



TFS Spicatum Project 2010

AUSTRALIAN SANDALWOOD

FINANCE APPLICATION

Application Deadline:

All applications and relative documents must be received by 30 June 2010

Mailing Address:

TFS Spicatum Project 2010

PO Box 3040, Broadway

Nedlands WA 6009

Finance Provider:

Arwon Finance Pty Ltd (ACN 072 486 643) ("Provider")

INVESTOR FINANCE PACKAGE

TFS SPICATUM PROJECT 2010 (ARSN 143 731 364)

TFS Finance Package now offered is only available to investors in the TFS Spicatum Project 2010 in terms of the Product Disclosure Statement dated 02 June 2010.

Before completing Application for finance we recommend applicants become fully acquainted with the TFS Spicatum Project 2010 by reading the Product Disclosure Statement and in need obtaining appropriate financial advice and assistance.

Please complete the following Loan Application Checklist prior to submission of Application for Finance.

PROCESSING OF YOUR APPLICATION MAY BE DELAYED IF YOU DO NOT SUPPLY THIS INFORMATION WITH YOUR APPLICATION.

LOAN APPLICATION CHECK LIST – to be completed prior to loan submission

1. Application and Direct Debit Authority
 - Applicant(s) to complete and sign
2. Loan Deed
 - To be completed and signed by the applicant, or the applicant’s directors in the case of a corporation, and the guarantors
 - Directors/Trustees must also sign as guarantors
3. Supporting Documentation
 - i. **Loans \$10,000 and under:**
 - Proof of Identification – required for all applicants, directors and guarantors:
 - Copy of Drivers licence or Passport
 - Proof of Income required
 - PAYG – copy of one recent payslip or bank statement
 - Self employed – copy of last tax return or bank statement confirming income
 - Other third party – confirmation of income declared (e.g. verified letter from employer).
 - Proof of Assets – not required for loans under \$10,000
 - ii. **Loans over \$10,000:**
 - Proof of Identification – required for all applicants, directors and guarantors:
 - Copy of Drivers licence or Passport
 - Proof of Income required
 - PAYG – copy of last two tax returns or last tax return and a recent payslip or two most recent payslips confirming income.
 - Self employed – last two tax returns or letter from Accountant re estimated income.
 - Other third party – confirmation of income declared (e.g. verified letter from employer).
 - Proof of Assets required (as per chart below)

Borrower	Property Rates or Land Tax Notices	Mortgages Loan Statement	Listed Shares Brokers Statement >\$100k	Margin Loan Statement >\$100k	Overdraft Statement >\$100k	Savings Statement > \$50k
< \$55,000	-	-	-	-	-	-
\$56,000 - \$100,000	X	X	-	-	-	-
>\$100,000	X	X	X	X	X	X

Application for Finance:

Establishment Fee \$ _____
 Less Deposit (Payable on Application) \$ _____
 Plus Application Fee \$ _____
Total Amount to be Financed \$ _____

Application Fee: (paid on approval - may be included in Loan)

Loans \$10k & under = \$150
 Loans over \$10k = \$300 + 0.50% of loan amt

Term:

Loans \$10k & under = Up to 5 Yrs Principal & Interest _____ Yrs
 Loans over \$10k = Up to 10 Yrs Principal & Interest _____ Yrs

Interest Rate (Fixed): _____ %

APPLICANT 1:

Applicant Director Guarantor | Title: Mr / Mrs / Ms / Dr

Full Name _____

Telephone (w) _____ (h) _____

Mobile _____

Email _____

Drivers Licence _____

Date of Birth _____

Address _____

PC

Postal Address _____

As Above _____ PC

Previous Address (if less than 2 yrs at current address): _____

APPLICANT 2:

