

INFORMATION MEMORANDUM

OFFICER, VIC



HoldenCAPITAL
PARTNERS
CONSTRUCTIVE INVESTMENTS

Information Memorandum
Dated 7 June 2019
Holden Capital Partners
ABN 696083461 AFSL 481944
www.holdencapitalpartners.com.au

EXECUTIVE SUMMARY

BORROWER	33 Siding Avenue Officer Pty Ltd ACN 632 661 799 ("The Borrower").
GUARANTORS	Personal Guarantee for Debt, Interest and associated costs from Mr Andrew Carr, Mr Jake Munday, Mr Mark Collins, and Mr Rodney Radings.
LOCATION	The property is located in Officer which is a growth suburb east of Melbourne (approx. 45km from the CBD and accessible by the metro train)
PROPERTY	Lot A, 33 Siding Avenue, Officer Victoria 3809 further described as Volume 12072 Folio 825 being Lot A on Plan of Subdivision 820740K.
LOAN PURPOSE	To assist the Borrower to acquire the Property and allow time to amend the DA, secure pre-sales and finalisation of the construction contract prior to commencement of the development.
LOAN TYPE	Fully drawn 1 st Mortgage facility.
LOAN TERM	6 months from the date of the First Advance.
LOAN AMOUNT	\$1,425,000 plus capitalised interest.
VALUATION	A valuation report, dated 4 June 2019 has confirmed the Market Value with vacant possession for the Property at \$3,000,000.
KEY RATIOS	Loan to Value Ratio (Excl GST) – not to exceed more than 50.00% including capitalised fees and interest.
PROJECTED NET INVESTOR RETURN	9.90% per annum IRR [^] (net of fees).
MINIMUM INVESTMENT PER INVESTOR	\$100,000
OPEN FOR INVESTMENT	7 June 2019
CLOSED FOR INVESTMENT	The earlier of; Wednesday, 12 June 2019 or full subscription.
TARGET SETTLEMENT DATE	Friday, 14 June 2019
SELECTION FORM AND FUNDS TRANSFER REQUIRED	Prior to 5pm on Wednesday, 12 June 2019

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This Information Memorandum dated 6 June 2019 is issued by Holden Capital Partners Pty Ltd (Holden Capital Partners).

Important: This investment product is issued by Holden Capital Partners Pty Ltd ABN 69608346158, AFS License Number 481944. The information contained within this document has been based primarily upon information provided by the client and/or the clients consultants. As such HoldenCAPITAL disclaims any responsibility for the accuracy of information contained herein. All property projects contain risks and potential investors are advised to make their own investigations into the information presented prior to considering any investment.

This information does not take into account the financial objectives, situation or needs of any particular investor. Interest rates, loan to value ratios and investment terms are subject to a number of assumptions and risks. Interest and interest rates quoted are not guaranteed.

[^]Any quoted rates are net of management fees and costs. Please note that past performance is not a reliable indicator of future performance.

*If the final loan amount is less than this figure, funds will be returned to investors on a 'last in, first out', basis.

1. KEY INFORMATION

THE PARTIES

SYNDICATE MEMBER "Investor"

As per details provided by you in the accompanying Selection Form

You have explained to us that you are not seeking advice from us on your decision to participate in this Loan, we have offered you to opportunity to participate and you have made your own enquiries and wish to proceed.

MORTGAGE MANAGER

Holden Capital Partners Pty Ltd A.C.N 154 792 953, GPO Box 7008, Brisbane Qld 4001 ("THE MORTGAGE MANAGER")

THE TERMS

1. The Mortgage Manager has arranged a Property Finance Facility (the Loan) with the Borrower as detailed in this Information Memorandum.
2. The Syndicate Members are participants in the Loan as Lenders.
3. The Mortgage Manager will manage the Loan as the nominated Lender on behalf of the Syndicate Members.
4. The Syndicate Members and the Mortgage Manager agree to syndicate the Loan in accordance with the terms and conditions of this Deed.

THE BORROWING ENTITY

33 Siding Avenue Officer Pty Ltd ACN 632 661 799

THE GUARANTORS

Personal Guarantee for Debt, Interest and associated costs from Mr Andrew Carr, Mr Jake Munday, Mr Mark Collins, and Mr Rodney Radings.

SECURITY PROPERTY DETAILS & DESCRIPTION

Lot A, 33 Siding Avenue, Officer Victoria 3809 further described as Volume 12072 Folio 825 being Lot A on Plan of Subdivision 820740K.

PURPOSE OF THE LOAN

To assist the Borrower to acquire the Property and allow time to amend the DA, secure pre-sales and finalisation of the

construction contract prior to commencement of the development.

BACKGROUND

The Borrower is due to settle on the land 14 June 2019 and it was anticipated construction finance would be used to commence the project immediately.

The Development Approval was granted over 2 x separate lots with the adjoining lot owned by a separate 3rd party. Senior construction debt providers have indicated they would prefer to see the Development Approval separated to apply to each lot.

The Borrower anticipates it will take c. 3 months to to amend the DA, secure pre-sales and finalisation of the construction contract prior to commencement of the development.

HCP have allowed a 3 month buffer to allow for contingencies. As such, the approved loan term is 6 months.

VALUATION OF THE SECURITY PROPERTY

A valuation report by Charter Keck Cramer dated 4 June 2019 for First Mortgage Purposes confirms the Market Value with vacant possessions at \$3,000,000.

