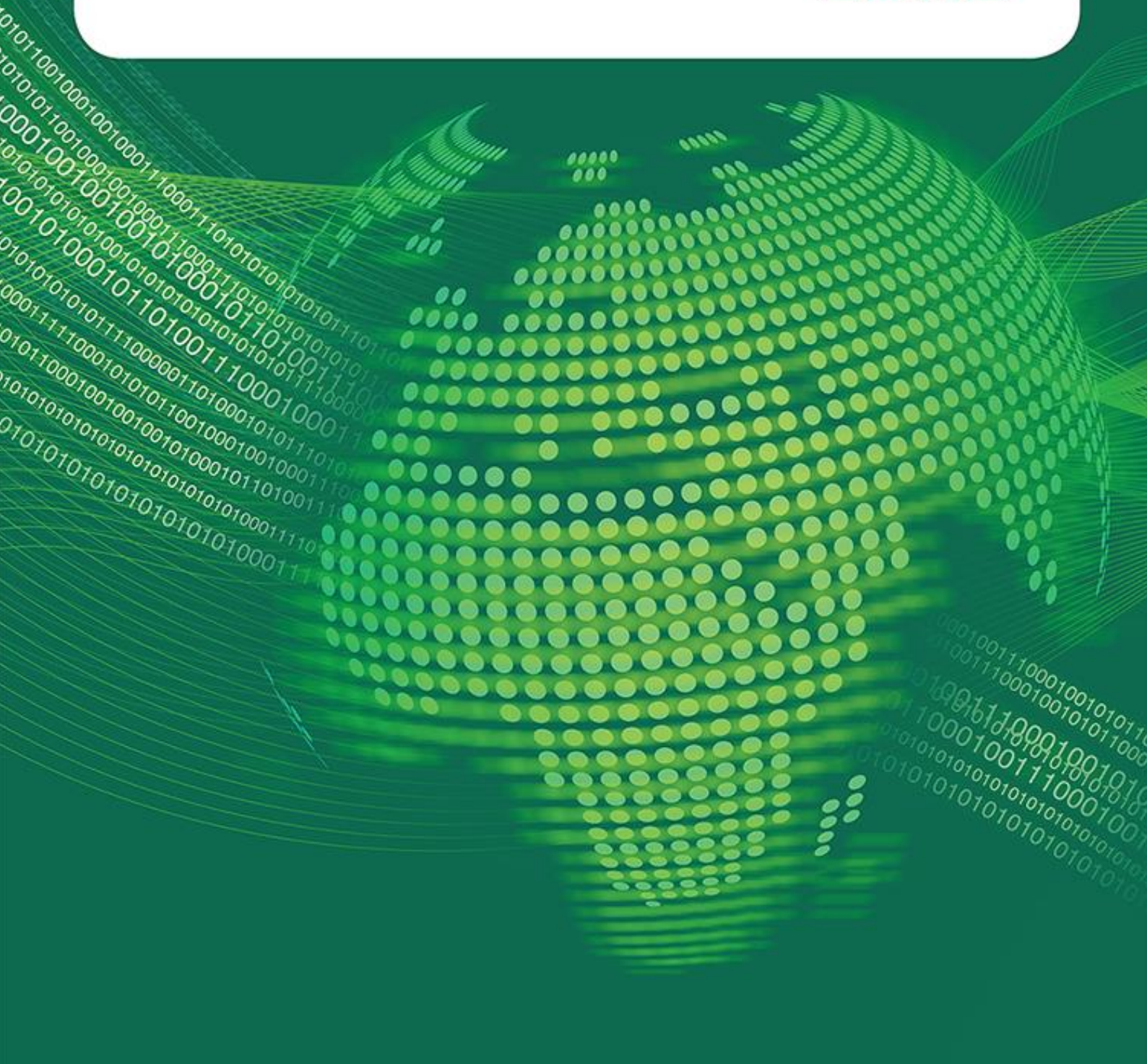
TECHNICAL DUE DILIGENCE REPORT

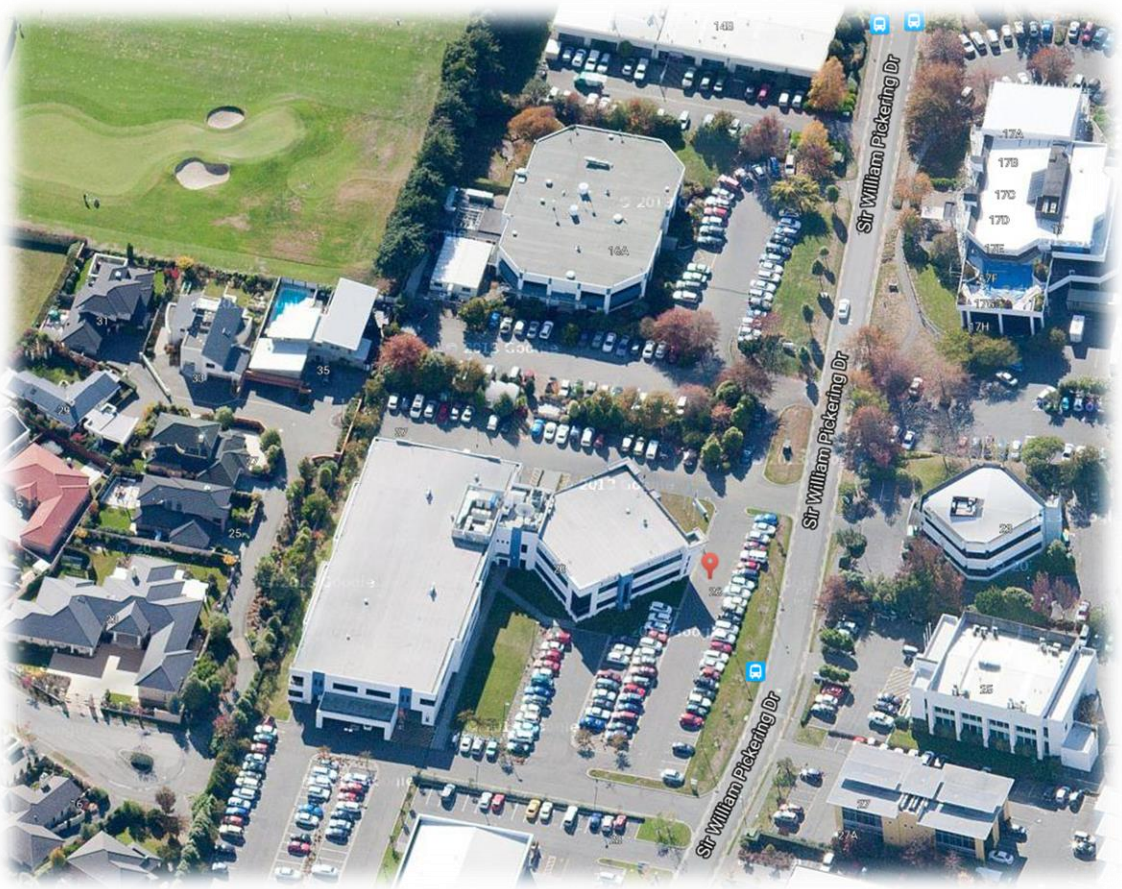
20-28 Sir William Pickering Drive,
Christchurch

Reliant Parties:
Augusta Funds Management Limited

Date: 27th November 2017
CBRE Ref: 49211286

CBRE




Sir William Pickering Dr
Sir William Pickering Dr
Sir William Pickering Dr

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1 EXECUTIVE SUMMARY

- 20-28 Sir William Pickering Drive comprises two standalone office blocks within a large site close to Christchurch Airport. The original 'Andy Herd' building was constructed circa 1987, the property is described as a commercial office building providing approximately 2,257m² of lettable office space set over two levels. The New Airways Building was built circa 1992 and extended to add the Airways Development Centre c2007, the property is described as a commercial office building providing approximately 5,095m² combined lettable office space set over two stories at ground and first floor level.

KEY ISSUES

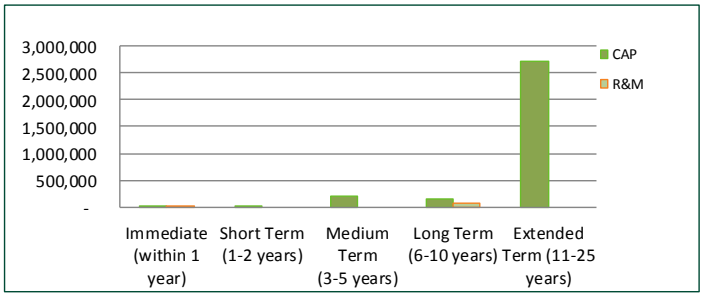
ELEMENT	COMMENT	TIME FRAME
STRUCTURE	No major concerns identified.	
BUILDING FABRIC	Replace felt roof coverings to building 1 at end of useful life.	EXTENDED
	Replace floor covings at end of useful life.	EXTENDED
	Replace suspended ceilings at end of useful life.	EXTENDED
	Cyclical external decoration required.	EXTENDED
EXTERNAL AREAS	No major concerns identified.	
MECHANICAL SERVICES	Replace chillers at the end of their useful life.	EXTENDED
	Process Cooling / CRAC units appear in good condition but will need overhauled.	LONG to EXT
	VRV plant appears in good condition, practically new. Replacement will be required in the extended reporting period.	EXTENDED
	Replace other packaged AC plant as the units fail.	LONG
ELECTRICAL SERVICES	Overhaul MSB's & DB's at the end of economic life	EXTENDED
	Some concerns with exit signage locations - reposition as required.	SHORT
FIRE SERVICES	Replace FIP at the end of economic life	LONG to EXT
	Replace the sprinkler tank at end of economic life.	EXTENDED
	Overhaul Boosters, valve sets and hydrants.	LONG to EXT
HYDRAULIC SERVICES	Replace the water header tanks on the roof	MEDIUM
	Replace hot water systems as they fail	MED- LONG
VERTICAL TRANSPORTATION	Overhaul lift at the end of economic life.	LONG to EXT

