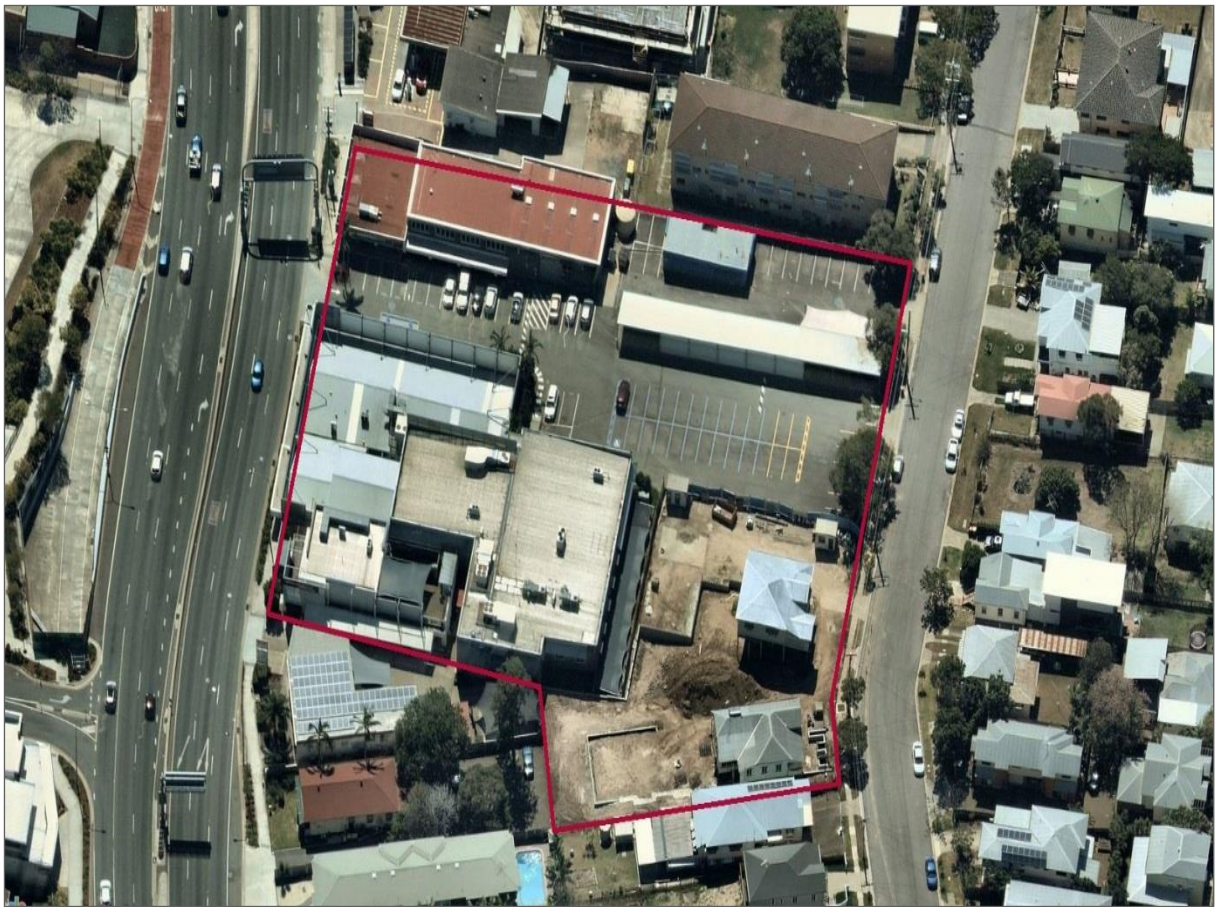


Valuation Report

255-257 Gympie Road

Kedron Brisbane Qld 4031

Date of Valuation: 21 November 2018



255-257 Gympie Road, Kedron

Executive Summary

Property Details	
Address	255-257 Gympie Road, Kedron, Brisbane, Queensland.
Prepared for and Purpose	<p>Instructed by Mr Bryce Barnett of Augusta Capital Limited to prepare a valuation to be relied upon by:</p> <ul style="list-style-type: none"> the Commonwealth Bank of Australia (Bank) and Bank Group Members for first mortgage security purposes only; Augusta Funds Management Limited for Asset and Financial Reporting purposes only; and Staples Rodway Taranaki Chartered Accountants for Asset and Financial Reporting purposes only.
Registered Owner	Sabraja Projects Pty Ltd.
Interest Valued	Fee simple subject to the existing leases.
Land Area:	<p>255 Gympie Road: 562 square metres.</p> <p>257 Gympie Road: 8,347 square metres.</p> <p>Total Land Area: 8,909 square metres.</p>
Planning	Identified by the Brisbane City Council as being within a part 'LMR2 Low medium density residential (2 or 3 storey mix)' area and part 'NC Neighbourhood Centre' area and subject to other constraints.
Description	<p>The property is located within the established mixed-use suburb of Kedron, approximately 7 radial kilometres north of the Brisbane CBD. Kedron is an area characterised by low-medium density residential with low rise commercial development along Gympie Road.</p> <p>The land is improved with three buildings of varying ages and construction including a two storey commercial building, two storey showroom/office building and a two storey childcare facility recently completed in 2017. The buildings provide 4,579 square metres of lettable area and on-site car parking for 136 vehicles. 257 Gympie Road provides B-grade office accommodation (Ingenia and C & K Offices) however has been refurbished internally to a modern A-grade standard. The building is also accredited with a 4.5-star NABERS energy rating. At the date of valuation, the property is fully leased to six tenants, providing a passing net income of \$1,391,917 per annum or about \$304 per square metre of Net Lettable Area (NLA).</p>
Net Lettable Area	4,579 square metres.
Car Spaces	136 spaces, providing a parking ratio of 1:34.
Vacancy	Nil.
Lease Expiry	7.69 years by income weighting and 7.89 years by area weighting.
Major Issues	<p>The property is subject to a Put and Call Option Deed dated 20th November 2018, with a Contract of Sale for \$21,500,000 exclusive of GST between Augusta Funds Management Limited (Buyer) and Sabraja Projects Pty Ltd (Seller). Should the Put and Call Option Deed and/or Contract of Sale change, then the intending lender should notify us immediately for further comment or reassessment.</p>
Valuation Approaches	The property has been valued utilising the 'capitalisation' and 'discounted cash flow' approaches, and reconciled with the 'direct comparison' approach on a rate per square metre of net lettable area basis.
Critical Conditions	There are no outstanding incentives or abatements.
Date of Inspection	21 November 2018.
Date of Valuation	21 November 2018.
Market Value	\$21,500,000 exclusive of GST.
Valuer	<p>Michael Coverdale AAPI Certified Practising Valuer Registration No. 3651 Director Primary Valuer</p>

Valuation Summary	
Income	
Gross Income	
Passing	\$1,622,385 pa - \$354/m ²
Market	\$1,824,321 pa - \$398/m ²
Adopted Outgoings	-\$230,468 pa - \$50/m ²
Net Income	
Passing	\$1,391,917 pa - \$304/m ²
Market	\$1,593,853 pa - \$348/m ²
Capitalisation Approach	
Capitalisation Rate	6.75%
Adjustments	-\$2,089,088
Indicated Value	\$21,523,560 / \$21,500,000 (Rounded)
DCF Approach	
Discount Rate	7.75%
Adopted Rental Growth	3.02% pa – ten year compound average
Terminal Yield	7.00%
Letting-Up Allowances	\$1,172,986 over the ten year cash flow (excl. lost income during vacancies)
Capital Expenditure	\$1,443,817 over the ten year cash flow
Indicated Value	\$21,675,850 / \$21,680,000 (Rounded)
Valuation Analysis	
Adopted Value	\$21,500,000
Value /m² NLA	\$4,695/m ²
Passing Yield	6.47%
Equated Market Yield	6.76%
Reversionary Yield	7.41%
Internal Rate of Return	7.86%

All data provided in this summary is wholly reliant on, and must be read in conjunction with, the information provided in the following report. It is a synopsis only, designed to provide a brief overview and must not be acted upon in isolation.

Risk Assessment

Risk Assessment

Asset

- The properties are held in fee simple over two separate titles and have no onerous encumbrances affecting the utility of the land.
- The properties are subject to burdening and benefiting access easements, however these are not considered to detrimentally impact the current use of the land.
- It is located within an established mixed-use suburb of Kedron, approximately 7 radial kilometres north of the Brisbane CBD. The property is slightly removed from the major neighbourhood centres such as Chermside, Lutwyche and Albion but within the major north corridor and well exposed along a major arterial road, Gympie Road. The location of the asset is considered a major strength and it considered a significant land holding for a recognised area.
- Access to the property is easy and direct via both public (northern corridor Busway) and private modes of transport (Airport Link and Clem 7 tunnel infrastructure). The location affords a high degree of exposure to passing vehicular and pedestrian traffic.
- The land is improved with three buildings of varying ages and construction including a two storey commercial building, two storey showroom/office building and a two storey childcare facility recently completed in 2017. The buildings provide 4,579 square metres of NLA and on-site car parking for 136 vehicles, reflecting a good parking ratio of 1:34 for suburban/middle ring location.
- The office accommodation (building A) has been refurbished and is considered to be a B-grade building however the fitout presents to an A-grade standard and is accredited with 4.5-star NABERS energy rating.
- The childcare facility is new being completed in 2017. It comprises a 100-place centre, providing good/new quality accommodation well suited for its uses. The grounds contain an array of child activity areas including play equipment. Adequate on-site parking is provided for this use.
- The improvements provide a good diversified mix of use (childcare, office and retail), ranging from a semi-modern to new standard of accommodation, which has been refurbished periodically with ample car parking available. Having regard to the age of the improvements and the purpose to which they are used, the buildings are considered to provide good level of utility for the current and potential users.
- The current mixed-use of the property is consistent with the highest and best use, with the large land holding and zoning allowing for further redevelopment when market condition permit (mixed-use development height of three storeys).

Leasing and Cash Flow

- At the date of valuation, the property was fully leased to six tenants, providing a passing net income of \$1,391,917 per annum or about \$304 per square metre of Net Lettable Area.
- The property currently has a medium to long term WALE of 7.69 years by income weighting and 7.89 years by area weighting which is considered a positive.
- The tenants provide an average to above-average leasing covenant with an overall low level of default risk.
- Cash flow volatility from the leases is expected to be minor in the short term due to the impending lease expires. Major tenants including Ingenia, C & K Childcare and office are on long leases providing high security of income, reflecting approximately 75% of the total NLA.
- The passing income for the childcare centre is within market parameters, albeit towards the lower range for new centres.
- The passing office income overall is below market. We have assessed a gross rental range of \$350/m² to \$440/m² (inclusive of car parking income). A leasing period-up of 12 months is considered appropriate and we have allowed for a market incentive of 30% trending to 20% over the ten year horizon being in context to our adopted face rentals.
- The passing retail income is at market. A leasing-up period of six months is considered appropriate and we have allowed for a market incentive of 15%.
- We have adopted an outgoings budget reflecting a rate of \$50.34 per square metre which is considered reflective of the ongoing costs of ownership of the property.

Risk Assessment

- Due to the leases being structured on both a net and gross basis, there is the potential risk of income erosion due to possible increases in outgoings. Specifically, given the property is a large land holding, statutory costs could be an impact to the cashflow going forward.
- There is the potential for short to medium term capital expenditure costs to impact the cashflow. Appropriate allowances have been included in our assessment, equating to approximately \$1,440,000 over the ten year horizon.
- As a positive the income has annual fixed increase ranging from 3% to 4%, which is above expected market rental growth over the short-term.
- Overall the building is considered to possess average tenant retention prospects, given that it provides a good standard of accommodation, good exposure, ample parking and is situated near a variety of retail and transport amenity.

Investment

- Overall investment demand for property with sound investment characteristics is currently very strong due to the weight of money and low interest rate regime.
- There is however a significant aversion to leasing risk prevailing with the market; particularly for stock with high vacancy where investor demand is likely to be limited.
- The key characteristics that would receive due consideration from a potential purchaser include its above-average location, the overall good condition of the improvements, below market rentals, the stable cash flow security and low volatility, the spreading of risk through diverse multi-tenanted occupancy and the average to above average tenant calibre. The property also has a significant land holding for its location and is considered to underlying land value.
- Consequently, if offered to the open market, the property is likely to be met with good demand. A selling period of six months is considered appropriate. The most likely purchaser of the property would be private investors or syndicates.
- While the current market is still buoyant, it is being driven by the low interest rate environment. We expect that once the macro interest rate environment begins an upward cycle that yields on such investments may soften. We cannot predict the timing of this and may only point out the potential for future value risk.

Asset Management

- Professional management is recommended.

Critical Assumptions

Critical Assumptions

- The encumbrances that are detailed within this report have been considered in our assessment of market value. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report, they may affect our assessment. If any such matters are known or discovered, we should be advised and asked as to whether they affect our assessment.
- We have physically identified the boundaries of the property on inspection and there do not appear to be any encroachments. We are not qualified surveyors and no warranty can be given without the benefit of an identification survey. If there is any doubt in respect of these issues, we recommend that a check survey be undertaken by a qualified surveyor and that the survey be sent to us for advice as to whether our assessment of value is affected.
- The flood level information has been relied upon in our assessment of value and no responsibility is accepted for the accuracy of the information provided. Should it prove incorrect in any material respect, the matter should be referred to us for review of the valuation as deemed appropriate.
- No soil tests, environmental studies, or reports have been made available to us. Accordingly, our valuation is made on the assumption that there are no environmental problems in any way affecting the property, including surface or below ground conditions, toxic or hazardous wastes, building material hazards or unexploded ordnances. Any such matters may adversely affect the property or its use and our assessment of value. Should any such matters be known or discovered no reliance should be placed on our assessment of value unless we have been advised of these matters and we have confirmed that our assessment is not affected.
- The planning information set out in this report has been obtained from the Brisbane City Council. We have relied upon this information in assessing the value of the property. No responsibility is accepted for the accuracy of that information and if it is wrong in any significant respect, our assessment of value may be different. Should you have concerns regarding the validity of this information, we would recommend that a formal enquiry be made with the appropriate authority.
- The valuation is subject to the current improvements and uses as inspected being approved, lawful and compliant with all requirements of Council and other regulatory authorities including but not limited to the Queensland Fire and Emergency Services, the Building Code of Australia and the Queensland Development Code.
- It should be noted that a Department of Transport and Main Roads search has not been sighted. This valuation is based on the assumption that there are no Government Authority requirements for the land. It is recommended that any party relying on this valuation undertake its own searches in this regard.
- We have relied upon the lettable areas indicated on plans provided. Should any subsequent surveys indicate a variation to the areas adopted within, the matter should be referred to us for review of the valuation as deemed appropriate.
- This valuation report does not purport to be a site or structural survey of the improvements, nor was any such survey undertaken. Overall, we have assumed that detailed reports with respect to the structure and service installations of the improvements would not reveal any defects or inadequacies requiring significant capital expenditure. Should there be deficiencies associated with the building structure or its services, the valuation should be referred back to us for comment.
- This valuation has been undertaken assuming that there is no asbestos-related health risk associated with the property. Should any concerns persist, we would recommend that a formal enquiry be made with the appropriate authority. We recommend that an expert report be obtained as to whether there is any asbestos related health risk associated with the property and, if so, that the expert report be referred to us for advice as to whether it affects our assessment of value.
- With respect to lease details, we note that all leases have been sighted and referenced to the tenancy schedule, and are registered on title. Should there be any variation, we reserve the right to review our valuation. Our valuation assumes that the right to any rental guarantee, security deposit, bank guarantee, or any other form of guarantee provided in respect to any leases to which the property is subject, will pass to a purchaser of the property.
- It should be noted that in the case of advice provided in this report which is of a projected nature, we must emphasise that specific assumptions have been made which appear reasonable based upon current market sentiment and forecasts. It follows that any one of the associated assumptions may change over time and no responsibility can be accepted in this event. Accordingly, the indicated figures should not be viewed as absolute certainty.
- The valuation is based on the critical condition that the government holds no requirements of the land.

Contents

1.0	INTRODUCTION	1
1.1	INSTRUCTIONS	1
1.2	SOURCES OF INFORMATION	1
1.3	DEFINITIONS	2
1.4	PECUNIARY INTEREST	3
1.5	DATE OF INSPECTION	3
1.6	DATE OF VALUATION	3
2.0	LAND PARTICULARS	4
2.1	TITLE DETAILS	4
2.2	LAND DESCRIPTION	5
2.3	PLANNING	7
2.4	LOCALITY AND SURROUNDING DEVELOPMENT	8
2.5	ROAD SYSTEM, ACCESS AND EXPOSURE	9
2.6	STATUTORY VALUATION	10
3.0	IMPROVEMENTS	11
3.1	OVERVIEW	11
3.2	BUILDING SPECIFICATION	12
3.3	ACCOMMODATION	13
3.4	PRESENTATION, CONDITION AND UTILITY	15
3.5	ENVIRONMENTAL RATING AND BUILDING GRADE	15
3.6	REPLACEMENT VALUE OF IMPROVEMENTS	16
3.7	PHOTO GALLERY	17
4.0	MARKET COMMENT	19
4.1	ECONOMIC OVERVIEW	19
4.2	CHILD CARE INDUSTRY OVERVIEW	20
4.3	INVESTMENT MARKET	22
4.4	SUBURBAN OFFICE MARKET OVERVIEW	23
4.5	MARKETABILITY AND SELLING PERIOD	26
5.0	CATCHMENT ANALYSIS	27
5.1	CATCHMENT DEFINITION	27
5.2	DEMOGRAPHIC PROFILE OF CATCHMENT	28
5.3	CHILD CARE SERVICE DEMAND	29
5.4	SUPPLY ANALYSIS	31
5.5	SUPPLY AND DEMAND COMMENTS	32
6.0	TENANCY DETAILS	33
6.1	OVERVIEW	33
6.2	TENANCY POSITION	33
6.3	TENANCY SCHEDULE	36
7.0	INCOME ANALYSIS	38
7.1	PASSING INCOME	38
7.2	POTENTIAL MARKET INCOME	40
7.3	SUMMARY	49
8.0	CASH FLOW ANALYSIS	50
8.1	OVERVIEW	50
8.2	ASSUMPTIONS	50
8.3	CASH FLOW	51
9.0	VALUATION RATIONALE	54
9.1	VALUATION METHODOLOGY	54

	9.2 VALUATION PARAMETERS.....	54
	9.3 CONCLUSION	63
10.0	VALUATION.....	65
	10.1 CAPITALISATION APPROACH	65
	10.2 DISCOUNTED CASH FLOW APPROACH	66
	10.3 DIRECT COMPARISON RECONCILIATION OF VALUE	67
11.0	CONCLUSION.....	69
	11.1 SUMMARY.....	69
12.0	VALUATION CERTIFICATE.....	70

ANNEXURES

1. Photocopies of Current Title Searches
2. Photocopies of Registered / Survey Plans
3. Photocopy of Contaminated Land Search
4. Valuation Calculations
5. Photocopy of Put and Call Option Agreement with Contract of Sale

1.0 Introduction

1.1 INSTRUCTIONS

We have been instructed by Mr Bryce Barnett of Augusta Capital Limited, to assess the market value of 255-257 Gympie Road, Kedron, Brisbane, Queensland to be relied upon by:

- the Commonwealth Bank of Australia (Bank) and Bank Group Members for first mortgage security purposes only;
- Augusta Funds Management Limited for Asset and Financial Reporting purposes only; and
- Staples Rodway Taranaki Chartered Accountants for Asset and Financial Reporting purposes only.

The interest being valued is the fee simple subject to the existing leases.

This valuation is prepared on the assumption that the lender referred to in the Valuation report, or another party to whom the valuation may be validly assigned (and no other), who relies on this valuation report for mortgage finance purposes, has complied with its own prudential lending guidelines as well as prudent finance industry lending practices and has considered all prudent aspects of credit risk for any potential borrower including the borrower's ability to service and repay any mortgage loan.

Further, the valuation is only valid if the lender providing the mortgage finance uses a prudent and conservative Loan to Valuation Ratio (LVR). No liability whatsoever will be accepted if prudent lending practices fail to be strictly observed and/or if the lender relies solely on this Valuation, and no other criteria, to advance funds.

The above prudent lending clauses do not apply to lending institutions that are an Authorised Deposit-Taking Institution under the Australian Prudential Regulation Authority (APRA) and regulated by the APRA in terms of the Banking Act 1959.

Our valuation has been prepared in accordance with the relevant provisions of the Australian Property Institute's Australian and New Zealand Valuation and Property Standards (7th Edition) and Valuation Standards. A copy of the instructions in respect of this request is contained in Annexure 1.

We have valued the 100% interest of the asset for the party referred to above. Proportional ownership of the 100% interest should not be construed as representing the same proportional interest in our assessed value of the asset.

1.2 SOURCES OF INFORMATION

The information reviewed or previously provided includes, but is not limited to:

- Leases for Accoras, C&K Childcare, C&K Offices, Dulux, Ingenia and Planbuild.
- Tenancy schedule.
- Architectural plans and survey drawings.
- Outgoings budgeted for 2018/19 financial year.
- Put and call option agreement between Sabraja Projects Pty Ltd and Augusta Funds Management Ltd dated 20th November 2018.

In undertaking our valuation, we have relied upon various financial and other information submitted by Augusta Capital Limited. Where possible, within the scope of our retainer and limited to our expertise as Valuers, we have reviewed this information including by analysis against industry standards. Based upon that review, we have no reason to believe that the information is not fair and reasonable or that material facts have been withheld. However, our enquiries are necessarily limited by the nature of our role and we do not warrant that we have identified or verified all of the matters which a full audit, extensive examination or “due diligence” investigation might disclose. For the purpose of our valuation assessment, we have assumed that this information is correct.

1.3 DEFINITIONS

This valuation has been prepared in accordance with the following definitions as defined by the International Valuation Standards Council and adopted by the Australian Property Institute:

- **Highest and Best Use** – “the use of an asset that maximises its potential and that is physically possible, legally permissible, and financially feasible.” The opinion of such use may be based upon the highest and most probable use of the property at the date of valuation or the likely to be in demand within the reasonably near future.
- **Market Rent** – “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”
- **Market Value** – “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.” Included in the amount of this valuation are items of building fixtures, fittings, together with all building plant and equipment.

Furthermore, the following terms are referred to within the valuation:

- **Initial Yield (IY)** – The percentage return on value or price derived from the current net passing income. No allowance is made for any future rent growth.
- **Equated Market Yield (EMY)** – An annualised yield that is derived from the current net income and future changes to the net income over time with specific consideration of future rental growth. It is the rate of return of over a specific time period that has been adjusted for rental growth.
- **Reversionary Yield (RY)** – The return on value derived from the net market income. No allowance is made for any future rent growth.
- **Internal Rate of Return (IRR)** – The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the net present value equals zero. The IRR reflects both the return on the invested capital and the return of the original investment, which are basic considerations of potential investors.
- **Terminal Yield (TY)** – The capitalisation rate used to calculate the terminal value (the value at the end of the discounted cash flow period).

1.4 PECUNIARY INTEREST

Neither the valuer nor m3property (Qld) Pty Ltd has any pecuniary interest giving rise to a conflict of interest in valuing the property.

1.5 DATE OF INSPECTION

21 November 2018.

1.6 DATE OF VALUATION

21 November 2018.

Due to possible changes in market conditions and other circumstances, this report can only be regarded as relevant at the date of valuation.

It is assumed for the purpose of this Market Value assessment that the property will remain in the same physical state from the date of inspection to the date of valuation outlined above. It is also assumed that the tenants within the property will remain unchanged with the exception of any variances outlined within this report.

Our assessment should not be construed as a prediction of value into the future.

2.0 Land Particulars

2.1 TITLE DETAILS

257 Gympie Road Kedron

Title Reference	Description	Registered Owner
51140040.	Lot 1 on Survey Plan 288094.	Sabraja Projects Pty Ltd.

The title confers an estate in fee simple subject to the following encumbrances:

- Rights and interests reserved to the Crown.
- Mortgage notation in favour of Westpac Banking Corporation – 19 September 2006.
- Mortgage notation in favour of Westpac Banking Corporation – 1 July 2009.
- Mortgage notation in favour of Westpac Banking Corporation – 12 December 2017.
- Lease notations, detailed in Section 5.0, 'Tenancy Details'.

At the time of the valuation Easement Q was not registered on the title. This easement is for hydraulic purposes burdening the property.

There are no Administrative Advices over the title, a copy of which is contained in the Annexures.

Unregistered Dealings			
Dealing	Type	Lodgement Date	Status
719057937	Lease	22 October 2018	Unverified
719096779	Surrender	9 November 2018	Unverified
719096785	Lease	9 November 2018	Unverified
719097238	Amend Lease	9 November 2018	Unverified

255 Gympie Road Kedron

Title Reference	Description	Registered Owner
13352144.	Lot 3 on Registered Plan 91138.	Sabraja Projects Pty Ltd.

The title confers an estate in fee simple subject to the following encumbrances:

- Rights and interests reserved to the Crown.
- Mortgage notation in favour of Westpac Banking Corporation – 1 July 2009.
- Easement No. 601711967 burdening the land over Easement B on RP134576.
- Easement No. 601711968 benefiting the land over Easement A on RP134576.
- Lease notations, detailed in Section 5.0, 'Tenancy Details'.

The easements are for access purposes both burdening and benefiting the property.

There are no Administrative Advices and unregistered dealings over the title, a copy of which is contained in the Annexures.

2.2 LAND DESCRIPTION

2.2.1 Physical Attributes

The combined site is irregular in shape and comprises two allotments. A single allotment facing Gympie Road and another larger allotment with frontages to Gympie Road and Emerald Street. The easements, excluding Easement Q, described in Section 2.1 – Title Details are shown in purple on the following site plans.

Please note the eastern allotments along Emerald Street have been amalgamated and the northern easement has been nullified.



At the date of inspection, there were no drainage problems evident. All basic services, including electricity, reticulated water, sewerage, and telephone services, are connected to the land. We have not undertaken any check measurements and relied on the site areas provided within the plans provided. Copies of the Survey Plans are contained in the annexures.

Further detail of the individual land parcels is provided below.

255 Gympie Road (Planbuild)

Topography	Cross fall east to west and south to north
Frontage to Gympie Road	16.2m
Northern Boundary	35.1m
Eastern Boundary	16.0m
Southern Boundary	35.2m
Total Land Area	562m²

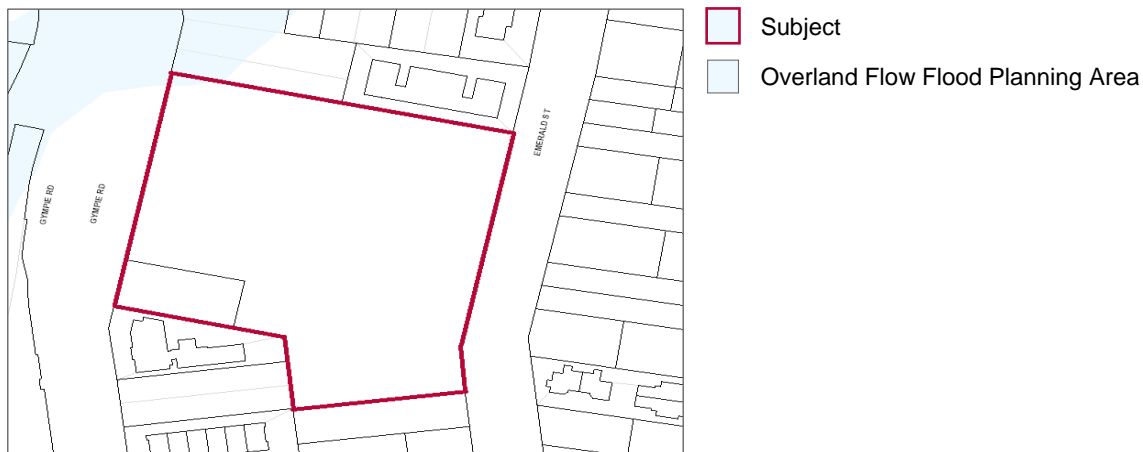


257 Gympie Road (Accoras, C&K, Dulux and Ingenia)

Topography	Cross fall east to west and south to north
Frontage to Gympie Road	64.4m
Frontage to Emerald Street	88.5m
Western Boundary	100.6m
Total Land Area	8,347m²

**2.2.2 Flooding**

The Brisbane City does identify the property as being susceptible to flooding. Below is an extract from the Council's Floodwise Report. This property may also be affected by one or more flood or property development overlays or flags. These include: overland flow path and large allotment.



As such, the flooding risk of the property is considered to be low. It should be noted that we are not experts in this regard and, if any doubt exists, inquiries should be made with the appropriate consultant.

2.2.3 Environmental Issues

A sample search of the Environmental Management and Contaminated Land Registers for Lot 3 revealed it is not included on either register. This valuation proceeds on the basis that the same result applies to the remaining lots which combine to form the subject, which should be confirmed prior to reliance upon this report. A copy of this sample search is contained in the Annexures.

2.3 PLANNING

2.3.1 Area Classification

The property is located within the Brisbane City Local Government Area.

Planning Scheme	Brisbane City Council City Plan 2014
Classification	'LMR2 Low medium density residential (2 or 3 storey mix)
Purpose	The intent of this designation is to provide for a range of mix of dwelling types including dwelling houses and multiple dwellings supported by community uses and small-scale non-residential services and facilities that cater for local residents.
Overlay	'NC Neighbourhood centre'
Purpose	The purpose of this overlay is to provide for a small mix of land uses to service residential neighbourhoods. It includes small-scale convenience shopping, professional offices, community services and other uses that directly support the immediate community.
Overlay	'Lutwyche Road Corridor Neighbourhood Plan'
Purpose	<p>The overall outcomes for this precinct are:</p> <ol style="list-style-type: none"> Intensive redevelopment is focused in the Lutwyche centre precinct and Windsor east precinct to reflect their role as established activity centres and their high level of accessibility to high-quality public transport nodes. Less-intensive redevelopment occurs in other locations along Lutwyche Road that are well-served by public transport as shown on the NPM-012.4 Lutwyche Road corridor neighbourhood plan map. In the balance of the neighbourhood plan area, established residential areas such as Gordon Park, Kedron and Woolloowin are primarily for low density residential uses with character housing retained. Intensive mixed use and residential development is focused on and takes advantage of high-quality public transport facilities that serve the Lutwyche Road Corridor neighbourhood plan area, with a concentration of employment opportunities and medium to high density residential areas within easy walking distance of public transport nodes. New development exhibits high-quality built form and landscaping that enhances the image of the Lutwyche Road corridor neighbourhood plan area and achieves a strong subtropical character. Pedestrian-focused laneways within the Lutwyche centre precincts provide a high-amenity corridor for commercial and community activities and enhance connectivity within the Lutwyche centre precincts. Lutwyche Road is a vibrant and attractive, tree-lined subtropical boulevard, with streetscape enhancements that encourage walking and cycling to major destinations within the Lutwyche Road corridor neighbourhood plan area and improve permeability. Conon and its gardens (Lot 2 on RP86282) are listed on the Queensland Heritage Register and consequently, Conon is protected and any adjoining development respects the heritage context of Conon, including its gardens. New public domain areas, community facilities, parks and improvements to existing parks, support the renewal of urban nodes and meet the needs of existing and future residents. Development is of a height, scale and form which is consistent with the amenity and character, community expectations and infrastructure assumptions intended for the relevant precinct, sub-precinct or site and is only developed at a greater height, scale and form where there is both a community need and an economic need for the development.

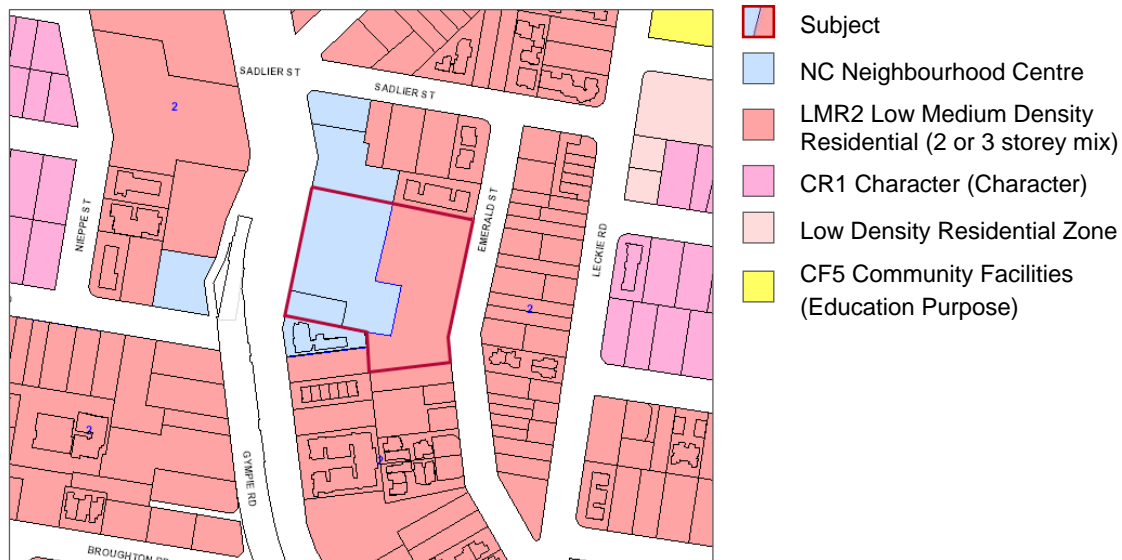
The property is also subject to a number of other planning constraints, which have not been detailed as they are not considered pertinent for the current use of the site nor for the purpose of this report.

2.3.2 Compliance of Current Use

The property is currently used for community services and professional office purposes. This usage complies with the designation and intent.

2.3.3 Adjoining Land Uses and Planning Scheme Designations

The predominant zoning within the immediate vicinity of the property is 'Low medium density residential' and 'Neighbourhood centre' purposes.



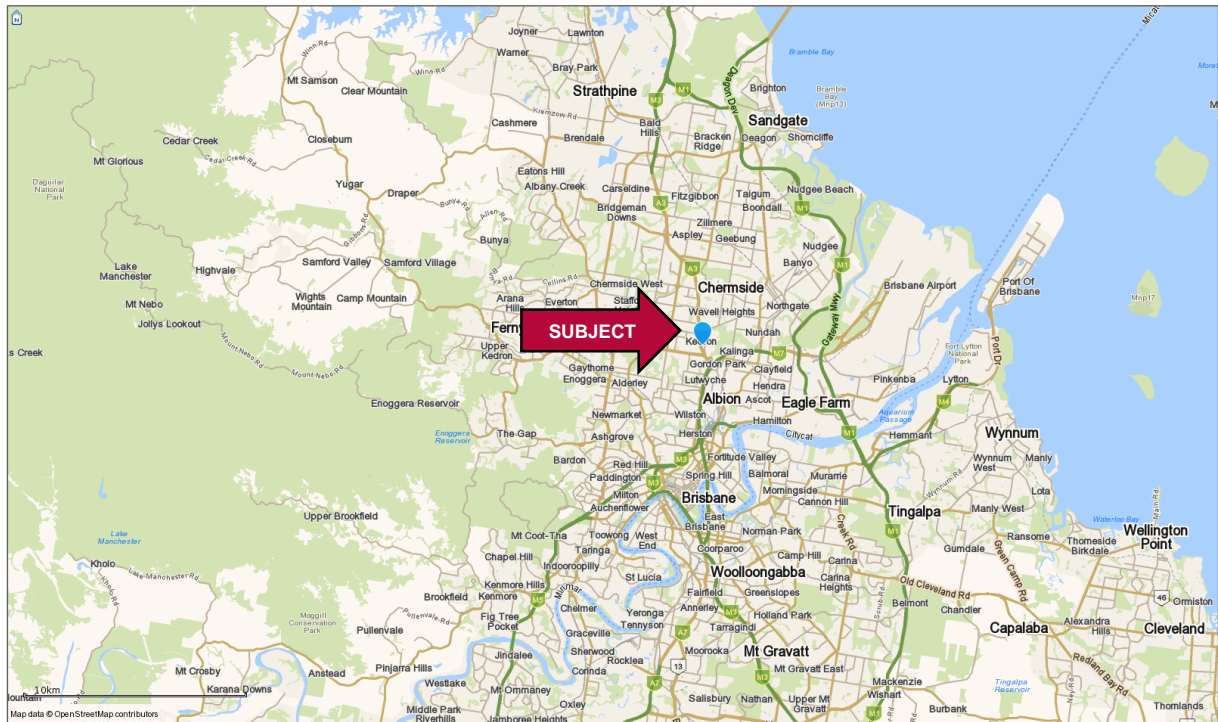
2.3.4 Highest and Best Use

In our opinion, as at the date of valuation, the highest and best use of the property is for purposes which are consistent with its current use.

2.4 LOCALITY AND SURROUNDING DEVELOPMENT

The property is located within the established mixed-use suburb of Kedron, approximately 12 radial kilometres north of the Brisbane CBD. Kedron is an area characterised by low-medium density residential with lowrise commercial development along Gympie Road. Significant landmarks located within the general area include the Northern Busway, Westfield Chermside Shopping Centre, Holy Spirit North-side Private Hospital, number of primary and high schools including Wavell State School and Kedron State High School.

Surrounding development includes older style detached residential dwellings, semi modern low-medium density development and semi-modern commercial development along Gympie Road. There is a renewal process undergoing, in the surrounding suburbs of Chermside, Nundah and Lutwyche, amalgamating and redeveloping many older detached dwellings. While, Kedron saw no significant zoning changes under the BCC 2014 City Plan, disallowing any major uplifts in development potential or value.



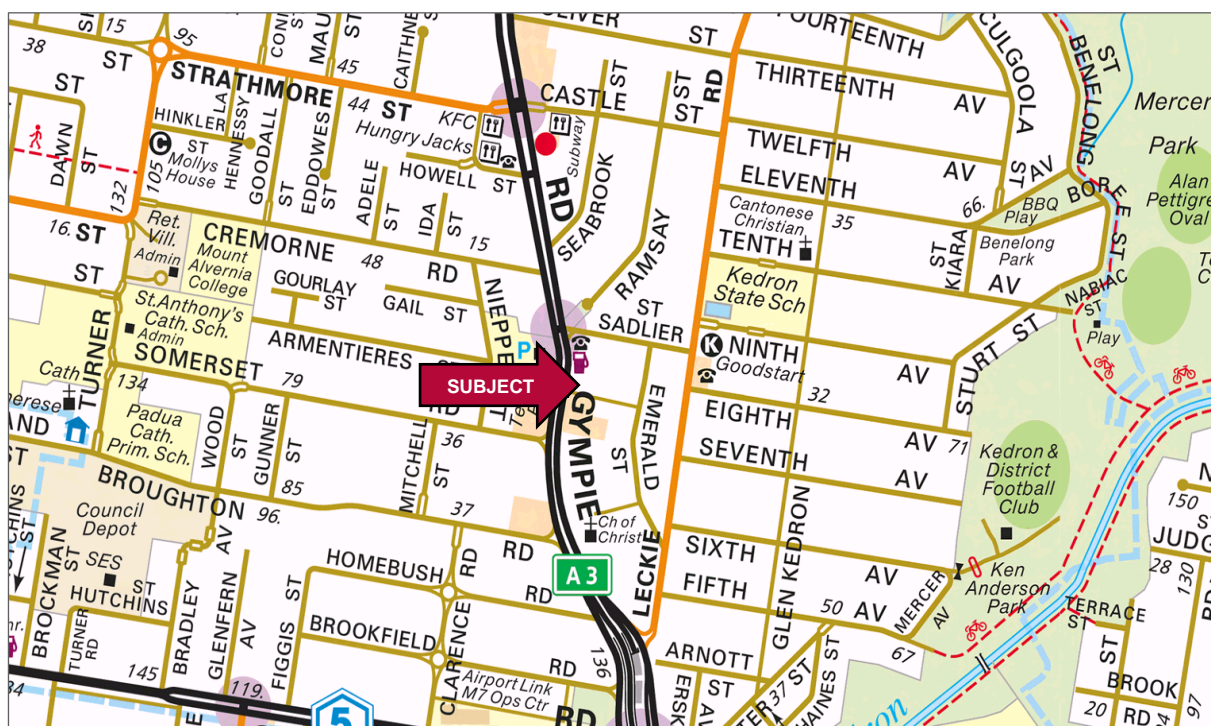
2.5 ROAD SYSTEM, ACCESS AND EXPOSURE

The site has an approximate frontage of 80 metres to Gympie Road and 88 metres to Emerald Street. Gympie Road is a major arterial road carrying three lanes of traffic in each direction between Lutwyche Road and the Bruce Highway via the Gympie Arterial Road. Access into the property via Gympie Road is restricted to inbound traffic only. North bound traffic can access the property via the Gympie Road and Sadler Street light intersection which allows easy passage to Emerald Street, which has eastern frontage and access to the subject land.

Emerald Street is a local street carrying a single lane of traffic in each direction connecting Sadler Street and Leckie Road, which both further connect to Gympie Road.

Public transport is available within the immediate vicinity of the property, with train (Woolloowin Station: approximately 1.7 radial kilometres to the south and the northern busway services is available directly from Gympie Road, adjacent to the subject property.

Access to the property is thus easy and direct via both public and private modes of transport. The location affords a high degree of exposure to passing vehicular and pedestrian traffic.



2.6 STATUTORY VALUATION

The Site Value(s), as assessed by the Department of Natural Resources and Mines at 1 October 2016 with effect from 30 June 2017, are as follows.

Address	Site Value	Site Value /m ²
Lot 3 on RP91138	\$500,000	\$890/m ²
Lot 1 on SP288094	\$3,500,000	\$419/m ²
Total	\$4,000,000	\$449/m²

The site values are made for rating and taxation assessments and are quoted here for information purposes only.