LOAN AMOUNT

\$1,425,000 plus capitalised interest.

KEY RATIOS

Loan to Value Ratio (Excl GST) – equal or less than 50% including capitalised fees and interest.

LOCATION

The property is located in Officer, which is a growth suburb east of Melbourne, approximately 45km from the CBD and accessible by the metro train.

EXIT STRATEGY

The proposed exit will be via rolling into construction funding. The introducing broker HoldenCAPITAL has 2 x indicative terms sheets for the construction finance noting the Development Approval issues would need to be rectified first. We have allowed a 6-month term to allow the update to be achieved.

LOAN APPROVAL STATUS

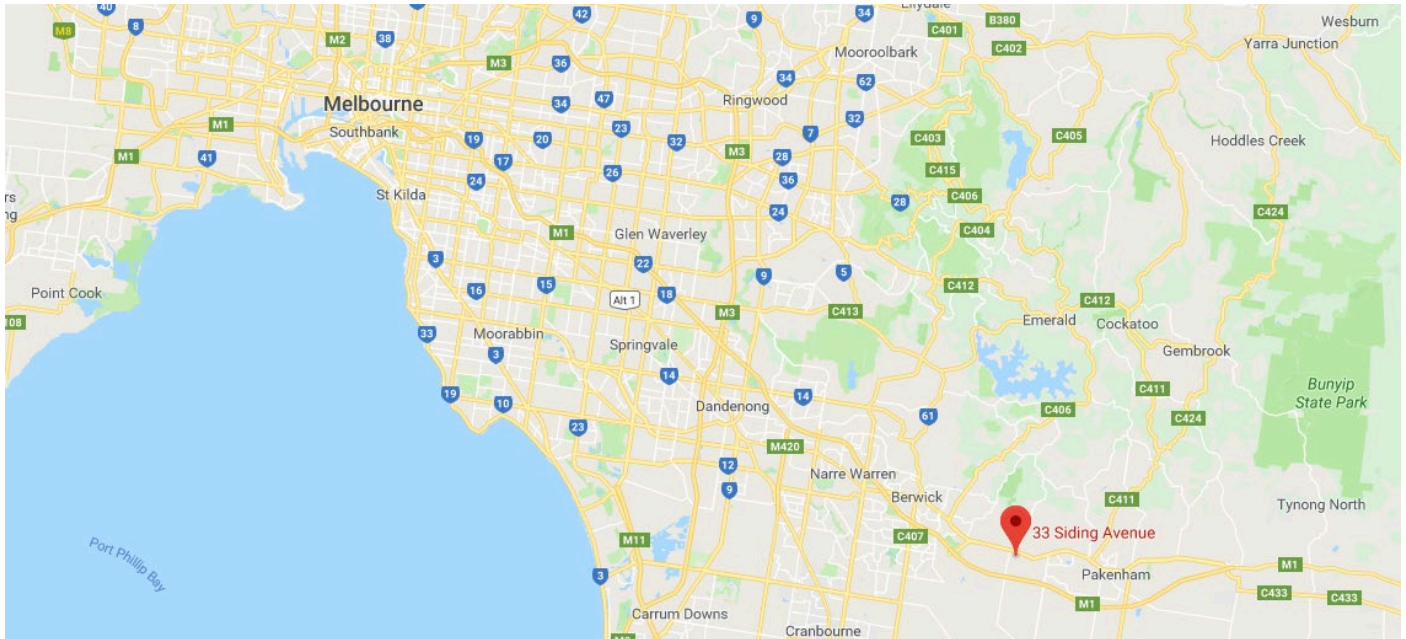
HCP has formally approved the loan facility, which is now open for subscription from investors.

2. THE PROPERTY

The 6,370 square meter property is located in a new subdivision and is currently vacant. The surrounding sites are currently vacant as well. Civil works are underway adjacent to the site. There are no trees or vegetation on the site. The site has a small fall to the north and has poor natural surface drainage.

2.1 LOCATION

The property is located within the Municipality of Cardinia, in the area known as Officer, the land is situated on the western side of Coxon Street between Piggot Street and Stroud Road. Officer is considered an up and coming suburb of Melbourne, being approx 45km South East of the Melbourne CBD.



The immediate area is largely undeveloped, comprising vacant allotments utilised as farm land although more recently serviced and developed into residential communities, characterised by modern single level brick or brick veneer dwellings and increasingly medium density developments of two storey townhouses/villa units, together with commercial and public buildings.

The locality is convenient to services and facilities complementing residential occupation including the Officer Train Station, Arena Shopping Centre, Lakeside Square Shopping Centre, Beaconsfield Plaza and the regionally significant Pakenham Place Shopping Centre. Educational facilities in proximity to the subject property include the Officer Secondary College, Berwick Grammar School, Heritage College, Minaret College Officer Campus, Officer Primary School and Glenvale School Cardinia Campus.

Pomoroy Developers has purchased land (which is next to this site) to develop a city centre (8.5 HA), it will be anchored by German supermarket chain Kaufland with cinemas etc.