TIMEFRAME	IMMEDIATE	SHORT (1-2 YRS)	MEDIUM (3-5 YRS)	LONG (6-10 YRS)	EXTENDED (11-25 YRS)
RISK RATING	HIGH		MODERATE	LOW	

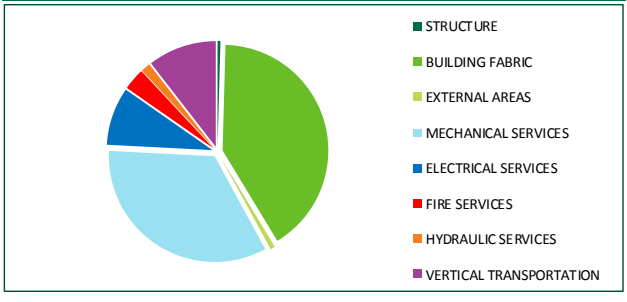
FINANCIAL SUMMARY

		Immediate	Short Term (1-2 years)	Medium Term (3-5 years)	Long Term (6-10 years)	Extended Term (11-25 years)	Total
1.0	STRUCTURE	$ -	$ -	$ -	$ -	$ 15,000	$ 15,000
2.0	BUILDING FABRIC	$ 3,500	$ -	$ -	$ -	$ 1,400,000	$ 1,403,500
3.0	EXTERNAL AREAS	$ -	$ -	$ -	$ -	$ 25,000	$ 25,000
4.0	MECHANICAL SERVICES	$ -	$ -	$ -	$ 175,000	$ 983,000	$ 1,158,000
5.0	ELECTRICAL SERVICES	$ -	$ 5,000	$ -	$ -	$ 300,000	$ 305,000
6.0	FIRE SERVICES	$ -	$ -	$ -	$ 45,000	$ 70,000	$ 115,000
7.0	HYDRAULIC SERVICES	$ -	$ -	$ 20,000	$ 10,000	$ 20,000	$ 50,000
8.0	VERTICAL TRANSPORTATION	$ -	$ -	$ 180,000	$ -	$ 180,000	$ 360,000
	TOTAL	$ 3,500	$ 5,000	$ 200,000	$ 230,000	$ 2,993,000	$ 3,431,500

TIMELINE



ELEMENTAL



2 SYNOPSIS

2.1 INSTRUCTIONS

Instructions:	■ Written instructions received from: – Augusta Funds Management Limited – Instruction established from quote issued on 29th September 2017.
Assessment Request:	■ Technical Due Diligence review of: – 20-28 Sir William Pickering Drive, Christchurch
Reliant Parties:	■ Augusta Funds Management Limited
CBRE Reference:	■ K:\Valuations\BDCC\18 - Building Consultancy\3. Christchurch\Sir William Pickering Drive\6. Reports
Scope of service:	■ Structure ■ Building Fabric (roofs, facades & interior) ■ External Areas ■ Building Services (Mechanical, Electrical, Fire, Hydraulics & Lifts) ■ Extended 25 Year Capital Expenditure (CAPEX) Forecast

2.2 CRITICAL ASSUMPTIONS

Information Supplied by Others:	■ This report contains information which is derived from other sources. Unless otherwise specifically instructed by you and/or stated in the report, we have not independently verified that information, nor adopted it as our own, or accepted its reliability. The Reliant Party accepts the risk that if any of the unverified information/advice provided by others and referred to in this report is incorrect, then this may have an effect on our review. Documentation, information etc. relied upon is noted within the main body of this report.
Changed Information:	■ In the event that the Reliant Party becomes aware of any material changes to the property and/or that information supplied to us is incorrect, then this report must not be relied upon before first consulting CBRE to provide a review of the updated information.

3 RELIANCE & REPORTING

3.1 RELIANCE & LIABILITY

Reliance:
- This assessment is strictly and only for the use of the Reliant Parties and for the Purpose specifically stated in Synopsis/Instructions.

Transmission:
- Only an original report received by the Reliant Party directly from CBRE without any third-party intervention can be relied upon.

Restricted:
- No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this assessment.

Copyright:
- Neither the whole nor any part of the content of this report may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.

3.2 REPORTING

Industry Practice:
- Our review has been undertaken in line with the RICS best practice guidance note on Technical Due Diligence of Commercial & Industrial Property (New Zealand).

Inspection:
- The inspection was carried out on Friday 27th October 2017.
- Roof access was available onto both buildings via internal stairs/roof hatches.
- The façade was inspected from roof areas, internally from office areas, and from ground level only.
- Access was generally not available to the female amenities during the inspection however a representative sample of male amenities were inspected.

Orientation:
- References to the left and right-hand side assume the reader is facing the element in question. The site is deemed to be facing east, fronting Sir William Pickering Drive.

Weather:
- The weather at the time of inspection was dry and overcast after periods of rain.

Limitations:
- Refer to the Attachments for our standard reporting Exclusions & Qualifications and Terms & Conditions.

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Issue:
- Final Report

4 BUILDING DESCRIPTION

4.1 GENERAL DESCRIPTION

- 20-28 Sir William Pickering Drive comprises two standalone office blocks within a large site close to Christchurch Airport.
- The original building (The Andy Herd Building - hereafter referred to as building 1) was constructed circa 1987, the property is described as a commercial office building providing approximately 2,257m² of lettable office space set over two stories at ground and first floor level.
- The main building on the site (New Airways Building) was built circa 1992 and extended circa 2007 (Airways Development Centre), the property is described as a commercial office building providing approximately 5,095m² combined lettable office space set over two stories at ground and first floor level. The building also has lading bay and garage areas. (Hereafter, main building and extension will be referred to as building 2)
- Building 1 is more fully described as Lot 2 in DP 375305 with a site area of 5,900 m².
- Building 2 is more fully described as Lot 1 DP 71767 / Lot 7 DP 54647 which we understand is a standard format lot with a site area of 11,413 m².
- The site is broadly rectangular in shape being bounded by Sir William Pickering Drive to the east and a variety of commercial/industrial properties to the immediate north, south and east although the buildings are situated in a wider residential area.
- The main pedestrian entry into the site is off Sir William Pickering Drive and entry to building 1 is gained from the south elevation whilst entry in to building 2 is gained via doors to the north elevation. The entry is via glazed double doors giving access to the ground floor entrance vestibule and foyer.
- Car park entry is off Sir William Pickering Drive.
- Within building 1 there is a single stair core to the east side of the building, this stair core also contains a single passenger lift which provides access between ground and first floor.
- Within the original part of building 2, there is a single stair core to the south end of the building with no passenger lift. The more recent extension now provides an additional 2 stair cores, one with the reception lobby area and one to the east side of the building. The reception are also houses a single passenger lift which provides access between ground and first floor.
- The layout on each floor generally comprises cellular offices and densely fitted out office space.
- Building 2 was extended approx. 10 years ago to provide new entrance vestibule, lobby, reception area and additional office space on the ground and first floor. The building has been progressively refurbished a number of times since construction.
- The most significant refurbishments have occurred c.2007 at the same time as the new Airways Development Centre was built, which we understand broadly entailed;
    - New carpets, lighting to some areas and full redecoration.
    - New kitchen & food prep facilities.
- The Building Warrant of Fitness is located in the ground floor foyer and dated 27th September 2017, with no outstanding items.

4 BUILDING DESCRIPTION

4.2 SCHEDULE OF PLANT & EQUIPMENT

SCHEDULE OF PLANT & EQUIPMENT			
Item of plant	Number/Type	Date Installed	Condition
Chillers	Aermec	Circa 2015 & 2017	Good
CRAC's	Stultz & Emmerson	Various	Good
Packaged AC	Daikin	Various	Good
Lifts	Unknown	Original	Fair

5 STRUCTURE

5.1 SUMMARY OF ISSUES & OBSERVATIONS

- The structural elements where visible were noted to be generally in good condition with no major issues or concerns identified.
- No significant movement in the structural frame or walls was observed to suggest possible foundation problems; however, any minor movement should be monitored periodically as recommended below.
- Minor plastic shrinkage cracking was observed to localised areas of the driveways. Although these are not of immediate concern, we recommend all cracking be monitored to identify progressive movement, should it occur. Crack repairs can be carried out thereafter.
- No obvious signs of any significant water ingress were noted during our inspection.

5.2 GENERAL DESCRIPTION

- The substructure was fully concealed at the time of inspection and no 'as built' information has been provided. However, based on our visual inspection and knowledge of buildings of a similar nature, we anticipate the substructure to comprise of a footing system as follows:
    - Concrete strip foundations which supports external concrete walls and columns, re-enforced concrete slab supporting internal columns and concrete piers
    - The floor slabs to both ground and first floor are cast in-situ reinforced concrete. The first floor is supported by a series of internal columns and perimeter re-enforced masonry piers. Although not sighted due to soffit linings we assume some form of drop beam or band beam arrangement is present between the columns and piers.
- External walls to building 1 are of solid reinforced concrete construction masonry infill and are considered to be load bearing. It appears as though additional steel columns have been added, which support additional steel beams, most likely as part of a seismic strengthening programme following the 2011 earthquakes.
- Building 2 has been constructed utilising a combination of pre-cast concrete panels, timber framed construction utilising a fibre cement board and monolithic cladding and painted masonry blockwork which has also been lined with monolithic cladding.
- We understand from landlord supplied information that the seismic ratings for the buildings sit between 70-76% although this has not been confirmed. The seismic report should be obtained for verification.