3.0 Improvements

3.1 OVERVIEW

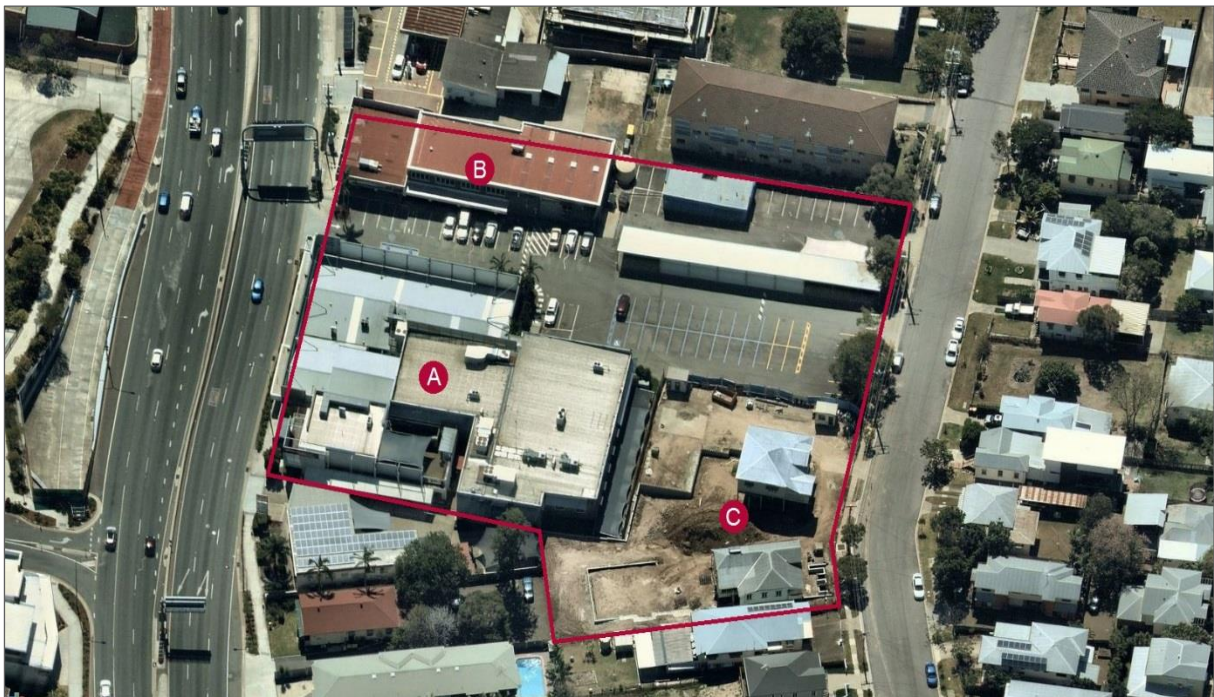
The subject property comprises three buildings of varying quality, age and construction, summarised as follows:

Building A (Ingenia / C & K) comprises a semi-modern double storey concrete block building with a net lettable area of approximately 2,429 square metres and provides PCA A-grade office accommodation. There is a minor showroom accommodation along Gympie Road. Part of the ground floor was originally a medical centre and was repurposed in 2015.

Adjoining Building A (Planbuild Homes) is a semi modern two level building with a net lettable area of approximately 423 square metres and provides good quality office. There is an upper terrace providing shaded breakout space with a sun sail.

Building B (Dulux / Orica / Accoras) comprises a semi-modern double storey concrete block building with a net lettable area of approximately 786 square metres and provides a bulk goods showroom, high bay warehouse, and medical consultation suites/office accommodation.

Building C (C & K Childcare) comprises a double storey childcare facility with a net lettable area of approximately 941 square metres. The two detached pre-war dwellings have been retained and lifted to allow for a modern concrete block childcare facility on the ground level. The development was completed in 2018 with fully landscaped infant play space and disability provisions.



Building Identification Aide

3.2 BUILDING SPECIFICATION

3.2.1 Construction and Fit-Out

General construction details of the property are as follows.

Construction Details	
Building A (Ingenia / C & K)	
Floors	Concrete.
External Walls	Rendered masonry block and fibre cement cladding.
Internal Walls	Plasterboard.
Windows	Aluminium frame.
Ceilings	Combination of plasterboard and suspended acoustic tile.
Floor Coverings	Combination of carpet, timber, tile and vinyl.
Roof	Metal deck.
Adjoining Building A (Planbuild Homes)	
Floors	Concrete.
External Walls	Rendered masonry block.
Internal Walls	Plasterboard.
Windows	Aluminium frame.
Ceilings	Combination of plasterboard and suspended acoustic tile.
Floor Coverings	Combination of carpet and tile.
Roof	Metal deck.
Building B (Dulux / Orica / Accoras)	
Floors	Concrete.
External Walls	Painted masonry block and curtain wall.
Internal Walls	Plasterboard or painted concrete block.
Windows	Aluminium frame.
Ceilings	Combination of exposed painted concrete and suspended acoustic tile.
Floor Coverings	Combination of painted concrete, carpet, tile and vinyl.
Roof	Metal deck.
Building C (C & K Childcare)	
Floors	Concrete.
External Walls	Combination of original timber chamferboard, concrete block and metal stud.
Internal Walls	Plasterboard and vertical timber to the traditional dwellings.
Windows	Aluminium frame.
Ceilings	Plasterboard with part exposed ceiling truss.
Floor Coverings	Combination of carpet, tile and vinyl.
Roof	Metal deck.

Building Services	
Building A (Ingenia / C & K)	
Air Conditioning	Ducted air-conditioned throughout, mechanical ventilation to ablution areas.
Lighting	Recessed fluorescent lighting.
Fire Services	Typical fire service including smoke thermal detection system, hose reels, alarms and hand held extinguishers.
Stairs	Three sets of internal fire stairs.
Adjoining Building A (Planbuild Homes)	
Air Conditioning	Ducted air-conditioned throughout, mechanical ventilation to ablution areas.
Lighting	Recessed fluorescent lighting.
Fire Services	Typical fire services.
Stairs	Three sets of internal fire stairs.
Building B (Dulux / Orica / Accoras)	
Lifts	Eletech lift rated at 900 kilograms or 13 persons.
Air Conditioning	Ducted air-conditioned throughout, mechanical ventilation to ablution areas.
Lighting	Recessed fluorescent lighting.
Fire Services	Typical fire services.
Stairs	Three sets of internal fire stairs.
Building C (C & K Childcare)	
Air Conditioning	Ducted air-conditioned throughout.
Lighting	Recessed LED lighting.
Fire Services	Typical fire service including smoke detection system, hose reels, alarms and hand held extinguishers.
Stairs	Three sets of internal stairs.

This valuation includes all plant and equipment located at the building including air-conditioning services and fire protection equipment that would normally pass with the building in the event of a sale. The plant and equipment which is specifically used in the operation of the existing business has been excluded from our assessment.

3.3 ACCOMMODATION

3.3.1 Building Areas

Measurements taken from plans provided indicate the following building areas:

Building	Area
Building A (Ingenia / C & K)	2,429m ²
Adjoining Building A (Planbuild Homes)	423m ²
Building B (Dulux / Orica / Accoras)	786m ²
Building C (C & K Childcare)	941m ²
Total	4,579m²

3.3.2 Accommodation Description

Accommodation	
Building A (Ingenia / C & K)	
A1 - Ground Level	Open Plan Office; Meeting Rooms (4); Boardroom; Store Room; Photocopy Room; Male and Female Toilets; Staff Lunchroom/Kitchen; External Deck; Disabled Toilet and Unisex Toilet; Split level to Lower Open Plan Office; Utility Room and Water Closet.
A2 - Ground Level	Showroom.
A3 - Ground Level	Dining/Breakout Space; Kitchen; Multifunctional/Training Room with Retractable Room Divide and Furniture Store; IT Store/Workshop; Board Room; Female, Male and Disabled Toilets; Meeting Room; Reception Area; Open Place Office and external Outdoor/Breakout Space.
A3 - First Floor	Reception Area; Mailroom; Open Plan Office; Private Offices (8); Meeting Rooms (4); Server Room; Payroll Office; Store Room/Lockers; Staff Kitchen/Meeting Room; Male, Female and Disable Toilets.
Adjoining Building A (Planbuild Homes)	
A2 - Ground Floor	Reception; Meeting Room; Open Plan Office; Private Offices (5); Male and Female Toilets; Communication Room; Safe; Kitchen and External Breakout Space.
A2 - First Floor	Offices; Meeting Room; Kitchenette and Shaded Upper Terrace.
Building B (Dulux / Orica / Accoras)	
B1 - Ground Level	Open plan showroom; Office; Disabled Toilet; ramp to High-bay Warehouse; Male Toilets; Staffroom.
B2 - First Floor	Stairs to Reception and Waiting Area; Consultation Rooms (8); Staffroom; Storeroom; Staff Kitchen; Server Room; Male and Female Toilets.
Building C (C & K Childcare)	
Ground Level	Reception; Waiting Room; Office; Disabled Toilet; Staffroom; Staff WC; Commercial Kitchen; Laundry; Pantry/Washroom; Activity Room (4); Infant Unisex/Disabled Toilets w/ Shower; Sleep Room (2); Infant Toilets; Bottle Prep; Nappy Change Room.
First Floor	Store Rooms (13); Stairs to Ground (2).

3.3.3 Other Improvements

- Concrete driveways (4).
- Bitumen and concrete sealed car parks.
- Planted landscaping.
- Steel perimeter fencing around child care facility/car park.
- Infant external play space (sand pit, seating, play kitchen, seating).
- Water Tank.
- A single level concrete block building providing average low bay storage space.

3.3.4 Parking

Car parking is provided on-site for 136 vehicles. This equates to a car park-to-net lettable area ratio of 1:34. There are 40 shaded car parks including 18 covered by shade cloth and 22 undercover.

3.4 PRESENTATION, CONDITION AND UTILITY

The buildings range wildly in construction from pre-war timber dwellings to circa 2018 modern concrete block, but predominately semi-modern concrete block. The properties appear to have been adequately maintained having regard to their age and the purpose to which it is used. They remain in good decorative order throughout.

In our opinion, the property appears to have been adequately maintained having regard to its age and the purpose to which it is used.

3.4.1 Asbestos

Inspection of the improvements showed the possible use of asbestos products in the building. We are not experts in this area and therefore in the absence of any expert report as to the presence of any asbestos products within the property, our valuation is made on the assumption that there is no asbestos related health risk.

3.4.2 Polyethylene Core Aluminium Composite Panels

We are unaware whether polyethylene core aluminium composite panels have been used in the construction of the structure(s) on the site. We are not experts in this area and therefore in the absence of any expert report as to the presence of any such products within the property, our valuation is made on the assumption that the building(s) have not been constructed with this product.

3.4.3 Pest Infestation

The property is located in an area considered susceptible to termite infestation. Inspection of the improvements did not reveal any apparent termite infestation. This should, however, be confirmed by a certified pest control firm.

If the expert report established that there is infestation, the report should be referred to us for advice as to whether it affects our assessment of value.

3.5 ENVIRONMENTAL RATING AND BUILDING GRADE

3.5.1 Environmental Rating

The property has an accredited 4.5-star NABERS Energy rating. This signifies a good to excellent NABERS rating. The current national NABERS Energy average is between 2.5 and 3 stars.

# of Stars	Green Star	NABERS Energy
6	World leader	Market leading
5	Australian excellence	Excellent
4	Best practice	Good
3	-	Average
2	-	Below average
1	-	Poor
0	-	Very poor

Pursuant to the *Building Energy Disclosure Act 2010* (Cth), an owner or lessor of a commercial office building or tenancy greater than 2,000 square metres is required to disclose energy efficiency information to any prospective buyer or tenant, subject to certain exemptions. The property will therefore require a Building Energy Efficiency Certificate (BEEC) should it become available for sale or lease.

3.6 REPLACEMENT VALUE OF IMPROVEMENTS

The assessment for reconstruction assumes the re-erection of a substantially identical building using similar design and construction techniques. The assessment assumes that current planning regulations would not inhibit the current building use being continued on the site and therefore the permissible construction of similar building improvements.

The replacement and reinstatement value of the improvements for insurance purposes, including removal of debris, Council and professional fees, and likely escalation in costs during the development and insurance period, is considered to be \$15,100,000 excluding GST. This assessment does not include an allowance for emergency accommodation and income protection.

Replacement Cost		
Estimated Base Building Cost	5,300m ² @ \$1,650	\$8,745,000
Estimated Site Improvements		\$500,000
Estimated Fit Out Cost	4,579m ² @ \$750	\$3,434,250
Add:		
Cost Escalation	18 months @ 3.00%	\$570,566
Professional Fees	@ 7.00%	\$927,487
Cost of Debris Removal	5,300m ² @ \$100	\$530,000
Cost Escalation - Lapse between renewals	12 months @ 3.00%	\$441,219
Insurance Value (Rounded)		\$15,148,522 (\$15,100,000)

We have adopted building costs which reflect the standard of improvements with primary reliance on Rawlinsons Australian Construction Handbook 2018 publication. The assessment of replacement value of improvements is provided as indicative advice only and, should an accurate assessment be required, advice should be obtained from a quantity surveyor.

3.7 PHOTO GALLERY



Building A



Building A from Gympie Road



Tenancy A1 – Typical Office



Tenancy A3 – Typical Office



Building B from Gympie Road



Building B – B2 Entrance



Tenancy B1 Showroom



Tenancy B2 Typical Suite



Building C from Emerald Street



Childcare Commercial Kitchen



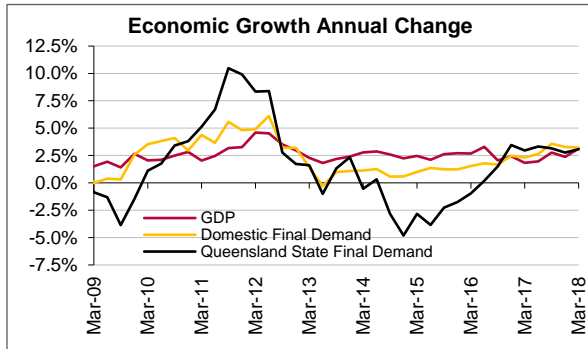
Planbuild Homes Building



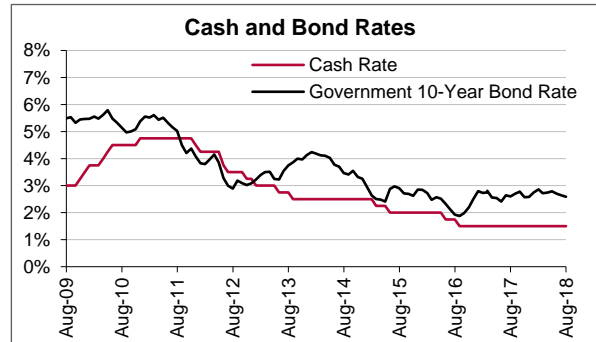
Planbuild Homes Typical Office

4.0 Market Comment

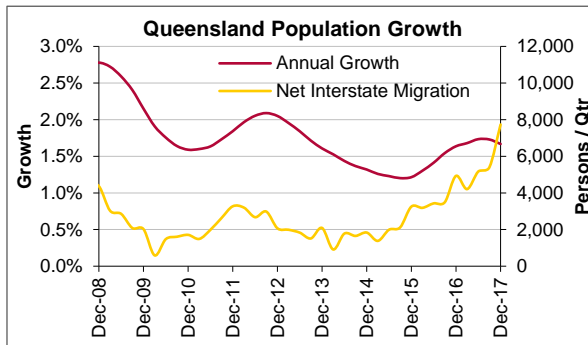
4.1 ECONOMIC OVERVIEW



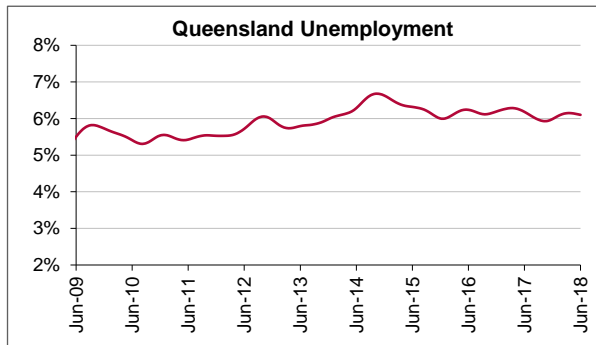
Gross Domestic Product: GDP increased 1.0% during the March quarter 2018, bringing annual growth to 3.1%. During the quarter, household consumption expenditure increased 0.3%, exports rose 2.4% and imports rose 0.5%. Queensland State Final Demand grew 3.1% over the year and Domestic (National) Final Demand grew 3.2%.



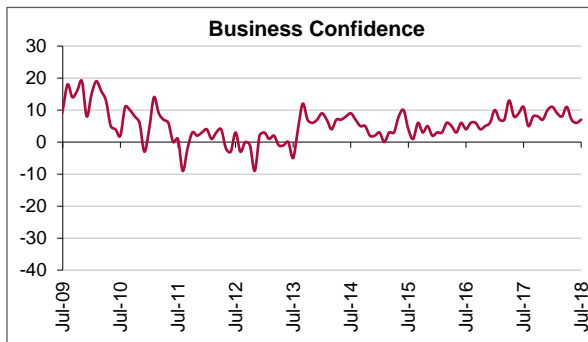
Cash Rate: The RBA lowered the official cash rate to 1.50% in August 2016. Since then, the board has kept the cash rate constant. **Bond Rate:** During August 2018, the 10-year Government bond rate averaged 2.59%. The bond rate has declined from the start of the year.



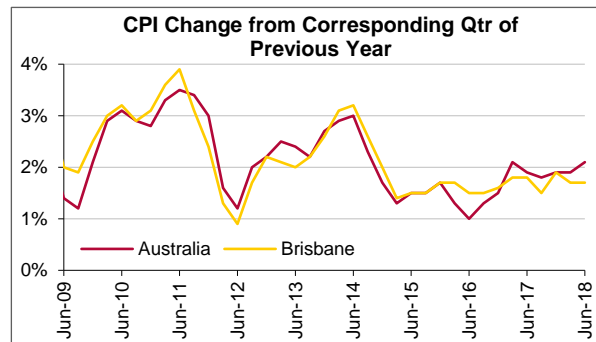
Population Growth: During 2017, Queensland's population grew by 1.67% (to 4.97 million persons), which was slightly above national growth (1.59%). Net interstate migration accounted for 22,500 new persons over the year and net overseas migration was 29,300 persons.



Unemployment: The Queensland unemployment rate was 6.1% as at June 2018. Over the year, the number of persons employed increased by 62,750 persons (full-time increased by 39,900 persons and part-time increased by 28,850 persons). The national unemployment rate in June 2018 was 5.4%.



Business Confidence: NAB's index of business confidence decreased to 7 index points in July (0 = neutral). Confidence is strongest in the Mining and Construction industries. In Queensland, business confidence is above the national level (9 index points in July).



CPI: National CPI increased 0.4% during the June quarter 2018, bringing the annual increase to 2.1%. The most significant price rises during the year were in the Alcohol and Tobacco (up 7.8%) and Transport (up 5.2%) groups.

4.2 CHILD CARE INDUSTRY OVERVIEW

The following has been summarised from various sources, including the IBISWorld, July 2018, *Child Care Services in Australia* industry report and the Australian Government, December Quarter 2017, *Early Childhood and Child Care in Summary* report.

The last 10 - 15 years has seen significant growth and change within the child care industry in Australia. Not only has the number of services offered by the sector increased considerably, but ownership has moved from predominantly not-for-profit providers to private providers. Over the same period, the number of children using child care has also increased considerably.

The child care industry consists of several distinct classes of child care services. Long day care centres (LDC centres) usually care for children under school age, in premises specially built or adapted for child care. Private operators, local councils, community organisations, employers and non-profit organisations may run LDC centres. As at December 2017 (the most recent data available), there were 1,542 approved LDC centres in Queensland.

LDC centres are required to provide quality, all-day care and offer educational and developmental programs within their care programs. Some LDC centres also provide care for limited numbers of primary school children before and after school and during school holidays. Since the Federal Government extended the availability of fee subsidies to families using 'for-profit' child care centres in 1990, the private LDC Centre market has grown. Fees charged at LDC centres are not regulated by Government and are influenced by a variety of factors including movements in award wages, service charging practices, changes to the State regulations and increases in overheads such as rates, utilities and insurance.

Demand for child care services has increased over the past decade, largely because of population growth, growth in the participation rate of women in the workforce and changes to Government payments and subsidies such as the Child Care Benefit and Child Care Rebate (which from 2 July 2018 has been combined to form the Child Care Subsidy).

4.2.1 Affordability

The Australian Government Department of Education and Training (December 2017) *Early Childhood and Child Care in Summary* report provides the latest industry overview. The key findings from the report for the December quarter 2017 are detailed below.

- 1,302,940 children attended approved child care during the December quarter 2017, up 1.7% compared with the December quarter 2016.
- 897,880 families had at least one child in approved child care during the December quarter 2017, an increase of 3.1% since the December quarter 2016.
- 18,524 approved child care services operated in Australia during the December quarter 2017, an increase of 3.4% since the December quarter 2016.
- The total estimated Child Care Benefit and Child Care Rebate entitlement during the December quarter 2017 was \$1,827.2 million, down 0.2% since the September quarter 2016.

Affordability is a key driver of demand for child care services. Affordability has been negatively impacted during recent years by an increased number of families having reached the subsidy cap. The additional funding to the sector from July this year is expected to improve affordability for lower and middle-income families and increase child care participation over time.

The new Federal Government's Jobs for Families Care package involve a single Child Care Subsidy (CCS) (having replaced the Child Care Benefit and Child Care Rebate). The CCS is a means- and activity-tested subsidy paid directly to child care operators to be passed on to families. The CCS provides increased assistance to low- and middle-income families. The subsidy is on a sliding scale, which tapers from 85% to 20% of child care fees. Families earning up to \$65,710 per annum receive a subsidy of 85% of the actual fee charged. The subsidy falls to 20% for families earning between \$250,000 and \$340,000 per annum. Families earning over \$350,000 are not able to access the subsidy.

Costs of Care before Australian Government Fee Assistance

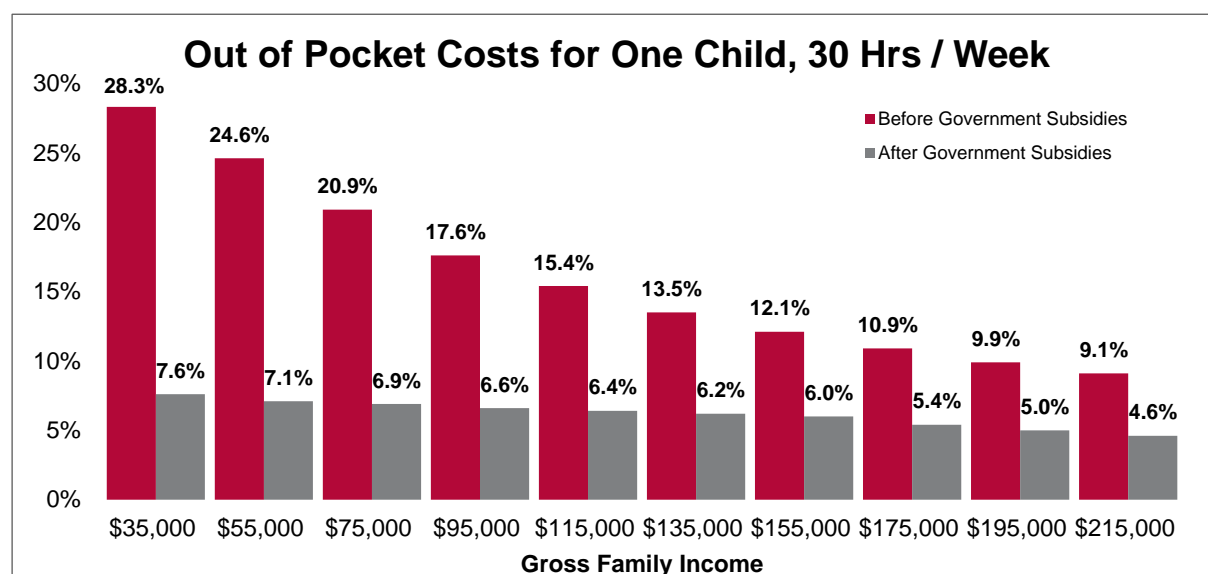
The average hourly fee for Long Day Care services was \$9.35 during the December quarter 2017. The average hourly fee for Long Day Care increased by 4.5% from the December quarter 2016.

During the December quarter 2017, the total estimated expenditure on Child Care Benefit and Child Care Rebate was approximately \$1,827.2 billion. The majority of this (72.9%) was paid to families using Long Day Care services.

Costs of Care after Australian Government Fee Assistance

The out-of-pocket costs for families using child care are determined by a combination of the fees services charge, the type of child care used, the amount of care used by families for their children and the amount of Australian Government subsidies that families are entitled to.

During the March quarter 2017 and before Australian Government child care subsidies were considered, out-of-pocket costs for families varied from 28.3% of weekly disposable income (for families earning a gross income of \$35,000 per year) to 9.1% (for families earning a gross income of \$215,000 per year). After considering Australian Government child care subsidies, out-of-pocket costs were significantly reduced, varying from 7.6% per cent for families earning a gross income of \$35,000 per year, to 4.6% for families earning a gross income of \$215,000 per year.



Source: Australian Government, m3property

4.2.2 Outlook

The child care services industry is expected to continue to grow over the coming five years. Industry revenue is forecast to grow at an annualised 4.0% over the five years to June 2024. Revenue growth will be driven by continued government assistance, rising female participation rates, ongoing demand for formal child care services and growth in child care fees.

The new CCS is intended to increase the flexibility, accessibility and affordability of child care services. It is anticipated to encourage an additional 230,000 families to increase their level of paid employment (which will subsequently increase demand for child care services). Furthermore, the operating hours of centres are expected to evolve further over coming years. As part of the new child care reform package, operators are allowed greater flexibility in setting their hours of operation.

4.3 INVESTMENT MARKET

The child care services industry is in the growth phase of its life cycle. Growth has been driven by steady increases in government funding over the past decade. Over the past decade, attendance at childcare centres has steadily increased and this has driven new players to enter the industry. For example, enterprise numbers are forecast to have grown by 28.6% over the five years to June 2018. The number of centres nationally has grown by an estimated 18.3% over the past five years. The increase in supply has been reported to be putting pressure on occupancy rates at some centres.

The child care investment market has been performing strongly. Demand for freehold child care centre investments has been driven by long lease terms, above-CPI annual rent increases and secure tenants. The availability of a reversionary interest in the business is also considered attractive for investors.

Demand of freehold child care centres remains strong. Freehold interests now typically trade in the yield band of 5.00% to 7.00%. Whilst yields have firmed during recent years, yields have now appeared to have stabilised. Properties in the \$2 to \$5 million price bracket are in strong demand, particularly from self-managed superannuation funds and traditional residential investors, who have become more active in the child care sector during recent years.

Whilst the early learning sector is highly fragmented, with relatively low institutional participation, there are some large trusts and institutional owners operating (and growing their presence) in the sector, including G8 Education, Folkestone Education Trust (currently in the process of being acquired by Charter Hall Group) and Arena REIT. Acquisition and merger activity from the major trusts is expected to strengthen over the foreseeable future as corporate owners are anticipated to continue to look to grow their market shares.

G8 Education is an ASX-listed REIT operating in the child care sector. The group operates 495 centres across over 20 brands nationally. During 2017, G8 Education opened 37 centres, and sold 22 underperforming centres. The group has announced that it plans to add 30 centres to its portfolio during 2018 and a further 10 centres to its portfolio during 2019.

Folkestone Education Trust is an ASX-listed REIT that invests in child care centres. As at 30 June 2018, Folkestone owned freehold or leasehold interests in 410 early learning properties (including 23 development sites), with a total value of \$984.2 million, across Australia and New Zealand. In April 2018, Folkestone Education Trust acquired nine Brisbane centres from Avenues Early Learning for \$63.2 million on a sale-and-leaseback deal. The properties were located at Aspley, Carina, Jindalee, McDowall, Parkinson, Sunnybank, Shailer Park, Paddington and Norman Park.

In August 2018, Folkestone Limited entered into an agreement with Charter Hall Group for Charter Hall Group to acquire Folkestone for a consideration of \$205 million. Pending approval, the transaction is anticipated to be completed in November.

Arena REIT is another major corporate player in the child care sector. As at 30 June 2018, Arena's portfolio included 207 early learning properties. In mid-2017, Arena REIT acquired a portfolio of nine centres under development around Australia for circa-\$65 million. The centres were all leased to Green Leaves Early Learning Centre on 20-year initial lease terms.

With regards to the development of child care centres, a "bigger is better" approach is prevalent. Economies of scale work in the favour of larger, well-located centres due mainly to efficiencies with administrative and property costs. Most suburban centres are providing over 100 places and typically take the market share of older less functional centres or seek to fill increased demand as new housing estates are developed. Within metropolitan fringe areas of the city, the conversion of less viable property stock such as B- and C-grade office space to child care centres is a growing trend. There is also a growing trend towards new child care centres being incorporated in mixed-use developments.

4.4 SUBURBAN OFFICE MARKET OVERVIEW

Office space in Brisbane's suburban market is predominantly located in a number of core precincts. The key precincts are the Brisbane Airport / Northshore precinct, Chermside, emerging outer locations such as North Lakes and Springfield and mixed-use business parks (such as SouthGate in Cannon Hill, Metroplex on Gateway in Murarrie and Gateway Office Park in Eight Mile Plains). Some office accommodation is also located in stand-alone and quasi retail/commercial office buildings scattered throughout suburban centres.

The Property Council of Australia no longer monitors the suburban office markets of Chermside, Upper Mount Gravatt / Macgregor and the Southern Corridor. As at July 2018, the only suburban office market that the Property Council of Australia monitored was the Brisbane Airport precinct. This precinct comprises of 66,794 square metres of office space. The majority of stock in the Brisbane Airport precinct (69.8%) is of A-grade quality.

4.4.1 Tenant Demand

Tenants and owner-occupiers are typically attracted to suburban office buildings due to spacious and attractive work environments, the affordability of high car-parking ratios, high levels of amenity, transport advantages, and competitive rents compared to the CBD and Fringe. There are a number of key trends affecting demand for office space across Brisbane at present. These are detailed below:

- Co-working and other flexible office space providers have emerged as a major source of new leasing demand in the Brisbane office market.
- Tenants remain critical of the level of amenity provided in buildings and typically expect a high level of end-of-trip facilities.
- Competitive CBD effective rental rates have resulted in a narrowing price differential between comparable CBD and Fringe / Suburban space. As a result, Fringe- and Suburban-based companies continue to consider the CBD as a potential relocation option upon lease expiry.
- Companies are increasingly looking to consolidate their operations into one location. This trend is stemming from firms looking to increase efficiency and reduce costs.
- It is forecast that the number of offices utilising features of Activity Based Working will increase considerably by over the medium-term. This is expected to put downward pressure on tenant space requirements over the medium- to long-term.
- We expect national office markets to increasingly be faced with declining workspace ratios – a result of corporate Australia's growing trend towards efficiency and cost-cutting. The sharing of workstations, minimisation of occupancy costs and reluctance to take on expansionary space are all trends we expect to continue. Also adding to this is the impact that advancing technology is having on the way businesses work, allowing them to employ cheap offshore competition or software to undertake work traditionally undertaken by in-house employees. Technological advancements such as cloud computing services and remote workstations have also reduced the office space requirements of some professional services firms during recent years. These trends are expected to continue over the long-term and result in a reduction in the average workspace ratio of firms.

4.4.2 Supply

Supply of new office accommodation in the suburban markets is typically in the form of small projects that are demand (pre-commitment) led and located in business parks. Business parks are generally developed in areas close to public transport and road networks. Recent trends in business park projects are towards higher levels of amenity including eating establishments, child care centres, medical centres, convenience stores and hotels. In addition, the desire by businesses to consolidate their head and back offices, manufacturing, and distribution activities is satisfied through a business park location.

During recent years, there have been a number of new office buildings constructed in the suburban office market. There are also a large number of suburban office projects currently under construction or proposed to be developed. However, construction of proposed projects is largely dependent on obtaining a significant pre-commitment.

Major projects under construction or proposed for construction in the suburban market include:

- Under Construction: Clunies Ross Court at Brisbane Technology Park, Eight Mile Plains;
- Under Construction: Freeway Office Park Stage 2 (6,440 square metres);
- Proposed: Future office component of the Eagle Farm Racecourse Redevelopment (13,000 square metres);
- Proposed: Garden Square Office Building, Upper Mount Gravatt (24,000 square metres);
- Proposed: The office component of the North Lakes Laguna project (10,500 square metres);
- Proposed: Brisbane Catholic Education's new headquarters at Yeerongpilly Green (6,500 square metres); and
- Proposed: Boulevard Business Park in the Brisbane Airport precinct (13,630 square metres).

4.4.3 Rental Rates

Gross face rentals for prime suburban office accommodation currently range between \$375 to \$475 per square metre, but up to \$500 per square metre for pre-commitments to new buildings. Average secondary rents range between \$260 and \$375 per square metre. Incentives for new space in suburban locales are typically between 25% and 40% for non-fitted out space – similar to the Brisbane Fringe.

4.4.4 Investment Market

There has been strong demand for investment stock in the Brisbane office market during recent years. Driving the investment market has been the low 10-year Government Bond Rate, with investors looking to property to generate higher returns on investment. Adding to this has been demand from offshore investors (who see Australia as hosting relatively high-yield investment opportunities in a stable-policy environment) and investors who have been pushed out of southern markets.

There have been limited suburban office sales to date in 2018. This is due to limited investment stock being brought to the market. However, properties that have been offered to the market over the past year have been well received. Prime suburban yields typically range between 6.75% and 7.75%. Secondary suburban yields generally range between 7.75% 8.25%.

The following table shows a selection of recent transactions over \$5 million. Small-quantum (sub-\$5.0 million) commercial investment properties also remain in reasonable demand, particularly from private investors and owner-occupiers.

Address	Sale Date	Sale Price	NLA	NLA Analysis	EMY
56 Lavarack Avenue, Eagle Farm	Sep-18	\$33,500,000	8,785m ²	\$3,813/m ²	6.78% ^{IY}
Lot 5/747 Lytton Road, Murarrie	Apr-18	\$26,000,000	5,459m ²	\$4,763/m ²	7.55%
831 Gympie Road, Chermside	Apr-18	\$30,700,000	6,480m ²	\$4,738/m ²	7.43%
88 Musk Avenue, Kelvin Grove.	Mar-18	\$84,000,000	14,144m ²	\$5,939/m ²	7.10%
65 Osborne Road, Mitchelton	Oct-17	\$8,500,000	1,575m ²	\$5,397/m ²	6.98%
77 Hudson Road, Albion	Sep-17	\$20,200,000	2,935m ²	\$6,882/m ²	6.70%
38 Southgate Avenue, Cannon Hill	Aug-17	\$22,650,000	3,502m ²	\$6,468/m ²	7.04%
1231 Sandgate Road, Nundah	Jul-17	\$106,250,000	12,980m ²	\$8,186/m ²	6.73%
12-14 The Circuit, Eagle Farm	Jul-17	\$23,000,000	4,675m ²	\$4,920/m ²	8.36%

Source: **m3**property

Note: EMY – Equated Market Yield; ^{IY} – Initial Yield

4.5 MARKETABILITY AND SELLING PERIOD

Cognisant of the property's physical attributes, tenancy position, and the prevailing and forecast market conditions, we consider the property to exhibit many attributes which remain sought by investors and, accordingly, if offered to the market, we expect it would meet with reasonable demand.

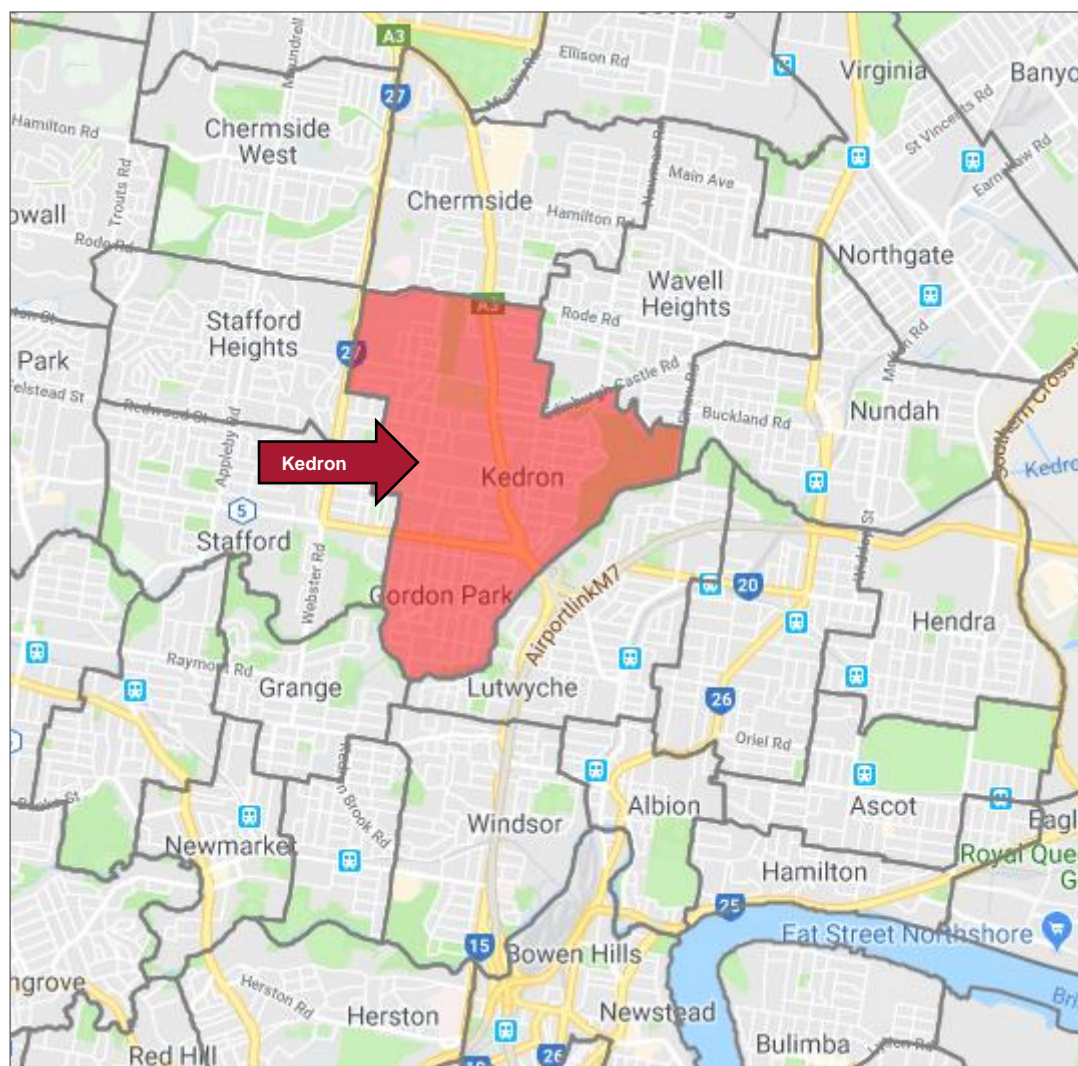
It is considered that a typical selling period of six months would be appropriate assuming professional marketing and a realistic asking price. It is noted however that in the current market the depth of potential buyers may be limited and selling periods upwards of twelve months are not uncommon. The most probable purchaser would be a private investor or syndicate.

5.0 Catchment Analysis

5.1 CATCHMENT DEFINITION

The location of child care centres is an important driver of demand. One of the most convenient locations is on the trip between a populated area and a major CBD. Families will often choose a facility that is on their travel route from their residence to their place of employment. Facilities located in regions with large proportions of young families typically benefit from stronger demand.

The Kedron/Gordon Park SA2 catchment is shown on the following map.

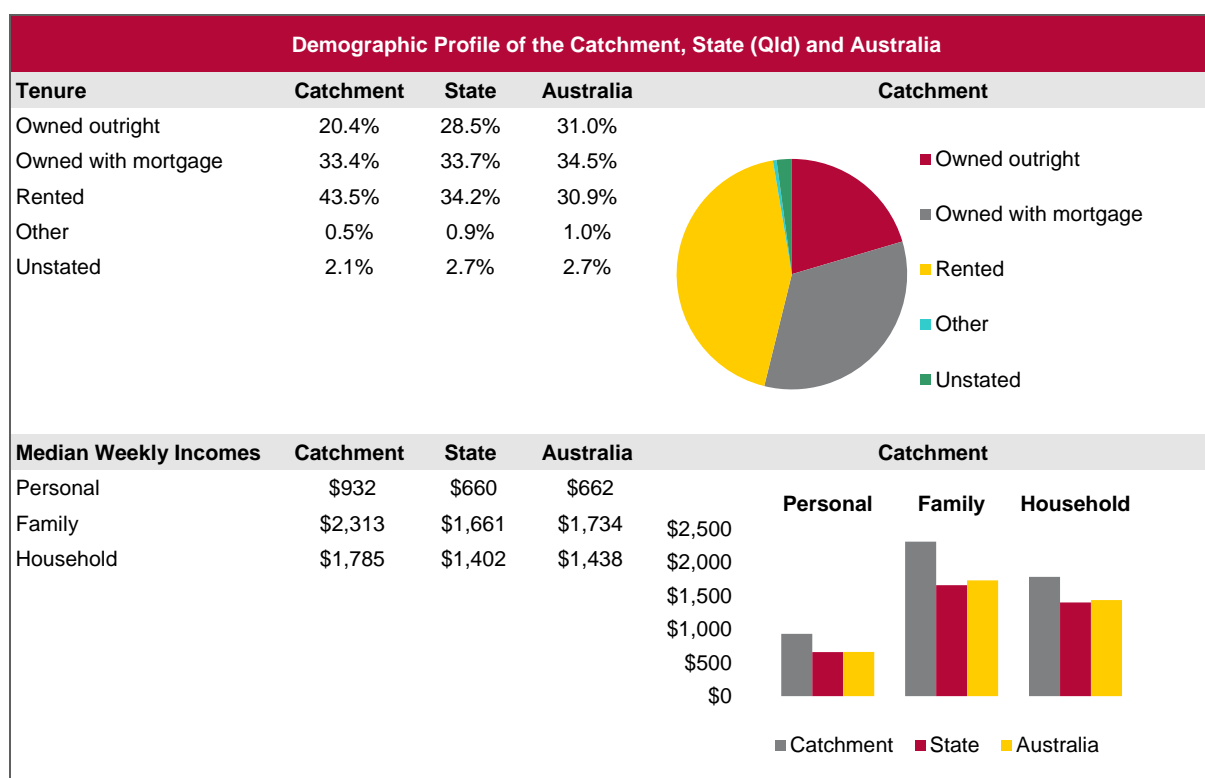


We recognise that some demand could emanate from Chermide, Wavell Heights, Nundah, Lutwyche, Grange, Stafford and Stafford Heights Statistical Areas. However, the region has a well-established population and child care supply, therefore we do not expect surrounding competition to have a strong effect.

5.2 DEMOGRAPHIC PROFILE OF CATCHMENT

The following tables and graphs display an overview of the demographic characteristics of the catchment in comparison to the State and Australia areas.