2.2 PROJECT OVERVIEW

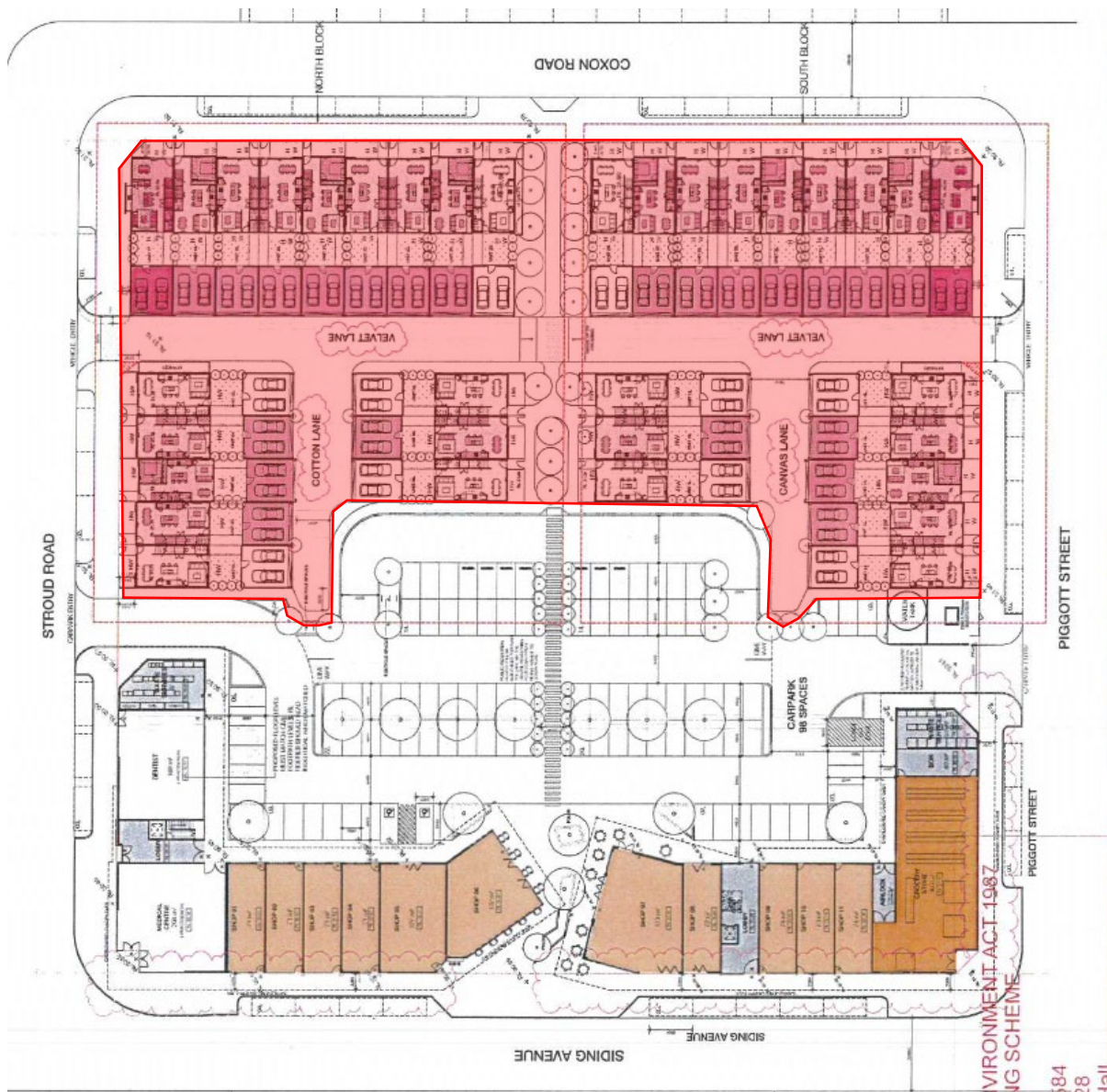
The property has Development Approval via Planning permit T170584 issued on 21 March 2018 by Cardinia Council which allows for the construction of 34 dwellings together with supermarket, shops, medical centres, gymnasium, offices and a reduction in car parking. Only the 34 dwellings are relevant to Lot A and the subject of this submission.

The project gross realisation value is estimated at \$16,776,000 (inclusive of GST). The price point is \$480,000 to \$500,000 for each dwelling and is well supported by recent sales in the area.

2.3 DEVELOPMENT APPROVAL STATUS

The project has development approval however, the existing approval is over 2 x lots which are held by 2 x separate parties. The property is vacant land and is identified as Volume 12072 Folio 825 being Lot A on Plan of Subdivision 820740K.

Lot B was purchased by a separate purchaser, DA was achieved on both sites by the vendor, however, were purchased by separate owners. Construction on Lot B (which is commercial, primarily retail and medical) will start in early June 2019. Due to the now separate ownership it is proposed that the DA will be separated prior to commencement of construction.



2.4 VALUATION REPORT

A valuation report by Charter Keck Cramer dated 4 June has confirmed the Market Value with vacant possession of the property as \$3.0m.

In accordance with the Contract of Sale provided, the site was purchased by the mortgage applicant for a consideration of \$3.7m on 14 March 2019, transacting through appointed agent Real Properties. The Valuer understands the applicant is a local builder entity, who will construct and sell down the townhouses at a profit and builders' margin. Whilst they acknowledge the sale price, they are not satisfied that if re-offered to the market the same consideration could be achieved. Accordingly, they have assessed a market value of \$3.0m representing \$475 p.s.m., which can be benchmarked against the broader development site market.

HCP has used the Valuation of \$3.0m in assessing the loan application.