5 STRUCTURE

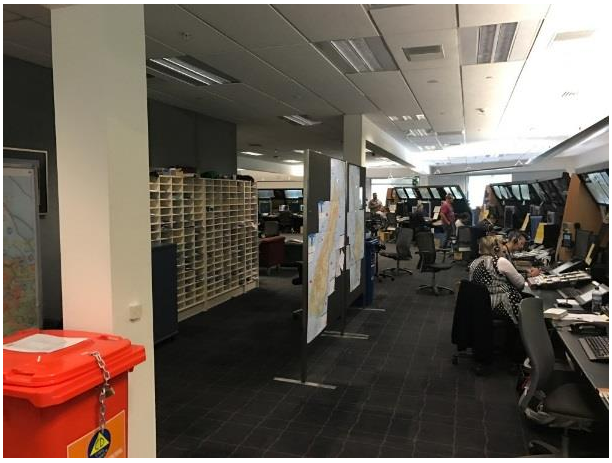
5.3 PHOTOGRAPHS

B1-Front elevation

B1- Concrete frame high level junction

B1- Tiled concrete sections

B1- Internal concrete goalpost support

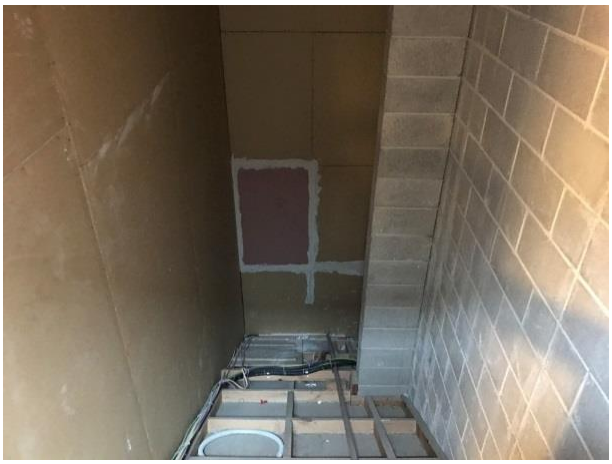


B1- Internal lined column

B1- Concrete roof slab

5 STRUCTURE

B1- Canopy to south elevation

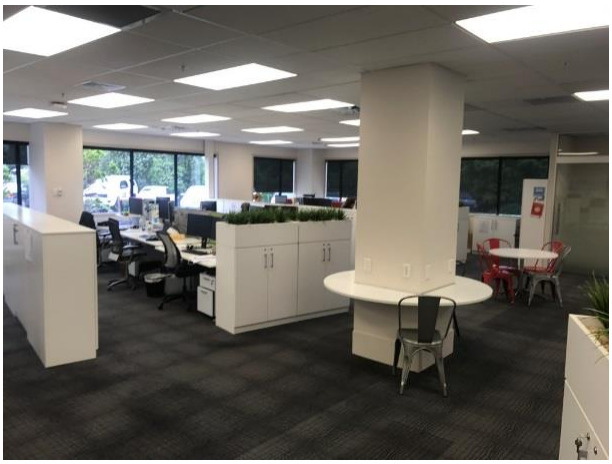


B1- Internal blockwork wall & pier

B2 – North elevation of original 1992 build

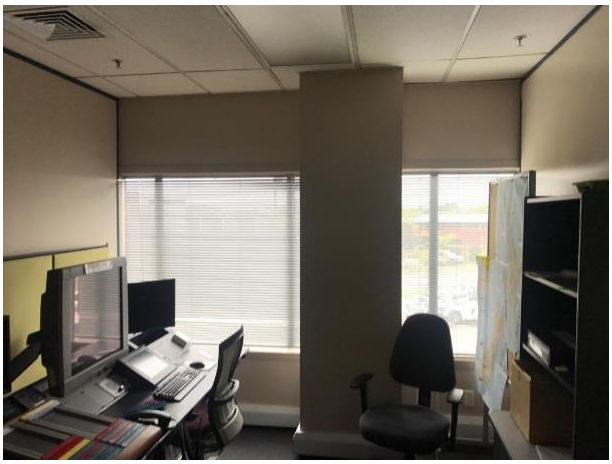
B2 - North elevation of 2007 extension

B2- Perimeter columns



B2- Internal columns arrangement

5 STRUCTURE



B2 – perimeter column

B2- Internal column

6 BUILDING FABRIC

6.1 SUMMARY OF ISSUES & OBSERVATIONS

Building 1

- Isolated live leaks were reported and also evidence of historic water ingress was identified below roof areas to the office floors. The roof areas are considered to be in fair condition and ongoing reactive maintenance of the roof can be observed. Although the roof is only causing relatively minor water ingress issues at present, we recommend this be budgeted for replacement within the long-term CapEx period.
- The following comments are made in relation to the roof:
    - We understand that the roof coverings were replaced approx. 5 years ago, along with the introduction of insulation creating a warm deck roof.
    - At the time of replacement roof coverings, a new metal walkway was installed, supported on plinths and housing a large satellite dish.
    - Although generally in fair condition, the roof has been subject to numerous patch repairs and ongoing repairs should be anticipated.
    - Joints to felt roofing starting to fail and sheets lifting at edges.
    - Gutters choking, surface water not draining and ponding to surface.
    - A number of areas were noted to be brittle and de-bonding from substrate which has led to bubbling of roof coverings and is likely to be a source of ongoing water ingress as sheet become brittle and cracks appear.
    - The Static line system is fitted to roof, although no tags were noted. We are unaware if this system has been de-commissioned.
    - Penetrations have been sealed with a liquid applied coating, this is for the most part cracked and worn and required to be re-coated.
- The façade overall is considered to be in good condition for its age, and we understand it is performing relatively well. No obvious visual defects were noted.
- We do not consider that any major works are required over the CapEx period other than standard routine maintenance and decoration. However, We recommend a façade inspection every 2 years over the reporting period.
- There is a risk of nickel sulphide inclusions in the toughened glass, however given the age of the asset, and lack of reported historic failures, the risk is considered to be low.
- Internal refurbishment has been implemented on a regular basis, this includes new tea prep/breakout area and office space fabric at suitable junctures. We make the following comments:
    - The level of finish where refurbished is of a good standard.
    - Un-refurbished elements are considered to be tired and dated. The refurbishment of these areas is subjective as the space is currently utilised as server rooms, plant rooms, storage cupboards etc therefore, we have made no allowance for refurbishment of these areas in the capex.
    - Amenities and kitchen areas have been largely upgraded.
    - A number of water damaged ceiling tiles are stained from previous water ingress and should be replaced.
- Cyclical repainting may be carried out in the long term if desired.

6 BUILDING FABRIC

Building 2

- No live leaks were reported although evidence of historic water ingress was identified below roof areas to the office floors. We understand that the leaks have been repaired, and the roof areas are considered to be in good condition and reactive maintenance to the roof can be observed. We do not expect any major works will be required over the CapEx reporting period over and above routine maintenance.
- The following comments are made in relation to the roof:
    - The roof coverings over 2007 extension are in good order and are 10 years old, the roof coverings over original 1992 building appear to have been replaced at the same time as the new extension was completed.
    - A metal stair and walkway was installed at time of extension to facilitate access between the two roofs.
    - The Static line system is fitted to roof, although no tags were noted. We are unaware if this system has been de-commissioned.
    - Repairs/seals at joints to cap flashings have been crudely completed and are likely to fail.
- The façade overall is considered to be in good condition for its age, and we understand it is performing relatively well. No obvious visual defects were noted.
- We do not consider that any major works are required over the CapEx period other than standard routine maintenance and decoration. However, we recommend a façade inspection every 2 years over the reporting period.
- There is a risk of nickel sulphide inclusions in the toughened glass, however given the age of the asset, and lack of reported historic failures, the risk is considered to be low.
- Internal refurbishment has been implemented to the original building on a regular basis, this includes upgrade of facilities at time of extension. We make the following comments:
    - The level of finish is of a good standard.
    - A number of water damaged ceiling tiles are stained from previous water ingress and should be replaced.
- Cyclical repainting may be carried out in the long/extended term if desired.

6.2 GENERAL DESCRIPTION

6.2.1 ROOFS

Building 1

- The main roof structure to the premises is a flat roof, comprising a concrete slab, overlaid with rigid insulation and covered with mineral felt flat roof coverings. The roof has a low-level parapet fitted with colour coated pressed metal parapet cap flashings.
- Surface water drains to recessed and concealed perimeter gutter, lined with mineral felt roof coverings and discharge to internally located downpipes. Outlets have been fitted with ball grates.
- Access onto the roof is via a fixed roof hatch within the fire scape stair located to the west side of the building. The access has been fitted with a fixed ladder which leads out on to new galvanised metal walkways which was installed when roof coverings were replaced.
- Static line fall protection system has been installed across the roof. Tags were not located on the system, making it unclear if the system has been de-commissioned. Clarification should

6 BUILDING FABRIC

be sought in this regard.

Building 2

- The main roof structure to the premises is a flat roof, comprising a concrete slab, overlaid with insulation and covered with single ply membrane flat roof coverings. The roof has a parapet wall dressed with single ply membrane roofing to inner face and over to external face. Parapet to original building has been fitted with metal cap flashings.
- Surface water drains to large recessed and concealed perimeter gutters, lined with single ply membrane roof coverings and discharge to internally located downpipes. Outlets have been fitted with ball grates.
- Access onto the roof is via an access door reached from stairwell from the reception lobby area. Fixed stairs have been fitted to facilitate access between different sections of roof.
- Roof plant is enclosed with louvred baffles, with gate fitted which provides access out on to the original part of building 2 from the access point.
- Static line fall protection system has been installed across the roof. Tags were not located on the system, making it unclear if the system has been de-commissioned. Clarification should be sought in this regard.

6.2.2 FACADES

Building 1

- The external walls are predominantly solid re-enforced concrete construction which have been painted, to the front elevation is a section of fixed curtain wall glazing. Sections of the concrete have been tiled, for decorative effect.
- Windows comprise single glazed metal framed windows, doors comprise a combination of aluminium framed glazed doors and solid core external timber doors which have been painted.
- An additional metal fire escape stair has been provided to south elevation, to meet increased occupancy requirements of the building.
- Above the main entrance doors to east and south elevations are metal framed barrel-vaulted canopy structures which has been lined with polycarbonate coverings.
- The building cores are predominantly constructed using a combination of masonry blockwork and timber framing lined with plasterboard linings to provide the minimum 1hr fire resistance.
- Internally the cores are finished with painted walls suspended ceilings and carpet floor coverings.
- The main entrance doors into the office foyer are aluminium framed glazed doors.
- Pedestrian doors are typically timber doors with timber frames and architraves.

Building 2

- The external walls are predominantly a combination of solid re-enforced concrete construction which have been painted, masonry or timber frame infill finished with a monolithic cladding. To the more recent extension is a section of glazed curtain wall system.
- Glazing is fixed aluminium framed single glazed window.
- The building cores are predominantly constructed using a combination of masonry blockwork and timber framing lined with plasterboard linings to provide the minimum 1hr fire resistance.
- Internally the cores are finished with painted walls and ceilings and painted concrete floor.

6 BUILDING FABRIC

- To the south west corner of the building and open deck area has been formed leading out from breakout area via glazed double doors. The deck area has been enclosed with an aluminium framed glazed balustrade and is finished with painted masonry and ceramic tile floor coverings.
- The main entrance doors into the entrance lobby are frameless automatic sliding doors with inner doors into reception foyer being aluminium framed glazed doors with standard push/pull handles and ironmongery.
- Pedestrian doors are typically a combination of aluminium framed glazed door and solid core timber doors. Door to fire escape at ground floor is not fitted with standard panic ironmongery.

6.2.3 INTERIOR

- As the buildings are 100% leased and occupied by the incumbent tenant, there are no common areas that are assessed as being the landlords' obligations to maintain.
- We understand from the current tenant, that the landlord has no responsibility for routine maintenance of the internal elements, however, we understand the landlord has responsibility for replacement of base build element when they are life expired, such as lighting, electrical, mechanical, carpets, suspended ceilings etc but not the internal partitions.
- Finishes to the interior of building 1 are of a good standard, with a combination of carpet and vinyl floor coverings, painted plasterboard walls and mineral fibre suspended ceiling system.
- Finishes to the interior of building 2 are of a good standard, with a combination of carpet and vinyl floor coverings, painted plasterboard walls and mineral fibre suspended ceiling system. We understand the landlord is responsible for replacing carpet will likely be required over the extended CapEx period and suspended ceilings which may be required
- We understand that building 2 was refurbished internally to include carpets and ceilings at the same time as the extension was built in 2007. This indicates that most of the finishes are approx.
- The original suspended ceiling system installed 1992 was not replaced as part of either the 2007 refurbishments and as such is considered to be in only fair condition although is unlikely to require replacement over the CapEx period.
- The buildings have various amenities to include male and female facilities which are located at various locations throughout the buildings. Finishes to the amenities include wall tiling, vinyl floor coverings and either painted plasterboard ceilings or suspended ceiling system. Amenities are generally in good condition and given the age of fittings and level of maintenance to date it is likely that replacement will be required in the extended CapEx period.
- Some of the amenities have been fitted with shower cubicles which appear functional and in good order.
- Within the plant room area to building 1 and garage area to building 2, no finishes are present. Concrete has been left exposed and not painted, no floor coverings or ceiling finishes are present.
- Stairwells are predominantly constructed using a combination of solid masonry blockwork and timber framed walls lined with plasterboard. Appropriate handrails utilised throughout.

