	

Ceased/Former Registered Office

Address	BLACKWOOD CLARKE, LEVEL 5, 282 VICTORIA AVENUE, CHATSWOOD, NSW, 2067	0E9666233
Start Date	11-Mar-2004	
End Date	02-Dec-2004	

Current Principal Place of Business

Address	LEVEL 5 CHIFLEY TOWER, 2 CHIFLEY SQUARE, SYDNEY, NSW, 2000	1E0471047
Start Date	19-Nov-2004	

Ceased/Former Principal Place of Business

Address	LEVEL 9, 3 SPRING STREET, SYDNEY, NSW, 2000	0E9666233
Start Date	11-Mar-2004	
End Date	18-Nov-2004	

Current Director

Officer Name	ALEXANDER JAMES CALDER	0E9666233
ABN	Not available	
Birth Details	25-Apr-1959 STELLENBOSCH SOUTH AFRICA	
Address	38 RONALD AVENUE, GREENWICH, NSW, 2065	
Appointment Date	11-Mar-2004	
Officer Name	DAVID JOHN WINTERBOTTOM	1E0471048
ABN	Not available	
Birth Details	24-Jul-1964 LILYDALE VIC	
Address	21 WEETALIBAH ROAD, NORTHBRIDGE, NSW, 2063	
Appointment Date	19-Nov-2004	

Officer Name	BERRICK MARSHALL WILSON	1F0253645
ABN	Not available	
Birth Details	13-Dec-1969 JOHANNESBURG SOUTH AFRICA	
Address	16 ORCHARD STREET, BRIGHTON, VIC, 3186	
Appointment Date	19-Nov-2004	

Officer Name	MARK ANTHONY KORDA	1F0337192
ABN	Not available	
Birth Details	25-Mar-1957 MELBOURNE VIC	
Address	19 KINKORA ROAD, HAWTHORN, VIC, 3122	
Appointment Date	19-Nov-2004	

Officer Name	RICHARD MATTHEW DUNHAM STACEY	7E4250234
ABN	Not available	
Birth Details	27-Jun-1961 REDHILL UNITED KINGDOM	
Address	24 BAY STREET, MOSMAN, NSW, 2088	
Appointment Date	11-Mar-2004	

Current Secretary

Officer Name	JOHN THYNE ADAMSON	1F0317419
ABN	Not available	
Birth Details	02-Feb-1978 YASS NSW	
Address	179 EDGECLIFF ROAD, WOOLLAHRA, NSW, 2025	
Appointment Date	10-Mar-2011	

Ceased/Former Secretary

Officer Name	ANDREW WARWICK STEWART	1F0005238
ABN	Not available	
Birth Details	31-Jan-1977 HONG KONG	
Address	UNIT 15, 292-298 BURNS BAY ROAD, LANE COVE, NSW, 2066	
Appointment Date	21-Nov-2007	
Cease Date	10-Mar-2011	

Current Appointed Auditor

Officer Name	BERNARD ELWYN CROFT	025950908
ABN	Not available	(FR 2009)
Address	LEVEL 10, 50 BERRY STREET, NORTH SYDNEY, NSW, 2060	
Appointment Date	03-Mar-2008	

Current Issued Capital

Type	Current	0E9666233
Class	ORD	
	ORDINARY	
Number of Shares/Interests issued	2400	
Total amount paid/taken to be paid	\$2400.00	

Total amount due and payable \$0.00

Note: For each class of shares issued by a proprietary company, ASIC records the details of the twenty members of the class (based on shareholdings). The details of any other members holding the same number of shares as the twentieth ranked member will also be recorded by ASIC on the database. Where available, historical records show that a member has ceased to be ranked amongst the twenty members. This may, but does not necessarily mean, that they have ceased to be a member of the company.

Document Details

Received	Form Type	Processed	No. Pages	Effective	
11-Sep-2012 388A	388 Financial Report Financial Report - Public Company Or Disclosing Entity	15-Oct-2012	39	30-Jun-2012	028213847 (FR 2012)
01-Feb-2012 484A1	484 Change to Company Details Change Officeholder Name Or Address	01-Feb-2012	2	01-Feb-2012	7E4250234
29-Sep-2011 388A	388 Financial Report Financial Report - Public Company Or Disclosing Entity	18-Oct-2011	39	30-Jun-2011	027667378 (FR 2011)
25-Mar-2011 484E	484 Change to Company Details Appointment or Cessation of A Company Officeholder	28-Mar-2011	3	28-Mar-2011	1F0317419
19-Jan-2011 FS02	FS02 Copy of Afs Licence	19-Jan-2011	24	19-Jan-2011	0L0308858
28-Sep-2010 388A	388 Financial Report Financial Report - Public Company Or Disclosing Entity	05-Oct-2010	38	30-Jun-2010	026122698 (FR 2010)
23-Jul-2010 484A1	484 Change to Company Details Change Officeholder Name Or Address	23-Jul-2010	3	23-Jul-2010	1F0337192
30-Sep-2009 388 388E 388A	388 Financial Report Company - Appoint Change Name/address of Auditor Financial Report - Public Company or Disclosing Entity	27-Oct-2009	36	30-Jun-2009	025950908 (FR 2009)
06-Aug-2009 484A1	484 Change to Company Details Change Officeholder Name Or Address	06-Aug-2009	3	06-Aug-2009	1F0253645
23-Mar-2009 484A1	484 Change to Company Details Change Officeholder Name Or Address	06-Apr-2009	3	06-Apr-2009	1F0005238
12-Feb-2009 484A1	484 Change to Company Details Change Officeholder Name Or Address	12-Feb-2009	3	12-Feb-2009	1F0033154
02-Oct-2008	FS02	02-Oct-2008	24	02-Oct-2008	0L0501828

FS02	Copy of Afs Licence				
16-Apr-2008	FS02	16-Apr-2008	16	16-Apr-2008	0L0305529
FS02	Copy of Afs Licence				
03-Mar-2008	218	04-Mar-2008	39	03-Mar-2008	024617277
218	Constitution of Company				
03-Mar-2008	206	04-Mar-2008	2	03-Mar-2008	024617276
206C	Application For Change of Company Status Conversion Of Company From Pty to Public				
03-Mar-2008	205	04-Mar-2008	1	22-Feb-2008	024617275
205	Notification of Resolution				
205C	Converting to a Public Company				
205J	Altering The Constitution				
30-Nov-2007	484	07-Dec-2007	3	30-Nov-2007	1F0137590
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
26-Aug-2005	484	26-Aug-2005	3	26-Aug-2005	1F0004067
484A1	Change to Company Details Change Officeholder Name Or Address				
15-Jun-2005	484	17-Jun-2005	10	17-Jun-2005	019527991
484N	Change to Company Details Changes to (Members) Share Holdings				
01-Apr-2005	484	01-Apr-2005	3	01-Apr-2005	021332113
484A1	Change to Company Details Change Officeholder Name Or Address				
01-Feb-2005	FS02	01-Feb-2005	16	01-Feb-2005	0L0201296
FS02	Copy of Afs Licence				
22-Dec-2004	205	14-Jan-2005	1	14-Dec-2004	021014118
205A	Notification of Resolution Changing Company Name				
01-Dec-2004	902	02-Dec-2004	2	19-Nov-2004	1E0483839
902	Supplementary Document Alters 1E0 471 049				
29-Nov-2004	205	29-Nov-2004	1	25-Nov-2004	020108190
205A	Notification of Resolution Changing Company Name				
26-Nov-2004	484	26-Nov-2004	2	19-Nov-2004	1E0471047
484	Change to Company Details				
484B	Change of Registered Address				
484C	Change of Principal Place of Business (Address)				
26-Nov-2004	484	26-Nov-2004	2	19-Nov-2004	1E0471048
484E	Change to Company Details Appointment or Cessation of A Company Officeholder				
26-Nov-2004	484	02-Dec-2004	2	19-Nov-2004	1E0471049

484 Change to Company Details
 484G Notification of Share Issue
 484O Changes to Share Structure
 484N Changes to (Members) Share Holdings
 Altered by 1E0 483 839

06-Jul-2004	FS02	06-Jul-2004	15	06-Jul-2004	0L0500807
FS02	Copy of Afs Licence				
02-Jul-2004	484	06-Jul-2004	3	22-Jun-2004	5E1233691
484N	Change to Company Details Changes to (Members) Share Holdings				
11-Mar-2004	201	11-Mar-2004	3	11-Mar-2004	0E9666233
201C	Application For Registration as a Proprietary Company				

Financial Reports

Balance Date	Report Due Date	AGM Due Date	Extended AGM Due Date	AGM Held Date	Outstanding	
30-Jun-2009	31-Oct-2009	Unknown	Unknown	Unknown	N	025950908
30-Jun-2010	31-Oct-2010	Unknown	Unknown	Unknown	N	026122698
30-Jun-2011	31-Oct-2011	Unknown	Unknown	Unknown	N	027667378
30-Jun-2012	31-Oct-2012	Unknown	Unknown	Unknown	N	028213847

Section 146A of the *Corporations Act 2001* states 'A contact address is the address to which communications and notices are sent from ASIC to the company.'

Address	PO BOX 649, CHATSWOOD, NSW, 2057
Start Date	21-Jun-2004
End Date	17-Mar-2005

*** End of Extract ***

SMV-7

ASIC & Business Names

ORGANISATIONAL SEARCH ON LM AUSTRALIAN INCOME FUND

Historical Extract

This information was extracted from ASIC database on 17 September 2013 at 02:52PM

This extract contains information derived from the Australian Securities and Investment Commission's (ASIC) database under section 1274A of the Corporations Act 2001. Please advise ASIC of any error or omission which you may identify.

133 497 917	LM AUSTRALIAN INCOME FUND	DOCUMENT NO.
	133 497 917	
ABN	Not available	
Date Registered	14-Oct-2008	
Review Date	14-Oct-2013	

Current Organisation Details

Name	LM AUSTRALIAN INCOME FUND	028183237
Name Start	13-Nov-2012	
Status	REGISTERED	
Type	MANAGED INVESTMENT SCHEME	
Disclosing Entity	NO	
Scheme category(s)	MTGE	

Ceased/Former Organisation Details

Details Start	14-Oct-2008	024506039
Details End	12-Nov-2012	
Name	LM AUSTRALIAN INCOME FUND - CURRENCY PROTECTED	
Name Start	30-Sep-2008	
Status	REGISTERED	
Type	MANAGED INVESTMENT SCHEME	
Disclosing Entity	NO	
Scheme category(s)	MTGE	

Details Start	Unknown	024506039
Details End	13-Oct-2008	
Name	LM AUSTRALIAN INCOME FUND - CURRENCY PROTECTED	
Name Start	30-Sep-2008	
Status	PENDING - SCHEMES	
Type	MANAGED INVESTMENT SCHEME	
Disclosing Entity	NO	
Scheme category(s)	MTGE	

Current Responsible Entity

Officer Name	LM INVESTMENT MANAGEMENT LIMITED	7E5105009
ACN	077 208 461	
ABN	Not available	
Address	FTI CONSULTING, 'CORPORATE CENTRE ONE' LEVEL 9, 2 CORPORATE COURT, BUNDALL, QLD, 4217	
Appointment Date	14-Oct-2008	

Current Compliance Plan Auditor

Officer Name	PAULA ANN MCLUSKIE	024506039
ABN	Not available	
Address	Address Unknown	
Appointment Date	14-Oct-2008	

Appointment of secretary is optional. In the event no secretary is appointed the director(s) assume the responsibilities under the Law.

Document Details

Received	Form Type	Processed	No. Pages	Effective	
13-Nov-2012 5140	Notification of Proposed Change in Name of Scheme	13-Nov-2012	2	13-Nov-2012	028183237
07-Nov-2012 5102C	Compliance Plan For Managed Investment Scheme Replacement Compliance Plan	08-Nov-2012	77	02-Nov-2012	028183208
05-Nov-2012 5101C	Constitution For Managed Investment Scheme Replacement Constitution	05-Nov-2012	48	05-Nov-2012	028183153
05-Oct-2012 388B	Financial Report Financial Report - Registered Scheme	09-Nov-2012	44	30-Jun-2012	028208421 (FR 2012)
05-Oct-2012 5111	Audit Report on Compliance Plan	09-Nov-2012	4	30-Jun-2012	028208416
07-Oct-2011 388B	Financial Report Financial Report - Registered Scheme	14-Oct-2011	43	30-Jun-2011	027781590 (FR 2011)
07-Oct-2011 5111	Audit Report on Compliance Plan	24-Nov-2011	5	30-Jun-2011	027911269
14-Sep-2011 5102C	Compliance Plan For Managed Investment Scheme Replacement Compliance Plan	14-Sep-2011	78	01-Sep-2011	026213751
02-Sep-2011 5101C	Constitution For Managed Investment Scheme Replacement Constitution	06-Sep-2011	47	02-Sep-2011	027711312
23-May-2011 5101C	Constitution For Managed Investment Scheme Replacement Constitution	23-May-2011	43	23-May-2011	026213232

04-Apr-2011 5111	5111 Audit Report on Compliance Plan	14-Jul-2011	4	30-Jun-2010	022990601
22-Mar-2011 388B	388 Financial Report Financial Report - Registered Scheme	23-Mar-2011	45	30-Jun-2010	027199630 (FR 2010)
03-Mar-2010 5111	5111 Audit Report on Compliance Plan	03-Mar-2010	5	30-Jun-2009	026348310
22-Feb-2010 388B	388 Financial Report Financial Report - Registered Scheme	26-Feb-2010	39	30-Jun-2009	026145249 (FR 2009)
20-Mar-2009 5102B	5102 Compliance Plan For Managed Investment Scheme Modification Of Compliance Plan	24-Mar-2009	2	13-Mar-2009	024506844
01-Dec-2008 5102C	5102 Compliance Plan For Managed Investment Scheme Replacement Compliance Plan	02-Dec-2008	23	28-Nov-2008	024506466
30-Sep-2008 5100A	5100 Application For Registration of Managed Investment Scheme - New Scheme	14-Oct-2008	3	30-Sep-2008	024506039
30-Sep-2008 5101A	5101 Constitution For Managed Investment Scheme Initial Scheme Constitution	14-Oct-2008	40	30-Sep-2008	024506040
30-Sep-2008 5102A	5102 Compliance Plan For Managed Investment Scheme Initial Scheme Compliance Plan	14-Oct-2008	28	30-Sep-2008	024506041
30-Sep-2008 5103	5103 Directors Statement	14-Oct-2008	1	30-Sep-2008	024506038

Financial Reports

Balance Date	Report Due Date	AGM Due Date	Extended AGM Due Date	AGM Held Date	Outstanding	
30-Jun-2009	30-Sep-2009	Unknown	Unknown	Unknown	N	026145249
30-Jun-2010	30-Sep-2010	Unknown	Unknown	Unknown	N	027199630
30-Jun-2011	30-Sep-2011	Unknown	Unknown	Unknown	N	027781590
30-Jun-2012	30-Sep-2012	Unknown	Unknown	Unknown	N	028208421

*** End of Extract ***

SMV-8

Ann McCallum

From: Bronwyn Kingston
Sent: Wednesday, 23 June 2010 2:51 PM
To: 321 MPF Investment Committee
Cc: Matthew Batchelor; Scott Willis; Brett Hawkins
Subject: North Lakes - Peregrine 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 (561 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
Investment Management Ltd
Phone: (07) 5584 4500
Fax: (07) 5592 2505
Email: bkingston@LMAustralia.com
Visit Our Website: www.LMAustralia.com/

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MPF INVESTMENT COMMITTEE - SYNOPSIS



DATE: 21/06/2010	TRANSACTION: Peregrine 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 Peregrine Beach Pty Ltd A.C.N 127 412 864, with David Hawes being the sole director and Shareholder of the Company.
- Peregrine 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 \$2,380,000 (subject to final survey)
- 1st Loan drawdown (Month 1) – Total draw of \$86,808 (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 \$660,836 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 pre sales.

☐ **Documentation & Legal Risk:**

Land contract has been reviewed and funding agreements between all parties have been prepared by Monaghan 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 sales 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/SECURITY	
BORROWER/S	Peregian Beach Pty Ltd A.C.N 127 412 864
MORTGAGOR/S	Peregian Beach Pty Ltd A.C.N 127 412 864
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%: 90% INTEREST RATE: 25% PRIORITY TERMS: First Registered Mortgage to come into place upon settlement due in 13 months time (approx). The registered 1 st Mortgage will revert to a 2 nd behind the financier for Construction Funding, approximately month 18.
SUBSEQUENT LENDERS (NB not to come into place until 18 mths approx)	LENDER: TBA MAX LOAN: \$16.472M INTEREST RATE: 10% PRIORITY TERMS: ACCEPTABLE TO LM: Yes / No 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 2 nd Mortgage behind financier for Construction funding.
	Fixed and floating charge over the borrowing entity being 'Peregian Beach Pty Ltd A.C.N 127 412 864
	Fixed and Floating Charge over Glenside Group (Qld) Pty Ltd A.C.N
	Guarantee provided by Borrowing Entity 'Peregian Beach Pty Ltd A.C.N 127 412 864 Guarantee provided by Glenside Group Pty Ltd A.C.N
	Personal Guarantee provided by David Hawes Loan agreement provides for all development profit to be attributed to existing loans Lot 111 and Greensquare.

