

DEVELOPMENT AND PROFIT SHARING FINANCE - TERM SHEET

Loan Purpose:	Acquisition and development of commercial or residential property in capital cities and large regional areas within Australia.
Loan Amount:	Up to \$50 million in one facility. Additional funding on case by case basis.
LVR:	100% Facility to Cost Ratio comprising 30% Equity & 70% Loan (LVR); 85% maximum Facility to NRV Ratio Net Realisable Value (NRV) is exclusive of GST, selling costs and commissions Note: The LVR maximum necessitates a 15% Net Profit Margin in the absence of additional security.
Security:	First registered mortgage over the development site(s). Personal guarantee provided by Director(s) of the borrower. Charge over assets and undertakings of the borrower. Collateral security may be included on a case by case basis.
Disbursement:	Equity tranche and acquisition tranche fully disbursed at purchase of development site. Construction tranche disbursed during development program. All advances are subject to conditions precedent for their respective tranches including but not limited to: <ul style="list-style-type: none"> - Due diligence in respect of the property, the project and the borrower - Certification of development costs by an independent assessor - Execution of a tripartite deed with the primary contractor
Repayment:	100% of net proceeds from sale of the completed development applied first to the balance of the loan followed by the balance of the equity tranche.
Profit Share:	50% of net profit is distributed to the lender following repayment of the loan and equity tranche.
Interest:	Interest is charged monthly on the balance of the loan. Interest may be capitalised within the LVR guidelines above or serviced by regular interest payments. Six month minimum capitalised interest term applies. Equity contribution does not attract interest.
Interest Rate:	from 5.5% p.a.
Term:	Maximum 24 month term, may be renewed on a case by case basis

Metric*	Explanation
Total Interest Percentage 2.28%	Interest expense as a percentage of funds borrowed
Annual Percentage Rate 11.98%	Total cost of funding over the duration of the loan expressed as an annualised rate
Cents on the Dollar 12.99c	Interest and fees** charged per dollar borrowed
Factor Rate 1.13	Total repayments as a proportion of funds borrowed
Minimum Collateralisation Ratio 117.65%	The minimum collateral required to cover the total facility

*Metrics will vary depending on the timing and term of the facility.

**Lender: 0% (Nil) Borrower: 1% establishment fee on the facility limit payable at settlement. 1% platform licence on the facility limit payable at settlement. .5% platform licence on the loan balance payable annually. Professional fees for administration of the loan payable as incurred. Fees may be serviced or charged to the balance of the loan and repaid with interest and principal. ICAP loyalty reward points redeemable against future fees.