6 BUILDING FABRIC

6.3 PHOTOGRAPHS

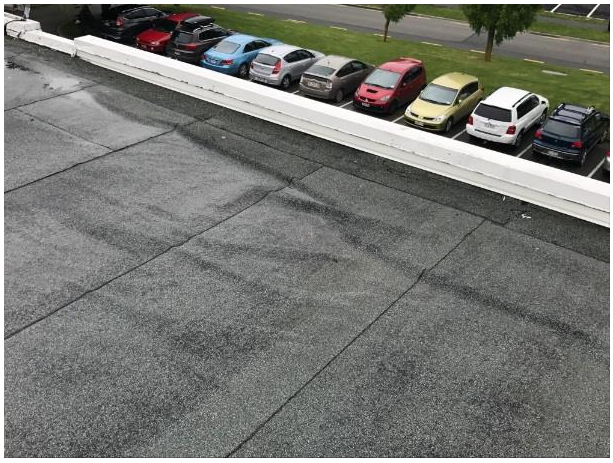
B1 - General view over roof

B1 - General view over roof

B1 - General view over roof

B1 - General view over roof

B1 – joints starting to lift at lapped edges

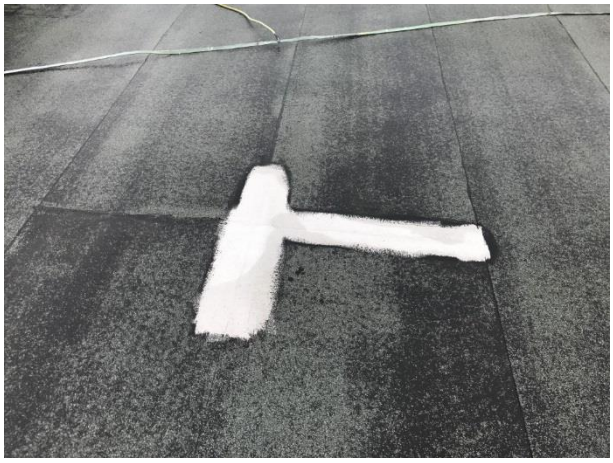


B1 – felt ruffled and de-bonded from substrate

6 BUILDING FABRIC

B1 – sealed junctions worn & solar degrading

B1 – choked outlet despite grate being fitted.



B1 – Liquid applied patch repair.

B2 - General view over roof to 2007 Ext

B2 – perimeter concealed gutter

B2 – standard drainage outlet

6 BUILDING FABRIC

B2 – flat roof over entrance lobby.

B2 – Patch repairs evident

B2 - General view over main building

B2 - General view over roof to 2007 Ext

B2 – Poor patch repairs to cap flashing joint

B2 – louvred plant enclosure

6 BUILDING FABRIC

B2 – plant on timber plinths

B2 – fixed stairs providing access over roofs

B2 – static line system.

B2 – typical anchor point

B1 – East elevation

B1 – West elevation

6 BUILDING FABRIC

B1 – south east corner

B1 – East elevation

B1 – Canopy & new external fire escape stair

B1 – New metal external fire escape stair

B1 – Double door out to hard standing

B2 – North elevation

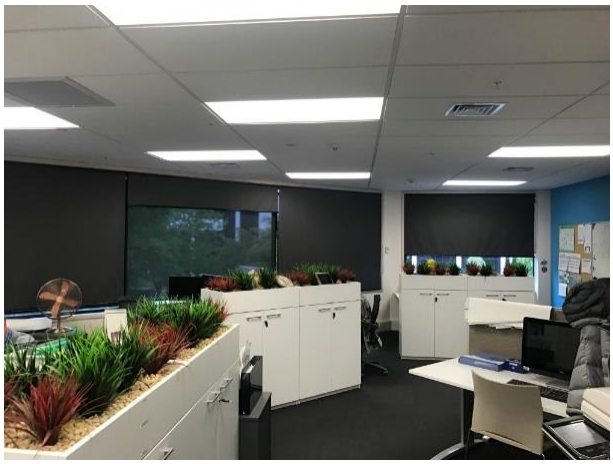
6 BUILDING FABRIC

B2 – North elevation to modern extension

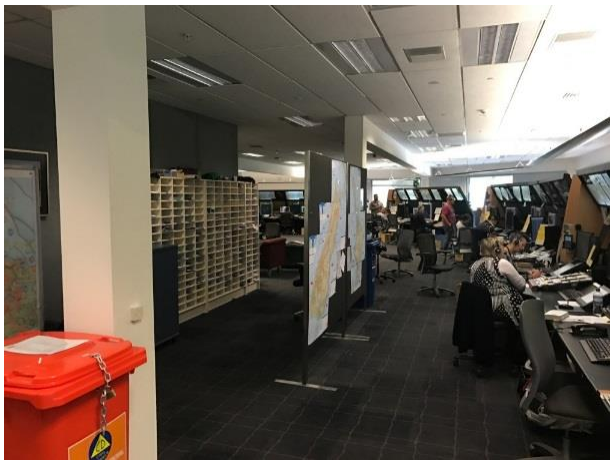
B2 – SW corner & semi enclosed deck area

B2 – SE corner

B2 – covered carport and garages

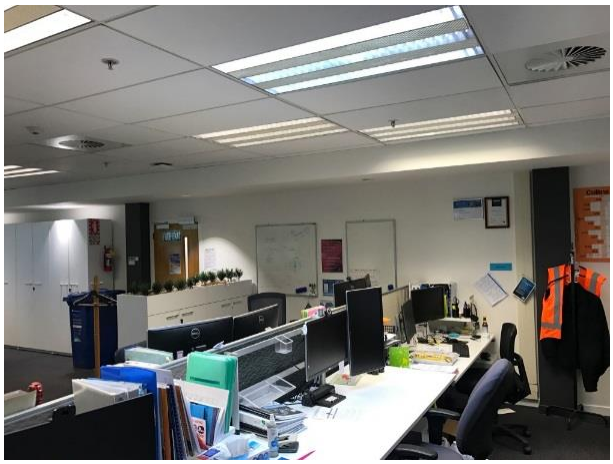


B1 – typical internal office

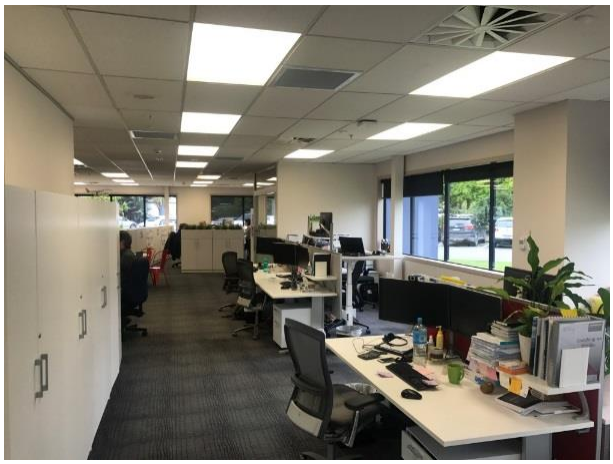


B1 – typical internal office

6 BUILDING FABRIC



B2 – Typical internal office



B2 – Typical internal office

B2 – Typical internal office

B2 – Internal fire escape stair

B2 – Stained & damaged ceiling tiles north end

B2 – Stained & damaged ceiling tiles north end

6 BUILDING FABRIC

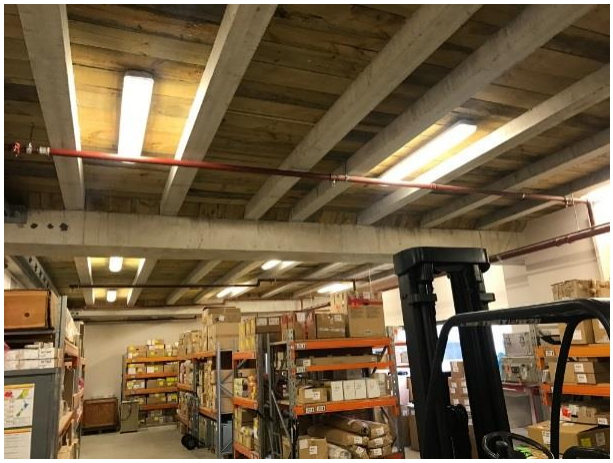
B2 – semi enclosed deck area

B2 – WHB's in male amenities

B2 – accessible WC

B2 – Male amenities

B2 – tea prep/kitchen facilities



B2 – storage area to south end of building

7 EXTERNAL AREAS

7.1 SUMMARY OF ISSUES & OBSERVATIONS

- External areas were noted to be in good condition overall with no major works being identified.

7.2 GENERAL DESCRIPTION

- For the most part, the external areas comprise asphalt parking area providing numerous car parking spaces and vehicular access road to both buildings.
- Surrounding the car park are grassed areas, mature shrubs and trees. To the north-west corner is a concrete hard standing accessed from the break put room fitted with fixed seating.
- A standalone bike shed is positioned between the two buildings.
- Walkways are provided around some of the perimeter of the buildings, mostly completed in paving.
- The site is bounded by timber fences & chain link style fences fitted with razor wire on top, mature bushes and trees. Some of the fences are fitted with personnel gates which are fitted which are accessed via security swipe card access.
- To the south west corner of building 1 is a free-standing porta which is used to house plant. No access was gained at time of inspection.

7.3 PHOTOGRAPHS

Hard standing to NW corner of B1.

Chain-link perimeter fence & razor wire.

7 EXTERNAL AREAS

Grassed area to NW corner of B1.

Timber perimeter fence.

General view of parking area

General view of parking area

Bins store shed to SW corner of B1.

General view of parking area

7 EXTERNAL AREAS

General view of parking area

Bike store between buildings

8 MECHANICAL SERVICES

8.1 SUMMARY OF ISSUES & OBSERVATIONS

- The maintenance of the pant appears excellent and the general condition is good.
- System configuration appears to be a very apt application for the type of property. However, the systems are bespoke to the Tenant and will not suit another commercial tenant.
- Chillers will need to be replaced in the extended period
- The VESDA system and newly installed CRAC units are noted to be a tenant owned item and not under the responsibility of the landlord.
- The VRV systems appear in good condition and should not require attention until the latter parts of the extended period.
- The process cooling units appear to be in good condition but will require to be overhauled in the long term and extended CapEx period
- The outside air units will need to be overhauled in the long term.
- Ventilation systems will need some attention in the long term.
- There are individual packaged split units on the site that will need to be replaced as they fail. s

8.2 GENERAL DESCRIPTION

- There are two distinctly different air conditioning systems serving the two buildings.
  - An air cooled chilled water system in each building that serves the mission critical rooms. These systems are backed up by equivalent air cooled packaged units.
  - A comfort air conditioning system of Daikin VRV plant that serves fan coils, cassettes, and wall hung units throughout the two building that provide comfort conditions for staff in offices, and incident rooms. The VRV systems have a preconditioned outside air supply from plant located on the roof.
  - There is also an array of split systems provided. Some units are owned by the Landlord and other by the Tenant. Refer to 8.3 Specific Mechanical Plant
- Andy Herd Building (AHB) (Building 1)
  - The chilled water plant is currently being refurbished with a new Aermec air cooled chiller being installed to replace and exist system that comprised two Multistack chillers and pumps. The Aermec chiller has an onboard hydronic kit of pumps. The chiller is located on the ground at the rear of the building.