The market for townhouses within Officer is reasonable strong particularly within emerging designated estates such as the subject. As traditional housing becomes less affordable (in excess of \$600,000 for new stock) and the changing needs of an emerging demographic continue to evolve, demand has intensified for townhouses of a compact style and design, and occupying compact allotments and therefore avoiding issues associated with maintenance and upkeep. The major consideration for such developments is price point, with smaller allotments having a lower underlying land value, and therefore still within an affordable range to many local owner occupiers and investors.

Valuation & Valuation Compliance Statement.

Valuation

Subject to the assumptions and qualifications contained within this report, we have assessed the current market value of the subject property at:

\$3,000,000
Three Million Dollars

Prepared by
Charter Keck Cramer Pty Ltd



Patrick McNulty, AAPI
Certified Practising Valuer
API Member: 75629
Associate Director
T +61 (0) 3 8102 8892



T Scott Keck, FAPI, AREI,
CPP, CPP(Fin), CDP, CFM, CPV (Bus)
Counter Signatory
API Member: 62281
Chairman

The counter signatory has reviewed the valuation based on the data presented in the report for the accuracy of calculations, the reasonableness of data, the appropriateness of methodology, and compliance with client guidelines, regulatory requirements and professional standards. The counter signatory is satisfied that the valuation is based on reasonable grounds. The data presented has not been independently confirmed and the property has not been inspected by the counter signatory.

Date of Issue of the Valuation Report – 5 June 2019

Liability limited by a scheme approved under Professional Standards Legislation.

2.5 PROJECT TIME LINE

The property is currently vacant land, with settlement due on 14 June 2019, it is estimated that it will be ready for development by the end of September 2019.

Therefore a 6-month loan term is sufficient to finance the land through to the commencement of the development.

2.6 CONSTRUCTION FINANCE STATUS

The introducing broker HoldenCAPITAL has 1 x Indicitive Terms Sheet and 2 x Expressions of Interest to provide construction funding to complete the project. Based on the previous experience of the Borrrower and their ability to deliver similar projects we anticipate construction funding will be avialble as soon as the development application is financlised.

3. THE BORROWER

The Borrowing entity is 33 Siding Avenue Pty Ltd (ACN 632 661 799), a special purpose entity created to purchase the property and undertake the project as part of Fairhaven Homes.

3.1 DIRECTORS

Rodney Rawlings is the sole director and founder of Fairhaven Homes. Rodney will be involved in the development team as the builder.

Jake Munday has a sales background and will be involved in the development team

Mark Collins has a background as an estimator and cost planner and will be involved in project management as part of the development team.

Andrew Carr is a non-executive director and is included as a capital partner.

3.2 FAIRHAVEN HOMES



Fairhaven build 550-600 homes a year in Victoria alone and specialise in this Greenfield space. They predominately do house and land but also have their own projects funded through the business and private equity. They are looking to expand the development division. They have some larger projects coming on in 2019/2020, 300 townhouses in stages over 5 years in Officer, 150 townhouses in stages in Sunshine over 2 years and 100 townhouses in Clyde over 3 years. They also have 10 units in Beaconsfield, 25 lots in Longwarry and 12 high end houses in Berwick all underway at the moment. All of which have margin return of early 40%.

Further information is available in their website <https://fairhavenhomes.com.au>

4. PROPOSED TERMS & CONDITIONS

CONDITIONS PRECEDENT TO FIRST ADVANCE

Initial drawdown of the Facility will be conditional upon the Lender and or their solicitors being satisfied with the following:

- a) A representative of the Lender inspecting the Property prior to initial drawdown and being satisfied with the same in all respects;
- b) Valuation Report confirming the 'as if complete' valuation of the Property;
- c) Copy of Development Application (with proposed plans and consultant reports) to be provided;
- d) Copy of a satisfactory Geotech report for the Security Property;
- e) Copy of feasibility for the project to be provided;
- f) Credit checks of the Borrower and Guarantors;
- g) Insurance: evidence of appropriate insurance for the property, noting the interests of the lenders as mortgagees, comprising but not limited to; Contract Works and Public Liability insurance; Contract insurance, PI Insurances and Set Out Certificates.
- h) Confirmation from the Borrower's accountant that there is no outstanding or pending ATO liabilities from the borrowing entity, the guarantor's or other entities they control;
- i) Copy of Quantity Surveyor's initial costing report and any subsequent progress report/s to be provided;
- j) Such other conditions precedent as may be reasonably required by the Lender.

LOAN TERM

6 months from the date of settlement of the proposed facility. HCP will consider approval of a further two (2) options to extend the term (1 month each) subject to pre-payment of interest.

PREPAYMENT

The Facility may be prepaid at any time upon giving not less than five business days' written notice. All costs associated with the prepayment including, but not limited to, any break costs are payable by the Borrower on the date of prepayment. If any Principal Outstanding is prepaid within 3 months of the date of the First Advance, interest calculated on the Facility limit for a minimum of 3 months period will be payable. On prepayment or partial prepayment, the Facility Limit is reduced and no redraws are permitted.

CAPITAL REPAYMENTS

Up to 5 business days after the loan has been repaid to the loan manager. We will aim for a shorter timeframe.

WITHDRAWAL RIGHTS

Once funds have been allocated, HCP Investors are committed to the Select Loan Investment until the loan has been repaid (unless a substitute HCP Investor can be found which is not a guaranteed event and is done on a best effort basis).