LOAN DETAILS:			
LOAN FACILITY	\$6.0M	LVR (ON COMP): 90 %	TERM: 40 mths
PURCHASE PRICE	\$2.380M	REFINANCE: NA	\$
TREATMENT ON PURCHASE	Margin Scheme		
1st DRAW	\$86,800	LVR (1st draw): 0% 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% IRR 24.3% ROE 120% Profit/Costs 22.5%
TARGET DATE FOR RETURN OF CAPITAL (in line with overall fund requirements)	Month 39	PROJECT KEY PERFORMANCE TARGETS: Development Management agreement with Glenside Group to include relevant KPI's throughout development timeframe to ensure project delivery. Include Clause for MPF to assume control if KPI not met in accordance with DMA.	Sector Plan Amendment Month 6 Development Application Month 9 Development Approval Month 13 Land Settlement Month 13 50% Presale target Month 18 Construction Finance approval Month 18 Construction Start Month 18 Construction Completion Month 33 Strata Plan Tiles Month 34 Initial Unit Settlements Month 35 (Refer to attached Gant Chart in Attachment J)

VALUATION DETAILS:			
Valuation:	"As is" \$2.380M TBC by valuation prior to settlement		"On completion" \$24.95M
		GSTexc	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 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:		34 units (50%) prior to commencement of construction with prediction of further 12 unit presales during the construction period being a total of 66% presales. Retail to be settled post construction.			

BACKGROUND OF BORROWER (including creditworthiness assessment)

Existing borrower David Hawes of Glenside 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 • _____ % of current market value exclusive of GST *** prior to construction / before initial settlement • _____ % 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

[Handwritten signature]

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 \$ _____

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

LVR: _____ % 'as is' Exclusive GST

Inclusive GST

LVR: _____ % 'on comp' Exclusive GST

Inclusive GST

Has pricing already been approved by Pricing Committee?

☒ Yes

☐ No

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. 0408 56 33 00



PO Box 538 1. 02 9986 1650
 Balgowlah NSW f. 02 9986 1681
 2093 Australia w. www.glensidegroup.com.au

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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

7/06/2010

Phone: (07) 5584 4500
Mobile: 0428 488576
Fax: (07) 5592 2505
Email: mbatcheldor@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 Batcheldor
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 00



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Balgowlah NSW f. 02 9986 1681
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Scanned by the Netbox from Netbox Blue

7/06/2010

Matthew Batchelor

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

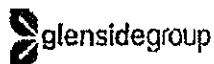
I think that the additional \$272m2 dearer that we are, is easily quantified by amortising the finishes, extensive landscape, pool, height, garaging, lifts and structure.

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

Regards,

Steele Augustine

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



PO Box 576
Stones Corner, QLD
4120 Australia w. www.glensidegroup.com.au

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7/06/2010

Ray White Project Marketing

Steele Augustine
Glenside Group
PO Box 539
Balgowlah NSW 2093

Suite 7
52 High Street
Toowong QLD 4066
tel 07 3726 1400
fax 07 3871 1556
enquiries@raywhiteprojects.com.au
raywhiteprojects.com.au

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.

Strata Pty Ltd trading as
Ray White Project Marketing (Queensland)
ACN 066 765 583

Project Marketing (Queensland)

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 approx in today's market.

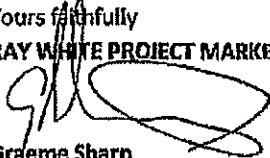
PRESALES

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



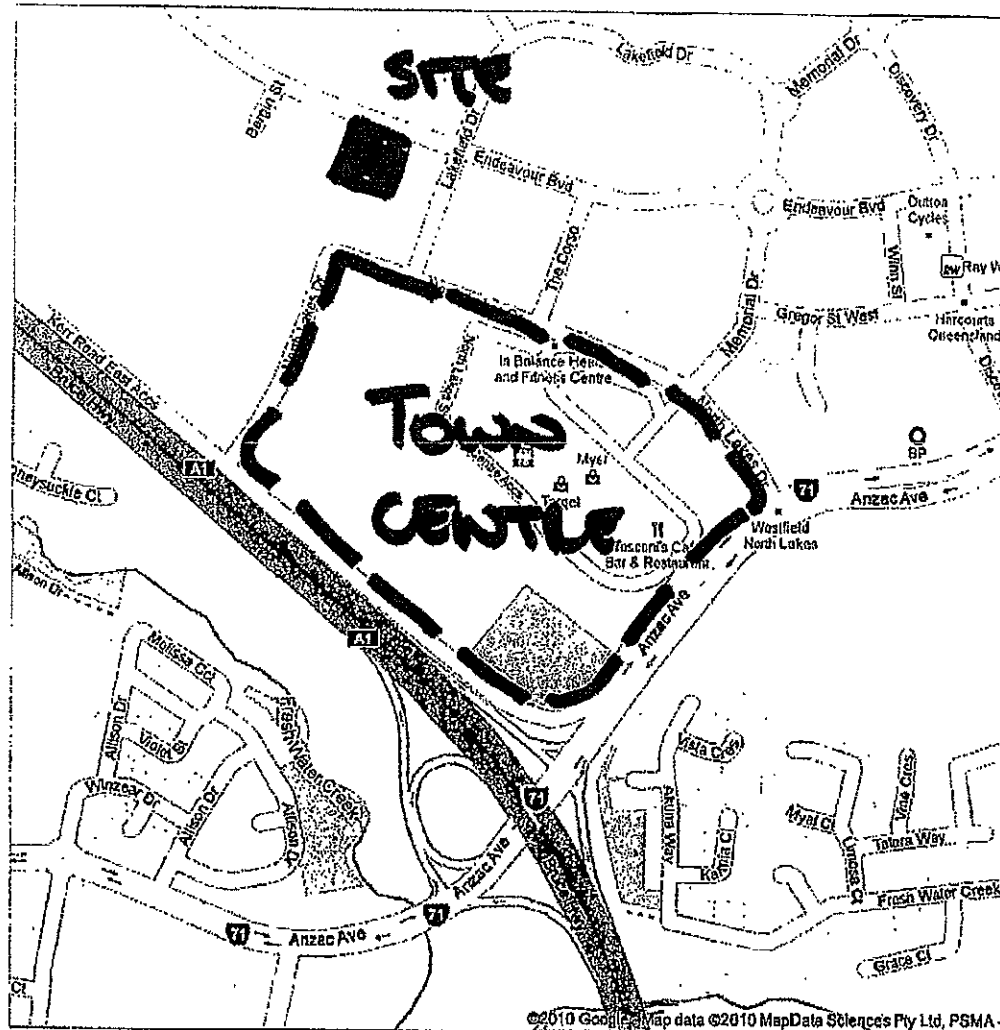
Graeme Sharp
Managing Director

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Google maps
Australia



NORTH LAKES

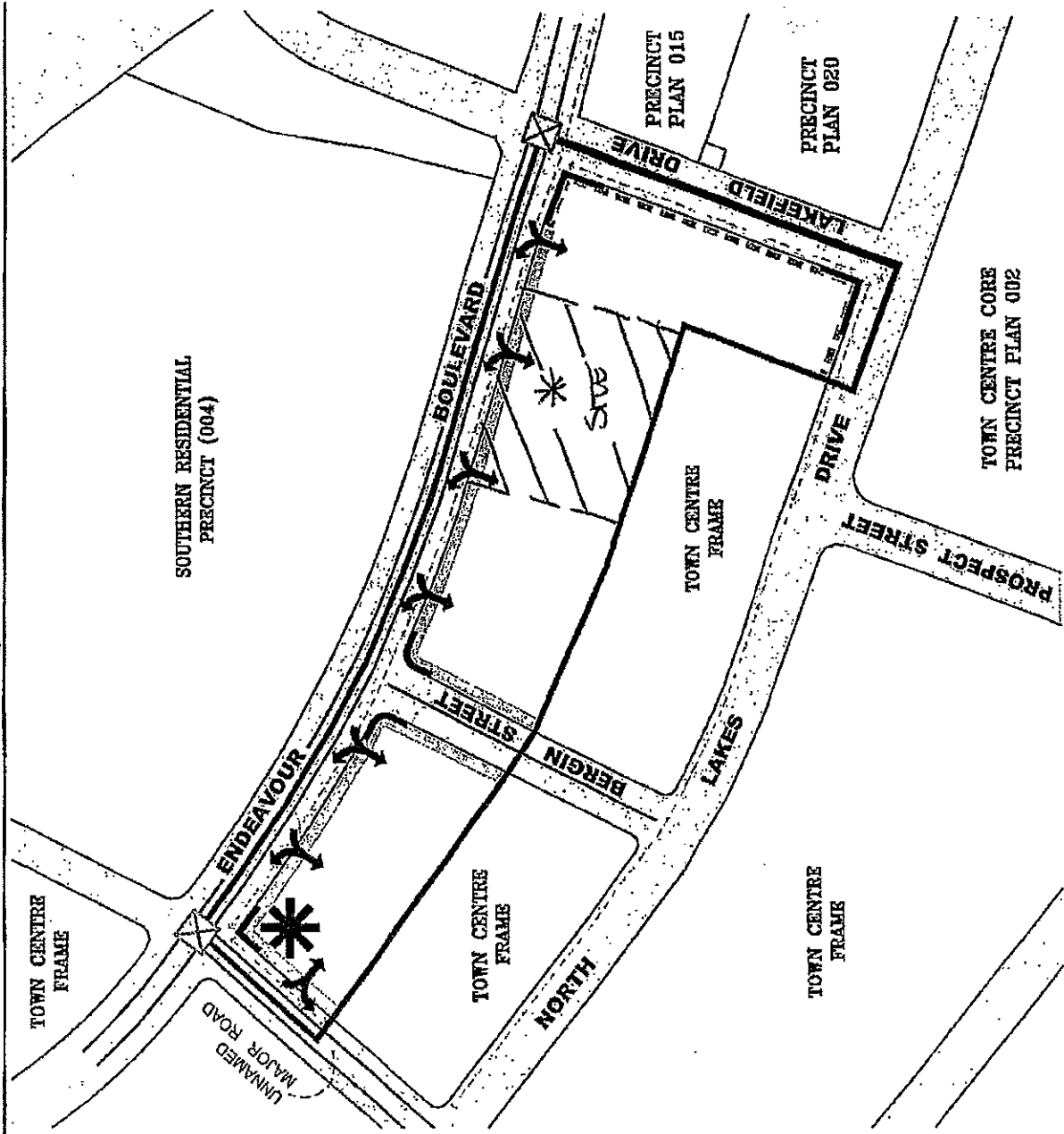
- LEGEND**
- PRECINCT BOUNDARY
 - DESIGNATED DEVELOPMENT AREA (CARPARKING, LANDSCAPING & BUILT FORM)
 - PROPOSED TRAFFIC LIGHTS
 - MAJOR ROADS
 - SECONDARY ACCESS ROAD (COLLECTOR ACCESS ROAD)
 - LOCATION FOR LANDMARK FEATURES
 - INDICATIVE LOCATION AND NUMBER OF VEHICULAR ACCESS (ARROW INDICATES PROPOSED MOVEMENTS) - MAJOR RAILS
 - MAJOR PATHS
 - LANDSCAPE TREATMENT TREATMENT
 - BUILDING LINE
 - NO VEHICULAR ACCESS PERMITTED



Town Centre Frame 'E' Precinct
PRECINCT PLAN MAP



File No 2435-022
Orig Twp Precinct Map
January 1995



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 Jullian
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 5536 6077

F - 07 5536 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 jullian'; '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 an 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 18 months 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 56 33 00



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21/06/2010

Attachment ①
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
Time Span:	May-10 to Feb-14		1 per 100.0 SqM of Site Area
Type:	Mixed Use	Project Size:	300. M2 NLA retail
Status:	Under Review		1 per 23.33 SqM of Site Area
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

ESTATEMASTER
PROPERTY SOFTWARE
Development Feasibility

North Lakes
North Lakes

21,65,10 - 70 units/800 m2 retail

Time Spent 15y-10m Feb-14 Project Size: 70 Apartments
Type: Mixed Use 1 per 100 sqm of floor area
Status: Under Review Project Size: 300, M2 NLA retail
Site Area: 7,000, sqm 1 per 21.30 sqm of floor area
FRR: 1.25% Equated GFA: 8,750.0

Excluded from Development: 1.1 M2 NLA retail area

COSTS & REVENUES					AUD Total	AUD Per Apartment	AUD Per M2 NLA retail
REVENUE							
	Quantity	SqM	AUD/SqM	AUD			
Total Sales Revenue	73	300.0	95,283.3	20,685,000		406,357	95,283
Residential - 2 Bedroom Units	70	-	-	27,430,000			
Retail Shops	3	300.0	3,850.0	1,155,000			
Less Selling Costs				(1,145,238)		19,261	3,817
NET SALE PROCEEDS				27,439,763		391,097	91,466
	Average Yield	SqM	AUD/SqM/annum	AUD			
Rental Income	-	-	-	-		-	-
Less Outgoing & Vacancies				-		-	-
Less Letting Fees				-		-	-
Less Incentives (Rent Free and Fit-out Costs)				-		-	-
Less Other Leasing Costs				-		-	-
NET RENTAL INCOME				-		-	-
Interest Received				27,153		398	91
Other Income				-		-	-
TOTAL REVENUE (before GST paid)				27,466,916		392,395	91,556
Less GST paid				(2,621,364)		38,019	8,405
TOTAL REVENUE (after GST paid)				24,845,552		356,375	83,152
COSTS							
Land Purchase Cost				2,380,000		34,000	7,933
Land Transaction Costs				211,165		3,017	704
Construction (inc. Construct. Contingency)				15,691,830		224,169	52,308
Bulk Form				14,944,600			
Contingency				747,230			
Professional Fees				1,765,451		25,221	5,888
Statutory Fees				240,000		3,420	800
Survey/Rate				40,150		574	134
Miscellaneous Costs 2				-		-	-
Miscellaneous Costs 3				-		-	-
Project Contingency (Project Reserve)				-		-	-
Land Holding Costs				77,841		1,109	259
Pre-Sale Commissions				319,253		4,475	1,044
Finance Charges (inc. Fees)				205,428		2,935	685
Interest Expense				3,719,200		53,193	12,698
TOTAL COSTS (before GST reclaimed)				24,644,205		352,690	82,147
Less GST reclaimed				(1,739,032)		24,843	5,787
Plus Corporate Tax				-		-	-
TOTAL COSTS (after GST reclaimed)				22,905,173		327,217	76,351

PERFORMANCE INDICATORS

Not Development Profit *	2,040,378	
Development Margin (or Profit/Risk Margin) *	8.48%	on total development costs (inc selling costs).
Residual Land Value (Target Margin) *	946,740	(at 20% target development margin)
Net Present Value *	549,267	(at 20% per ann. discount rate, nominal)
Benefit Cost Ratio *	1.0492	(at 20% per ann. discount rate, nominal)
Project Internal Rate of Return (IRR) *	24.37%	(per ann. nominal)
Residual Land Value (based on NPV) *	3,112,568	
Equity IRR	37.42%	(per ann. nominal)
Equity Contribution	3,000,723	
Peak Debt Exposure	18,471,863	
Equity to Debt Ratio	24.83%	
Weighted Average Cost of Capital (WACC) *	8.03%	
Breakdown Date for Cumulative Cash Flow *	Aug-2013	(Month 30)
Rent Cover *	N.A.	
Profit Erosion *	N.A.	

Footnotes:

1. Development Profit is total revenue less total cost including interest paid and received
2. Net Present Value is the present value of the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
3. Development Margin is profit divided by total development costs (inc selling costs).
4. Residual Land Value is the maximum purchase price for the land whilst achieving the target development margin.
5. Net Present Value is the project's cash flow stream discounted to present value. It includes financing costs but excludes interest and corp tax.
6. Benefit Cost Ratio is the ratio of discounted benefits to discounted costs and includes financing costs but excludes interest and corp tax.
7. Internal Rate of Return is the discount rate where the NPV equals zero.
8. Residual Land Value based on NPV is the purchase price for the land to achieve a zero NPV.
9. The Weighted Average Cost of Capital (WACC) is the rate that a company is expected to pay to finance its assets.
10. Breakdown Date for Cumulative Cash Flow is the first date when total debt and equity is repaid (ie when profits realised).
11. The total net development profit divided by the current net annual rental expressed as a number of years to return.
12. The period of time cost (net of cash flow) is repaid (ie when profits realised) and includes interest and land holding costs under the profit for the development margin.

Summary of Project Returns

ESTATEMASTER
PROPERTY SOFTWARE

Development Feasibility

North Lakes

North Lakes

21,051.0 - 70 units/200 m2 total

Time Span: May-10 to Feb-14

Type: Mixed Use

Status: Under Review

Site Area: 7,000.0 sqm

FRR: 125.1

Project Size: 70 Apartments

1 per 100.0 sqm of floor area

Project Size: 300, M2 MIA, total

1 per 23.33 sqm of site area

Equated GPA: 8,760.0

RETURNS ON FUNDS INVESTED

	Equity	Loan 1		Loan 4	Total Debt
		Lender Name		Lender Name	
Funds Invested (Cash Outlay) ¹	3,800,723	15,228,592		105,368	16,332,257
% of Total Funds Invested	19.68%	79.66%		0.65%	60.11%
Peak Exposure ²	5,999,343	15,368,597		105,368	16,471,983
Date of Peak Exposure	Mar-13	Feb-13		Feb-13	Feb-13
Month of Peak Exposure	Month 34	Month 33		Month 33	Month 33
Weighted Average Interest Rate	25.00%	10.00%		N.A.	9.99%
Interest Charged	2,634,582	1,184,708		-	1,184,708
Line Fees Charged	-	-		-	-
Application Fees Charged	-	152,269		-	152,269
Profit Share Received	-	-		-	-
Total Profit to Funders ³	4,574,969	1,336,977		-	1,336,977
Margin on Funds Invested ⁴	120.18%	8.78%		0.00%	8.78%
Payback Date ⁵	Aug-13	Apr-13		Mar-13	Apr-13
Month of Payback	Month 39	Month 35		Month 34	Month 35
IRR on Funds Invested ⁶	37.42%	11.43%		0.00%	11.42%
Equity to Debt Ratio ⁷		25.00%		3012.67%	24.83%
Loan to Value Ratio ⁸	20.80%	57.25%		0.37%	57.62%
Loan Ratio ⁹	27.69%	72.31%		0.65%	67.58%
	of Project & Finance Costs (net of interest/fees and net of GST)	of Project & Finance Costs (net of interest/fees and net of 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 the 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 first 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. Equity to Debt Ratio is the amount of equity contributed into the project as a percentage of debt funding.
8. Loan to Value ratio is the Peak Equity/Debt Exposure divided by Total Sales Revenue.
9. Loan Ratio is the total funds invested by the lender (cash outlay) divided by the total project cash flow, including capitalised interest and fees.