    Air conditioning units are computer room air conditioning units (CRAC) or process coolers from either Stultz or Emmerson. They are close control units designed specifically for high sensible cooling loads experienced in a computer facility.

    Units are located on the floor in each critical space as well as two units in the ground floor plantroom with air ducted to the underfloor area of the room above.
  - The VRV system is Daikin with outdoor units located at ground level and the indoor evaporator units are located in individual rooms and spaces as required by the cooling demand.
  - Outside air to the VRV evaporators is supplied from the perimeter of the floors.
  - Split systems handle specific rooms and areas.
- Airways Development Centre (ADC) (Building 2)
  - The chilled water plant comprises three Aermec air cooled chillers that seem to be less than five years old. They are located on the roof of the building with the CRAC units located on

8 MECHANICAL SERVICES

the floor of the critical rooms.

- The VRV systems are Daikin with outdoor units located on the roof and the indoor evaporator units are located in individual rooms and spaces as required by the cooling demand.
- Split systems handle specific rooms and areas.
- Outside air is provided from two air handlers located on the roof that precondition the outside air.

- Extraction systems are provided in the larger operational rooms that seemingly are manually controlled to relieve heat from the room if the temperature rises. It is suspected the system was intended as a smoke relief in the event of a fire.
- There are several sundry ventilation systems provided for toilets, amenities, etc.

8.3 SPECIFIC MECHANICAL PLANT

The following list mechanical equipment installed in the two buildings. The lists are extracted from information provided:

Unit	Type	Brand	Model	Location	Owner	Year
ADC1						
AHU 01	OA E/Cool	Breezeair	EA150S	Roof	Landlord	1999
AC 2	Hi Wall	Mitsubishi	SRK63ZES1	1st Floor ADC UPS A Room	Landlord	2007
AC 3	Hi Wall	Mitsubishi	SRK63ZES1	1st Floor Hot Standby Room	Landlord	2007
AC 4	Hi Wall	Mitsubishi	SRK63ZK-S	1st Floor ADC UPS A Room	Tenant	2012
AC 20	Process cooler	Atlas	PEC 223FC	Equipment Room	Landlord	1999
AC 21	Process cooler/ CRAC	Stulz	ASD361	Equipment Room	Tenant	2012
AC 24	Process cooler/ CRAC	Stulz	ASD361	Equipment Room	Tenant	2012
FCU 1	Ducted	Temperzone	RCMC 200	ADC Reception	Landlord	1999
FCU 2	Ducted	Temperzone	RCMC 150	Meeting Room Alpha	Landlord	1999
FCU 3	Ducted	Temperzone	RCMC 200	Meeting Room Zulu	Landlord	1999
FCU 4	Ducted	Temperzone	RCMC 200	Breakout Room	Landlord	1999
FCU 5	Ducted	Temperzone	RCMC 200	Common Area / Café	Landlord	1999
FCU 6	Ducted	Temperzone	RCMC 200	Open Plan Office GND	Landlord	1999
FCU 7	Ducted	Temperzone	RCMC 150	Open Plan Office GND	Landlord	1999
FCU 8	Ducted	Temperzone	DF 301	Open Plan Office GND	Landlord	1999
FCU 9	Ducted	Temperzone	DF 501	Open Plan Office GND	Landlord	1999
FCU 10	Ducted	Temperzone	DF 501	Open Plan Office GND	Landlord	1999
FCU 11	Ducted	Temperzone	RCMC 150	Open Plan Office GND	Landlord	1999
FCU 12	Ducted	Temperzone	RCMC 150	Hot Standby Room	Landlord	1999
FCU 13	Ducted	Temperzone	IMDL 130	Network Office	Landlord	2011
FCU 14	Ducted	Temperzone	RCMC 300	Engineering Office	Landlord	1999
FCU 15	Ducted	Temperzone	RCMC 300	Network Office	Landlord	1999
FCU 16A	Ducted	Temperzone	IMD 95	Radar Sim Pilot	Landlord	2006
FCU 16b	Ducted	Temperzone	IMD 95	Radar Sim Pilot	Landlord	2006
FCU 17	Ducted	Temperzone	DF 501	Radar Sim Controllers	Landlord	1999
FCU 18	Ducted	Temperzone	RCMC 300	SIM Team Office	Landlord	1999
FCU 19	Ducted	Temperzone	DF 701	SIM Team Office	Landlord	1999
FCU 22	Ducted	Temperzone	IMD 40	Open Plan Office GND	Landlord	2007
EF 1	Roof	Temperzone	19IVJ		Landlord	2001
EX Fan	Toilet	Woods	DSMR 330/4/1		Landlord	1999
EX Fan	Kitchen	Woods	DSMR 250/4/1		Landlord	1999
	Chiller	Aermec	NRL 280-700 FC	Roof	Landlord	2013
	CHWP	Wilo	IPN 65	Roof	Landlord	1999
	CHWP	Wilo	IPN 65	Roof	Landlord	1999
	EX Fan	S&P	HV-230-A-E	Lift Machine Room	Landlord	1999
	UPS B	Temperzone	ISD 181		Landlord	2005

8 MECHANICAL SERVICES

Unit	Type	Brand	Model	Location	Owner	Year
ADC2						
OU1	Daikin VRV	REYQ42MYIB	OA for AC1-			
Ground Floor						
AC1	Ducted	Daikin	FXSQ63MVF	International	Landlord	2007
AC2	Cassette	Daikin	FXFQ125MVE	Café - 1	Landlord	2007
AC3	Cassette	Daikin	FXFQ125MVE	Café – 2	Landlord	2007
AC4	Ducted	Daikin	FXSQ63MVE	Meeting Room/Visitors	Landlord	2007
AC5	Ducted	Daikin	FXSQ40MVE	Meeting Room	Landlord	2007
AC6	Ducted	Daikin	FXSQ63MVE	Training/Meeting Room	Landlord	2007
AC8	Ducted	Daikin	FXSQ40MVE	Laboratory 1	Landlord	2007
AC9	Ducted	Daikin	FXSQ63MVE	Meeting Room/Visitors	Landlord	2007
AC 10	Ducted	Daikin	FXSQ20MVE	Resource Room	Landlord	2007
AC 11	Cassette	Daikin	FXFQ25MVE	Central Workshop 1	Landlord	2007
AC 12	Cassette	Daikin	FXFQ25MVE	Central Workshop 2	Landlord	2007
AC 13	Ducted	Daikin	FXSQ63MVE	Equipment Room	Landlord	2007
AC 13A	Hi-Wall	Mitsubishi	MASZ-GE71VA	Equipment Room	Tenant	2012
AC 14	Cassette	Daikin	FXFQ25MVE	Meeting Room/Visitors	Landlord	2007
AC 15	Ducted	Daikin	FXSQ63MVE	Open Plan Area	Landlord	2007
AC 16	Hi-Wall	Daikin	FXAQ20MVE	Heavy Duty Workshop	Landlord	2007
AC 17	Ducted	Daikin	FXSQ50MVE	Meeting Room	Landlord	2007
AC 18	U/ceiling	Daikin	FXHQ32MVE	Supply Store – 1	Landlord	2007
AC 19	Ducted	Daikin	FXSQ100MVE	Nav Team	Landlord	2007
AC 20	U/ceiling	Daikin	FXSQ100MVE	Supply Store – 2	Landlord	2007
AC 21	Ducted	Daikin	FXSQ63MVE	Drafting Office	Landlord	2007
AC22	Ducted	Daikin	FXSQ25MVE	Meeting Room	Landlord	2007
AC 23	Ducted	Daikin	FBQ50/RXS50	MIS Help desk	Landlord	2009
AC 24	Hi-Wall	Daikin	FXAQ20MVE	Supply Officer	Landlord	2007
AC 25	Hi-Wall	Daikin	FTXS35GVMA	Supply Office	Landlord	2009
AC 55	Ducted	Daikin	FXSQ40MVE	Laboratory – 2	Landlord	2007
First Floor						
OU2	VRV	Daikin	REYQ40MYIB	Outdoor Unit for AC	Landlord	2007
OU3	VRV	Daikin	REYQ42MYIB	Outdoor unit for AC	Landlord	2007
AC 1	Cassette	Mitsubishi		ADC Reception	Landlord	2007
AC 26	Hi-Wall	Daikin	FXAQ20MVE	Requirements Manager	Landlord	2007
AC 27	Hi-Wall	Daikin	FXAQ20MVE	Manager	Landlord	2007
AC 28	Ducted	Daikin	FXMQ250MVE	Skyline & ATS	Landlord	2007
AC 29	Ducted	Daikin	FXSQ125MVE	Large Office	Landlord	2007
AC 29A	Hi-Wall	Daikin	FXAQ20MVE	Small Office	Landlord	2007
AC 30	Cassette	Daikin	FXFQ63MVE	Equipment Room	Landlord	2007
AC 31	Cassette	Daikin	FXFQ63MVE	Equipment Room T19	Landlord	2007
AC 31A	Under ceiling	Daikin	FHQ125	Equipment Room T19	Landlord	2016
AC 32	Ducted	Daikin	FXSQ100MVE	Thales Office	Landlord	2007
AC 33	Ducted	Daikin	FXSQ50MVE	Meeting Room	Landlord	2007
AC33 A	Under Ceiling	Daikin	FHQ71BVV1B	Meeting Room	Tenant	2011
AC 33B	Hi-Wall	Daikin	FAQ100CVEA	Meeting Room	Tenant	2015
AC 33C	Hi-Wall	Daikin	FAQ100CVEA	Meeting Room	Tenant	2015
AC 34	Cassette	Daikin	FXFQ63MVE	Equipment Room T8	Landlord	2007
AC 34A	Under ceiling	Daikin	FHQ125	Equipment Room T8	Landlord	2009
AC 35	Ducted	Daikin	FXSQ80MVE	Staff Room	Landlord	2007
AC 36	Ducted	Daikin	FXSQ50MVE	Meeting Room	Landlord	2007
AC 37	Cassette	Daikin	FXFQ32MVE	Reception	Landlord	2007
AC 38	Hi-Wall	Daikin	FXAQ20MVE	Manager	Landlord	2007
AC 39	Ducted	Daikin	FXSQ80MVE	Open Plan Office	Landlord	2007
AC 40	Ducted	Daikin	FXSQ63MVE	Training & Development	Landlord	2007
AC 42	Ducted	Daikin	FXSQ125MVE	Aerodrome Simulator 2	Landlord	2007
AC 42A	Hi-Wall	Mitsubishi	MSZ-GE80VA	Aerodrome Simulator 2	Tenant	2012
AC 43	Cassette	Daikin	FXFQ32MVE	Simulator/Pilots Room	Landlord	2007
AC 44	Cassette	Daikin	FXFQ125MVE	Simulator Equipment	Landlord	2007
AC 44A	Under ceiling	Daikin	FHQ100	Simulator Equipment	Landlord	2009

