

DATED 29th day of August 2017

BETWEEN:

***LUBUTU PTY LTD A.C.N 010 173 234 as trustee for the STEINDLS
SUPERANNUATION FUND and PIEMONTE PTY LTD A.C.N 077 890 156
as trustee for the WE & RB SUPERANNUATION FUND***

(LENDER)

AND:

KENNETH KORAKALI AND LORMA CONSTRUCTIONS LIMITED

(BORROWER)

DEED OF LOAN

Our Ref: GBE:SJB:180130

DEED OF LOAN

THIS DEED is made this *29th* day of August 2017

BETWEEN **KENNETH KORAKALI AND LORMA CONSTRUCTIONS LIMITED** of 7010 Circa Vista Drive Benowa in the State of Queensland (hereinafter together with its successors and assigns called "the Borrower") of the One Part AND **LUBUTU PTY LTD A.C.N 010 173 234 as trustee for the STEINDLS SUPERANNUATION FUND** of Level 6 RSL Centre 9 Beach Road Surfers Paradise in the State of Queensland AND **PIEMONTE PTY LTD A.C.N. 077 890 156 as trustee for the WE & RB SUPERANNUATION FUND** of Level 6 RSL Centre 9 Beach Road Surfers Paradise in the State of Queensland (hereinafter together with their successors and assigns called "the Lender") of the Other Part.

WHEREAS:

- A. The Borrower has requested the Lender to lend and advance to the Borrower the sum of **ONE HUNDRED AND SIXTY THOUSAND DOLLARS (\$160,000.00)** which the Lender has agreed to do upon and subject to the terms and conditions hereinafter set out and further subject to and conditional upon the Borrower entering into this Deed and providing and or procuring the securities and instruments hereinafter specified.
- B. The Borrower has full legal capacity to enter into these presents and in the event of the Borrower being a company and/or a Trustee, the Borrower is duly empowered by its Constitution and/or by the relevant instrument of Trust so to do and the Borrower has taken all necessary Corporate and/or Trust steps and passed all necessary resolutions to become bound by this Deed.

NOW IN CONSIDERATION of the said agreement and of the said sum of **ONE HUNDRED AND SIXTY THOUSAND DOLLARS (\$160,000,00)** (hereinafter called "the principal sum") so agreed to be lent and advanced by the Lender to the Borrower as aforesaid (as the Borrower does hereby acknowledge and admit) and of the premises THIS DEED WITNESSES as follows:-

1. Definitions:

Except to the extent that the following interpretation shall be excluded by or be repugnant to the context, wherever herein used the word "Mortgagor" shall mean and include each and every Mortgagor named in the said securities and if the Mortgagor is an individual or individuals mean and include each Mortgagor, his or their and each of their respective executors, administrators, and assigns or if the Mortgagor is a body or bodies corporate, its or their and each of their respective successors and assigns; the word "Lender" shall mean and include the Lender, its successors and assigns; the word "Borrower" shall if the Borrower be an individual or individuals mean and include the Borrower, his or their and each of their respective executors, administrators and assigns or if the Borrower be a body or bodies corporate its or their and each of their respective successors and assigns; the word "Guarantor" shall if the Guarantor be an individual or individuals mean and include the Guarantor his or their and each of their respective executors, administrators and assigns or if the Guarantor or Guarantors be a body or bodies corporate its or their and each of their respective successors and assigns; the word "person" shall include a body corporate; "month" shall mean calendar month; "the said securities" shall mean and include those securities, instruments and/or certificates or other indicia of Title described in Clause 7.1 hereof; references to Statutes shall include all Statutes amending, consolidating or replacing the Statutes referred to; words importing the singular number or plural number shall be deemed to include the plural and singular number respectively, words importing any gender shall include the other genders; and when two or more Borrowers or two or more Guarantors are

parties hereto the covenants and agreements on their respective parts herein contained or implied shall bind them and every two or greater number of them jointly and each of them severally.

2. Principal sum payable:

The Borrower will pay to the Lender all sums of money lent or advanced (hereinafter called "the principal sum") and all other sums and obligations becoming money secured herein on the 28th day of August 2018.