North Lakes - 21.05.10 - 70 units, 300 m2 retail

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Month	Start	Close	Year End
1	Mar-10	Mar-10	
2	Apr-10	Apr-10	
3	May-11	May-11	
4	Jun-11	Jun-11	
5	Jul-11	Jul-11	
6	Aug-11	Aug-11	
7	Sep-11	Sep-11	
8	Oct-11	Oct-11	
9	Nov-11	Nov-11	
10	Dec-11	Dec-11	

Month Start	Month Span	Cash Flow Paid
03	1	June-11 - June-11
0	2	July-10 - July-10
0	3	June-10 - June-11
22	1	July-11 - July-11
0		

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Report Lakes - 21.05.10 - 7th units 300 m2 rehydr

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North Lakes - 21.05.10 - 70 usd/yr/300 m2 replant

[illegible]

North Lakes - 21,05,10 - 70 units/300 m2 retail

Land Holding Costs

Code to be entered Net of GST

[illegible]Discharge proportionally with loading (DPR) or saturation (Q57)

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[illegible]

Selling and Leasing Costs

[illegible]

^a % of Gross Purchase Price

Report Fraud Complaints At [Fraud.com](http://www.fraud.com)

Additional Rate on Deposits Involved in Trust Account	4.00%
% of Interest retained by Depositor upon settlement	50.00%

[illegible]

Experiments with Sediments (S) or Estuaries (E)

[illegible]

Month Start	Month Span	Cash Flow Period
31	9	Nov-13 - Nov-13
12	9	May-11 - Dec-11
13	26	Nov-11 - Nov-13
	-	-
0	-	-
0	-	-
0	-	-

Month Start	Month Span	Cash Flow Packed
1	-	-
2	-	-
3	-	-
4	-	-

Adm GST	Remarks	Total Current Date (per GST)	Total Current Date (per GST)	Total Estimated Cost
Y		-	-	-
Y		82,000	905,910	987,910
Y		-	-	-
Y		-	-	-
Y		34,850	36,715	38,715
Y		-	-	-
Y		137,850	143,625	145,575

[illegible][illegible]

North Lakes - 21.85.10 - 70 units/ \$90 m2 retail

Sales Revenue Collection Profile

[illegible]

North Lakes - 21.05.10 - 70 units, 300 m2 retail

2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034	2034-2035	2035-2036	2036-2037	2037-2038	2038-2039	2039-2040	2040-2041	2041-2042	2042-2043	2043-2044	2044-2045	2045-2046	2046-2047	2047-2048	2048-2049	2049-2050	2050-2051	2051-2052	2052-2053	2053-2054	2054-2055	2055-2056	2056-2057	2057-2058	2058-2059	2059-2060	2060-2061	2061-2062	2062-2063	2063-2064	2064-2065	2065-2066	2066-2067	2067-2068	2068-2069	2069-2070	2070-2071	2071-2072	2072-2073	2073-2074	2074-2075	2075-2076	2076-2077	2077-2078	2078-2079	2079-2080	2080-2081	2081-2082	2082-2083	2083-2084	2084-2085	2085-2086	2086-2087	2087-2088	2088-2089	2089-2090	2090-2091	2091-2092	2092-2093	2093-2094	2094-2095	2095-2096	2096-2097	2097-2098	2098-2099	2099-2100	2100-2101	2101-2102	2102-2103	2103-2104	2104-2105	2105-2106	2106-2107	2107-2108	2108-2109	2109-2110	2110-2111	2111-2112	2112-2113	2113-2114	2114-2115	2115-2116	2116-2117	2117-2118	2118-2119	2119-2120	2120-2121	2121-2122	2122-2123	2123-2124	2124-2125	2125-2126	2126-2127	2127-2128	2128-2129	2129-2130	2130-2131	2131-2132	2132-2133	2133-2134	2134-2135	2135-2136	2136-2137	2137-2138	2138-2139	2139-2140	2140-2141	2141-2142	2142-2143	2143-2144	2144-2145	2145-2146	2146-2147	2147-2148	2148-2149	2149-2150	2150-2151	2151-2152	2152-2153	2153-2154	2154-2155	2155-2156	2156-2157	2157-2158	2158-2159	2159-2160	2160-2161	2161-2162	2162-2163	2163-2164	2164-2165	2165-2166	2166-2167	2167-2168	2168-2169	2169-2170	2170-2171	2171-2172	2172-2173	2173-2174	2174-2175	2175-2176	2176-2177	2177-2178	2178-2179	2179-2180	2180-2181	2181-2182	2182-2183	2183-2184	2184-2185	2185-2186	2186-2187	2187-2188	2188-2189	2189-2190	2190-2191	2191-2192	2192-2193	2193-2194	2194-2195	2195-2196	2196-2197	2197-2198	2198-2199	2199-2200	2200-2201	2201-2202	2202-2203	2203-2204	2204-2205	2205-2206	2206-2207	2207-2208	2208-2209	2209-2210	2210-2211	2211-2212	2212-2213	2213-2214	2214-2215	2215-2216	2216-2217	2217-2218	2218-2219	2219-2220	2220-2221	2221-2222	2222-2223	2223-2224	2224-2225	2225-2226	2226-2227	2227-2228	2228-2229	2229-2230	2230-2231	2231-2232	2232-2233	2233-2234	2234-2235	2235-2236	2236-2237	2237-2238	2238-2239	2239-2240	2240-2241	2241-2242	2242-2243	2243-2244	2244-2245	2245-2246	2246-2247	2247-2248	2248-2249	2249-2250	2250-2251	2251-2252	2252-2253	2253-2254	2254-2255	2255-2256	2256-2257	2257-2258	2258-2259	2259-2260	2260-2261	2261-2262	2262-2263	2263-2264	2264-2265	2265-2266	2266-2267	2267-2268	2268-2269	2269-2270	2270-2271	2271-2272	2272-2273	2273-2274	2274-2275	2275-2276	2276-2277	2277-2278	2278-2279	2279-2280	2280-2281	2281-2282	22
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North Lakes - 21.05.10 - 70 units/ 300 m2 retail

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Cash Flow Table for North Lakes

North Lakes - 21.05.10 - 70 United 300 m2 total

PROJECT CASH FLOW		0	1	2	3	4	5	6	7	8	9	10	11	12	13
MONTHS		Mar-10	Apr-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
REVENUES	Lottery														
	Admission (Direct + Indirect)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EXPENSES	Lottery														
	Admission (Direct + Indirect)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admission Charge	0	0	0	0	0	0	0	0	0	0	0	0	0	0

* Includes self-insured retention for third party liability (third party liability is payable in respect of third party claims only)
 ** Includes self-insured retention for third party liability (third party liability is payable in respect of third party claims only)
 *** Includes self-insured retention for third party liability (third party liability is payable in respect of third party claims only)

North Lakes - 21.05.10 - 70 units/ 300 m2 refail

*Individuals interviewed about their (dis)ability for the study were given the opportunity to participate in the study if they were able to read and understand the questionnaire. The questionnaire was given to the participants in their own language (English or Dutch).

North Lakes - 21.05.10 - 70 units/ 300 m2 retail

THE UNIVERSITY OF CHICAGO

Gash Flow Table for North Lakes

North Lakes - 24.05.10 - 70 units/300 m2 retail

PROJECT CASH FLOW	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45	Q46	Q47	Q48	Q49	Q50	Q51	Q52	Q53	Q54	Q55	Q56	Q57	Q58	Q59	Q60	Q61	Q62	Q63	Q64	Q65	Q66	Q67	Q68	Q69	Q70	Q71	Q72	Q73	Q74	Q75	Q76	Q77	Q78	Q79	Q80	Q81	Q82	Q83	Q84	Q85	Q86	Q87	Q88	Q89	Q90	Q91	Q92	Q93	Q94	Q95	Q96	Q97	Q98	Q99	Q100	Q101	Q102	Q103	Q104	Q105	Q106	Q107	Q108	Q109	Q110	Q111	Q112	Q113	Q114	Q115	Q116	Q117	Q118	Q119	Q120	Q121	Q122	Q123	Q124	Q125	Q126	Q127	Q128	Q129	Q130	Q131	Q132	Q133	Q134	Q135	Q136	Q137	Q138	Q139	Q140	Q141	Q142	Q143	Q144	Q145	Q146	Q147	Q148	Q149	Q150	Q151	Q152	Q153	Q154	Q155	Q156	Q157	Q158	Q159	Q160	Q161	Q162	Q163	Q164	Q165	Q166	Q167	Q168	Q169	Q170	Q171	Q172	Q173	Q174	Q175	Q176	Q177	Q178	Q179	Q180	Q181	Q182	Q183	Q184	Q185	Q186	Q187	Q188	Q189	Q190	Q191	Q192	Q193	Q194	Q195	Q196	Q197	Q198	Q199	Q200	Q201	Q202	Q203	Q204	Q205	Q206	Q207	Q208	Q209	Q210	Q211	Q212	Q213	Q214	Q215	Q216	Q217	Q218	Q219	Q220	Q221	Q222	Q223	Q224	Q225	Q226	Q227	Q228	Q229	Q230	Q231	Q232	Q233	Q234	Q235	Q236	Q237	Q238	Q239	Q240	Q241	Q242	Q243	Q244	Q245	Q246	Q247	Q248	Q249	Q250	Q251	Q252	Q253	Q254	Q255	Q256	Q257	Q258	Q259	Q260	Q261	Q262	Q263	Q264	Q265	Q266	Q267	Q268	Q269	Q270	Q271	Q272	Q273	Q274	Q275	Q276	Q277	Q278	Q279	Q280	Q281	Q282	Q283	Q284	Q285	Q286	Q287	Q288	Q289	Q290	Q291	Q292	Q293	Q294	Q295	Q296	Q297	Q298	Q299	Q300	Q301	Q302	Q303	Q304	Q305	Q306	Q307	Q308	Q309	Q310	Q311	Q312	Q313	Q314	Q315	Q316	Q317	Q318	Q319	Q320	Q321	Q322	Q323	Q324	Q325	Q326	Q327	Q328	Q329	Q330	Q331	Q332	Q333	Q334	Q335	Q336	Q337	Q338	Q339	Q340	Q341	Q342	Q343	Q344	Q345	Q346	Q347	Q348	Q349	Q350	Q351	Q352	Q353	Q354	Q355	Q356	Q357	Q358	Q359	Q360	Q361	Q362	Q363	Q364	Q365	Q366	Q367	Q368	Q369	Q370	Q371	Q372	Q373	Q374	Q375	Q376	Q377	Q378	Q379	Q380	Q381	Q382	Q383	Q384	Q385	Q386	Q387	Q388	Q389	Q390	Q391	Q392	Q393	Q394	Q395	Q396	Q397	Q398	Q399	Q400	Q401	Q402	Q403	Q404	Q405	Q406	Q407	Q408	Q409	Q410	Q411	Q412	Q413	Q414	Q415	Q416	Q417	Q418	Q419	Q420	Q421	Q422	Q423	Q424	Q425	Q426	Q427	Q428	Q429	Q430	Q431	Q432	Q433	Q434	Q435	Q436	Q437	Q438	Q439	Q440	Q441	Q442	Q443	Q444	Q445	Q446	Q447	Q448	Q449	Q450	Q451	Q452	Q453	Q454	Q455	Q456	Q457	Q458	Q459	Q460	Q461	Q462	Q463	Q464	Q465	Q466	Q467	Q468	Q469	Q470	Q471	Q472	Q473	Q474	Q475	Q476	Q477	Q478	Q479	Q480	Q481	Q482	Q483	Q484	Q485	Q486	Q487	Q488	Q489	Q490	Q491	Q492	Q493	Q494	Q495	Q496	Q497	Q498	Q499	Q500	Q501	Q502	Q503	Q504	Q505	Q506	Q507	Q508	Q509	Q510	Q511	Q512	Q513	Q514	Q515	Q516	Q517	Q518	Q519	Q520	Q521	Q522	Q523	Q524	Q525	Q526	Q527	Q528	Q529	Q530	Q531	Q532	Q533	Q534	Q535	Q536	Q537	Q538	Q539	Q540	Q541	Q542	Q543	Q544	Q545	Q546	Q547	Q548	Q549	Q550	Q551	Q552	Q553	Q554	Q555	Q556	Q557	Q558	Q559	Q560	Q561	Q562	Q563	Q564	Q565	Q566	Q567	Q568	Q569	Q570	Q571	Q572	Q573	Q574	Q575	Q576	Q577	Q578	Q579	Q580	Q581	Q582	Q583	Q584	Q585	Q586	Q587	Q588	Q589	Q590	Q591	Q592	Q593	Q594	Q595	Q596	Q597	Q598	Q599	Q600	Q601	Q602	Q603	Q604	Q605	Q606	Q607	Q608	Q609	Q610	Q611	Q612	Q613	Q614	Q615	Q616	Q617	Q618	Q619	Q620	Q621	Q622	Q623	Q624	Q625	Q626	Q627	Q628	Q629	Q630	Q631	Q632	Q633	Q634	Q635	Q636	Q637	Q638	Q639	Q640	Q641	Q642	Q643	Q644	Q645	Q646	Q647	Q648	Q649	Q650	Q651	Q652	Q653	Q654	Q655	Q656	Q657	Q658	Q659	Q660	Q661	Q662	Q663	Q664	Q665	Q666	Q667	Q668	Q669	Q670	Q671	Q672	Q673	Q674	Q675	Q676	Q677	Q678	Q679	Q680	Q681	Q682	Q683	Q684	Q685	Q686	Q687	Q688	Q689	Q690	Q691	Q692	Q693	Q694	Q695	Q696	Q697	Q698	Q699	Q700	Q701	Q702	Q703	Q704	Q705	Q706	Q707	Q708	Q709	Q710	Q711	Q712	Q713	Q714	Q715	Q716	Q717	Q718	Q719	Q720	Q721	Q722	Q723	Q724	Q725	Q726	Q727	Q728	Q729	Q730	Q731	Q732	Q733	Q734	Q735	Q736	Q737	Q738	Q739	Q740	Q741	Q742	Q743	Q744	Q745	Q746	Q747	Q748	Q749	Q750	Q751	Q752	Q753	Q754	Q755	Q756	Q757	Q758	Q759	Q760	Q761	Q762	Q763	Q764	Q765	Q766	Q767	Q768	Q769	Q770	Q771	Q772	Q773	Q774	Q775	Q776	Q777	Q778	Q779	Q780	Q781	Q782	Q783	Q784	Q785	Q786	Q787	Q788	Q789	Q790	Q791	Q792	Q793	Q794	Q795	Q796	Q797	Q798	Q799	Q800	Q801	Q802	Q803	Q804	Q805	Q806	Q807	Q808	Q809	Q810	Q811	Q812	Q813	Q814	Q815	Q816	Q817	Q818	Q819	Q820	Q821	Q822	Q823	Q824	Q825	Q826	Q827	Q828	Q829	Q830	Q831	Q832	Q833	Q834	Q835	Q836	Q837	Q838	Q839	Q840	Q841	Q842	Q843	Q844	Q845	Q846	Q847	Q848	Q849	Q850	Q851	Q852	Q853	Q854	Q855	Q856	Q857	Q858	Q859	Q860	Q861	Q862	Q863	Q864	Q865	Q866	Q867	Q868	Q869	Q870	Q871	Q872	Q873	Q874	Q875	Q876	Q877	Q878	Q879	Q880	Q881	Q882	Q883	Q884	Q885	Q886	Q887	Q888	Q889	Q890	Q891	Q892	Q893	Q894	Q895	Q896	Q897	Q898	Q899	Q900	Q901	Q902	Q903	Q904	Q905	Q906	Q907	Q908	Q909	Q910	Q911	Q912	Q913	Q914	Q915	Q916	Q917	Q918	Q919	Q920	Q921	Q922	Q923	Q924	Q925	Q926	Q927	Q928	Q929	Q930	Q931	Q932	Q933	Q934	Q935	Q936	Q937	Q938	Q939	Q940	Q941	Q942	Q943	Q944	Q945	Q946	Q947	Q948	Q949	Q950	Q951	Q952	Q953	Q954	Q955	Q956	Q957	Q958	Q959	Q960	Q961	Q962	Q963	Q964	Q965	Q966	Q967	Q968	Q969	Q970	Q971	Q972	Q973	Q974	Q975	Q976	Q977	Q978	Q979	Q980	Q981	Q982	Q983	Q984	Q985	Q986	Q987	Q988	Q989	Q990	Q991	Q992	Q993	Q994	Q995	Q996	Q997	Q998	Q999	Q1000	Q1001	Q1002	Q1003	Q1004	Q1005	Q1006	Q1007	Q1008	Q1009	Q1010	Q1011	Q1012	Q1013	Q1014	Q1015	Q1016	Q1017	Q1018	Q1019	Q1020	Q1021	Q1022	Q1023	Q1024	Q1025	Q1026	Q1027	Q1028	Q1029	Q1030	Q1031	Q1032	Q1033	Q1034	Q1035	Q1036	Q1037	Q1038	Q1039	Q10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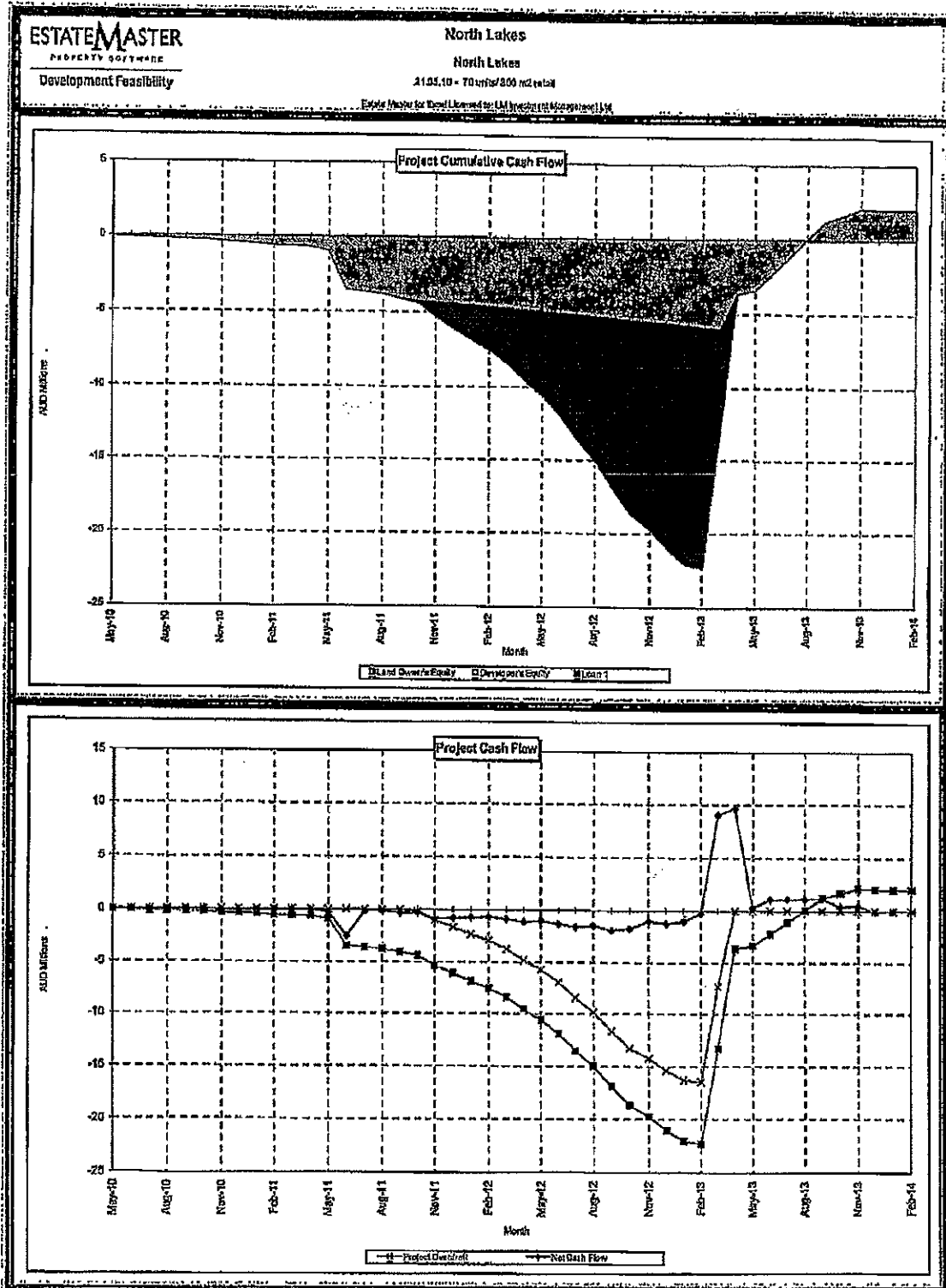
Cash Flow Table for North Lakes