Applicant Director Guarantor | Title: Mr / Mrs / Ms / Dr

Full Name _____

Telephone (w) _____ (h) _____

Mobile _____

Email _____

Drivers Licence _____

Date of Birth _____

Address _____

PC

Postal Address _____

As Above _____ PC

Previous Address (if less than 3 yrs at current address): _____

EMPLOYMENT DETAILS

Occupation _____

Employer _____

Time Employed _____

Full Time /Part Time /Casual /Retired /Other

Previous Employer (if less than 2 years at present) _____

SELF EMPLOYED DETAILS

Company/Trustee / Individual / Partnership _____

Trading Name _____

Registered Address _____

ACN / ABN _____

Nature of Business _____

Years _____

Company Directors / Partners _____

Trading _____

CORPORATE / TRUST APPLICANTS

Company/Trustee Name _____

Trading Name _____

Email _____

ACN/ABN _____

Nature of Business _____

Registered Address _____

Years Trading _____

Postal Address _____

Address _____

DETAILS OF ALL DIRECTORS TO BE COMPLETED ABOVE

STATEMENT OF ASSETS & LIABILITIES – FOR APPLICANTS / GUARANTORS

ASSETS	Est. Value	LIABILITIES	Loan Amt
Property: Address _____	\$ _____	Lender/ Mortgage _____	\$ _____
Property: Address _____	\$ _____	Lender/ Mortgage _____	\$ _____
Property / Vacant Land _____	\$ _____	Lender/ Mortgage _____	\$ _____
Car: Make / Model / Year _____	\$ _____	Vehicle Loan _____	\$ _____
Car: Make / Model / Year _____	\$ _____	Vehicle Loan _____	\$ _____
Other: Name _____	\$ _____	Margin Loans _____	\$ _____
Super: Institution _____	\$ _____	Credit Card Limit MC / VISA / AMEX / OTHER \$ _____	\$ _____
Savings: Institution _____	\$ _____	Credit Card Limit MC / VISA / AMEX / OTHER \$ _____	\$ _____
Listed Shares _____	\$ _____	Listed Shares _____	\$ _____
Agriculture MIS Loans _____	\$ _____	Agriculture MIS Loans _____	\$ _____
Total Assets	\$ _____	Total Liabilities	\$ _____
Net Assets	\$ _____		

STATEMENT OF GROSS MONTHLY INCOME – FOR APPLICANTS / GUARANTORS

Salary / Wage _____	Gross Monthly Amount	\$ _____
Rental Income _____	Gross Monthly Amount	\$ _____
Tax Free Income _____	Gross Monthly Amount	\$ _____
Other Income _____	Gross Monthly Amount	\$ _____
	Total Income	\$ _____

STATEMENT OF GROSS MONTHLY EXPENDITURE – FOR APPLICANTS / GUARANTORS

Mortgage _____	Monthly Repayments	\$ _____
Mortgage _____	Monthly Repayments	\$ _____
Mortgage _____	Monthly Repayments	\$ _____
Vehicle(s) _____	Monthly Repayments	\$ _____
Margin Loan(s) _____	Monthly Repayments	\$ _____
Credit Card(s) _____	Monthly Repayments	\$ _____
Agric. MIS Listed Share Loans _____	Monthly Repayments	\$ _____
Other _____	Monthly Repayments	\$ _____
	Total Monthly Repayments	\$ _____

PRIVACY ACT- CONSENT AND ACKNOWLEDGEMENT

IMPORTANT NOTICE TO APPLICANT(S) FOR CREDIT (SECTION 18(E) PRIVACY ACT 1988)

The Provider is bound by the National Privacy Principles (NPPs) of the Privacy Act 1988 (Commonwealth) (the Privacy Act) and will treat any personal information held on you at any time in accordance with the NPPs.

In accordance with NPP 2 of the Privacy Act, The Provider will not use or disclose any personal information collected about you, otherwise than for a purpose:

- ❖ disclosed to you in this document;
- ❖ you would reasonably expect;
- ❖ required or permitted by law; or
- ❖ authorised by you.

You authorise The Provider to disclose necessary personal information to credit reporting agencies in accordance with the terms of this document in order to reach an informed decision on your ability to repay the credit facilities you have applied for.

The kinds of personal information The Provider may give about you to a credit reporting agency, are limited by the kinds of information allowed under section 18E(1) of the Privacy Act. This includes:-

- ❖ Identity details- this only includes your name, sex, date of birth, current known address, previous address, your current or last known employer, and your drivers licence number;
- ❖ The fact that you have applied for credit and the amount;
- ❖ The fact that the supplier is a credit provider to you;
- ❖ Payments overdue for at least 60 days and for which collection action has commenced;
- ❖ Advice that payments are no longer overdue;
- ❖ Cheques drawn by you greater than \$100 which have been dishonoured more than once;
- ❖ In specified circumstances, that in the opinion of Arwon, you have committed a serious credit infringement;
- ❖ That credit provided to you by The Provider has been paid or otherwise discharged.

The Provider will inform you if your credit application is declined because of adverse information in a credit report obtained on you. NPP 6 of the Privacy Act gives you the right to ask for a copy of a credit report we have obtained about you from a credit reporting agency. The best means of obtaining a copy of your credit report is to get in touch directly with the credit reporting agency.

If you wish to access, correct and update the personal information that we hold about you, please contact The Provider on (08) 9386 3299.

Statement by Applicant(s) for Credit

Please read carefully before signing. Where more than one applicant, each applicant is to sign.