8 MECHANICAL SERVICES

Unit	Type	Brand	Model	Location	Owner	Year
AC 44B	Under ceiling	Daikin	FHQ100	Simulator Equipment	Landlord	2009
AC 45	Cassette	Daikin	FXFQ32MVE	Simulator/Pilots Room	Landlord	2007
AC 46	Ducted	Daikin	FXSQ125MVE	Class Room 3	Landlord	2007
AC 47	Ducted	Daikin	FXSQ12SMVE	Aerodrome simulator – 1	Landlord	2007
AC 47A	Hi-Wall	Mitsubishi	MSZ-GE80VA	Aerodrome simulator – 1	Tenant	2012
AC 48A	Ducted	Daikin	FXSQ80MVE	Instructors Office	Landlord	2009
AC 48B	Ducted	Daikin	FXSQ80MVE	Instructors Office	Landlord	2009
AC 49	Ducted	Daikin	FXSQ125MVE	Radar Suite	Landlord	2007
AC 50	Cassette	Daikin	FXFQ63MVE	Radar Suite	Landlord	2007
AC 50A	Hi-Wall	Daikin	FAQ100BVV1B	Radar Suite	Tenant	2012
AC51	Ducted	Daikin	FXSQ125MVE	Students Cafeteria	Landlord	2007
AC 52	Ducted	Daikin	FXSQ125MVE	Classroom 4	Landlord	2007
AC 53	Ducted	Daikin	FXSQ125MVE	Classroom 2	Landlord	2007
AC54	Ducted	Daikin	FXSQ125MVE	Computer Laboratory	Landlord	2007
AC 56	Hi-Wall	Daikin	FAQ100CVEA	Supply Store – 2	Tenant	2012
AC 57	Hi-Wall	Daikin	FTXS50	PABX Room	Tenant	2015
AC 58	Hi Wall	Daikin	FTXS60KAVMA	Radar Simulator ADC 1	Landlord	2013
AC 59	Hi Wall	Daikin	FTXS60KAVMA	Radar Simulator ADC 1	Landlord	2013
AC 60	Hi Wall	Daikin	FTXS60KAVMA	Radar Simulator ADC 1	Landlord	2013
AC 61	Cassette Daikin	Daikin	RZQ71KVEA	Skyline & ATS	Tenant	2016
AC 62	Cassette Daikin	Daikin	RZQ71KVEA	Skyline & ATS	Tenant	2016
EFI	Extract Fan	Fantech	CD566V	Kitchen Hood	Landlord	2007
EF2	Extract Fan	Fantech	MV254E	Dishwasher	Landlord	2007
EF3	Extract Fan	Fantech	CE404D	Store Extract	Landlord	2007
EF4	Extract Fan	Fantech	CE456D	Main Toilet	Landlord	2007
EF5	Extract Fan	Fantech	CE354D	Resource	Landlord	2007
EF6	Extract Fan	Fantech	CE314D	South Toilets	Landlord	2007
AHU	Fresh Air	Sital Klima	RTSK-H	Roof	Landlord	2016
AHB						
AC 1	Process cooler/ CRAC	Liebert	PEX 2070	Plant Room	Landlord	2011
AC 2	Process cooler/ CRAC	Liebert	PEX 2070	Plant Room	Landlord	2011
Atlas 8	Process cooler/ CRAC	Atlas	243 FC	Equipment Room	Landlord	2002
Atlas 9	Process cooler/ CRAC	Atlas	243 FC	Equipment Room	Landlord	2002
AC 1		Daikin	FXSQ25MVE	Sleeping Rooms	Landlord	2009
AC 2		Daikin	FXSQ50MVE	Quiet Room	Landlord	2009
AC 3		Daikin	FXSQ63MVE	Cafeteria	Landlord	2009
AC 4		Daikin	FXSQ63MVE	Cafeteria	Landlord	2009
AC 5		Daikin	FXSQ32MVE	Meeting Room Wigram	Landlord	2009
AC 6		Daikin	FXSQ50MVE	Governance Office	Landlord	2009
AC 7		Daikin	FXSQ40MVE	Governance Office	Landlord	2009
AC 8		Daikin	FXSQ32MVE	Standards Room	Landlord	2009
AC 9		Daikin	FXSQ25MVE	Governance Office	Landlord	2009
AC 10		Daikin	FXSQ25MVE	Technician Office	Landlord	2009
AC 11		Daikin	FXSQ25MVE	Technician Office	Landlord	2009
AC 12		Daikin	FXSQ63MVE	Technician Office	Landlord	2009
AC 13		Daikin	FXSQ40MVE	Technician Lab	Landlord	2009
AC14		Daikin	FXSQ63MVE	AHB Reception	Landlord	2009
FCU 1	Ducted	Temperzone	IMDL 60	Open Plan Office GND	Landlord	1999
FCU 2	Ducted	Temperzone	IMDL 40	Open Plan Office GND	Landlord	1999
FCU 3	Ducted	Temperzone	IMDL 60	Open Plan Office GND	Landlord	1999
FCU 4	Ducted	Temperzone	IMDL 40	Open Plan Office GND	Landlord	2009
FCU 5	Ducted	Temperzone	IMD 280	Open Plan Office GND	Landlord	2004
FCU 6	Ducted	Temperzone	IMD 280	Governance Office	Landlord	2002
FCU 7	Ducted	Temperzone	IMDL 60	Open Plan Office 1st Floor	Landlord	2009

8 MECHANICAL SERVICES

Unit	Type	Brand	Model	Location	Owner	Year
FCU 8	Ducted	Temperzone	IMDL 60	Open Plan Office 1st Floor	Landlord	2009
FCU 9	Ducted	Temperzone	IMDL 60	Open Plan Office 1st Floor	Landlord	2009
FCU 10	Ducted	Temperzone	IMD 210	Meeting Room Rongotai	Landlord	2002
FCU 11	Ducted	Temperzone	IMDL 90	OCS Contingency Room	Landlord	2009
FCU 12	Ducted	Temperzone	IMDL 130	Notam Office	Landlord	2009
OAU 1		Daikin	FXMQ125MVE	FA South Entrance	Landlord	2009
OAU 2		Daikin	FXMQ200MVE	FA Cafeteria	Landlord	2009
	Package	Temperzone	OPA 100RKT	Portacom	Landlord	2008
	Hi Wall	Daikin	FTXS 25	Portacom	Landlord	2013
	Hi Wall	Mitsubishi	MSZ A12 TV	Duty Manager Office	Landlord	2005
	Chiller	Aermec		Outside	Landlord	2017
EF 1	Roof	Temperzone	19IVJ	ACC Smoke Extract	Landlord	2001
EF 2	Roof	Temperzone	19IVJ	Equipment Room S/Extract	Landlord	2001
F1	Utility Rm	Woods	ICL/4	Ground Floor	Landlord	2009
F2	Toilet Ex	Woods	ILC 6	Ground Floor	Landlord	2009
SPAF 1	1st Floor	Woods	442558	ACC	Landlord	1989
SPAF 2	1st Floor	Woods	442558	Open Plan Office 1st Floor	Landlord	1989
TExF1	Toilet Ex	Woods	442556	Ground Floor	Landlord	1989
TExF1	Toilet Ex	Woods	442557	1st Floor	Landlord	1989

8.4 PHOTOGRAPHS

New Aermec chiller waiting to be installed


Old Multistack chillers


Typical CRAC


Air cooled CRAC condensers

8 MECHANICAL SERVICES

Outside air preconditioner

Aermec chillers – ADC

Heat relief fans – (suspected of being smoke relief)

Ceiling hung split unit

Cassette unit

Outdoor units

9 ELECTRICAL SERVICES

9.1 SUMMARY OF ISSUES & OBSERVATIONS

- Electrical services appear to be well maintained and in very good condition.
- Main switchboard (MSB) and distribution boards (DB) are generally in good condition and should not require attention until the extended reporting period.
- Emergency power generators are tenant property and are virtually new and should not require attention outside normal maintenance within the reporting period.
- The UPS installations is the property of the tenant.
- Emergency lighting appears conforming but there is some need for additional exit signage to promote the egress paths.

9.2 GENERAL DESCRIPTION

- There are two 500kVA transformers feeding the site one is dedicated to the non-essential services in both buildings but with a manual changeover switching to allow the transformer to also feed essential services. The second is dedicated solely to essential services.
- Two Volvo 290kVA emergency power generators (EPG) supply the MSB. The EPG's are tenant property and are relatively new and are installed in plantrooms at the rear of the Andy Herd Building.
- There are Uninterruptable Power Supplies (UPS) in each building. The UPS is owned by the tenant and the capacity is unknown.
- All essential services supplies are configured as A & B supplies giving 100% redundancy or N+N.
- The main switchboard is located in the plantroom of building 1 as well as building 2. The MSB's are configured as A & B feeds that distribute power to the loads throughout the buildings.
- Distribution boards (DB) are located throughout the buildings. Some simply distribute light and general power while others are dedicated to specific tasks.
- Lighting is generally by twin tube fluorescent luminaires recessed in the ceiling.
- Emergency lighting and exist signage is provided.
- Security and access control is provided but that is a tenant asset.
- Communications facilities are extensive as is required by the nature of the building use.

9 ELECTRICAL SERVICES

9.3 PHOTOGRAPHS

Transformer

Transformer

MSB

UPS and Batteries (Tanat owned)

EPG 1 (Tenant owned)

Automatic transfer switch cabinet

9 ELECTRICAL SERVICES

EPG 2 (Tenant owned)

Distribution board – bespoke to the tenant

Typical DB

Typical lighting

Fuel facility for EPG (Tanant owned)

Typical DB

10 FIRE SERVICES

10.1 SUMMARY OF ISSUES & OBSERVATIONS

- Fire services appear in very good condition and well maintained.
- The FIP will need to be replaced in the long term and most probably in the extended period as well.
- Boosters and sprinkler valves will need to be overhauled in the long term and extended period.
- Hydrants will need overhaul in the long term and extended period.
- The sprinkler storage tank will need attention in the extended period.

