



## **EASTWOOD SECURITIES**

EASTWOOD SECURITIES PTY LTD

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### **EASTWOOD SECURITIES MORTGAGE FUND (ARSN 146 451 792)**

#### **SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT (SPDS)**

#### **NON CODE LOAN**

**INVESTOR:** John Harold McWhirter and Suzanne Mary McWhirter

**BORROWER:** Jack Zeljko Jakovac and Lydia Jakovac as trustee for Jakovac Property Trust

**DATE PREPARED:** 14<sup>th</sup> July 2016

**ASSESSED AND APPROVED BY CREDIT COMMITTEE:**

**Peter Schembri**

**Barrie Willoughby**

## 1. The SPDS

This document is to be read in conjunction with the Eastwood Securities Mortgage Fund Product Disclosure Statement dated 6 November 2013 (PDS) applying to the Eastwood Securities Mortgage Fund (the "Fund") issued by Melbourne Securities Corporation Limited as responsible entity of the Fund (the "Responsible Entity"), a copy of which you have been supplied with.

This Supplementary Product Disclosure Statement ("SPDS") is issued on behalf of the Responsible Entity and details a particular proposed loan investment (a "Loan"), secured by a first registered mortgage ("Mortgage"), to be funded directly by specific investor(s) (the "Investor"). As a prospective Investor, you should review the information contained in this SPDS with respect to the proposed borrower (the "Borrower"), the Borrower's credit history, the relevant security property, its valuation and other information required to make an informed investment decision.

This SPDS also provides the interest rate and all pricing specific to the relevant mortgage investment. If the proposal is acceptable, Eastwood Securities Pty Ltd (the "Investment Manager") will arrange preparation of all Loan and Mortgage documentation and facilitate settlement of the Loan. The Mortgage will be registered in the Investor's name and the Investment Manager will be noted as mortgage manager and will manage the Loan on your behalf, ensuring that interest payments are made by the Borrower and forward to you as the Investor.

If you accept the mortgage investment proposal contained in this SPDS, you must return your acceptance to the Investment Manager together with the completed Application Form attached to this SPDS.

## Investment Summary

<b>INVESTOR DETAILS</b>	John Harold McWhirter and Suzanne Mary McWhirter both of 99 Donovans Road, Warrnambool Vic 3280
<b>BORROWER (S)</b>	Jack Zelijko Jakovac and Lydia Jakovac as trustee for Jakovac Property Trust all of Unit 20, 18 Barramul Street, Bulimba Qld 4171
<b>MORTGAGOR</b>	Jack Zelijko Jakovac and Lydia Jakovac as trustee for Jakovac Property Trust all of Unit 20, 18 Barramul Street, Bulimba Qld 4171
<b>GUARANTOR(S)</b>	Majestic Pools and Landscapes Pty Ltd A.C.N. 051 074 698 and Majestic Constructions Pty Ltd A.C.N. 141 217 370 both of Steve Garton Accountancy of Unit 25, 5-13 Parker Street, Maroochydore Qld 4558
<b>PURPOSE OF LOAN</b>	Renew existing loan facility and extend term for further 12 months
<b>LOAN AMOUNT</b>	\$950,000
<b>TERM</b>	12 months from 16 <sup>th</sup> July 2016
<b>INTEREST RATE</b>	8.00% per cent per annum Net to Investor
<b>PAYMENT OF INTEREST</b>	Payment of \$6,333.33 interest per month paid monthly in arrears for the term of the loan.
<b>LATE PAYMENTS</b>	In the event the monthly interest is not paid on time Interest will be charged at the default rate until the payment is made. Default Interest rate: 11.00% per annum to the Investor (the “ <b>Default Rate</b> ”).
<b>SECURITY</b>	Registered First Mortgage over Commercial industrial property at Unit 1, 38 Devlan Street, Mansfield Qld 4122 Certificate of Title 50279658 (the <b>Security Property</b> )
<b>NOTES ON SECURITY</b>	Refer to attached Valuer’s report dated 29 <sup>th</sup> June 2015. Extract taken from Valuation report: Commercial Industrial Property Valued at \$1,380,000 Loan to Value Ratio 69%
<b>PAYMENT OF RATES &amp; TAXES</b>	Refer attached Council rates notices.
<b>PAYMENT OF LAND TAX &amp; EMERGENCY SERVICES LEVY</b>	Refer attached notices
<b>NATIONAL CREDIT CODE</b>	This loan <i>is not</i> governed by the National Consumer Credit Protection Act, 2009
<b>LOAN SERVICING</b>	The Borrower(s) warrants that it is able to meet its obligations for the payment of interest from income derived from the following sources: Account has been well conducted over the past 12 months. CBA Business Banking statement are attached & BAS statements
<b>CREDIT HISTORY</b>	The borrowers have conducted their loan in a credit worthy manner for the first twelve months. Veda Credit Score – John 806 – Good score, nothing adverse Veda Credit Score – 881 – Good score, nothing adverse
<b>EXIT STRATEGY</b>	Refinance at lower interest rate once the planned business expansion has been fully established and stabilised.
<b>EARLY TERMINATION</b>	For all fixed rate loans interest is payable for a minimum of six (6) months. Should the Borrower elect to repay the loan during this period, six (6) months Interest will be payable. Any interest so payable from an early termination will be paid 50% to the Investor and 50% to the