PROJECT CASH FLOW	PERIOD	Q1	Q2	Q3	Q4	Q5
REVENUE						
Unit Sales	7,100	7,100	7,100	7,100	7,100	7,100
Commuter Unit Sales	7,100	7,100	7,100	7,100	7,100	7,100
Other Sales	100,000	100,000	100,000	100,000	100,000	100,000
Net Sales	148,200	148,200	148,200	148,200	148,200	148,200
Operating Expenses						
Salaries	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Utilities	100,000	100,000	100,000	100,000	100,000	100,000
Insurance	100,000	100,000	100,000	100,000	100,000	100,000
Depreciation	100,000	100,000	100,000	100,000	100,000	100,000
Interest	100,000	100,000	100,000	100,000	100,000	100,000
Other	100,000	100,000	100,000	100,000	100,000	100,000
Net Operating Income	127,000	127,000	127,000	127,000	127,000	127,000
Capital Expenditures						
Land	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Buildings	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Equipment	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Other	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Net Capital Expenditures	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
Financing						
Debt	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Equity	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Other	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Net Financing	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000
Net Change in Cash	127,000	127,000	127,000	127,000	127,000	127,000

Quintile 5 (most for breast) learned in 1.34 hours and the average 1.64

141

Cash Flow Charts



ESTATE MASTER
PROPERTY SOFTWARE
Development Feasibility

North Lakes
North Lakes
21,00,10 + 70 units 300 m2 retail

ESTATE MASTER for Excel & Lotus 123
Estate Master for Excel & Lotus 123
Estate Master for Excel & Lotus 123

Consolidated Cash Flow

USD Millions

Month

Net Cash Flow

[illegible]

Page 2 of 2 Pages

2014-2015

145

Attachment
10 pages



**LOT 74 ENDEAVOUR BOULEVARD
NORTH LAKES**

for

GLENSIDE GROUP PTY LTD

INDICATIVE COST PLAN

by

**CULLEN GROUP
AUSTRALIA PTY LTD**

6 April 2010



CONTENTS

> LOT 74 ENDEAVOUR BOULEVARD, NORTH LAKES

- EXECUTIVE SUMMARY
- PRICE
- INCLUSIONS
- EXCLUSIONS
- FINISHES
- DOCUMENTATION

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EXECUTIVE SUMMARY

➤ CORPORATE

- Extensive experience in multi residential buildings in the South East Queensland and Northern NSW market.
- The directors of the Cullen Group Bill Engwirda & Wayne Cullen are hands-on operators and are very accessible to Clients, they won't take on a project that they can't manage and construct with their own personal controls, thereby providing a very quick and effective decision making process
- A co-operative and flexible approach to contractual relations.
- A reputation for quality built on its traditional directly employed workforce supported by unusually healthy subcontractor relationships.
- Healthy industrial relations and health and safety record
- Demonstrated design and construct experience with similar type and size projects.
- Accustomed to full project management design and construction risk.
- Highly experienced in design and construct with "guaranteed maximum price" procurement models.
- Demonstrated contribution to the training of apprentices and cadets over many years.

➤ PROJECT SPECIFIC

- Our proposed management and design team is highly experienced.
- Extensive experience with Multi Residential Development.
- Standard application of our Project Management Systems to oversee design and documentation, project budget and time management and to implement an effective defect management strategy to ensure Client satisfaction.

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PRICE

Introduction

The Purpose of this document is to provide an Indicative Cost Plan to establish the feasibility of this project.

Glenside Group has provided sketch drawing from Think Tank Architects, which indicate the proposed layout and areas for each of the proposed buildings.

Estimated Cost

This Indicative Cost Plan shows the estimate of works to be in the order of \$13,585,140.00. Please note this figure excludes GST, Authority fees and charges refer to our elemental cost analysis for a detailed list of all on-cost.

Please note that this Cost Plan is Indicative only and does not represent a firm cost for works. It gives an indication of the likely Construction Costs of the project as described but should not be used for any financial commitments at this stage. We recommend that further investigations be made and information obtained relating to potential cost risk areas.

Potential Cost Risks

Further to the above we believe the items listed below are potential cost risk areas that cannot at this stage be quantified and which will require further resolution:

- > Latent site conditions
- > Contamination
- > Local authority requirements
- > Headwork's and Council Contributions
- > Service Authority requirements and charges
- > Existing site conditions and foundation requirements.
- > Possible relocation or diversion of existing services.
- > Exclusions as nominated.
- > Works associated with DA/BA conditions & other Local Authority requirements.
- > Upgrading of mains services
- > Escalation costs

This Cost Plan is based on competitive tender rates, which are current at 6 April 2010 for works in the Brisbane area. The estimate is based on the areas provided by Think Tank Architects Issue 3, 5th March 2010, and the application of square meter rates to the building and associated areas. All allowances are based on the analysis of similar previous projects.

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Area and Cost Breakdown

The following breakdown is an indication only of the likely cost based on the areas provided; we have also incorporated provisional amounts for works that at the stage can not be properly quantified:

Item		Quantity	Unit	Rate	Amount
1	STAGE 1 - CONSTRUCTION COST				
	<u>BASEMENT</u>				
2	Site Works	4,320.00	m3	60.00	259,200.00
3	On grade car parking	802.00	m2	75.00	60,150.00
	<u>Apartments</u>				
4	GFA of all levels	4,010.00	m2	1,530.00	6,135,300.00
5	Roof Terrace	802.00	m2	1,200.00	deletd
	<u>STAGE 1 - CONSTRUCTION COST</u>				\$ 6,454,650.00
	Stage 2 Construction Cost				
	<u>BASEMENT</u>				
1	Site Works	1,834.00	m2	60.00	110,040.00
2	Site retention	300.00	m2	166.67	50,000.00
3	On grade carparking	802.00	m2	75.00	60,150.00
	<u>Apartments</u>				
4	GFA of all levels	4,010.00	m2	1,530.00	6,135,300.00
5	Roof Terrace	802.00	m2	1,200.00	deletd
	<u>STAGE 2 - CONSTRUCTION COST</u>				\$ 6,355,490.00
	<u>COMMERCIAL</u>				
1	Retail	300.00	m2	1,450.00	435,000.00
	<u>COMMERCIAL - CONSTRUCTION COST</u>				\$ 435,000.00
	<u>LANDSCAPING PROVISIONAL SUM</u>				\$ 240,000.00
	<u>POOL PROVISIONAL SUM</u>				
1	Provisional Allowance for Pool	1.00	item	60,000.00	60,000.00
2	Gazebo's & BBQ Area	1.00	item	40,000.00	40,000.00
	<u>POOL</u>				\$ 100,000.00
	<u>TOTAL PROJECT CONSTRUCTION COST</u>				\$ 13,585,140.00

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Inclusions

The following items are **INCLUDED** in the Estimated Cost:

- All Construction Costs as outlined in the specification and estimate details.
- Minor Authority Fees (inspection fees) associated with construction only.
- Site safety requirements including temporary fencing, amenities, signage etc.
- Water & Power used during construction.
- Supervision of the works.
- Contractors All Risk & Public Liability insurance.
- Manufacturers Warrantees/Guarantees.
- QLeave Levy
- BSA Fees and Charges

Exclusions

The following items are **EXCLUDED** in the Estimated Cost:

Building Works & Costs

- Dilapidation Survey
- Decontamination, latent conditions, abnormal ground conditions.
- Removal of soft spots.
- Excavation in rock.
- Works outside the boundary. (other than what is shown on the drawings)
- Street furniture.
- Pylon sign
- Contingency. (Developer to include)
- Escalation Cost
- Apartment PF&E.
- Management Software & Data installation, PA system
- Management security surveillance system.
- Rise and fall.
- GST.

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Developer's Costs

- Developer's Costs.
- Land & Subdivision costs.
- Holding costs, Borrowing & Financing costs, Bank fees.
- Construction Finance Cost
- Legal fees and stamp duty.
- Marketing costs, agent's fees & sales commissions.

Authority Fees and Charges

- Development Application Fees, Building Application Fees.
- Local Authority fees and charges.
- QLD Fire Authority fees and charges.
- Water / Sewer Connection Fees.
- Headwork's charges or contributions, Park contributions.
- Costs associated with Local Authority requirements (due to DA/BA conditions).
- Upgrading of services or infrastructure external to the boundary including Energex, Telstra, Gas, Optic Fibre, Water, Stormwater and Sewer.
- Diversion, relocation, renewal or raising of services pits or covers within the existing footpath or road.
- Road widening, new kerbs and associated external roadwork's.
- Upgrade to council footpaths.
- Building application fees.

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Finishes

Apartments

Location/Item	Surface	Substance	Finish/Type
Walls			
	Skirting		chisel skirting and architrave
	Main Walls	Plasterboard	

Wet Areas

	Bathroom/Ensuite walls	Tile	Full height to baths/showers, 1200 to basin walls and skirting to remainder
	Bathroom/Ensuite	Tile	JOY Carrera Blanco

Floors

	Main Floor/balconies	Tile	450 x 450 JOYGOBI matt
	Bedrooms	carpet	velvet plush

Kitchens

	Bench tops	Caesar stone	ice snow, square edge
	Doors and Drawers	Polytech	
	Kickboards	aluminum	brushed aluminum laminate
	Splash back	Glass	Graphic glass shimmer blue
	Electrical		stainless steel, Blanco
	Handles		Tec form

Vanities

	Doors	Polytech	Cocoa Spruce Horizontal
	Kickboards	tile	
	Handles		Lincoln Sentry Dixon

Other

	wardrobe doors	Vinyl	Translucent with matt chrome frames
	Doors	2340 high	High flush

Exterior Finishes

Location/Item	Surface	Substance	Finish/Type
Exterior General			
	Landscaping		As per council requirements
	walls	block	rendered concrete block
	Balustrades	block	rendered concrete block
	Balustrades framing	Aluminum	Powder coated
	Roof fascia	Fiber cement	
	External walls	block	rendered concrete block

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Concrete columns	In-situ concrete	
Barge/Eaves Gutter	steel	Colourbond
Balcony Down pipes	steel	Colourbond
Blade walls/roofs	block & fiber cement	rendered concrete block
Sun hoods	Aluminum	Powder coated
Screening	Aluminum	Powder coated
Door/window framing	Aluminum	Powder coated
Rainwater heads and DP		
Roof Sheeting	Steel	Colourbond
SHS, Roller doors, Louvers, Letterboxes	Metal	
Windows	Aluminum	powder coated
Roofing	steel	Colourbond
External Doors	Timber	
Balcony floors	tile	450 x 450 JOYGObI matt

Other Finishes

Location/Item	Surface	Substance	Finish/Type
Entrance			
	floors	tile	
	walls	rendered walls	
	Ceilings	PB Gyprock	painted, stippled concrete ceilings
Common areas			
	Pool area	Tile	450 x 450 Joy Gobl non-slip matching bull nose for pool coping
	Tiling	Tile	450 x 450 JoyGobl
	walkways	carpet	Commercial grade
Lift			
	Floors	Joygobl matt	450x450 (with border of batrim spln metal holiday 1/2 tile)
Basement			
	Walls	concrete	raw finish
	Ceilings	concrete	raw finish
	Driveway	concrete	decorative banding
	Garage	Roller shutter	remote control

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Documentation

Architectural Sketch Drawings dated by Think Tank Architects Pty Ltd
➤ Lot 74 Endeavour Boulevard, North Lakes Issue 03, 5th March 2010

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Attachment (F)

3 pages

Matthew Batcheldor

From: Scott Willis
Sent: Monday, 31 May 2010 4:20 PM
To: Matthew Batcheldor
Subject: FW: Lot 74 Endeavour Drive, North Lakes, Qld

This is also different to the previous advice provided. Using ANZ as an example we can reduce our initial contributions!

From: David Hawes [mailto:dh@glensidegroup.com.au]
Sent: Monday, 31 May 2010 3:58 PM
To: Scott Willis
Subject: FW: Lot 74 Endeavour Drive, North Lakes, Qld

Scott,

Advice from one of our arrangers as discussed. Greg is well known to LM.
I will forward the Balmain advice upon receipt.

David Hawes
Managing Director

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



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Balgownie NSW f. 02 9986 1681
2093 Australia w. www.glensidegroup.com.au

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From: Greg Hearn [mailto:ghearn@firstcharteredcapital.com.au]
Sent: Monday, 31 May 2010 3:36 PM
To: David Hawes
Subject: RE: Lot 74 Endeavour Drive, North Lakes, Qld

David

Thanks for the opportunity to review this for you, apologies for taking longer than your requested timeframe. Whilst not specifically discussing this feasibility with the banks, I am discussing your other as well as other clients feasibilities with a number of banks at many levels and am confident of portraying the current appetite for this transaction.

Essentially at this level, there are 2 banks that will consider the project today, CBA and ANZ.

Inputs

Reviewing your Inputs page the overall Inputs for financing seems correct, a slight

7/06/2010

timing difference is evident on presales at 50% not actually showing until after the 1st construction month, which is neither here nor there.

CBA

CBA have been active in the market, but as we have discussed previously they are taking no risk into the transactions, mitigated by pre-sales and DA.

Highlight comments;

LVR on settlement - up to 60% (your at 0%)

LVR on total cost - 80%

Presales - 80% of total debt (which may be critical going forward).

Cost

BBR (say 5.00%) plus 1.50% say 6.5% (to be confirmed)

Line fee - 1.5 - 2.00% (expensive)

Application fee - 0.50%

Would consider non-recourse "on the same terms" however I would have thought reducing the LVR to cost to 70% would be their preferred position.

ANZ

ANZ is active in the market, and the guidelines are applied Australia wide.

LVR on settlement - up to 65% (you're at 0%)

LVR on total cost - 80%

LVR on End value - max 65%

Presales - 50% of total debt (your at 73% so could reduce your pre-sale requirement)

Cost

BBR (say 6.00%) plus 3-3.50% say 9-9.5% (to be confirmed)

Line fee - nil

Application fee - 0.50 - 1.00%

Will not consider on a non recourse basis.

Pls review and discuss with me as you can

Regards

Greg Hearn
Principal
First Chartered Capital
Suite 1
17-19 East Pde Sutherland NSW 2232
PO Box 384 Sutherland NSW 1499
Ph: 02 8536 9888

7/06/2010

Fax: 02 8536 9800
Mob: 0421 68 9999

From: David Hawes [mailto:dh@glensidegroup.com.au]
Sent: Wednesday, 26 May 2010 1:02 PM
To: Greg Hearn
Subject: Lot 74 Endeavour Drive, North Lakes. Qld

Greg,

Please review the attached feasibility and provide an email summary of likely terms for finance of construction funding in similar form to that you provided for Redland Bay. We understand the requirement will not be for another 18 months at least, but we need indicative terms to sign off on DD for exchange of contract.

I would be very grateful if we could have something by late tomorrow.