1. (Section 18E(8)(c) and NPP 2 of the Privacy Act)
The Provider has informed me that it may give certain personal information about me to a credit reporting agency.
2. (Section 18L(4) and NPP 2 of the Privacy Act)
In order to assess my application for personal credit, I/we agree to The Provider obtaining a report about my commercial activities or commercial credit worthiness, from a business which provides information about the credit worthiness about persons.
3. (Section 18K(1)(b), NPP 1 and 2 of the Privacy Act)
In order to assess my application for commercial credit, I/we agree to The Provider obtaining from a credit reporting agency a credit report containing personal credit information about me/us in relation to commercial credit provided by Arwon.

Authority for Lenders Mortgage Insurers

In accordance with Section 18N(1)(bb) and NPP 2 of the Privacy Act, I/we authorise The Provider to disclose a report or information to a Lenders Mortgage Insurer to assess whether to insure or the risk of insuring The Provider for the mortgage credit given to me/us, or to assess the risk of default by me/us on the mortgage credit, or for any purposes arising under the contract of mortgage insurance between The Provider and the Lenders Mortgage Insurer.

I/We hereby apply to establish credit facilities with The Provider and agree to abide by the attached terms and conditions. I/We understand that a credit check will be undertaken as part of this application and that I/We have read and understood the acknowledgement and authority regarding the privacy protection of our personal information in accordance with the Privacy Act and the NPPs.

By signing the direct debit request you:

- (a) have authorised The Provider to arrange for the funds to be debited from your account. If there are insufficient funds in your account to meet a direct payment, you may be charged a fee from your financial institution and by The Provider ;
- (b) warrant and represent that you are duly authorised to request the debiting of payments from the relevant account;
- (c) authorise that this direct debit will remain in force until cancelled, deferred or otherwise altered; and
- (d) acknowledge that the direct debit will be provided by you to The Provider on the terms contained in the Direct Debit Service Terms (**Terms**). For a copy of the Direct Debit Service Terms, please contact The Provider on (08) 9386 3299 or email tfs@tfsLtd.com.au.

Direct Debits will be made on the first working day of each month. You may change the arrangements under a direct debit request by contacting The Provider on (08) 9386 3299.

BUSINESS & INVESTMENT PURPOSE DECLARATION

I/We declare that the credit to be provided to me/us by the credit provider is to be applied wholly or predominantly for business or investment purposes (or for both purposes). You should NOT sign this declaration unless the loan is wholly or predominantly for business or investment purposes. By signing this declaration, you acknowledge that the Consumer Credit Code does not apply to the credit provided to you by the credit provider.

Signature	_____	Date	_____
Signature	_____	Date	_____
Signature	_____	Date	_____
TO BE SIGNED BY APPLICANTS / DIRECTORS			

DIRECT DEBIT REQUEST

Financial Institution	_____	BSB No.	_____
Account Name	_____	Account No.	_____
Signature	_____	Date	_____
Signature	_____	Date	_____
Signature	_____	Date	_____
TO BE SIGNED BY APPLICANTS / DIRECTORS			

DECLARATIONS & SIGNATURES

I/We state that the above statements accurately reflect my/our financial position and purpose of the loan, that I am/we are not bankrupt, insolvent, in liquidation or subject to a scheme of arrangement and that I/we have read the corresponding Privacy Act Consent and Acknowledgement below.

Signature	_____	Date	_____
Signature	_____	Date	_____
Signature	_____	Date	_____
TO BE SIGNED BY APPLICANTS / DIRECTORS / GUARANTORS			

**ARWON FINANCE PTY LTD
ACN 072 486 643
(Lender)**

- AND -

(Borrower)

- AND -

(Guarantor)

LOAN AGREEMENT

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LOAN AGREEMENT

THIS Agreement is made on the date set out in **Item 1 of the Schedule**

BETWEEN

ARWON FINANCE PTY LTD ACN 072 486 643 of 169 Broadway Nedlands Western Australia (**Lender**)

AND

The entity whose name (ACN if applicable) and address are set out at **Item 2 of the Schedule (Borrower)**

AND

The entity whose name (ACN if applicable) and address are set out at **Item 6 of the Schedule (Guarantor)**

RECITALS

- A. The Lender at the request of the Borrower has agreed to advance the Principal Sum to the Borrower upon the terms and conditions hereinafter contained. The Guarantor hereby agrees to act as guarantor in respect of the Secured Monies on the terms and conditions contained in this Agreement.

