

INVESTMENT AGREEMENT

BROOKWAY CONSTRUCTION FUNDING

SYNDICATE 8 SQUARED PTY LTD (ACN: 616 378 557)

INVESTMENT AGREEMENT

THIS AGREEMENT is made on the 5th day of July 2021

BETWEEN

SYNDICATE 8 SQUARED PTY LTD (ACN: 616 378 557)

of Level 3, 80 Dorcas Street, South Melbourne, VIC 3205

("The Company")

And

THE PARTY NAMED AS THE INVESTOR IN THE SCHEDULE HERETO

("The Investor")

("collectively referred to as "the Parties")

WHEREAS

- A. The Company is the registered proprietor of the Property at 17 Ashmore Street Everton Park, Queensland 4053 being the Lot 48 on Registered Plan (RP) 72156.
- B. The Investor has agreed to enter into this Agreement for the purpose of contributing to the funding of Development and Construction of the Project Properties for sale and profit.
- C. The Investor shall be entitled to receive an allocation of its shares in the Company commensurate to the Investor's Investment Amount.
- D. The Parties enter into this Agreement to more formally particularise their rights and obligations.

NOW THIS AGREEMENT WITNESSES AS FOLLOWS:

OPERATIVE PART

1. Definitions

1.1 Definitions

In this Agreement, unless the context otherwise requires:

Claim includes a claim, notice, demand, action, proceeding, litigation, investigation, judgment, damage,

Loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute and whether involving a third party or a party to this Agreement;

Class A Shares means 'A' Class Redeemable Preference shares in line with clause 4;

Commencement Date has the meaning given in clause 2;

Company means SYNDICATE 8 SQUARED PTY. LTD. (ACN: 616 378 557);

Completion of the Project means 30 days after the date all Contracts of Sale for the four (4) contemporary townhouses of the Project have settled;

Commencement of Construction means to conduct significant site preparation work on the property or the commencement of a work of improvement of such property.

Constitution means the rules that comprise the Constitution of the Company in force for the time being;

Construction means the act or process of constructing, for the realisation of the Project Properties for sale;

Contract of Sale means a contract for the sale of contemporary townhouses of the Project entered into between the Company of the Project Properties as vendor and a Third Party Purchaser as purchaser;

Development means the improvement of raw land situated upon the Project Properties;

Investment Account means the established National Australia Bank interest-bearing account named 'SYNDICATE 8 SQUARED PTY LTD';

Investment Amount means the amount of money paid by the Shareholder to the Company of the Project Properties to acquire their Shares in the Company being the amount set out in Schedule 1.

Investment Term means the investment term specified in Schedule 1.

Investor means the party named in Schedule 1;

Issue Price means the price at which the share is issued;

Loss includes any loss, damage, cost, charge liability (including Tax liability) or expenses (including legal costs and expenses);

Manager means Project manager;

Minimum Investment Amount means \$100,000 AUD equal to the purchase of 100 shares within the Company;

Mortgage means any registered or unregistered encumbrance in respect to the Project Properties including any separate parcel of land created from the Project Properties through subdivision or otherwise;

Project means the renovation and development of the four(4) contemporary townhouses on the Project Properties for sales and profits;

Project Investment Fund means all monies received by the Company from investors in consideration for Shares they acquire in the Company;

Project Properties refers to: 17 Ashmore Street Everton Park, Queensland 4053

Lot 48 on Registered Plan (RP) 72156.

Return on Investment (ROI) means the return or interest received by the Investor as their Return on the Investment Amount;

Tax means any tax, levy, charge, impost, fee, deduction, withholding or duty, including stamp and transaction duty or any goods and services tax (including GST), value added tax or consumption tax, which is imposed or collected by a government agency, except where the context requires otherwise. This includes any interest, fine, penalty, charge, fee or other amount imposed in addition to those amounts;

Term means the term of this Agreement from the Commencement Date until the repurchase of the Shares pursuant to clause 13;

Third Party Purchaser means a purchaser of the 4 contemporary townhouses of the Project;

Shareholder means a person or body corporate that holds securities in the Company; and

Shares means the Class A Redeemable Shares of the Company.