Demographic Profile of the Catchment, State (Qld) and Australia				
Population	Catchment	State	Australia	Catchment
Total population	13,712	4,703,193	23,401,892	
Median age	34 years	37 years	38 years	
Age Distribution				
0-4 years	6.7%	6.3%	6.3%	<ul style="list-style-type: none"> 0-4 years 5-19 years 20-44 years 45-64 years 65+ years
5-19 years	17.4%	19.4%	18.5%	
20-44 years	43.5%	33.8%	34.5%	
45-64 years	22.7%	25.2%	25.0%	
65+ years	9.7%	15.3%	15.7%	
Household Structure	Catchment	State	Australia	Catchment
Avg. persons per household	2.4	2.6	2.6	
Family household	64.2%	71.8%	71.3%	<ul style="list-style-type: none"> Family household Lone person household Group household
Lone person household	29.4%	23.5%	24.4%	
Group household	6.4%	4.7%	4.3%	
Family Structure	Catchment	State	Australia	
Couple family without children	37.8%	42.5%	44.7%	<ul style="list-style-type: none"> Family household Lone person household Group household
Couple family with children	45.4%	39.4%	37.8%	
Single parent family	13.8%	16.5%	15.8%	
Other	3.0%	1.6%	1.7%	
Dwelling Type	Catchment	State	Australia	Catchment
Total dwellings	5,342	1,656,831	8,286,077	
House	60.2%	76.6%	72.9%	<ul style="list-style-type: none"> House Townhouse Flat/unit/apartment Other
Townhouse	10.2%	10.6%	12.7%	
Flat/unit/apartment	29.2%	11.3%	13.1%	
Other	0.4%	1.5%	1.2%	



Source: ABS Census of Population and Housing, m3property

According to ABS data from 2015, the estimated resident population of Kedron/Gordon Park was 13,712 persons. The median age in is 34 years, compared with a median age in Qld of 37 years, and 38 years in Australia. The most prominent age groups are 20-44 years (43.5%) and 45-64 years (22.7%).

The most prominent dwelling types are house (60.2%) and flat/unit/apartment (29.2%), with the majority having three bedrooms. The majority of dwellings (43.5%) are rented. Dwellings owned outright account for 20.4%, and dwellings owned with a mortgage account for 33.4% of all households. There is an average of 2.4 persons per household within Kedron/Gordon Park.

Family households (64.2%) account for the large majority of dwellings in Kedron/Gordon Park, with lone person households accounting for 29.4%. Couple families with children account for 45.4% of family households and couple families without children are the next most prominent group, representing 37.8% of family dwellings.

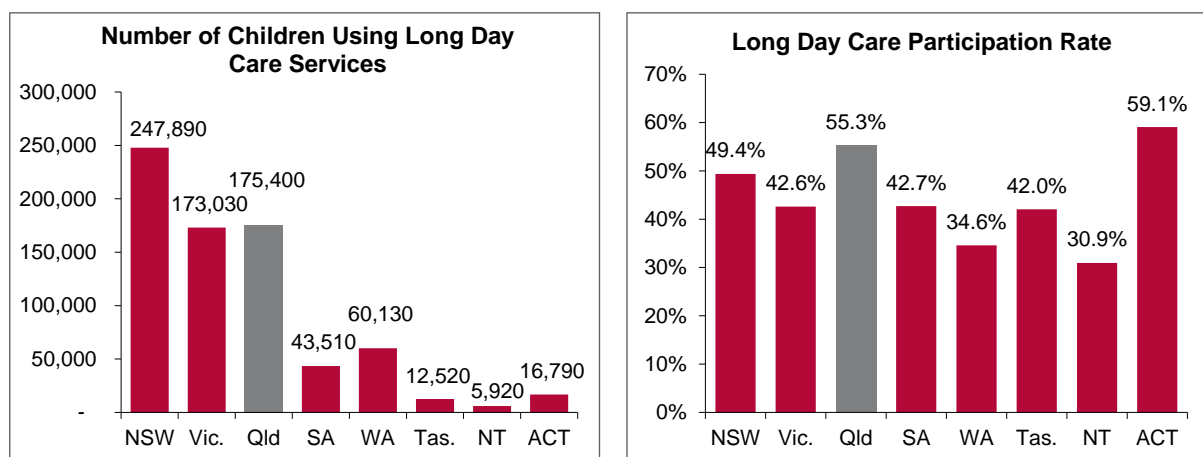
The median weekly household income is \$1,785, compared to \$1,402 in Qld and \$1,438 in Australia.

5.3 CHILD CARE SERVICE DEMAND

5.3.1 Participation Rate Analysis

To assess the demand for child care in the subject catchment area, we have undertaken an analysis on ABS data and the Australian Government Department of Education and Training 'Early Childhood and Child Care in Summary', December quarter 2017, report.

Queensland has a participation rate of 55.3%. Queensland has the second highest participation rate of all states and territories, behind Australian Capital Territory.



Source: Australian Government, ABS, m3property.

Of the 317,382 children aged 0-4 years in Queensland (as at 31 March 2018), an estimated 175,400 used LDC services (during the December quarter 2017), representing a participation rate of 55.3%.

5.3.2 Current Demand Analysis

The following table summarises the total population and the population of 0-4-year-old children within the primary catchment and then applies the Queensland LDC Child Care Participation Rate to establish estimated demand for LDC places in the catchment.

Catchment Area	Persons	Proportion
Total Population	13,712	100.0%
Children Aged 0-4	919	6.7%

Source: ABS, *Childcare Needs Assessment Report*, Australian Government, m3property

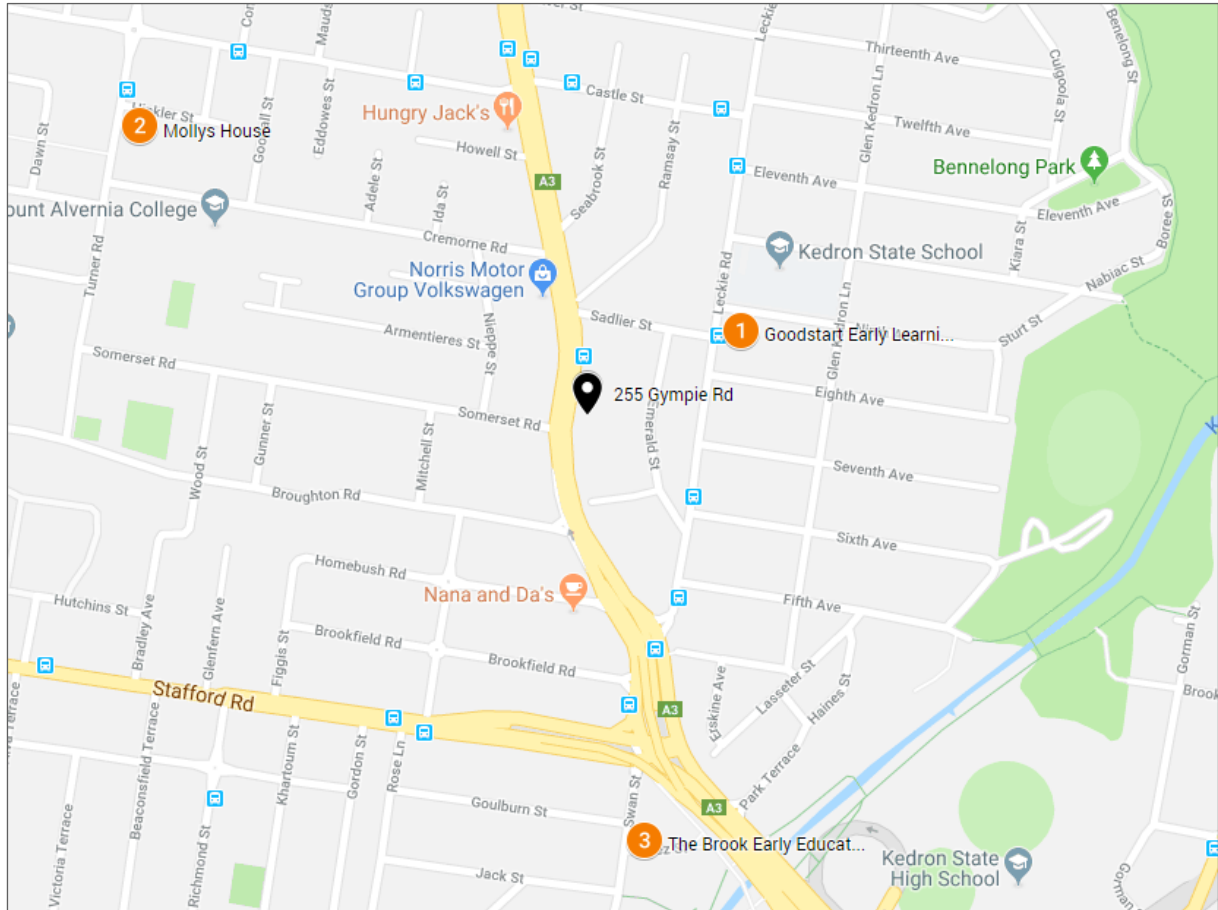
The catchment has a higher proportion of children in the 0-4 age bracket (6.7%) than seen across Queensland (6.3%). There are 919 children on the 0-4 year old age bracket.

5.3.3 Future Demand Potential

The introduction of the Child Care Subsidy (replacing the current Child Care Benefit and Child Care Rebate) on 2 July 2018 is expected to result in stronger demand for child care services in Australia. The new subsidy is expected to contribute to growth in maternal workforce participation in coming years. The new subsidy will be being implemented following the 2014 report by the Productivity Commission on how the cost of child care services can restrict maternal workforce participation.

5.4 SUPPLY ANALYSIS

The following map shows the location of long day care centres within the catchment of the subject centre.



Source: Google Maps

Details of the competing facilities are provided in the following table.

#	Name	Address	LDC Licensed Places
	C & K Childcare (subject)	255-257 Gympie Road Kedron	100
1	Goodstart Early Learning Kedron Central	7 Ninth Avenue Kedron	75
2	Mollys House	139 Turner Rd Kedron	35
3	The Brook Early Education and Care	19 Suez St Gordon Park.	219
Total			429

Source: Individual Centre Management, MyChild government website, ACECQA government website, m3property

5.5 SUPPLY AND DEMAND COMMENTS

- The major catchment has a total of four long day care centres with a total supply of 429 places including the subject.
- There are 919 children on the 0-4 year old age bracket.

Child Care Supply/Demand Ratio		Ratio
Total Available LDC Places (Including Subject)	429	100
Total Population Aged 0-4 years	919	214

- There a 100 available LDC places per 214 children within the catchment.
- It is considered a ratio of say 100 places per 200 or fewer children is considered to represent a high competition location where users will be attracted to the newer, well managed centres. Further development will be highly competitive and may result in poor performance within the existing Centres depending on market perception, improvements and management. A ratio of 100 places per 200 to 500 children is generally considered an average ratio. A ratio of over 500 children to 100 places is generally considered to represent an area which is well suited to the development of further Child Care places.
- It is felt the catchment is more likely to draw from within the immediate vicinity and also commuters travelling along Gympie Road, rather than from the south (Chermside and Wavell Heights) and west (Stafford and Stafford Heights).
- The property has significant appeal to commuters from outside the catchment area primarily because of its location on the inbound side of Gympie Road and the 136 on site car parks available, a positive factor potential users.
- In addition to the above listed long day care centres there is a large proportion of family day care or home day centres being run in the greater locality. These centres do not compete on price or quality of education and are generally run out of sub-standard accommodation and provide limited competition to the subject.
- Older centres tend to have difficulty maintaining occupancy in the face of newly opening centres. Discussions with centre managers highlighted the importance of additional services (such as bus pick-up and drop-off services) in attracting new families to the centre. Some centre managers commented that demand in the area is driven by affordability and that the area is quite competitive.

6.0 Tenancy Details

6.1 OVERVIEW

The property is configured to provide six tenancies. We have examined copies of lease documentation for each of the existing tenancies, including leases, variations and assignments, together with a current tenancy schedule.

6.2 TENANCY POSITION

6.2.1 Occupancy and Lease Expiry

The property maintains a 100.00% occupancy rate with six tenants.

Tenants within the building include the following:

Tenant/Status	NLA	% of Total	Term Remaining
C & K	1,609m ²	35.14%	9.7 years
C & K Childcare	941m ²	20.55%	14.7 years
Ingenia	820m ²	17.91%	4.6 years
Dulux / Orica	562m ²	12.27%	1.8 years
Planbuild Homes	423m ²	9.24%	2.8 years
Accoras	224m ²	4.89%	3.1 years

The property has a Weighted Average Lease Expiry of 7.69 years by income and 7.89 years by area.

6.2.2 Lease Summary

Typically, the leases have the following terms and conditions:

- Lease terms between 10 and 15 years;
- Fixed rent reviews between 3% to 4%;
- Rents structured on a mixture of net and gross basis;
- Gross equivalent rents of between \$335 and \$382;
- Provide for the recovery of GST;
- Typical makegood clauses requiring repairing damage, as well internally painting and removing and replacing floor coverings; and
- Redevelopment clauses excluding Building C.

A synopsis of the major leases is shown below:

Lease Details	
Lessor	Sabraja Projects Pty Ltd.
Lessee	The Creche and Kindergarten Association Ltd - C & K Childcare.
Demised Premises	Part of Lot 1 on SP 288094, encompassing 2,125 square metres of improved site area.
Permitted Use	To provide a centre based Education and Care Service in accordance with Education and Care Services National Law (Queensland) Act 2011 and the Education and care Services National Regulations. Commercial offices and any other lawful use.
Commencement	23 July 2018.
Term	15 years.
Expiry	22 July 2033.
Option	5+5+5+5 years.
Commencement Rental	\$280,000 per annum, exclusive of GST or \$2,800/place.
Current Rental	\$280,000 per annum, exclusive of GST or \$2,800/place.
Rental Reviews	Annually to 3% with a review to market, should the tenant exercise their option for a further term and for the 7 th year of the first term.
Outgoings	The lease is structured on a net basis (25.4% subject to survey).
Make Good	The tenant is required under the lease to maintain the premises and the tenant's property.
Security	Nil.

Lease Details	
Lessor	Sabraja Projects Pty Ltd.
Lessee	The Creche and Kindergarten Association Ltd - C & K.
Demised Premises	Part of the ground floor of the building and part of the first floor of the building described as Lease Areas D, E and E1, having a total area of 1,609 square metres.
Permitted Use	Office and training facility.
Commencement	23 July 2018.
Term	10 years.
Expiry	22 July 2028.
Option	5+5 years.
Commencement Rental	\$552,780 per annum, exclusive of GST.
Current Rental	\$552,780 per annum, exclusive of GST.
Rental Reviews	Annually to 3.5% with a review to market, should the tenant exercise their option for each further term.
Outgoings	The lease is structured on a gross basis.
Security	Six months rental.
Make Good	The tenant is required under the lease to maintain the premises.
Car Parking	\$1.
Storage Shed	\$1.

Lease Details	
Lessor	Sabraja Projects Pty Ltd.
Lessee	INA Garden Villages Pty Ltd -Ingenia.
Demised Premises	Part of the ground floor of the building being hatched on lease plan, having a lettable area of 820 square metres.
Permitted Use	Office.
Commencement	1 July 2018.
Term	5 years.
Expiry	30 June 2023.
Option	5 years.
Commencement Rental	\$313,125 per annum, exclusive of GST.
Current Rental	\$313,125 per annum, exclusive of GST.
Rental Reviews	Annually to 4.0% with a review to market, should the tenant exercise their option for each further term.
Outgoings	The lease is structured on a gross basis.
Security	\$73,406.66 plus GST.
Make Good	The tenant is required under the lease to maintain the premises in a good and tenantable repair.
Car Parking	\$1.

6.2.3 Abatements

There are no outstanding abatements.

6.2.4 Tenant Profile and Calibre

C&K is an early childhood education and care provider, establishing over 350 kindergartens and childcare centres since 1907. The organisation employs over 2,000 staff members and attended to 19,683 children in 2017.

Ingenia is an ASX listed owner, operator and developer of a senior lifestyle and holiday communities across Australia with a market capitalisation of approximately \$536 million.

Accorsa is a registered charity and mental health practice, providing early intervention treatment and assistance for people with established mental illnesses. Accoras has two practices in Queensland and served the community for 20 years.

Dulux is an Australian and New Zealand manufacturer and marketer of paint and related systems, since 1904. Dulux is a wholly owned subsidiary of a Dutch multinational company, AkzoNobel (Euronext:AKZA).

Planbuild Homes is a private design and construction firm providing affordable low density housing in south-east Queensland. The firm was established in 2003.

The tenants are considered to provide an overall average to above average leasing covenant with an above-average security of income overall.

6.3 TENANCY SCHEDULE

A full tenancy schedule is provided overleaf.

Unit	Tenant	Area	Current Rental		Type	Recoveries		Gross Rent		Lease Term			Reviews
			\$pa	\$pm ² pa		\$pa	\$pm ² pa	\$pa	\$pm ² pa	From	To	Mths	
255 - A2	Planbuild Homes	423m ²	\$127,073	\$300	Net	\$14,578	\$34	\$141,651	\$335	01/09/15	31/08/21	72	Fixed to 3.00%
257 - A1	Ingenia	820m ²	\$313,124	\$382	Gross	-	-	\$313,124	\$382	01/07/18	30/06/23	60	Fixed to 4.00%
257 - A3	C & K	1,609m ²	\$552,780	\$344	Gross	-	-	\$552,780	\$344	23/07/18	22/07/28	120	Fixed to 3.50%
257 - B1	Dulux / Orica	562m ²	\$185,738	\$331	Net	\$14,234	\$25	\$199,973	\$356	29/09/15	28/09/20	60	Fixed to 3.00%
257 - B2	Accoras	224m ²	\$83,960	\$375	Gross	-	-	\$83,960	\$375	08/08/16	07/12/21	64	Fixed to 3.75%
257 - C	C & K Childcare	941m ²	\$280,000	\$298	Net	\$50,897	\$54	\$330,897	\$352	23/07/18	22/07/33	180	Fixed to 3.00%
Total / Average*		4,579m ²	\$1,542,676	\$337*		\$79,709	\$17*	\$1,622,385	\$354*				

N.B.: Recoverable outgoings have been amended based on our increased outgoings budget.

7.0 Income Analysis

7.1 PASSING INCOME

7.1.1 Gross Income

The passing rental income derived from the property is summarised as follows.

Item	Area	Passing \$pa	Passing \$/m ² pa
Total Rental	4,579m²	\$1,542,676	\$336.90/m²
Plus: Recoveries	-	\$79,709	\$17.41/m ²
Gross Income	4,579m²	\$1,622,385	\$354.31/m²

7.1.2 Outgoings

We have been provided with the outgoing items for the 2018/19 financial year. In the absence of a formal outgoings budget being provided, we have notionally adopted outgoings costs which we believe to be applicable to a property of this nature. In assessing the adopted outgoings parameters for the property, we have had regard to industry benchmarks and have also referred to the actual outgoings from similar properties.

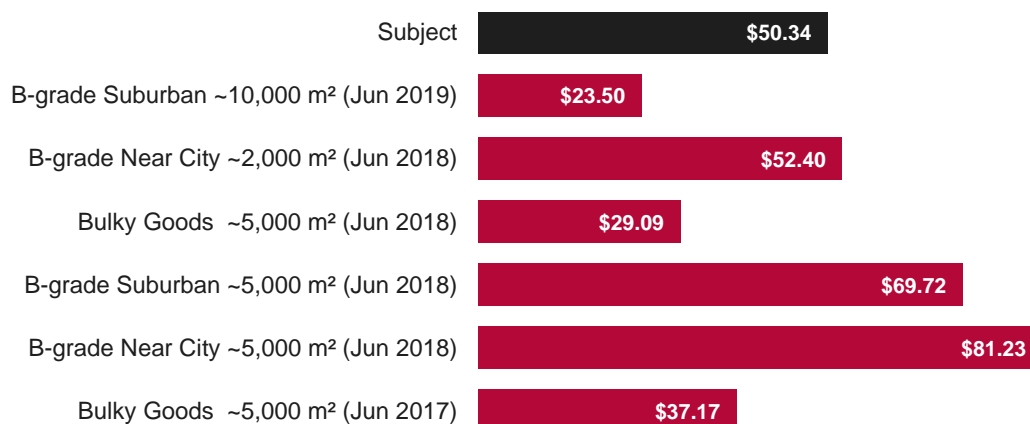
Our assessed outgoings for the property are as follows

Item	Budget 18/19	\$/m ² pa
Municipal / Council Rates	\$48,684	\$10.63
Water and Sewerage Rates	\$26,611	\$5.81
Land Tax	\$58,950	\$12.87
Statutory Expenses	\$134,245	\$29.31
Insurance Premiums	\$17,483	\$3.82
Air Conditioning and Ventilation	\$20,000	\$4.37
Common Area Cleaning	\$2,500	\$0.55
Electricity	\$2,500	\$0.55
Fire Protection / PA System	\$5,000	\$1.09
Lifts and Escalators	\$1,240	\$0.27
Repairs and Maintenance	\$15,000	\$3.28
Gardening / Landscaping	\$2,500	\$0.55
Administration / Management Fee	\$30,000	\$6.55
Operating Expenses	\$96,223	\$21.03
Total Expenses	\$230,468	\$50.34

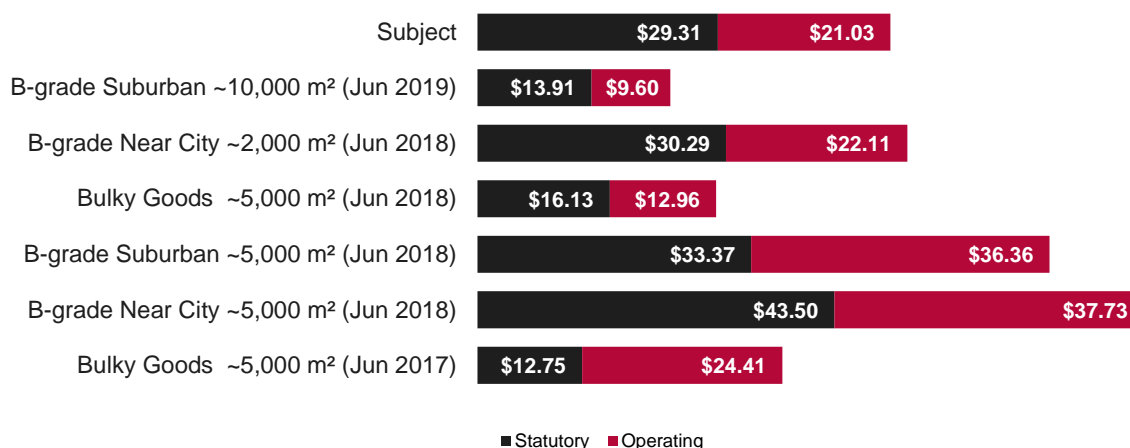
Land Tax has been assessed based on the current Site Value on a single holding company basis. All outgoings exclude GST in accordance with valuation standards.

Common areas (cleaning / electricity), management, air-conditioning, repairs and maintenance are based sound conclusions of building and industry standards. Insurance and statutory costs are based on the actual costs.

Outgoings Comparison - \$/m² Lettable Area



Outgoings Comparison - \$/m² Lettable Area



The operating expenses appear to be in the lower range within the market when compared to the above actual outgoings from similar properties throughout Brisbane, however considered appropriate given it has minimal common operating expenses (e.g. power and cleaning). The statutory outgoings appear to be in line with the market.

Overall the budgeted outgoings rate of \$50.34 per square metre is considered acceptable and we have adopted the budgeted outgoings for valuation purposes and consider them to be in accordance with industry standards.

7.1.3 Net Income

The passing net rental income derived from the property is summarised as follows.

Income	Passing \$pa	Passing \$/m ²
Total Income	\$1,622,385	\$354.31
Less: Outgoings	\$230,468	\$50.34
Passing Net Income	\$1,391,917	\$303.98

7.2 POTENTIAL MARKET INCOME

7.2.1 Office Market Rental Evidence

The following leasing transactions have been considered in formulating an opinion as to the current market rental value of the office space within the building.

48 Miller Street, Murarrie, Qld			
Lease Details			
Lessee	Tritium	Net Lettable Area	2,940m ²
Comm. Date	September 2018	Rent	\$425/m ² Gross
Term	5 years	Incentive	40.00%
Option	5 years	Reviews	4.00%
Car Parking	143	\$pbpm	\$95pbpm
Comments			
<p>Situated approximately 10.5 kilometres by road east of the Brisbane CBD in the Tradecoast Precinct. The property is within close proximity to the Gateway Motorway, the Murarrie Train Station as well as several bus stops.</p> <p>The site is an irregular shaped corner allotment in Murarrie, an established suburb incorporating both industrial and commercial uses, approximately 10.5 kilometres by road east of the Brisbane General Post Office. The land is improved with a circa-1998 office building of two storeys, with standard floor plates of approximately 1,500 square metres and open car parking for 143 vehicles, producing a car park to lettable area ratio of 1:21.</p> <p>The lease to Tritium is a new lease over two levels with 143 car parks. It was structured on a gross-plus basis with annual reviews to 4%, with a car park rate of \$95 pbpm. The lease was negotiated with an incentive by way of 40%. (QA: 27/11/18)</p>			

381 MacArthur Avenue, Hamilton, Qld**Lease Details**

Lessee	Becton Dickinson	Net Lettable Area	430m ²
Comm. Date	August 2018	Rent	\$467/m ² Gross Equivalent
Term	5 years	Incentive	38.00%
Option	Nil	Reviews	3.50%
Car Parking	20	\$pbpm	\$176pbpm

Comments

The property is situated within an established Brisbane suburb of Hamilton, approximately 7.5 kilometres by road north-east of the Brisbane CBD.

A new modern office building completed in 2018, It comprises three levels of PCA A-grade office accommodation with an average floor plate of 955 m². Accommodation includes three levels of offices, with part retail on ground and nearby includes an at-grade and purpose-built car park for 136 vehicles at a ratio of 1:21. The building has received an accredited NABERS Energy rating of 4.5 stars and a Green Star rating of 4.5 stars.

The lease commitment is to Becton Dickinson over part of the ground floor of the building, comprising 430 square metres of Net Lettable Area and 20 car parks at a rental rate of \$176 per bay per month. It is for an initial term of five years. The lease is structured on a net basis with annual reviews fixed to 3.5% and an incentive of 38%. The Gross Equivalent rental is \$467 per square metre. (QA: 31/08/18)

35 Miles Platting Road, Eight Mile Plains, Qld**Lease Details**

Lessee	7-Eleven Stores Pty Ltd	Net Lettable Area	572m ²
Comm. Date	May 2018	Rent	\$455/m ² Gross Equivalent
Term	5 years	Incentive	38.42%
Option	Nil	Reviews	3.00%

Comments

The property is located within the established suburb of Eight Mile Plains, approximately 14 radial kilometres south of the Brisbane Central Business District, two kilometres from Westfield Garden City Shopping Centre and forms part of Brisbane Technology Park (BTP).

Significant landmarks located within the general area include the Pacific and Logan Motorways, Westfield Garden City Shopping Centre, Griffith University Nathan Campus and several other campus-style office park developments, comprising the Eight Mile Plains Office Park, Technology Office Park and Garden City Office Park.

The land is improved with a semi-modern, two storey commercial building constructed circa 2006. The building is configured to provide 2,170 square metres of Net Lettable Area (NLA), covered and at-grade on-site car parking for 41 vehicles and two levels of office, retail and laboratory accommodation, conforming to an overall average standard. The building is serviced by a single Liftronic lift with capacity for 630 kilograms or eight persons.

The lease to 7-Eleven Stores Pty Ltd is a new lease over level one. It was structured on a net basis with a base rental of \$379/m² and annual reviews of 3.00%, with recoverable outgoings estimated at \$76 per square metre. The lease was negotiated with an incentive by way of fitout and rent abatement equivalent to 37.42%. (QA: 27/11/18)

960 Gympie Road, Chermside, Qld**Lease Details**

Lessee	Redbourne Business Services	Net Lettable Area	600m ²
Comm. Date	February 2018	Rent	\$400/m ² Gross
Term	7 years	Incentive	25.00%
Option	Nil	Reviews	Undisclosed

Lease Details

Lessee	National Disability Insurance Association	Net Lettable Area	1,400m ²
Comm. Date	December 2017	Rent	\$400/m ² Gross
Term	4 years	Incentive	30.00%
Option	Nil	Reviews	Undisclosed

Comments

The property is located within the established suburb of Chermside, approximately ten radial kilometres north of the Brisbane Central Business District and directly opposite Westfield Chermside.

The site comprises an irregular shaped corner allotment with a land area of 7,549 square metres and frontage to Gympie Road and The Boulevard. The land is improved with an older-style, two storey commercial building. The improvements are configured to provide on-site car parking and basic office accommodation, conforming to a mixed secondary standard.

The lease to Redbourne Business Services comprises 600 square metres of Net Lettable Area. It is structured on a gross basis at \$400 per square metre per annum. The lease was negotiated with an incentive equivalent to 25%. Details of annual reviews and car parking are unknown. (QA: 03/04/18)

The lease to National Disability Insurance Association comprises 1,400 square metres of Net Lettable Area. It is structured on a gross basis at \$400 per square metre per annum. The lease was negotiated with an incentive equivalent to 30%. Details of annual reviews and car parking are unknown. (QA: 03/04/18)

16 Edmondstone Street, Newmarket, Qld**Lease Details**

Lessee	Skynet	Net Lettable Area	715m ²
Comm. Date	January 2017	Rent	\$430/m ² Gross
Term	5 years	Incentive	40.00%
Option	Nil	Reviews	Unknown

Comments

The property is located within the established suburb of Newmarket, approximately four radial kilometres north of the Brisbane Central Business District and approximately one kilometre south of Newmarket Railway Station. Development within the immediate surrounds of the property is of varying use and quality, comprising low density residential land uses and older style to semi-modern commercial buildings. Significant landmarks located within the general area include the Ferny Grove Railway Line, Newmarket Village and the main arterial Enoggera Road.

The base parcel is a rectangular shaped inside allotment with a land area of 2,157 square metres and frontage to Edmondstone Street. The land is improved with a three level commercial building constructed circa 1990. The building is configured to provide 2,015 square metres of Net Lettable Area (NLA), one basement level of parking and three upper levels of office accommodation, conforming to a B-grade standard. The property currently does not have a NABERS rating.

The lease to Skynet is for an initial term of five years, comprising 715 square metres of Net Lettable Area. The lease is structured on a gross basis and includes an incentive equivalent to 40%, or \$172 per square metre per annum. Details of rent reviews and car parking are unknown. (QA: 19/09/17)

Building 5, 747 Lytton Road, Murarrie, Qld**Lease Details**

Lessee	Raytheon Australia	Net Lettable Area	2,140m ²
Comm. Date	January 2018	Rent	\$425/m ² Gross+
Term	5 years	Incentive	-
Option	Nil	Reviews	3.5%
Car Parking	92	\$pbpm	\$95pbpm

Lease Details

Lessee	Komatsu (Joy Global)	Net Lettable Area	1,394m ²
Comm. Date	February 2018	Rent	\$425/m ² Gross+
Term	2 years	Incentive	-
Option	3 years	Reviews	4%
Car Parking	49	\$pbpm	\$125pbpm

Comments

The property is located within the Murarrie Business Park, within the established suburb of Murarrie approximately seven radial kilometres west of the Brisbane Central Business District and approximately 13 kilometres by road south of the Brisbane Airport.

The site comprises an irregular shaped inside allotment with a land area of 2,609 square metres and frontage to Lytton Road. The land is improved with a semi-modern four storey commercial building of concrete tilt-panel construction. The building is configured to provide 5,459 square metres of Net Lettable Area (NLA), on-site car parking for 212 vehicles and four upper levels of office accommodation, conforming to a PCA B-grade standard. The property has not been assessed for an environmental rating.

The lease to Raytheon Australia is over part of level one and the whole of level two of the building, comprising 2,140 square metres of Net Lettable Area and 92 car park bays at a rental rate of \$95 per bay per month. It is structured on a gross-plus basis at \$425 per square metre per annum, with annual reviews fixed to 3.50%. Details of incentives are unknown. (QA: 12/03/18)

The lease to Komatsu (Joy Global) is over the whole of level three of the building, comprising 1,394 square metres of Net Lettable Area and 49 car park bays at a rental rate of \$125 per bay per month. It is structured on a gross-plus basis at \$425 per square metre per annum, with annual reviews fixed to 4.00%. Details of incentives are unknown. (QA: 12/03/18)

57 Old Cleveland Road, Greenslopes, Qld**Lease Details**

Lessee	Sparrow House Management Pty Ltd	Net Lettable Area	1,424m ²
Comm. Date	July 2017	Rent	\$465/m ² Gross+
Term	5 years	Incentive	Undisclosed
Option	5 + 5 years	Reviews	Fixed 4%
Car Parking	32	\$pbpm	\$0

Comments

The property is located in the established suburb of Greenslopes within the commercial precinct of Stones Corner, approximately five kilometres by road south from the Brisbane Central Business District, in close proximity to arterial road networks, public transport, and retail amenity.

The site is improved with a recently refurbished office building comprising three levels of office accommodation above basement level car parking for 20 vehicles. There is also secure on-site open-air parking for 12 vehicles.

The lease to Sparrow House Management is over the whole of the building. The lease is for an initial term of two years, six months and 27 days, with a further term of two years and nine months available, termed the Later Expiry Date. There are two further terms of five years offered should this be taken by the tenant. The lease is structured on a gross-plus basis, commencing at \$465 per square metre, with any increase in outgoings over the base amount being recoverable. The lease stipulates annual reviews to 4%. (QA: 21/11/17)

461-473 Lutwyche Road, Lutwyche, Qld**Lease Details**

Lessee	Ladbrokes Digital	Net Lettable Area	3,217m ²
Comm. Date	September 2016	Rent	\$439/m ² Gross
Term	8.33 years	Incentive	Undisclosed
Option	Nil	Reviews	4% Fixed
Car Parking	60	\$pbpm	\$109pbpm

Comments

The property is located in Lutwyche, approximately 5.8 kilometres by road north of the CBD and 250 metres from the Lutwyche City Shopping Centre. The property has primary frontage to Lutwyche Road, which is a major northern traffic route.

The property is a near-rectangular shaped corner parcel encompassing seven allotments. Improvements to the land comprise two freestanding buildings, including a two-storey building incorporating an extensive gymnasium fitted out (461 Lutwyche Road) and a two-storey office building (473 Lutwyche Road). The buildings are structurally separate, however are linked at the upper level by a walkway. Extensive renovations were undertaken on the buildings between late 2014 and early 2015. Undercroft car parking is available for 149 vehicles, providing a car park to lettable area ratio of 1:33.

The lease to Ladbrokes is over the whole of 461 Lutwyche Road, encompassing 3,217 square metres. The lease is for an initial term of eight years and four months, with no further option for a further term. It is structured on a gross plus basis, with the lessee responsible for their share of increased outgoings incurred by both 461 and 473 Lutwyche Road over base year 30 June 2014. The lessee is licensed to use 60 car parks at a fee of \$109 per bay per month. (QA: 11/01/18)

The preceding rental evidence indicates a gross equivalent rental range of between \$400 and \$467 per square metre per annum for the office in the context of incentives between 25% and 40%.

Based on the above evidence, with consideration to the location and the various building design characteristics, we have adopted a range between \$350 and \$440 per square metre per annum gross as the market rental value of the office accommodation. We have also given consideration of the complimentary and inclusive ample car parking, with various rental weighting.

7.2.2 Retail Market Rental Evidence

The following leasing transactions have been considered in formulating an opinion as to the current market rental value of the retail showroom space within the building.

Tenant	Lettable Area	Comm. Date	Term (Years)	Reviews	Lease Type	Comm. Face Rent	Comm. Effective Rent
21 Upton Street, Bundall, Qld							
Undisclosed	440m ²	Dec 2017	3	Annual CPI	Gross	\$250/m ²	\$236/m ²
2052-2069 Sandgate Road, Virginia, Qld							
National Tiles	686m ²	Nov 2017	7	CPI +1%	Net	\$221/m ²	\$221/m ²
3 Montpelier Road, Newstead, Qld							
Dune Outdoor Luxuries	522m ²	Jun 2017	5	Fixed 3%	Net	\$355/m ²	\$355/m ²
Lighting Illusions	439m ²	Feb 2017	7	Fixed 4%	Net	\$317/m ²	\$317/m ²
Beaumont Tiles	739m ²	Jan 2016	5	Fixed 4%	Net	\$390/m ²	\$390/m ²

The preceding rental evidence indicates a net rental range of \$221 to \$390 per square metre per annum. As such, we have adopted \$330 per square metre per annum net as the market rental value of the retail accommodation.

7.2.3 Childcare Market Rental Evidence

The following leasing transactions have been considered in formulating an opinion as to the current market rental value of the childcare space within the building.

Harmony Early Learning Journey, 22 Norfolk Street, Coorparoo, Qld			
Lease Details			
Lessee	Harmony Early Learning Journey Coorparoo	Term	15 + 5 + 5 + 5 years
Lease Date	August 2017	Reviews	3.0% Fixed
Net Rent	\$259,000 p.a.	\$ per Place	\$3,500/place
No. of Places	74		
Comments			
<p>The property is located within the established suburb of Coorparoo, approximately five radial kilometres south east of the Brisbane CBD. The property is situated to the southern alignment of Norfolk Street and adjoins Mt Carmel Primary School. The Coorparoo Square development (undertaken by Frasers Property Group and Honeycombs Property Group) is located within 1.5 kilometres comprising 366 apartments and 6,700 square metres of retail anchored by Aldi and Dendy Cinemas. The catchment provides an overall above average demographic, characterised by above average median house prices (\$680,000) and above average income.</p> <p>Improvements comprise a purpose-built two level child care facility providing a ground floor area of 91 square metres and a first floor area of 380 square metres. The premises are licensed for 74 long day care places. The ground floor level comprises an administration and reception area, as well as laundry, staff lunchroom and amenities. Also located on ground floor is the building under croft, undercover external play area and a toilet block. First floor level comprises the child care area including five separate class rooms, full kitchen and staff toilets. Three bathrooms are located such that each class room has immediate access. The babies classroom also contains separate areas for sleeping, nappy changing and bottle prep. External play areas comprise 505 square metres.</p> <p>The property is leased to Harmony Early Learning Journey Coorparoo for 15 years effective 7 August 2017, plus three further five year options to 2047 at the current net rental of \$259,000. Annual reviews are 3% fixed. Tenant pays all outgoings including land tax. (QA: 07/08/18)</p>			

Chatterbox Child Development and Care Centre, 93 Zahel Street, Carina, Qld			
Lease Details			
Lessee	Avenue Early Learning Centre	Term	20 + 5 + 5 + 5 + 5 years
Lease Date	January 2018	Reviews	3.0% Fixed
Net Rent	\$362,500 p.a.	\$ per Place	\$2,685/place
No. of Places	135		
Comments			
<p>The property is located within the established residential/commercial suburb of Carina, approximately 10 kilometres South-East of the Brisbane General Post Office. The property is located a short distance from the Carina State School, adjoins commercial uses and is located opposite the Carina Leagues Club and associates community uses.</p> <p>Improved on the property is a refurbished, purpose built child care centre, constructed circa 2005, with a reported building area of 1,325 square metres. The centre is approved for 135 Long Day Care places.</p> <p>The property was sold on a leaseback agreement to Avenue Early Learning Centre for a 20 year lease with 4 x five year options. The commencing rental was \$362,500 (\$2,685/place) net per annum, which is considered at market. Annual reviews are fixed 3% increases. (QA: 08/08/18)</p>			

Journey Early Learning Centre, 402 Moggill Road, Indooroopilly, Qld**Lease Details**

Lessee	Journey Group Holdings Pty Ltd	Term	15 + 5 + 5 years
Lease Date	July 2017	Reviews	fixed 3%
Net Rent	\$151,200 p.a.	\$ per Place	\$2,800/place
No. of Places	54		

Comments

The property is located within the established suburb of Indooroopilly approximately six radial kilometres south-west of the Brisbane CBD. The property is situated on the south west corner of Moggill Road and Rylatt Street, approximately 450 metres west of Indooroopilly Shopping Centre and 700 metres to the north of the junction with the Western Freeway. There are number of public and private schools within close proximity to the subject such as Indooroopilly State School.

The site is a near rectangular-shaped corner allotment with wide frontages to Moggill Road and Rylatt Street improved with an historic church and hall which was renovated into a high-end child care centre in 2017. The centre provides 54 licensed long day care places and includes three activity rooms with direct access to external play areas. The property is within the CR1 Character Residential Zone under Brisbane City Council Plan 2014.

The property is leased to Journey Group Holdings Pty Ltd who have centres in Victoria and Queensland for an initial term of 15 years commenced on July 2015 with two further five year option periods available. The annual rent review is fixed at 3.0% increase per annum, and market review is at year 11 of the initial term and at each option periods. The lease is a triple net lease, all outgoings are fully recoverable including structural repairs and land tax. (QA: 06/09/17)

C&K Childcare, 136 Gympie Road, Strathpine, Qld**Lease Details**

Lessee	C & K Childcare	Term	15 + 10 + 10 years
Lease Date	June 2017	Reviews	3.0% Fixed
Net Rent	\$354,063 p.a.	\$ per Place	\$2,833/place
No. of Places	125		

Comments

The property is located within the established residential/commercial locality of Strathpine, located approximately 22 kilometres north of the Brisbane General Post Office. The property is located in a predominately commercial/industrial precinct approximately 600 metres south of Westfield Strathpine and within close proximity to the train station. The property receives good exposure to passing traffic.

The property is improved with a purpose built single level child care centre which has been extensively refurbished prior to the current tenant occupying the building. On-site parking for 60 cars is provided and there could be further development potential given the site coverage.

The property is leased to C & K Childcare on a 15 + 10 + 10 year lease from June 2017 for a passing net rental of \$354,063 (\$2,833/place) per annum. The lease includes annual 3% reviews, market reviews upon option renewal and the lessee is responsible for all outgoings including land tax. (QA: 29/06/18)

Petit Early Learning Journey, 38 Wellington Street, Woolloowin, Qld**Lease Details**

Lessee	Petit Early Learning Journey	Term	15 + 5 + 5 + 5 years
Lease Date	February 2017	Reviews	Not Advised
Net Rent	\$360,000 p.a.	\$ per Place	\$3,000/place
No. of Places	120		

Comments

The property is located within the established residential suburb of Woolloowin, approximately five kilometres north of the Brisbane General Post Office. Surrounding development comprises mainly residential dwellings and townhouse units. The property is located within reasonable proximity to public and private schools, Lutwyche City shopping centre as well as the Woolloowin train station.

Improved on the property is an older style industrial building which has been extensively refurbished to provide a two level childcare centre. The centre is approved for 120 Long Day Care places and comprises 24 on site carparks.