3. Interest:

That so long as the principal sum or any part thereof shall be owing or unpaid or by virtue of this security or any collateral security hereto or upon any judgment or order in which any covenant herein may become merged the Borrower will pay interest on the principal sum or any part thereof in the manner from time to time and/or to the person or persons, firm or firms, corporation or corporations as the Mortgagee may direct at the rate of TWENTY SIX PER CENTUM (26%) PER ANNUM as follows, namely:

By equal payments monthly in advance on the 29th of each month in each and every year until the principal sum shall be fully paid and satisfied the first of such payments computed from and payable on the 29th day of August 2017 and thereafter to be made on the 29th day of each month PROVIDED ALWAYS and it is hereby agreed and declared, that if the Borrower shall on every day on which interest is hereinbefore made payable under this security, pay to the Lender interest on the principal sum or on so much thereof as shall for the time being remain unpaid at the rate of TWENTY ONE PER CENTUM (21%) PER ANNUM and shall also duly observe and perform all and every the covenants on the Borrower's part herein contained or implied then the Lender shall accept interest on the said principal sum or on so much thereof as shall for the time being remain unpaid at the rate of TWENTY ONE PER CENTUM (21%) PER ANNUM in lieu of TWENTY SIX PER CENTUM (26%) PER ANNUM for every month for which such interest shall be paid to the Lender within the prescribed time aforesaid.

4. Manner and Place of Payment:

The Borrower will pay all moneys payable hereunder or secured hereby to the Lender free of all deductions at such place or places as the Lender may from time to time direct, and any remittance or tender other than in legal tender, notwithstanding the issue of any receipt thereof shall only constitute payment to the Lender to the extent of and on the date when the same shall have been actually received by the Lender in legal tender.

5. Capitalisation of Interest:

If any payment of interest hereunder or any part thereof (or any interest payable on arrears of interest capitalised under the Clause) shall not be paid on the due date then the interest so in arrears may at the option of the Lender but only at such option (without prejudice to the right of the Lender to sue for and recover such interest or to the other rights and powers of the Lender) be added to the principal sum hereby secured and shall thenceforth bear interest as principal moneys and all covenants and provisions herein contained or implied with respect to interest on the principal sum shall equally apply to interest on such arrears.

6. Other Advances:

Notwithstanding anything to the contrary herein contained or implied this Deed secures and the securities hereinafter referred to shall stand charged with all amounts from time to time advances, paid or payable by the Lender to, for or on account of or at the request of the Borrower or to, for on account of any Guarantor on any account whatsoever or otherwise owing by the Borrower or by any Guarantor to the Lender and whether advanced, paid or payable to or on account of, or at the request of the Borrower solely or jointly with any other person or at the Borrower's request solely to any other person and whether pursuant to this Deed or any security or instrument now or hereafter collateral hereto or otherwise and whether for money lent or paid on account of or obligations or liabilities incurred on behalf of the Borrower and/or any such other person and whether present, future or contingent. The Lender may in its discretion decline to release this Deed whilst any moneys remain owing by the Borrower upon any other account or pursuant to any other security or agreement whatsoever, and default by the Borrower or by any Guarantor in the payment of any moneys which may be owing to the Lender upon any such other account, security or agreement shall be and be deemed to be default hereunder. The Borrower hereby covenants and agrees to pay to the Lender all such further sum or sums of money from time to time advanced or owing as aforesaid together with interest thereon, in accordance with the relevant agreement between the Borrower and the Lender PROVIDED HOWEVER that should there be no such agreement in writing or otherwise then all further sum or sums from time to time advanced or owing shall bear interest at the rate aforesaid computed from the time or respective times of the same being advanced or becoming owing and all such sums with interest thereon shall be payable on demand.