BENEFICIAL OWNERSHIP OF THE MORTGAGE INVESTMENT

Each Investor's holding is proportionate to the amount they contribute relative to the total of all Investor contributions to this Select Loan Investment.

TYPE OF SECURITY TAKEN

The Facility will be secured by:

- a) 1st ranking Mortgage over the Security Property;
- b) General Security Deed given by the land owner/Borrower and such other Corporate Guarantors as required by the Lender;
- c) Personal Guarantee from: Mr Andrew Carr, Mr Jake Munday, Mr Mark Collins and Mr Rodney Radings;
- d) Negative pledge of no further encumbrance on the security property, without prior written approval from the Lender;
- e) Such further "security interests" as may be required by the lender or its solicitors to perfect its security.

INTEREST RATE PAID BY THE BORROWER ON DRAWN FUNDS

Provided the loan remains compliant with all terms and conditions, interest will be capitalised to the facility limit at a rate of 9.50% per annum.

PROJECTED NET INVESTOR RETURN

9.90% per annum IRR (net of fees).

YOUR INVESTMENT AND OUR FEES

Loan Establishment Fee PAID BY BORROWER	HCP will be paid 1.25% + GST of the Facility Limit
Brokerage PAID BY BORROWER	The Borrower will pay brokerage of 1.25% + GST to the introducing broker
Loan Management Fee PAID BY BORROWER	HCP will earn a Loan Management Fee which is 0.16% + GST per month of the Facility Limit.
Performance Fee PAID BY INVESTORS	Nil.

5. FUNDING AND CASHFLOW TABLES

5.1 FUNDING CONTRIBUTIONS TABLE

Proposed Security Value	Developer	Senior	TOTAL
Land	2,310,090	1,389,910	3,700,000
Land transaction Costs	204,000	-	204,000
Sub Total (Net Funds)	2,514,090	1,389,910	3,904,000
Broker Fees (1.25% + GST) - inc GST	16,500	4,125	20,625
Lender Establishment Fees (1.25% + GST) - inc GST	5,500	15,125	20,625
Legal Fees - inc GST	5,500	-	5,500
Lender Management Fee (0.16% pcm) - inc GST	-	15,840	15,840
Sub Total (Gross Funds)	2,541,590	1,425,000	3,966,590
Interest (9.5% pa)	-	69,041	69,041
TOTAL CONTRIBUTIONS	2,541,590	1,494,041	4,035,631
Loan to End Value Ratio (Exc GST) - Valuation \$3m		49.8%	

5.2 DEBT CASH FLOW

	0 Jul-19	1 Aug-19	2 Sep-19	3 Oct-19	4 Nov-19	5 Dec-19	6 Jan-20
CASHFLOW - Senior Debt (\$,000's)							
Land	1,390						
Land transaction Costs							
Sub Total	1,390						
Broker Fees (1.25% + GST) - inc GST	4						
Lender Establishment Fees (1.25% + GST) - inc GST	15						
Legal Fees - inc GST							
Lender Management Fee (.16% pcm)	16						
Interest (9.5% pa)		11	11	11	12	12	12
Cumulative	1,425	1,436	1,448	1,459	1,471	1,482	1,494

6. RISKS AND MITIGANTS

SECTOR	RISK	MITIGANTS
Development Approval	The project not being approved.	The project is already approved and the relodged application is to separate the Development Approval to apply to Lot A and Lot B respectively. This is a procedural process and should take no longer than 3 x months.
Repayment	Facility not repaid within 6 months.	<p>It is anticipated the project will be ready for construction within 3 months. We have allowed a 3 month buffer to allow for contingencies.</p> <p>The borrower has very good experience in delivering similar projects and HoldenCAPITAL is already fielding offers for construction funding.</p> <p>If the facility does mature the 50% LVR mitigates market risk and the groups trading cashflows should be sufficient to servicing interest ongoing.</p>
Sponsor	Sponsors financial strength outside of the project and capacity to pay interest in advance if required	A Statement of Assets & Liabilities of the Directors and Guarantor demonstrates a net worth and gearing level appropriate for supporting this transaction.

7. ABOUT HOLDEN CAPITAL PARTNERS

HoldenCAPITAL Partners (Australian Financial Services Licence 481944) established in 2015, is a funds management group providing sophisticated investors with the opportunity to invest in standalone first mortgage, second mortgage and preferred equity opportunities sourced by HoldenCAPITAL brokerage business, which was established in 2011.

Because HoldenCAPITAL Partners provides investors with the opportunity to participate in multiple Select Loan Investments (SLI's), investors are able to build their own portfolio of SLI's based on their personal risk/return appetite.

HoldenCAPITAL Partners is powered by HoldenCAPITAL, Australia's #1 Commercial Mortgage Broker in 2015, 2016 and 2017. It is this relationship that sets us apart from our competitors providing HCP investors with exclusive access to a constant flow of quality loan opportunities for investors to consider.



DANIEL HOLDEN | PRINCIPAL

Daniel Holden is the founding partner of Holden Capital, with responsibility for structuring and arranging senior debt, mezzanine debt and equity facilities for his clients' property-based developments and investments. Daniel's core strengths are in Construction Finance and Joint Ventures. Daniel has over 13 years of development and finance experience that includes project management and over six years in finance consultancy, loan and joint venture structuring and funds management.



