

CBRE BUILDING CONSULTANCY

TECHNICAL DUE DILIGENCE REPORT

Castle Rock Business Park

Mary Muller Drive

Hillsborough

Christchurch

Reliant Party: Augusta Industrial Fund No. 1 Ltd

Date: 14th September 2018

Ref: 49215711

CBRE

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Property Guru Image

1. EXECUTIVE SUMMARY

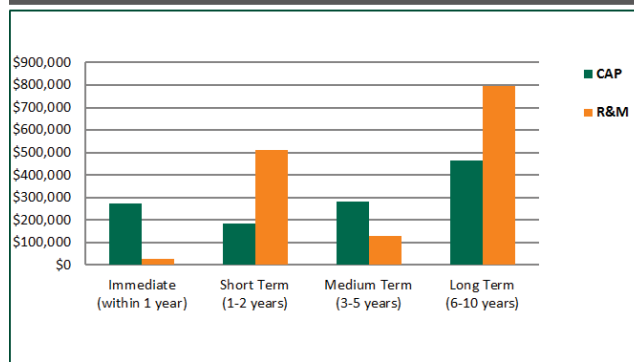
The subject property is a business park comprising 13 buildings around a cul-de-sac on the outskirts of Christchurch. The buildings, dating from early 2000s to 2016, have a variety of styles, with most constructed as portal frame warehouses with adjoining office accommodation. No major concerns identified; however, some outstanding repair and maintenance is required, along with life cycle replacement of building services.

ELEMENT	COMMENTS / RECOMMENDATIONS	CONDITION
Structure	NBS ratings range from 50% to 100%. No major issues identified. Minor structural movement noted to Unit 10A, requiring investigations and repair.	Good
Fabric	Hairline cracking to pre-cast wall panels, allowing isolated water ingress. Minor repairs required to roofs and floor slabs. Some internal areas require refurbishment, plus works to improve subdivision between tenancies.	Good
External Areas	Relatively minor defects noted with only minor and cyclical repairs required to areas of cracking and settlement.	Good
Mechanical	No concerns were noticed as most plant is relatively new. The systems are basic relying upon packed equipment.	Fair
Electrical	No concerns noticed with the exception of Unit 10a, which has been subdivided, with no modifications to the electrical infrastructure.	Fair
Fire	The only concern other than normal overhaul requirements is the inter tenancy wall in Unit 11 warehouse. The wall is not fire rated.	Good
Hydraulics	No concerns, but hot water cisterns will need to be replaced as they fail.	Good

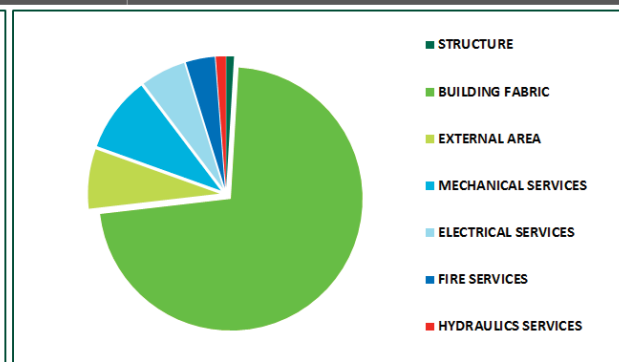
FINANCIAL SUMMARY

	Immediate	Short Term (1-2 years)	Medium Term (3-5 years)	Long Term (6-10 years)	Total
1.0 STRUCTURE	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
2.0 BUILDING FABRIC	\$ 250,000	\$ 565,500	\$ 187,500	\$ 919,500	\$ 1,922,500
3.0 EXTERNAL AREA	\$ -	\$ 40,500	\$ 38,500	\$ 115,500	\$ 194,500
4.0 MECHANICAL SERVICES	\$ -	\$ 20,000	\$ 185,000	\$ 40,000	\$ 245,000
5.0 ELECTRICAL SERVICES	\$ 25,000	\$ 17,000	\$ -	\$ 105,000	\$ 147,000
6.0 FIRE SERVICES	\$ -	\$ 50,000	\$ -	\$ 45,000	\$ 95,000
7.0 HYDRAULICS SERVICES	\$ -	\$ -	\$ -	\$ 32,500	\$ 32,500
TOTALS	\$ 300,000	\$ 693,000	\$ 411,000	\$ 1,257,500	\$ 2,661,500