7. Collateral Securities:

- 7.1 The Borrower shall, as a condition precedent to the making of the within loan, procure the securities and instrument set out in Item 1 of the Schedule hereto to be executed and delivered to the Lender as security for the repayment of the principal sum, interest thereon and all other moneys being and becoming principal moneys hereunder.
- 7.2 If default shall be made under any of the said securities or any other instrument now or hereafter collateral hereto in favour of the Lender such default shall be and be deemed to be default by the Borrower hereunder and all the rights and powers of the Lender hereunder shall immediately thereupon or any time thereafter be exercisable by the Lender, and if default shall be made by the Borrower hereunder then such default shall be and be deemed to be default under all other securities or instruments now or hereafter collateral hereto executed in favour of the Lender and all the rights and powers of the Lender under such other securities or instruments or any of them shall immediately thereupon or at any time thereafter be exercisable by the Lender.
- 7.3 The abovementioned securities and instruments are hereby declared to be collateral hereto and to each other and the Borrower covenants with the Lender that this Deed and all such securities and instruments shall collaterally secure the total of all the indebtedness and obligations of the Borrower hereunder and of the Mortgagors and Guarantors under the said securities and instruments respectively.
- 7.4 The Lender shall be at liberty to release in whole or in part any securities or instruments now or hereafter collateral hereto at any time the Lender may see fit, and no such release shall in any way affect, prejudice or invalidate any security or instrument collateral to any security or instrument so released or to which any such security or instrument so released may be collateral, or any covenant, condition, stipulation, agreement or proviso

contained in any security or instrument not so released, and there shall not be any obligation whatsoever on the Lender to resort to any security or instrument in priority to any other or others of such securities or instruments.

8. Continuing Security:

This Deed and all securities and instruments now or hereafter collateral hereto shall be deemed a running and continuing security or securities irrespective of any sums which may from time to time be paid by the Borrower or by any Mortgagor or by any Guarantor to or to the credit of the Borrower or of any Mortgagor with the Lender, and notwithstanding that at any time there may be no moneys owing hereunder this Deed shall remain in force until a final discharge thereof shall have been executed by the Lender.

9. Payment of Costs and Disbursements:

The Borrower will upon demand pay to the Lender all costs of the preparation, execution and stamping of these presents (including stamp duty and credit or discount transaction duty payable by the Lender in respect of all loans or discount transactions hereunder) and any release thereof and any out of pocket expenses incurred by the Lender and the expenses of any valuation or report of or concerning the said securities, and of the exercise or enforcement or attempted exercise or enforcement of any power, right or remedy of the Lender hereunder or which the Lender may in any way incur in respect of the protection of this and any other security and the said securities or owing to the non-observance or non-performance of any covenant on the part of the Borrower or of any Mortgagor herein or therein contained or implied. Any legal professional costs incurred by the Lender shall be payable by the Borrower on a full indemnity basis and in accordance with the standard Fee Agreement entered into between the Lender and their legal advisors pursuant to the Legal Profession Act 2007 (Qld).

10. Non-Merger:

Any sum of money (including costs) represented by any unsatisfied judgment for any moneys payable hereunder shall (notwithstanding that the same has become a judgment debt) for the purpose of computing interest be principal moneys and this security shall not merge in such judgment.

11. Trustee

In the event that the Borrower grants a Bill of Mortgage over the land as trustee of any trust, the following covenants shall have effect whether or not the Lender has notice of any such trust:-

- (i) The Borrower shall be personally liable for the performance of all covenants respectively imposed by the Bill of Mortgage;
- (ii) The Borrower represents and warrants the Lender that the Borrower has full complete and valid authority pursuant to its respective trust to grant the Bill of Mortgage over the land to secure payment of the principal sum;
- (iii) Notwithstanding any reference in the Bill of Mortgage to the land as the property of the Borrower, the covenants contained in the Bill of Mortgage shall not be limited to the estate or interest of the Borrower as trustee but shall extend to the full beneficial interest in the land.