STEVE WILTSHIRE | EXECUTIVE CHAIRMAN

Steve Wiltshire spent 27 years with Macquarie Bank as a director and National Portfolio Head of its Real Estate Structured Finance Division overseeing its construction finance and joint ventures, and 3 years as Executive Director of ANZ's Institutional Property Group, responsible for the Queensland and the Northern Territory loan portfolio. Steve is a mentor to the team and actively assists them with structuring of transactions and the negotiation of loans drawing on his extensive banking and JV experience.



GARY CONNOLLY | HEAD OF INVESTMENTS

Gary Connolly has over 12 years of experience in financial services, specifically in the banking and funds management sectors both in Australia and abroad. Gary most recently spent 8 years with Trilogy Funds Management as their Business Development Manager and prior to that was employed by Citigroup and Deutsche Bank in key account management roles. His professional experience is underpinned by a tertiary background in Law.



MARK HALLE | COMPLIANCE MANAGER

Mark Halle has over 25 years' experience across a wide variety of industry sectors. An accountant, Mark has for the past 14 years worked in the property and property financing industry, including 10 years with Ray White Invest as their Investment Fund Manager and more recently four years as the Fund Manager of the AU\$250m Premium Income Fund operated by Wellington Capital and FTI Consolidated which had some 10,700 investors.

8. OPERATIVE

1. DEFINITIONS AND INTERPRETATION

In this Agreement:-

- a) "Advance" means the amount outstanding as per the loan statement, available via the investor portal or by request from The Mortgage Manager
- b) "Commencement Date" means, notwithstanding the date of this Deed, the date that the Loan was first drawn down.
- c) "Facility" means the Loan as described in Section 3.
- d) "Guarantor" typically means and includes the borrowing entity and the Borrower personally and any other party who provides a guarantee.
- e) "Loan" means the construction facility made available to the Borrower for the purposes of funding against the land and the costs of obtaining a Development Approval on the Land to enable completion of the Works.
- f) "Securities" means:-
 - a. Registered 1st or 2nd Mortgage over the Land;
 - b. Registered General Security Deed over the borrowing entity;
 - c. Unlimited Guarantee and Indemnity given by the Borrower personally and the entity as a company;
- g) "Syndicate Members" means the parties who participate
- h) in the loan.
- i) "Works" means the proposed development on the land including all building permits issued by the Local Authority and to enable the lawful occupation of the completed development.

2. INTERPRETATION

In interpreting this Agreement and unless necessarily excluded by the context:-

- a) a work of a particular gender includes each other gender;
- b) the singular number includes the plural number and conversely;
- c) a covenant by two or more persons must be regarded as made jointly and severally by each of the persons;
- d) each clause heading must be ignored;
- e) a reference to a clause is a reference to a clause of this Agreement;
- f) a reference to a Statute includes:-
 - a. an enactment amending the Statute or
 - b. an amendment and an enactment substituted for a Statute; and
 - c. an award, employment agreement and industrial agreement; and
 - d. a notice given under a Statute; and
 - e. a requirement of a person under a Statute;
- g) a reference to a party comprising more than one person includes any one or more of those persons;
- h) a reference to a thing includes the whole and any one or more parts of the thing;
- i) a reference to this Agreement or to any other document in this Agreement includes a reference to this Agreement or that document as novated, replaced, supplemented or varied;

- j) a covenant implied in this Agreement is excluded only to the extent of that covenant's inconsistency with an express covenant in this Agreement; and
- k) a covenant by a person not to do a thing includes a covenant by that person not to agree to do or allow, attempt, obtain, permit or suffer the doing of that thing.

3. HOLDEN CAPITAL PTY LTD TO BE THE MORTGAGE MANAGER

Holden Capital Partners Pty Ltd has arranged the Loan and is a party to all of the Securities with the Borrower and as such, Holden Capital Pty Ltd will act as the Mortgage Manager for the Syndicate.

4. DUTIES OF THE MORTGAGE MANAGER

The Mortgage Manager must:-

- a) Maintain the loan accounts and the administration of any payments made by the Borrower and receipts from the Syndicate Members.
- b) Prepare and negotiate with the Borrower the terms of the Facility (this has already been done).
- c) Ensure that the Syndicate Members are paid but only from interest payments that have actually been made by the Borrower.
- d) Hold the securities on behalf of itself and the Syndicate Members.
- e) Disclose to the Syndicate Members information expressly received concerning any performance of the Borrower's obligations under the securities and any relevant financial information and any other information received by the Mortgage Manager.
- f) Enforce the security documents if there is a default and keep the other Syndicate Member fully informed as to the nature of the default and the enforcement proceedings taken.
- g) Report regularly to the Syndicate Members.

5. MORTGAGE MANAGER'S LIMITATION OF LIABILITY

- a) that the obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, the Mortgage Manager under or in respect of this Agreement ("Obligations") are limited to the amount of Fees paid to the Mortgage Manager;
- b) The Syndicate Members may enforce their rights against the Mortgage Manager arising from non-performance or breach of the Obligations only to the extent of the Fees paid to the Mortgage Manager;
- c) this clause does not limit the Mortgage Manager's personal liability in the case of fraud.