The property is leased to Petit Early Learning Journey on a 15 year lease from February 2017 with three x five year options remaining. The commencing net rental was \$360,000 per annum (\$3,000/place) with the lessee responsible for all outgoings including land tax. We were not advised of the annual review, however the lease includes a market review in the ninth year and includes a ratchet provision, however capped at a 7% increase. (QA: 29/06/18)

Guardian, 32 Morrow Street, Taringa, Qld**Lease Details**

Lessee	Guardian Community Early Learning Centres Pty Ltd	Term	10 + 5 + 5 + 5 years
Lease Date	December 2016	Reviews	CPI or 3%
Net Rent	\$323,000 p.a.	\$ per Place	\$2,936/place
No. of Places	110		

Comments

The property is located within the established suburb of Taringa approximately five kilometres south west of the Brisbane CBD. The suburb comprises mostly low medium density residential with the main retail precinct along Moggill Road. There is a significant number of medium density buildings interspersed throughout the suburb. Surrounding suburbs include Toowong and Indooroopilly proximate to retail amenity. The property is within close proximity to a number of public and private schools.

The Childcare centre is to be improved on the fifth level of a 10 storey mix use building together with four basement levels. The childcare centre comprises the whole floor of 804 square metres of net lettable area. The centre is not yet approved for number of licensed long day care places.

The property is to be leased to a national childcare centre operator Guardian Community Early Learning Centres Pty Ltd for an initial term of 10 years with three five year option period available. The annual rent review is greater of CPI or 3.0% and outgoings are recoverable including Land Tax. The net income is to be \$323,000 per annum plus GST.

The lessee is not required to pay rent for the first six month of the lease term and the Lessor is to provide Lessee fit-out incentive of \$250,000 plus GST. (QA: 07/09/17)

The preceding childcare rental evidence indicates a net rental range of \$2,685 to \$3,500 per child space per annum. The recently negotiated lease within the property is also considered to provide a good guide, in particular C & K, which commenced at a face rental of \$2,800 per child space per annum. As such, we have adopted the commenced rate of \$2,980 per child space per annum net as the market rental value of the child care accommodation.

7.2.4 Market Rental Assessment

Our assessment of market rent is as follows.

Unit	Tenant	Area	\$/m ²	\$pa	Passing Rent			\$/m ²	\$pa	Market Rent		
					Type	Recoveries \$pa	\$pa Gross			Type	Recoveries \$pa	\$pa Gross
255 - A2	Planbuild Homes	423m ²	\$300	\$127,073	Net	\$14,578	\$141,651	\$350	\$148,050	Gross	-	\$148,050
257- GF	Ingenia	820m ²	\$382	\$313,124	Gross		\$313,124	\$430	\$352,600	Gross	-	\$352,600
257- FF	C & K	1,609m ²	\$344	\$552,780	Gross		\$552,780	\$440	\$707,960	Gross	-	\$707,960
257	Dulux / Orica	562m ²	\$330	\$185,738	Net	\$14,234	\$199,973	\$330	\$185,460	Net	\$14,234	\$199,694
257	Accoras	224m ²	\$375	\$83,960	Gross		\$83,960	\$380	\$85,120	Gross	-	\$85,120
257	C & K Childcare	941m ²	\$298	\$280,000	Net	\$50,897	\$330,897	\$298	\$280,000	Net	\$50,897	\$330,897
Total		4,579m ²		\$1,542,676		\$79,709	\$1,622,385		\$1,759,190		\$65,131	\$1,824,321

7.2.5 Market Recoveries

We have assessed a mixture of gross and net market rentals for both the office, retail and childcare space. We have adopted the budgeted outgoings previously stated as being representative of the market outgoings applicable to the property.

7.3 SUMMARY

A summary of the passing and market income derived from the property is shown in the following table.

Item	Passing		Assessed Market		Var %
	\$pa	\$/m ² pa	\$pa	\$/m ² pa	
Total Rental	\$1,542,676	\$336.90/m²	\$1,759,190	\$384.19/m²	-12.31%
Plus: Recoveries	\$79,709	\$17.41/m ²	\$65,131	\$14.22/m ²	22.38%
Gross Income	\$1,622,385	\$354.31/m²	\$1,824,321	\$398.41/m²	-11.07%
Less: Outgoings	\$230,468	\$50.33/m ²	\$230,468	\$50.33/m ²	0.00%
Net Income	\$1,391,917	\$303.98/m²	\$1,593,853	\$348.08/m²	-12.67%

The disparity between the passing and market rental is attributable to some of the existing leases are at rents below the assessed current market rental value of the premises.

8.0 Cash Flow Analysis

8.1 OVERVIEW

In the valuation of the property, we have undertaken a ten-year cash flow projection on a tenant by tenant monthly basis, with the reversion or terminal value based on the capitalisation of the projected net income in the eleventh year.

8.2 ASSUMPTIONS

8.2.1 Growth Rates

Growth projections utilised in constructing the cash flow are summarised in the following table:

Year Ending	Inflation	Market Rental		Other Growth	Incentive (Trend)	
		Office	Retail		Office	Retail
31 Oct 2019	1.96%	2.46%	2.46%	2.46%	30.00%	15.00%
31 Oct 2020	2.30%	2.80%	2.80%	2.80%	30.00%	15.00%
31 Oct 2021	2.54%	3.04%	3.04%	3.04%	29.00%	15.00%
31 Oct 2022	2.72%	3.22%	3.22%	3.22%	27.00%	15.00%
31 Oct 2023	2.75%	3.25%	3.25%	3.25%	25.00%	15.00%
31 Oct 2024	2.64%	3.14%	3.14%	3.14%	24.00%	15.00%
31 Oct 2025	2.59%	3.09%	3.09%	3.09%	23.00%	15.00%
31 Oct 2026	2.57%	3.07%	3.07%	3.07%	22.00%	15.00%
31 Oct 2027	2.56%	3.06%	3.06%	3.06%	20.00%	15.00%
31 Oct 2028	2.56%	3.06%	3.06%	3.06%	20.00%	15.00%
Average	2.52%	3.02%	3.02%	3.02%	25.00%	15.00%

¹ CPI Growth figures have been applied to all statutory and operating outgoings, and other income throughout the cash flow.

² Office Market Rental Growth and Incentive Trend are based on BIS Shrapnel and m3property Research forecasts.

8.2.2 Base Rent and Lease

In our cash flow projection, the base rent is calculated from actual current leases with stipulated contractual rental movement over the lease terms. We have adopted the lease renewal probabilities and speculative renewal profiles as stated in the table below. The adopted speculative lease renewal generally reflects market lease terms and conditions for accommodation of this nature.

Lease Assumptions	
Renewal Probability	67%.
Let-up Period	Six months for the retail space and 12 months for the office space, in the context of the renewal probability.
Lease Term	60 months.
Incentive	Trended as per the table in Section 7.2.1, 'Growth Rates' with a 50% discount applied to renewals in the context of the renewal probability. Note that 100% of all incentives have been treated as fit-out contributions.
Leasing Commissions	15.00% for new tenants and 8.00% for lease renewals, resulting in a blended rate of 10.31% based on the renewal probability.
Reviews	Annually to 3.50%.

8.2.3 Capital Expenditure

At the expiration of each of the leases we have made allowances for minor decorative upgrades to the tenancies equivalent to \$200 per square metre in the context of our assumed renewal probability. This allowance is to account for upgrading and repairs to carpets, ceilings and internal painting and equates to circa \$445,000 over the ten-year cash flow horizon.

In addition, we have made a capital expenditure allowance equivalent to \$998,400 over the ten-year cash flow horizon.

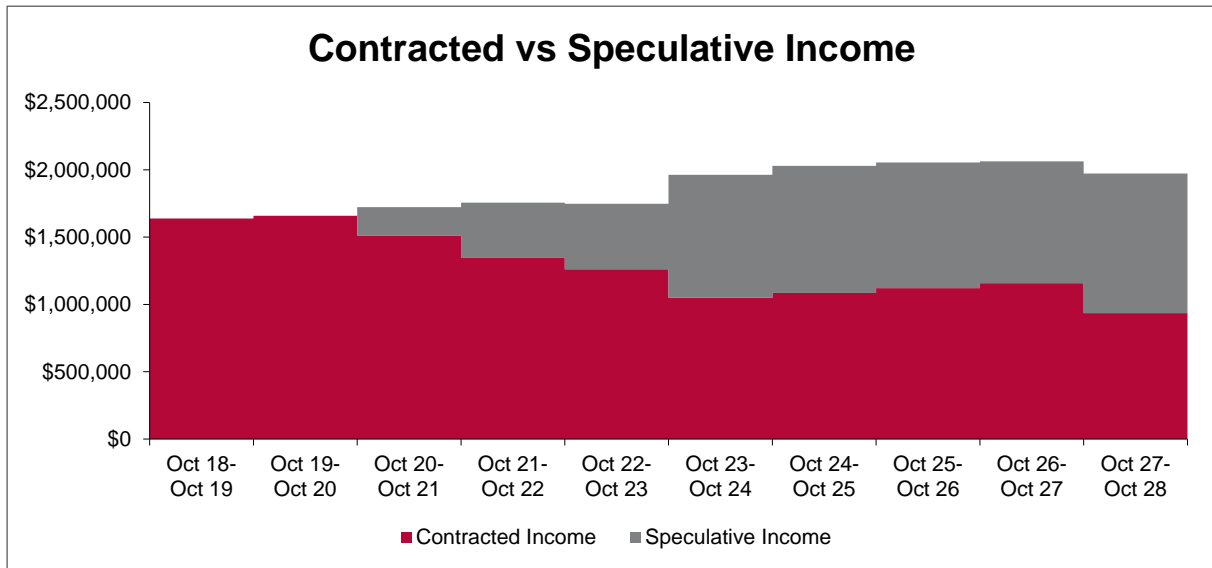
The total tenancy improvements and capital expenditure allowances equate to \$1,440,000 over the ten year horizon representing \$315 per square metre of net lettable area.

8.3 CASH FLOW

The cash flow model upon which our valuation analysis is based is presented on the following page.

\$'s pa	Oct 2019 B/F	Oct 2020 Forecast	Oct 2021 Forecast	Oct 2022 Forecast	Oct 2023 Forecast	Oct 2024 Forecast	Oct 2025 Forecast	Oct 2026 Forecast	Oct 2027 Forecast	Oct 2028 Forecast
Rental	\$1,558,451	\$1,578,968	\$1,641,427	\$1,685,542	\$1,675,663	\$1,888,048	\$1,952,490	\$1,978,470	\$1,982,354	\$1,889,805
Recoveries	\$80,296	\$79,657	\$81,616	\$70,694	\$72,636	\$74,550	\$76,479	\$75,613	\$80,455	\$82,512
Income	\$1,638,747	\$1,658,624	\$1,723,043	\$1,756,236	\$1,748,298	\$1,962,598	\$2,028,969	\$2,054,083	\$2,062,809	\$1,972,316
Recoverable Expenses	-\$232,166	-\$237,501	-\$243,536	-\$250,153	-\$257,022	-\$263,798	-\$270,622	-\$277,585	-\$284,691	-\$291,970
Expenses	-\$232,166	-\$237,501	-\$243,536	-\$250,153	-\$257,022	-\$263,798	-\$270,622	-\$277,585	-\$284,691	-\$291,970
Net Operating Income	\$1,406,582	\$1,421,124	\$1,479,507	\$1,506,083	\$1,491,276	\$1,698,800	\$1,758,347	\$1,776,498	\$1,778,117	\$1,680,347
Sinking Fund	\$0	\$0	-\$21,702	-\$26,320	\$0	-\$42,073	\$0	-\$25,461	-\$31,036	\$0
Leasing Costs	\$0	\$0	-\$104,985	-\$246,161	\$0	-\$339,219	\$0	-\$123,168	-\$212,860	\$0
Incentives	\$0	-\$38,552	-\$29,683	-\$15,858	-\$60,465	\$0	\$0	-\$44,110	-\$52,351	-\$204,399
Make Good	-\$30,000	-\$763,200	\$0	-\$75,000	\$0	\$0	\$0	-\$130,200	\$0	\$0
Capital Expenses	-\$30,000	-\$801,752	-\$156,370	-\$363,339	-\$60,465	-\$381,292	\$0	-\$322,939	-\$296,247	-\$204,399
Net Cashflow	\$1,376,582	\$619,372	\$1,323,137	\$1,142,744	\$1,430,811	\$1,317,508	\$1,758,347	\$1,453,559	\$1,481,870	\$1,475,948

The following graph shows the composition of the gross income throughout the cash flow, with the 'Contracted Income' to gradually decrease from 2020/2021 as existing leases begin to expire with 'Speculative Income' forecast thereafter.



9.0 Valuation Rationale

9.1 VALUATION METHODOLOGY

The property has been valued utilising the capitalisation approach, and reconciled with the net present value and direct comparison methods.

The **capitalisation** approach has been effected by applying a market-derived capitalisation rate to the assessed net annual market rent to establish the property's core investment value (fully leased at current market rents) and then making 'below the line' adjustments for the property's individual investment characteristics, including rental reversions, outstanding abatements, future incentives, et cetera.

The **discounted cash flow** method of valuation has been effected utilising a ten year investment horizon. All projected income, expenses and capex requirements are discounted at a rate derived through the analysis of sales evidence. Within this approach the valuer is able to incorporate projections from potential future growth by effectively analysing the impact of the existing lease covenants, rent review and option provisions, current and future capital expenditure and potential future vacancies. This approach involves formulating a projection of net income over a specified time horizon, and discounting this cash flow including the projected terminal value at the end of the projection period, at an appropriate rate. The present value of this discounted cash flow represents the market value of the property.

The **direct comparison** approach is effectively a check method of valuation whereby the integrity of the values arrived at through the two primary approaches are tested through comparison on a capital value basis, i.e. per square metre of lettable area.

9.2 VALUATION PARAMETERS

This section discusses and compares those attributes of the property and recent market transactions which would receive due consideration by prospective purchasers. Based on our interpretation of the market at the date of valuation, we have then formulated an opinion of the valuation parameters the market would adopt for the property.

9.2.1 Market Perception of the Property

The property is located in an established mixed-use suburb of Kedron, approximately 7 radial kilometres north of the Brisbane CBD. The property slightly removed from the major neighbourhood centres such as Chermside, Lutwyche and Albion but within the major north corridor and well exposed along a major arterial road, Gympie Road. The location of the asset is considered a major strength and considered a significant land holding for a recognised area. a well-established suburban area with good exposure to Gympie Road.

The improvements provide a good diversified mix of use (childcare, office and retail), ranging from a semi-modern to new standard of accommodation, which has been refurbished periodically with ample car parking available. Having regard to the age of the improvements and the purpose to which they are used, the buildings are considered to provide good level of utility for the current and potential users.

The current mixed-use of the property is consistent with the highest and best use, with the large land holding and zoning allowing for further redevelopment when market condition permit (mixed-use development height of three storeys).

The building is fully leased to an average to above-average calibre tenant. The property currently has an above-average WALE of 7.69 years by income and 7.89 years by area weighting. Cash flow volatility is expected to be minor in the short term due to the impending lease expires. Major tenants including Ingenia, C & K Childcare and offices are on long leases providing good security of income and overall low cash flow volatility.

The key characteristics that would receive due consideration from a potential purchaser include its above-average location, the overall good improvement condition, below market rentals, the stable cash flow security and low volatility, the spreading of risk through diverse multi-tenanted occupancy, the average to above average tenant calibre and the proportionate underlying land value.

Overall investment demand for property with sound investment characteristics is currently very strong due to the weight of money and low interest rate regime prevailing. Consequently, if offered to the open market, the property is likely to be met with good demand. A selling period of six months is considered appropriate. The most likely purchaser of the property would be private investors or syndicates.

9.2.2 Sales History

255 Gympie Road was acquired by the current owner in 22 Aug 2007 for a reported price of \$1,285,000, according to CoreLogic. 257 Gympie Road was previously a number of properties purchased over time and has since been amalgamated.

The property is subject to a put and call option deed and contract of sale for \$21,500,000 exclusive of GST.

9.2.3 Sales Evidence

To formulate an opinion of value, we have selected a number of sales which we believe a notional purchaser would have also considered if they had been available to purchase at the date of valuation. The comparable sales evidence that have been considered is summarised in the following tables, with each sale individually reconciled against the property.

Cargo Business Park, 56 Lavarack Avenue, Eagle Farm, Qld**Sale Details**

Sale Price	\$33,500,000
Sale Date	September 2018
Site Area	7,786m ²
Net Lettable Area	8,721m ²
Net Passing Income	\$2,445,633 p.a. (\$280/m ²)
Net Market Income	\$2,473,527 p.a. (\$284/m ²)
Vacancy	8.59%
WALE	2.28 years by area 2.28 years by income

**Analysis & Assumptions**

Initial Yield	7.30%	Internal Rate of Return	7.51%
Reversionary Yield	7.38%	Net Lettable Area Analysis	\$3,841/m ²
Equated Market Yield	7.06%		

Comments

The site is located within the established mixed-use suburb of Eagle Farm, approximately eight radial kilometres north east of the Brisbane CBD and within the TradeCoast industrial precinct. The property is in close proximity to the Gateway Motorway and Kingsford Smith Drive.

The site comprises 7,786 square metres and is improved with a circa 2006 complex known as 'Cargo Business Park', which comprises three modern commercial buildings providing a total net lettable area of 8,721 square metres over 20 tenancies. The three buildings are all of concrete block and concrete tilt panel construction, with modern curtain wall facades to the office components. Accommodation includes office, showroom, laboratory and warehouse space, with a common gym facility. The complex has a 3.5 star NABERS rating and provides 153 car parks over the basement and ground level.

The property was purchased by Ascendas REIT Australia. At the date of transaction it provided a WALE of 2.28 and 2.28 years by income and area respectively, to an overall above average calibre of tenant, including Tunstall, Betta, Device Technologies and Nike. The deal was reported to include all incentives paid by the vendor and rental guarantees for the 3 vacant tenancies well above market at \$368 per square metre. Overall, the passing net income was within market parameters at \$280 per square metre. Our yield analysis is based on a 9-month letting up period, a 67% retention rate, 15% agency fees and circa 30% incentives. (QA: 26/11/18)

Comparison

Location	The sale is situated in a recognised industrial location, representing an inferior level of retail amenity, public transport servicing and inferior exposure characteristics.
Asset	The accommodation is mixed providing office, showroom and warehouse space representing a similar standard and presentation, with an inferior car parking ratio.
Investment	At the date of transaction the sale was fully leased, multi-tenanted to an overall average calibre of tenant, reflecting an inferior WALE. The sale has a similar land holding with the subject providing additional land available for future development should market conditions permit.
Overall	The subject should have a lower capitalisation rate compared to the Equated Market Yield of the sale, a comparable Internal Rate of Return and a higher rate per square metre of NLA.

65 Osborne Road, Mitchelton, Qld**Sale Details**

Sale Price	\$8,500,000
Sale Date	October 2017
Site Area	3,586m ²
Net Lettable Area	1,575m ²
Net Passing Income	\$595,050 p.a. (\$378/m ²)
Net Market Income	\$595,050 p.a. (\$378/m ²)
Vacancy	Nil
Remaining Lease Term	5.84 years

**Analysis & Assumptions**

Initial Yield	7.00%	Internal Rate of Return	7.25%
Reversionary Yield	7.00%	Net Lettable Area Analysis	\$5,397/m ²
Equated Market Yield	6.98%		

Comments

The property is located within the established suburb of Mitchelton, approximately ten kilometres by road North-West of the Brisbane CBD. The property is located a short distance to the south of the Brookside shopping centre and receives good exposure to passing vehicular traffic.

Improved on the property is a semi-modern, single level office building with basement parking which has recently been refurbished to suit the tenant's requirements. The property includes 11 at-grade carparks and a further 49 secure undercover carparks.

The property was purchased by DA Prosperity Pty Ltd for \$8,500,000 exclusive of GST. At the date of transaction the property was leased to the Commonwealth of Australia until 25 August 2023 with further three + three year options. The passing gross income was \$708,750 per annum or \$450 per square metre, which is considered to be at or about parity with market. The Equated Market Yield of 6.98% has been analysed at a gross market income of \$708,750 per annum or \$450/m², with adopted outgoings equating to \$72/m² and the assumptions of 15% agents fees, incentives equivalent to 33% trending to 20%, 12 months lease up and 67% retention rate.

(QA: 02/08/18)

Comparison

Location	The sale is situated in a small secondary suburban north Brisbane commercial location offering direct access to retail and public transport servicing amenity, albeit offering inferior exposure characteristics.
Asset	The accommodation provides office space to an average standard and presentation similar to the improvement condition of the subject, while providing a superior car parking ratio.
Investment	At the date of transaction the sale was fully leased to a single high calibre tenant, reflecting an inferior lease expiry. The sale has an inferior land holding with the subject providing additional land available for future development should market conditions permit.
Overall	The subject should have a lower capitalisation rate compared to the Equated Market Yield of the sale, a higher Internal Rate of Return and a lower rate per square metre of NLA.

Serviced Office Centre, 425 and 433 Logan Road, Greenslopes, Qld**Sale Details**

Sale Price	\$27,650,000
Sale Date	August 2017
Site Area	7,650m ²
Net Lettable Area	5,585m ²
Net Passing Income	\$1,943,795 p.a. (\$348/m ²)
Net Market Income	\$2,194,088 p.a. (\$393/m ²)
Vacancy	12.71%

**Analysis & Assumptions**

Initial Yield	7.03%	Internal Rate of Return	10.79%
Reversionary Yield	7.94%	Net Lettable Area Analysis	\$4,951/m ²
Equated Market Yield	7.87%		

Comments

The property is located within the established suburb of Greenslopes, approximately six kilometres by road south-east of the Brisbane Central Business District and approximately 1.2 kilometres by road north of Greenslopes Private Hospital.

The land is improved with a modern B-grade office building, varying from two to four storeys across the site. It provides 5,585 square metres of net lettable area, comprising 5,118 square metres of serviced office, and 387 square metres of cafe accommodation. A discrete retail tenancy is located at 425 Logan Road, providing a further 80 square metres of space. A three level car park provides parking for 175 vehicles at a ratio of 1:32 at the rear of the property.

The property was purchased by Seymour Group with intent to develop in the long term. Currently operated as a serviced office centre, the property was occupied to a level below the adopted sustainable occupancy. Our assessment of market income is reflective of this sustainable occupancy. The contract price represents a rate of \$4,951/m² of net lettable area, inclusive of the 467 square metres of retail space. The serviced office component provides an average lease term of 1.2 years, this is considered typical for assets of this nature. The retail component comprises two leases of two and ten years, respectively. (QA: 27/08/18)

Comparison

Location	The sale is situated in a recognised city fringe commercial/retail precinct, which offers a superior level of retail amenity, comparable public transport servicing and similar exposure characteristics.
Asset	The accommodation provides office space to an average standard and presentation similar to the improvement condition of the subject, with a similar car parking ratio.
Investment	The sale is inferior on an investment basis, albeit is not directly comparable on an investment basis, which reflected minor vacancy and operated as serviced office space. The sale has a similar land holding characteristics to the subject, offering long term redevelopment opportunities.
Overall	The subject should have a lower capitalisation rate compared to the Equated Market Yield of the sale, a lower Internal Rate of Return and a similar rate per square metre of NLA.

Freedom Lifestyle Centre, 67-69 Redland Bay Road, Capalaba, Qld**Sale Details**

Sale Price	\$24,175,000
Sale Date	September 2018
Site Area	1.47ha
Gross Lettable Area Retail	5,715m ²
Net Passing Income	\$1,636,797 p.a. (\$286/m ²)
Net Market Income	\$1,634,165 p.a. (\$286/m ²)
Vacancy	Nil
WALE	6.30 years by area 5.99 years by income

**Analysis & Assumptions**

Initial Yield	6.77%	Internal Rate of Return	7.23%
Reversionary Yield	6.81%	Lettable Area Analysis	\$4,230/m ²
Equated Market Yield	6.63%		

Comments

The site is located 18 kilometres south-east of the Brisbane CBD and central to the Capalaba retail heart. Prime exposure is held to two major roads. Access however is somewhat restricted to north-bound traffic only off Redland Bay Road.

Erected on the land is a semi-modern, large format retail development with a GLAR of 5,715 square metres. The complex comprises eleven tenancies ranging shops ranging 65 square metres to 1,962 square metres. The complex also provides over 150 open carparking spaces.

The property was purchased by Australia Property Investments Limited (AIPIL) for \$24,175,000. At the date of transaction, the property was mostly leased with a 12 month rental guarantee offered for a 65 square metre tenancy. The property provided a WALE of 5.99 years by income and 6.30 years by area to an overall good calibre of tenant including Supercheap Auto, Freedom Furniture, Beacon Lighting and Dominos Pizza. The passing gross income was considered to be slightly below market. The Equated Market Yield of 6.63% has been analysed at a gross market income of \$1,893,973 per annum or \$331 per square metre, with adopted outgoings equating \$43 per square metre, \$30,000 per annum sinking fund allowance and the assumptions of 15% agents fees, incentives of 15%, 12 months lease up, 2% vacancy allowance for speciality tenants and a 67% retention rate. (QA: 27/06/18)

Comparison

Location	The sale is situated in a recognised suburban commercial/retail precinct, which offers direct access retail amenity with inferior public transport servicing and similar exposure characteristics.
Asset	The sale accommodation is used for bulky goods purpose, being partly similar to some of the accommodation provided by the subject. The overall improvement condition is superior to the subject.
Investment	The sale offers comparable investment characteristics to the subject being multi-tenanted to an overall above-average calibre tenant.
Overall	The subject should have a higher capitalisation rate compared to the Equated Market Yield of the sale, a higher Internal Rate of Return and a similar rate per square metre of NLA.

3 Montpelier Road, Newstead, Qld**Sale Details**

Sale Price	\$16,200,000
Sale Date	July 2017
Site Area	5,141m ²
Gross Lettable Area Retail	3,393m ²
Net Passing Income	\$922,791 p.a. (\$272/m ²)
Net Market Income	\$1,025,125 p.a. (\$302/m ²)
Vacancy	11.46%
WALE	3.97 years by area 3.30 years by income

**Analysis & Assumptions**

Initial Yield	5.70%	Internal Rate of Return	7.49%
Reversionary Yield	6.33%	Gross Lettable Area Retail Analysis	\$4,775/m ²
Equated Market Yield	6.16%		

Comments

The property is located within the established suburb of Newstead, approximately 3.8 kilometres by road north east of the Brisbane CBD.

The property comprises a circa-1970s, light industry building converted into eight, modern retail showroom and upper level quasi-retail/office tenancies, ranging from 268 to 739 square metres, over a total of gross lettable area of 3,393 square metres. It also provides on-site parking for approximately 33 vehicles.

At the date of transaction, the property was 88.5% leased to seven tenants. It provided a WALE of 3.97 and 3.3 years by income and area respectively, to an overall average calibre of tenant. (QA: 08/08/17)

Comparison

Location	The sale has superior location characteristics being situated in a recognised city fringe precinct with good exposure to a major arterial.
Asset	The sale accommodation includes a mix of showroom/retail and office accommodation provided by the subject. The overall improvement condition is superior to the subject.
Investment	The sale offers inferior investment characteristics to the subject being multi-tenanted with minor vacancy and a shorter WALE. The sale has underlying land value as reflected by the analysed EMY.
Overall	The subject should have a higher capitalisation rate compared to the Equated Market Yield of the sale, a similar Internal Rate of Return and a similar rate per square metre of NLA.

Given the child care component, we have also had regard to sales of modern child care facilities as follows:

Harmony Early Learning Journey, 22 Norfolk Street, Coorparoo, Qld			
Sale Details			
Sale Price	\$4,100,000		
Sale Date	May 2018		
Vendor	Coorparoo Freehold Investments Pty Ltd		
Purchaser	Norfolk 22 Pty Ltd		
Child Places	74		
Operational Places	74		
Site Area	822m ²		
Net Passing Income	\$259,000 p.a. (\$3,500/place)		
Net Market Income	\$259,000 p.a. (\$3,500/place)		
WALE (by Income)	14.27 years		
Analysis			
Initial Yield	6.32%	Child Place Analysis	\$55,405 /place
Equated Market Yield	6.32%		
Comments			
<p>The property is located within the established suburb of Coorparoo, approximately five radial kilometres south east of the Brisbane CBD. The property is situated to the southern alignment of Norfolk Street and adjoins Mt Carmel Primary School. The Coorparoo Square development (undertaken by Frasers Property Group and Honeycombs Property Group) is located within 1.5 kilometres comprising 366 apartments and 6,700 square metres of retail anchored by Aldi and Dendy Cinemas.</p> <p>Improvements comprise a purpose-built two level child care facility providing a ground floor area of 91 square metres and a first floor area of 380 square metres. The premises are licensed for 74 long day care places. The ground floor level comprises an administration and reception area, as well as laundry, staff lunchroom and amenities. Also located on ground floor is the building undercroft, undercover external play area and a toilet block. First floor level comprises the child care area including five separate class rooms. Three bathrooms are located such that each class room has immediate access. The babies classroom also contains separate areas for sleeping, nappy changing and bottle prep. Also contained on this level is a full kitchen and staff toilet. External play areas comprise 505 square metres. The car parking is situated on an adjoining allotment owned by the Catholic Church and subject to a lease in perpetuity. The catchment provides an overall above average demographic, characterised by above average median house prices (\$680,000) and above average income.</p> <p>The property is leased to Harmony Early Learning Journey Coorparoo for 15 years effective 7 August 2017, plus three further five year options to 2047 at the current net rental of \$259,000. Annual reviews are 3% fixed. Tenant pays all outgoings including land tax. (QA: 01/08/18)</p>			
Comparison			
<p>The sale is of a refurbished purpose-built child care facility in a superior inner Brisbane location, with superior surrounding amenities – it adjoins a school. Comparable level of competition. Refurbished facility with a lower LDC approval. This sale indicates a similar yield for the subject given the leased is to a national operator with a comparable lease expiry profile and improvement condition overall.</p>			



Petit Early Learning Journey, 38 Wellington Street, Woolloowin, Qld**Sale Details**

Sale Price	\$6,015,000
Sale Date	November 2017
Vendor	Packer Investment Services Pty Ltd
Purchaser	Sandhurst Trustees Limited
Child Places	120
Operational Places	120
Site Area	2,539m ²
Net Lettable Area	0m ²
Net Passing Income	\$380,000 p.a. (\$3,167/place)
Net Market Income	\$380,000 p.a. (\$3,167/place)
WALE (by Income)	13.58 years

**Analysis**

Initial Yield	6.32%	Child Place Analysis	\$50,125 /place
Equated Market Yield	6.32%		

Comments

The property is located within the established residential suburb of Woolloowin, approximately five kilometres north of the Brisbane General Post Office. Surrounding development comprises mainly residential dwellings and townhouse units. The property is located within reasonable proximity to public and private schools, Lutwyche City shopping centre as well as the Woolloowin train station.

Improved on the property is an older style industrial building which has been extensively refurbished to provide a two level childcare centre. The centre is approved for 120 Long Day Care places and comprises 24 on site carparks.

The property is leased to Petit Early Learning Journey until February 2032 with three further five year options. The commencing net rental was \$360,000 per annum (\$3,000/place) with the lessee responsible for all outgoings including land tax. We have been advised by the marketing agent that during the contract period the rental was increased to \$380,000 net per annum. The sale analyses to an Equated Market Yield of 6.32% based on the passing income, which is considered to be at market. (QA: 29/06/18)

Comparison

The sale is of a refurbished child care facility in a slightly superior inner Brisbane location. Comparable level of competition. Refurbished facility with a higher LDC approval. This sale indicates a similar yield for the subject given the leased is to a national operator with a comparable lease expiry profile.

Office and Retail Market Evidence

Property	Sale Date	Sale Price	NLA	NLA Analysis	IY	EMY	RY	IRR
56 Lavarack Avenue, Eagle Farm	Sep 2018	\$33,500,000	8,721m ²	\$3,841/m ²	7.30%	7.06%	7.38%	7.51%
65 Osborne Road, Mitchelton	Oct 2017	\$8,500,000	1,575m ²	\$5,397/m ²	7.00%	6.98%	7.00%	7.25%
425 and 433 Logan Road, Greenslopes	Aug 2017	\$27,650,000	5,585m ²	\$4,951/m ²	7.03%	7.87%	-	10.79%
67-69 Redland Bay Road, Capalaba	Sep 2018	\$24,175,000	5,715m ²	\$4,230/m ²	6.77%	6.63%	6.81%	7.23%
3 Montpelier Road, Newstead	Jul 2017	\$16,200,000	3,393m ²	\$4,775/m ²	5.70%	6.16%	6.33%	7.49%

Childcare Market Evidence

Property	Sale Date	Sale Price	Place Analysis	IY	EMY
22 Norfolk Street, Coorparoo	May 2018	\$4,100,000	\$55,405	6.32%	6.32%
38 Wellington Street, Woolloowin	Nov 2017	\$6,015,000	\$50,125	6.32%	6.32%

9.2.4 Reconciliation Summary

The preceding sales analyse to show the following value parameters:

- An initial yield range between 5.70% and 7.30%.
- An equated market yield range between 6.00% and 7.06%.
- A reversionary yield range between 6.33% and 7.38%.
- A direct comparison range between \$3,841 and \$5,397 per square metre of lettable area.

While the subject property provides a diverse mix of accommodation and occupancy use, each of the sales provides a good level of comparability to the property. Due to the varying tenancy income and risk profiles, we have considered a blended yield assessment which incorporates a range of between 6.25% and 7.75%. The lower yield range is reflective of childcare component, while the upper range of 7.75% is reflective of the secondary office space. The analysis resulted in a blended yield of 6.74%.

A further analysis of the childcare income at the adopted yield of 6.25% reflects a proportionate capital value of \$4,480,000 or \$44,800 per LDC, which is within market expectations for childcare centres. The remaining value of \$17,020,000 indicated a capital value rate of \$4,678 per square metre of proportionate NLA (3,638m²), which is also within the acceptable range disclosed by the evidence.

9.3 CONCLUSION

The adopted yield and rate per square metre of capital value range is reflective of property specific attributes such as location, building quality, size and investment performance. Consideration has also been given to the sales evidence in terms of their relevance to current market conditions. Based on the preceding evidence, we have selected a capitalisation rate (EMY) of 6.75% for the capitalisation approach and a discount rate of 7.75% for the discounted cash flow approach. This is shown in the following graphs.

Sales Comparison - Equated Market Yield

Subject	6.75%
56 Lavarack Avenue, Eagle Farm.	7.06%
67-69 Redland Bay Road, Capalaba.	6.63%
65 Osborne Road, Mitchelton.	6.98%
425 and 433 Logan Road, Greenslopes.	7.87%
3 Montpelier Road, Newstead.	6.16%
22 Norfolk Street, Coorparoo.	6.32%
38 Wellington Street, Woolloowin.	6.32%

Sales Comparison - Internal Rate of Return

Subject	7.75%
56 Lavarack Avenue, Eagle Farm.	7.51%
67-69 Redland Bay Road, Capalaba.	7.23%
65 Osborne Road, Mitchelton.	7.25%
425 and 433 Logan Road, Greenslopes.	10.79%
3 Montpelier Road, Newstead.	7.49%

For the direct comparison approach, the value per square metre of net lettable area should fall between \$4,500 and \$5,000.

10.0 Valuation

10.1 CAPITALISATION APPROACH

10.1.1 Value Disclosed by the Capitalisation Approach

A summary of the calculation framework within the capitalisation approach is as follows.

Capitalisation Approach			
Assessed Net Annual Market Income			\$1,593,854
Adopted Capitalisation Rate			6.75%
Core Investment Value as Calculated			\$23,612,652
Below the Line Adjustments			
PV Over(±) Market Income	-\$1,314,515		
PV Lost Income on Vacant Space	-\$28,846		
PV Outstanding Capex / Agents Fees / Incentives	-\$745,727		-\$2,089,088
Value as Calculated			\$21,523,560
Value Rounded			\$21,500,000

10.1.2 Below the Line Adjustments

Any incidence which affects the regularity of the cash flow generated by the property within a two-year period of the valuation date (capitalisation horizon) is treated as a 'below the line adjustment' to the core investment value. Such adjustments represent the present value (PV) of that incidence throughout the capitalisation horizon and are undertaken utilising a discount rate of 7.75% with mid-period PV timing.

The adjustments made within the above capitalisation approach are explicated below, however it should be noted that manual calculations will not produce the exact figures due to the PV timing of cash flows, rounding, and market rental growth compounded monthly.

PV Over (±) Market Income – Total present value of the difference between market and passing rentals calculated for each lease until expiry, irrespective of mid-term market reviews.

Tenancy	Monthly Profit/Shortfall	Months Until Reversion	PV of Reversion
Planbuild Homes	-\$627	33	-\$18,612
Ingenia	-\$2,945	55	-\$137,921
C & K	-\$13,756	116	-\$1,126,644
Dulux / Orica	-\$71	22	-\$1,442
Accoras	-\$35	37	-\$1,315
C & K Childcare	-\$307	176	-\$28,581
Total PV Over (±) Market Income			-\$1,314,515

In this instance, the capitalisation horizon limits the adjustment to any stipulated or assumed lease in effect or commencing within the two-year period immediately succeeding the date of valuation.

PV Lost Income on Vacant Space – Income which is lost during the leasing up of vacant space or following any lease expiry within the capitalisation horizon. The PV calculations are undertaken where an existing lease expires, the amount will comprise rental foregone over a four month letting up period based on our assumed renewal probability and let-up period.

Tenancy	Monthly Lost Income	Cause	PV of Lost Income
Dulux / Orica	-\$17,473	Lease expiry in month 21	-\$28,846
Total PV Lost Income on Vacant Space			-\$28,846

PV Outstanding Non-Recurring Capex / Agents Fees / Incentives – Items of capital expenditure required within the capitalisation horizon. The PV calculations are undertaken on the following basis:

- Agents' fees of 15.00% where a tenancy is vacant and an 8.00% renewal fee.
- Incentive costs as trended within our model, incurred at commencement of our assumed leases with a 50% discount applied to renewals.
- Building maintenance allowance of \$200 per square metre, occurring at each lease expiry in the context of our assumed renewal probability.
- Capital expenditure allowance.

Tenancy	Bldg. Maintenance	Total
Dulux / Orica	-\$38,552	-\$38,552
Outstanding Recurring Capex		-\$793,200
Total Outstanding Capex / Agents Fees / Incentives		-\$831,752
Total PV Outstanding Capex / Agents Fees / Incentives		-\$745,727

10.2 DISCOUNTED CASH FLOW APPROACH

10.2.1 Discount Rate / Sales Analysis

There are a number of methodologies available to determine a discount rate including applying a premium to the risk free rate and a calculation of the average weighted cost of capital. In determining an appropriate discount rate, we have had regard to these factors and considered investors current return expectations. Moreover we consider the most appropriate method for determining the discount rate is that disclosed by analysis of comparable sales.

The internal rate of return is derived from a discounted cash flow analysis of each sale transaction over a ten year investment horizon tracking the projected performance of the property on a tenant by tenant basis.

10.2.2 Terminal Capitalisation Rate / Residual Value

Another critical factor in the discounted cash flow analysis is the choice of an appropriate terminal capitalisation rate. Selection of an appropriate rate for the property is based upon the factors noted previously, as well as the age and anticipated condition of the property in ten years and upgrading and refurbishment of the premises over the holding period. The terminal capitalisation rate is then applied to the net market operating income in the eleventh year to calculate the reversionary value.

In comparison to the initial capitalisation rate, the terminal or reversionary capitalisation rate is typically increased by 0 to 200 basis points to account for:

- the uncertainties and risks that are associated with the length of the projection period and the likely market for the property at that time; and
- that the property at the end of the holding period will be older, potentially less competitive and there is greater risk of functional obsolescence.

Having regard to these factors, we have adopted a terminal capitalisation rate of 7.25%. From the terminal value, we have deducted allowances over a two year period, for rent reversions, capital expenditure and a tenant improvement allowance, down time and leasing commissions. We have adopted a selling fee for a sale at the end of ten years of 1.50% of the sale price.

10.2.3 Value Disclosed by the Discounted Cash Flow Approach

Based on a discount rate of 7.75%, the net present value of our projected cash flow is \$21,675,850 with 39.95% derived from the net cashflow and 60.05% derived from the terminal value. The indicated terminal value is \$29,104,832 which reflects an annual compound growth of 2.99%.

10.3 DIRECT COMPARISON RECONCILIATION OF VALUE

The capitalisation approach produces a value of \$21,523,560 and the discounted cash flow approach produces a value of \$21,675,850. The property is subject to a Contract of Sale for \$21,500,000 which is supported by the methodology applied and has been adopted as the current market value of the subject property. This equates to \$4,695 per square metre of net lettable area and is shown in comparison to the sales evidence below:

Sales Comparison - \$/m² Lettable Area

Subject	\$4,695
56 Lavarack Avenue, Eagle Farm.	\$3,841
67-69 Redland Bay Road, Capalaba.	\$4,230
65 Osborne Road, Mitchelton.	\$5,397
425 and 433 Logan Road, Greenslopes.	\$4,951
3 Montpelier Road, Newstead.	\$4,775

The adopted value reflects a rate per square metre of capital value towards the middle range of market parameters, however with context to the well located large land holding, ample parking in conjunction with the existing improvements, the capital value rate is considered to be acceptable.

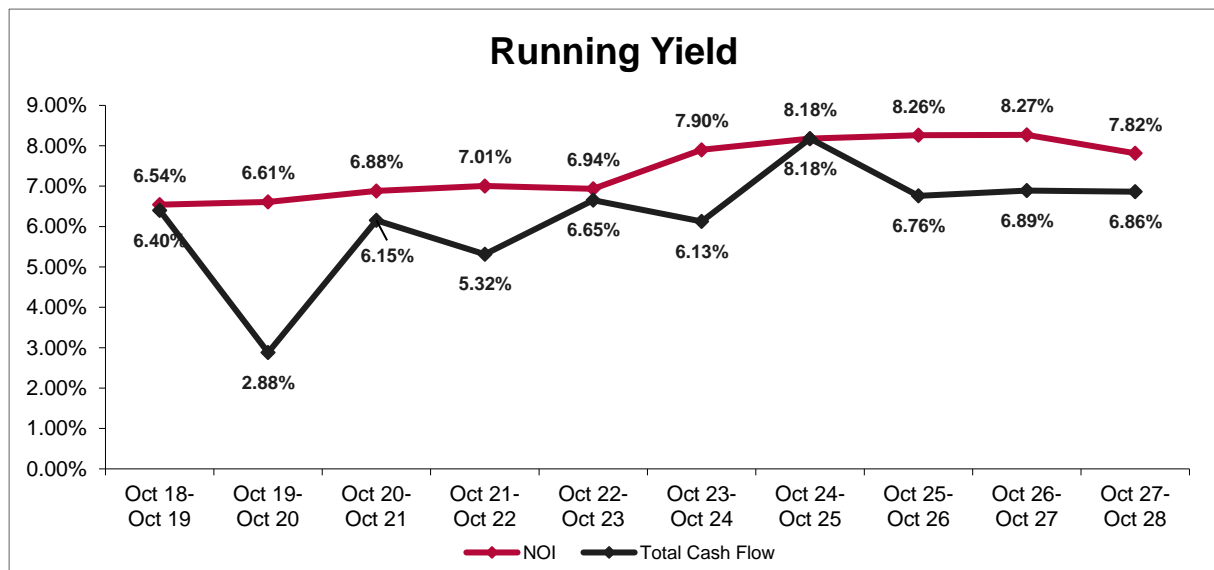
11.0 Conclusion

11.1 SUMMARY

The valuation analyses as follows.