Thanks,

David Hawes
Managing Director

e. dh@glensidegroup.com.au
m. 0408 56 33 00



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Attachment (2)
1 page**Matthew Batchelor**

From: Scott Willis
Sent: Monday, 7 June 2010 2:54 PM
To: Matthew Batchelor
Subject: FW: North Lakes - GST under margin Scheme

Regards

Scott Willis
LM Investment Management Ltd
 Phone: (07) 5584 4500
 Fax: (07) 5592 2505
 Email: swillis@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 3:22 PM
To: Scott Willis; Matthew Batchelor
Subject: North Lakes - GST under margin Scheme

Scott/ Matt,

Stockland advise that they have no valuation info that will assist in verifying our estimate of value in the feasibility at 1.7.2000. It has confirmed that we can purchase under the margin scheme.

We would need to engage a valuer to confirm this estimate. Our view is that even if the land only values up at 50% of the estimate we have made it will only have a 38,000 impact on the feasibility and then only as we make sales.

I trust this is satisfactory for your submission.

David Hawes
 Managing Director

e. dh@glensidegroup.com.au
 m. 0400 56 33 00



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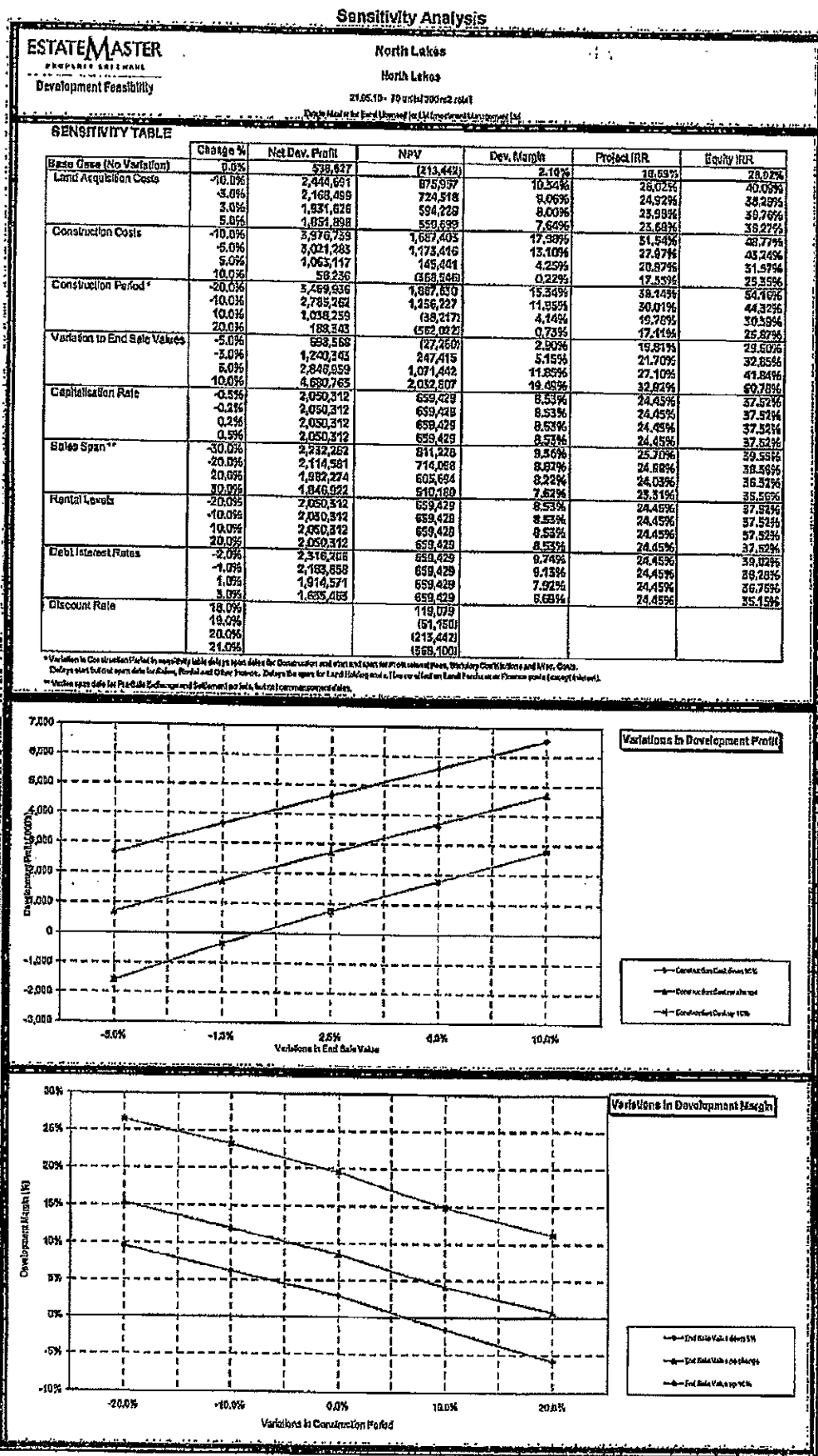
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Attachment ④
1 page



Attachment ①
1 page**Scott Willis**

From: David Hawes [dh@glensidegroup.com.au]
Sent: Friday, 30 April 2010 5:32 PM
To: Scott Willis
Subject: RE: Northlakes- Twin Towers

Thanks Scott.

Mike has designed car provision to satisfy council requirements. The stock is all 2 bed and we do not think that 2 car spaces are required in such a location. The agents advised --'give us as many as you can beyond 1 per unit', but our goal is to keep the sale price, and therefore build cost, to a minimum, as long as all the boxes are ticked in terms of marketability.

It's important to note that Stockland is actively discouraging car use and many of the 3 bed homes are single garage.

We think that 1 car per unit is sufficient.

David Hawes
 Managing Director

e. dh@glensidegroup.com.au
 m. 0408 56 33 00



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From: Scott Willis [mailto:swillis@lmaustralia.com]
Sent: Friday, 30 April 2010 4:21 PM
To: David Hawes
Subject: RE: Northlakes- Twin Towers

David,

Yes I agree. We are only talking about 70ET so should not be any issues with regard to water pressure this close to the town centre.

David sorry one other thing of note is the carparking provisions for the development at only 1 space per unit. Did the agents provide any feedback on this? I am assuming the architect has just come up with rough design to achieve the minimum requirement and would suggest that we beef this up in detailed design to provide as many units with 2 spaces as possible.

Regards

Scott Willis
LM Investment Management Ltd
 Phone: (07) 5584 4600
 Fax: (07) 5592 2505
 Email: swillis@LMAustralia.com
 Visit Our Website: www.LMAustralia.com/

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SMV-9

ASIC & Business Names

ORGANISATIONAL SEARCH ON PEREGIAN BEACH PTY LTD

Historical Extract

This information was extracted from ASIC database on 17 September 2013 at 02:54PM

This extract contains information derived from the Australian Securities and Investment Commission's (ASIC) database under section 1274A of the Corporations Act 2001. Please advise ASIC of any error or omission which you may identify.

127 412 864	PEREGIAN BEACH PTY LTD	DOCUMENT NO.
	127 412 864	
ABN	22 127 412 864	
Registered in	NSW	
Date Registered	05-Sep-2007	
Review Date	05-Sep-2014	

Current Organisation Details

Name	PEREGIAN BEACH PTY LTD	028610307
Name Start	05-Sep-2007	
Status	EXTERNALLY ADMINISTERED	
	For information about this status refer to the documents listed under the heading "External Administration and/or Appointment of Controller", below.	
Type	AUSTRALIAN PROPRIETARY COMPANY	
Class	LIMITED BY SHARES	
Subclass	PROPRIETARY COMPANY	
Disclosing Entity	NO	

Ceased/Former Organisation Details

Details Start	05-Sep-2007	1E3619384
Details End	08-Jul-2013	
Name	PEREGIAN BEACH PTY LTD	
Name Start	05-Sep-2007	
Status	REGISTERED	
Type	AUSTRALIAN PROPRIETARY COMPANY	
Class	LIMITED BY SHARES	
Subclass	PROPRIETARY COMPANY	
Disclosing Entity	NO	

Current Registered Office

Address	CCC/- RHODES DOCHERTY & CO, SUITE 202, 164A MONA VALE ROAD, ST IVES, NSW, 2075	1E3619384
Start Date	05-Sep-2007	

Current Principal Place of Business

Address	10 GLENSIDE STREET, BALGOWLAH HEIGHTS, NSW, 2093	1E3619384
Start Date	05-Sep-2007	

Current Director

Officer Name	DAVID RICHARD HAWES	1E3619384
ABN	Not available	
Birth Details	08-May-1957 SYDNEY NSW	
Address	10 GLENSIDE STREET, BALGOWLAH HEIGHTS, NSW, 2093	
Appointment Date	05-Sep-2007	

Current Secretary

Officer Name	DAVID RICHARD HAWES	1E3619384
ABN	Not available	
Birth Details	08-May-1957 SYDNEY NSW	
Address	10 GLENSIDE STREET, BALGOWLAH HEIGHTS, NSW, 2093	
Appointment Date	05-Sep-2007	

Current Controller

Officer Name	THE TRUST COMPANY (PTAL) LIMITED	028610307
ACN	008 412 913	
ABN	Not available	
Address	LM INVESTMENT MANAGEMENT LTD, LEVEL 1, 38 CAVILL AVENUE, SURFERS PARADISE, QLD, 4217	
Appointment Date	09-Jul-2013	

Current Issued Capital

Type	Current	1E3619384
Class	ORD	
	ORDINARY SHARES	
Number of Shares/Interests issued	1	
Total amount paid/taken to be paid	\$1.00	
Total amount due and payable	\$0.00	

Note: For each class of shares issued by a proprietary company, ASIC records the details of the twenty members of the class (based on shareholdings). The details of any other members holding the same number of shares as the twentieth ranked member will also be recorded by ASIC on the database. Where available, historical records show that a member has ceased to be ranked amongst the twenty members. This may, but does not necessarily mean, that they have ceased to be a member of the company.

Current Members

Class	ORD	7E4148345
No. Held	1	
Beneficially Owned	YES	Fully paid YES

Name HAWES, DAVID RICHARD
 ABN Not available
 Address 10 GLENSIDE STREET, BALGOWLAH HEIGHTS, NSW, 2093
 Joint Holding NO

Ceased/Former Members

Class ORD 7E4047429
 No. Held 1
 Beneficially Owned NO Fully paid YES

Name HAWES INVESTMENTS PTY LTD
 ACN 070 887 188
 ABN 44 070 887 188
 Address 10 GLENSIDE STREET, BALGOWLAH HEIGHTS, NSW, 2093
 Joint Holding NO

Class ORD 1E3619384
 No. Held 1
 Beneficially Owned YES Fully paid YES

Name HAWES, DAVID RICHARD
 ACN Not available
 ABN Not available
 Address 10 GLENSIDE STREET, BALGOWLAH HEIGHTS, NSW, 2093
 Joint Holding NO

Documents Relating to External Administration and/or Appointment

This extract may not list all documents relating to this status. State and territory records should be searched.

Received	Form Type	Processed	No. Pages	Effective	
11-Jul-2013 505T	505 NOTIFICATION OF APPT OF CONTROLLER (OTHER THAN RECEIVER/MANAGING CONTROLLER)	26-Jul-2013	4	09-Jul-2013	028610307
11-Jul-2013 504D	504 NOTIFICATION OF APPOINTMENT OF A BY CONTROLLER OF APPT OF CONTROLLER (OTHER THAN AS RECEIVER)	26-Jul-2013	4	09-Jul-2013	028610306

Document Details

Received	Form Type	Processed	No. Pages	Effective	
12-Jan-2012 311A	311 Notification of Assignment of Charge	12-Jan-2012	3	01-Nov-2011	7E4208576
23-Dec-2011 309A	309 Notification of Details of a Charge	03-Jan-2012	25	22-Dec-2011	027945258
09-Dec-2011 484N	484 Change to Company Details Changes to (Members) Share	09-Dec-2011	2	09-Dec-2011	7E4148345

Holdings

27-Oct-2011	484	27-Oct-2011	2	27-Oct-2011	7E4047429
484N	Change to Company Details	Changes to (Members) Share			
	Holdings				
19-Nov-2010	311	22-Nov-2010	4	20-Oct-2010	027418045
311B	Notification of Change to Details of Charge				
08-Jul-2010	309	02-Aug-2010	35	29-Jun-2010	026642499
309A	Notification of Details of a Charge				
08-Jul-2010	309	09-Jul-2010	32	29-Jun-2010	026475120
309A	Notification of Details of a Charge				
05-Sep-2007	201	05-Sep-2007	3	05-Sep-2007	1E3619384
201C	Application For Registration as a Proprietary Company				

Section 146A of the *Corporations Act 2001* states 'A contact address is the address to which communications and notices are sent from ASIC to the company.'

Address PO BOX 86, ST IVES, NSW, 2075
 Start Date 27-Oct-2011

*** End of Extract ***

MEMO TO

SMV-10



SUBJECT

DATE

REFERENCE NUMBER

~~MPT~~

C.C. MEETING

28/6/2010

MPT APPROVAL

PD, ST, LD, EVH, DM, BK

Approved to draw from MPT - to be
renewed 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



SMV-11

Peregian Beach Pty Ltd ACN 127 412 864

and

**LM Investment Management Limited ACN 077 208 461
as trustee for the LM Managed Performance Fund
("Lender")**

Loan Agreement

LM INVESTMENT MANAGEMENT LTD

**Level 4,
9 Beach Road
Surfers Paradise Qld 4217**

**Ph: 07 5584 4500
Fax: 07 5592 2505**

THIS AGREEMENT is made on the date stipulated in Item 1

BETWEEN: LM Investment Management Limited ACN 077 208 461 as trustee for the LM Managed Performance Fund ("Lender")

AND: The party described in Item 2 ("the Borrower")

AGREEMENT

- A. The Lender has, at the Borrower's request, agreed to lend and advance to the Borrower the Loan Amount on the conditions, among others, that the Borrower execute this Agreement.
- B. The Lender is the trustee for the Managed Performance.

THE PARTIES AGREE

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (1) **"Agreement"** means this agreement and includes the Security.
- (2) **"Business Day"** means a day other than Saturday, Sunday or other day on which the Lender or trading banks generally are closed or obliged to close in Brisbane.
- (3) **"Consumer Credit Legislation"** means the Consumer Credit Code or the earlier Credit Acts.
- (4) **"Date for Repayment"** means that date specified in Item 5.
- (5) **"DDR Authority"** means the Direct Debit Request, periodic payment authority or periodic deb/credit authority relating to the DDR System.
- (6) **"DDR System"** means any process by which the Borrower, at the request of the Lender, authorises the deduction of instalments of principal and/or interest payable by the Borrower to the Lender in accordance with this Agreement from the Borrower's bank account.
- (7) **"Event of Default"** means any of the events of default described as such in this Agreement (including the events of default described in clause 7.1).

- (8) **"Facility to Security Ratio"** means the maximum acceptable ratio between the Money Secured and the GST exclusive value of the Principal Security as determined by the Lender in its absolute discretion and expressed as a percentage as specified in Item 13.
- (9) **"Fund"** means the LM Managed Performance Fund.
- (10) **"Guarantor"** means jointly and severally each person described in Item 12 and any other person who may from time to time guarantee the payment of the Money Secured.
- (11) **"Higher Rate"** means the rate of interest stipulated in Item 6.
- (12) **"Land"** means the land described as Lot 26 on Survey Plan 224073 comprised in the reference 50780250 County Stanley, Parish Redcliffe.
- (13) **"Liquidated Damages"** has the meaning as defined in clause 4.10.
- (14) **"Lower Rate"** means the rate of interest stipulated in Item 7. If no rate is stipulated the rate shall be deemed to be the same as the Higher Rate;
- (15) **"Loan Amount"** means that sum specified in Item 4 and includes all further advances or re-advances, if any, under this Agreement.
- (16) **"Money Secured"** includes:
 - (a) the Loan Amount;
 - (b) all moneys deemed to be principal in arrears;
 - (c) all money now or in the future owing or payable to the Lender by the Borrower or the Security Provider either alone or jointly with another person, whether directly or indirectly or contingently under this Agreement, a Security, or on any other account whatsoever, and including without limitation all such money arising from:
 - (i) any guarantee, deed, indemnity, bond, account, document or other agreement in writing including the Security;
 - (ii) interest payable on the Money Secured including interest which has been capitalised;
 - (iii) interest on any judgment entered by the Lender against the Borrower or the Security Provider in respect of the Money Secured;
 - (iv) all costs, expenses or losses, including liquidated damages, incurred or sustained by the Lender in relation to any failure by the Borrower or the Security Provider to comply with the terms of the Security; and
 - (v) all advances, further advances, loans, credits or financial accommodation whether made created or given on or before the signing hereof or that may hereafter be made created or given by the Lender in its absolute discretion to for or on account of or at the

expressed or implied request of the Borrower or the Security Provider;

- (d) postage, commissions, valuation fees, fees, costs, charges and expenses relating to the advance hereunder and the Security, according to the usage and course of business of the Lender or payable by the Borrower and/or any Security Provider under any Security;
- (e) stamp duty or any other levy, financial impost or tax payable according to law or arising out of or in connection with the Security;
- (f) all costs charges, fees and expenses incurred by the Lender in enforcing the terms of the Security (including legal expenses on a full indemnity basis or a solicitor and own client basis, whichever is the greater) or which in the Lender's opinion are payable, required or desirable for or in connection with:
 - (i) the drawing accepting or discounting of any bill of exchange at the request of, or for the accommodation of, the Borrower and/or the Security Provider under the Security;
 - (ii) the Lender protecting its interest under the Security including all moneys which the Lender or any receiver or any attorney appointed under any security may have paid or may pay in the exercise or enforcement or attempted exercise or enforcement of any right power or remedy conferred on the Lender by the Security;
 - (iii) the preparation, execution, stamping or registration of the Security;
 - (iv) full or partial release or discharge from, transfer or variation of the Security;
 - (v) any advice in respect of the Security;
 - (vi) any breach of or default of any covenant contained or implied in the Security; or
 - (vii) the Lender making good any default by any party (other than a default by the Lender) under the Security,
 - (viii) any rights which the Lender may have under any law,

AND SHALL where the context so admits mean and include any part of the Money Secured.