Investment Manager. After the initial six (6) months, should the Borrower repay the Loan prior to the expiration of its term, the Borrower must also pay a minimum of one (1) months Interest to the Investor.

This clause is not applicable as the loan is past its initial term.

**LATE REPAYMENT**

In the event that the loan is not repaid on or before the expiration of the Loan Term Interest on the outstanding balance of the loan will be charged at the default rate until the loan is repaid.

In the event that the loan principal is not repaid on or before the expiration of the loan term and the Borrower is continuing to meet all interest payments the Investment Manager may allow the loan to continue for a further term of up to 6 months pending, at the Investors discretion, to;

- a) Formally renew the loan on new agreed conditions
- b) Allow continuation of the loan for a further term on the original loan terms and conditions
- c) Commence default proceedings to take possession of the security and recover outstanding Loan Principal interest and associated costs (Should default in repayment continue for thirty (30) days, the Borrower must also pay the investor one (1) month's interest at the default rate on the outstanding balance of the Loan upon repayment of the Loan).

**INSURANCE**

A Certificate of Currency of Insurance issued by QUS;

- o Body Corporate Insurance
- o Expiry date 12/10/2016

**ANNEXURES**

1. Valuation report from CSA Valuers dated 25/06/2015;
2. Floodwise Property report;
3. Council rate's Notice (Apr 2016 – Sep 2016);
4. Credit reports (2) dated 14/07/2016;
5. ASIC Company searches for both companies ;
6. Evidence of Income – Business Banking statements & BAS;
7. Body Corporate Insurance, COC dated 23/09/2015;

**OTHER COMMENTS**

Payments have been made over the past 12 months without default.

## 2. Disclaimer and Warning Statement

### Confirmation

I/We understand that an investment in the Fund is different to a cash deposit or an investment in an authorised deposit taking institution (“ADI”). I/We understand that performance of the Fund is not guaranteed and that investors may lose of or all of their investment.

### No advice

I/We acknowledge and understand that:

1. The investment Manager is not authorised to give advice, and does not get advice:
  - (a) in relation to the Fund; and
  - (b) regarding the appropriateness of the Fund to my/our objectives, financial situation and needs;
2. Gerry Greenway, an authorised representative of the Investment Manager (the “Representative”);
  - (a) is not authorised by the Investment Manager to give advice, and does not get advice, in relation to the Fund; and
  - (b) is not authorised to give advice, and does not get advice, regarding the appropriateness of the Fund to my/our objectives, financial situation and needs.
3. The Representative has not prepared a financial plan for me/us and I/we have not relied upon or been influenced by the Representative in my/our decision to invest in the Fund.
4. I/We have independently satisfied myself/ourselves that my/our investment in the Fund is appropriate and my/our objectives, financial situation and needs.

### Cooling-off period

I/We acknowledge and understand that the Fund is not liquid and that as an Investor my/our participation is via sub-scheme mortgage investments, and as such a cooling-off period does not apply to the Fund.

### Authority to proceed

By completing the Application Form below, (I/we authorise the Representative to submit our application in the Fund (the “Application”).