NOW BY THIS DEED it is agreed and declared as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement unless the contrary intention appears:

"Business Day" means a day on which the major trading banks are open for business in the State;

"Corporations Law" means the Corporations Act 2001 of the Commonwealth;

"Date of Advance" means a date that the Principal Sum or part of the Principal Sum is advanced by the Lender to the Borrower pursuant to **Clause 2**, each relevant date being described in **Item 3 of the Schedule**;

"Date of Execution" means the date on which the last of the Parties to execute this Agreement executes this Agreement;

"Event of Insolvency" means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of the corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purposes of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

"Grower" means a person who enters into a Lease and Management Agreement and who is identified as a "Grower" in the Project and **"Growers"** means more than one Grower;

"Insolvency Provision" means any law relating to insolvency, sequestration, liquidation or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences, and any law under which a liquidator or trustee in bankruptcy may satisfy or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

"Interest" means the Interest on the Principal Sum which accrues daily and is payable on the balance for the time being of the Principal Sum at a rate of interest set out in **Item 5 of the Schedule** hereto;

“Lease and Management Agreement” means an agreement called a Lease and Management Agreement relating to the Project, to which the Borrower is a party and pursuant to which the Borrower, as a Grower, leases or sub-leases one or more Woodlots and engages another party to manage that Woodlot or those Woodlots;

“Leased Area” means, in relation to the Borrower, that specified part of the Plantation as identified in the Annexure to the Lease and Management Agreement (comprising one or more Woodlot) to be leased or sub-leased by the Grower;

“Loss” includes claim, liability, cost or expense;

“Mortgaged Property” means all of the Borrower's right title and interest for the time being in the Project and the Project Agreements, including without limitation the Project Interest;

“Parties” means the Lender, the Borrower and the Guarantor (if applicable) and **“Party”** is a reference to either one of them as the context requires;

“Plantation” means the land on which the Project is conducted;

“Principal Sum” means the total amounts set out and described in **Item 3 of the Schedule** under the heading “Principal Sum” and any unpaid Interest compounded thereon pursuant to **Clause 3**;

“Project” means the **TFS Spicatum Project 2010 (ARSN 143 731 364)**.

“Project Agreements” means the agreements to which the Borrower becomes a party and/or which relate to the Borrower's Project Interest, including the Constitution and Compliance Plan for the Project as well as the Lease and Management Agreement;

“Project Interest” means an interest in the Project held by a Grower, comprising the rights, liabilities and obligations of a Grower contained in a Lease and Management Agreement, the Constitution for the Project and any other relevant documents as they relate to the Woodlot(s) sub-leased by the Grower;

“Receiver” means a receiver appointed under this Agreement and includes a receiver manager;

“Security Interest” means any bill of sale, mortgage, charge, lien, pledge, hypothecation, title retention arrangement, trust or power, as or in effect as security for the payment of money or observance of any other obligation;

“Secured Moneys” means all amounts now or at any time in the future owing and comprising the Principal Sum and all Interest and other monies that are at any time due and owing by the Borrower to the Lender under this Agreement;

“State” means the state of Western Australia;

“Term” means the term of the loan as specified in **Item 4 of the Schedule**; and

“Woodlot” means a specified area forming part of the Plantation which is sub-leased or intended to be sub-leased to a Grower as more particularly delineated on the Plan attached to a Lease and Management Agreement and **“Woodlots”** means more than one Woodlot.

1.2

Interpretation

In this Agreement unless the contrary intention appears:

- (a) a reference to a clause, schedule or annexure is a reference to a clause of or schedule or annexure to this Agreement and references to this Agreement include any recital, schedule or annexure;
- (b) a reference to this Agreement or another instrument includes any variation or replacement of either of them;
- (c) headings and the table of contents are for convenience only and shall not affect the interpretation hereof;
- (d) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (e) the singular includes the plural, the plural includes the singular and any gender includes each other gender;
- (f) the word **person** includes an individual, a firm, a corporate entity, an unincorporated entity, a partnership, or government authority;
- (g) a reference to a person includes that person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally;
- (i) an agreement, representation or warranty on the part of two or more persons binds them jointly and severally;
- (j) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (k) where the day or last day for doing an action or for the payment of any money or on which any entitlement is due to arise or a notice is deemed served is not a Business Day, the day or last day for doing that action or payment of that money or on which that entitlement arises or notice is deemed served, shall be deemed to be the next Business Day;
- (l) where any requirement, calculation or payment of money might otherwise fall to be performed or paid on the 29th, 30th or 31st day of a month which does not contain such a date, then references thereto shall be construed as reference to the last day of that month;
- (m) a day means the period of time commencing at midnight and ending 24 hours later;
- (n) a month means a calendar month;

- (o) a reference to currency is a reference to Australian currency;
- (p) **including** is deemed to be followed by the words, **but not limited to**;
- (q) no rule of construction of Agreements shall apply to the disadvantage of a Party on the basis that that Party put forward this Agreement or any relevant part of it;
- (r) where any word or phrase is given a defined meaning, any other part of speech or other grammatical form in respect of such word or phrase shall have a corresponding meaning;
- (s) a reference to:
 - (i) a right includes a benefit, remedy, discretion, authority or power;
 - (ii) an obligation includes a warranty or representation;
 - (iii) a failure to observe or perform an obligation includes a breach of warranty or representation;
 - (iv) provisions or terms of this Agreement include a reference to both express and implied provisions or terms;
 - (v) writing includes any means or mode of representing or reproducing words in a tangible and permanently visible form, and includes facsimile transmissions; and
 - (vi) signature and signing includes due execution by a corporation or other relevant entity.