1.2 Interpretation

In this Agreement the following rules of interpretation apply, unless expressed to the contrary:

- (a) headings do not affect the interpretation of this Agreement;
- (b) the singular includes the plural and vice versa;

- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) the word 'includes' in any form is not a word of limitation;
- (e) the meaning of 'or' is that of inclusive, being one, some or all of a number of possibilities;
- (f) no rule of construction applies to the disadvantage of a party because that party was responsible for preparing this Agreement or any part of it:
- (g) a reference to:
 - (i) a gender includes all other genders;
 - (ii) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (iii) a thing (including a chose in action or other right) includes a part of that thing;
 - (iv) a party includes its successors, executors, administrators, and permitted assigns;
 - (v) a document includes all amendments or supplements to that document;
 - (vi) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to this Agreement;
 - (vii) this Agreement includes all schedules and attachments to it;
 - (viii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (ix) an agency or body means, if that agency or body ceases to exist, any reconstituted or renamed agency or body or, failing that, the agency or body which most closely performs the previous functions of that agency or body in agreement other than this Agreement includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (i) a monetary amount is in Australian dollars;
- (h) an agreement on the part of two or more persons binds them jointly and severally;
- (i) doing something on a day which is not a Business Day, means doing it on the following Business Day;

(j) doing something on a specified date, means it must be done by 5:00pm on that date and if done after that time, it is taken as done on the next day;

(k) the time of day, where relevant is:

(i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or

(ii) for any other purpose, time is Australian Eastern Standard Time (AEST); and

(l) where a warranty is qualified or prefaced by the words “to the best of their knowledge and belief” or some other analogous expression it is deemed to include after that statement the words “after having made all reasonable enquiries of each director and manager of the Company and each Shareholder or similar interested party in the Project”.

2. COMMENCEMENT

2.1 This Agreement shall take effect as at the date of execution hereof and once the Company receives the Investment Amount until the end of the Term. The Company will provide written confirmation of received funds to the investor and advise the date of commencement of this Agreement.

3. OBJECTIVES

3.1 The Investor as set out in Schedule 1 hereto shall provide the Investment Amount set out in Schedule 1 as a funding vehicle limited by shares for the purpose of funding to develop and construct the Project Properties.

3.2. The Company shall issue 1900 Shares at a value of \$1,000 AUD for each Class A Share. For the purpose of this offer, the maximum amount of Class A Shares will be set at 1900. No further share offer will be made for the purpose of completing the Project without the express written consent of all shareholders.

3.3 The Investor shall be entitled to receive an allocation of Shares in the Company commensurate to the Investor’s Investment Amount as set out in Schedule 1.

3.4 The Parties agree and acknowledge that:

(a) the Company will use the Investment Amount to develop and construct the Project Properties;

(b) the Company is the proprietor of the Project Properties;

(c) the Company will apply the Investment Amount to acquire on behalf of the Investor the number of Class A Shares in the Company as specified in Schedule 1.

4. CLASS A SHARES - 12 MONTH TERM

4.1 The Parties agree and acknowledge that where the Company allocates the Investment Amount in full to acquire Class A Shares on behalf of the Investor:

(a) the Company in its capacity as the proprietor to the Project Properties will issue to the Investor an amount of Class A Shares equal to the Investment Amount divided by the Issue Price of the Class A Shares; and

(b) the Investor will adhere to the terms and conditions of this Agreement and the Company constitution as a Shareholder of any Class A Shares acquired by the Investor; and

(c) payment of the Return on Investment is calculated on a pro rata basis after receiving the Investment Amount

4.2 The Parties agree and acknowledge that all Class A Shares:

(a) will be issued to the Investor for the Investment Term specified in section 5;

(b) will entitle the Investor to payment of **monthly distributions** during the Class A Term equal to **12% per annum** of the Investment Amount;



(c) must be repurchased by the Company at the later of the end of the Class A Term and Completion of the Project, for an amount equal to the Investment Amount.