- (iv) The trust or trusts shall not be altered unless the Lender is given notice of the trust and of the proposed alteration and gives written consent thereto;
- (v) None of the following powers shall be exercised by the trustee nor by any other person in relation to the respective trust unless the Lender is given notice of the trust and of the proposed exercise and gives written consent to such exercise:-
 - (a) any power to alter or vary the trustee or trustees of the trust whether by resignation appointment or otherwise;
 - (b) any power to advance or distribute capital;
 - (c) any power to vary the terms of the trust;
 - (d) any power to resettle the trust property;
 - (e) any power to add any beneficiaries or class of beneficiaries to the trust;
 - (f) any power to distribute any income of the trust whilst there is any failure or continuing failure of the Borrower to pay any part of the principal moneys which has become payable or duly or punctually to observe or perform any obligation on the part of the Borrower under the Bill of Mortgage;
- (vi) Any breach of trust by any trustee as aforesaid shall constitute an event of default under this Deed;
- (vii) In the event of the Borrower being a trustee the Borrower warrants that the terms of the relevant trust create no impediment to the granting of the Bill of Mortgage nor create any reason why this clause should be ineffective AND all persons of full capacity whose consents or covenants are necessary to ensure the effectiveness of this clause have by Deed so covenanted.
- (viii) If without the consent of the Lender as aforesaid any other trustee is substituted for any presently existing trustee as trustee of the relevant trust, or if any additional trustee is appointed thereto, each reference to the trustee or to a trustee in this clause shall be construed as including a reference to each and every such substituted trustee and to each and every additional trustee;
- (ix) The rights of the Lender under the Bill of Mortgage take priority in all respects over the rights of the beneficiaries of the relevant trust, whether or not such rights have vested or are merely contingent or expectant upon the exercise by the trustee of a discretion.

12. Interest on Judgment:

If any judgment shall be entered by the Lender against any Mortgagor, any Guarantor and/or the Borrower in respect of any debt consisting of principal, interest or other moneys secured hereby the Borrower agrees to pay interest on the judgment debt from the date of judgment until

payment of the same. Such interest shall be calculated and payable at the rate aforesaid and otherwise in the manner applicable to such debt immediately before entry of judgment thereon.

13. Notices:

Any notice to be given hereunder may be signed by the Lender or his Solicitor provided that any notice purporting to be so signed shall unless the contrary be proved be deemed to have been so signed AND notwithstanding that at the date of the giving or service of the notice the Borrower is absent from the State and/or has no agent in the State or is deceased or has no personal representative or is mentally ill or mentally defective or bankrupt or (in the case of a corporation) may be in the course of liquidation or wound up and notwithstanding any other matter or event whatsoever, such notice shall be sufficiently given or served if served personally on the Borrower or if posted to and addressed to the Borrower at its address aforesaid or as last known to the Lender and shall be deemed to be received by the Borrower at the time such letter would in the ordinary course of post reach such address even if the notice is not actually received by the Borrower or does not reach such address at all. Without prejudice to any of the foregoing, any such notice may also be served in any of the ways mentioned in Section 347 of the *Property Law Act 1974* (Qld).

14. Waiver

All the rights and powers of the Lender hereunder and at law (including the power of sale) shall remain and continue in full force notwithstanding any apparent waiver, neglect, forbearance, omission or delay in the enforcement thereof on any prior occasion for any reason whatsoever. It is agreed and declared that no servant or agent of the Lender has actual or ostensible authority to waive any of the rights of the Lender hereunder or represent that such rights will not be exercised either temporarily or permanently or to give any warranty, consent or promise other than by a document which purports to be and is in fact executed by such servant or agent and no purported waiver, representation, warranty, consent or promise of the Lender shall have any force or effect unless so executed and no waiver, representation, warranty, consent or promise shall be implied with conduct or failure to act on the part of the Lender:

15. Acceleration of Principal:

Upon default being made in the due payment of the principal sum or any part thereof and/or interest on any of the days when the same respectively shall become payable or if default be otherwise made by the Borrower hereunder, then the whole of the principal sum and all other moneys owing hereunder or secured hereby shall at the option of the Lender (but only at such option) immediately or at any time thereafter become due and the Borrower will thereafter pay the same on demand.

16. Events of Default.

The whole of the principal sum and all other moneys owing hereunder or secured hereby shall also at the option of the Lender (but only at such option) immediately or at any time thereafter become due and payable to the Lender, without the necessity for any demand, in each or any of the following events:

- 16.1 Where any Mortgagor, the Borrower or any Guarantor of the Borrower is a body corporate, if a Petition is presented or an application is made or a resolution is passed for winding up any such Mortgagor, the Borrower or such Guarantor or if proceedings are instituted or a meeting is called with a view to obtaining any such or to pass any such resolution, or if a Receiver, Receiver and Manager or Official Manager or Scheme

Manager of the undertaking or assets of any Mortgagor, the Borrower or such Guarantor or any part thereof be appointed, or if any Mortgagor, the Borrower or such Guarantor shall without the written consent of the Lender make or attempt to make any alteration in its Memorandum or Articles of Association which might in the opinion of the Lender detrimentally or prejudicially affect the interests of the Lender.