10.2 GENERAL DESCRIPTION

- Fire services comprise:
  - Fire indicator panel (FIP) located in the foyer of building 1. The panel appears to be reasonably old.
  - Sprinklers throughout both buildings with booster connections and valves located at ground level. It was noted that wet sprinklers are also protecting the mission critical areas.
  - A storage tank at ground level for sprinklers in the building 1
  - Smoke detectors throughout the buildings.
  - Equipment rooms (Computers) are protected by VESDA early warning alarms which we understand is property of the Tenant.
  - Hosereels are located throughout the buildings.
  - Hydrants are provided throughout the buildings.

10.3 PHOTOGRAPHS

FIP

Booster connections

10 FIRE SERVICES

Sprinkler valve set

Sprinkler valve set

Storage tank

VESDA (Tenant owned)

Smoke detector

Sprinklers

11 HYDRAULIC SERVICES

11.1 SUMMARY OF ISSUES & OBSERVATIONS

- Hydraulic services appear in reasonable condition with reasonable maintenance.
- The two header tanks on the roof of the building will need to be replaced in the medium term.
- Hot water system will need to be replaced as they fail.

11.2 GENERAL DESCRIPTION

- Water is supplied to the building from street mains on Sir William Pickering Drive.
- Cold water is stored in two tanks on the roof of the Building 2. The tanks appear to provide head for the building.
- Storm water is gravity drains to street mains.
- Sewage is gravity drained to street mains.
- Hot water is generated locally by electric cisterns.

11.3 PHOTOGRAPHS

Cold water header tank

Typical hot water system

12 VERTICAL TRANSPORTATION SERVICES

12.1 SUMMARY OF ISSUES & OBSERVATIONS

- Both lifts are at the end of their economic life and while they should be overhauled or replaced in the short term they appear to be in a condition that should keep them viable until the medium term. When replacement is planned MRL lifts could be considered.

12.2 GENERAL DESCRIPTION

- There are two lifts on the site. One in each building.
  - The lift within building 2 is a F L Jones hydraulic lift serving two floors with a capacity of 2500kg or 36 people. The lift is from original construction.
  - Building 1 has a hydraulic lift serving two floors with a capacity of 780kg or 11 people.

12.3 PHOTOGRAPHS

B2 - lift

B2 - lift car

B1 - lift

B1 - lift car

B2 - oil tank & pump

B1 - oil tank & pump

ATTACHMENT 1 CAPITAL EXPENDITURE REPORT

Our cost estimates associated with due diligence are generally concerned with capital expenditure (CAPEX) forecasts, normally reflecting a 10 year planning period, however as per specific request a 25 year CAPEX forecast has been included.

Hence, these estimates are indicative only and are provided as an "order of magnitude cost allowance" for specifically identified works. Items of work are often not fully described or detailed reflecting the high-level nature of the assessment, the amount of information available, a reasonable course of action, and the purpose for which they are prepared. We will consider and review any pre-existing CAPEX records or budgets, where they are made available.

Our CAPEX forecast also includes deferred repairs and maintenance (R&M) items which ought to have been carried out or should be planned for as a preventive measure. Routine repairs, maintenance and typical operational costs associated with the normal occupation and management of the asset are excluded unless otherwise stated.

Our costs are a present day estimate for undertaking the works as a stand-alone project and do not include the following (unless otherwise stated):

- preliminaries, builders' margins, overheads or contingencies;
- negotiated, staged or other special forms of contract;
- approval, consents or compliance orders;
- costs associated with the further investigations;
- professional/consultant fees for further investigation and testing, the design, documentation and the management of rectification works, or any resulting change in the scope of rectification works;
- costs associated with the relocation, temporary accommodation, disruption to business or loss of profit of the building owner or tenants;
- work outside site boundaries;
- work outside normal business hours;
- goods and services tax (GST); and
- future escalation.

Our cost estimates have been assessed on the basis of their likelihood (i.e. how likely is it that it will occur) and consequence (what is the impact if the event does occur). These two values are combined to give an overall 'risk rating' which as per the table below:

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Low	Moderate	High	High	High
Likely	Low	Moderate	Moderate	High	High
Possible	Low	Low	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Moderate	High

CAPITAL EXPENDITURE (CAPEX) FORECAST
20-28 SIR WILLIAM PICKERING DRIVE, BURNSIDE, CHRISTCHURCH, NZ

SUMMARY OF COSTS

SUMMARY BY ELEMENT

	Immediate (within 1 year)	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Extended Term (11-25 Years)	Total
STRUCTURE	$ -	$ -	$ -	$ -	$ 15,000	$ 15,000
BUILDING FABRIC	$ 3,500	$ -	$ -	$ -	$ 1,400,000	$ 1,403,500
EXTERNAL AREAS	$ -	$ -	$ -	$ -	$ 25,000	$ 25,000
MECHANICAL SERVICES	$ -	$ -	$ -	$ 175,000	$ 983,000	$ 1,158,000
ELECTRICAL SERVICES	$ -	$ 5,000	$ -	$ -	$ 300,000	$ 305,000
FIRE SERVICES	$ -	$ -	$ -	$ 45,000	$ 70,000	$ 115,000
HYDRAULICS SERVICES	$ -	$ -	$ 20,000	$ 10,000	$ 20,000	$ 50,000
VERTICAL TRANSPORTATION	$ -	$ -	$ 180,000	$ -	$ 180,000	$ 360,000
TOTAL	$ 3,500	$ 5,000	$ 200,000	$ 230,000	$ 2,993,000	$ 3,431,500

SUMMARY BY WORK TYPE

	Immediate (within 1 year)	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Extended Term (11-25 Years)	Total
R&M	$ 1,000	$ -	$ -	$ 85,000	$ 270,000	$ 356,000
CAP	$ 2,500	$ 5,000	$ 200,000	$ 145,000	$ 2,723,000	$ 3,075,500
TOTAL	$ 3,500	$ 5,000	$ 200,000	$ 230,000	$ 2,993,000	$ 3,431,500

SUMMARY BY RISK RATING

	Immediate (within 1 year)	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Extended Term (11-25 Years)	Total
HIGH	$ -	$ 5,000	$ -	$ -	$ -	$ 5,000
MODERATE	$ 2,500	$ -	$ 200,000	$ 230,000	$ 2,468,000	$ 2,900,500
LOW	$ 1,000	$ -	$ -	$ -	$ 525,000	$ 526,000
TOTAL	$ 3,500	$ 5,000	$ 200,000	$ 230,000	$ 2,993,000	$ 3,431,500

CAPITAL EXPENDITURE (CAPEX) FORECAST
20-28 Sir William Pickering Drive, Burnside, Christchurch, NZ

Item	Element / Description / Lo	Suggested Remedy	Work Type	Likelihood	Consequence	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Extended Term (11-25 years)	Total
1	STRUCTURE											
1.1	No major concerns identified.	None required currently although allowance to be made for full inspection in the extended period.	CAP	Possible	Moderate	Moderate	$ -	$ -	$ -	$ -	$ 15,000	**$ 15,000**
2	BUILDING FABRIC											
2.1	ROOFS											
2.1.1	Felt roof to building 1 will require replacement in the long term.	Replace felt roof coverings to building 1.	CAP	Possible	Moderate	Moderate	$ -	$ -	$ -	$ -	$ 135,000	**$ 135,000**
2.1.2	Static line anchor system has no tags.	Have system assessed and signed off or decommissioned	CAP	Possible	Moderate	Moderate	$ 2,500	$ -	$ -	$ -	$ -	**$ 2,500**
2.1.3	Single ply membrane to Building 2.	increased maintenance anticipated in the extended term	CAP	Possible	Moderate	Moderate	$ -	$ -	$ -	$ -	$ 75,000	**$ 75,000**
2.2	FACADES											
2.2.1	No major concerns identified.	None required.					$ -	$ -	$ -	$ -	$ -	**$ -**
2.2.2	Glazed curtain walling	Allow sum for overhaul of gaskets, joints and perishable items etc	R&M	Possible	Minor	Low	$ -	$ -	$ -	$ -	$ 10,000	**$ 10,000**
2.2.3	External decoration	Redecorate all external surfaces.	R&M	Likely	Moderate	Moderate	$ -	$ -	$ -	$ -	$ 150,000	**$ 150,000**
2.3	INTERIOR											
2.3.1	No major concerns identified.	None required.					$ -	$ -	$ -	$ -	$ -	**$ -**
2.3.2	Water damaged ceiling tiles.	Replace all water damaged ceiling tiles.	R&M	Likely	Insignificant	Low	$ 1,000	$ -	$ -	$ -	$ -	**$ 1,000**
2.3.3	Carpet/vinyl floor coverings.	Replace carpet/vinyl floor coverings to all buildings at end of economic life	CAP	Likely	Minor	Moderate	$ -	$ -	$ -	$ -	$ 515,000	**$ 515,000**
2.3.3	Suspended ceiling system	Replace suspended ceiling system at end of economic life	CAP	Possible	Minor	Low	$ -	$ -	$ -	$ -	$ 515,000	**$ 515,000**
3	EXTERNAL AREAS											
3.1	No major concerns identified.	Allow sum for carpark/road repairs in the extended term.	R&M	Likely	Minor	Moderate	$ -	$ -	$ -	$ -	$ 25,000	**$ 25,000**
4	MECHANICAL SERVICES											
4.01	Chillers	New plant currently being installed but will need to be replaced in the extended period due to refrigerant legislation	CAP	Likely	Moderate	Moderate	$ -	$ -	$ -	$ -	$ 150,000	**$ 150,000**

CAPITAL EXPENDITURE (CAPEX) FORECAST
20-28 Sir William Pickering Drive, Burnside, Christchurch, NZ