4.3 The Investor holds the Class A Shares subject to the rights and conditions provided in the Constitution (being the constitution of the Company):

(a) the right to attend and vote at all meetings of the company and on a show of hands or poll to one vote for every share held;

(b) upon giving seven days notice in writing of its intention so to do, delivered or posted to the last known address of the registered holder of any Redeemable Preference Share together with the amount paid up in respect of the Shares to be redeemed, the company may at any time redeem all or from time to time redeem any one or more of the said Shares and such redemption shall take place immediately upon the expiry of seven days from the delivery or posting of the said notice of redemption and payment;

(c) in a winding up of the company to repayment of the issue price of such share in priority to all other shares in the company but no right to participate in the division of any surplus assets or profits of the company;

(d) the right to receive from the profits of the company as a first charge a non-cumulative preferential dividend at the rate of twelve percent (12%) per annum on the paid issue price of the "A" Class A Shares held.

5. PAYMENT OF MONTHLY DISTRIBUTIONS

5.1 The Parties agree that any monthly distributions owing by the Company to the Investor pursuant to this Agreement:

(a) is first payable at the end of the month following the month in which the Investment Amount was paid and then at the end of each month thereafter until the completion of the Investment Term for the respective Class of Shares; and

(b) is to be prorated in circumstances where:

(i) the first distribution payment becomes due and after more than one month has occurred since the commencement of the Investment Term; and

(ii) an Investment Term ends before the date when the final monthly payment is due.

6. ROLL OVER

6.1 The Parties agree that if the Completion of the Project has not been achieved by the end of the Investment Term:

(a) The Company will pay the Investor monthly distributions in line with section 5.1 until the Completion of the Project; and

(b) the Buy back will be executed upon Completion of the Project in line with section 12.

7. OBLIGATIONS OF THE PARTIES

7.1 The Parties agree as follows:

(a) That the Company:

- (i) shall issue the Class A Shares, in line with the Investment Amount outlined in Schedule 1;
- (ii) provide to the Investor a share certificate verifying the amount of shares held by the Investor inline with the Investment Amount outlined in Schedule 1 and share price as set out in section 3.2;

- (iii) is entitled to withhold and set off against any amount payable by it to the Investor any amount owed by that Investor to the Company;
- (iv) maintain true records and books of account in accordance with the Corporations Act, in which to complete entries in accordance with the accounting standards;
- (v) provide to the Investor reports of the progress and status of the construction works and relevant financial information;
- (vi) pay the costs and expenses associated with construction works of the Project to be paid from Investment Amount and the Company shall ensure that funds are available progressively to pay all necessary costs, fees and all related expenses as may be required to complete the Project;
- (vii) ensure that the building works are undertaken in accordance with all construction standards, regulations and legislative requirements and in accordance with the plans and specifications; and
- (viii) ensure that such insurances as shall be deemed necessary or desirable shall be effected in respect of the construction works, public liability and any other necessary insurance in respect of the Project.

(b) The Investor:

- (i) shall provide the Investment Amount upon the execution of the Agreement;
- (ii) shall not sell, dispose of or transfer its shares other than in accordance with the terms of this Agreement;
- (iii) agrees to not lodge or permit to be lodged any caveat or encumbrance asserting any right under this Agreement. The Investor acknowledges that if this obligation is breached, the Company may suffer loss and damage including but not limited to delays in the sale of the Project Properties. The Investor agrees to indemnify the Company for all loss and damage resulting from lodgement of any caveat or encumbrance over the land subject of this Agreement; and
- (iv) irrevocably appoints the Company as the Investor's Attorney to sign a withdrawal of any caveat or encumbrance lodged by the Investor. This clause is an essential term of this Agreement and shall not be affected by any rescission of this Agreement and the rights conferred under this clause shall be in addition to any other common law or equitable rights that the Company may have.