Valuation Summary	
Capitalisation Value	\$21,523,560
Net Present Value	\$21,675,850
Market Value	\$21,500,000
Passing Initial Yield	6.47%
Equated Market Yield	6.76%
Reversionary Yield	7.41%
10 Year IRR	7.86%
Terminal Capitalisation Rate	7.00%
Value /m ² NLA	\$4,695/m ²

The graph below shows the 'Net Operating Income' and 'Total Cash Flow' as a percentage of the adopted market value. The 'Total Cash Flow' is projected to fluctuate, in line with anticipated capital expenditure requirements and lease expiries which results in the additional capital expenditure requirements for leasing, fit-out and make good expenses.



12.0 Valuation Certificate

Subject to the qualifications and assumptions contained within the body of this report and the existing leases, we assess the current market value of 255-257 Gympie Road, Kedron, Brisbane, Queensland exclusive of GST, as at 21 November 2018, to be:

\$21,500,000

(Twenty-One Million Five Hundred Thousand Dollars)

This valuation is for the private and confidential use only of the relying parties and for the specific purposes for which it has been requested. No third party is entitled to use or rely upon this report in any way and neither the valuer nor m3property (Qld) Pty Ltd shall have any liability to any third party who does.

Only a signed original of this valuation should be relied upon and no responsibility will be accepted for photocopies of the report.

No part of this valuation or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements and factors specific to the particular property). We do not accept responsibility or liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume responsibility or accept liability where the valuation is relied upon after the expiration of 90 days from the date of valuation or such earlier date if you become aware of any factors that have an effect on the valuation.

We advise that no party may rely upon financial projections or future values contained in our valuation report. Any financial projection or future value calculations in our valuation reports are valuation tools only, and should not be construed in any way as providing an indication of likely future profit and/or cash flow.

This report and recommendation has been prepared on the basis that the intending/existing mortgagee, is an Authorised Deposit-Taking Institution under the Australian Prudential Regulation Authority (APRA) and regulated by APRA in terms of the Banking Act 1959. The Valuer accepts no liability whatsoever if the regulation of the APRA are not strictly observed.

m3property



Michael Coverdale AAPI
Certified Practising Valuer
Registration No. 3651
Director
Primary Valuer



Ross Perkins FAPI
Managing Director
Counter Signatory

The opinion of value expressed in this report is that of the valuer who is the primary signatory to the report. The counter signatory verifies that the report has been reviewed in accordance with our Quality Assurance Policy, is genuine and authorised by m3property (Qld) Pty Ltd.

Annexures

1. Photocopies of Current Title Searches
2. Photocopies of Registered / Survey Plans
3. Photocopy of Contaminated Land Search
4. Valuation Calculations
5. Photocopy of Put and Call Option Agreement with Contract of Sale

ANNEXURE 1

Photocopies of Current Title Searches

CURRENT TITLE SEARCH

NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND

Request No: 30004100

Search Date: 14/11/2018 16:33

Title Reference: 51140040

Date Created: 12/04/2018

Previous Title: 12675194
13155152
13204166
15657040
16684166
17431004

REGISTERED OWNER

Dealing No: 718687975 12/04/2018

SABRAJA PROJECTS PTY LTD A.C.N. 010 740 253

ESTATE AND LAND

Estate in Fee Simple

LOT 1 SURVEY PLAN 288094
Local Government: BRISBANE CITY

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 10080126 (POR 129)
Deed of Grant No. 16684166 (Lot 798 on CP SL10522)
2. MORTGAGE No 709947089 19/09/2006 at 11:32
WESTPAC BANKING CORPORATION A.B.N. 33 007 457 141
OVER PART OF THE LAND FORMERLY LOTS 48,49,54 AND 55 ON
RP26121, LOT 46 ON RP230131
3. MORTGAGE No 712563180 01/07/2009 at 14:18
WESTPAC BANKING CORPORATION A.C.N. 007 457 141
OVER PART OF THE LAND FORMERLY LOT 6 ON RP91138
4. LEASE No 715932628 04/08/2014 at 15:23
ING GARDEN VILLAGES PTY LIMITED A.C.N. 129 703 911 TRUSTEE
UNDER INSTRUMENT 715932628
OF PART OF THE GROUND FLOOR (LEASE G)
TERM: 11/07/2014 TO 10/07/2019 OPTION 5 YEARS
5. LEASE No 716707887 24/08/2015 at 12:07
THE CRECHE AND KINDERGARTEN ASSOCIATION LIMITED A.C.N. 150
737 849
OF PART OF THE GROUND FLOOR (LEASE D & E1) AND PART OF THE
FIRST FLOOR (LEASE E)
TERM: 21/07/2015 TO 20/07/2020 OPTION 5 YEARS

CURRENT TITLE SEARCH

NATURAL RESOURCES, MINES AND ENERGY, QUEENSLAND

Request No: 30004100

Search Date: 14/11/2018 16:33

Title Reference: 51140040

Date Created: 12/04/2018

EASEMENTS, ENCUMBRANCES AND INTERESTS

6. LEASE No 717204851 21/04/2016 at 14:04
DULUXGROUP (AUSTRALIA) PTY LTD A.C.N. 000 049 427
OF PART OF THE GROUND FLOOR (LEASE A)
TERM: 29/09/2015 TO 28/09/2020 OPTION 3 YEARS
7. LEASE No 717391236 18/07/2016 at 16:04
BRISBANE SOUTH DIVISION LIMITED A.C.N. 135 683 064
OF PART OF THE GROUND FLOOR (LEASE GB)
OF PART OF THE FIRST FLOOR (LEASE B)
TERM: 08/08/2016 TO 07/12/2021 OPTION 5 YEARS
8. MORTGAGE No 718459152 12/12/2017 at 15:34
WESTPAC BANKING CORPORATION A.C.N. 007 457 141
OVER PART OF THE LAND FORMERLY LOT 1 ON RP110247 AND LOT
798 ON CROWN PLAN SL10522

ADMINISTRATIVE ADVICES - NIL

UNREGISTERED DEALINGS

Dealing	Type	Lodgement Date	Status
719057937	LEASE	22/10/2018 11:27	UNVERIFIED
719096779	SURRENDER	09/11/2018 14:26	UNVERIFIED
719096785	LEASE	09/11/2018 14:27	UNVERIFIED
719097238	AMEND LEASE	09/11/2018 16:02	UNVERIFIED

CERTIFICATE OF TITLE ISSUED - No

Caution - Charges do not necessarily appear in order of priority

** End of Current Title Search **

COPYRIGHT THE STATE OF QUEENSLAND (NATURAL RESOURCES, MINES AND ENERGY) [2018]
Requested By: D-ENQ INFOTRACK PTY LIMITED

Certificate of Title.

VOL. S 3352 FOL. 144



13352144

QUEENSLAND

No. **701154**

(C)

Reference to Previous Volume	Folio
790	209

Register Book, Vol. **3352** Folio **144**

ENTERED

JOHN ANDERSON

of _____ pursuant to Memorandum of Request No. **B640441** received the **twenty third** day of **April** 19 **59** is now seized _____ of an Estate in Fee-simple, subject nevertheless to such encumbrances, liens, and interests as are by memorandum notified hereon, in **All** that piece of Land situated in the County of **Stanley** Parish of **Kedron** City of **Brisbane** containing **Twenty two perches and two tenths of a perch**

more or less, as shown on the Plan hereon, and therein edged red, Being **Resubdivision 3 of subdivisions 40 and 41 of Portion 129**

on Plan Cat. No. **91138** deposited in the Office of the Registrar of Titles, Brisbane, which said piece of Land is **part** of the **portion** marked **129** delineated in the Public Map of the said **parish** deposited in the Office of the Surveyor-General, originally granted by Deed of Grant No. **13362**

Saving Always to the Crown all the rights and interests reserved to it by the said Deed of Grant.

B. P. A. In Witness whereof, I have hereunto signed my name and affixed my seal, this **twentyninth** day of **November** One thousand nine hundred and **sixty**

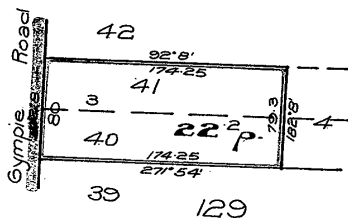
Signed, Sealed, and Delivered, the **29th** day of **November** 19 **60** in presence of

B. P. A.

Parish of **Kedron**

Thomson

REGISTRAR OF TITLES



Scale, **80** links chains per inch.

PURSUANT to Memo. of TRANSFER No. **873350** produced **6 Dec 1960** at **10.15 a.m.**, registered **1 Dec 1960**
Edward King Anderson - and -
Sorrelly Irene Anderson - his wife -
 are now SEIZED of an Estate IN FEE SIMPLE in the WHOLE of the within Land. *as per*
Deeds

Thomson


REGISTRAR OF TITLES



Lee
~~Bf 64638~~
Whe
~~Bf 64636~~

Plan
ES 56178
134576
Eggs A & B

THE DESCRIPTION OF THE WITHIN LAND IS CONVERTED
TO LOT(S) 3
ON REGISTERED PLAN No. 97738

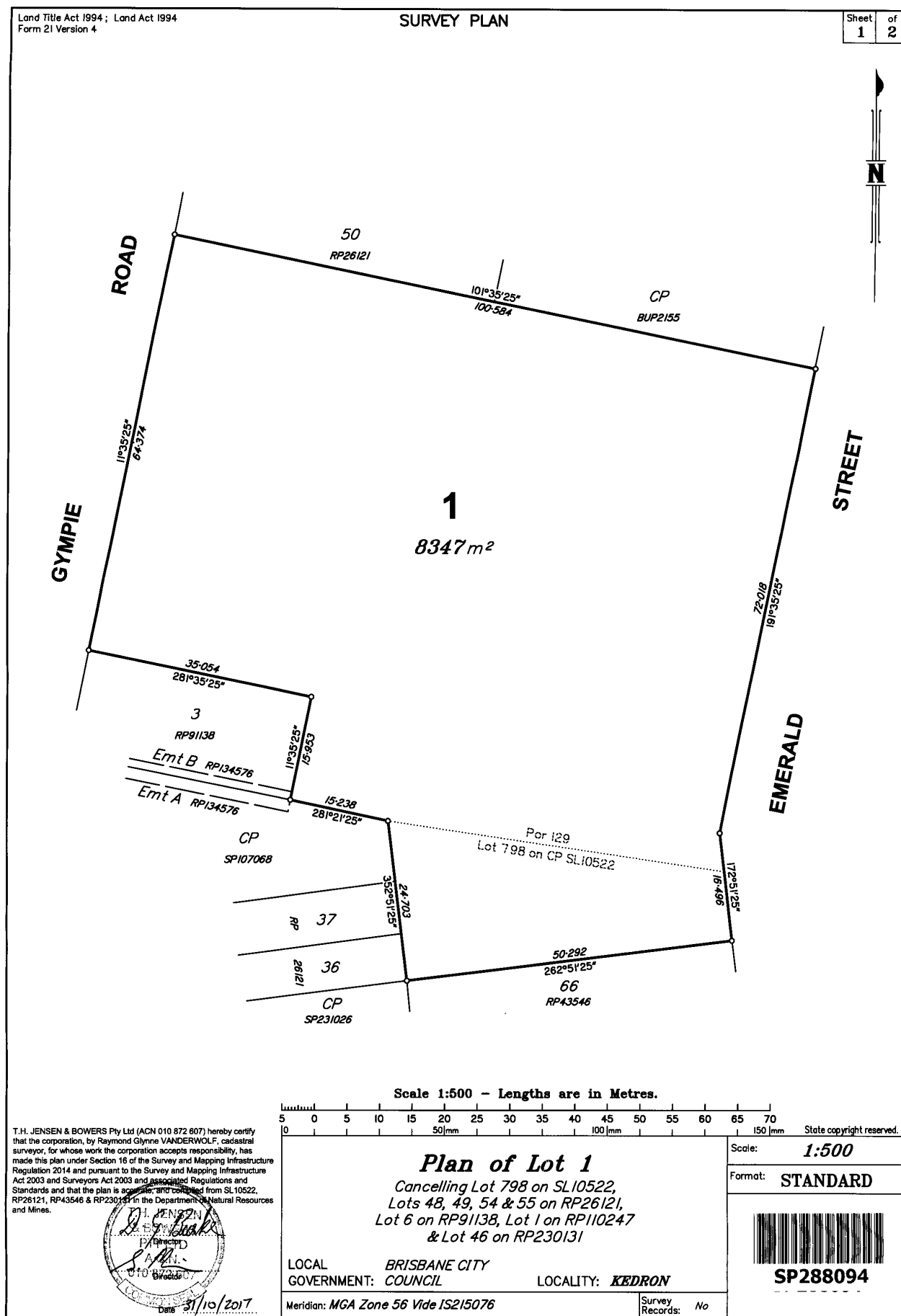
12 NOV 1986 *Pradhan* 
Acting REGISTRAR OF TITLES

ANNEXURE 2

Photocopy of Registered / Survey Plans

Land Title Act 1994; Land Act 1994
Form 21 Version 4

SURVEY PLAN

Sheet
1 of
2

WARNING : Folded or Mutilated Plans will not be accepted.
Plans may be rolled.
Information may not be placed in the outer margins.

Sheet **2** of **2**

718687975

\$457.00

\$457.00

12/04/2018 11:37

BE 400 NT

5. Lodged by

Deacon & Milani

141A

(Include address, phone number, reference, and Lodger Code)

1. Certificate of Registered Owners or Lessees.

I/We **SABRAJA PROJECTS PTY LTD**

A.C.N. 010 740 253

SABRAJA PROJECTS PTY LTD

(Names in full)

* as Registered Owners of this land agree to this plan and dedicate the Public Use Land as shown hereon in accordance with Section 50 of the Land Title Act 1994.

* as Lessees of this land agree to this plan

[Signature] Director
Signature of *Registered Owners *Lessees
Sabreja Projects Pty Ltd
ACN 010 740 253
[Signature] Director

6. Existing		Created		
Title Reference	Description	New Lots	Road	Secondary Interests
16684166	Lot 798 on CP SL10522			
12675194	Lot 48 on RP26121			
12675194	Lot 49 on RP26121			
13155152	Lot 54 on RP26121			
13155152	Lot 55 on RP26121			
13204166	Lot 6 on RP91138			
15657040	Lot 1 on RP110247			
17431004	Lot 46 on RP230131			

MORTGAGE ALLOCATIONS

Mortgage	Lots Fully Encumbered	Lots Partially Encumbered
702071065		
709947089		
712563180		
718459152		

EXISTING LEASE ALLOCATIONS

Lease	Lots to be Encumbered
601051602	
712616657	
712866905	
715932628	
716707887	
717204851	
717391236	

Easement No. 601504457 (D302349) & Easement No. 601504458 (E613253) fully extinguished in Lot 1 in terms of s.87 Land Title Act 1994.

* Rule out whichever is inapplicable

2. Planning Body Approval.

*

hereby approves this plan in accordance with the :

%

Dated this day of

..... #

..... #

* Insert the name of the Planning Body.

Insert designation of signatory or delegation

% Insert applicable approving legislation.

3. Plans with Community Management Statement :

CMS Number :

Name :

4. References :

Dept File :

Local Govt : **A004282515**

Surveyor : **9508**

I Lot 798 on CP SL10522
& Por 129

Lots Orig

7. Orig Grant Allocation :

8. Passed & Endorsed :

By : **T.H. Jensen & Bowers Pty Ltd**

Date : **31.10.17** to **1.1.18**

Signed : *[Signature]* *[Signature]*

Designation : **Director**

9. Building Format Plans only.

I certify that :

* As far as it is practical to determine, no part of the building shown on this plan encroaches onto adjoining lots or road;

* Part of the building shown on this plan encroaches onto adjoining * lots and road

Cadastral Surveyor/Director * Date

* Delete words not required

10. Lodgement Fees :

Survey Deposit \$

Lodgement \$

..... New Titles \$

Photocopy \$

Postage \$

TOTAL \$

11. Insert Plan Number

SP288094

91138

THIS PLAN should be ROLLED not folded.
— FOR OFFICE USE ONLY —

C1742519 790-209 Subs 4041 261215
 C17429018 2226-8 Subs 42443
 C17431335 1821-75 Subs 44445
 C17429012 2226-2 Subs 60461
 Res.3 See Cert of Align No. 1724
 Res.1 See Cert of Align No. 2481
 Res.1 41850 Subs 42443 52450 110247
 Verb.3 size p/bn (Eare) 134572
 Lot 3 822.16 82843 (344)

Deputy Town
Clerk

SIXTH
AV.

FIFTH
AV.

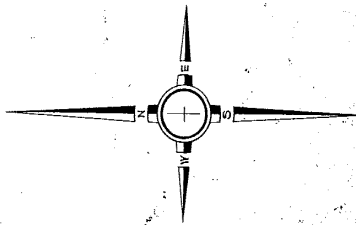
FOURTH
AV.

91132

ROAD

ROAD

HOMEBUSH RD.



Note: This description takes effect upon amendment of the current Title Deed which will be evidenced by a further

Survey of Lot (s) ^{Notation} **1, 2, 6, 3**

on R.P. 91138

SURVEY

OF SUBDIVISIONS SUBS. 42 & 43 & RESUBS. 1 TO 6 OF

SUBS. 40, 41, 44, 45, 60, 61 OF PORTION 129

OF ALLOTMENT OR PORTION NO. 1

OF SECTION CITY OF BRISBANE

COUNTY OF STANLEY

PARISH OF KEDRON 0149

91138

N.B. FOR AZIMUTH OF 63095 S. & 26121°
ADD 6° 17' 20" TO ALL BEARINGS

B598189

G. Anderson

W.L. Black

S. Johnson

W.L. Black

1-0-0

1-0-0

1-0-0

1-0-0

3-0-0

3-0-0

3-0-0

3-0-0

1-0-0

1-0-0

1-0-0

1-0-0

5-0-0

5-0-0

5-0-0

5-0-0

B5981

9

15668



20099

G. S. Anderson

John

Alfred S.

Initialed & signed.

1598189

F.N. Lodged 2-12-58

91138 C.A.

1.00

3.00

1.00

5.00

15668

25-100

10.58

20099

add fees
for 24-12-58

For Additional Plan &
Document Notings
Refer to CISP

ANNEXURE 3

Photocopy of Contaminated Land Search



Department of Environment and Science (DES)
ABN 46 640 294 485
400 George St Brisbane, Queensland 4000
GPO Box 2454, Brisbane QLD 4001, AUSTRALIA
www.des.qld.gov.au

SEARCH RESPONSE
ENVIRONMENTAL MANAGEMENT REGISTER (EMR)
CONTAMINATED LAND REGISTER (CLR)

m3property
Level 2, 15 James Street
Level 2, 15 James Street
Fortitude Valley QLD 4006

Transaction ID: 50497244 EMR Site Id: 14 November 2018
Cheque Number:
Client Reference:

This response relates to a search request received for the site:

Lot: 3 Plan: RP91138
255 GYMPIE
KEDRON

EMR RESULT

The above site is NOT included on the Environmental Management Register.

CLR RESULT

The above site is NOT included on the Contaminated Land Register.

ADDITIONAL ADVICE

All search responses include particulars of land listed in the EMR/CLR when the search was generated.
The EMR/CLR does NOT include:-

1. land which is contaminated land (or a complete list of contamination) if DES has not been notified
2. land on which a notifiable activity is being or has been undertaken (or a complete list of activities) if DES has not been notified

If you have any queries in relation to this search please phone 13QGOV (13 74 68)

Administering Authority

ANNEXURE 4

Valuation Calculations

DCF vs Capitalisation (Job Number) - (Suburb), (Address) Yearly

	31 Oct 2018	31 Oct 2019	31 Oct 2020	31 Oct 2021	31 Oct 2022	31 Oct 2023	31 Oct 2024	31 Oct 2025	31 Oct 2026	31 Oct 2027	31 Oct 2028
Market Face Rental	\$1,759,190	\$1,800,940	\$1,852,328	\$1,908,837	\$1,969,804	\$2,033,197	\$2,096,816	\$2,161,573	\$2,228,094	\$2,296,419	\$2,366,775
Market Recoveries	\$65,131	\$66,309	\$67,832	\$69,555	\$71,444	\$73,407	\$75,342	\$77,291	\$79,280	\$81,309	\$83,388
Market Gross Face Rental	\$1,824,321	\$1,867,249	\$1,920,160	\$1,978,392	\$2,041,248	\$2,106,604	\$2,172,158	\$2,238,864	\$2,307,374	\$2,377,728	\$2,450,164
Market Turnover Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Other Rental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Total Gross Rental	\$1,824,321	\$1,867,249	\$1,920,160	\$1,978,392	\$2,041,248	\$2,106,604	\$2,172,158	\$2,238,864	\$2,307,374	\$2,377,728	\$2,450,164
Market Parking	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Naming & Signage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Sundry Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Possible Income	\$1,824,321	\$1,867,249	\$1,920,160	\$1,978,392	\$2,041,248	\$2,106,604	\$2,172,158	\$2,238,864	\$2,307,374	\$2,377,728	\$2,450,164
Vacancy Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Unit Income	\$1,824,321	\$1,867,249	\$1,920,160	\$1,978,392	\$2,041,248	\$2,106,604	\$2,172,158	\$2,238,864	\$2,307,374	\$2,377,728	\$2,450,164
Market Miscellaneous Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Gross Operating Income	\$1,824,321	\$1,867,249	\$1,920,160	\$1,978,392	\$2,041,248	\$2,106,604	\$2,172,158	\$2,238,864	\$2,307,374	\$2,377,728	\$2,450,164
Market Total Expenses	\$230,468	\$234,636	\$240,024	\$246,121	\$252,807	\$259,751	\$266,599	\$273,495	\$280,533	\$287,715	\$295,071
Market Net Operating Income	\$1,593,854	\$1,632,613	\$1,680,136	\$1,732,271	\$1,788,441	\$1,846,853	\$1,905,559	\$1,965,368	\$2,026,840	\$2,090,013	\$2,155,093
Capitalisation Rate (%)	6.75	6.78	6.80	6.82	6.85	6.87	6.90	6.92	6.95	6.97	7.00
Capitalised Value	\$23,612,644	\$24,097,613	\$24,707,876	\$25,381,263	\$26,108,636	\$26,863,328	\$27,616,800	\$28,380,778	\$29,163,181	\$29,964,361	\$30,787,052
Total Adjustments	-\$2,089,088	-\$2,185,106	-\$1,631,590	-\$1,534,945	-\$1,359,072	-\$1,073,008	-\$909,425	-\$1,152,553	-\$1,126,860	-\$1,752,758	-\$1,238,986
Capitalisation Method	\$21,523,560	\$21,912,510	\$23,076,290	\$23,846,320	\$24,749,560	\$25,790,320	\$26,707,370	\$27,228,230	\$28,036,320	\$28,211,600	\$29,548,070
Rentals		\$1,558,451	\$1,578,968	\$1,641,427	\$1,685,542	\$1,675,663	\$1,888,048	\$1,952,490	\$1,978,470	\$1,982,354	\$1,889,805
Recoveries		\$80,296	\$79,657	\$81,616	\$70,694	\$72,636	\$74,550	\$76,479	\$75,614	\$80,455	\$82,512
Gross Rental		\$1,638,747	\$1,658,624	\$1,723,043	\$1,756,236	\$1,748,298	\$1,962,598	\$2,028,969	\$2,054,083	\$2,062,809	\$1,972,316
Turnover Rental		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Rental		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Rental		\$1,638,747	\$1,658,624	\$1,723,043	\$1,756,236	\$1,748,298	\$1,962,598	\$2,028,969	\$2,054,083	\$2,062,809	\$1,972,316
Parking		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Naming & Signage		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sundry Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Income		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income		\$1,638,747	\$1,658,624	\$1,723,043	\$1,756,236	\$1,748,298	\$1,962,598	\$2,028,969	\$2,054,083	\$2,062,809	\$1,972,316
Direct Recoveries		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Promotional Contribution		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Receipts		\$1,638,747	\$1,658,624	\$1,723,043	\$1,756,236	\$1,748,298	\$1,962,598	\$2,028,969	\$2,054,083	\$2,062,809	\$1,972,316
Expenses		-\$232,166	-\$237,501	-\$243,536	-\$250,153	-\$257,022	-\$263,798	-\$270,622	-\$277,585	-\$284,691	-\$291,970
Net Operating Income		\$1,406,582	\$1,421,124	\$1,479,507	\$1,506,083	\$1,491,276	\$1,698,800	\$1,758,347	\$1,776,498	\$1,778,117	\$1,680,347
Capital Items		-\$30,000	-\$801,752	-\$156,370	-\$363,339	-\$60,465	-\$381,292	\$0	-\$322,939	-\$296,247	-\$204,399
Net Cashflow		\$1,376,582	\$619,372	\$1,323,137	\$1,142,744	\$1,430,811	\$1,317,508	\$1,758,347	\$1,453,559	\$1,481,870	\$1,475,948
Capitalised Terminal Value		7.00 % Terminal Cap. Rate									\$30,787,039
Adjustments											-\$1,238,986
Costs of Disposal		1.50 % Disposal Cost									-\$443,221
Terminal Value											\$29,104,832
Total Net Present Value	\$22,976,396	7.75 % Discount Rate	Acquisition Price		\$21,675,846						
Acquisition Costs	-\$1,300,550	6.00 % Acquisition Cost	add Acquisit'n Costs		\$1,300,551						
DCF Method Valuation	\$21,675,850			Cash Outlay	\$22,976,397						

DCF vs Capitalisation
(Job Number) - (Suburb), (Address)
Yearly

	31 Oct 2018	31 Oct 2019	31 Oct 2020	31 Oct 2021	31 Oct 2022	31 Oct 2023	31 Oct 2024	31 Oct 2025	31 Oct 2026	31 Oct 2027	31 Oct 2028
Disposal Price		\$21,912,510	\$23,076,290	\$23,846,320	\$24,749,560	\$25,790,320	\$26,707,370	\$27,228,230	\$28,036,320	\$28,211,600	\$29,548,070
Internal Rate of Return		-0.07%	3.93%	5.66%	6.40%	7.11%	7.38%	7.56%	7.67%	7.54%	7.75%

ANNEXURE 5

**Photocopy of Put and Call Option Agreement with
Contact of Sale**

PUT & CALL OPTION DEED

BETWEEN:

**SABRAJA PROJECTS PTY LTD A.C.N. 010
740 253 (Grantor)**

AND:

**AUGUSTA FUNDS MANAGEMENT LIMITED
(Company Number 3760278 and ARBN 620
408 513) (Grantee)**

**Property: 255-257 GYMPIE ROAD,
KEDRON QLD**

**david k lawyers
level 12 300 queen st
brisbane qld 4000
australia**

Tel: 07 3102 2583 Fax: 07 3839 3006

DEED made on 20th NOVEMBER 2018

BETWEEN: SABRAJA PROJECTS PTY LTD A.C.N. 010 740 253 (Grantor)

AND: AUGUSTA FUNDS MANAGEMENT LIMITED (Company Number 3760278 and ARBN 620 408 513) (Grantee)

RECITALS:

1. The Grantor is the registered owner of the Property.
2. The Grantor has agreed to grant to the Grantee the Call Option.
3. The Grantor has agreed to grant to the Grantee the Call Option on the basis that the Grantee grants to the Grantor the Put Option on the terms of this Deed.

THE PARTIES AGREE:

1. REFERENCE SCHEDULE, DEFINITIONS AND INTERPRETATION

1.1 Reference Schedule

Where a term used in this Deed appears in bold type in the Reference Schedule, that term has the meaning shown opposite it in the Reference Schedule.

Grantor's Address	Address:	c/- MSJA Lawyers, Level 3, 371 Queen Street, Brisbane QLD 4000
	Facsimile:	07 3707 1401
	Electronic Mail:	dirk@msja.com.au
	Attention:	Dirk Yates
Grantor's Solicitor	Name:	MSJA Lawyers
	Address:	Level 3, 371 Queen Street, Brisbane QLD 4000
	Facsimile:	07 3707 1401
	Electronic Mail:	dirk@msja.com.au
	Attention:	Dirk Yates
Grantee's Address	Address:	c/- David K Lawyers, Level 12, 300 Queen Street, Brisbane, Qld 4000
	Facsimile:	07 3839 3006
	Electronic Mail:	david@davidklawyers.com.au
	Attention:	David Krishnan

Grantee's Solicitor	Name: David K Lawyers Address: Level 12, 300 Queen Street, Brisbane, Qld 4000 Facsimile: 07 3839 3006 Electronic Mail: david@davidklawyers.com.au Attention: David Krishnan
Call Option Commencement Date	The date of this Deed
Call Option Expiry Date	22 March 2019
Call Option Fee	\$1.00
Due Diligence Date	20 Business Days from the date of this Deed
Put Option Commencement Date	The date that immediately follows the Call Option Expiry Date
Put Option Expiry Date	The date 7 days from the Put Option Commencement Date
Put Option Fee	\$1.00
Security Deposit	\$1,000,000.00 (inclusive of GST) comprising the Initial Security Deposit and the Balance Security Deposit

1.2 Definitions

In this Deed, unless the context otherwise indicates:

Authorised Officer of a party which is a corporation means:

- (a) an employee of the party whose title contains either of the words Director or Manager;
- (b) a person performing the function of any of them;
- (c) a solicitor acting on behalf of the party; and
- (d) a person appointed by the party to act as an Authorised Officer for the purposes of this deed and notified to the others.

Assignee means the person or entity (if any) to which the benefit and burden of this Deed are assigned pursuant to clause 15 of this Deed;

Assignee Deed Poll means a document in the form (or substantially in the form) specified in Annexure D;

Balance Security Deposit means the amount of \$999,000.00 (inclusive of GST);

Business Days means a day that is not a Saturday, Sunday or public holiday in

Brisbane Australia or Auckland New Zealand;

Call Option means the option granted in **clause 4**;

Contract means the contract of sale (including special conditions) in the form in Annexure E;

Call Option Period means the period commencing on the Call Option Commencement Date and ending at 5pm (AEST) on the Call Option Expiry Date;

Claim includes any and all actions, claims, notices, proceedings, judgements, demands, losses, damages, costs including without limitation legal costs on a full indemnity solicitor and own client basis, charges, payments and expenses, however arising, whether present or future, direct or indirect, unascertained, immediate, future, consequential or contingent and whether at law, in contract or in equity;

Data Room means the online data room maintained by or on behalf of the Grantor for the purposes of the sale of the Property;

Deposit means the deposit payable under the Contract;

Due Diligence Condition means the condition referred to in clause 2.2;

External Administrator means an administrator, controller, trustee, provisional liquidator, liquidator or any other person holding or appointed to an analogous office or acting or purporting to act in an analogous capacity.

Government Body means:

- (a) any person, body or other thing exercising an executive, legislative, judicial or other governmental function of any country or political subdivision of any country;
- (b) any public authority constituted by or under a law of any country or political subdivision of any country; and
- (c) any person deriving a power directly or indirectly from any other Government Body.

GST has the meaning given in the GST Law.

GST Law has the meaning given in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Initial Security Deposit means the amount of \$1,000.00 (inclusive of GST);

Insolvency Event means:

- (a) in relation to any corporation:
 - (1) its Liquidation;

- (2) an External Administrator is appointed in respect of the corporation or any of its property;
 - (3) the corporation stating that it is, unable to pay its debts when they fall due;
 - (4) any ground for Liquidation or the appointment of an External Administrator occurs in relation to the corporation;
 - (5) the corporation resolves to enter into Liquidation;
 - (6) an application being made which is not dismissed or withdrawn within ten Business Days for an order, resolution being passed or proposed, a meeting being convened or any other action being taken to cause or consider anything described in paragraphs (1) to (5) (inclusive) above;
- (b) in relation to an individual, that person becoming an insolvent under administration as defined in section 9 of the Corporations Act; and
 - (c) in relation to any person, anything analogous to or having a similar effect to anything described above in this definition under the law of any relevant jurisdiction.

Leases means the leases over the Property as disclosed in the Contract;

Liability means any liability, debt or Obligation, whether actual, contingent or prospective, present or future, qualified or unqualified or incurred jointly or severally with any other person;

Liquidation means:

- (a) a winding up or liquidation (whether voluntary or involuntary), provisional liquidation, dissolution, bankruptcy or other analogous proceeding; or
- (b) an arrangement, assignment, composition or moratorium with or for the benefit of creditors or any class or group of creditors (including an administration or arrangement under part 5.3A of the Corporations Act).

Nominee means the person or entity (if any) nominated under **clause 12** of this Deed;

Notice of Exercise of Call Option means a document in the form (or substantially in the form) specified in Annexure A;

Notice of Exercise of Put Option means a document in the form (or substantially in the form) specified in Annexure B;

Notice of Nominee means the document substantially in the form (or substantially in the form) set out in Annexure C;

Obligation means any obligation, agreement, commitment, covenant, undertaking or

duty whether arising by operation of law, in equity or by statute and whether expressed or implied;

Property means the property situated at 255 - 257 Gympie Road, Kedron in the state of Queensland and more particularly described in the Contract.

Purchase Price means the purchase price specified in the Contract;

Put Option means the option granted in **clause 5**;

Put Option Period means the period commencing on the Put Option Commencement Date and ending at 5pm (AEST) on the Put Option Expiry Date;

Stakeholder means the party specified in the Contract;

Reference Schedule means the schedule in **clause 1.1**.

Tax Invoice means a document that complies with the requirements of the GST Law for a tax invoice.

1.3 Interpretation

- (a) Unless the contrary intention appears, a reference in this Deed to:
- (1) this Deed or another document includes any variation or replacement of it despite any change in the identity of the parties;
 - (2) one gender includes the others;
 - (3) the singular includes the plural and the plural includes the singular;
 - (4) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this Deed and a reference to this Deed includes any schedule or attachment;
 - (5) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;
 - (6) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
 - (7) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
 - (8) money is to Australian dollars, unless otherwise stated; and

- (9) a time is a reference to Brisbane time unless otherwise specified.
- (b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.
- (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Deed.
- (e) A provision of this Deed must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of this Deed or the inclusion of the provision in this Deed.

1.4 Business Days

- (a) If anything under this Deed must be done on a day that is not a Business Day, it must be done instead on the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5.00pm on that day or it will be considered to have been done on the following day.

1.5 Parties

- (a) If a party consists of more than one person, this Deed binds each of them separately and any two or more of them jointly.
- (b) An agreement, Obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, Obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

2. DUE DILIGENCE CONDITION

2.1 Definitions

In this Deed:

Data Room means the online data room maintained by or on behalf of the Grantor for the purposes of the sale of the Property.

Due Diligence Material means any information or material provided by or on behalf of the Grantor to the Grantee relating to the Property including:

- (a) any statement of income or expenditure, forecast, return or other feasibility information;

- (b) any depreciation (or capital allowances) report or schedule;
- (c) any planning or environmental information;
- (d) any consultant's report or assessment;
- (e) any plans and drawings relating to the Property and the construction of the improvements thereon;
- (f) the Information Memorandum;
- (g) the information in the Data Room;
- (h) copies of all leases, all consents, survey plans, local authority approvals, permits, certificates of classification; and
- (i) details of all outgoings in respect of the Property and the improvements thereon and particulars of all suppliers and contractors who support the upkeep of the Property and the improvements thereon.

Due Diligence Period means the period commencing on the date of this Deed and expiring at 5.00 p.m. on the Due Diligence Date;

Grantee's Associates means the Grantee's employees, agents, consultants, nominees and invitees.

Information Memorandum means the information memorandum with respect to the Property prepared and distributed by or on behalf of the Grantor relating to the Property or the sale of the Property.

Law means any statute, rule, regulation, proclamation, ordinance or by-law, whether:

- (a) present or future; or
- (b) state, federal or otherwise.

Requirement means any requirement, notice, order or direction received from or given by any Government Body in relation to the Property.

2.2 Due Diligence Condition

This Deed is subject to the Grantee being satisfied, in its absolute discretion, in respect of its due diligence investigation of the Property (**Due Diligence**) including, but not limited to:

- (a) the physical characteristics of the Property;
- (b) the application of any Law or Requirement to the Property;
- (c) soil, geotechnical and contamination testing of the Property;

- (d) the value of the Property;
- (e) the title, zoning and permitted use of the Property;
- (f) the Grantee's intended use of the Property;
- (g) the Leases and associated documents; and
- (h) any other matter or thing considered relevant by the Grantee for enquiry in connection with the Property.

2.3 Grantor's Assistance

For the purpose of the Due Diligence, the Grantor: -

- (a) authorises the Grantee and the Grantee's Associates to inspect all records relating to the Property which are held by the Grantor and any Government Body; and
- (b) must provide to the Grantee within two (2) Business Days of the date of this Deed provide copies of all current (that is, those which have current or undischarged requirements therein) documents, correspondences and notices received from a Government Body in relation to the Property or effecting the Property ("Government Body Documents"), except as otherwise already disclosed in the Data Room. The Grantor will thereafter for the duration of this Deed have a continuing obligation to provide any further Government Body Documents to the Grantee promptly upon receipt by the Grantor;
- (c) must, on receipt of a written request from the Grantee, provide to the Grantee promptly:
 - (1) copies of all plans, drawings, reports, documents and other information relating to the Property which the Grantor has in its possession or control, except as otherwise already disclosed in the Data Room; and
 - (2) written authorities addressed to the Grantor's consultants to make available to the Grantee any plans, drawings, reports, documents and other information relating to the Property which they have in their possession or control, which requests are to be at the cost of the Grantee.
- (d) The Grantor warrants to the Grantee that to the best of the Grantor's knowledge and belief, the Grantor has not included in the Due Diligence Material any information which it is aware is false or misleading in a material respect and, no information has been omitted from the Due Diligence Material, the omission of which renders the Due Diligence Material false or misleading in a material respect, when considered in light of the whole of the Due Diligence Material (**Warranty**).
- (e) The Warranty will not apply in relation to an individual error or omission in the Due Diligence Material if: -

- (i) that individual error or omission is discovered by the Grantee during its Due Diligence; or
 - (ii) that individual error or omission was reasonably capable of being discovered by the Grantee during its Due Diligence had it carried out the usual publicly available searches in relation to the Property or by reviewing the Leases as disclosed in the Data Room (as would be expected of a prudent buyer of property of a similar nature to the Property).
- (f) Any Claim by the Grantee for a breach of the Warranty must be made within 12 months of the date of completion of the Contract.

2.4 Grantee's Rights

Despite any other provision of this Deed:

- (a) the Grantee is not obliged to undertake Due Diligence in relation to the Property;
- (b) if the Grantee does undertake Due Diligence in relation to the Property, the Grantee:
 - (1) is not obliged to undertake Due Diligence to any particular standard; and
 - (2) may discontinue its Due Diligence at any time for any reason.
- (c) the condition in **clause 2.2** is for the benefit of the Grantee only and may be waived at any time by the Grantee.

2.5 Grantee's notice

The Grantee must give written notice to the Grantor that:

- (a) the condition in **clause 2.2** has not been satisfied and the Grantee terminates this Deed; or
- (b) the condition in **clause 2.2** has been either satisfied or waived by the Grantee.

2.6 Grantor may terminate

- (a) The Grantor may terminate this Deed by written notice to the Grantee if notice is not given under **clause 2.5** by 5pm on the Due Diligence Date. This is the Grantor's only remedy for the Grantee's failure to give notice.
- (b) The Grantor's right under **clause 2.6(a)** is subject to the Grantee's continuing right to give written notice to the Grantor of satisfaction, termination or waiver under **clause 2.5**.

2.7 Grantee's Access to the Property

- (a) During the Due Diligence Period, the Grantee and the Grantee's Associates, may, after a minimum of two (2) Business Days prior notice to the Grantor, enter upon the Property in the presence of the Grantor for the purpose of:
 - (1) Ascertaining the boundaries and area of the Property and the location of improvements on the Property; and
 - (2) Carrying out any investigations, tests, reports and surveys on the Property (which the Grantee deems necessary, acting reasonably).
- (b) The Grantee agrees that in carrying out investigations, tests, reports and surveys on the Property, the Grantee does so entirely at its own risk and must:
 - (1) not cause any disturbance to any tenants or occupiers of the Property;
 - (2) bear any expense relating to the conducting of investigations, tests, reports and surveys; and
 - (3) promptly repair, to the Grantor's reasonable satisfaction, any damage to the Property caused by the Grantee or the Grantee's Associates while on the Property.
- (c) The Grantee indemnifies and agrees to keep indemnified the Grantor in respect of any loss or damage suffered by it as a result of:
 - (1) any entry by the Grantee or any other authorised person under **clause 2.7(a)** on to the Property;
 - (2) any damage caused to the Property by the Grantee or the Grantee's Associates; and
 - (3) any injury to any person while on the Property or the death of any person while on the Property caused by any negligent or wilful act or omission of the Grantee or the Grantee's Associates.

2.8 Reports and documents

The Grantee is not required to deliver to the Grantor copies of any plans, consultants' reports, engineering drawings and other documents produced for the Grantee in the course of the Due Diligence.

3. SECURITY DEPOSIT

3.1 Security Deposit

To secure the obligations of the Grantee under this Deed, the Grantee agrees to pay the Security Deposit to the Stakeholder as follows: -

- (a) The Initial Security Deposit within one (1) Business Day of the date of this Deed; and
- (b) The Balance Security Deposit within one (1) Business Day after the Due Diligence Condition is satisfied or waived.

3.2 Application of Security Deposit

- (a) On exercise of either the Call Option or the Put Option, the Security Deposit is immediately treated as forming the Deposit payable under the Contract.
- (b) If neither the Call Option or the Put Option are exercised or this Deed is lawfully terminated (except if by the Grantor due to the Grantee's, Nominee's or Assignee's default), the Grantor and Grantee irrevocably authorise the Stakeholder to refund the Security Deposit to the Grantee within three (3) Business Days of the Put Option Expiry Date or the date of termination of this Deed, whichever is the earlier.
- (c) For the avoidance of any doubt, and notwithstanding any other provision in this Deed, if this Deed is terminated by either party pursuant to clause 2 then the Security Deposit is to be refunded to the Grantee.