6. ACKNOWLEDGEMENT BY SYNDICATE MEMBERS

The syndicate members acknowledge that:-

- a) The Mortgage Manager is the agent of the Syndicate but is not deemed to be a trustee for the benefit of the Syndicate Members.
- b) The Mortgage Manager, in the absence of agreement with the Syndicate Members, is permitted to act as it thinks fit in the best interest of the Syndicate.

- c) The Lead Leader has its own interests to protect in respect of the Facility including arranging the syndication in order to reduce its exposure in respect of underwriting the loan.
- d) Holden Capital Pty Ltd expects that The Syndicate members as sophisticated syndicate members, enter into this Deed after having received such legal, accounting or other advice upon this Deed and the security documents which so relate as it has considered necessary.
- e) The Mortgage Manager will not be taken to have knowledge of any event of default until it has received notice of such default from the Borrower, or from a Syndicate Member.

7. FUNDING OF THE FACILITY, WATERFALL OF PROCEEDS, AND OTHER INCOME.

- a) The Syndicate Members will fund the Facility Cash Advance;
- b) All loan repayments will be applied in the following order of priorities:
 - a. Capital repaid to Syndicate Members according to their contributions;
 - b. Interest payment to Syndicate Members payable on their loan contribution;
 - c. The Mortgage Manager shall distribute any repayments within 10 business day from receiving the payments to the syndication members.
- c) The capital risk in respect of the Facility rests with The Syndication Members solely as they will fully fund the Facility.

8. MUTUAL COVENANTS

Each of the parties covenants and agrees with the other:-

- a) to be just and faithful in its activities and dealings with the other;
- b) to perform its obligations and commitments under this Agreement

9. NO PARTNERSHIP

- a) This Agreement does not create or constitute a partnership between the Syndicate Members for the purposes of the Partnership Act or the Income Tax Assessment Act or any other legislation.
- b) Neither of the Syndicate Members may act as agent for the other, other than as specifically set forth in this Deed or otherwise agreed in writing between the parties. The Syndicate Members' rights, duties and obligations are several and not joint or collective.

10. MUTUAL INDEMNITIES

- a) The Mortgage Manager indemnifies The Syndication members against all or any suits, demands, claims or liabilities incurred by The Syndication Members arising out of any breach by the Mortgage Manager of this Deed.
- b) The Syndication Members indemnify the Mortgage Manager against all or any suits, demands, claims or liabilities incurred by the Mortgage Manager arising out of any breach by The Syndication Members of this Deed.

11. GENERAL MATTERS

- a) Costs
Costs of and incidental to the preparation this Deed will be borne by the Mortgage Manager. However, any costs of the Syndicate Members in taking advice in respect of any matters surrounding the due diligence required to enter into this Deed will be borne by that Syndicate Member and not become a syndicate expense.
- b) Entire Agreement
This Deed constitutes the entire agreement of the parties about its subject matter and any previous Deeds, understandings and negotiations on that subject matter cease to have any effect.
- c) Confidentiality
The parties will keep confidential and will not disclose to any unrelated party the transactions contemplated and subsequently performed by this Deed.
- d) No Assignment
This Deed is personal as between the parties & no party may assign its interest in this Deed without the consent in writing of the other.
- e) Severability
If the whole or any part of a provision of this Deed is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction. The remainder of this Deed has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has not effect if the severance alters the basic nature of this Deed or is contrary to public policy.
- f) Governing Law and Jurisdiction
This Deed is governed by the law in force in Queensland and each party irrevocably and unconditionally submits to the non- exclusive jurisdiction of the Courts of Queensland & the Courts of Appeal from them.
- g) Further Assurances
Each party agrees, at their own expense on the request of the other party to do everything reasonably necessary to give effect to this Deed.
- h) Notices
All notices must be in writing and will be deemed to have been received:-
 - a. in the case of delivery, at the time of delivery;
 - b. if served by post, on the second business day after the date of posting, even if it is subsequently returned through the Post Office unclaimed; or
 - c. in the case of an electronic communication [email] on the production of a delivery report indicating that the communication was delivered to the server of the recipient.

12. GST

All costs and fees are quoted exclusive of GST.

13. NON-CIRCUMVENTION

The Syndicate Members agree that during the term of the Agreement and for a period of four (4) years after the conclusion and/or termination of the Mandate, neither a Syndicate Member, its directors nor any of its related or associated entities, officers, agents or employees, without the prior written consent of the Mortgage Manager, will approach any group or other entity or individual introduced by the Mortgage Manager (an Introduced Party) in connection with the Agreement. If a funding or financing transaction is completed with an Introduced Party, without such prior consent

in writing, at the Mortgage Manager's sole discretion the Mortgage Manager's fees as specified above will be payable or will be determined by the Mortgage Manager at 'Market Rates' on the basis of the services provided to the Syndicate Member or Borrower.

14. CONTINUING APPOINTMENT

If the loan or other funding or financing which is provided by an Introduced Party is subject to a roll-over to a new term within four (4) years after the date of the Agreement, then further finance brokerage costs and fees in the same amounts as specified above will be payable to the Mortgage Manager at roll-over.

15. COMMISSION DISCLOSURE

Syndicate Members acknowledge and consent that the Mortgage Manager may be paid a commission by the Borrower and/or other parties with whom it does business. Details of this can be provided if required.

16. ROLLOVER OR EXTENSION

At conclusion of the loan term, if the loan is extended or rolled over into a fresh term, then the Mortgage Manager may charge further loan finance fees up to 100% of the initial loan fees payable.

