

KIMGRATS SUPER PTY LTD
(ACN 105 138 903)

20 Murray Street,
GPO Box 980
HOBART
Ph: 03 6222 9454

9th July 2018
Our ref: CT 181904

The Secretary
Southern Bay Investments Pty Ltd
PO Box 141
LINDISFARNE TAS 7015

Attention Jim Tsiakis

By Email: jatsiakis@gmail.com

Dear Jim

Further Advance from Kimgrats Super Pty Ltd (“Kimgrats”)

I refer to our telephone conversation on the 6th of July 2018. I confirm that my superannuation fund is willing to offer you a further advance of up to \$100,000.00, to be added to the existing loan of \$65,000.00 on the following terms and conditions (including the conditions of draw down as stated in this letter):

Amount	\$165,000.00 (which includes the existing loan of \$65,000.00)
Interest Rate	6.9% pa. This is a variable rate and is subject to market conditions. Interest rates will be altered in line with the changes in rates that apply to loans by BMI Ltd.
Term	As the loan is interest only, there is no set term. However Kimgrats reserves the right to conduct regular reviews of the loan and will, from time to time, require updated financial statements and if appropriate updated security valuations.
Repayments	Interest Repayments are due on the last days of March, June, September & December. A notice will be forwarded to you approximately one month prior to the due date.

Please note that a higher rate of 9.05% will apply on late payments

Payment of principal Arrangements can be made to make principal reductions at any time (usually requiring 30 days notice).

Security Existing security, consisting of second ranking registered mortgage over the titles to the balance of the sub-division land and the skyline conservation land, more particularly described in Certificates of Title Volume 159965 Folio 103 and Volume 150834 folio 1 and Units 5 and 16, of 75 Warwick Street, Hobart, more particularly described as Certificates of Title Volume 159886 Folios 5 & 16.

Personal Guarantee I will require from you, Jim Anastasia Tsiakis, a personal guarantee in support of the loan to Southern Bay Investment Pty Ltd.

Please note that the loan is payable on demand

Fees	Establishment and documentation fee	\$1,750.00
	Title Searches (x4)	\$ 126.40

Draw Down The draw down of the further advance will be as follows:

- (a) \$35,000.00 to be advanced within three (3) business days of the execution and return of the signed letter of offer and personal guarantee;
- (b) the balance funds to be drawn down within five (5) business days of the provision of sufficient evidence that the Priority Notice lodged by Rowemac Pty Ltd and Inglis Street Holdings Pty Ltd has been withdrawn and a caveat contemplated by such priority notice has not been lodged on the titles subject to the security.

I note that the purpose of the loan is to provide you with funds to discharge certain liabilities, including some disputed liabilities that have given rise to the lodgement of the Priority Notices. The funds of the initial draw down will be dealt with as follows:

- (a) the fees and outgoings with regard to the further advance as noted in this letter;
- (b) the costs of and incidental to the proposed advance from Capital Securities XV111 Pty Ltd, which will not proceed, including attendances associated with dealing with the outstanding accounts owed to Opteon and the Land Tax arrears;

- (c) discharge of the Land Tax arrears;
- (d) balance funds to be deposited into your nominated account.

If you accept the above terms and conditions, please sign the duplicate copy of this letter, which will then constitute the Loan Agreement in relation to the further advance. I will then arrange for the initial draw down amount to be prepared.

Finally, please don't hesitate to contact me on (03) 6222 9474 if you require any further details or clarification of the above information.

Yours faithfully
Kimgrats Super Pty Ltd

Per: 

Con Tsamassiros
Director


I accept the terms and conditions of the loan as contained in this letter of offer.

Jim Tsiakis
Director Southern Bay Investments Pty Ltd

Dated this 10th day of July 2018