2. ADVANCE

2.1 Principal Sum

The Lender hereby agrees to advance to the Borrower that part of the Principal Sum to be advanced on the relevant Date of Advance, for the Term. The purpose of the advance of the Principal Sum is to enable the Borrower to subscribe for one or more Project Interests.

2.2 Disbursement of Principal Sum

The Borrower authorises the Lender to pay on behalf of the Borrower from the Principal Sum all monies due and owing or required to be paid by the Borrower to any party pursuant to the Project Agreements.

3. REPAYMENT

3.1 Interest

The Borrower agrees to pay to the Lender Interest on the Principal Sum or on so much of the Principal Sum as from time to time is outstanding. The Interest will be:

- (a) calculated from the relevant Date of Advance;
- (b) chargeable on so much of the Principal Sum as from time to time is outstanding; and
- (c) chargeable at the Higher Variable Rate set out in **Item 5 of the Schedule** PROVIDED THAT if the Borrower pays Interest on the due date the Lender will accept Interest at the Lower Variable Rate set out in **Item 5 of the Schedule**.

All unpaid Interest shall be compounded onto and form part of the Principal Sum.

3.2 Instalments of the Principal Sum and Interest

The Borrower agrees to pay to the Lender instalments of the Principal Sum and Interest in the amount and at the intervals set out in **Item 4 of the Schedule**. The instalments will commence on the date set out in **Item 4 of the Schedule**.

4. SECURITY

The Borrower HEREBY CHARGES as beneficial owner, all of its right, title and interest for the time being in the Mortgaged Property with the repayment or payment of the Secured Moneys. Until finally discharged, the security constituted by this Agreement is to be a continuing security for the observance and performance of the Borrower's obligations under this Agreement.

5. BORROWER'S COVENANTS

- 5.1 (a) The Borrower will insure the Mortgaged Property and keep it insured for its full insurable value at all times while any of the Secured Moneys remain outstanding or owing by the Borrower to the Lender.
- (b) The Borrower will on written demand by the Lender produce for inspection by the Lender the relevant policy of insurance and evidence of payment of the relevant insurance premium within two Business Days of such demand being made.
- 5.2 Without the prior written consent of the Lender, the Borrower must not:
 - (a) dispose of, deal with, or part with possession of any interest in the Mortgaged Property; or
 - (b) create or allow to exist a Security Interest which affects the Mortgaged Property; or
 - (c) waive any of its rights, or release any person from its obligations in connection with the Mortgaged Property.

6. LENDER'S POWER

At any time and without any requirement to obtain the consent of the Borrower, the Lender may create or allow to exist a Security Interest over or an interest in this Agreement or assign or otherwise dispose of or deal with its rights under this Agreement.

7. EVENTS OF DEFAULT

Upon the happening of an event of default (as defined below), the whole of the Secured Moneys (including without limitation all Interest accrued up to and including the date of the event of default) will become due and payable immediately, notwithstanding any delay or previous waiver of the right to exercise such right. The following constitute an event of default:

- (a) if the Borrower makes default in the performance of any of its obligations under this Agreement and fails to rectify that default within fourteen (14) days after receipt of written notice from the Lender specifying the default and requiring it to be rectified;
- (b) an Event of Insolvency occurs in relation to the Borrower; or
- (c) if the Borrower, being the trustee of a trust fails on its retirement as trustee of the trust to appoint a successor as trustee of the trust and to cause such successor to execute such documents as the Lender reasonably requires to ensure that this Agreement is binding on the successor.

8. EXERCISE OF RIGHTS

Without limiting the generality of the foregoing, if an event of default occurs under **Clause 7** and if the whole of the Secured Moneys are not immediately paid to the Lender in accordance with the provisions of this Agreement, the Lender may exercise all or any of the following rights:

- (a) the Lender may exercise any of the rights and powers set out in the Property Law Act (WA) or corresponding laws of any other jurisdiction, including without limitation the powers of a mortgagee upon default and the power to appoint a Receiver. Any Receiver so appointed has such further powers and discretions as the Lender may by notice in writing to the Borrower and the Receiver reasonably confer upon the Receiver; or
- (b) the Lender may sell the Mortgaged Property immediately upon or at any time after an event of default has occurred in such manner and upon such terms and conditions as the Lender thinks fit without any further notice unless such notice is required by law.