3.3 Purpose of Security Deposit

The Grantor and the Grantee acknowledge that the Security Deposit does not constitute consideration for the grant of the Call Option or the Put Option but rather secures the performance of the Grantee's obligations under this Deed.

4. CALL OPTION

- 4.1 In consideration of the payment of the Call Option Fee by the Grantee to the Grantor, receipt of which is acknowledged by the Grantor, the Grantor grants to the Grantee (or the Nominee or Assignee) an irrevocable option to purchase the Property during the Call Option Period for the Purchase Price and on the terms and conditions set out in the Contract.
- 4.2 The Grantee (or the Nominee or Assignee) must in order to exercise the Call Option serve the Notice of Exercise of Call Option on the Grantor during the Call Option Period or the Call Option will expire.
- 4.3 The Grantee must deliver with the Notice of Exercise of Call Option:

- (a) two (2) copies of the Contract with the purchaser details specified as either the Grantee or Nominee or Assignee (as the case may be) each executed by the Grantee or Nominee or Assignee (as the case may be); and
 - (b) a cheque made payable to the Stakeholder for the Deposit, less:
 - (i) if it has been paid, the Security Deposit.
- 4.4 On receipt of the documents referred to in **clause 4.3**, the Grantor must promptly execute each copy of the Contract and return one (1) executed copy to the Grantee within five (5) Business Days thereafter.
- 4.5 Upon serving the Notice of Exercise of Call Option in accordance with **clause 4.2** above, the Grantor and the Grantee (or the Nominee or Assignee, as the case may require) shall be deemed to have entered into the Contract. The date of the Contract shall be the date of serving the Notice of Exercise of Call Option.

5. PUT OPTION

- 5.1 In consideration of the payment of the Put Option Fee by the Grantor to the Grantee, receipt of which is acknowledged by the Grantee, the Grantee grants to the Grantor the irrevocable option to require the Grantee to purchase the Property during the Put Option Period for the Purchase Price on the terms and conditions set out in the Contract.
- 5.2 The Grantor must in order to exercise the Put Option:
- (a) serve the Notice of Exercise of Put Option on the Grantee during the Put Option Period or the Put Option will expire; and
 - (b) deliver to the Grantee two (2) copies of the Contract, each executed by the Grantor.
- 5.3 Upon and simultaneously with the exercise of the Put Option there will be simultaneously entered into and completed between the Grantor and the Grantee a Contract for the Property. The date of the Contract shall be the date of service of the Notice of Exercise of Put Option.
- 5.4 Upon receipt of the documents referred to in **clause 5.2** the Grantee will promptly execute and return to the Grantor or their respective solicitors the following: -
- (a) one copy of the Contract bearing the same date (being the date of the Notice of Exercise of Put Option) and duly executed by the Grantee; and
 - (b) a cheque payable to the Stakeholder for the Deposit less:
 - (i) if it has been paid, the Security Deposit.
- 5.5 The Put Option will only be exercisable by the Grantor if:

- (a) The Due Diligence Condition has been satisfied or waived by the Grantee; and
- (b) the Call Option has not been exercised in accordance with **clause 4** of this Deed.

6. GRANTOR'S MANAGEMENT OF PROPERTY

- 6.1 Until the earlier of the termination of this Deed or the date of exercise of either the Call Option or the Put Option, the Grantor must: -
- (a) manage the Property prudently and responsibly in accordance with good business management principles to the usual standards of owners of similar property;
 - (b) carry out all required repairs, maintenance and replacements in relation to the Property which are not otherwise the responsibility of the tenant under the Leases;
 - (c) observe all of the Grantor's Obligations under the Leases as lessor;
 - (d) Not vary, surrender or otherwise deal with a Lease (without first obtaining the consent in writing of the Grantee which the Grantee may not unreasonably withhold) However, the Grantor does not first have to obtain the Grantee's consent to:
 - (i) negotiate or carry out a rent review provided for under any Lease, but in doing so must comply with the reasonable directions of the Grantee in respect of that rent review; or
 - (ii) generally deal with any tenant or other interested parties in relation to any Lease, or to do anything which the Grantor is obliged to do in respect of any Lease; and
 - (e) promptly give the Grantee copies of all notices and correspondence sent or received from a tenant or any Government Body in relation to the Leases or the Property.

7. OTHER MATTERS

7.1 Grantee's warranties

The Grantee warrants and represents to the Grantor that:

- (a) the Grantee has free and unqualified capacity and power to enter into this Deed and to complete the transactions contemplated by this Deed;
- (b) the Grantee is not under any legal disability that affects the Grantee's capacity to enter into this Deed and to complete the transactions contemplated by this Deed;
- (c) the Grantee is capable of performing all of the Grantee's Obligations under this Deed;

- (d) as at the date of this Deed, the Grantee:
 - (1) has not undergone an Insolvency Event and is not affected by an Insolvency Event; and
 - (2) has not received notice of any application or action nor any threatened application or action which may result in an Insolvency Event occurring and is not aware of any such application being issued or threatened.

7.2 Grantor's Warranties

The Grantor warrants and represents to the Grantee that:

- (a) the Grantor has free and unqualified capacity and power to enter into this Deed and to complete the transactions contemplated by this Deed;
- (b) the Grantor is not under any legal disability that affects the Grantor's capacity to enter into this Deed and to complete the transactions contemplated by this Deed;
- (c) the Grantor is capable of performing all of the Grantor's Obligations under this Deed;
- (d) as at the date of this Deed, the Grantor:
 - (1) has not undergone an Insolvency Event and is not affected by an Insolvency Event and will not be affected by an Insolvency Event; and
 - (2) has not received notice of any application or action nor any threatened application or action which may result in an Insolvency Event occurring and is not aware of any such application being issued or threatened.

7.3 Caveats

The Grantor acknowledges and agrees that in the event of an act of default by the Grantor under this Deed, the Grantee will be entitled to lodge a caveat on the Property to give notice of its rights under this Deed provided that in so doing it withdraws such caveat, at its cost, forthwith upon the default being remedied by the Grantor.

8. ACT OF DEFAULT

8.1 If either party:

- (a) fails to perform its Obligations to the other party under this Deed; or
- (b) undergoes an Insolvency Event;

then there has been an act of default.

8.2 The non-defaulting party is known as the innocent party.

- 8.3 Each party undertakes to the other that it will promptly send notice to the other of any event which constitutes an act of default by it.

9. TERMINATION

- 9.1 Upon the occurrence of an act of default the innocent party may, in its absolute discretion, and at such time as it may determine do all or some of the following:
- (a) terminate this Deed; and
 - (b) exercise any other power or right which the innocent party may have under this Deed or in law or in equity.

10. NOTICES

10.1 Form

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in **clause 10.4** or to any other address as the recipient may have notified the sender; and
- (c) be signed by the party or by an Authorised Officer of the sender.

10.2 Manner

In addition to any other method of service authorised by law, the notice may be:

- (a) personally served on a party;
- (b) left at the party's current address for service;
- (c) sent to the party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail;
- (d) sent by facsimile to the party's current numbers for service; or
- (e) sent by electronic mail to the party's electronic mail address.

10.3 Time

If a notice is sent or delivered in the manner provided in **clause 10.2** it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;

- (b) delivery by post:
 - (1) in Australia to an Australian address, the second Business Day after posting; or
 - (2) in any other case, on the fifth Business Day after posting;
- (c) facsimile, when a transmission report has been printed by the sender's facsimile machine stating that the document has been sent to the recipient's facsimile number; or
- (d) electronic mail, on the day of transmission when successfully transmitted.

but if delivery is made after 5.00pm on a Business Day it must be treated as received on the next Business Day in that place.

10.4 Initial details

The addresses and numbers for service are initially:

- (a) for the Grantor, those set out in the Grantor's Address; and
- (b) for the Grantee, those set out in the Grantee's Address.

10.5 Changes

A party may from time to time change its address or numbers for service by notice to each other party.

10.6 No effect on exercise of Option

Nothing in this clause affects the requirements in this Deed for the valid exercise of the Call Option or the Put Option.

11. GST

11.1 GST exclusive amounts

Unless expressly stated to the contrary all amounts expressed in this Deed are exclusive of GST.

11.2 GST amount

- (a) If a party (**Supplier**) is obliged under the GST Law to pay an amount of GST for a taxable supply made by the Supplier to another party (**Recipient**) under this Deed, the Recipient must pay the Supplier an amount equal to the GST payable on the supply by the Supplier.

- (b) The Recipient must pay the amount referred to in **clause 11.1(a)** and any interest, penalty, fine or expense relating to the GST, in addition to and at the same time as the consideration otherwise payable by the Recipient for the supply.

11.3 Tax Invoice

If requested by the Recipient, the Supplier must provide the Recipient with a Tax Invoice on or before payment of any amount required by this **clause 11**.

11.4 Adjustment events

If an adjustment event arises for a taxable supply under **clause 11.2(a)**, the amount required to be paid must be recalculated (**Recalculated Amount**) and the Recipient must pay the Supplier the Recalculated Amount.

11.5 Reimbursements

Where a party is required to pay for or reimburse an expense or outgoing of another party, the amount required to be paid or reimbursed is the amount of the expense or outgoing less any input tax credits to which the other party, or the representative member of a GST group to which they belong, is entitled.

12. NOMINATION

12.1 At any time on or before the Call Option Expiry Date, but after the Due Diligence Condition has been satisfied or waived and the Balance Security Deposit paid in accordance with **clause 3.1(b)**, the Grantee may nominate another person or entity as the person or entity entitled to exercise the Call Option.

12.2 To appoint a Nominee under this **clause 12**, the Grantee must give a Notice of Nominee to the Grantor.

12.3 On and from the date the Grantee gives a notice to the Grantor under **clause 12.2**:

- (a) the Nominee may exercise the Call Option in place of the Grantee;
- (b) upon exercise of the Call Option by the Nominee:
 - (i) the Nominee will be entitled to all the benefits granted under this Deed and be subject to all of the obligations under this Deed;
 - (ii) the Grantor must thereafter deal with the Nominee and exercise all rights and entitlements as if the Nominee had entered into this Deed as the Grantee; and
 - (iii) the Call Option Fee and Security Deposit will be deemed to have been paid by the Nominee in substitution of the Grantee.

- (c) the Grantee will be released from liability under this Deed and any subsequent exercise of the Call Option by the Nominee will be the act of and binding upon the Nominee alone. For avoidance of doubt, the Grantee is immediately released from any and all liability under this Deed and the Contract from the date the nomination becomes effective.

13. GOVERNING LAW AND JURISDICTION

13.1 Governing law

This Deed is governed by and construed in accordance with the laws of Queensland.

13.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Queensland and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this Deed; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph 13.2(a).

14. GENERAL

14.1 Exercise rights

A single or partial exercise or waiver by a party of any right under or relating to this Deed will not prevent any other exercise of that right or the exercise of any other right.

14.2 Legal effect

Each party acknowledges and agrees for the benefit of each other party that this document is intended to take effect as a Deed. Each party executes this document with the intention that it will be immediately legally bound by this document.

14.3 Merger

If the liability of a party to pay money under this Deed becomes merged in any Deed, judgment, order or other thing, the party liable must pay interest on the amount owing from time to time under that Deed, judgment, order or other thing at the higher of the rate payable under this Deed and that fixed by or payable under that Deed, judgment, order or other thing.

14.4 Moratorium legislation

Any law which varies prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this Deed is excluded to the extent permitted by law.

14.5 Indemnities

Subject to any other provision of this Deed, the indemnities in this Deed are continuing obligations, independent from the other obligations of the parties under this Deed and continue after this Deed ends. It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity under this Deed.

14.6 Remedies cumulative

The rights and remedies of the Grantor under this Deed are cumulative and not exclusive of any rights or remedies provided by law.

14.7 Severability

If a provision of this Deed is illegal, invalid, unenforceable or void in a jurisdiction it is severed for that jurisdiction and the remainder of this Deed has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected.

14.8 Further assurance

The Grantee must promptly at its own cost do all things (including executing and delivering all documents) necessary or desirable to give full effect to this Deed and the transactions contemplated by it.

14.9 Costs

Each party is responsible for all its own costs incurred in the negotiation and performance of this Deed including legal costs.

14.10 Duty

The Grantee must pay all duty payable on:

- (a) this Deed;
- (b) the Contract; and
- (c) any nomination in **clause 12** and any transaction evidenced by this Deed,

and the Grantee must indemnify the Grantor against any Liability resulting from any delay or omission by the Grantee to pay any such duty.

14.11 Time

- (a) Time is of the essence of this Deed.

- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this Deed.
- (c) An agreement to vary a time requirement must be in writing.

14.12 Variation

An amendment or variation to this Deed is not effective unless it is in writing and signed by the parties.

14.13 Waiver

- (a) A right in favour of the Grantor under this Deed, subject to any express provision of this Deed to the contrary, may be waived prospectively or retrospectively by writing signed by the Grantor.
- (b) No other act, omission or delay by the Grantor will constitute a waiver of a right.

14.14 Counterparts

This Deed may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this Deed may deliver it to, or exchange it with, another party by:

- (a) faxing; or
 - (b) emailing a pdf (portable document format) copy of,
- the executed counterpart to that other party.

14.15 Whole agreement

This Deed:

- (a) is the entire agreement and understanding between the parties relating to the subject matter of this Deed; and
- (b) supersedes any prior agreement, representation (written or oral) or understanding on anything connected with that subject matter.

14.16 Warranty of authority

Each person signing this Deed:

- (a) as attorney for any party warrants to the other party that at the date of signing, the person has not received any notice or information of the revocation of the power of attorney appointing the person; and

- (b) as an authorised officer, agent or trustee of any party warrants to the other party that at the date of signing, the person has full authority to sign this Deed in their capacity.

15. ASSIGNMENT

15.1 The Grantee may at any time on or before the Call Option Expiry Date, but after the Due Diligence Condition has been satisfied or waived and the Balance Security Deposit paid in accordance with **clause 3.1(b)**, assign its rights and Obligations under this Deed to an Assignee in accordance with the following provisions:

- (a) an Assignee must execute an Assignee Deed Poll which must be given to the Grantor on or before the date of exercise of the Call Option;
- (b) the assignment will become effective on the date upon which the Grantor receives the duly executed Assignee Deed Poll;
- (c) upon the assignment becoming effective, the Call Option Fee and Security Deposit will be deemed to have been paid by the Assignee in substitution of the Grantee;
- (d) the Assignee will be deemed to be the Grantee under this Deed on and from the date the assignment becomes effective as if the Assignee was the original Grantee named in this Deed; and
- (e) the Grantee will be released from liability under this Deed and any subsequent exercise of the Call Option by the Assignee will be the act of and binding upon the Assignee alone. For avoidance of doubt, the Grantee is immediately released from any and all liability under this Deed and the Contract from the date the assignment becomes effective.

16. SETTLEMENT AND BLACKOUT DATES

16.1 The parties agree that the settlement date of the Contract will be 7 days after the date of the Contract.

16.2

- (a) For the purposes of this **clause 16.2 "Black Out Period"** means the period from 20 December 2018 to 14 January 2019 inclusive.
- (b) Despite anything to the contrary herein, the parties agree that the settlement date of the Contract, if otherwise due to occur during the Black Out Period, will be delayed until the first Business Day after the expiry of the Black Out Period.
- (c) Despite anything to the contrary herein, if the Grantee exercises the Call Option under **clause 4.2** during the Black Out Period or less than five (5) Business Days

before the commencement of the Black Out Period, then the due date for discharge of the Grantor's obligations under **clause 4.4** is delayed until the first Business Day after the expiry of the Black Out Period.

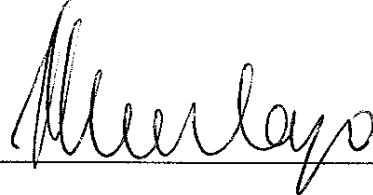
EXECUTED AS A DEED

**Executed as a deed by Sabraja Projects
Pty Ltd A.C.N. 010 740 253 as Grantor**



Director

STEPHEN JOHN VEDELAGO.
Print full name of Director



Director

PATRICIA JOYCE VEDELAGO.
Print full name of Director

**Executed as a deed by Augusta Funds
Management Limited (Company Number
3760278 and ARBN 620 408 513) as
Grantee**

Director

Print full name of Director

Director

Print full name of Director

ANNEXURE D
ASSIGNEE DEED POLL

DEED dated

BY:

[] ACN [] **(‘Assignee’)**

IN FAVOUR OF:

SABRAJA PROJECTS PTY LTD A.C.N. 010 740 253
(‘Grantor’)

BACKGROUND

- A. Augusta Funds Management Limited (Company Number 3760278 and ARBN 620 408 513) and the Grantor are parties to a the put and call option deed dated [insert date of deed] (“the Option Deed”) in respect of the property situated at 255-257 Gympie Road, Kedron in the state of Queensland.
- B. Augusta Funds Management Limited (Company Number 3760278 and ARBN 620 408 513) has assigned its rights and obligations under the Option Deed to the Assignee and the Assignee agrees to accept the rights and obligations of Augusta Funds Management Limited (Company Number 3760278 and ARBN 620 408 513) in relation to the call option under the Option Deed.

OPERATIVE PROVISIONS

The Assignee covenants that it shall observe and perform the obligations of Augusta Funds Management Limited (Company Number 3760278 and ARBN 620 408 513) under the Option Deed (including those which have accrued prior to the Date of Assignment) as if the Assignee were a party to the Option Deed in lieu of Augusta Funds Management Limited (Company Number 3760278 and ARBN 620 408 513).

Executed as a Deed Poll

Executed by [insert name of Assignee]

Director/Sole Director/Sole Director and Secretary

Director/Secretary (if applicable)

Print full name of Director/Sole Director

Print full name of Director/Secretary

ANNEXURE C
NOTICE OF NOMINEE

To: SABRAJA PROJECTS PTY LTD A.C.N. 010 740 253 ("Grantor")

By: AUGUSTA FUNDS MANAGEMENT LIMITED (Company Number 3760278 and ARBN 620 408 513) ("Grantee")

Recitals

- A. The Grantor entered into the put and call option deed dated [insert date of deed] ("the Option Deed") with the Grantee. Pursuant to clause 4 the Grantor granted the Grantee an option to purchase the property situated at 255-257 Gympie Road, Kedron in the state of Queensland.
- B. The Grantee has resolved to appoint the Nominee under clause 12 of the Option Deed.

Nomination

The Grantee, pursuant to clause 12 of the Option Deed, hereby nominates [insert name of Nominee] of [insert address of Nominee] as the person or entity to exercise the Call Option under clause 4 of the Option Deed.

Dated:

Executed by Augusta Funds Management Limited (Company Number 3760278 and ARBN 620 408 513)

Director/Sole Director/Sole Director and Secretary

Director/Secretary (if applicable)

Print full name of Director/Sole Director

Print full name of Director/Secretary

ANNEXURE B

NOTICE OF EXERCISE OF PUT OPTION

To: AUGUSTA FUNDS MANAGEMENT LIMITED (Company Number 3760278 and ARBN 620 408 513)

TAKE NOTICE that Sabraja Projects Pty Ltd A.C.N. 010 740 253 hereby exercises the Put Option granted under clause 5 of the put and call option deed dated [Insert Date of option deed] between the Grantee and the Grantor

Dated:

Executed by Sabraja Projects Pty Ltd
A.C.N. 010 740 253

Director

Director

Print full name of Director

Print full name of Director

ANNEXURE A

NOTICE OF EXERCISE OF CALL OPTION

To: SABRAJA PROJECTS PTY LTD A.C.N. 010 740 253

TAKE NOTICE that **AUGUSTA FUNDS MANAGEMENT LIMITED** (Company Number **3760278** and **ARBN 620 408 513**) hereby exercises the Call Option granted by the Grantor under clause 4 of the put and call option deed dated [insert date of deed] between the Grantor and the Grantee.

Dated:

Executed by

Director

Director

Print full name of Director

Print full name of Director

ANNEXURE E

CONTRACT

Contract for Commercial Land and Buildings

Seventh Edition

This document has been approved by The Real Estate Institute of Queensland Limited and the Queensland Law Society Incorporated as being suitable for the sale and purchase of Commercial Land and Buildings in Queensland.

The Seller and Buyer agree to sell and buy the Property under this contract.

REFERENCE SCHEDULE

A CONTRACT DATE

NOTE 1 _____

B AGENT:

NAME: Cushman & Wakefield (Michael Callow)

ADDRESS: STREET: Level 11
123 Eagle Street
SUBURB: Brisbane STATE: Qld POSTCODE: 4000

PHONE: 07 3239 4122 FAX: EMAIL: michael.callow@cushwake.com

ABN/ACN: LICENCE NO:

C SELLER:

NAME: Sabraja Projects Pty Ltd

ADDRESS: STREET: Level 2
50 McDougall Street
SUBURB: Milton STATE: Qld POSTCODE: 4064

PHONE: FAX: MOBILE: EMAIL:

ABN/ACN: 010 740 253

D SELLER'S SOLICITOR:

NAME: MSJA Lawyers (Dirk Yates)

ADDRESS: STREET: Level 3
371 Queen Street
SUBURB: Brisbane STATE: Qld POSTCODE: 4000

PHONE: 07 3707 1400 FAX: 07 3707 1401 MOBILE: EMAIL: dirk@msja.com.au

ABN/ACN:

INITIALS (Note: Initials not required if signed with Electronic Signature)

E BUYER:

NAME:	Augusta Funds Management Limited			
ADDRESS:	STREET:	c/- David K Lawyers, Level 12, 300 Queen Street		
	SUBURB:	Brisbane	STATE:	Qld
			POSTCODE:	4000
PHONE:	FAX:	MOBILE:	EMAIL:	
ABN/ACN: ARBN 620 408 513				

F BUYER'S SOLICITOR:

NAME:	David K Lawyers (David Krishnan)			
ADDRESS:	STREET:	Level 12, 300 Queen Street		
	SUBURB:	Brisbane	STATE:	Qld
			POSTCODE:	4000
PHONE:	FAX:	MOBILE:	EMAIL:	
07 3102 2583	07 3839 3006		david@davidklawyers.com.au	
ABN/ACN:				

G DEPOSIT HOLDER:

NAME:	Cushman & Wakefield	PHONE:	07 3852 2280
-------	---------------------	--------	--------------

H LAND:NOTE 2
(See
warning)

Address:	255-257 Gympie Road			
Suburb:	Kedron	STATE:	Qld	POSTCODE:
				4031
Present use: (if any)	Lot 3 on RP 91138 and Lot 1 on SP 288094			
Description:				
Title reference:	13352144 and 51140040	Area:	8,909m ²	■ more or less

NOTE 3

Type of holding:	Freehold	Lease No:	
Local Government:	Brisbane City Council		

I IMPROVEMENTS INCLUDED IN SALE:

NOTE 4

Nature of Buildings:	Commercial
<p>Unless excluded below, the Purchase Price includes all partitions, stoves, hot water systems, wall-to-wall floor coverings, drapes and tracks, blinds, light fittings, clothes lines, hoists, fixed television or satellite antennae or dishes, in-ground shrubs and all fixtures as inspected by the Buyer.</p>	
Exclusions:	Anything owned by a Tenant under a Lease

J OTHER CHATTELS INCLUDED IN SALE: ■ Attach inventory if insufficient space

Nil

INITIALS (Note: Initials not required if signed with Electronic Signature)

K THE LAND IS SOLD AS:

■ Choose which applies

☒ Freehold

■ Subject to the reservations exceptions and conditions in the deed of grant

☐ Leasehold

■ Subject to the conditions of the Crown leasehold title

L ENCUMBRANCES:

Is the Property sold subject to any Encumbrances? ☐ No ☒ Yes, listed below

EASEMENT (Lot 1) – to be registered – Access to Qld Urban Utilities burdening the Land – “Easement Q”

EASEMENT No 601711967 (E842941) 03/10/1974
BURDENING THE LAND
TO SUB 39 OF POR 129
OVER EASEMENT B ON RP134576

EASEMENT No 601711968 (E847486) 15/10/1974
BENEFITING THE LAND
OVER EASEMENT A ON RP134576

All statutory rights relating to water supply, sewerage, drainage, electricity, telephone and other installations, services or utilities in, passing through or over the Land, whether or not protected by registered easement

■ **WARNING TO SELLER:** You are required to disclose all Title Encumbrances which will remain after settlement (for example, easements on your title and statutory easements for sewerage and drainage which may not appear on a title search). Failure to disclose these may entitle the Buyer to terminate the contract or to compensation. It is NOT sufficient to state “refer to title”, “search will reveal”, or similar.

M LEASES AND SERVICE CONTRACTS:

NOTE 5 See Lease Schedule and Service Contract Schedule.

N PURCHASE PRICE:

\$ 21,520,000

O DEPOSIT:

\$ 1,000,000

Initial Deposit payable on the day the Buyer signs this contract unless another time is specified below:

Pursuant to Put & Call Option Deed dated/...../2018

\$

Balance Deposit (if any) payable on:

Deposit Holder's Trust Account:

Cushman & Wakefield Agency Qld Pty Ltd Estate Agency Business Statutory Trust Account

Bank: National Australia Bank

BSB: 084 009

Account No: 502 407 636

P DEFAULT INTEREST RATE:

CLAUSE 11 & NOTE 6 % ■ If no figure is inserted, the Contract Rate applying at the Contract Date published by the Queensland Law Society Inc will apply.

Q SETTLEMENT DATE:

or the next Business Day if that is not a Business Day in the city or town in item R

R CITY OR TOWN FOR SETTLEMENT:

CLAUSES 25.1 & 25.2

Brisbane

NOTE 7
CLAUSE 31

SUBJECT TO FINANCE:

NOT SUBJECT TO FINANCE:

If this Contract is subject to finance then Items S, T and U must be completed in every respect and Item V must be deleted and initialled. If this Contract is not to be subject to finance then Items S, T and U must be deleted and initialled and Item V shall apply.

S LENDER OR CLASS OF LENDER:

INITIALS (Note: Initials not required if signed with Electronic Signature)

T THE APPROVAL DATE:

The day of
 DAY MONTH YEAR

OR the next Business Day if that is not a Business Day in the city or town in item R

U AMOUNT OF LOAN:

\$ _____

V

THIS CONTRACT IS NOT SUBJECT TO FINANCE AND CLAUSE 31 OF THE STANDARD COMMERCIAL CONDITIONS DOES NOT APPLY.

W NEIGHBOURHOOD DISPUTES (DIVIDING FENCES AND TREES) ACT 2011

The Seller gives notice to the Buyer in accordance with Section 83 of the
Neighbourhood Disputes (Dividing Fences and Trees) Act 2011 that the Land:
(select whichever is applicable)

☒ *is not affected by any application to, or an order made by, the Queensland Civil
and Administrative Tribunal (QCAT) in relation to a tree on the Land

☐ *is affected by an application to, or an order made by, QCAT in relation to a tree on
the Land, a copy of which has been given to the Buyer prior to the Buyer signing
the contract.

■ **WARNING:** Failure to comply with s83 Neighbourhood
Disputes (Dividing Fences and Trees Act 2011) by
giving a copy of an order or application to the Buyer
(where applicable) prior to Buyer signing the contract
will entitle the Buyer to terminate the contract prior to
Settlement.

X BUILDING AND/OR PEST INSPECTION DATE

Inspection Date:

■ If 'Inspection Date' is not completed, the contract is not subject to an inspection report and
clause 35 does not apply.

INITIALS (Note: Initials not required if signed with Electronic Signature)

GST TABLE

GOODS AND SERVICES TAX – WARNING

Marking the GST items in the GST Table may have significant consequences for the Seller and Buyer. The Seller and Buyer should seek professional advice about completion of the GST items and not rely on the Agent to complete the GST items.

Notes to completion:

- A. Only 1 box in the selected item must be marked.
- B. If the Yes box in item GST1 is marked:
 - items GST2 and GST3 must not be marked;
 - despite any markings of Items GST2 and GST3, Clauses 34.4, 34.5 and 34.6 do not apply.
- C. If the Yes box in item GST2 is marked:
 - items GST1 and GST3 must not be marked;
 - despite any marking of Items GST1 and GST3, Clauses 34.4, 34.5 and 34.7 do not apply.

GST1 Going Concern:

Is this a sale of a Going Concern? ☒ Yes
If Yes, clause 34.7 (If the Supply is a Going Concern) applies.
Otherwise clause 34.7 (If the Supply is a Going Concern) does not apply.
If the Yes box is marked, do not complete items GST2 and GST3.

■ **WARNING:** There are strict requirements for the sale of a Going Concern under the GST Act. If in doubt about complying with those provisions, seek professional advice before marking this item.

GST2 Margin Scheme:

Is the Margin Scheme to apply to the sale of the Property? ☐ Yes
If Yes, clause 34.6 (Margin Scheme) applies.
Otherwise clause 34.6 (Margin Scheme) does not apply.
The Seller must not apply the Margin Scheme to the Supply of the Property if clause 34.6 does not apply.

■ If the Yes box is marked, do not complete Items GST1 and GST3.

GST3 Inclusive or Exclusive Purchase Price:

Does the Purchase Price include GST?

Mark 1 box only

☐ Yes

If Yes, clause 34.4 (Purchase Price includes GST) applies.

☐ No

If No, clause 34.5 (Purchase Price Does Not Include GST) applies

■ Do not complete Item GST3 if Item GST1 (Going Concern) or Item GST2 (Margin Scheme) are marked Yes.

If neither box is marked or if both boxes are marked, clause 34.4 (Purchase Price Includes GST) applies.

GST WITHHOLDING OBLIGATIONS

Buyer Warranty

Is the Buyer registered for GST and acquiring the Land for a creditable purpose?
(select whichever is applicable)

☐ Yes

☐ No

■ **WARNING:** the Buyer warrants in clause 4.5 that this information is true and correct.

[Note: If the Buyer selects [No] the Seller may be required to give a notice under section 14-255 of the Withholding Law prior to settlement]

INITIALS (Note: Initials not required if signed with Electronic Signature)

LEASE SCHEDULE**See Clause 32 of Standard Commercial Terms***LEASE 1:**

Name of Tenant:	See Schedule 1		
Use:			
Location/Tenancy No:			
Area of Tenancy (m ² approx.):			
Current Rent per Annum:	\$	<input type="checkbox"/> inclusive of outgoings	<input type="checkbox"/> exclusive of outgoings
Current Commencement Date:			
Current Lease Term:			
Remaining Options:	Option 1	Term	_____ years
	Option 2	Term	_____ years
	Option 3	Term	_____ years
Tenant Car Park:	No.:	Rate	\$ _____ <input type="checkbox"/> per annum <input type="checkbox"/> per month

LEASE 2:

Name of Tenant:			
Use:			
Location/Tenancy No:			
Area of Tenancy (m ² approx.):			
Current Rent per Annum:	\$	<input type="checkbox"/> inclusive of outgoings	<input type="checkbox"/> exclusive of outgoings
Current Commencement Date:			
Current Lease Term:			
Remaining Options:	Option 1	Term	_____ years
	Option 2	Term	_____ years
	Option 3	Term	_____ years
Tenant Car Park:	No.:	Rate	\$ _____ <input type="checkbox"/> per annum <input type="checkbox"/> per month

* Attach further Schedule if insufficient space.

SERVICE CONTRACT SCHEDULE**See Clause 32 of Standard Commercial Terms***CONTRACT 1:**

Contractor:	Nil		
Service Performed:			
Cost:	\$	<input type="checkbox"/> per annum	<input type="checkbox"/> per quarter <input type="checkbox"/> per month

CONTRACT 2:

Contractor:			
Service Performed:			
Cost:	\$	<input type="checkbox"/> per annum	<input type="checkbox"/> per quarter <input type="checkbox"/> per month

CONTRACT 3:

Contractor:			
Service Performed:			
Cost:	\$	<input type="checkbox"/> per annum	<input type="checkbox"/> per quarter <input type="checkbox"/> per month

INITIALS (Note: Initials not required if signed with Electronic Signature)

CONTRACT 4:

Contractor:

Service Performed:

Cost:

\$

☐ per annum ☐ per quarter ☐ per month**CONTRACT 5:**

Contractor:

Service Performed:

Cost:

\$

☐ per annum ☐ per quarter ☐ per month**Attach further Schedule if insufficient space.*

INITIALS (Note: Initials not required if signed with Electronic Signature)

SPECIAL CONDITIONS

See Annexure A

The approval by The Real Estate Institute of Queensland Limited and the Queensland Law Society Inc does not extend to any alterations to the printed text of the Standard Commercial Terms or to any Special Conditions of this Contract. The Standard Commercial Terms may need to be added to or varied by inserting specifically prepared Special Conditions in this Contract. If the printed text of the Standard Commercial Terms is altered, or Special Conditions are included, it is recommended that the Seller and the Buyer consult their respective legal advisers prior to signing this Contract.

INITIALS (Note: Initials not required if signed with Electronic Signature)

SIGNATURES:

BUYER'S SIGNATURE: _____ By signing this contract I warrant that I am the Buyer named in the Reference Schedule or authorised by the Buyer to sign.

NAME OF PERSON SIGNING:
(INSERT IN BLOCK LETTERS) _____

WITNESS: _____ [Note: No witness is required if the Buyer signs using an Electronic Signature]

WITNESS NAME: _____

BUYER'S SIGNATURE: _____ By signing this contract I warrant that I am the Buyer named in the Reference Schedule or authorised by the Buyer to sign.

NAME OF PERSON SIGNING:
(INSERT IN BLOCK LETTERS) _____

WITNESS: _____ [Note: No witness is required if the Buyer signs using an Electronic Signature]

WITNESS NAME: _____

SELLER'S SIGNATURE: _____ By signing this contract I warrant that I am the Seller named in the Reference Schedule or authorised by the Seller to sign.

NAME OF PERSON SIGNING:
(INSERT IN BLOCK LETTERS) _____

WITNESS: _____ [Note: No witness is required if the Seller signs using an Electronic Signature]

WITNESS NAME: _____

SELLER'S SIGNATURE: _____ By signing this contract I warrant that I am the Seller named in the Reference Schedule or authorised by the Seller to sign.

NAME OF PERSON SIGNING:
(INSERT IN BLOCK LETTERS) _____

WITNESS: _____ [Note: No witness is required if the Seller signs using an Electronic Signature]

WITNESS NAME: _____

DEPOSIT HOLDER'S ACKNOWLEDGEMENT:

NOTE 8 The Deposit Holder acknowledges having received \$ _____ as the Deposit or on account of the Deposit and agrees to hold that amount and any balance of the Deposit when received as Deposit Holder for the parties as provided in this Contract.

Deposit Holder's Signature: _____ **Licence No.:** _____

INITIALS (Note: Initials not required if signed with Electronic Signature)

Standard Commercial Terms | Commercial Land and Buildings

Seventh Edition © Copyright

1. DEFINITIONS

1.1 In this Contract, terms in **bold** in the Reference Schedule have the meanings shown opposite them and unless the context otherwise indicates:

- (a) **"Agent"** means the person named in Item B and includes auctioneer;
- (b) **"ATO"** means the Australian Taxation Office;
- (c) **"ATO Clearance Certificate"** means a certificate issued under section 14-220(1) of the Withholding Law which is current on the date it is given to the Buyer;
- (d) **"Bond"** includes any security for payment of rent or other monies or performance of any obligation pursuant to any Lease;
- (e) **"Business Day"** means a day other than:
 - (i) a Saturday or Sunday;
 - (ii) a public holiday in the city or town named in Item R; or
 - (iii) a day in the period 27 to 31 December (inclusive)
- (f) **"Buyer"** means the party named in Item E;
- (g) **"CGT Withholding Amount"** means the amount determined under section 14-200(3)(a) of the Withholding Law or, if a copy is provided to the Buyer prior to settlement, a lesser amount specified in a variation notice under section 14-235;
- NOTE 6 (h) **"Contract Rate"** means the rate of interest at the Contract Date published by the Queensland Law Society Incorporated for the purposes of clause 11;
- (i) **"Deposit"** means the sum stated in Item O;
- (j) **"Deposit Holder"** means the person named in Item G or, where no person is named in Item G, the Agent;
- (k) **"Electronic Signature"** means an electronic method of signing that identifies the person and indicates their intention to sign the contract;
- (l) **"Encumbrances"** includes but is not limited to:
 - (i) unregistered encumbrances;
 - (ii) statutory encumbrances; and
 - (iii) Security Interests.
- (m) **"Enterprise"** means the enterprise (as the term is defined in the GST Act) carried on using the Property;
- (n) **"Financial Institution"** means a bank, building society or credit union;
- (o) **"GST"** means the goods and services tax under the GST Act;
- (p) **"GST Act"** means A New Tax System (Goods and Services Tax) Act and includes other GST related legislation;
- (q) **"GST Withholding Amount"** means the amount (if any) determined under section 14-250 of the Withholding Law required to be paid to the Commissioner of Taxation;
- (r) **"Guarantee"** means a guarantee or an undertaking in relation to any tenant or occupier under a Lease;
- (s) **"ITAA"** means the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997;
- (t) **"Item"** means an item of particulars in the Reference Schedule;
- (u) **"Keys"** means implements or instruments necessary for the purposes of fastening or unfastening:

- (i) the lock on any gate, door, grille, shutter or lift which secures any means of entrance to or exit from the Land (whether or not such gate, door, grille, shutter or lift forms part of the Property);
 - (ii) any other lock attached to or included in the property; and includes electronic devices and written records of all codes and combinations necessary for the purposes of fastening or unfastening any such lock;
 - (v) **"Land"** means the land described in Item H;
 - (w) **"Lease"** means all leases, subleases, agreements for lease, agreements for sublease and tenancy agreements whether oral or in writing, and as the context admits, licences and rights to occupy, and which are set out in the Lease Schedule;
 - (x) **"Local Government"** means the relevant local government (and includes the Brisbane City Council);
 - (y) **"PPSR"** means the Personal Property Securities Register established under *Personal Property Securities Act 2009 (Cth)*.
 - (z) **"Property"** means the property listed in Items H, I and J and includes any part of the Property;
 - (aa) **"Purchase Price"** means the sum stated in Item N;
 - (bb) **"Rent"** means base rent, turnover rent, percentage rent, contributions to outgoings and any money payable by a tenant to the Seller.
 - (cc) **"Security Interests"** means all security interests registered on the PPSR over the Property;
 - (dd) **"Seller"** means the party named in Item C;
 - (ee) **"Service Contract"** for the purposes of clause 32 of this Contract means any contract between the Seller and another party pertaining to services performed for the benefit of the Property, which are capable of assignment, and which are set out in the Service Contract Schedule and **"Service Contractor"** means any party performing those services;
 - (ff) **"Settlement Date"** means the date stated in Item Q or such other date as may be agreed in writing by the parties or fixed pursuant to the conditions of this Contract;
 - (gg) **"Site Value"** means:
 - (i) in the case of non-rural land, site value under the *Land Valuation Act 2010*; or
 - (ii) in the case of rural land, the *unimproved* value of the Land under the *Land Valuation Act 2010*;
 - (hh) **"Solicitor"** means a solicitor currently entitled to practice in Australia whether acting as principal or agent;
 - (ii) **"Transport Infrastructure"** has the meaning in the *Transport Infrastructure Act 1994*; and
 - (jj) **"Withholding Law"** means Schedule 1 to the *Taxation Administration Act 1953 (Cth)*.
- 12 Unless the contrary is shown, the contract shall be deemed to have been formed on the date of this Contract and the date of this Contract shall be deemed to be the date stated in Item A.
- 13 Any reference in this Contract to a statute includes:
- (a) any statute amending, consolidating or replacing the statute; and
 - (b) Orders in Council, proclamations, regulations, rules, by-laws and ordinances made under the statute.
- 14 In this Contract, unless inconsistent with the context or subject

INITIALS (Note: Initials not required if signed with Electronic Signature)

matter, where the term "Item" is used in conjunction with a particular letter of the alphabet, it is a reference to the Item set opposite the letter referred to.

- 15 Any defined terms used in any part of this Contract shall have the same meaning when used in any other part of this Contract.
- 16 The marginal notes in the Reference Schedule are references to clauses or notes, as the case may be, in the Standard Commercial Terms.
- 17 This Contract shall be governed by the laws of Queensland.
- 18 Headings and notes have been included for ease of reference and guidance and this Contract shall be construed without reference to them.

2. BUSINESS DAYS

- 21 If anything is required to be done on a day that is not a Business Day, it must be done instead on the next Business Day.

3. DEPOSIT

- 31 The Deposit shall be paid by the Buyer to the Deposit Holder at the times stated in Item O.
- 32 If the Buyer:
 - (a) fails to pay the Deposit as provided in clause 3.1;
 - (b) pays the Deposit by cheque which is post-dated; or
 - (c) pays the Deposit by cheque which is not honoured on presentation;

then, the Buyer shall be in substantial breach of this Contract and the Seller may:

- (i) affirm this Contract and exercise the rights expressed in clause 13.2; or
- (ii) terminate this Contract and exercise the rights expressed in clause 13.3.

- 33 The rights and powers conferred by clause 3.2 are in addition to any other rights the Seller may have at law or in equity.
- 34 The Deposit shall be retained by the Deposit Holder until settlement or earlier termination of this Contract whereupon the Deposit Holder shall pay the Deposit to the person entitled to it.
- 35 If this Contract is terminated pursuant to the provisions of clauses 7.6, 9.3(a), 19, 20.1, 21.1, 31.2(a), 32.2, 32.3(b) or 35.4, the Deposit and other moneys paid under this Contract shall be refunded to the Buyer by the Seller or the Deposit Holder as the case may be but without interest, costs or damages and the same shall be accepted by the Buyer in full and final satisfaction of all claims.