- (17) **"month"** means a calendar month.
- (18) **"Mortgagor"** means any and every party to any Security, other than the Lender.
- (19) **"person"** includes a company or other incorporated body.
- (20) **"Principal Security"** means the land referred to in Item 10.
- (21) **"Purpose"** means the funding to assist with the acquisition of the Land, including to pay the deposit (or an amount not exceeding \$80,000) in respect of the SPA.

- (22) **"Receiver"** means and includes receiver or receiver and manager.
- (23) **"Security"** means each and every document, agreement or other security provided from time to time which secures or provides for the payment of the Money Secured or the performance of obligations of the Security Provider in favour of the Lender, which may be executed or provided by the Security Provider or any other person (including this Agreement, those documents described in Item 9 and any additional security provided in accordance with clause 5.1(c)).
- (24) **"Security Provider"** means each and every party to or provider of the Security including the Borrower, the Mortgagor and the Guarantor, but not including the Lender;
- (25) **"SPA"** means the sale and purchase agreement between the Borrower (as buyer) and Stockland North Lakes Pty Ltd ACN 068 244 762 (as seller) in respect of the Land.
- (26) **"Valuer"** means such person (having the appropriate qualifications, accreditation and experience relating to properties similar to the Principal Security) appointed by the Lender as its valuer for the purposes of this Agreement.

1.2 Interpretation

In this Agreement unless the context requires otherwise:

- (1) words importing:
 - (a) the singular include the plural and vice versa; and
 - (b) one gender shall include all other genders.
- (2) references to persons or individuals shall include corporations and partnerships and vice versa;
- (3) references to clauses are references to clauses of this Agreement and references to sub-clauses are references to sub-clauses of this Agreement;
- (4) references to this Agreement and any deed, agreement or instrument shall be deemed to include references to this Agreement or such other deed agreement or instrument as amended, novated, supplemented, varied or replaced from time to time;
- (5) references to any party to this Agreement shall include its successors or permitted assigns;
- (6) references to an Item shall mean an Item in the Schedule hereto;
- (7) where there are two or more persons in a party each are bound jointly and severally;
- (8) reference to any legislation or to any section or provision thereof shall include any statutory modification or re-enactment thereof or any statutory provision substituted therefor and ordinances by-laws regulations and other statutory instruments issued thereunder; and

- (9) time shall be of the essence.

1.3 Business Days

If any act to be done hereunder or any payment to be made by any party under this Agreement shall be due to be done or paid on a day which is not a Business Day, the time and day for such act or payment shall be by 2.00 p.m. local time in the place where the act is to be done or the payment made on the Business Day immediately following such day.

1.4 Headings

Headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

1.5 Payments

Any payments required to be made by the Borrower to the Lender shall at the Lender's discretion be deemed not to have been made until the moneys are actually received by the Lender as cleared funds.

2. ADVANCE

2.1 Lender's discretion

The Lender may, in its sole discretion on the terms and conditions set out in this Agreement:

- (1) lend and advance to the Borrower the Loan Amount for the Purpose; or
- (2) permit the Borrower to draw down the Loan Amount by two or more draw downs which total the Loan Amount, for the Purpose on such terms and conditions as the Lender may otherwise advise.

2.2 Conditions Precedent to all advances

Prior to electing whether or not to exercise its discretion under clause 2.1 to advance the Loan Amount or any part of it, the Borrower must first deliver to the Lender, in a form and in substance satisfactory to the Lender:

- (1) where the Borrower or the Security Provider is a corporation, a certified copy of the following:
 - (a) the certificate of registration or incorporation;
 - (b) an extract of the minutes of a meeting of the board of directors which evidences the resolutions authorising the signing and delivery of an observance of obligations under the Security to which it is a party, and the appointment of an authorised representative and such other resolutions as may be required by the Lender;
 - (c) each instrument which evidences any other necessary corporate or other action in connection with the Security;
- (2) where the Borrower or the Security Provider is a trustee of any trust, a certified copy of the following:

- (a) the instruments creating or varying such Trust;
 - (b) an extract of the minutes of a meeting of the trustee which evidences the resolutions authorising the signing and delivery of an observance of obligations under the Security to which it is a party, and the appointment of an authorised representative of the Trust and such other resolutions as may be required by the Lender; and
 - (c) each instrument which evidences any other necessary corporate or other action in connection with the Security;
- (3) a certified copy of each authorisation necessary to enter into, observe obligations under and enforce the Security (including without limitation, the approval from the Foreign Investment Review Board (if necessary));
 - (4) a certified copy of each Power of Attorney under which a person signs and delivers the Security for the Borrower or the Security Provider and if required by the Lender, evidence of its stamping and registration and a declaration of non revocation of such Power of Attorney;
 - (5) a certified copy of any licences, leases or tenancy agreements effecting the Security;
 - (6) a certificate of currency of a policy (or policies) of insurance for the full insurable value of all lots, buildings and improvements and covering such other risks (including public liability insurance cover for an amount of not less than \$20,000,000.00, or such other amount as the Lender may require, for each and every event or claim) and such other insurances as may be required by the Lender in respect of the Security for such amount or amounts as the Lender may determine from time to time, noting the interests of the Lender as first mortgagee:
 - (a) strata insurance for the full replacement cost of buildings, common property and machinery;
 - (b) key man life insurance on the lives of each Borrower, Mortgagor, Guarantor and/or other persons as may be required by the RE.

The Borrower and/or the Security Provider shall deliver the original policy of insurance or alternatively a certificate of currency of such insurance with the Lender's and RE's interests noted thereon together with receipted proof of payment of the premium for such insurance cover;

- (7) a fully completed and executed Direct Debit Request to enable operation of the DDR System in favour of the Lender or as otherwise directed by the Lender;
- (8) a valuation on terms satisfactory to the Lender in respect of the Principal Security;
- (9) this Agreement and each and every Security duly signed and delivered by the Borrower and/or the Security Provider and such other person as may be required to perfect the Security and, if required by the Lender, evidence of its stamping and registration.
- (10) such financial information for each Security Provider and Guarantor as the Lender determines, to enable the Lender to determine the financial status of those parties; and.

- (11) such other information as the Lender determines.
- (12) Where an advance is to be used for consultancy fees, the Lender being satisfied with the terms of the consultancy agreement;
- (13) Where an advance is to be used to complete the SPA, the Lender:
 - (a) receiving in form and substance satisfactory to it a mortgage over the Land and such other security as the Lender may require in its absolute discretion; and
 - (b) being satisfied in its sole discretion with its due diligence enquiries in respect of the Land including searches, the feasibility, and such other matters as the Lender may in its absolute discretion require.

2.3 Conditions Precedent to first advance

The first advance of the Loan Amount (or any part) is further conditional upon:

- (1) the first advance not exceeding \$80,000 or such higher amount as the Lender may approve in its absolute discretion;
- (2) the Lender having obtained satisfactory results from all searches and inquiries as it considers appropriate made in respect of the credit worthiness of the Borrower and the Security Provider;
- (3) the Lender being satisfied in its sole discretion with the terms and conditions of the SPA;
- (4) the Lender's legal advisers having obtained satisfactory results from all searches and inquiries made in respect of the real and/or personal property comprising the Security; and
- (5) the Lender's legal advisers certifying to the Lender in terms satisfactory to the Lender that it is in order for the Loan Amount to be advanced; and
- (6) the Lender having inspected the Principal Security and satisfying itself in relation to location, local market, tenancies, state of repair and presentation and such other issues as the Lender considers relevant.

3. Intentionally deleted.

4. REPAYMENT

- 4.1 The Borrower will pay to the Lender the total amount outstanding of the Money Secured on the date stipulated in Item 5 or such other day as the Lender may advise the Borrower in writing.
- 4.2 Interest under this Agreement shall be calculated on the Money Secured or on so much thereof as remains outstanding and upon any judgment or order in which the liability of the Borrower under this Agreement may become merged at the Higher Rate in accordance with the provisions of this clause. Such interest shall be:

- (1) computed from the day on which the Lender makes the first advance on account of the Money Secured;
- (2) calculated and charged on the daily outstanding balances to the Borrower's account with the first such payment of interest being payable on the date set out in Item 8 on account of the Money Secured with subsequent payments being due and payable on the days referred to in Item 8 whilst the Money Secured or part thereof remains outstanding;
- (3) in the event of default in payment such interest shall be added to the Money Secured and thereafter such capitalised interest shall bear interest at the Higher Rate determined in accordance with this clause.

4.3 Provided that:

- (1) the Borrower shall on every day on which interest is payable under this Agreement pay to the Lender interest on the Money Secured or so much thereof as shall from time to time remain unpaid under this Agreement at the Lower Rate; and
- (2) all the terms, covenants and conditions contained in and implied by any Security are duly observed and performed;

then the Lender shall accept payment of the Interest calculated and charged at the Lower Rate for every such instalment of interest payable under this Agreement.

- 4.4 During the term the Lender will conduct reviews of the Interest rate (the first review to be conducted on the twelve month anniversary of the date of this deed and other reviews regularly thereafter). Following reviews occurring, the Lender may on 30 days written notice to the Borrower, elect to vary the interest rate.
- 4.5 If the Lender shall at any time obtain judgment for all or any of the Money Secured such judgment shall until satisfied bear interest at the Higher Rate.
- 4.6 The Borrower shall repay to the Lender interest instalments as specified in Item 8. Such payments shall be made through the DDR System or as otherwise stipulated by the Lender from time to time by notice in writing to the Borrower.
- 4.7 The Borrower shall establish and maintain for so long as there exists any outstanding Money Secured a DDR Authority and execute and deliver to the Lender such documentation as the Lender reasonably requires from time to time authorising payment under the DDR System to such bank and bank account as nominated by the Lender from time to time.
- 4.8 The Borrower may at any time on giving to the Lender one month's written notice, repay the whole or any part of the Money Secured outstanding at the expiry of such notice provided that the Borrower's right to make such repayment, subject to clause 4.8(d), shall be conditional upon payment by the Borrower to the Lender of the following amount(s) in addition to any other moneys payable under this Agreement a sum equivalent to:
 - (1) one month's interest on the amount repaid then outstanding calculated at the Lower Rate of interest; and
 - (2) if such notice shall expire within 3 months from the date on which the Loan Amount (or part thereof) is advanced under this Agreement, 3 months interest on the amount repaid calculated at the Higher Rate of interest less any interest paid in accordance with clause 4.6;

provided always that if an Event of Default is subsisting at the time of repayment then the Lender (in addition to all other amounts which it would be entitled to recover) will be entitled to receive payment of an additional amount equivalent to one months interest on the amount proposed to be repaid calculated at the Higher Rate.

- 4.9 The Borrower agrees with the Lender that it may not be permitted to voluntarily make greater repayments, instalments or further payments save as expressly permitted or required by this Agreement but subject always to clause 4.8.
- 4.10 The Borrower agrees with the Lender that:
- (1) it is a fundamental basis of this Agreement, without which the Lender would not have advanced to the Borrower the Loan Amount, that no Event of Default is to occur;
 - (2) in the event that an Event of Default does occur the Lender will suffer significant loss and damages in that:
 - (a) an Event of Default will cause the Lender to suffer loss and damages by reason of any reduction in the confidence of investors in the return to be derived from the Trust;
 - (b) an Event of Default will cause the Lender to suffer loss and damages by reason of any reduction in the investments made in the Trust as a consequence thereof;
 - (c) an Event of Default will cause the Lender to suffer loss and damages by reason of any perceived change in the risk profile of the Trust within the financial markets and amongst persons responsible for advising investors regarding the investment of funds;
 - (d) an Event of Default will cause the Lender to suffer loss and damages both under this Agreement and by reference to the return to be derived from the pool of funds and chooses in action held by the Trust;
 - (e) an Event of Default will cause the Lender to suffer loss and damages by reason of any inability on the part of the Lender to re-advance monies which are received by the Lender from the Borrower earlier than the dates for repayment provided for by this Agreement.
- 4.11 In the event of an Event of Default the Borrower shall pay and the Lender shall be entitled to an amount by way of liquidated damages.
- 4.12 The liquidated damages referred to in clause 4.10(c) are difficult to estimate but that an amount equal to five percent (5%) of the Money Secured (the "Liquidated Damages") is agreed to be a genuine pre-estimate of the loss and damages which will be suffered by the Lender.
- 5. SECURITY**
- 5.1 The obligations of the Lender under this Agreement are subject to and conditional upon the Borrower and/or the Security Provider:

- (1) providing the Security specified in Item 9 in such form and containing such provisions as are satisfactory to the Lender;
- (2) maintaining the Security for so long as any Money Secured is outstanding; and
- (3) as and when required by the Lender, causing to be entered into and executed in favour of the Lender, any such securities, instruments, deeds and/or agreements in writing as the Lender shall require and may immediately after the execution of such additional security deliver to the Lender such documents together with all such other instruments and do or cause to be done such further acts or things as may be necessary for the additional security to be duly registered in such registry or registries as the Lender shall require. The document or documents referred to herein shall be prepared by the solicitors for the Lender and shall contain all such covenants terms conditions and provisos as the Lender may require.

5.2 The Borrower acknowledges that the Security is charged with payment of the Money Secured.

5.3 All of the covenants conditions terms stipulations and provisos contained in the Security to be observed performed and fulfilled by the Borrower and / or the Security Provider and all the rights powers and remedies conferred upon the Lender under the Security shall with necessary changes be read into and form part of this Agreement in the same manner as if the same were fully set forth herein and vice versa.

- 5.4 (a) If at any time the Lender determines that the Facility to Security Ratio has been exceeded then the Lender may by notice in writing to the Borrower require the Borrower, within seven days of the date of service of such notice either (at the option of the Lender):
- (i) to reduce the Money Secured by paying to the Lender such amount as the Lender determines is required to restore the Facility to Security Ratio; or
 - (ii) to provide further or additional security to the Lender's satisfaction ("the further security") of such a value as would restore the Facility to Security Ratio.
- (b) the Borrower covenants and agrees with the Lender that:
- (i) for the purpose of determining the value of the Principal Security, the Borrower will permit the Lender or any person authorised by the Lender (including specifically the Valuer), to enter upon any property the subject of the Principal Security at all reasonable times or upon two day's notice to inspect the state and condition of the property for the purpose of valuing or revaluing the same; and
 - (ii) the Lender shall be entitled to revalue the property, the subject of the Principal Security, annually at the expense of the Borrower during the term of the facility.
- (c) pending compliance by the Borrower with the terms of any notice pursuant to clause 5.4(a), the Lender shall not be required to make any further advances to the Borrower. In the event that the Borrower does not fully comply with the terms of any such notice then:
- (i) the Borrower shall have committed an Event of Default under this Agreement; and
 - (ii) the Lender shall be entitled to exercise the discretions, powers, rights and remedies conferred on the Lender by this Agreement and/or the Security.

- 5.5 The Borrower and the Lender may by mutual agreement from time to time vary the Security for this facility by releasing all or any of the Security in whole or in part and the taking of such further Security or the variation of any of the terms and conditions of this Agreement as may be agreed upon by the parties.

6. CONTINUING SECURITY

- 6.1 This Agreement shall be a continuing and running security notwithstanding any settlement of account or any other matter or thing whatsoever and shall remain in full force and effect until the Lender shall be under no further obligation whatsoever to advance moneys under the Security and all moneys payable by the Borrower and/or the Security Provider under the Security have been paid or recovered in full and the Lender has executed a full release hereof.