9. BREAK FEE

9.1 The Borrower must pay a fee ("Break Fee") to the Lender if:

- (a) this Agreement is terminated early due to a default by the Borrower; or
- (b) the Borrower chooses to repay the Secured Moneys before their due date for repayment.

9.2 The amount of the Break Fee will represent the Lender's reasonable estimate of the loss it suffers if the Agreement terminates early, and will take account of each of the following:

- (a) the Lender's reasonable administration costs which are incurred because the Agreement terminates early; and
- (b) all costs sustained or incurred by the Lender as a consequence of the Agreement ending early including (without limitation) the amount determined in good faith by the Lender as being any loss (such as loss of margin), cost or expense incurred by the Lender or for which the Lender may become liable because of the liquidation, repayment, re-investment or re-employment of deposits or other funds acquired or contracted for the Lender to fund or maintain the Secured Moneys.

10. APPLICATION OF MONIES

All moneys which may become payable in respect of the Mortgaged Property or upon or pursuant to the exercise of the powers of the Lender or a Receiver or any other person will be applied in the following order:

- (a) first, in payment of all reasonable costs, charges and expenses incurred by the Lender in relation to this Agreement and its enforcement;
- (b) secondly, towards payment of the Receiver's remuneration (if any), which remuneration will be such sum as is agreed between the Lender and the Receiver;
- (c) thirdly, towards all Interest due under this Agreement;
- (d) fourthly, in payment of all of the Principal Sum then owing, whether or not due; and
- (e) fifthly, to the extent not otherwise applied, to the Borrower or any other person entitled to it.

11. BORROWER'S REPRESENTATIONS

11.1 Warranties

The Borrower represents and warrants to the Lender that:

- (a) the Borrower has fully disclosed in writing to the Lender all facts relating to this loan transaction which it knows or should reasonably know and which are material for disclosure to the Lender in the context of this Agreement;
- (b) the financial information disclosing the financial condition of the Borrower most recently provided to the Lender represents a true and fair view of the financial condition of the Borrower as at the date thereof and there has been no material or adverse change in that condition since that date;
- (c) the Borrower will as from the date hereof and for so long as any of the Principal Sum remains outstanding, furnish to the Lender from time to time such information regarding the financial condition of the Borrower as the Lender may reasonably request;
- (d) the Borrower agrees to duly perform and observe all of its obligations under the Project Agreements;
- (e) the Borrower's decision to participate in the Project and to borrow the Principal Sum has been made by the Borrower without any statement, representation or conduct from the Lender as to the performance of the

Project or any return or as to the likelihood of the availability of taxation deductions or other concessions as a result of participation in the Project; and

- (f) in the event that the Borrower is a trustee of a trust, that the Borrower is empowered by the provisions of the deed establishing the trust to enter into this Agreement and the Borrower undertakes to:
- (i) exercise its right of indemnity from the trust fund of the trust and the beneficiaries of the trust in respect of obligations incurred by it under this Agreement;
- (ii) observe its obligations as trustee of the trust; and
- (iii) cause any successor of the Borrower as trustee of the trust to execute such documents as the Lender reasonably requires to ensure that this Agreement is binding on such successor.

11.2 **Own Advice**

The Borrower acknowledges that prior to having executed this Agreement, the Borrower has:

- (a) carefully read the terms and conditions of this Agreement and has understood them;
- (b) not relied upon any advice, statement, representation or warranty made by the Lender or the Lender's solicitors or their employees or agents; and
- (c) taken or will take his or her own independent legal advice in respect of this Agreement and all relevant matters.

12. **ATTORNEY**

12.1 **Appointment**

In consideration of the Lender entering into this Agreement and agreeing to advance the Principal Sum to the Borrower, the Borrower hereby irrevocably appoints the Lender, any nominee of the Lender, each authorised officer of the Lender and each Receiver, severally its attorney. Each attorney may:

- (a) in the name of the Borrower or the attorney, do anything which the Borrower may lawfully authorise an attorney to do in connection with this Agreement or the Mortgaged Property and which in the attorney's opinion is necessary or expedient to give effect to any right, power or remedy conferred on the Lender or a Receiver by this Agreement, by law or otherwise, including, without limitation demanding, suing for, recovering and receiving the Mortgaged Property from any person, executing documents and instituting, conducting and defending legal proceedings; and
- (b) delegate its powers (including, without limitation, this power of delegation) to any person for any period and may revoke a delegation; and
- (c) exercise or concur in exercising its powers even if the attorney has a conflict of interest or duty in exercising its powers or has a direct or personal interest in the means or result of that exercise of powers.

12.2 **Ratification**

The Borrower agrees to ratify anything done by an attorney or its delegate in accordance with the provisions of this **Clause 12**.