8. ACCOUNTING AND ACCOUNTS

8.1 The Company agrees to:

(a) maintain proper accounts and records in respect of the expenditure and income of the Project and provide to the Investor yearly reports of the financial status of the Project and including by providing financial statements in accordance with Corporations Act; and

(b) manage the Project Investment Fund to ensure there are sufficient funds available to carry out the

Project and pay all related costs and expenses including but not limited to the Investor's Return on Investment pursuant to this Agreement.

8.2 The Parties agree and acknowledge that:

(a) any error made by the Company in any accounting statement may be corrected within 12 months after Completion of the Project by making any necessary deductions or additions on subsequent statements or by rendering an amended statement;

(b) any statement or report rendered by the Company is to be deemed true and correct and binding upon the Investor unless the Investor delivers to the Company, in writing, specific objections and the basis of such objections within 12 months from the date such statement was received by the Investor; and

(c) the Investor has the right to examine the Company's books and records to the extent that they pertain to the Project no more than twice per year providing that:

(i) the Company is given a thirty (30) day written notice before any examination; and

(ii) any examination occurs during business hours at the Company's principal place of business.

9. FURTHER REPRESENTATIONS

9.1 The Parties represent and warrant that:

(a) they have the power and all necessary rights and title to enter into and perform this Agreement;

(b) they are not aware of any Claim or restrictions which might conflict or interfere with or otherwise affect any of the provisions of this Agreement;

(c) they have the power to enter into and perform their obligations and carry out the transactions contemplated or referred to in this Agreement; and

(d) they have all the necessary financial resources to enable them to enter into and perform their obligations under this Agreement.

9.2 The Parties acknowledge that nothing in this Agreement is to be construed or interpreted as a joint venture or partnership between the Parties.

9.3 The Investor acknowledges that they have been informed of their rights to seek independent legal and financial advice in respect to this Agreement.

10. BANK ACCOUNTS

The Company agrees to:

- (a) the use of the Investment Account for the purpose of receiving funds;
- (b) draw from the Investment Account such amounts as the Company deems appropriate to be utilised for purposes relating to the Project;
- (c) draw from the Investment Account such amounts as the Company deems appropriate to be applied to any Mortgage; and
- (d) if appropriate, establish a further operating bank account and apply such amounts from the Investment Account into the operating bank account to facilitate payments of all expenditure in relation and incidental to the Project.

11. SALES AND SETTLEMENTS

11.1 Upon the Manager obtaining consents from the relevant authorities necessary to complete the Project or prior, the Company agrees to arrange for the four (4) contemporary townhouses of the Project to be marketed for sale and to appoint any agent or marketing expert deemed necessary as determined by the Company in its absolute discretion.

11.2 Upon settlement of the sale of the four (4) contemporary townhouses of the Project to a Third Party Purchaser the Company agrees to apply the sale proceeds:

- (a) firstly, to discharge any Mortgage including principal, interest, and related costs; and
- (b) secondly, to reimburse or pay out all outstanding development costs and expenses including but not limited to any amounts owing or payable in relation or incidental to the development, building, marketing, sales of the four (4) contemporary townhouses of the Project including all fees to accountants, solicitors, agents, advertising expenses, Taxes, rates, and outgoings.

11.3 The amount remaining after settlement of the four (4) contemporary townhouses of the Project and the application of sale proceeds pursuant to clause 11.2 is to be applied by the Company to repurchase the Shares from the Investor upon Completion of the Project in accordance with clause 12.

12. REPURCHASE/ BUY BACK OPTION

12.1 Unless otherwise agreed in writing between the parties, the Company must repurchase the Shares from the Investor for an amount equal to the Investment Amount on the earlier of:

- (a) 6 months from the Commencement Date if construction has not commenced;
- (b) 30 days from the Completion of the Project; and
- (c) 30 days from the end of the Investment Term.

12.2 The Investor will be entitled to monthly distributions in line with clause 5 until the repurchase of shares in accordance with clause 12.1.

13. TAX LIABILITY

The Parties agree that each party is responsible for their own liability of any Tax arising including in relation to the transactions contemplated in connection with this Agreement.