17. IP AND DOCUMENTATION

The Mortgage Manager maintains its rights to ownership in respect of all submissions and related documents produced by it in support of its role as defined by this Agreement. The Syndicate Members acknowledge the Mortgage Manager's ownership and warrant they will not reproduce or use these documents in their original format or in a modified form without the written consent of the Mortgage Manager.

18. INDEMNITY OF ADVICE

The Mortgage Manager shall not be responsible for providing specialist advice or services (i.e., legal, tax, accounting or other specialist matters), normally provided by other professional advisers. The Mortgage Manager shall not have any liability in respect of services or advice provided to the Syndicate Member by persons other than the Mortgage Manager irrespective of whether such advice is given or made available to, or reviewed by the Mortgage Manager, or discussed by the Mortgage Manager with the Syndicate Member. In providing its services to the Syndicate Member, the Mortgage Manager will rely on the Syndicate Member's commercial assessment of the Facility. The Syndicate Member acknowledges that it and its other professional advisers will be responsible for the nature, scope, adequacy, performance and review of any due diligence enquiries and, accordingly, the Mortgage Manager shall not be liable in respect of such matters. The Mortgage Manager excludes all liability to the fullest extent permitted by law in connection with the provision of its services.

19. LIABILITY AND INDEMNITY

The Syndicate Member shall indemnify and keep indemnified the Mortgage Manager on demand against any and all actions, claims, proceedings or investigations (each a "Claim") and against all losses, claims, expenses, damages or liabilities whatsoever and howsoever arising (including reasonable legal costs and expenses) suffered or incurred by the Mortgage Manager (each a "Loss") in each case in any way arising out of or in connection with the Loan Facility or with the execution,

delivery, performance or enforcement of the Loan Facility, except to the extent that a court in final judgement determines that any such Claim or Loss arose out of the gross negligence or wilful misconduct of the Mortgage Manager. In no circumstances shall the Mortgage Manager be liable for any losses, claims, expenses or damages incurred by the Syndicate Member except to the extent that a court in final judgement determines that such loss, claim, expense or damage arose out of the gross negligence or wilful misconduct of the Mortgage Manager in the performance of its duties. Notwithstanding, under no circumstances shall the Mortgage Manager be liable for loss of profits, business or anticipated savings or for any indirect or consequential loss whatsoever. For the avoidance of doubt, the Mortgage Manager shall not be under any liability whatsoever in respect of any specialist advice or services provided to the Syndicate Member by persons other than the Mortgage Manager, notwithstanding that the Mortgage Manager may be in possession of such advice. All sums payable to the Mortgage Manager pursuant to this Agreement shall be paid within 30 days of written demand and free and clear of all deductions or withholdings unless such deduction or withholding is required by law, in which event the Syndicate Member shall pay such additional amount as shall be required to ensure that the net amount received by the Mortgage Manager will equal the full amount which would have been received by it had no such deduction or withholding been made. The rights and remedies of the Mortgage Manager arising under this paragraph are cumulative with, and are not exclusive of, any rights or remedies provided by law.

20. INSTRUCTING

If you do not return a signed copy, depositing funds and continuing to instruct the Mortgage Manager in this matter will constitute your acceptances of this agreement

9. HOW TO INVEST

If you have read this document in full, considered the Select Loan Investment and decided to participate, please;

- a) Complete the accompanying Selection Form contained in this Information Memorandum and return it to HoldenCAPITAL Partners, and;
- b) Transfer your investment funds to our Solicitor's Trust Account using one of the available payment methods.

Electronic Funds Transfer to The Solicitor's Trust account

Account Name: MDRN Pty Ltd Law Practice Trust Account

Bank: Westpac

BSB: 034-070

Account Number: 374935

Reference: '193989' followed by your investing entity name.

DELIVERY METHOD

Scan and send to invest@holdencapital.com.au

10. SELECTION FORM | OFFICER, VIC

This Selection Form accompanies the 'Officer, VIC' Information Memorandum dated 7 June 2019. The Information Memorandum contains important information and it is important that you read both documents in full and the declarations and acknowledgments contained in this Selection Form before deciding to invest in this Select Loan Investment. Please provide your name, contact details, banking details and ID check below. Please note: New HCP investors must complete all sections. Existing HCP investors are only required to complete Sections 1 & 2 & 5.

SECTION 1.

INVESTMENT AMOUNT \$, ,

SECTION 2.

INVESTOR DETAILS Individual/s Superannuation Fund/ Trust Company

INVESTOR 1

First Name

Surname

INVESTOR 2

First Name

Surname

OR

SUPERANNUATION FUND/ TRUST/ COMPANY NAME:

SECTION 3.

CONTACT DETAILS

Address

ABN/ACN (if applicable)

Phone (Home/Work)

Mobile

Email

SECTION 4.

BANK DETAILS

At the end of the loan term your funds will be credited to this account.

Account Name

BSB

Account

Bank Name

MORE INFORMATION

For more information, please contact our team Free call (within Australia), between 8:00am and 5:00pm (AEST) Monday-Friday.

PHONE

1300 465 227

EMAIL

invest@holdencapital.com.au

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BRISBANE

SYDNEY
124 Walker Street, North Sydney NSW
2060

MELBOURNE
575 Bourke Street, MELBOURNE VIC
3000

HONG KONG
By appointment – Wellington St, Central
HONG KONG

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