TIMELINE



ELEMENTAL



2. SYNOPSIS

2.1 INSTRUCTIONS

- Instructions:**
- Written instructions received from
 - Augusta Funds Management Limited
 - Instruction established from proposal issued 13/08/18.
- Assessment**
- Technical Due Diligence review of:
- Request:**
- Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch
- Reliant Party**
- Augusta Industrial Fund No 1 Limited
- CBRE Reference:**
- 49215711
- Scope of service:**
- Structure.
 - Building Fabric (roofs, facades & interior).
 - External Areas.
 - Building Services (Mechanical, Electrical, Fire, Hydraulic).
 - 10 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.
 - Pertinent documentation relied upon in the preparation of this report have been referenced within the main body of the report.
- Discussions with others**
- During our site inspection, short discussions were held with some of the occupational tenants, to gain insight into previous defects, repair regimes etc. No discussions have been held with the vendor.
- 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 Ltd (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 Party 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 in New Zealand.
- Inspection:** ▪ The inspection was carried out on 27th and 28th August 2018.
 ▪ No inspection of the roofs was possible, with the exception of the flat roof area of Unit 11.
- Orientation:** ▪ References to the left and right-hand side assume the reader is facing the front elevation of the individual building. Each building is deemed to have its front elevation facing Mary Muller Drive, with the exception of 10A Chapmans Road, which faces Chapmans Road.
- Weather:** ▪ The weather at the time of inspection was fine, with high cloud.
- Limitations:** ▪ Refer to the Attachments for our standard reporting Exclusions & Qualifications and Terms & Conditions.
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4. BUILDING DESCRIPTION

4.1 GENERAL

- Use:**
- Industrial and office use. One unit in use as a café (retail).
- Configuration:**
- The business park comprises 13 buildings arranged around Mary Muller Drive, a cul-de-sac in an edge of town location in Christchurch. The buildings are primarily detached and single occupied, although two buildings adjoin each other and three of the buildings accommodate two tenancies. The majority of the properties are in use as light industrial/warehouse, with three of the smaller units comprising office accommodation only. Unit 21 is a small café that serves the business park and adjacent light industrial property.
 - The industrial buildings are generally constructed with steel portal frames supporting low pitched roofs with profile steel roof coverings. External walls of the units are primarily formed of pre-cast concrete panels, although some buildings incorporate profiled steel cladding. Office buildings are generally formed with pre-cast concrete panel walls with elements of steel framing supporting low pitched roofs with profile steel roof coverings.
 - The buildings date from the early 2000s to around 2016 and have generally been developed from the Chapman Road end of the cul-de-sac. The business park now appears to be fully developed. We anticipate that the majority of buildings have been designed and fitted out bespoke for each occupier.
 - Each of the units is provided with a car parking area to the front or side of the property, with service yard provision of varying sizes relative to the occupier's requirements.
 - Building services to the properties generally comprise split system air conditioning and fluorescent lighting to offices, high bay lighting in warehouse areas, with fire alarms to all units and, where necessary, sprinkler systems.
- Age:**
- The Information Memorandum (IM) received confirmed that the buildings have been developed from the early 2000s onwards.
- Floor Area:**
- The Information Memorandum (IM) received confirms the total floor area of the units is 32,539 sqm.
- Legal description:**
- Lot 2 (DP 392999).
- Site area:**
- The Information Memorandum (IM) received stated this as 7.9456 hectares.
- Surrounds:**
- Similar light industrial properties.
- Comments:**
- The relevant documentation received from the vendor's agents includes a site plan, floor layout plans and minimal warranty documentation. We have not received any documents confirming the NBS ratings of the buildings.

4.2 BUILDING ELEMENTS

- Substructure**
- The drawings received from the vendor's agents are General Arrangement drawings only, with no details of the substructure. From our inspection of the superstructure and from our experience, we anticipate that piled foundations are used to support the columns of the portal frames, together with shallow strip foundations to concrete panels and/or external wall constructions. The ground floor slabs are likely to be cast in-situ as ground bearing reinforced floor slabs, possibly on gravel rafts for the later buildings within the business park.
- Superstructure**
- The warehouse areas are generally constructed with steel portal frames offering clear spans in the transverse direction. The rafters of the portal frames support steel roof purlins, which in turn support the roof sheeting. In the later buildings, diagonal bracing is incorporated into the roof structure, and in areas where steel cladding is used rather than pre-cast external walls, diagonal bracing is incorporated within the columns of the external wall construction.
 - The office buildings, whether detached or adjoining warehouse areas, are generally constructed from pre-cast concrete external wall panels, with an element of steel framing, supporting similar shallow pitched roofs to those used in the warehouse areas. In contrast to the remaining buildings on the site, Unit 17 is constructed primarily with steel profiled wall cladding, with pre-cast concrete used only to the rear elevation.
- Roofs**
- We were unable to inspect at roof level to all areas, with the exception of the flat roof area of Unit 11. This vantage point revealed that the roof sheeting to the main wings of Unit 11 is formed as trapezoidal profiled steel sheet covering, draining to butynol lined box gutters. We suspect that similar roof sheeting is used for the remainder of the buildings on site. Our internal inspections revealed that the majority of the units incorporate roof lights formed in glass reinforced plastic (GRP) or similar material.
 - Rain water goods to drain the roof areas are generally formed of UPVC external hoppers and downpipes to warehouse areas, with internal downpipes used to office areas.
 - Canopy roofs, where present, are generally formed with steel framing and profiled steel sheeting to warehouse areas. Office entrance canopies comprise a variety of steel/glass, decorative steel, or flat canopies with fibre cement soffits.
 - The flat roof area of the ground floor office of Unit 11 incorporates a liquid applied membrane to the flat concrete roof deck.
- Facades**
- Pre-cast panels to warehouse areas are generally provided with a paint finish (generally white) to the front or more visible elevations. Rear elevations are primarily undecorated/natural finished.
 - Office pre-cast wall panels are all provided with a paint finish, primarily in white, although some units are decorated in grey or black paint finish.