4. SETTLEMENT AND POSSESSION

- 41 The balance of the Purchase Price shall be paid on the Settlement Date as the Seller or the Seller's Solicitor directs in exchange for:
 - (a) possession of the Property (such possession to be vacant except for any Lease);
 - NOTE 9 (b) a properly executed transfer for the Land in favour of the Buyer capable of immediate registration (after stamping) in the appropriate office free from Encumbrances (other than those set out in Item L) and title to the Property (other than the Land) free from Encumbrances (other than those set out in Item L) but subject to the conditions of this Contract;
 - (c) any declaration required, by the *Duties Act 2001* to be furnished to procure the stamping of the transfer;
 - (d) such other instruments or declarations as are required by law to be signed by the Seller to procure the stamping and/or registration of the transfer;
 - (e) except as otherwise provided in this Contract, any instrument of title for the Land required to register the transfer;
 - (f) notices of assignment issued pursuant to clause 16.5;
 - (g) all other instruments (which shall be duly stamped) in the possession or control of the Seller evidencing estates and interests affecting the Property and which are exclusive to

the Property;

- (h) true copies of all other instruments (which shall be duly stamped) in the possession or control of the Seller evidencing estates and interests affecting the Property but which are not exclusive to the Property;
- (i) the Certificate of Classification pursuant to the *Building Act 1975* appropriate to the uses stated in Item H (if the improvements on the Land may not be lawfully occupied unless such certificate has issued);
- (j) all plans and drawings relating to the construction of the improvements on the Land in the possession or control of the Seller; and
- (k) all documents in the possession or control of the Seller which the Buyer would reasonably require to enable the Buyer to manage the Property and to prepare returns under the ITAA.

- 42 If both of the following apply:

- (a) the sale is not an excluded transaction under section 14-215 of the Withholding Law; and
- (b) the Seller has not given the Buyer on or before settlement for each person comprising the Seller either:
 - (i) an ATO Clearance Certificate; or
 - (ii) a variation notice under section 14-235 of the Withholding Law which remains current at the Settlement Date varying the CGT Withholding Amount to nil,

then:

- (c) for clause 4.1, the Seller irrevocably directs the Buyer to draw a bank cheque for the CGT Withholding Amount in favour of the Commissioner of Taxation or, if the Buyer's Solicitor requests, the Buyer's Solicitor's Trust Account;
- (d) the Buyer must lodge a *Foreign Resident Capital Gains Withholding Purchaser Notification Form* with the ATO for each person comprising the Buyer and give copies to the Seller with the payment reference numbers (PRN) on or before settlement;
- (e) the Seller must return the bank cheque in paragraph (c) to the Buyer's Solicitor (or if there is no Buyer's Solicitor, the Buyer) at settlement; and
- (f) the Buyer must pay the CGT Withholding Amount to the ATO in accordance with section 14-200 of the Withholding Law and give the Seller evidence that it has done so within 2 Business Days of settlement occurring.

- 43 For clause 4.2 and section 14-215 of the Withholding Law, the market value of the CGT asset is taken to be the Purchase Price less any GST included in the Purchase Price for which the Buyer is entitled to an input tax credit unless:

- (a) the Property includes items in addition to the Land and Improvements; and
- (b) no later than 2 Business Days prior to the Settlement Date, the Seller gives the Buyer a valuation of the Land and Improvements prepared by a registered valuer, in which case the market value of the Land and Improvements will be as stated in the valuation.

- 44 If the Buyer is required to pay the GST Withholding Amount to the Commissioner of Taxation at settlement pursuant to section 14-250 of the Withholding Law:

- (a) the Seller must give the Buyer a notice in accordance with section 14-255(1) of the Withholding Law;
- (b) prior to settlement the Buyer must lodge with the ATO:
 - (i) a *GST Property Settlement Withholding Notification form* ("Form 1"); and
 - (ii) a *GST Property Settlement Date Confirmation form* ("Form 2");
- (c) on or before settlement, the Buyer must give the Seller copies

INITIALS (Note: Initials not required if signed with Electronic Signature)

of:

- (i) the Form 1;
 - (ii) confirmation from the ATO that the Form 1 has been lodged specifying the Buyer's lodgement reference number and payment reference number;
 - (iii) confirmation from the ATO that the Form 2 has been lodged; and
 - (iv) a completed ATO payment slip for the Withholding Amount;
- (d) the Seller irrevocably directs the Buyer to draw a bank cheque for the GST Withholding Amount in favour of the Commissioner of Taxation and deliver it to the Seller at settlement; and
- (e) the Seller must pay the GST Withholding Amount to the ATO in compliance with s 14-250 of the Withholding Law promptly after settlement.

45 The Buyer warrants that the statements made by the Buyer in the Reference Schedule under GST Withholding Obligations are true and correct.

5. KEYS

51 Immediately on settlement, the Seller shall deliver all Keys, which are in the possession or under the control of the seller, in accordance with any notice given in writing by the Buyer to the Seller and failing such notice, the Seller shall deliver the Keys:

- (a) to the Buyer, if the Buyer is present personally at settlement;
- (b) to the Buyer's solicitor at settlement, if the Buyer is not present personally;
- (c) to the Seller's Agent at the address shown in Item B, if neither the Buyer nor any solicitor acting for the Buyer is present personally at settlement;
- (d) to and will leave the keys at the Property if none of the provisions of clauses 5.1(a), 5.1(b) or 5.1(c) are applicable.

52 At or prior to settlement, the Seller shall make a written record of all codes and combinations necessary for the purposes of fastening or unfastening any lock referred to in the definition of Keys.

6. INVESTMENT OF DEPOSIT

61 If either party directs by notice in writing to the Deposit Holder to invest the Deposit then (where the Deposit Holder is lawfully able) the Deposit Holder shall invest the Deposit with any Financial Institution permitted by law for the investment of trust monies until the Settlement Date.

62 If this Contract is completed, all interest accruing on the investment of the Deposit shall be shared equally between the Seller and the Buyer. If this Contract is not completed for any reason, the interest accruing on the Deposit shall be paid to the party entitled to the Deposit upon termination of this Contract.

63 The Deposit and any accrued interest shall be invested at the risk of the party to whom the Deposit and accrued interest is ultimately payable and the Deposit Holder shall not be liable for any loss suffered by the parties in consequence of an investment pursuant to clause 6.1.

64 To facilitate investment of the Deposit, each party shall notify its tax file number to the Deposit Holder within 4 Business Days following the date of this Contract.

65 The parties authorise the Deposit Holder to prepare and lodge any taxation return necessary in respect of the Deposit and interest and to pay any tax assessed out of the Deposit and interest and indemnify the Deposit Holder against any taxation assessed in respect of such interest.

66 The Seller and the Buyer shall be deemed to be presently entitled in equal shares to any interest accrued for the purposes of ITAA.

7. SELLER'S STATEMENT

71 The Buyer is not entitled to deliver to the Seller requisitions or enquiries on or to the Seller's title to the Property.

72 The Seller states that, except as disclosed in this Contract, each of the following statements is accurate at the time the Seller executes this Contract:

- (a) the Seller has free and unqualified capacity and power to contract and to complete this Contract;
- (b) the Seller is not under any legal disability which affects the Seller's capacity to contract and to complete this Contract; and
- (c) if the Seller is a trustee, the Seller has free and unqualified power of sale under the instrument creating the trust, and that instrument does not require the consent or authority of any person to the entering into of this Contract or the settlement of this Contract.

73 The Seller states that, except as disclosed in this Contract, each of the following statements will be accurate at the Settlement Date:

- (a) there is no current litigation by any person claiming an estate or interest in the Property;
- (b) there is no unsatisfied judgment, order or writ of execution which affects the Property;
- (c) no order has been made under Part 11 of the *Property Law Act 1974* which would operate as a charge on the Land;
- (d) there is no order of a Court or other competent authority affecting the ability of the Seller to complete this Contract;
- (e) no notice has been issued by a competent authority or proceedings instituted in a Court pursuant to any statute whereby the interest of the Seller in the Property may be rendered liable to forfeiture to the Crown;
- (f) if the Land is Crown leasehold title, the Crown leasehold title is not rendered liable to forfeiture by reason of the non-observance or non-performance of the covenants or conditions of the lease;
- (g) if the Seller is a natural person, the Seller is not a bankrupt nor has the Seller signed any authority under section 188 of the *Bankruptcy Act 1966* (Cth);
- (h) if the Seller is a corporation within the meaning of the *Corporations Act 2001* (Cth):
 - (i) the Seller is not in liquidation;
 - (ii) no action has been taken by or against the Seller which could lead to the winding up of the Seller;
 - (iii) an administrator, controller or managing controller has not been appointed to the Seller or in respect of the whole or any part of the Property; and
 - (iv) a compromise or arrangement has not been proposed between the Seller and its members or creditors nor agreed to by the members or creditors nor sanctioned by a Court; and
- (i) the Seller is the registered owner or the lessee of the Land (according to the title expressed or implied in this Contract).

74 If a statement contained in either clause 7.2 or clause 7.3 is not accurate then the Buyer may terminate this Contract by notice in writing to the Seller.

75 If this Contract is terminated pursuant to clause 7.4, the Deposit and other moneys paid under this Contract shall be refunded to the Buyer by the Seller or the Deposit Holder as the case may be and the Seller shall be liable by way of damages as compensation for the loss suffered by the Buyer in such sum as at the time this Contract was made was reasonably foreseeable as the loss liable to result, and which does in fact result from a termination of this Contract due to a statement contained in either clause 7.2 or clause 7.3 not being accurate.

76 (1) The Seller warrants that, except as disclosed in this Contract or a notice given by the Seller to the Buyer under the *Environmental Protection Act 1994* ("EPA"), at the date of this Contract:

- (a) there is no outstanding obligation on the Seller to give notice to the administering authority under EPA of a notifiable activity being conducted on the Land; and

INITIALS (Note: Initials not required if signed with Electronic Signature)

- (b) the Seller is not aware of any facts or circumstances that may lead to the Land being classified as contaminated land within the meaning of EPA.
- (2) If the Seller breaches a warranty in clause 7.6(1), the Buyer may:
 - (a) terminate this Contract by notice in writing to the Seller given 14 days after the date of this Contract; or
 - (b) complete this Contract and claim compensation, but only if the Buyer claims it in writing before settlement of this Contract.
- 7.7 If requested by the Buyer, the Seller within 14 days of such request shall:
 - (a) produce to the Buyer all unregistered documents relating to the Property and full and proper particulars of all unregistered dealings that so relate; and
 - (b) deliver to the Buyer photocopies of such documents or dealings (if the dealings are in writing) certified by the Seller or the Seller's solicitor as being true copies.

8. ERRORS AND MISDESCRIPTIONS

- 8.1 If there is any immaterial mistake or error in the description or particulars of the Property or as to title, the Buyer shall not be entitled to terminate this Contract but shall be entitled to such compensation (if demanded in writing on or before the Settlement Date) as the case may require. The Buyer shall not be entitled to delay settlement or to withhold any part of the Purchase Price by reason of any such claim for compensation.
- 8.2 If there is any material mistake or error in the description or particulars of the Property or as to title and the Buyer does not exercise any right which the Buyer has at law to terminate this Contract, the Buyer shall be entitled to such compensation (if demanded in writing on or before the Settlement Date) as the case may require. The Buyer shall not be entitled to delay settlement or to withhold any part of the Purchase Price by reason of any such claim for compensation.

9. SURVEY AND INSPECTION

- 9.1 The Buyer shall be entitled to conduct a survey of the Land to ascertain the boundaries and area of the Land and to establish the location of structures purporting to be on the Land or on adjoining land.
- 9.2 If there is any immaterial error in the boundaries or area of the Land or any immaterial encroachment, the Buyer shall not be entitled to terminate this Contract but shall be entitled to such compensation (if demanded in writing on or before the Settlement Date) as the case may require. The Buyer shall not be entitled to delay settlement or to withhold any part of the Purchase Price by reason of any such claim for compensation.
- 9.3 If there is any material error in the boundaries or area of the Land or any material encroachment, the Buyer shall be entitled to elect by notice in writing to the Seller given on or before the Settlement Date either:
 - (a) to terminate this Contract; or
 - (b) to complete this Contract with compensation, in which event the Buyer shall be entitled to such compensation as the case may require and shall not be entitled to delay settlement or to withhold any part of the Purchase Price by reason of any such claim for compensation.

10. EXECUTION AND PRODUCTION OF DOCUMENTS

- 10.1 Subject to compliance by the Buyer with the Buyer's obligations under or by virtue of this Contract the Seller shall as required do all acts and execute all documents necessary for the purpose of completing the sale and ensuring that the Buyer obtains a good and valid title to the Property but all transfer documents, any declaration required pursuant to clause 4(c), and all instruments or declarations required pursuant to clause 4(d) shall be prepared by and at the expense of the Buyer and delivered to the Seller within a reasonable time prior to the Settlement Date.
- 10.2 If so requested by the Buyer, the Seller shall deliver to the Buyer, prior to the Settlement Date, photocopies of the documents executed by the Seller.

- 10.3 After execution of the transfer, if so requested by the Buyer and upon payment of the usual production fee by the Buyer, the Seller shall cause the transfer to be tendered to the Office of State Revenue for stamping, together with any declaration referred to in clause 4(c) and thereupon the Seller shall be deemed to have complied with the Seller's obligations under clause 4(c).
- 10.4 If an instrument of title is required to register a transfer of the Land and the instrument of title relating to the Land also relates to other land, the Seller shall not be obliged to deliver it to the Buyer but shall enter into such reasonable covenants with the Buyer as the Buyer may require for production of the instrument of title.
- 10.5 If the instrument of title is partially cancelled the Seller shall not be obliged to produce a separate instrument of title on settlement.
- 10.6 Where either clause 10.4 or clause 10.5 applies, the Buyer shall bear the cost of any new instrument of title relating to the Land.

11. INTEREST ON LATE PAYMENTS

- 11.1 The Buyer must pay interest at the annual rate in Item P:
 - (a) on any amount payable under this contract which is not paid when due; and
 - (b) on any judgement for money payable under this contract.
- 11.2 Interest continues to accrue:
 - (a) under clause 11.1(a), from the date it is due until paid; and
 - (b) under clause 11.1(b), from the date of judgement until paid.
- 11.3 Any amount payable under clause 11.1(a) in respect of a period prior to settlement must be paid by the Buyer at settlement. If this contract is terminated or if any amount remains unpaid after settlement, interest continues to accrue.
- 11.4 Nothing in this clause affects any other rights of the Seller under this contract or at law.

12. DIVIDING FENCES

Notwithstanding any provision in the *Neighbourhood Disputes (Dividing Fences and Trees) Act 2011*, the Seller need not contribute to the cost of construction of any dividing fence between the Land and any adjoining land owned by it. The Buyer waives any right to claim contribution from the Seller.

13. BUYER'S DEFAULT

- 13.1 If the Buyer:
 - (a) fails to pay the balance of the Purchase Price as provided in clause 4; or
 - (b) fails to comply with any of the terms or conditions of this Contract;
 then the Seller may:
 - (i) affirm this Contract; or
 - (ii) terminate this Contract.
- 13.2 If the Seller affirms this Contract pursuant to clause 3.2 or clause 13.1, the Seller may:
 - (a) sue the Buyer for damages for breach or for specific performance and damages in addition to or instead of damages for breach; and
 - (b) recover from the Buyer as a liquidated debt the Deposit or any part of it which the Buyer has failed to pay and shall pay the Deposit or any part of the Deposit which is recovered to the Deposit Holder.
- 13.3 If the Seller terminates this Contract pursuant to clause 3.2 or clause 13.1, the Seller may elect to:
 - (a) declare the Deposit (or so much of it as shall have been paid) forfeited and/or sue the Buyer for breach; or
 - (b) declare the Deposit (or so much of it as shall have been paid) forfeited and/or resell the Property and if the resale is completed within 2 years from the date of termination any deficiency and any expense arising from such resale shall be recoverable by the Seller from the Buyer as liquidated damages;
 and in either case the Seller may recover from the Buyer as a liquidated debt the Deposit or any part of it which has not been

INITIALS (Note: Initials not required if signed with Electronic Signature)

paid by the Buyer.

- 134 The rights and powers conferred upon the Seller by this clause 13 are in addition to any other right or power which the Seller may have at law or in equity.

14. PARTICULARS OF ADJUSTABLE ITEMS

- 141 Within a reasonable time after written request by the Buyer prior to the Settlement Date, the Seller shall deliver to the Buyer:

- (a) a written statement of all rates, taxes, outgoings, rents and profits not capable of discovery by search or enquiry in any office of public record or pursuant to the provisions of any statute in respect of the Property; and
- (b) (where the Land is subject to a Lease) a written statement disclosing to the extent the same is not disclosed in the Lease Schedule:
 - (i) the names and postal addresses of any tenant or other occupier of the Land;
 - (ii) the amounts, the due days for and the manner of payment of all periodic sums payable in respect of the Lease;
 - (iii) the date to which the same shall have been paid; and
 - (iv) the amounts of any Bond held from any such tenant or other occupier and the identity of the party holding such Bond.

- 142 If the Seller becomes aware of any information at any time between the date of delivering any such statement and settlement the effect of which is or may be to render such statement untrue in a material respect the Seller shall immediately disclose that information to the Buyer by notice in writing.

- 143 The Seller warrants that every such statement shall be true at the Settlement Date.

15. ADJUSTMENTS

- 151 The Seller shall pay or discharge all rates, taxes (including land tax) and other outgoings (except insurance premiums on insurances effected by the Buyer) with respect to the Property up to and including the date of possession.
- 152 The Buyer shall pay or discharge all rates, taxes (including land tax) and other outgoings with respect to the Property from the date of possession.
- 153 Except for water charges based on the quantity of water used all rates, taxes and outgoings shall be apportioned:
- (a) in the case of those paid by the Seller, on the amount actually paid;
 - (b) in the case of those levied but unpaid, on the amount payable disregarding any discount for early payment;
 - (c) in the case of those not levied but the amount can be ascertained by advice from the relevant rating and taxing authority, on the amount advised by the relevant rating and taxing authority disregarding any discount for early payment; and
 - (d) in the case of those not levied and not ascertainable from the relevant rating and taxing authority and where a separate assessment was issued for the Land for the assessment period immediately prior to the date of possession, on the amount payable in that separate assessment disregarding any discount for early payment.
- 154 Any rates in the nature of water rates and which are not determined by reference to water usage shall be apportioned in accordance with clause 15.3. Any water charges based on the quantity of water used shall be adjusted in accordance with the following provisions:
- (a) the Buyer, at the expense of the Buyer, shall read or procure the reading of any water meter installed on the Land no more than 5 days and no less than 3 days prior to the date of possession, and shall inform the Seller of the results of the water meter reading;
 - (b) the deemed water usage in litres for the whole of the current rating period for water charges ("the deemed water usage") shall be calculated as the amount which is directly proportionate to the water usage between the date of

commencement of the current rating period for water charges and the date of the water meter reading referred to in clause 15.4(a) (no allowance being made for seasonal or other factors);

- (c) the likely assessment of water charges for the deemed water usage shall be calculated by using the method and rates then being used by the Local Government or other water supplier ("the likely assessment");

- (d) the likely assessment shall then be apportioned.

- 155 Land tax shall be apportioned

- (a) on the assessment that the Office of State Revenue would issue for the land tax year current at the Settlement Date if the Seller was one natural person resident in Queensland and the Land was the Seller's only land; or

- (b) If there is no separate Site Value for the Land, on a notional Site Value equal to:

$$\frac{\text{Site Value of the parcel} \times \text{Area of the Land}}{\text{Area of the parcel}}$$

- 156 If land tax is unpaid at the Settlement Date and the Office of State Revenue advises that it will issue a final clearance for the Land on payment of a specified amount, then the Buyer may deduct the specified amount from the balance of the Purchase Price at settlement and must pay it promptly to the Office of State Revenue. If an amount is deducted under this clause, then land tax will be treated as paid at the Settlement Date for the purposes of clause 15.3.

16. RENTS AND PROFITS GUARANTEES AND BONDS

- 161 The rents and profits with respect to the Property shall benefit the Seller up to and including the date of possession and thereafter shall benefit the Buyer and shall be dealt with as follows:

- (a) all unpaid rents and profits in respect of any period terminating on or prior to the date of possession shall not be apportioned between the parties on settlement but shall be recoverable by the Seller in accordance with clause 16.3;
- (b) all rents and profits paid in advance of the date of possession shall be apportioned between the parties on settlement;
- (c) all rents and profits payable in respect of any period current at the date of possession which have not been paid at the Settlement Date shall be apportioned when received by either party.

- 162 If on settlement a deduction is made in respect of any Bond, the Buyer shall following settlement keep the Seller indemnified in that respect.

- 163 The Seller assigns to the Buyer, subject to the settlement of this Contract and with effect from the Settlement Date:

- (a) the benefit of all conditions contained in any Leases on the part of the tenant or other occupier of the Land given in favour of the Seller or any predecessors in title of the Seller;
- (b) the benefit of all terms and conditions contained in the Service Contracts (subject to the consent of the Service Contractor); and

- (c) the benefit of all Guarantees or Bonds held by the Seller in respect of the Leases which are capable of assignment,

provided that all unpaid rents and profits in respect of any period terminating on or prior to the date of possession not apportioned upon settlement shall not be assigned to the Buyer but be recoverable by the Seller and to that extent Section 117 of the *Property Law Act 1974* shall not apply.

- 164 The Buyer agrees to retain records relating to the Leases and to produce the Leases and any records relating to the Leases in any proceedings commenced by the Seller to recover any unpaid rents and profits.

- 165 The Seller shall prepare and execute appropriate notices to give effect to the assignments in clause 16.3.

INITIALS (Note: Initials not required if signed with Electronic Signature)

17. LIABILITY OF BUYER

- 17.1 The Property shall be at the risk of the Seller until 5:00pm on the next Business Day after the date of this Contract and then the risk shall pass to the Buyer. The Seller whilst continuing in possession will use the Property with reasonable care.
- 17.2 From the date of this Contract until settlement, the Seller shall use best endeavours to administer the Property and properly enforce the Leases in accordance with the usual practice of the Seller. Should any matter or circumstance arise which may materially affect the proper performance of the terms of any Lease by any party, the Seller shall immediately notify the Buyer in writing.
- 17.3 In addition to the obligations contained in clause 17.2, the Seller shall not without the prior written consent of the Buyer which shall not be unreasonably withheld:
- (a) accept or agree to accept a surrender of any Lease;
 - (b) grant any Lease for any part of the Property which is vacant at the date of this Contract or which may become vacant prior to settlement;
 - (c) consent to the variation of any Lease, proposed assignment or any other dealing concerning any Lease; or
 - (d) negotiate or set new rent.

18. ACCESS

- 18.1 The Seller shall permit the Buyer or any person authorised by the Buyer to enter the Property on the Settlement Date for the purpose of checking the inventory of chattels (if any) and ascertaining the existence and state of repair of the Property.
- 18.2 The Seller shall permit any person authorised by the Buyer in writing upon reasonable written notice to enter the Property on one occasion for the purposes of reading any water, gas, electricity or other meter.

19. CONSENTS

If any consent is required by statute to the sale or the performance of any obligation under or by virtue of this Contract, this Contract is subject to such consent being given and the party who is required, by the statute, to obtain such consent ("Applicant") shall apply for the consent and pursue the application. The Applicant shall pay all costs and fees (other than the other party's solicitor's) in respect of the application. The other party shall if and when required by the Applicant immediately join in the application and/or shall supply such information as shall be reasonably required in support of the application. If the consent is refused or not granted by the Settlement Date then either party may by notice in writing to the other terminate this Contract.

20. REQUIREMENTS OF AUTHORITIES

- 20.1 If it is established that at the date of this Contract the Local Government has given to the Seller or some other person a notice in writing pursuant to sections 247 and 248 of the *Building Act 1975* or sections 167 or 168 of the *Planning Act 2016* in respect of any building or structure on the Land and the notice is current at the Settlement Date the Buyer may by notice in writing to the Seller given on the Settlement Date terminate this Contract.
- 20.2 Except for any notice referred to in clause 20.1 or a tree order disclosed under s 83 of the *Neighbourhood Disputes (Dividing Fences and Trees) Act 2011*, any valid notice or order issued pursuant to any statute or by any Local Government or Court necessitating the doing of work or the expenditure of money on or in relation to the Property or any path or road adjoining the Land:
- (a) if issued before the date of this Contract shall be fully complied with by the Seller in a proper and workmanlike manner on or before the Settlement Date; or
 - (b) if issued on or after the date of this Contract shall be fully complied with by the Buyer who shall indemnify the Seller in respect of the compliance with the notice or order.

If without default of the Buyer this Contract is terminated, the Seller shall pay to the Buyer on demand any amount expended by the Buyer in complying with any notice or order which was of the nature of a capital expenditure or has resulted in a benefit to the

Seller.

21. PROPERTY ADVERSELY AFFECTED

21.1 If at the Contract Date:

- NOTE 2 (a) the Present Use is not lawful under the relevant town planning scheme;
- (b) the Land is affected by a proposal of any competent authority to alter the dimensions of any Transport Infrastructure or locate Transport Infrastructure on the Land;
 - (c) access or any service to the Land passes unlawfully through other land;
 - (d) any competent authority has issued a current notice to treat, or notice of intention to resume, regarding any part of the Land;
 - (e) there is an outstanding condition of a development approval attaching to the Land under section 73 of the *Planning Act 2016* or section 96 of the *Economic Development Queensland Act 2012* which, if complied with, would constitute a material mistake or error as to the Seller's title to the Property;
 - (f) the Property is affected by the *Queensland Heritage Act 1992* or is included in the World Heritage List;
 - (g) the Property is declared acquisition land under the *Queensland Reconstruction Authority Act 2011*;
 - (h) there is a charge against the Land under s104 of the *Foreign Acquisitions and Takeovers Act 1975*,
- and that has not been disclosed in this contract, the Buyer may terminate this contract by notice to the Seller given on or before settlement.
- 21.2 If no notice is given under clause 21.1, the Buyer will be treated as having accepted the Property subject to all of the matters referred to in that clause.
- 21.3 The Seller authorises the Buyer to inspect records held by any authority, including Security Interests on the PPSR relating to the Property.
- 21.4 Before the Settlement Date, the Seller must give the Buyer:
- (a) copies of all documents relating to any unregistered interests in the Property; and
 - (b) further copies of details if those previously given cease to be complete or accurate.
 - (c) if requested by the Buyer, copies of all Security Interests or sufficient details of the Security Interests to enable the Buyer to undertake a search of the PPSR.

22. NO WARRANTY ON PRESENT USE

No warranty is implied that the use of the Property as described in Item H is permissible under any town planning scheme and no compensation is payable if the particulars stated in Item H are not correct.

23. COSTS

The parties shall pay their own costs of and incidental to the sale and purchase but all stamp duty on this Contract and any duty in respect of the conveyance by the Seller to the Buyer shall be paid by the Buyer and if not paid by the Buyer may be paid by the Seller and recovered from the Buyer as a liquidated debt.

24. MERGER

Despite settlement and despite the registration of the transfer in favour of the Buyer, any general or special condition (or any part or parts thereof) to which effect is not given by settlement or registration and which is capable of taking effect after settlement or registration shall remain in full force and effect.

25. TIME AND PLACE FOR SETTLEMENT

- 25.1 Settlement shall be effected at such time and place as may be agreed upon by the parties. The time for settlement shall be between the hours of 9:00am and 4:00pm AEST on the Settlement Date. In the absence of agreement as to place, settlement shall be effected in the city or town named in Item R at:
- (a) the office of a solicitor or financial institution nominated by the Seller; or

INITIALS (Note: Initials not required if signed with Electronic Signature)

(b) if the Seller does not make a nomination at the land registry office in or nearest to the city or town in Item R.

252 Despite clause 25.1 if a mortgage is to be discharged on settlement the Seller may by notice in writing to the Buyer given not less than 2 Business Days prior to the Settlement Date require settlement to take place at the office of the Seller's mortgagee in the city or town named in Item R or if such mortgagee does not have an office in that city or town at the office of such mortgagee in Queensland nearest to that city or town.

26. TIME OF THE ESSENCE

26.1 Time is of the essence of this contract, except regarding any agreement between the parties on a time of day for settlement and except as otherwise provided in this Contract.

26.2 Clauses 26.2 to 26.8 apply if a party is unable to perform a Settlement Obligation solely as a consequence of a Natural Disaster but does not apply where the inability is attributable to:

- (i) damage to, destruction of or diminution in value of the Property or other property of the Seller or Buyer; or
- (ii) termination or variation of any agreement between a party and another person whether relating to the provision of finance, the release of an Encumbrance, the sale or purchase of another property or otherwise.

26.3 Time for the performance of the parties' Settlement Obligations is suspended and ceases to be of the essence of the contract and the parties are deemed not to be in breach of their Settlement Obligations.

26.4 An Affected Party must take reasonable steps to minimise the effect of the Natural Disaster on its ability to perform its Settlement Obligations.

26.5 When an Affected Party is no longer prevented from performing its Settlement Obligations due to the Natural Disaster, the Affected Party must give the other party a notice of that fact, promptly.

26.6 When the Suspension Period ends, whether notice under clause 26.5 has been given or not, either party may give the other party a Notice to Settle.

26.7 A Notice to Settle must be in writing and state:

- (i) that the Suspension Period has ended; and
- (ii) a date, being not less than 5 nor more than 10 Business Days after the date the Notice to Settle is given, which shall become the Settlement Date;
- (iii) that time is of the essence.

26.8 When Notice to Settle is given, time is again of the essence of the contract.

26.9 In this clause 26:

- (i) "**Affected Party**" means a party referred to in clause 26.2;
- (ii) "**Natural Disaster**" means a tsunami, flood, cyclone, earthquake, bushfire or other act of nature;
- (iii) "**Settlement Obligations**" means, the obligations of the buyer and Seller under clause 4;
- (iv) "**Suspension Period**" means the period during which the Affected Party (or if both the Buyer and Seller are Affected Parties, either of them) remains unable to perform a Settlement Obligation solely as a consequence of a Natural Disaster.

27. NOTICES, COMMUNICATIONS, AUTHORITY DIRECTIONS, ETC

27.1 Notices under this contract must be in writing.

27.2 Notices under this contract or notices required to be given by law may be given and received by the party's solicitor.

27.3 Notices under this contract or required to be given by law may be given by:

- (a) delivering or posting to the other party or its solicitor; or
- (b) sending it to the facsimile number of the other party or its solicitor stated in the Reference Schedule (or another facsimile number notified by the recipient to the sender); or
- (c) sending it to the email address of the other party or its solicitor

stated in the Reference Schedule (or another email address notified by the recipient to the sender).

27.4 Subject to clause 27.5, a notice given after this contract is entered into in accordance with clause 27.3 will be treated as given:

- (a) 5 Business Days after posting;
- (b) if sent by facsimile, at the time indicated on a clear transmission report; and
- (c) if sent by email, at the time it is sent.

27.5 Notices given by facsimile, by personal delivery or by email between 5pm on a Business Day (the "first Business Day") and 9am on the next Business Day (the "second Business Day") will be treated as given or delivered at 9am on the second Business Day.

27.6 If two or more notices are treated as given at the same time under clause 27.5, they will be treated as given in the order in which they were sent or delivered.

27.7 Notices or other written communications by a party's solicitor (for example, varying the Inspection Date, Finance Date or Settlement Date) will be treated as given with that party's authority.

27.8 For the purposes of clause 27.3(c) and clause 36.2 the notice or information may be contained within an email, as an attachment to an email or located in an electronic repository accessible by the recipient by clicking a link in an email.

28. REMOVAL OF FIXTURES FITTINGS AND CHATTELS

28.1 Unless otherwise agreed between the parties any property not sold under this Contract (other than property of any tenant or other occupier of the Land) shall be removed from the Land prior to delivery of possession.

28.2 The Seller shall at the Seller's own expense reinstate and make good prior to delivery of possession any damage done to the improvements in removing that property and if the Seller fails to do so the Buyer may do so and recover the costs of so doing from the Seller as a liquidated debt.

28.3 Any of that property not so removed shall be deemed abandoned by the Seller and the Buyer may without prejudice to any other remedy complete this Contract and appropriate or remove or otherwise dispose of that property as the Buyer thinks fit.

28.4 Any costs incurred by the Buyer in removing that property or in making good any damage done to the improvements in such removal may be recovered by the Buyer from the Seller and the Seller shall indemnify and hold indemnified the Buyer from and against all claims, demands, actions, costs, judgments and expenses which the Buyer may suffer or incur by reason of any other person claiming any interest in that property.

29. CHATTELS

29.1 Title to any chattels agreed to be sold by or under this Contract shall pass at settlement.

29.2 The Seller assigns to the Buyer subject to the settlement of this Contract and with effect from the Settlement Date, the benefit of all warranties capable of assignment held by the Seller in respect of the chattels agreed to be sold. The Seller shall deliver to the Buyer at settlement all documents in the possession or control of the Seller evidencing the warranties referred to in this clause which would be sufficient to enable the Buyer to enforce those warranties.

30. APPOINTMENT OF AGENT

In the absence of any specific appointment the Seller by executing this Contract confirms the appointment of the Seller's Agent (jointly with any other agent in conjunction with whom the Seller's Agent has sold) as the agent of the Seller to introduce a buyer.

31. FINANCE CLAUSE

31.1 If Items S, T and U are not deleted, this Contract is subject to the Buyer obtaining approval of a loan from the lender or class of lender specified in Item S on or before the approval date specified in Item T not less than the amount of loan specified in Item U on terms satisfactory to the Buyer. The Buyer must take reasonable steps to obtain the approval.

INITIALS (Note: Initials not required if signed with Electronic Signature)

NOTE 7

312 The Buyer may give notice to the Seller that:

- (a) approval has not been obtained by the approval date and the Buyer terminates this contract; or
- (b) the finance condition has been either satisfied or waived by the Buyer.

313 The Seller may terminate this contract by notice to the Buyer if notice is not given under clause 31.2 by 5pm on the approval date. This is the Seller's only remedy for the Buyer's failure to give notice.

314 The Seller's right under clause 31.3 is subject to the Buyer's continuing right to give written notice to the Seller of satisfaction, termination or waiver pursuant to clause 31.2.

32. PROPERTY SOLD SUBJECT TO LEASES AND SERVICE CONTRACTS

321 Seller's Statement

Where the Property is sold subject to any Lease or Service Contract, the Seller states that, except as disclosed in this Contract, each of the following statements shall be accurate at the Settlement Date:

- (a) the particulars in the Lease Schedule and the Service Contract Schedule are true and correct;
- (b) that no circumstances exist as far as the Seller is aware that would render any Lease liable to forfeiture nor has the Seller agreed to a surrender of any Lease;
- (c) that all Leases and Service Contracts have been disclosed to the Buyer prior to execution of this Contract;
- (d) the Seller is not aware of any breach by the Seller of any Lease or Service Contract;
- (e) where any of the Leases are subject to the application of the *Retail Shop Leases Act 1994* ("Act"), the following further statements by the Seller apply:
 - (i) as far as the Seller is aware the Seller has in all respects complied with the Act in relation to the Leases;
 - (ii) no Lease is subject to an existing or renewed retail tenancy dispute within the meaning of the Act;
 - (iii) there are no mediation agreements, Queensland Civil and Administrative Tribunal proceedings or orders in existence in respect of any Lease;
 - (iv) no tenant has notified the Seller requesting the right to renew any Leases for a further period;
 - (v) no tenant has made a claim upon the Seller to pay compensation for loss or damage suffered by the tenant by virtue of sections 43, 46G or 46K of the Act nor are there any circumstances existing to the Seller's knowledge which might give rise to a claim for such compensation.

322 Inaccurate Statement

If a statement contained in clause 32.1 is not accurate then the Buyer may terminate this Contract by notice in writing to the Seller.

323 Acceptance of Lease and Service Contract Terms

- (a) Within 7 days of the date of this Contract, the Seller will deliver to the Buyer or the Buyer's solicitor true copies of all Leases and Service Contracts together with a written statement that they constitute the whole of every agreement or arrangement with each of the tenants stated in those Leases or with each of the Service Contractors in those Service Contracts.
- (b) If:
 - (i) the Seller does not deliver to the Buyer or the Buyer's solicitor true copies of all Leases and Service Contracts pursuant to clause 32.3(a); or
 - (ii) true copies of all Leases and Service Contracts have been delivered pursuant to clause 32.3(a) and the Buyer is not satisfied with any of the terms and conditions of any Lease or Service Contract,

then in the case of clause 32.3(b)(i) the Buyer shall be entitled to terminate this Contract by notice in writing to the Seller or in the case of clause 32.3(b)(ii) the Buyer shall be entitled to terminate this Contract by written notice to the Seller within 7 days from the date upon which all Leases and Service Contracts have been delivered.

- (c) If the Buyer does not give written notice to the Seller pursuant to clause 32.3(b)(i) or 32.3(b)(ii), the Buyer agrees to be bound by the terms and conditions of each Lease and Service Contract disclosed by the Seller in the Lease Schedule and the Service Contract Schedule from the Settlement Date as if the Buyer were named as lessor in such Lease or as a contracting party in such Service Contract in substitution for the Seller.
- (d) With respect to Service Contracts, clause 32.3(c) will apply subject to the consent of the Service Contractor.
- (e) The amounts paid or payable in respect of the Service Contracts shall be outgoing for the purposes of clause 15 and shall be apportioned accordingly.

33. FOREIGN BUYER APPROVAL

NOTE 10 The Buyer warrants that either:

- (1) the Buyer's purchase of the Property is not a notifiable action; or
- (2) the Buyer has received a no objection notification, under the *Foreign Acquisitions and Takeovers Act 1975*.

34. GOODS AND SERVICES TAX

341 Definitions

Words and phrases defined in the GST Act have the same meaning in this Contract unless the context indicates otherwise.

342 Reference Schedule and Notes

The Reference Schedule and the Notes to Completion are part of this clause 34.

343 Taxable Supply

This clause 34 applies where the transaction is:

- (a) a Taxable Supply; or
- (b) not a Taxable Supply because it is the Supply of a Going Concern.

344 Purchase Price Includes GST

If this clause 34.4 applies, the Purchase Price includes the Seller's liability for GST on the Supply of the Property. The Buyer is not obliged to pay any additional amount to the Seller on account of GST on the Supply of the Property.

345 Purchase Price Does Not Include GST

If this clause 34.5 applies, the Purchase Price does not include the Seller's liability for GST on the Supply of the Property. The Buyer must on the Settlement Date pay to the Seller in addition to the Purchase Price an amount equivalent to the amount payable by the Seller as GST on the Supply of the Property.

346 Margin Scheme

Warning: The Seller is warranting that the Margin Scheme can apply. If in doubt about using the Margin Scheme you should seek professional advice.

If this clause 34.6 applies:

- (a) the Purchase Price includes the Seller's liability for GST on the Supply of the Property. The Buyer is not obliged to pay any additional amount to the Seller on account of GST on the Supply of the Property;
- (b) the Seller:
 - (i) must apply the Margin Scheme to the Supply of the Property; and
 - (ii) warrants that the Margin Scheme is able to be applied;
- (c) if the Seller breaches clause 34.6(b)(i) or its warranty

INITIALS (Note: Initials not required if signed with Electronic Signature)

under clause 34.6(b)(ii) then:

- (i) the Buyer may terminate this Contract if it becomes aware of the breach prior to the Settlement Date.
- (ii) if the Buyer does not terminate this Contract under clause 34.6(c)(i) or does not become aware of the breach until after the Settlement Date, it must pay to the Seller an amount equal to the Input Tax Credit which the Buyer will receive for GST payable for the Supply of the Property. Payment must be made when the Buyer receives the benefit of the Input Tax Credit;
- (iii) the Buyer is entitled to compensation from the Seller if there is a breach of clause 34.6(b).

347 If the Supply is a Going Concern

Warning: The parties are providing certain warranties under this clause. If there is doubt about whether there is a Supply of a Going Concern you should seek professional advice.

If this clause 34.7 applies:

- (a) the Purchase price does not include any amount for GST;
- (b) the parties agree the Supply of the Property is a Supply (or part of a Supply) of a Going Concern;
- (c) the Seller warrants that:
 - (i) between the date of this Contract and the Settlement Date the Seller will carry on the Enterprise; and
 - (ii) the Property (together with any other things that must be provided by the Seller to the Buyer at the Settlement Date under a related agreement for the same Supply) is all of the things necessary for the continued operation of the Enterprise;
- (d) the Buyer warrants that at the Settlement Date it is Registered or Required to be Registered under the GST Act;
- (e) if either of the warranties in clause 34.7(c) is breached:
 - (i) the Buyer may terminate this Contract if it becomes aware of the breach prior to the Settlement Date;
 - (ii) if the Buyer does not terminate this Contract then, at the Settlement Date, the Buyer must pay to the Seller the amount payable by the Seller as GST on the Supply of the Property;
 - (iii) if the Buyer does not become aware of the breach until after the Settlement Date, it must pay to the Seller an amount equal to the Input Tax Credit which the Buyer will receive for GST payable in respect of the Supply of the Property. Payment must be made when the Buyer receives the benefit of the Input Tax Credit;
 - (iv) the Buyer is entitled to compensation from the Seller if there is a breach of the warranty;
- (f) if the warranty in clause 34.7(d) is not correct the Buyer must pay to the Seller an amount equal to the GST payable in respect of the Supply of the Property. Payment must be made at the Settlement Date or, if settlement has occurred, immediately on demand;
- (g) if for any reason other than a breach of a warranty by the Seller or the Buyer this transaction is not a Supply of a Going Concern, the Buyer must pay to the Seller the amount payable by the Seller as GST on the Supply of the Property. Payment must be made at the Settlement Date or, if settlement has occurred, immediately on demand.

348 Adjustments

Where this Contract requires an adjustment or apportionment of outgoings or rent and profits of the Property, that adjustment or apportionment must be made on the amount of the outgoing, rent or profit exclusive of GST.

349 Tax Invoice

Where GST is payable on the Supply of the Property, the Seller must give to the Buyer a Tax Invoice at the Settlement Date.

3410 No Merger

To avoid doubt, the clauses in this clause 34 do not merge on settlement.

3411 Remedies

The remedies provided in clauses 34.6(c), 34.7(e) and 34.7(f) are in addition to any other remedies available to the aggrieved party.

35. BUILDING AND PEST INSPECTION REPORTS

351 This contract is conditional on the Buyer obtaining a written building report and a written pest report (which may be a single report) on the Property by the Inspection Date on terms satisfactory to the Buyer. The Buyer must take all reasonable steps to obtain the reports (subject to the right of the Buyer to elect to obtain only one of the reports).

352 The Buyer must give notice to the Seller that:

- (1) a satisfactory report under clause 35.1 has not been obtained by the Inspection Date and the Buyer terminates this contract. The Buyer must act reasonably; or

- (2) clause 35.1 has been either satisfied or waived by the Buyer.

353 If the Buyer terminates this contract and the Seller asks the Buyer for a copy of the building and pest reports, the Buyer must give a copy of each report to the Seller without delay.

354 The Seller may terminate this contract by notice to the Buyer if notice is not given under clause 35.2 by 5pm on the Inspection Date. This is the Seller's only remedy for the Buyer's failure to give notice.

355 The Seller's right under clause 35.4 is subject to the Buyer's continuing right to give written notice to the Seller of satisfaction, termination or waiver pursuant to clause 35.2

36. ELECTRONIC CONTRACT AND DISCLOSURE

361 Electronic Signing

If this contract is signed by any person using an Electronic Signature, the Buyer and the Seller:

- (a) agree to enter into this contract in electronic form; and
- (b) consent to either or both parties signing the contract using an Electronic Signature.