### **3. Appointment as Attorney**

In previously signing the application form attached to the PDS, the Investor appointed the Investment Manager to be its attorney, amongst other things to:

1. execute a Mortgage agreement, variation or discharge and, in the event of a default, a contract of sale and transfer of mortgage security;
2. take possession of any mortgage security and exercise the mortgagee power of sale;
3. recover all outstanding interest or principal secured by the Mortgage; and
4. do all things that are necessary to give effect to any document considered to be in the interests of the investors on the terms and conditions contained in the PDS and/or this SPDS.

# 4. Application Form

## Section 1. Investor Details

<b>Investor Details</b>	<b>Investor 1 Surname</b>	McWhirter		
	<b>First Name (s)</b>	John Harold		
	<b>Title</b>	Mr	<b>Date of Birth</b>	19/05/1955
	<b>Investor 2 Surname</b>	McWhirter		
	<b>First Name (s)</b>	Suzanne Mary		
	<b>Title</b>	Mrs	<b>Date of Birth</b>	08/06/1955
	<b>Company Investor, Company or Trustee</b>			
	<b>Account Designation</b>			
	<b>Contact Name</b>	John		

Section 2. Investment Details

**Payment Options:**

Cheque

Make your cheque payment to 'Sandhurst Trustees Limited ACF Eastwood Applications Account' and post to:

Eastwood Securities Pty Ltd  
Suite 5, 1 Morkey Street, Eastwood SA 5063

EFT

Make your transfer to 'Sandhurst Trustees Limited ACF Eastwood Applications Account':

**National Australia Bank**

BSB: 083 376

Acct No: 18 354 5210

Section 3. Distribution Details

<input type="checkbox"/> Please nominate your account for receipt of income distributions OR <input type="checkbox"/> Please forward income distributions by cheque			
	Financial Institution	Westpac	Branch
Account Name	JH & SM McWhirter		
BSB	033-263	Account Number	272762



## Section 4 Application Declaration

I/we declare that:

I/we do not make loans as part of a business of lending money or as part of this Application Form; or of or incidentally to any other business, and therefore do not believe that the National Credit Code will apply to the Loan the subject of this application form.

All details in this application are true and correct;

I/we have received a copy of the current PDS to which this application applies and read it and agreed to the offer contained in it and to be bound by the provisions of the Constitution.

I/we have legal power to invest in accordance with this application;

In the case of joint applications, the joint applicants agree that unless expressly indicated on this application form, the units will be held as joint tenants and either investor is able to operate the account and bind the other investor for future transactions, including additional deposits and withdrawals.

If this application is signed under Power of Attorney, the Attorney declares that he/she has not received notice of revocation of that power (a certified copy of the Power of Attorney should be submitted with this application unless we have already sighted it).

Sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the investing company.

If investing as Trustee, on behalf of a superannuation fund or trust I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the trust deed. In the case of superannuation funds, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act 1993 (Cth).

I/we acknowledge that I/we have read the pages of the PDS containing the information under the heading 'Privacy and personal information'.

I am/we are aware that until I/we inform Eastwood Securities Pty Ltd otherwise, I/we will be taken to have consented to all the uses of my/our personal information (including marketing) contained under that heading.

I/we understand that if I/we fail to provide any information requested in this application form or do not agree to any of the possible exchanges or uses detailed above, my/our application for investment may not be accepted.



I/we acknowledge that investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or capital invested, and are not deposits with, or liabilities of the Investment Manager or the Responsible Entity; and

I/we acknowledge that none of Eastwood Securities Pty Ltd, Melbourne Securities Corporation Limited or its or their related entities guarantees the performance of the Fund or the repayment of capital or any particular rate of return or any distribution.

Section 4 Application Declaration (cont'd)

Signature / Execution

Signed/Executed by the Investor in acknowledgement of the statements set out in this SPDS of No Advice and Authority to Proceed.

Investor Signature (please sign)		Date: 8/8/16
	Individual/Director/Sole Director	
Print Name	John Harold McWhirter	
Investor Signature (please sign)		Date: 8/8/16
	Individual/Director/Sole Director	
Print Name	Suzanne Mary McWhirter	