14. TERMINATION

14.1 The Parties agree and acknowledge that if either party breaches this Agreement the non-defaulting party must notify the defaulting party in writing of the breach and allow the defaulting party 14 business days to rectify the breach before the non-defaulting party can terminate.

14.2 Notwithstanding clause 14.1 the Parties agree and acknowledge that either party may terminate this Agreement immediately by notice in writing if there is a material breach of this agreement including:

(a) by the Investor if the Company fails to act reasonably to undertake all actions agreed under clause 7.1(a) and clause 12;

(b) by the Company if the Investor breach an obligation pursuant to 7.1(b);

(c) by either party if:

(i) that party becomes subject to liquidation or bankruptcy proceedings or a similar event;

(ii) if the performance of this Agreement becomes impossible because the material assets of that party becomes subject to an injunction, repossession, public sale or other legal action;

(iii) performance of this Agreement becomes impossible because that party becomes subject to regulatory action related to this Agreement such as business suspension, cancellation of business licence or criminal sanction; or

(iv) if that party commits any indictable criminal act that adversely affects the Project.

14.3 The Parties agree that in the event of termination by the Company due to a material breach of this Agreement by the Investor that:

(a) the Investment Amount which has been applied to the Project will be retained by the Company absolutely; and

(b) neither party will have a further claim against the other in relation to the Investment Amount.

14.4 The Parties agree that in the event of termination by the Investor due to a material breach by the Company that:

(a) the Investment Amount and any distribution owing as at the date of termination is a debt payable by the Company to the Investor; and

(b) once any debt owing pursuant to the preceding paragraph is paid to the Investor, neither party will have any further claim against the other.

15. CONFIDENTIALITY

The Parties undertake to each other to maintain in confidence the terms of this Agreement and all confidential information relating to the other party disclosed concerning this Agreement and to take reasonable precautions to ensure that the party's employees, agents, contractors, sub-contractors, licensees, sub- licensees, legal advisors and other advisors keep that information confidential provided that a party may reveal information if required by law or to that party's accountants, solicitors or other professional advisors to obtain advice.

16. FORCE MAJEURE

Neither party will be held liable to the other party for the non-performance or delayed performance of this Agreement due to force majeure events such as war, riots, floods, earthquakes, pandemic or government actions.

17. GOVERNING LAW AND JURISDICTIONS

17.1 This Agreement is governed by the laws of Victoria.

17.2 Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Victoria and any courts which have jurisdiction to hear appeals from any of those courts in respect of any proceedings in connection with this Agreement.

17.3 Each party waives any right it has to object to an action being brought in the courts of Victoria including, without limitation, by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

18. DISPUTE RESOLUTION PROCESS

18.1 Where a point of difference arises between any of the parties to this Agreement in relation to any issue, matter or thing (dispute), it will be resolved by reference to the dispute mechanism set out in this clause.

18.2 Within 7 days of any party notifying the other parties of the dispute that party (Notifying Party) must nominate in writing a representative authorised to settle the dispute on their or its behalf (as the case may be).

18.3 Each party must ensure that for 10 days after notice of dispute is given (or longer period agreed between the parties) its representative (as the case may be) uses his or her best endeavours, acting in the utmost good faith with the other representatives and parties to this Agreement to resolve the dispute.

18.4 If a Dispute has not been resolved within 28 days of service of the notice of dispute that dispute must be referred to an expert agreed by the parties or, if they cannot agree within a further 7 days, the expert must be appointed by the President of the Law Institute of Victoria.

18.5 An expert appointed under this clause:

- (a) must be given a copy of the dispute notice;
- (b) must be instructed to give a written decision setting out what was taken into account, what was disregarded and its respective weightings; and
- (c) must act as an expert and not as an arbitrator and whose decision is final and binding.

18.6 The parties must each:

- (a) use their best endeavours to make available to the expert all information and materials the expert needs to determine the dispute; and
- (b) ensure that its respective employees, agents or consultants do the same and are available to give information to the expert.