362 Pre-contract Disclosure

The Buyer consents to the Seller's use of electronic communication to give any notice or information required by law to be given to the Buyer and which was given before the Buyer signed this contract.

37. COUNTERPARTS

- (1) This contract may be executed in two or more counterparts, all of which will together be deemed to constitute one and the same contract.
- (2) A counterpart may be electronic and signed using an Electronic Signature.

INITIALS (Note: Initials not required if signed with Electronic Signature)

NOTES AND WARNINGS

NB. where any specific items are not required delete and initial

NOTE 1 Insert, in Item A, the date of signing by the last party to sign.

NOTE 2 Describe, in Item H, the actual use presently being made of the Land and/or the improvements, e.g. commercial etc.

WARNING - Refer to clause 21.1(a). **Before this Contract is signed the Seller should** ensure that the present use described in Item H is a lawful use.

For example, if a business is being carried on at a dwelling house in a residential zone, that use may be unlawful unless town planning consent exists. This **warning applies whether the Buyer intends to continue the use stated in Item H or not.** If the use is not lawful or if there is a doubt about the use, this should be drawn to the Buyer's attention and, if the Buyer agrees, a special condition should be inserted in this Contract so as to modify or avoid the operation of clause 21.1(a).

NOTE 3 If freehold, do not complete "Type of Holding" or "Lease No".

NOTE 4 Describe in general terms, e.g. factory, warehouse etc.

NOTE 5 Particulars should be inserted in the Lease Schedule and the Service Contract Schedule.

NOTE 6 The Contract Rate is published each month in "The Proctor".

NOTE 7 If this Contract is **to be subject to finance** then Items S, T and U must be completed in every respect and Item V must be deleted and initialled.

If this Contract is **not to be subject to finance** Items S, T and U must be deleted and initialled and Item V shall apply.

If known, state name of lender in Item S. If not known, state class, e.g. trading bank, savings bank, building society, insurance company, credit union, or other class of lending institution. Do not insert the words "finance company" but insert the specific name (or names) of a finance company.

The date in Item T should be at least 14 days prior to the Settlement Date.

The dollar amount of the loan being sought must be inserted in Item U. Do not insert the words "sufficient to complete this purchase" or words of a similar effect.

NOTE 8 The Deposit Holder should sign with his or her personal signature.

If the Deposit Holder is a partnership, a member of the partnership should sign in the partnership name.

If the Deposit Holder is a company, the acknowledgment should be signed in accordance with the *Corporations Act 2001*, s 127 or by a person duly authorised to sign acknowledgments of Deposit Holder on behalf of the company.

NOTE 9 A Seller which is a corporation should note that to ensure the Property is free from Encumbrances it may be necessary to provide evidence at settlement that the Property has been released from or is not subject to a security interest given by the Seller.

NOTE 10 If this Contract is to be made subject to the approval of the Commonwealth Treasurer being obtained, a special condition should be inserted in this Contract so as to modify or avoid the operation of clause 33.

INITIALS (Note: Initials not required if signed with Electronic Signature)

**TO BE USED IN CONJUNCTION WITH THE CONTRACT
FOR COMMERCIAL LAND AND BUILDINGS (SEVENTH EDITION) ONLY**

Annexure A Special Conditions - Commercial Land and Buildings

1. Amendments to Standard Contract

The REIQ Standard Commercial Terms for Commercial Land and Buildings (Seventh Edition) ("**Standard Commercial Terms**") are varied as follows:

- (a) Clauses 4.1, 7.2 to 7.7 (inclusive), 9.3, 10.2, 10.3, 14.3, 17.3, 19, 20, 21, 28.2, 28.4, 31, 32, and 35 are deleted.
- (b) Clause 1.1(l) is deleted and replaced with the following:
- (c) "1.1(l) **"Encumbrances"** is limited to encumbrances relating to the Property which are registered (and includes Security Interests)."
- (d) The following clauses are inserted into clause 1.1:
 - "(kk) **Claims** includes any and all actions, claims, notices, proceedings, judgments, demands, losses, damages, costs including without limitation legal costs on a full indemnity solicitor and own client basis, charges, payments and expenses, however arising, whether present or future, direct or indirect, unascertained, immediate, future, consequential or contingent and whether at law, in contract or in equity.
 - (ll) **Environmental Laws** means any legislation or any directive, authority, permit or licence issued by any governmental or other authority relating to pollution, use of land or protection of the environment, including, without limitation, the Nature Conservation Act 1992, the Environmental Protection Act 1994, the Queensland Heritage Act 1992, the Australian Heritage Commission Act 1975 and the Environmental Protection and Biodiversity Act 1999.
 - (mm) **Buyer's Covenant** means the Deed Poll to be entered into by the Buyer pursuant to each Lease (if required under that Lease), in the form contained in **Annexure C** (amended to reflect each Lease), or such other form of document reasonably required by the Seller to comply with each Lease.
 - (nn) **Tenant** means each tenant described in the Lease Schedule.
 - (oo) **Disclosure Material** means any information or material provided by or on behalf of the Seller to the Buyer relating to the Property including:
 - (a) any statement of income or expenditure, forecast, return or other feasibility information;
 - (b) any depreciation (or capital allowances) report or schedule;
 - (c) any planning or environmental information;
 - (d) any consultant's report or assessment;
 - (e) any plans and drawings relating to the Property and the construction of the improvements thereon;
 - (f) the Information Memorandum;
 - (g) the information in the Data Room;
 - (h) copies of all leases, all consents, survey plans, local authority approvals, permits, certificates of classification;

- (i) details of all outgoings in respect of the Property and the improvements thereon and particulars of all suppliers and contractors who support the upkeep of the Property and the improvements thereon.
- (pp) **Third Party Property** means things on the Land that are owned by the Tenants or other third parties or their financiers and fixtures that the Tenants, third parties or the Tenants' and third parties' financiers, are entitled to remove from the Land including but not limited to the 'Lessee's Equipment' (or similar terminology) as defined in the Leases and any items belonging to an Authority.
- (qq) **Authority** means any government, local government, governmental, semi-governmental, statutory or judicial body, department, commission, authority, tribunal, agency, Minister, entity, or government-owned corporation or enterprise.
- (rr) **Data Room** means the online data room maintained by or on behalf of the Seller for the purposes of the sale of the Property;
- (ss) **Information Memorandum** means the information memorandum with respect to the Property prepared and distributed by or on behalf of the Seller relating to the Property or the sale of the Property."
- (e) Clause 8 is deleted and replaced with the following:

"8 Errors and Misdescriptions

Any mistake, error or omission in the description or the particulars of the Property or as to title (whether material or immaterial) does not entitle the Buyer to terminate this Contract, delay completion, refuse to complete or claim damages, compensation or any reduction in the Purchase Price."

- (f) Clause 9.2 is deleted and replaced with the following:

"9.2 Notwithstanding anything else contained in this Contract, the Seller is not liable for any:

- (a) error in the boundaries or area of the Land;
- (b) encroachment by structures onto or from the Land; or
- (c) mistake or omission in describing the Land or title to it,

whether material or immaterial."

- (g) Clause 10.1 is varied by inserting the words "and in any event at least five days" before the words "prior to" in the last line.
- (h) Clause 15.5(a) is amended by deleting the words "the Seller was one natural person resident in Queensland and".
- (i) Clause 16.5 is amended by inserting the words "in the form contained in Annexure E (amended to reflect each Lease)" after "clause 16.3".
- (j) New clauses 27.9, 27.10 and 27.11 are inserted as follows:

"27.9 Entire Agreement

The terms and conditions set out in this Contract comprise the entire agreement concluded between the parties notwithstanding any negotiations or discussions prior to it being entered into and notwithstanding anything contained in any brochure, report or other document prepared by the Seller, the Seller's Agent or the Seller's Solicitors, any of their employees or any other person on behalf of the Seller for submission to potential purchasers or others.

27.10 Severance

If any term or part of a term of this Contract is or becomes legally ineffective, invalid or unenforceable in any jurisdiction:

- (a) but is capable of being read down by a Court so that it becomes legally effective, valid and/or unenforceable (as the case may be), then that term will be read down accordingly; or*
- (b) and is not capable of being read down by a Court so that it becomes legally effective, valid and/or unenforceable (as the case may be), then that term will be severed,*

and the effectiveness, validity or enforceability of the remainder of this Contract will not be affected.

27.11 Inconsistent Clauses

Any clauses of the Special Conditions to this Contract override the clauses in these Standard Commercial Terms to the extent that they are inconsistent."

- (k) Clause 28.3 is deleted and replaced with the following:

"28.3 Any of that property not so removed shall be deemed abandoned by the Seller and the Buyer must complete this Contract, not make any Claim against the Seller and at its cost appropriate or remove or otherwise dispose of that property as the Buyer thinks fit."

2. Additions

The following additional terms are added to the Standard Commercial Terms:

38. As is where is

- (a) Notwithstanding anything else contained in this Contract, the Property is sold and will be accepted by the Buyer in its "as is where is" condition (with all faults and/or defects) as at completion and on the Settlement Date. No warranty is given as to the condition of the Property as at completion or on the Settlement Date.
- (b) Without limiting clause 38(a), the Buyer specifically acknowledges the provisions of clauses 8, 9.2, 39, 40, 41, 42 and 43, and confirms that it has made its own inspection, investigation and assessment and taken its own independent advice about the matters set out in those clauses.

39. Warranties negated

- (a) The Buyer acknowledges that:
 - (i) it has inspected, or has had the opportunity to inspect, the Property prior to entry into this Contract and is deemed to buy with full knowledge of the matters set out in clause 39(b) and the state and condition of the Property as at the Contract Date;
 - (ii) it has entered into this Contract after:
 - (A) making its own satisfactory inspection, investigation and assessment of the Property;
 - (B) taking its own independent advice; and
 - (C) in reliance on the Warranty.
 - (iii) The Seller warrants to the Buyer that to the best of the Seller's knowledge and belief:
 - (A) the Seller has not included in the Disclosure Material any information which it is aware is false or misleading in a material respect and, no information has been omitted from the Disclosure Material, the omission of which renders the Disclosure Material false or

misleading in a material respect, when considered in light of the whole of the Disclosure Material;

- (B) the Lease Schedule contains details of all leases affecting the Property at the Contract Date;
- (C) the Lease Schedule is not misleading in a material respect; and
- (D) the Seller has complied with all of its covenants and obligations on the part of the Lessor in relation to each lease,

(Warranty). The Warranty will not apply in relation to an individual error or omission in the Disclosure Material if: -

- (E) that individual error or omission is discovered by the Grantee during its Due Diligence; or
- (F) that individual error or omission was reasonably capable of being discovered by the Grantee during its Due Diligence had it carried out the usual publicly available searches in relation to the Property or by reviewing the Leases as disclosed in the Data Room (as would be expected of a prudent buyer of property of a similar nature to the Property).

- (iv) Any Claim by the Buyer for a breach of the Warranty must be made within 12 months of the date of completion of this Contract.

- (b) Without limiting clause 39(a), and except as warranted in the Warranty, the Buyer hereby expressly acknowledges that no warranty or representation has been made nor given by the Seller, the Seller's Agent(s), the Seller's Solicitor(s), any of their employees or any other person as to:

- (i) the status or condition or state of repair of the Property;
- (ii) the present or permitted use of the Property or the fitness or suitability of the Property for any use or purpose;
- (iii) any rights and privileges pertaining or attaching to the Property;
- (iv) the value or economic viability of the Property;
- (v) whether the Seller has obtained, is required to obtain or has complied with all or any permits, licences, consents or requirements for the use of the Property and/or any improvements;
- (vi) the neighbourhood in which the Property is situated;
- (vii) any statutory encumbrance on the Property;
- (viii) any service connected or provided to the Property;
- (ix) any building, engineering, architectural or other plans or reports in relation to the Property or any proposed structure on the Land which the Buyer or any representative of the Buyer may have seen or been shown before entering into this Contract;
- (x) the existence of any notice to treat, notice of resumption or notice of intention to resume affecting the Property;
- (xi) the compliance of the Property with any law or with the requirements of the Local Government or any Court or any other body having jurisdiction over the Property including without limitation the requirements of any town planning laws;

- (xii) the existence of any requisitions, requirements or notices issued pursuant to any law or by the Local Government or any Court or any other body having jurisdiction over the Property in respect of the Property;
 - (xiii) the Property being affected by flooding;
 - (xiv) the existence of any asbestos containing material at the Property;
 - (xv) the validity or enforceability of any Lease or Service Contract;
 - (xvi) whether any bank guarantee or Bond required by a Lease is in the possession of the Seller;
 - (xvii) whether any bank guarantee which is in the possession of the Seller is enforceable, assignable or will be replaced in favour of the Buyer following Settlement;
 - (xviii) whether on completion any Lease will be valid, enforceable and subsisting;
 - (xix) the Property being affected or subject to any of the matters set out in clauses 8, 9.2, 38, 39(c)(i) to 39(c)(ii) inclusive, 40, 41, 42 or 43; or
 - (xx) except as otherwise expressly provided in this Contract, any other matter or thing in connection with the Property.
- (c) Without limiting anything else contained in this Contract, the Buyer acquires the Property subject to, and must not make any Claims in relation to:
- (i) the existence or occurrence of any of the matters set out in clauses 8, 9.2, 38, 39(b), 40, 41, 42, or 43;
 - (ii) access or any service to the Property passing unlawfully through any other land;
 - (iii) access or any service to or for the benefit of any other property passing unlawfully through the Property;
 - (iv) the Property being affected by any Environmental Laws and/or being included on the World Heritage List;
 - (v) any claim for an interest in the Property by Australian Aboriginal people pursuant to the *Aboriginal Land Act 1991* (Qld), the *Native Title Act 1993* (Qld) or the *Native Title (Queensland) Act 1993* (Qld);
 - (vi) all statutory rights relating to water supply, sewerage, drainage, electricity, telephone and other installations, services or utilities in, passing through or over the Land, whether or not protected by registered easement;
 - (vii) any notation on title to the Property relating to an expired lease;
 - (viii) any defects or faults (latent or patent) in or affecting the Property; and
 - (ix) a current notice to treat, notice of resumption or notice of intention to resume issued by any competent authority.

40. Lease

- (a) The Property is sold subject to each Lease.
- (b) The Buyer acknowledges that it inspected each Lease and the Lease Schedule before it entered into this Contract and satisfied itself in respect of the content of each Lease and the Lease Schedule.
- (c) The Seller assigns to the Buyer the benefit of all obligations in favor of the Seller under the Leases. The Buyer agrees to be bound by the terms and conditions of each Lease from the Settlement Date as if the

Buyer were named as lessor in such Lease and perform all of the Seller's obligations under each Lease, including the obligation to comply with any option to renew, option to purchase or right of first refusal.

- (d) The Buyer acknowledges and accepts that, pursuant to each Lease, the Seller (in its capacity as lessor / landlord under each Lease) may be required to procure and deliver to the Tenant the Buyer's Covenant. The Buyer must execute and deliver the Buyer's Covenant to the Seller within three Business Days of receipt from the Seller, but in any event before the Settlement Date.
- (e) The Buyer must indemnify the Seller against any Claims arising from or are connected with any breach by the Buyer of any of its obligations under each Lease or the Buyer's Covenant following Settlement. The Seller must indemnify the Buyer against any Claims to the extent that the Claims arise from or are connected with any breach by the Seller of any of its obligations under each Lease prior to Settlement.
- (f) intentionally deleted
- (g) If any registrable Lease is not registered on title to the Land as at the Contract Date, the Seller must arrange for registration of any unregistered Lease on the title to the Land no later than two (2) Business Days prior to the Settlement Date.
- (h)
 - (i) In this clause 40(h) the following terms shall have the corresponding meanings:
 - (A) **Defect Liability Obligations** means the obligations of the Lessor (as defined in the C&K Childcare AFL) under clause 5 of the C&K Childcare AFL;
 - (B) **Defects Liability Period** is as defined in the C&K Childcare AFL, and which the Seller warrants concludes on 22 July 2019;
 - (C) **C&K Childcare AFL** means the agreement for lease between the Seller and The Creche and Kindergarten Association Limited ACN 150 737 849 (the "**Childcare Tenant**") dated 12 October 2016 which the lease over part of the Property over a premises area of approximately 941 square metres, commencing 23 July 2018 for a term of 15 years.
 - (ii) The parties acknowledge:
 - (A) the existence of the C&K Childcare AFL and the Defect Liability Obligations thereunder which apply until the expiry of the Defects Liability Period on 22 July 2019; and
 - (B) that the only undischarged obligation of either party to the C&K Childcare AFL under that document is the Defect Liability Obligations.
 - (iii) Despite any covenant the tenant under the C&K Childcare AFL may require the Seller to obtain from the Buyer pursuant to clause 11.2 of the C&K Childcare AFL, on and from settlement the Seller will (subject to the Buyer complying with special condition 40(h)(iv) below) discharge the Defect Liability Obligations.
 - (iv) On and from settlement until the expiry of the Defects Liability Period on 22 July 2019, if the Buyer or the Seller receive a notice under clause 5.1 of the C&K Childcare AFL:
 - (A) they must immediately forward a copy to the other party; and
 - (B) the Buyer must provide the Seller with access to the Property for it and/or its contractors (and provide all reasonable assistance they may request) in order to allow them to discharge the Defect Liability Obligations.
 - (v) To secure the Seller's performance of its obligations under this clause the Seller agrees to provide an insurance bond in the amount of \$10,000.00 (**Insurance Bond**).
 - (A) The Insurance Bond will be retained from the balance Purchase Price at settlement and held as a cash security in the Seller's Solicitor's trust account on the following terms:-

- a. In the event that the Seller does not perform its obligations under clause 40(h)(iii) and as a result the Buyer is required to perform works then the Seller's Solicitor is irrevocably authorised and directed by the Buyer and Seller to release from the Insurance Bond any amount required to reimburse the Buyer for the works within 5 Business Days of receiving such written request (with reasonable documentary evidence justifying same) from the Buyer; and
 - b. Furthermore, the Seller must procure from the Seller's Solicitor an undertaking that it will hold the Insurance Bond on the terms contained in clause 40(h)(v).
- (B) On the date that is 7 days after the end of the Defects Liability Period, the Seller's Solicitor is irrevocably authorised and directed by the Buyer and Seller to release any remaining Insurance Bond to the Seller absolutely.
- (C) To further secure the performance of the Seller of its obligations under this clause the Seller must procure from its directors prior to settlement: -
 - a. Provide undertakings that they will not wind up the Seller prior to the expiration of the Defects Liability Period; and
 - b. If any director of the Seller ceases to be a director of the Seller during the Defects Liability Period, then that director must procure an undertaking in accordance with subclause a. above from the new incoming directors.
- (j) Lease Incentives
 - (i) the Seller is responsible for the payment of any incentives such as a rent concession or fit out contribution payable to a tenant of a Lease pursuant to an agreement between the Seller and a tenant to the respective tenants ("Incentives").
 - (ii) The Seller must, on or before the Settlement Date, provide or furnish to the Buyer evidence that such incentives have been paid for or satisfied in full by the Seller. An appropriate adjustment to the balance Purchase Price due at Settlement shall be made in favour of the Buyer for any unperformed or unpaid Incentives whether due before or after Settlement.

41. Seller's management of each Lease

- (a) Subject to clause 41(b), the Seller must not, unless required or contemplated by this Contract, any Lease or by law, or unless the Buyer first consents in writing:
 - (i) grant a new agreement for lease, lease or licence;
 - (ii) consent to an assignment of any Lease;
 - (iii) terminate any Lease;
 - (iv) accept a surrender of any Lease; or
 - (v) vary the terms of any Lease.
- (b) The Seller does not first have to obtain the Buyer's consent to:
 - (i) generally deal with any Tenant and other interested parties in relation to any Lease, or to do anything which the Seller is obliged to do in respect of any Lease provided that in doing so the interests of the Buyer will not be materially adversely effected.
- (c) The Buyer cannot make a Claim or object because of anything the Seller:
 - (i) does with the Buyer's consent; or

- (ii) is entitled to do, without the Buyer's consent,
under this clause 41.
- (d) If the Seller requests the Buyer's consent to anything referred to in clause 41(a), the Buyer:
 - (i) must consider the matter and give its written response as soon as practicable; and
 - (ii) must act honestly and not unreasonably withhold its consent.
- (e) The Seller is under no obligation to take legal action to enforce a right under a Lease or because of a breach of a Lease.
- (f) The Seller is entitled to draw down on any Bond or bank guarantee in the possession of the Seller before the Settlement Date if it is lawful for the Seller to do so.

42. Requirements of Authorities

- (a) The Property is purchased by the Buyer subject to, and the Buyer must comply with, at its own expense, all requirements, notices, requisitions and orders issued or applicable at any time on or after the Contract Date, pursuant to any law or by the Local Government or any Court or any other body having jurisdiction over the Property necessitating the doing of work or the expenditure of money in relation to the Property or any Transport Infrastructure adjoining the Property.
- (b) It will be the Buyer's responsibility to obtain and comply with, at its own expense, all permissions, consents, approvals, certificates or licences required at any time on or after the Contract Date, pursuant to any law or by the Local Government or any Court or any other body having jurisdiction over the Property.
- (c) The Seller must comply with all requirements of any Local Government or any Court relating to the Land issued before the Contract Date.
- (d) The Buyer indemnifies the Seller for the reasonable costs the Seller incurs wholly or partially in complying with the requirement of any Local Government or any Court which is the responsibility of the Buyer pursuant to clause 42(a) or 42(b).

43. Contamination

- (a) The Seller makes no warranty that the Land, or any part of the Land, is not affected by any Environmental Laws including without limitation that the Land, or any part of the Land:
 - (i) is not contaminated; or
 - (ii) is not the subject of, or cause of, environmental harm;
 - (iii) is not, or has not been, the subject of any notifiable activity; or
 - (iv) complies with, or will at completion comply with, all Environmental Laws.
- (b) The Buyer acknowledges and agrees that there may be an outstanding obligation to give notice to the administering authority under the EPA of a notifiable activity being conducted on the Land. If there is such an outstanding obligation, then the Buyer must not make any claim against the Seller, or seek to terminate this Contract or delay settlement associated with such outstanding obligation.
- (c) The Buyer acknowledges and agrees that, following completion and when required, it will be responsible for and will affect all clean up and remediation measures including without limitation:
 - (i) the treatment of any emission, leak, release, escape or discharge of waste or any other hazardous substance or environmental harm into or upon the Land and/or any adjacent land; and
 - (ii) any restoration of the Land and/or any adjacent land,

required:

- (iii) because of any contamination or environmental harm or other matter referred to in this clause 43;
or
- (iv) under any law, by the Local Government or any Court or any other body having jurisdiction over the Property including without limitation under any present or future Environmental Laws or otherwise in relation to the Land and/or any adjacent land,

but irrespective of when any such requirement occurs or arises or has occurred or arisen.

- (d) As and from completion, the Buyer indemnifies and will keep indemnified the Seller against any and all Claims (including, without limitation, any compensation, investigation costs, clean up costs, rehabilitation costs, remediation costs, legal costs on a full indemnity basis and other consultants' fees) made or incurred, arising directly or indirectly from, out of or by reason of:
 - (i) any contamination of, or environmental harm emanating to or from, the Land and/or any adjacent land;
 - (ii) the Land being subject of any notifiable activity at any time; or
 - (iii) any other matters referred to in this clause 43.
- (e) Wherever used in this clause 43, terms defined in the *Environmental Protection Act 1994* have the meanings set out in that Act.

44. Intentionally Deleted.

45. Condition of Property

- (a) Despite any rule of law or equity to the contrary the Buyer must accept the Property, and must not make any Claim against the Seller, in relation to any deterioration or damage that occurs after the Contract Date.
- (b) Notwithstanding any obligation to give the Buyer vacant possession of any part of the Land, the Seller is not obliged to remove or have any Tenant or any other third party remove any Third Party Property from the Land and the Buyer will accept the Land with the Third Party Property on it on the Settlement Date.

46. Outgoings in advance

For outgoings (or other payments in the nature of outgoings) ("**Outgoings Payments**") that have been collected from any Tenant on account, on the basis of estimates, the following provisions apply to the year ending on 30 June after the Settlement Date ("**Apportionment Year**"):

- (a) no later than 10 Business Days after the end of the Apportionment Year, the Buyer must give the Seller a copy of the document showing actual outgoings incurred in relation to the Property for the Apportionment Year and a reconciliation of the amounts collected from the Tenant on the basis of estimates; and
- (b) within a further 10 Business Days the Buyer must pay to the Seller (or vice versa) such amount as is required to ensure that each has received the proportion of the Outgoings Payment to which they are entitled once the actual outgoings have been determined

47. Intentionally Deleted

48. Buyer's Termination Rights

- (a) If the Seller fails to comply with an essential condition of this Contract then, if capable of remedy, the Buyer must issue a notice of the breach on the Seller and give the Seller not less than two (2) Business Days to remedy same, failing which the Buyer may:
 - (i) affirm this Contract; or

- (ii) terminate this Contract.
- (b) If the Buyer affirms this Contract under clause 48(a)(i), the Buyer may:
 - (i) sue the Vendor for damages for breach; and
 - (ii) specific performance and damages in addition to or instead of damages for breach.
- (c) If the Buyer terminates this Contract pursuant to clause 48(a)(ii), the Buyer is entitled to a refund of the Deposit and to sue the Seller for damages.
- (d) The rights and powers conferred upon the Purchaser by this clause 48 are in addition to any other right or power which the Buyer may have at law or in equity.
- (e) If the Seller's default under subclause (a) above is a failure to complete, then in addition to any other right of the Buyer, the Seller must also pay penalty interest of 10% per annum on the Purchase Price during the period from the date of issue of the notice until the date the breach under the notice is remedied (inclusive).

49. Warranty of authority

The Buyer and Seller warrant that:

- (a) it has full right, power and authority to enter into this Contract and does not require the consent or approval of any other person to do so; or
- (b) if the consent or approval of another person is required, that consent or approval has been obtained.

50. Trustee provisions

If the Buyer enters into this Contract as the trustee of any trust ("Trust"), then the Buyer:

- (a) warrants to the Seller that:
 - (i) the Trust is created validly and is in existence;
 - (ii) the Buyer is the sole trustee of the Trust and is appointed validly;
 - (iii) the Buyer has full and free power to enter into this Contract and to perform all of the obligations imposed upon it under this Contract; and
 - (iv) this Contract has been authorised, signed and delivered by the Buyer and is a valid, legal and binding instrument and that if any consent or approval is required to the entering into of this Contract or the performance by the Buyer of its obligations under this Contract, it has been obtained;
- (b) will not, prior to the satisfaction of all liabilities of the Buyer under this Contract, personally and/or by the Trust exercise in its own favour any right of indemnification, lien or charge to which it may be entitled under, or in respect of the assets of, the Trust;
- (c) must hold any of the assets of the Trust (which at any time are in the hands of the Buyer free of their Trust character by virtue of the exercise or purported exercise of any such right of indemnification, lien or charge) on trust for the Seller to the extent to which any liabilities of the Buyer under this Contract have not been satisfied;
 - (i) agrees that if, at any time prior to the satisfaction of any liability of the Buyer under this Contract, the Buyer ceases for any reason to be the sole trustee of the Trust, the Buyer will procure any new or additional trustee of the Trust to sign in favour of the Seller such agreements relating to this Contract as the Seller may reasonably require, including without limitation a covenant on the same terms as those contained in this clause 50; and

- (ii) agrees that if, at any time prior to the satisfaction of any liability of the Buyer under this Contract, the Trust is terminated or for any reason ceases to exist, the Buyer will immediately give written notice to the Seller.

51. Not used

52. Nominations – Assignments

- (a) The Buyer is not entitled to assign the benefit of this Contract or to require a transfer of the Property in favour of a nominee without the written consent of the Seller which consent may be granted, granted on conditions or refused in the absolute discretion of the Seller.
- (b) The Buyer warrants to the Seller that it contracts with the Seller as principal and not on behalf of any other person.

53. Electronic executions

This Contract may be signed or executed in any number of counterparts, including by signing a facsimile or email copy of this Contract and transmitting a signed facsimile or email copy of this Contract to the other party or their solicitors, with the same effect as if the signatures to or execution of each counterpart were the same instrument.

54. Confidentiality

- (a) Subject to clause 54(b), the Buyer and the Guarantor must, and must ensure that their officers, employees, agents, financiers, representatives and advisors, keep confidential and not disclose to any other person without the written consent of the Seller the contents of this Contract or other documents or matters relating to this Contract.
- (b) Clause 54(a) does not apply in the following circumstances:
 - (i) any disclosure required by law;
 - (ii) any disclosure required by any applicable stock exchange listing rules;
 - (iii) disclosure to solicitors, barristers or other professional advisors under a duty of confidentiality;
 - (iv) a disclosure to bankers or other financial institutions, to the extent required for the purpose of raising funds or maintaining compliance with credit arrangements;
 - (v) a disclosure to any consultant or party assisting the Buyer with any due diligence, financing, application for development approval or development of the Property;
 - (vi) a disclosure to a party's accountants or financial advisors; and
 - (vii) lodgement of documents in the land registry.

55. No Caveats

- (a) The Seller acknowledges and agrees that in the event of an act of default by the Seller under this Contract, the Buyer will be entitled to lodge a caveat on the Property to give notice of its rights under this Contract provided that in so doing it withdraws such caveat, at its cost, forthwith upon the default being remedied by the Seller.

56. Completion and Possession

- (a) The balance of the Purchase Price shall be paid at Settlement in exchange for the following (if not provided prior to Settlement, including by way of the Disclosure Material, or waived in writing by the Buyer):

- (i) possession (such possession to be vacant except for the Leases);
- (ii) a duly executed transfer in favour of the Buyer capable of immediate registration in the appropriate office free from Encumbrances (other than those set out in this Contract or implied by statute) and title to the Property free from Encumbrances but subject to the terms and conditions of this Contract;
- (iii) any declaration required by the Duties Act for the stamping of the transfer;
- (iv) any other documents required by law to be signed by the Seller for the stamping and/or registration of the transfer;
- (v) any instrument of title to the Land required by law to register the transfer of the Land to the Buyer;
- (vi) the duplicate copy (being original executed documents, if in the possession or control of the Seller) of the Leases;
- (vii) the Seller's copies (being original documents executed by the Lessees, if in the possession or control of the Seller) of any deeds of covenant and other deeds or written agreements in relation to the Leases which relate to a period expiring after Settlement;
- (viii) all original bank guarantees held under each Lease which are in the Seller's control or possession;
- (ix) Notices of Attornment for each Lease in the form contained in Annexure E;
- (x) Notices to Bank for each bank guarantee referred to in clause 56(a)(viii) above in the form contained in Annexure B;
- (xi) all Keys in the possession of the Vendor;
- (xii) all building plans, certificates of classification, architectural and engineering plans and fit-out plans, lease plans, service manuals and warranties which are under the possession or control of the Seller and which are reasonably required to manage or maintain the Property following Completion;
- (xiii) copies of the tenancy and leasing files of the Seller's managing agent in relation to the Leases on the Property at Settlement (if any and if in the possession or control of the Seller);
- (xiv) originals or copies of the Service Contracts (if any and if in the possession or control of the Seller);
- (xv) all documents in the possession or control of the Seller which the Buyer would reasonably require to enable the Buyer to manage the Property and to prepare returns under the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*; and
- (xvi) a release of any Security Interest.

Annexure B Notice to Bank

To: The Manager
[Name of Bank]
[Address]

From: **SABRAJA PROJECTS PTY LTD ACN 010 740 253 ("Seller")**

In relation to the lease described below (**Lease**), you are notified that:

- (a) the property which contains the premises leased to your customer, being the tenant named below, has been sold together with an assignment of all the Landlord's rights, privileges and powers under the Lease (both running with the land and otherwise) to **AUGUSTA FUNDS MANAGEMENT LIMITED ARBN 620 408 513 #OR NOMINEE (New Owner)**;
- (b) such sale and assignment occurred on ## (**Settlement Date**);
- (c) the bank guarantee provided by you in relation to the Lease has been delivered to the New Owner for that party's benefit with effect from the Settlement Date; and
- (d) you are requested to prepare a replacement bank guarantee in favour of the New Owner and furnish it to the New Owner in replacement of the existing bank guarantee.

Lease:

Registration No: [insert lease registration number]
Tenant/Customer: [insert name of lessee]
Premises: [insert tenancy number/reference], 255-257 Gympie Road, Kedron, Queensland 4031

Dated this day of

.....
Signed for and on behalf of Sabraja Projects Pty Ltd ACN 010 740 253

Annexure C Buyer's Covenant

Deed Poll dated the _____ day of _____ 2018

BY: **AUGUSTA FUNDS MANAGEMENT LIMITED ARBN 620 408 513 #OR NOMINEE ("Buyer")**

Recitals

- A. **SABRAJA PROJECTS PTY LTD ACN 010 740 253 ("Seller")** and **### ("Tenant")** are parties to the Lease referred to in the Schedule to this Deed.
- B. The Seller has entered into a Contract ("**Contract**") to transfer to the Buyer the estate of the Seller in the land and buildings located at 255-257 Gympie Road, Kedron, Queensland 4031 ("**Land**") to which the Lease relates subject to the Buyer entering into this Deed in favour of the Tenant.

The Buyer covenants for the benefit of the Tenant and the Seller as follows:

1. Buyer's covenant

The Buyer agrees that it will on and from the completion of the Contract abide by the terms of the Lease on the part of the lessor to be performed, fulfilled or observed as if it were the original lessor and, without limitation, will observe the provisions where any option to renew or purchase or a first right of refusal or rent free period or rent reduction period is given to the Tenant or which otherwise do not touch and concern or run with the land.

2. Deed of covenant

The Buyer will not sell or otherwise transfer or encumber its interest in the Land while the Lease is current, unless the Buyer obtains from the subsequent purchaser, transferee or encumbrance a deed of covenant in favour of the Tenant in terms similar to this Deed, including this clause.

Schedule to Deed Poll

Lease means the lease between the Seller and the Tenant dated ### in respect to the Land (255-257 Gympie Road, Kedron, Queensland 4031) (Registration No. ###) ### and the Storage Licence ### Car Park Licence ### Seating Licence etc – and insert details.

Executed as a deed

#Company

EXECUTED by **AUGUSTA FUNDS MANAGEMENT**)
LIMITED ARBN 620 408 513 #OR NOMINEE in)
accordance with section 127 of the *Corporations Act*)
2001 (Cth) by:

Signature of Director

Signature of Director / Secretary

Name of Director

Name of Director / Secretary

Annexure D Not Used

Annexure E Notice of Assignment

NOTICE OF ATTORNMENT AND NOTICE UNDER THE PROPERTY LAW ACT 1974

TO: [INSERT TENANT NAME & ADDRESS]
[INSERT ANY GUARANTORS' NAME & ADDRESS] ("Tenant")

FROM: SABRAJA PROJECTS PTY LTD ACN 010 740 253 ("Landlord")

In relation to the Lease described below, you are notified that:

- the property which contains the premises leased to you has been sold together with an assignment of all the Landlord's rights, privileges and powers under the Lease (running with the land and otherwise) to **AUGUSTA FUNDS MANAGEMENT LIMITED ARBN 620 408 513 #OR NOMINEE ("New Landlord")**(who is now the landlord under the Lease) with effect from [insert Settlement Date] ("**Settlement Date**");
- the Landlord hereby assigns to the New Landlord with effect from the Settlement Date:
 - the benefit of all conditions contained in the Lease on your part given in favour of the Landlord; and
 - the benefit of any personal guarantees, bank guarantees or cash bonds (which are capable of assignment) which have been provided under the Lease;
- all rent, contributions to outgoings and other amounts owing from time to time under the Lease are, after the Settlement Date, payable to or as directed by the New Landlord. New payment details will be provided directly from the New Landlord shortly;
- all other obligations under the Lease and (if applicable) any guarantee, arising from the Settlement Date, must be performed in favour of the New Landlord.

Land means 255-257 Gympie Road, Kedron, Queensland 4031

Lease means the lease between the Landlord and the Tenant dated ### in respect to the Tenancy # on the Land (Registration No. ###) ###and the Storage Licence ###Car Park Licence ###Seating Licence etc – and insert details.

Executed as a deed

Landlord Execution

EXECUTED by SABRAJA PROJECTS PTY LTD ACN)
010 740 253 in accordance with section 127 of the)
Corporations Act 2001 (Cth) by:)

Signature of Director

Signature of Director / Secretary

Name of Director

Name of Director / Secretary

Schedule 1 Lease Schedule

LEASE 1:

Name of Tenant:	Brisbane South Division Limited ACN 135 683 064 ("Accoras")		
Use:	Office		
Location/Tenancy No:	Lease GB and Lease B		
Area of Tenancy (m ² approx.):	224		
Current Rent per Annum:	\$ 83,960.00 plus GST	<input checked="" type="checkbox"/> inclusive of outgoings	<input type="checkbox"/> exclusive of outgoings
Current Commencement Date:	8 August 2016		
Current Lease Term:	5 years and 4 months		
Remaining Options:	Option 1	Term	five (5) years
	Option 2	Term	
	Option 3	Term	
Tenant Car Park:	No.:	As per Item 7 of the Reference Schedule	Rate \$Nil <input type="checkbox"/> per annum <input type="checkbox"/> per month

LEASE 2:

Name of Tenant:	The Creche and Kindergarten Association Limited ACN 150 737 849 ("C&K Childcare")		
Use:	To provide a centre-based Education and Care Service in accordance with the Education and Care Services National Law (Queensland) Act 2011 and the Education and Care Services National Regulations		
Location/Tenancy No:	As described in the lease		
Area of Tenancy (m ² approx.):	941		
Current Rent per Annum:	\$ 280,000.00 plus GST	<input type="checkbox"/> inclusive of outgoings	<input checked="" type="checkbox"/> exclusive of outgoings
Current Commencement Date:	23 July 2018		
Current Lease Term:	15 years		
Remaining Options:	Option 1	Term	five (5) years
	Option 2	Term	five (5) years
	Option 3	Term	five (5) years
	Option 4	Term	five (5) years
Tenant Car Park:	No.:	Nil	Rate \$ <input type="checkbox"/> per annum <input type="checkbox"/> per month

LEASE 3

Name of Tenant:	The Creche and Kindergarten Association Limited ACN 150 737 849 ("C&K Office")		
Use:	Office and training facility		
Location/Tenancy No:	Lease D & E1 and Lease E		
Area of Tenancy (m² approx.):	1,609		
Current Rent per Annum:	\$ 552,780.00 plus GST	<input checked="" type="checkbox"/> inclusive of outgoings	<input type="checkbox"/> exclusive of outgoings
Current Commencement Date:	21 July 2015		
Current Lease Term:	13 years and 2 days		
Remaining Options:	Option 1	Term	five (5) years
	Option 2	Term	five (5) years
	Option 3	Term	

Tenant Car Park: No.: As per separate Licence Rate \$ As per separate Licence ☐ per annum ☐ per month

LEASE 4:

Name of Tenant:	Duluxgroup (Australia) Pty Ltd ACN 000 049 427		
Use:	Office, showroom, warehouse and distribution centre for the storage and display of paint and associated products		
Location/Tenancy No:	Lease A		
Area of Tenancy (m² approx.):	562		
Current Rent per Annum:	\$ 185,738.00 plus GST	<input type="checkbox"/> inclusive of outgoings	<input checked="" type="checkbox"/> exclusive of outgoings
Current Commencement Date:	29 September 2015		
Current Lease Term:	5 years		
Remaining Options:	Option 1	Term	three (3) years
	Option 2	Term	three (3) years
	Option 3	Term	

Tenant Car Park: No.: 15 Rate \$Nil - Included in Rent ☐ per annum ☐ per month

LEASE 5:

Name of Tenant:	INA Garden Villages Pty Limited ACN 129 703 911 ("Ingenia")		
Use:	Office		
Location/Tenancy No:	Lease A1		
Area of Tenancy (m² approx.):	820		
Current Rent per Annum:	\$ 313,125.00 plus GST	<input checked="" type="checkbox"/> inclusive of outgoings	<input type="checkbox"/> exclusive of outgoings
Current Commencement Date:	1 July 2018		
Current Lease Term:	5 years		
Remaining Options:	Option 1	Term	five (5) years
	Option 2	Term	
	Option 3	Term	

Tenant Car Park: No.: As per separate Licence Rate \$ As per separate Licence ☐ per annum ☐ per month

LEASE 6:

Name of Tenant:	Planbuild Homes Pty Ltd ACN 105 642 617 ("Planbuild") – Lot 3		
Use:	Office accommodation and ancillary parking		
Location/Tenancy No:	Whole of the Land		
Area of Tenancy (m² approx.):	562		
Current Rent per Annum:	\$ 127,073 plus GST	<input type="checkbox"/> inclusive of outgoings	<input checked="" type="checkbox"/> exclusive of outgoings
Current Commencement Date:	1 September 2009		
Current Lease Term:	12 years		
Remaining Options:	Option 1	Term	Nil years
	Option 2	Term	
	Option 3	Term	

Tenant Car Park: No.: 9 + those included in Premises Rate \$Nil ☐ per annum ☐ per month

LEASE 7:

Name of Tenant:	Planbuild Homes Pty Ltd ACN 105 642 617 ("Planbuild") – Lot 1		
Use:	Office accommodation and ancillary parking		
Location/Tenancy No:	Lease A4		
Area of Tenancy (m² approx.):	44		
Current Rent per Annum:	\$1.00 plus GST	<input checked="" type="checkbox"/> inclusive of outgoings	<input type="checkbox"/> exclusive of outgoings
Current Commencement Date:	1 September 2018		
Current Lease Term:	3 years		
Remaining Options:	Option 1	Term	Nil years
	Option 2	Term	years
	Option 3	Term	years

Tenant Car Park:	No.:	Nil	Rate	\$	<input type="checkbox"/> per annum	<input type="checkbox"/> per month
------------------	------	-----	------	----	------------------------------------	------------------------------------

Sydney Office

Level 23, MLC Centre
19 Martin Place
Sydney NSW 2000

P: +61 2 8234 8100

E: infonsw@m3property.com.au

Adelaide Office

Level 3, 44 Waymouth Street
Adelaide SA 5000

P: +61 8 7099 1800

E: infosa@m3property.com.au

Melbourne Office

Level 29, Bourke Place
600 Bourke Street
Melbourne VIC 3000

P: +61 3 9605 1000

E: info@m3property.com.au

Brisbane Office

Level 2, 15 James Street
Fortitude Valley QLD 4006

P: +61 7 3620 7900

E: infoqld@m3property.com.au