- 16.2 Where any Guarantor of the Borrower or of any Mortgagor is an individual, if such Guarantor shall become bankrupt or a bankruptcy petition be presented against him or if he shall commit any act of bankruptcy or execute a deed of assignment or deed of arrangement or enter into any composition with his creditors pursuant to the Bankruptcy Act 1966.
- 16.3 If any Mortgagor, the Borrower or any Guarantor of any Mortgagor or of the Borrower shall suffer judgment in any Court of competent jurisdiction which is not forthwith satisfied.
- 16.4 If any Mortgagor, the Borrower or any Guarantor of any Mortgagor or of the Borrower shall do or omit to do anything whereby his or its estate or assets may be or become liable to be seized in execution.
- 16.5 If any Mortgagor or the Borrower or any Guarantor shall make default under any Bill of Mortgage or Encumbrance or other security or instrument collateral hereto.
- 16.6 If any Mortgagor or the Borrower or any Guarantor shall commit a breach of any term, stipulation or condition contained or referred to in the Lender's approval letter or contained in this Deed or in any other agreement between the Borrower and/or any Mortgagor and the Lender relative to the moneys hereby secured or the means of application thereof.

17. Time:

In respect of the term hereof as against the Borrower, the time shall be of the essence.

18. Choice of Law:

This Deed shall be governed by and construed and interpreted in accordance with the law of Queensland, it being hereby declared that the law of Queensland is the proper law of this Deed.

19. Authorities to Date and Complete:

For the consideration aforesaid, the Borrower hereby authorises the Lender and/or his Solicitor to date this Deed and complete the Schedule hereto consistently with the Agreement between the Borrower and the Lender and with the relevant circumstances.

20. Further Assurances:

The Borrower shall from time to time and at all times hereafter so long as any moneys are owing to it by the Lender execute and do all such lawful assurances and things for the better and more perfectly assuring to the Lender the repayment of the principal sum and interest thereon.

21. *Right To Repay:*

This loan may be repaid at any time before the due date. However, in the event that the loan is repaid within the first six (6) months then the Borrower must pay the equivalent of six (6) months interest at the lower rate provided that at the time the Borrower is not in default in which case the Borrower shall pay interest at the higher rate (and any interest so paid in advance shall be non refundable by the Lender to the Borrower) and should the loan be repaid after the initial six (6) months then the Borrower must provide to the Lender thirty (30) days notice in writing and pay one (1) month's interest at the lower rate, (or one (1) month's interest at the higher rate if at the time the Borrower gives notice to the Lender the Borrower is in default) in addition to the Principal and any other moneys owing to the Lender.

22. *Special Conditions:*

22.1 *Loan Administration Fee*

This clause has been intentionally deleted.

22.2 *Loan Renewal Fee*

This clause has been intentionally deleted.

22.3 *Loan Establishment Fee*

This clause has been intentionally deleted.

22.4 *Loan Default Cost*

In the event of a default by the Borrower of any of the terms of this Deed of Loan or of any of the terms of the collateral securities necessitating instructions being given to the Solicitors for the Lender to issue a Notice of Default, a fee of \$650.00 plus GST will be payable to Steindls Solicitors, in addition to any further legal costs incurred by the Lender in instructing its Solicitors to issue such Notice of Default.

22.5 *Discharge of Mortgage Fee*

The Borrower acknowledges a fee of \$650.00 plus GST is payable to Steindls Solicitors with respect to arranging a Release/Discharge of Mortgage in addition to any legal fees otherwise incurred by the Lender with respect to such Release/Discharge of Mortgage.