18.6 The parties may make oral and written submissions to the expert.

18.7 The parties must pay the expert's costs as decided by the expert and failing a decision, then equally.

19. ENTIRE AGREEMENT

The terms of this Agreement comprise the whole agreement of the Parties. There are no other agreements, warranties, undertakings, terms, conditions and representations, other than those implied by law and incapable of negotiation.

20. COUNTERPARTS

This Agreement may consist of a number of counterparts and the counterparts taken together constitute one and the same instrument.

21. NO WAIVER

21.1 A party may exercise its rights at any time and does not waive those rights even if that party:

- (a) previously waived a breach or default of all or part of the same or other provision; or
- (b) delayed or omitted to exercise its rights.

21.2 A waiver is only effective:

- (a) if it is signed by the party granting the waiver; and
- (b) to the extent set out in the waiver.

22. SEVERABILITY

22.1 If a provision (or part of it) is held to be unenforceable or invalid, then it must be interpreted as narrowly as necessary to allow it to be enforceable or valid.

22.2 If a provision (or part of it) is held to be unenforceable or invalid and cannot be interpreted as narrowly as necessary to allow it to be enforceable or valid, then:

- (a) the provision (or part of it) must be severed from this Agreement; and
- (b) the remaining provisions (and remaining part of the provision) are valid and enforceable.

23. SUCCESSORS

This Agreement binds and benefits the Parties and their respective legal personal representatives, successors and permitted assigns.

24. AMENDMENTS

An amendment or change to this Agreement is only effective if made in writing and executed by all

Parties.

25. FURTHER ASSURANCES

Each party must do whatever is necessary to give full effect to this Agreement. This may include executing a document or carrying out an act.

26. ASSIGNMENTS

A party must not assign or otherwise transfer or attempt to assign any right or obligation under this Agreement without the prior written consent of the other party.

28. SURVIVAL

Each provision of this Agreement which by its nature is capable of surviving termination of this Agreement will survive termination of this Agreement.

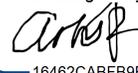
EXECUTED as an Agreement by:

EXECUTED by SYNDICATE 8 SQUARED PTY LTD (ACN: 616 378 557))
in accordance with Section 127 of the Corporations Act 2001 by)
being signed by those persons authorised to sign for the company)

DocuSigned by:

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Signature of Director
John Sader

DocuSigned by:

16462CABFB9B4B7...

Signature of Director
Garry Pesochinsky

EXECUTED as an Agreement by:

EXECUTED by KUNNING PTY LTD (ACN 622 605 878) ATF)
KUNNING'S SUPER FUND (ABN 80 799 056 485))
in accordance with Section 127 of the Corporations Act 2001 by)
being signed by those persons authorised to sign for the company)

DocuSigned by:

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Signature of Sole Director & Secretary
Glenn Jude Kunning

SCHEDULE 1

NAME OF INVESTOR : **KUNNING PTY LTD (ACN 622 605 878) ATF KUNNING'S SUPER FUND (ABN 80 799 056 485)**

ADDRESS OF INVESTOR : **33/27 Cunningham Street, Newstead, Qld 4006**

TOTAL INVESTMENT AMOUNT : **\$100,000 AUD**

DATE OF AGREEMENT : **05 July 2021**

ALLOCATION OF INVESTMENT AMOUNT:

CLASS OF SHARES	INVESTMENT TERM	ALLOCATION OF AMOUNT	ROI	INITIAL(S)
Class A Shares	12 MONTHS	100	12% p.a.	BS GJK

Kindly transfer the total Investment Amount to our nominated bank account as per the below details:

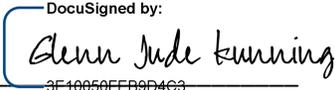
Investment Account:

Bank : National Australia Bank (NAB)
 Account Name : Syndicate 8 Squared Pty Ltd
 BSB : 083-004
 Account Number : 313042594
 Reference : Surname Synd8

To be Completed by the Investor:

Investor bank account details for investment return:

Bank : NAB
 Account Name : Kunnings Super Fund
 BSB : 084 123
 Account Number : 91 207 3544

Investor Signature : 
3E10050FEB0D403...