Item	Element / Description / Lo	Suggested Remedy	Work Type	Likelihood	Consequence	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Extended Term (11-25 years)	Total
4.02	Chillers	Replace the Aermec chiller in AHB	CAP	Likely	Moderate	Moderate	$ -	$ -	$ -	$ -	$ 100,000	**$ 100,000**
4.03	Process Cooling / CRAC Units	CRAC units appear in good condition but will need overhauled in the long and extended term.	CAP	Likely	Moderate	Moderate	$ -	$ -	$ -	$ 100,000	$ 350,000	**$ 450,000**
4.04	VRV air conditioning plant	VRV plant appears in good condition, practically new. Replacement will be needed in the extended reporting period. Costs based on 91.5% landlord ownership.	CAP	Possible	Moderate	Moderate	$ -	$ -	$ -	$ -	$ 183,000	**$ 183,000**
4.05	OA units	Overhaul in the long term	R&M	Likely	Minor	Moderate	$ -	$ -	$ -	$ 40,000	$ 40,000	**$ 80,000**
4.06	Ventilation systems	Ventilation systems such as toilets, amenities, etc, will need attention within the reporting period	CAP	Likely	Minor	Moderate	$ -	$ -	$ -	$ 10,000	$ 10,000	**$ 20,000**
4.07	Other packaged AC plant	Replace as the units fail	CAP	Likely	Moderate	Moderate	$ -	$ -	$ -	$ 25,000	$ 150,000	**$ 175,000**
5	ELECTRICAL SERVICES											
5.01	MSB's	Overhaul at the end of economic life	CAP	Likely	Moderate	Moderate	$ -	$ -	$ -	$ -	$ 100,000	**$ 100,000**
5.02	DB's	Overhaul at the end of economic life	CAP	Likely	Moderate	Moderate	$ -	$ -	$ -	$ -	$ 200,000	**$ 200,000**
5.03	Emergency lighting	Appears acceptable and conforming					$ -	$ -	$ -	$ -	$ -	**$ -**
5.04	Exit signage	Some concerns with exit signage locations	CAP	Likely	Major	High	$ -	$ 5,000	$ -	$ -	$ -	**$ 5,000**
6	FIRE SERVICES											
6.01	FIP	Replace at the end of economic life	R&M	Likely	Moderate	Moderate	$ -	$ -	$ -	$ 25,000	$ 25,000	**$ 50,000**
6.02	Boosters and Valve sets	Overhaul in the long term	R&M	Likely	Moderate	Moderate	$ -	$ -	$ -	$ 10,000	$ 10,000	**$ 20,000**
6.03	Hydrants	Overhaul in the long term	R&M	Likely	Moderate	Moderate	$ -	$ -	$ -	$ 10,000	$ 10,000	**$ 20,000**
6.04	Sprinkler tank	Replace the tank in the extended period	CAP	Likely	Moderate	Moderate	$ -	$ -	$ -		$ 25,000	**$ 25,000**
7	HYDRAULICS SERVICES											
7.01	Water header tanks	Replace the tanks on the roof	CAP	Likely	Minor	Moderate	$ -	$ -	$ 10,000	$ -	$ -	**$ 10,000**
7.02	Hot water systems	Replace as they fail	CAP	Likely	Moderate	Moderate	$ -	$ -	$ 10,000	$ 10,000	$ 20,000	**$ 40,000**
8	VERTICAL TRANSPORTATION											
8.01	Lifts	Overhaul at the end of economic life.	CAP	Likely	Moderate	Moderate	$ -	$ -	$ 180,000	$ -	$ 180,000	**$ 360,000**
						TOTAL	$ 3,500	$ 5,000	$ 200,000	$ 230,000	$ 2,993,000	$ 3,431,500

ATTACHMENT 2 EXCLUSIONS & QUALIFICATIONS

Although we will undertake as thorough and detailed an inspection as possible, our report will be subject to the following standard limitations.

- Parts of the building built in, covered up or otherwise made inaccessible during the inspection have not been inspected. This generally relates to ceiling voids, wall cavities and service risers. Therefore, we are unable to comment as to whether such elements are free from defect or infestation.
- Areas or building components that are covered up or permanently enclosed will not be inspected. Where risks exist in this regard, we will point these out and recommend opening up of the structure or fabric where this is merited to inspect such areas.
- As part of a typical survey inspection we endeavour to inspect all roof areas where safe access was provided, facades from ground level or other safe vantage points, the principle base building plant rooms and back of house areas and a reflective sample of the common areas and lettable office areas.
- Where a variety of multiple units are inspected, a random selection of each type of unit was inspected and used for the basis for this report. We have not prepared an exhaustive list of those minor defects or imperfections thought not to have a material bearing upon the proposed interest.
- We have not undertaken any work of a specific engineering nature, such as engineering calculations, structural analysis, testing or measurements as the report reflects our interpretation of the condition of the building as apparent from the inspection.
- Building services have been visually inspected where exposed to view only. No internal inspections have been undertaken of plant, equipment and machinery or where services are covered up or hidden by the building structural element or finishes. Building services have not been tested and no design calculations have been undertaken. If it is though that a specific service or building element requires further testing or inspection, we will advise of this requirement. Further fees may be chargeable for these services if the visual inspection identifies areas of concern that require further intrusive investigation.
- The property has not been inspected specifically for termite infestation and we would only report on such if termite evidence was apparent during our inspection.
- This report is not a certification, a warranty or guarantee and has been scoped in accordance with the instructions given and the time allowed.
- The scope of the report is described within the body of this proposal and disciplines not specifically mentioned are excluded from this report.
- The report has been prepared for the benefit of the instructing entity only. This report is not to be reproduced, in whole or in part, without the express written authorisation of CBRE. The report may not be relied upon by any third party.
- No allowance has been made to provide vertical access equipment to allow for safe inspection of the roof. If there is a requirement for vertical access equipment, the cost will be charged in addition to the agreed fee. A 15% surcharge will apply.
- In regard to the services portion of this report, we have assumed that the services associated with the existing internal fit out are the tenant's responsibility and as such are not to be included within our review.
- Within this report, unless otherwise stated, we have commented on the condition of the property at the time of our inspection only, and we cannot guarantee that the property may be subject to damage or other adverse event following our inspection.
- Our investigation and report does not waive or relieve the project design team or contractor from their statutory and design obligations under their respective contracts.

ATTACHMENT 3 TERMS & CONDITIONS

In this Attachment:

Company means CBRE (A) Pty Limited ACN.

GST and Tax Invoice have the meanings given to those terms in A New Tax Systems (Goods and Services) Tax 1999

1. Instructing Party's Obligation to Assist

The Instructing Party agrees to provide all reasonable assistance to the Company to allow the Company to complete this instruction including providing all relevant documents and/or information the Instructing Party knows or ought reasonably to know will so assist the Company, at its own cost and in a timely fashion, including but not limited to:

- all information which the Company requests from time to time for the performance of the Services;
- reasonable access to the property/properties and to the Instructing Party's premises (if relevant) for the purpose of providing the Services.

The Instructing Party warrants that such information is complete and accurate.

2. Fees and Disbursements

The Company is entitled to be paid the Agreed Fee and the disbursements by the Instructing Party in consideration of the Company performing the Services.

The Company may invoice the Instructing Party for its reasonable out of pocket expenses incurred by the Company in the provision of the Services including travel, subsistence and document handling costs such as courier charges.

The Instructing Party must pay each Tax Invoice issued to it by the Company within 14 days of the date that the Instructing Party issues the Tax Invoice. A late payment fee of 2% per month (or part thereof) for any overdue amount may be charged by the Company.

All legal and debt recovery costs which the Company may incur in recovering overdue account balances from the Instructing Party will be fully recoverable from the Instructing Party as and when incurred.

3. Suspension of Services

The Company has the right to suspend its engagement where the Instructing Party fails to pay any invoiced fees and disbursements within the required time frame, by giving the Instructing Party seven days' notice in writing.

Should the engagement be suspended by the Company, all obligations by the Company to the Instructing Party cease to exist and, furthermore, all intellectual property that the Company receives from the Instructing Party prior to the engagement being suspended becomes the property of the Company and, unless otherwise agreed, the Company shall be free to use this information and value the property for any other party.

4. Return of Document

The Instructing Party agrees that the Company keep all papers and documents until the Agreed Fee and disbursements have been paid.

5. Intellectual Property

Any pre-existing intellectual property, which is recognised under any law, Copyright in any written work, drawing, compilation, table, graph and similar works created by or on behalf of the Company belongs to the Company.

6. Variation

The Terms of Engagement may only be varied in writing by mutual agreement of the parties.

7. Privacy Act

Any personal information collected and held by the Company in the course of providing the Services will only be used for purposes relating to the provision of services. More information about the manner in which the Company handles personal information is described in its privacy policy.

8. Assumptions and Reliance

The Instructing Party acknowledges that the Company:

(a) will not verify the accuracy or completeness of information or materials provided to the Company;

(b) the Services and any materials produced in the course of providing the Services are for the benefit of the Instructing Party and may not be relied on by any other party.

9. Indemnity

The Instructing Party indemnifies the Company against any liability, expense, loss, damage and cost in connection with a breach of the warranty given to the Company in paragraph 2.

ATTACHMENT 3 TERMS & CONDITIONS

10. Termination

Either party may terminate the Terms of Engagement by giving the other party at least 30 days' notice.

11. Current

Any materials including reports prepared in the course of the Services are current at the date of the production of the materials or date of report.

12. GST

Unless otherwise stated, all amounts payable are exclusive of GST. GST is payable by the Instructing Party in addition to the Agreed Fee, disbursements and any other moneys payable under the Terms of Engagement and the GST is payable at the same time as the amounts under the Company's Tax Invoice is payable.

13. Survival

Paragraphs 2 & 10 survive termination of the Terms of Engagement.

14. Assignment

The Instructing Party may not assign, novate, subcontract or transfer any part of this Terms of Engagement.

15. Application of clause

This paragraph 16 does not exclude or modify any condition or warranty implied into this Agreement, or any liability imposed on the Company, by law (including under the Trade Practices Act 1974 (Cth)), if to do so would contravene the law or make any part of this paragraph 16 void.

16. Exclusion of implied conditions and warranties

Subject to paragraph 16 the Company:

(a) excludes any condition or warranty implied into this Terms of Engagement; and

(b) limits its liability for breach of any implied condition or warranty that it cannot exclude to resupplying the Services, or paying the cost of having those services resupplied.

17. Entirety of Terms of Engagement

These Terms of Engagement:

a) constitute the entire understanding and agreement of the parties relating to the matters dealt within in;

b) supersedes and extinguishes all prior agreements, statements, representations and understandings whether verbal or written between us relating to and the Services;

c) is confidential (except where required to be disclosed by law).

18. Limitation of Liability

The Company accepts no responsibility or liability whatsoever for the Services unless full disclosure of all information likely to affect the valuation has been made.

Conditions, warranties or other rights for the Instructing Party's benefit may be implied or given in respect of these terms and conditions by Competition and Consumer Act 2010 (Cth), the Fair Trading Act 1986 (NZ) (as relevant) or other laws. Where it is not lawful or possible to exclude them, then those conditions, warranties or other laws apply but only to the extent required by law.

All other implied conditions, warranties and rights together with any implied by custom or other circumstances are excluded.

The Company limits its liability for breach of any implied condition, warranty or right to the extent allowed by law. Subject to the qualifications in the Competition and Consumer Act 2010 (Cth) or in other laws, the Company's liability for any breach of any such implied condition, warranty or right is limited in the case of services supplied to one of the following as the Company may determine:

- the supplying of the Services again; or
- the payment of the cost of having the Services supplied again.

Subject to the provisions of this clause and despite any implication arising from any other clauses of this agreement, the Company is not liable in contract or in tort for or in respect of any direct or indirect loss or damage suffered by the Instructing Party or any other person arising out of any breach or other act or omission in connection with its engagement, or for the acts or omissions, or any loss caused thereby, of the environmental consultant or any other sub-contractors used in the course of providing the Services.

Indirect loss includes, without limitation, any financial loss or expense including where caused by loss of use or of goodwill, loss of data or delay in the performance of any obligation together with any expense incurred in connection with that loss or in litigation or attempted litigation of that loss.