22.6 *Lender's Legal Fees*

The Borrower shall pay the lender's legal fees with respect to preparing executing and registering the Mortgage and related loan documents and any costs on an indemnity basis incurred by the Lender in the event of a Default by the Borrower. In addition to such legal fees, the Borrower shall be liable for all disbursements, outlays including search and registration fees, and government fees or duties payable with respect thereto.

22.7 Application Fee

An amount equivalent to 1.5% of the Principal Sum is payable to GMI Consulting with such amount being drawn from the funds advanced by the Lender to the Borrower at the time of settlement of the loan advance.

22.8 No application of The Uniform Consumer Credit Code

The Borrower confirms that the advance proceeds/principal sum is required for business and/or investment purposes and thereby acknowledges that this transaction is not regulated by *The Uniform Consumer Credit Code*.

22.9 Brokerage Fee

This clause has been intentionally deleted.

22.10 Introduction Fee

This clause has been intentionally deleted.

22.11 Commitment Fee

This clause has been intentionally deleted.

22.12 Limit on First Mortgage

- (i) The Borrower has represented to the Mortgagee that the amount advanced by its First Mortgagee and secured over the property situated at 7010 Circa Vista Drive Benowa in the State of Queensland in an amount of Five Hundred and Fifty Five Thousand Dollars (\$555,000.00) (the First Mortgage Principal).
- (ii) The Borrower shall not increase the amount of the First Mortgage Principal without first obtaining the consent in writing from the Mortgagee, which consent may be granted or refused in the absolute discretion of the Mortgagee.

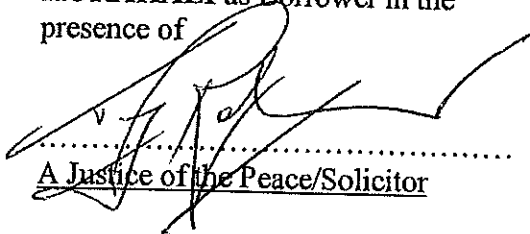
THE SCHEDULE HEREINBEFORE REFERRED TO

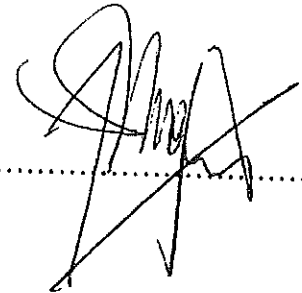
ITEM 1: THE SECURITIES:

- (a) A second registered mortgage over the land and dwelling situated at 7010 Circa Vista Drive Benowa in the State of Queensland and more particularly described as Lot 10 on Group Titles Plan 107148, Title Reference 50535600.
- (b) Deed of Loan between LUBUTU PTY LTD A.C.N. 010 173 234 AS TRUSTEE FOR THE STEINDLS SUPERANNUATION FUND and PIEMONTE PTY LTD A.C.N. 077 890 156 AS TRUSTEE FOR THE WE & RB SUPERANNUATION FUND (as Lender) and KENNETH KORAKALI and LORMA CONSTRUCTIONS LIMITED (as Borrower).

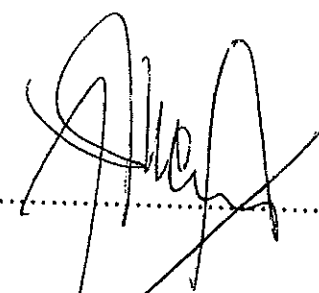
IN WITNESS WHEREOF the parties hereto have executed these presents this 18th day of August 2017 in the manner hereunder appearing.

SIGNED by the said **KENNETH KORAKALI** as Borrower in the presence of




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A Justice of the Peace/Solicitor

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SIGNED by the said **LORMA CONSTRUCTIONS LIMITED** as Borrower by its duly authorised Director

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SIGNED by the said **LUBUTU PTY LTD ACN 010 173 234 AS TRUSTEE FOR THE STEINDLS SUPERANNUATION FUND** as Lender in accordance with Section 127 of the Corporations Act

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Director 
Director 

SIGNED by the said **PIEMONTE PTY LTD A.C.N. 077 890 156 AS TRUSTEE FOR THE WE & RB SUPERANNUATION FUND** as Lender in accordance with Section 127 of the Corporations Act

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