7. EVENTS OF DEFAULT

- 7.1 The Borrower shall at the option of the Lender be immediately in default without the necessity for any notice or demand upon the occurrence of any of the following events of default:
- (a) the Borrower and/or the Security Provider fails or neglects to pay on the due date for payment any part of the Money Secured, or any interest or other moneys payable at the time and in the manner provided by this Agreement or under any Security; or
 - (b) the Borrower and/or the Security Provider fails or neglects to observe or perform any of the covenants conditions or agreements contained in this Agreement or any Security; or
 - (c) where the Borrower and/or the Security Provider is an individual, any Borrower and/or the Security Provider:
 - (i) becomes of unsound mind or a person who is liable to be dealt with in any way under the law relating to mental health;
 - (ii) commits an act of bankruptcy or assigns his/her estate for the benefit of creditors;
 - (iii) is presented with a petition for bankruptcy or sequestration of his/her respective estates;
 - (iv) convenes a meeting, or proposes, to enter into any arrangement or composition for the benefit of his/her creditors;
 - (v) has a trustee in bankruptcy appointed over any of his/her property;
 - (vi) dies or becomes incapable of managing his/her own affairs; or
 - (vii) becomes bankrupt or enters into a composition, assignment or arrangement with creditors; or
 - (d) where the Borrower and/or the Security Provider is a company:
 - (i) an administrator, controller, liquidator, provisional liquidator or an inspector of that company is appointed;
 - (ii) if an application or petition is presented (and is not withdrawn, struck out or dismissed within seven (7) days of it being filed) or any order shall be made or any effective resolution shall be passed for the winding up or dissolution of that company;
 - (iii) an application shall be made to the Court under Section 411 of the Corporations Act 2001;
 - (iv) any arrangement or compromise shall be approved under Part 5.1 of the Corporations Act 2001;

- (v) an event described in section 461 of the Corporations Act 2001 occurs; or
- (vi) that company applies for, resolves to or is deregistered or struck off; or
- (e) a receiver and/or manager of any of the real or personal property of the Borrower and/or the Security Provider shall be appointed; or
- (f) any judgment which is obtained against the Borrower and/or the Security Provider is outstanding for more than fourteen days; or
- (g) any execution or distress is enforced or levied against any of the real or personal property of the Borrower and/or the Security Provider; or
- (h) the Borrower and/or the Security Provider ceases to carry on business or a substantial part of its business; or
- (i) the Borrower and/or the Security Provider is unable to pay its debts (including any wages and taxes in respect of its employees, group tax, superannuation levies and other taxes and charges) as and when they fall due for payment or becomes insolvent; or
- (j) the Borrower and/or the Security Provider in the reasonable opinion of the Lender suffers anything whereby the property of the Borrower and/or the Security Provider either real or personal may deteriorate or diminish or may become deteriorated or diminished whether wholly or partly in title estate value or quantity; or
- (k) the Borrower and/or the Security Provider shall mortgage, pledge, charge or otherwise encumber or sell or dispose of, or attempt or contract to sell or dispose of any of its land or property or assets without the previous consent in writing of the Lender; or
- (l) the Borrower and/or the Security Provider erects, causes or permits to be erected any building or other structure upon any land mortgaged in favour of the Lender and forming part of any Security without first obtaining the written consent of the Lender; or
- (m) default is made under any agreements other than the Security which are given by the Borrower and/or the Security Provider in their personal capacity or in their capacity as a trustee, or a partner of any partnership with or without any other person in favour of the Lender; or
- (n) in the case of the Borrower and/or the Security Provider being an incorporated body other than a company subject to the Corporations Act an administrator is appointed in respect of the Borrower and/or the Security Provider or any of the property of the Borrower and/or the Security Provider or proceedings or other steps are taken by the Borrower and/or the Security Provider or any other person for the winding up or dissolution or suspension of the Borrower and/or the Security Provider involving arrangements with creditors of the Borrower and/or the Security Provider; or
- (o) if the Borrower and/or the Security Provider breaches any undertaking at any time given to the Lender or its legal advisers or if any condition imposed by the Lender in agreeing to any matter (including any waiver) is not complied with or fulfilled or if any warranty or representation by the Borrower and/or the Security Provider to the Lender prior to or subsequent to the date hereof is untrue or false; or
- (p) if a change occurs in a circumstance which is warranted or taken to be warranted under this Agreement to exist in the business assets or financial condition of the Borrower and/or the Security Provider as the case may be which, in the reasonable opinion of the Lender, may have a material adverse effect on the ability of the Borrower and/or the Security Provider to observe or perform any of its obligations under this Agreement or any Security or on the rights of the Lender under any Security; or

- (q) if any other event occurs or circumstances arise which, in the reasonable opinion of the Lender, is likely to materially or adversely affect the ability of the Borrower and/or the Security Provider to observe and perform all or any of its obligations under this Agreement or otherwise to comply with the terms of this Agreement or any Security; or
- (r) If the Borrower and/or the Security Provider is a trustee, whether or not the fact is notified to the Lender, the Borrower ceases for any reason without the prior written consent of the Lender to be the sole trustee of any trust of which it is trustee or without the prior written consent of the Lender pays distributes or applies or advances any capital of such a trust or lends any amounts to any beneficiary of the trust fund of such trust or purchase units from any unit holder of such trust fund or breaches any terms of the trust deed of such trust; or
- (s) any other person liable for the payment of any part of the Money Secured to the Lender shall do or suffer any of the above; or
- (t) any Security becomes enforceable or is enforced; or
- (u) the Borrower and/or any Security Provider enters into or resolves to enter into a scheme, arrangement or composition with, or assignment for the benefit of its creditors generally or any class of its creditors; or
- (v) if at any time all or any material part of any provision of any Security is determined or ceases to have effect otherwise than as permitted by the Securities or is, or becomes void, voidable, illegal, invalid or unenforceable or of limited force and effect or the performance of any such provision becomes illegal or any Security Provider alleges or claims that any of the matters contained in this clause have occurred; or
- (w) Any indebtedness of the Borrower or any Security Provider whether owing to the Lender or any other person becomes due and payable or capable of being declared due and payable prior to its stated maturity or the Borrower or any Security Provider fails for whatever reason to pay any indebtedness when due or within any applicable grace period or any mortgage, pledge, lien, charge, encumbrance or any security, preferential or trust interest or arrangement of any kind granted by the Borrower or any Security Provider is enforced or becomes capable of being enforced;
- (x) if at any time the obligations secured by the Securities do not rank ahead of all other obligations of the Borrower and the Security Providers (other than which under statute have priority on a winding up, liquidation, dissolution or similar process); or
- (y) if any breach, default, amendment, termination, extension, surrender or alteration of any kind occurs in relation to any lease or tenancy agreement relating to the Property;
- (z) there is a change in control, shareholding or the directors of the Borrower or any Security Provider without the prior written consent of the Lender; or
- (aa) the Borrower without the prior written consent of the Lender grants any options, sells, agrees to sell, transfers, assigns, parts with possession, leases, agrees to lease, licences or assigns, supplements, varies, terminates, cancels or surrenders any interest it has in the Property; or
- (bb) the Borrower defaults in the performance of an obligation under the SPA or the seller under the SPA gives notice or is entitled to give notice terminating the SPA, **AND** a determination by the Lender that any of these events has occurred shall be final and binding on the Borrower. The Borrower shall promptly inform the Lender in writing upon the happening of any of the events described in this clause.

8. RIGHTS UPON DEFAULT

8.1 At any time after the occurrence of an Event of Default the Lender may in the manner and at the times the Lender in its absolute discretion deems appropriate but without any obligation to do so:

- (a) demand and require immediate repayment of the whole of the Money Secured and recover same from the Borrower and/or the Security Provider notwithstanding that the date for repayment thereof had not arrived;
- (b) exercise any powers rights or privileges conferred by law, this Agreement, the Security and/or any other collateral document or securities;
- (c) perform any one or more of the Borrower's obligations under this Agreement or the Security Provider's obligations under the Security; and/or
- (d) apply any moneys received by the Lender in exercising its rights under this Agreement or for any other reason in and towards full or partial payment of any outstanding Money Secured.

The Lender may exercise its rights under this clause notwithstanding any omission neglect delay or waiver of the right to exercise such option and without liability for loss.

8.2 Any restriction or requirements for notice and/or the effluxion of time relating to the exercise of the Lender's rights and default which is stipulated or required by any statute is hereby negated in so far as is lawful.

9. COSTS AND EXPENSES

9.1 The Borrower will upon the Lender's demand pay to the Lender or as directed by the Lender all costs expenses, damages, liquidated damages, compensation and other amounts of the nature whatsoever payable incurred, suffered or paid by the Lender in respect of this Agreement and/or the Security including without limitation:

- (a) The Lender's and/or RE's non-refundable up front fees and outlays incidental to the providing of this loan facility;
- (b) legal costs on a full indemnity basis or on a solicitor and own client basis, whichever is the greater;
- (c) costs resulting from or on account of any default by the Borrower and/or the Security Provider or any Event of Default;
- (d) the cost of obtaining any advice reasonably required by the Lender from time to time;
- (e) the costs of the Lender registering or causing to be registered any Security (or a copy thereof) with such government body or registrar as the Lender reasonably requires;
- (f) the Lender's costs, fees and expenses charged as a result of any failure by the Borrower or the Security Provider to comply with the terms of the Security.
- (g) any other fees that the RE may impose from time to time in its normal course of business;
- (h) costs resulting from the exercise or purported or attempted exercise or of any of the Lender's rights or powers under this Agreement and/or the Security; and
- (i) any stamp duty loan duty or other duty or financial impost including duties and taxes on receipts or payments and any fines or penalties arising directly or indirectly,

in respect of the Security or any transaction contemplated thereby.

9.1 The Borrower will pay to the Lender upon demand all other fees, charges, costs and expenses (whether novel or not) charged or chargeable by the Lender according to its usual practice from time to time in respect of its financial products and administration of its loan portfolios and as advised from time to time by the Lender to the Borrower.

9.3 If:

- (a) the Borrower defaults in effecting or keeping up any insurance policy required under this Agreement or a Security; or
- (b) any insurance policy required under this Agreement or a Security becomes void or voidable due to any cause, then

the Lender may, but without any obligation so to do and without prejudice to the Lender's other rights and remedies under this Agreement or a Security, effect and keep up that insurance policy at the cost of the Borrower which must on demand repay to the Lender all premiums and other money paid or payable by the Lender in respect of that policy. Any amount demanded by the Lender under this clause but which remains unpaid for ten (10) business days from the date of demand may at the discretion of the Lender be capitalised to the Loan Amount and accrue interest in accordance with this Agreement.

10. BORROWER'S COVENANTS AND WARRANTIES

10.1 The Borrower will pay all moneys payable and observe and perform fulfill and keep all the covenants conditions agreements stipulations and conditions to be observed performed fulfilled and kept by the Borrower under this Agreement and each Security.

10.2 The Borrower shall, at the request at any time and from time to time by the Lender but at the cost of the Borrower, deliver to the Lender a certified copy of a valuation in a form acceptable to the Lender prepared by the Valuer and addressed in favour of the Lender as to the value of any land or property subject to any Security or any part thereof as specified by the Lender as at the date of such valuation.

10.3 The Borrower shall permit the Lender during reasonable hours and at any time and from time to time upon the giving of reasonable notice by the Lender to the Borrower (having regard to the notice provisions in the Lease) to enter upon the Property and/or to enter upon any land on which is located any property the subject of any Security to:

- (a) inspect the condition of the land and/or the property;
- (b) determine whether the terms of the Security are being complied with;
- (c) inspect and take copies of records relating to the Borrower and/or any Security Provider or any property or business the subject of any Security; and
- (d) exercise any other rights conferred on the Lender by the common law, equity, this Agreement, the Security or any statute.

10.4 The Lender is authorised to debit the account(s) of the Borrower with all or part of the Money Secured.

10.7 The Borrower hereby **WARRANTS AND REPRESENTS** to the Lender as follows:-

- (a) it has power to enter into and observe its obligations under this Agreement and each and every Security to which it is a party;
- (b) it has in full force and effect all the authorisations necessary to enter into this Agreement and each and every Security to which it is a party, observe its obligations under them and to allow them to be enforced;

- (c) its obligations under this Agreement and each and every Security to which it is a party are valid and binding and are enforceable against it in accordance with their terms;
- (d) this Agreement and each and every Security to which it is a party and the transactions under them do not contravene its constituent documents or any law, regulations or official directive or any of its obligations or undertakings to which any of its assets are bound or cause a limitation on its powers or the powers of its directors (if a corporation) to be exceeded; and
- (e) no Event of Default or event which with the giving of notice, the lapse of time or the fulfilment of any condition would be likely to become an Event of Default, continues unremedied.

Each of the warranties and representations contained in Clause 10.7 shall be repeated on each day whilst any of the Money Secured remains outstanding with reference to the facts and circumstances then subsisting, as if made on each such day.

- 10.8 The Borrower must take out and maintain such public risk, workers' compensation, business interruption, key man, relevant death or total and permanent disablement and other liability Insurances as will cover the risks of the Lender, for such amount as the Lender may reasonably require.

11. NO WAIVER

Notwithstanding any provision contained in this Agreement or any rule of law or equity to the contrary, the granting of any time or any other indulgence by the Lender to the Security Provider in relation to any existing or future default under any Security or this Agreement shall not be deemed a sanction or waiver of any continuing or recurring breach nor shall the Lender's right to exercise its rights under the Security or this Agreement at any subsequent time be effected or diminished by the grant of time or any other indulgence.

12. NO SET-OFF

- 12.1 All payments under this Agreement shall :

- (a) be paid at such place and to such person as notified in writing by the Lender to the Borrower, and in the absence of such notification to the Lender at the address of the Lender specified in this Agreement; and
- (b) be paid free of any deduction or set-off whatsoever.

- 12.2 A receipt for any money paid under the Security of the Lender or by any manager, acting manager, solicitor, clerk or any other person acting on behalf of the Lender shall be a sufficient discharge of the obligation to pay such money and from seeing to the application of that money.

13. NOTICES AND CONSENTS

- 13.1 In addition to any other method of service provided in any Security or the Property Law Act (or such equivalent legislation in the State set out in Item 11) any notice, consent or demand given in relation to this Agreement shall be in writing in order to be valid and shall be deemed to have been duly served if it is:

- (a) delivered personally, or left at, or posted by pre-paid post to the address specified in the Schedule hereto for the relevant party, or
- (b) sent by facsimile to the facsimile number specified in the Schedule hereto for the relevant party, or
- (c) delivered personally or left at the address specified in the Schedule at the time of delivery,

and shall be deemed to have been served:

in the case of posting, on the next business day after posting, or
in the case of the facsimile on receipt of a transmission report confirming the successful transmission.

- 13.2 Any notice, consent or demand given by the Lender may be given or made in writing signed by an officer of or solicitor for the Lender and such writing may in addition to the methods of service contained in paragraph 13.1 be delivered personally to the Borrower or left at or upon the usual or last known place of abode or business of the Borrower.
- 13.3 The Borrower or the Lender may from time to time by notice in writing given in accordance with this Agreement nominate a new address and/or facsimile number for the purposes of clause 13.1, and such new address or facsimile notice shall apply from the date of service of such notice.
- 13.4 If the Borrower is more than one person service of a notice, consent or demand on any one such person shall be deemed to be service upon all such persons irrespective of whether that notice or demand is or is not received by the intended recipients.

14. CERTIFICATE

- 14.1 A certificate in writing signed by an officer of or solicitor for the Lender certifying the amount payable by the Borrower or stating any other act, matters or thing relating to this Agreement or the Security shall in the absence of manifest error be conclusive evidence of the matters stated therein.

15. GOVERNING LAW

- 15.1 This Agreement shall be governed and construed in accordance with the laws of the State referred to in Item 11 (herein called "the State").
- 15.2 The Borrower irrevocably submits to and accepts generally and unconditionally the non exclusive jurisdiction of the Courts of the capital city of the State and the Appellate Courts of the State with respect to any legal action or proceedings which may be brought in any way relating to this Agreement.

16. COLLATERAL AGREEMENT

- 16.1 The parties hereto agree:
 - (a) this Agreement is collateral to the Securities for stamp duty purposes;
 - (b) the Money Secured owing under this Agreement is secured by the Security;
 - (c) the Security shall be read and construed and be enforceable as if the covenants, conditions and provisions of this Agreement, with necessary changes, are read into and form part of the Security; and
 - (d) a default under any of the Security will constitute a default of this Agreement;

and vice versa.
- 16.2 To the extent that there is an inconsistency between the provisions of this Agreement and the provisions of any Security (in that there are different or conflicting obligations or requirements in relation to the same subject matter) the provisions of this Agreement will prevail.

17. FINANCIAL RECORDS

- 17.1 The Borrower agrees at its own cost to provide to the Lender on request any financial information, reports or records that the Lender may require at any time and from time to time.
- 17.2 If the Borrower is a company, incorporated body, partnership or trust, the Borrower shall within ninety days from the close of each financial year while this Agreement and any Security shall continue in force, furnish the Lender with such copies of its balance sheets and profit and loss accounts as prepared by its accountants in accordance with the requirements of all relevant statutes and generally accepted accounting principles (and audited if required by the Lender at its absolute discretion) and any special reports as the Lender may request from time to time.

18. MARSHALLING

- 18.1 The Lender shall be under no obligation to marshal in favour of the Borrower any Security whatsoever held by the Lender or any of the funds or assets that the Lender may be entitled to receive or have a claim upon and the Lender may at its absolute discretion vary exchange renew modify release refuse to complete or to enforce or to assign any judgments specialties guarantees or other securities or instruments negotiable or otherwise held by the Lender and whether satisfied by payment or not without affecting or discharging the liability of the Borrower hereunder.

19. TRUST

19.1 If the Borrower is entering into this Agreement, borrowing any of the Loan Amount or is giving or purporting to give Security over any property in its capacity of trustee of any trust (hereinafter called "the Trust") then whether or not the Lender received notice of the Trust, the Borrower covenants with the Lender as follows:

- (a) the provisions of the Security shall extend not only to the property of which the Borrower is the beneficial owner but all property of whatsoever nature and kind and wheresoever situate both present and future of the Trust AND FURTHER shall extend to all rights of indemnity which the Borrower as trustee now or hereafter may have against the Trust and the trust fund;
- (b) the Borrower has full and complete power and authority pursuant to the Trust to enter into the Security over the trust property and the provisions of the Trust do not purport to exclude or take away the right of indemnity of the trustee against the Trust or the trust fund, and the Borrower will not release such right of indemnity or commit any breach of trust or be a party to any other action which might prejudice such right of indemnity;
- (c) anything in any deed of trust or settlement or other document containing the terms of the Trust the Borrower shall be and at all times remain personally liable to the Lender for the performance of all covenants on the part of the Borrower herein contained;
- (d) the execution of these presents is and shall be deemed to be for the benefit of both the Trust and/or one or more of the beneficiaries thereof;
- (e) during the currency of this Agreement or of any Security the Borrower will not without the consent in writing of the Lender cause permit or suffer to happen any of the following events:
 - (viii) the removal replacement or retirement of the Borrower as sole trustee of the Trust;
 - (ii) any alteration to or variation of the terms of the Trust;
 - (iii) any advancement or distribution of capital of the Trust;
 - (iv) any resettlement of the trust property; or
 - (v) (should the Trust be a unit trust) any transfer of any units of the Trust.

19.2 The Borrower further covenants with the Lender that in the event that the Borrower shall be guilty of any breach of trust in respect of the Trust or shall cease to be the sole trustee of the Trust or otherwise suffer removal replacement or retirement as trustee of the Trust or in the event that there should be any breach of the covenants contained in clause 19.1 hereof then immediately upon any such events the Borrower will be deemed to have committed an Event of Default under this Agreement and the Money Secured shall at the option of the Lender (notwithstanding anything herein contained) immediately become due and payable and all the rights powers and privileges of the Lender exercisable on default of the Borrower or otherwise shall immediately become enforceable without the necessity for any demand or notice (and notwithstanding any delay or previous waiver of the provisions of this clause by the Lender).