13. **NOTICES**

13.1 **Method of Giving Notices**

A notice which is required or permitted to be given by one Party to another under this Agreement must be in writing and be:

- (a) delivered by hand to that other Party's address;
- (b) sent by pre-paid mail to that other Party's last known address; or
- (c) transmitted by facsimile to that other Party's last known facsimile number.

13.2 **Time of Receipt**

A notice given to a Party in accordance with this clause is treated as having been duly received:

- (a) when delivered (in the case of it being left at that Party's address);
- (b) on the third (3rd) Business Day after posting (in the case of it being sent by pre-paid mail);
- (c) on the day of transmission (if a Business Day) or, if not a Business Day, on the next Business Day, if given by facsimile and sent to the facsimile receiver number of that Party and no intimation having been received that the notice had not been received, whether that intimation comes from that Party or from the operation of facsimile machinery or otherwise.

13.3 **Address of Parties**

For the purposes of this clause, the address of a Party is the address set out in this Agreement or another address of which that Party may from time to time give written notice to each other Party.

14. SUMS EXCLUDE GST

14.1 Definitions

In this Agreement the expressions “consideration”, “GST”, “input tax credit”, “supply”, “recipient” and “taxable supply” have the meanings given to those expressions in the A New Tax System (Goods and Services Tax) Act 1999.

14.2 Sums Exclude GST

Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under this Agreement are exclusive of GST.

14.3 Responsibility for GST

Despite any other provision in this Agreement, if GST is imposed on any supply made under this Agreement, the Borrower must pay to the Lender an amount equal to the GST payable on the taxable supply. The Borrower must pay this amount in addition to and at the same time as payment for the taxable supply is required to be made under this Agreement.

14.4 Reimbursement of Expenses

If this Agreement requires a Party to reimburse any other Party for any expense, loss or outgoing (“reimbursable expense”) incurred by another Party, the amount required to be reimbursed by the first Party will be the sum of:

- (a) the amount of the reimbursable expense net of input tax credits (if any) to which the other Party is entitled in respect of the reimbursable expense; and
- (b) if the other Party’s recovery from the first Party is a taxable supply, any GST payable in respect of that supply.

15. GENERAL PROVISIONS

15.1 Costs And Stamp Duty

The Borrower agrees to pay or reimburse the Lender on demand for all costs, charges and expenses:

- (a) of and incidental to this Agreement and the registration thereof, including all stamp duties and registration fees;
- (b) incurred in consequence of any default by the Borrower or in the due performance or observance of any covenant, term or condition of this Agreement (whether express or implied);
- (c) of and incidental to any assignment and/or discharge hereof; and
- (d) in respect of any liability of the Lender for stamp duty arising out of any receipt of money or other transaction between the Borrower and the Lender.

15.2 Default Costs

Any Party in default under any provision of this Agreement, on demand shall pay all solicitors costs and expenses incurred by any other Party arising out of that default or from the exercise of any remedy exercisable as a result of that default.

15.3 Amendment

A variation or waiver of, or any consent by a Party to any departure from, a provision of this Agreement is only effective if it is in writing and signed by the Parties. That variation, waiver or consent is effective only to the extent for which it is made or given.

15.4 Waiver

The failure, delay, relaxation or indulgence on the part of any Party in exercising any power or right conferred upon that Party by this Agreement does not operate as a waiver of that power or right. Any single exercise of any power or right does not preclude any other or further exercise of it or the exercise of any other power or right under this Agreement.

15.5 Entire Agreement

This Agreement constitutes the sole and entire agreement between the Parties concerning the subject matter hereof. A warranty, representation, guarantee or other term or condition of any nature relating to that subject matter, that is not contained, recorded, or referred to in this Agreement, is of no force or effect.

15.6 Severance

If any provision of this Agreement or the application of that provision to any person or circumstance is or becomes invalid or unenforceable, then the remaining provisions of this Agreement are not affected and are valid and enforceable to the fullest extent permitted by law. This clause has no effect if the severance alters the basic nature of this Agreement.

15.7 Further Assurance

Each Party must do, sign, execute and deliver and must procure that each of its employees and agents does, signs, executes and delivers all deeds, documents, instruments and acts reasonably required of it or them by notice from another Party to effectively carry out and give full effect to this Agreement and the rights and obligations of the Parties under it.

15.8 Counterparts

This Agreement may be executed by more than one (1) counterpart and all of those counterparts taken together constitute one (1) and the same instrument.

15.9 Attorneys

Where this Agreement is executed by an attorney on behalf of a Party, that attorney by executing declares that he has:

- (a) the necessary and appropriate authority to execute this Agreement for and on behalf of the Party; and
- (b) no notice of the revocation of the power of attorney under the authority of which he executes this Agreement on behalf of that Party.

15.10 **Governing Law and Jurisdiction**

This Agreement is governed by, and is to be construed in accordance with the law for the time being of the State. The Parties hereby agree to submit to the non-exclusive jurisdiction of the Courts of the State.

15.11 **Compliance with Laws**

In the performance of their obligations under this Agreement, the Parties shall comply with all applicable laws, rules regulations and by-laws of the Commonwealth, the State and any other jurisdiction and with all lawful orders and directions of any competent governmental body or government authority of the Commonwealth, the State or any other jurisdiction.

15.12 **Time of the Essence**

Time shall be of the essence of this Agreement in all respects.

15.13 **Remedies cumulative**

The rights, powers and remedies provided in this Agreement are cumulative with and not exclusive of the rights, powers and remedies provided by law independently of this Agreement.

15.14 **Approvals and Consents**

Where this Agreement provides for a Party to give its approval or consent, the Party may give it conditionally or unconditionally or withhold it, unless this Agreement otherwise provides.

15.15 **Payments**

A Party liable to make a payment under this Agreement is to make the payment without set off, counterclaim or deduction. The Party to whom a payment is to be made need not make a demand for payment unless a demand is expressly required.

16. GUARANTEE

16.1 **The Guarantee**

The Guarantor agrees to guarantee to the Lender the performance and observance by the Borrower of all of its obligations under this Agreement.

16.2 **Continuing Guarantee**

This is a continuing guarantee and, subject to clause 16.3, binds the Guarantor notwithstanding:

- (a) the bankruptcy or liquidation of the Borrower; or
- (b) any indulgence, waiver or extension of time given by the Lender to the Borrower.

16.3 **Termination of Guarantee**

The Parties agree and acknowledge that the guarantee given by the Guarantor shall terminate and be of no force or effect upon repayment of the Secured Moneys to the Lender in accordance with the terms of this Agreement.

16.4 **Recovery from Guarantor**

In the event of any breach by the Borrower of any term of this Agreement, the Lender may proceed to recover any amount of the Secured Moneys as at the date of the breach as a debt or as damages from the Guarantor, without first having instituted legal proceedings against the Borrower and without first exhausting the Lender's remedies against the Borrower.

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THE SCHEDULE

ITEM 1 **Date of Execution of Agreement**

_____ day of _____ 2010

ITEM 2 **(Name (ACN if applicable) and Address of Borrower):**

Full Name: _____

Address: _____

ITEM 3 **(The Principal Sum):**

AMOUNT	DATE OF ADVANCE

ITEM 4 **(Dates of Advance and Repayments):**

Term of Loan

_____ months commencing on the Date of Advance.

Repayment of Principal and Interest

As set out in attached schedule of payments

ITEM 5 **(Interest Rate Payable on the Principal Sum):**

Higher Rate:

The lower variable rate plus 3% per annum.

Lower Rate:

A fixed interest rate of _____%, accruing daily as calculated by the Lender.

ITEM 6 **(Name (ACN if applicable) and Address of Guarantor):**

Full Name: _____

Address: _____

EXECUTED AS A DEED

EXECUTED for and on behalf of **ARWON FINANCE PTY LTD**
ACN 072 486 643 by authority of the Directors in accordance with the
requirements of s.127 of the Corporations Act:

.....
Name of Director
.....
Signature of Director

.....
Name of Director / Secretary
.....
Signature of Director / Secretary

EXECUTED BY THE BORROWER

Company Borrower

EXECUTED BY

_____ **ACN/ABN** _____
in accordance with the Corporations Act:
.....
Name of Director
.....
Signature of Director

.....
Name of Director / Secretary
.....
Signature of Director / Secretary

Individual / Joint Borrowers

1. SIGNED by

.....
Name
.....
Signature

in the presence of:
.....
Witness Name in Full
.....
Witness Signature

.....
Witness Address

2. SIGNED by

.....
Name
.....
Signature

in the presence of:
.....
Witness Name in Full
.....
Witness Signature

.....
Witness Address

IF GUARANTOR IS A PARTY TO THE AGREEMENT

Company Guarantor

EXECUTED BY

ACN/ABN _____

in accordance with the Corporations Act:

.....
Name of Director

.....
Signature of Director

.....
Name of Director / Secretary

.....
Signature of Director / Secretary

Individual / Joint Guarantors

1. SIGNED by

.....
Name

.....
Signature

in the presence of:

.....
Witness Name in Full

.....
Witness Signature

.....
Witness Address

2. SIGNED by

.....
Name

.....
Signature

in the presence of:

.....
Witness Name in Full

.....
Witness Signature

.....
Witness Address