20. ADVANCES AND RE-ADVANCES

At any time and from time to time the Lender may at its absolute discretion, and at the request of the Borrower advance and/or re-advance the Loan Amount or part thereof provided that in no case shall the moneys so advanced or re-advanced exceed the Loan Amount and the Borrower and/or Security Provider shall not be in breach or default under this Agreement or any Security. Prior to doing so, the parties hereto will agree upon:

- (a) the date (if any) by which the moneys so advanced or re-advanced must be repaid; and
- (b) the terms and conditions upon which the moneys are to be so advanced or re-advanced; and
- (c) any fees to be paid to the Lender in consideration of it advancing or re-advancing such moneys.

21. ASSIGNMENT

21.1 The Lender may assign or otherwise dispose of or deal with its rights under this Agreement and/or the Security. The Lender may disclose to a potential assignee or any other person who is considering or entering into contractual relations with the Lender in connection with this Agreement and/or the Security, all information about the Borrower, any related document and any related party to any Security and the transactions contemplated thereby as the Lender considers appropriate.

21.2 The Borrower shall not, without the Lender's prior written consent, assign or otherwise dispose of or attempt to deal with its rights this Agreement or any Security.

22. CONSUMER CREDIT LEGISLATION NOT APPLICABLE

22.1 Notwithstanding any provision to the contrary this Agreement shall be construed so as not to secure payment of any moneys or the performance of any obligations by any Security Provider under or in respect of any contract or mortgage to which the Consumer Credit Legislation applies.

22.2 The Borrower warrants to the Lender that the Loan Amount which is to be provided to the Borrower by the Lender is to be used wholly or predominantly for business or investment purposes.

23. SEVERABILITY

23.1 Should any provision of this Agreement prove to be prohibited or unenforceable in any jurisdiction then, as to that jurisdiction, it shall be ineffective to the extent only of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction.

24. POWER OF ATTORNEY

24.1 Appointment of Attorney

The Borrower irrevocably appoints the Lender its attorney with the right:

- (a) at any time to:

- (i) do everything which in the attorney's reasonable opinion is necessary or expedient to enable the exercise of any right of the Lender in relation to this Agreement and the Security;
 - (ii) complete this Agreement and any Security provided by the Borrower; and
 - (iii) appoint substitutes and otherwise delegate its powers (including this power of delegation); and
- (b) after any Event of Default has occurred to do everything that the Borrower may lawfully authorise an agent to do in relation to this Agreement and under any Security.

24.2 General

- (a) Any attorney may exercise its rights notwithstanding that the exercise of the right constitutes a conflict of interest or duty;
- (b) The Borrower will from time to time and at all times ratify any exercise of a right by an attorney;
- (c) This power of attorney is granted to secure compliance by the Borrower with its obligations to the Lender under this Agreement and the Security and any proprietary interest of the Lender under any Security;
- (d) The Borrower indemnifies and will keep indemnified any attorney against any liability, loss, cost, expense or damage arising from the lawful exercise of any right by the attorney under this power of attorney; and
- (e) This power of attorney is granted for valuable consideration (the receipt of which is hereby acknowledged), as and by way of security for the payment of the Money Secured, the Borrower's obligations under this Agreement and any Security and is deemed irrevocable.

25. INDEMNITY

- 25.1 The Borrower hereby indemnifies the Lender and shall keep the Lender indemnified from and against any expense, loss, loss of profit, damage (including liquidated damages) or liability which the Lender may suffer or incur as a consequence of any prepayment, the occurrence of any Event of Default or otherwise in connection with this Agreement, the Security and/or any other collateral documents or securities.
- 25.2 Without prejudice to the generality of clause 25.1, clause 25.1 shall extend to any loss (including loss of profit) premium, penalty or expense which may be incurred in terminating or varying contractual arrangements entered into by the Lender or in repaying deposits obtained or maintained as security or in redeploying or reinvesting the moneys repaid and is in addition to any other monies payable under clause 3.8.
- 25.3 The Borrower acknowledges that the amount of loss and loss of profit may be determined by reference to a pool of funds or other matters as distinct from a specific borrowing by or a specific contract of the Lender made to fund the advance(s) under this Agreement.
- 25.4 Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the Borrower and survives termination of this Agreement. It is not necessary for the Lender to incur expenses or make payment before enforcing a right of indemnity conferred by this Agreement.

26. GENERAL

- 26.1 Nothing hereby contained shall merge, extinguish, discharge, postpone, lessen or otherwise prejudicially affect any other Security held from time to time by the Lender or any right of remedy conferred on the Lender, nor shall any other Security held by the Lender in any way prejudicially affect the powers and provisions contained or implied in this Agreement.
- 26.2 This Agreement and the Security embody the entire agreement between the parties in relation to the advance under this Agreement and supersede all prior negotiations, agreements, arrangements and understanding with respect to such advance. In particular, the Borrower and the Lender agree that this Agreement and the Security supersede any letter of offer or loan facility proposal relating to the advance and in the event of any inconsistency between the terms and conditions of this Agreement and Security and any letter of offer or loan facility proposal then, the terms of this Agreement and the Security shall prevail and in the further event of any inconsistency between the terms and conditions of this Agreement on one hand and any Security on the other then the terms of this Agreement shall prevail.
- 26.3 The Borrower acknowledges that it has had an opportunity of taking independent legal and financial advice from either the Borrower's own legal adviser and/or accountant with respect to this Agreement, the Security and the Borrower confirms and agrees that it does not execute this Agreement, or the Security as a result of or by reason of any promise, representation, statement or information of any kind or nature given or offered to the Borrower by or on behalf of the Lender, the Lender's legal advisers or any other person, other than as expressly set out in this Agreement.
- 26.4 The Lender may in its absolute discretion pay such commission, fees or other remuneration, to any adviser, broker, agent or other person as the Lender sees fit in relation to any advance under this Agreement and the Borrower consents and agrees to same. The Borrower acknowledges and agrees that any adviser, broker, agent or other person who introduced the Borrower to the Lender or the Lender's legal advisers are not and were not at any stage an agent for the Lender and do not have any authority to bind the Lender or to vary the terms of the proposed loan facility.
- 26.5 If any Security Provider should provide, permit or become aware of an encumbrance of any type which affects the Security or the property the subject of the Security, the Borrower shall ensure that the Security Provider obtains a priority agreement between the Lender and the beneficiary of such encumbrance on terms and conditions satisfactory to the Lender in its absolute discretion. The obligation contained in this clause shall apply notwithstanding that the Lender may have notice of such encumbrance.

27. APPLICATION OF MONEY

- 27.1 The Lender shall have an absolute discretion (without the need to communicate its election to anyone) to apply at any time any payment received by it in reduction of such part of the Money Secured as it shall elect. Any surplus money received by the Lender shall not bear interest, and the Lender's liability to account for the surplus money may be discharged in full by:
- (a) the Lender depositing it to the credit of an account in the name of the Borrower in any bank the Lender thinks fit;
 - (b) the Lender crediting it to an account in its books in the name of the person to whom it is payable; or
 - (c) by the Lender paying it into court.

- 27.2 In applying any moneys toward satisfaction of the Money Secured, the Borrower shall be credited only with so much of those moneys as are actually received by the Lender and such credit is to date from the time of such receipt. This provision shall apply notwithstanding that in exercising any power of sale under the Security, the Lender may have transferred any property the subject of the Security (in whole or in part) and taken any form of encumbrance to secure the unpaid balance of purchase money. If the Lender takes any mortgage, promissory note, bill of exchange or other security in payment of or to secure the payment of any purchase moneys on sale of any chattels secured by the Security by the Lender, no amount representative of such security shall be credited in or towards payment of the Money Secured until all moneys payable under or the proceeds from such security is received by the Lender in cash.
- 27.3 If the Lender receives money in connection with this Agreement when part of the Money Secured is contingently owing or falls within paragraph (f) of the definition of "Money Secured", then the Lender may deposit in any financial institution thought fit by the Lender an amount not exceeding that part in an interest-bearing deposit account on terms which the Lender thinks fit with any person until that part becomes actually payable or no longer falls within the definition of "Money Secured". At that time the Lender may retain for its own account the amount which is then actually payable to it. The balance is to be paid in accordance with clause 27.1.

28. GOODS AND SERVICES TAX

Without limitation to any other obligations under this agreement, the borrower will pay on demand the cost of any Goods and Services Tax (GST) incurred in relation to any supply under this agreement and the Lender may increase the amount of any payments due under the agreement to include the payment of such GST use.

29. LIMIT OF LIABILITY

29.1 Lender

The Lender enters into this Agreement and each other Security, and the other parties to this Agreement acknowledge that they are aware that the Lender enters into this Agreement and each other Security, only in its capacity as custodian of the Fund pursuant to the Fund Trust Deed and in no other capacity and the other parties to this Agreement are aware of the limited scope of the Lender's obligations and powers under the Fund Trust Deed.

29.2 Liability Limited

A liability arising under or in connection with this Agreement and each Security is limited to and can be enforced against the Lender only to the extent to which it can be satisfied out of the property of the Fund out of which the Lender is actually indemnified for the liability. This limitation of the Lender's liability applies despite any other provision of this Agreement or any other Security and extends to all liabilities and obligations of the Lender in any way connected with any representation, warranty, conduct, omission, deed or transaction related to this Agreement and each other Security.

29.3 No Right to Appoint or Prove

The parties to this Agreement other than the Lender may not sue the Lender personally or seek the appointment of a liquidator, administrator, receiver or similar person to the Lender or prove in any liquidation, administration or arrangement of, or affecting, the Lender.

29.4 **Limit of Liability Not to Apply**

The provisions of this clause 31 do not apply to any obligation or liability of the Lender to the extent that it is not satisfied because under the Fund's Constitution, the Fund Trust Deed, or by operation of law there is a reduction in the extent of the Lender's indemnification out of the assets of the Fund, as a result of the Lender's fraud, negligence or wilful default.

29.4 **Inconsistency with the Fund Trust Deed**

Any failure by the Lender to perform an obligation which it determines is either inconsistent with or beyond its powers and obligations under the Fund Trust Deed will not amount to a breach of or a default under this Agreement. the Lender's determination as to whether an obligation otherwise imposed upon it under this Agreement is inconsistent with or beyond the scope of its obligations and powers under the Fund Trust Deed is final and binding on all Parties.

29.5 **Future Limitations**

PTAL is not obliged to do or refrain from doing anything under this Agreement (including incur any liability) unless the Lender's liability is limited in the manner satisfactory to the Lender in its absolute discretion.

29.5 **Agents**

No attorney, agent, receiver or receiver and manager appointed in accordance with this Agreement and each other Security or otherwise has authority to act on behalf of the Lender in a way which exposes the Lender to any personal liability and no act or omission of any such person will be considered fraud, negligence or wilful default of the Lender for the purpose of clause 29 (d).

29.6 **Failure by the Lender**

A failure by the Lender to comply with, or a breach by the Lender of any of its obligations under this Agreement will not be considered to be fraud, negligence or wilful default by the Lender if the relevant failure or breach:

- (a) arose as a result of a breach by a person other than the Lender where the performance of the action (the non-performance of which gave rise to such breach) is a precondition to the Lender performing the said obligation; or
- (b) was in accordance with a lawful court order or direction or otherwise required by law.

29.7 **Override Provision**

All of the terms, clauses and conditions of this Agreement are subject to this clause 29.

30. **SPECIAL COVENANTS AND CONDITIONS**

The special covenants and conditions (if any) contained in Item 14 form part of this Agreement.

SCHEDULE

- Item 1 Date of Agreement** 29th June 2010
- Item 2 Borrower**
 Peregrine Beach Pty Ltd ACN 127 412 864
 10 Glenside Street, Balgowlah Heights, New South Wales, 2093
 Facsimile No: (02) 9986 1681
- Item 3 Lender**
 LM Investment Management Limited as trustee for the LM Managed Performance Fund
 C/-, Level 4, 9 Beach Road, Surfers Paradise Qld 4217
 Facsimile No: 07 5592 2505
- Item 4 Loan Amount:**
 Six Million dollars (\$6,000,000)
- Item 5 Date for Repayment:** 40 calendar months from the date of the first advance of the Loan Amount.
- Item 6 Higher Rate:** 29% per annum
- Item 7 Lower Rate:** 25% per annum
- Item 8 Payments:**
- (a) Interest Instalments commencing on the 18th day of the month (or such other date as nominated by the Lender to the Borrower in writing) immediately following the date on which the Loan Amount (or part thereof) is first advanced under this Agreement and thereafter on the 15th day of each calendar month in each succeeding month until the total of all the Money Secured is repaid. Pro-rata instalments for any broken periods will be calculated by the Lender and payable by the Borrower as directed by the Lender.
 - (b) The interest payable at the time of each monthly instalment shall be calculated on the total of moneys advanced as at that date at the Higher rate. Should the circumstances set out in clause 4.3 be present then, the Lender will accept instalments calculated on the total of moneys advanced as at that date at the Lower rate.

Item 9 Security:

First registered Deed of Charge intended to be executed on or about date of this Agreement by the Borrower as mortgagor in favour of the Lender as mortgagee over all the property, assets and undertaking of the Borrower of whatsoever nature and kind and wheresoever situated, present and future.

First registered Deed of Charge executed on the same date as this Agreement by Glenside Group (Qld) Pty Ltd ACN 144 620 093 as mortgagor in favour of the Lender as mortgagee over all the property, assets and undertaking of Glenside Group (Qld) Pty Ltd of whatsoever nature and kind and wheresoever situated, present and future.

Guarantee Indemnity by each Guarantor and supported by fixed and floating charges and land mortgages over all of the assets (present and future) of each corporate Guarantor.

Item 10 Principal Security:

Fixed and floating charge dated on or about the date of this Agreement by the Borrower as mortgagor securing all of its assets both present and future including its interest in the SPA and any money payable by the seller to the Borrower under or in respect of the SPA.

Item 11 Governing Law: Queensland**Item 12 Guarantor:**

David Richard Hawes
Glenside Group (Qld) Pty Ltd ACN 144 620 093
Lot 111 Pty Ltd ACN 106 102 055
Green Square Property Development Corporation Pty Ltd ACN 104 248 053

Item 13 Facility to Security Ratio:

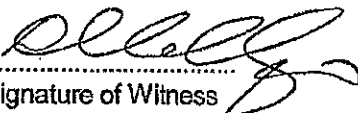
Not Applicable.

Item 14 Special Covenants:

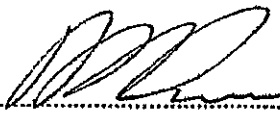
Not Applicable

EXECUTED as an Agreement.

SIGNED SEALED AND DELIVERED)
by David Richard Hawes (as
guarantor) in the presence of:


.....
Signature of Witness

DAVID ANTHONY LOBBEZOO
..... SOLICITOR.....
Solicitor/Justice of the Peace


.....

.....

EXECUTED by Peregrin Beach Pty)
Ltd in accordance with section 127 of
the Corporations Act 2001 (Cth):


.....
Director – Signature

.....
Director/Secretary - Signature

DAVID HANKS
.....
Print full name

.....
Print full name

EXECUTED by Glenside Group (Qld))
Pty Ltd in accordance with section 127
of the Corporations Act 2001 (Cth):

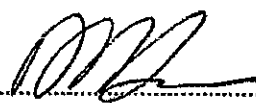

.....
Director – Signature

.....
Director/Secretary - Signature

DAVID HANKS
.....
Print full name

.....
Print full name

EXECUTED by Lot 111 Pty Ltd in)
accordance with section 127 of the
Corporations Act 2001 (Cth):


.....
Director – Signature

.....
Director/Secretary - Signature

DAVID HANKS
.....
Print full name

.....
Print full name

EXECUTED by Green Square)
Property Development Corporation
Pty Ltd in accordance with section 127
of the Corporations Act 2001 (Cth):


.....
Director – Signature

.....
Director/Secretary - Signature

DAVID HANKS
.....
Print full name

.....
Print full name

EXECUTED by LM INVESTMENT)
MANAGEMENT LIMITED ACN 077
208 461 in accordance with section
127 of the Corporations Act 2001
(Cth):

.....
Director - Signature

LISA MARIE DACCY

.....
Director Signature

EDWARD VAN DER HOVEN.

SMV-12

HISTORICAL TITLE SEARCH

DEPT OF NATURAL RESOURCES AND MINES, QUEENSLAND

Request No: 16700975

Search Date: 06/08/2013 09:10

Title Reference: 50780250

Date Created: 20/08/2009

Previous Title: 50649846
50680359

This Title Has Been Fully Cancelled.

REGISTERED OWNER

Dealing No: 712668251 18/08/2009

STOCKLAND NORTH LAKES PTY LTD A.C.N. 068 244 762

ESTATE AND LAND

Estate in Fee Simple

LOT 26 SURVEY PLAN 224073
County of STANLEY Parish of REDCLIFFE
Local Government: MORETON BAY

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. SURVEY PLAN No 713897323
subdivides the land into
LOTS 72 TO 74 ON SP236546,
EASEMENT A IN LOT 73
AND EASEMENT B IN LOT 72
Lodged at 08:47 on 09/06/2011
2. EASEMENT No 713887024 FULLY WITHDRAWN ON 03/06/2011
Lodged at 15:26 on 02/06/2011
3. EASEMENT No 713887018 FULLY WITHDRAWN ON 03/06/2011
Lodged at 15:25 on 02/06/2011
4. SURVEY PLAN No 713886979 FULLY WITHDRAWN ON 03/06/2011
Lodged at 15:23 on 02/06/2011
5. Rights and interests reserved to the Crown by
Deed of Grant No. 10568076 (POR 502)
Deed of Grant No. 10616074 (POR 508)

ADMINISTRATIVE ADVICES - NIL
UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

HISTORICAL TITLE SEARCH

DEPT OF NATURAL RESOURCES AND MINES, QUEENSLAND

Request No: 16700975

Search Date: 06/08/2013 09:10

Title Reference: 50780250

Date Created: 20/08/2009

Caution - Charges do not necessarily appear in order of priority

** End of Historical Title Search **

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Requested By: D APPLICATIONS CITEC CONFIRM