- Profiled steel sheet wall cladding is used to some warehouse areas and also to the office area of Unit 17, part of Unit 10A Chapmans Road and Unit 2.
- The two storey office building of Unit 14 is primarily clad with decorative external plywood. Small areas of decorated fibre cement panels are also used around the business park.
- Windows to the buildings are generally single glazed aluminium framed windows to the older properties on the site, with some newer units incorporating similar double glazed windows.
- Roller shutter doors to warehouse areas are generally automated. Entrance doors to offices are typically formed in aluminium framed glazing to match the windows. Personnel and egress doors to warehouse areas are typically formed in solid timber.

Interiors

- Warehouse areas primarily feature undecorated/natural finished external wall panels, although these are provided with a paint finish in a small number of tenancies.
- Floor slabs are generally seal finished with a small number of tenancies where a paint finish is provided in accordance with the occupier's requirements.
- Amenity areas in the warehouses generally comprise simple WC and ancillary accommodation.
- Office areas include provision of WCs and staff/kitchenette areas.
- Office areas feature a variety of internal subdivision, the majority of which we expect has been constructed as part of the base build, rather than as tenant fitout items.
- Office areas generally incorporate suspended grid ceilings with recessed building services, emulsion painted perimeter walls, a mixture of painted solid partitions and glazed partitions, with carpet tile floor coverings. Some units have a higher specification finishes within the reception areas.

Externals

- Car parking areas are generally surfaced with asphalt, provided with white lining and surrounded with pre-cast concrete kerbs.
- Service yard areas are asphalt, although some areas are surfaced with concrete, particularly to the larger units. The service yard to Unit 9 incorporates a sloping area ramped down to facilitate level access for trucks to the dock levellers.
- Soft landscaping, incorporating a variety of trees, bushes, shrubs and grassed areas, is provided around all units.
- Boundary fencing generally comprises steel chain-link fencing. A small number of bike stores are provided to some of the units on site.
- A totem style estate sign, listing the occupiers, is situated at the junction of Chapmans Road and Mary Muller Drive.

4.3 BUILDING SERVICES

- Mechanical:**
- Site Wide
 - There are no site wide mechanical services. We note that air conditioning systems are generally maintained by the landlord.
 - Unit 10a – Vacant & Elgas
 - Temperzone ducted split units serve the two tenancies with condensers located at ground level and fan coils in the ceiling.
 - Amenities are ventilated.
 - Unit 2 – AMS
 - Temperzone ducted split units serve the office with condensers located at ground level and fan coils in the ceiling.
 - Warehouse amenities are ventilated.
 - Unit 4 – Macpac
 - The office is air conditioned by wall hung split units, cassettes, etc.
 - Warehouse amenities are ventilated.
 - Unit 6 – Kiwi Labels
 - There is no air conditioning.
 - Amenities are ventilated.
 - Unit 8 - CGI
 - The air conditioning is predominantly ducted split units supported by local cassette units. The fan coils are located in the ceiling void and condenser on the roof.
 - Amenities are ventilated.
 - Unit 9 – Asalea-care
 - The office air conditioning is predominantly Daikin split ducted systems supported by wall hung splits. The condensers are located at ground level beside the office and fan coils are in the ceiling voids.
 - Amenities in the office and warehouse are ventilated.
 - Unit 10 – Wormald / Johnson Controls
 - The office air conditioning is by Mitsubishi ducted split units supported by wall hung splits. The condensers are on wall brackets in the yard area and the fan coils in the ceiling space.
 - Amenities in the office and warehouse are ventilated.
 - Unit 11 – Longbeach Apparel
 - Two separate systems of Mitsubishi VRF air conditioning serve the building supported by split wall hung units. The condensers are located at ground level on either side of the building and the fan coils are in the ceiling void.
 - Amenities in the office and warehouse are ventilated.
 - Unit 12 - Xtendlife
 - The office is air conditioned by Daikin ducted split units supported by wall hung units. Fan coils are located in the ceiling void and condenser at ground level.

- There is refrigerated space for the tenant's process with forced draught coolers in the rooms and condenser at the rear of the building.
 - Some cooling plant serves the process also.
 - Amenities are ventilated.
 - Ventilation systems also serve the process.
- Unit 14 – Tyco Electronics
 - The office is air conditioned by ducted split units supported by wall hung splits. The fan coils are located in the ceiling voids and condensers at ground level.
 - The factory is cooled by two rooftop packaged units on roof platforms with insulated ductwork exposed within the space.
 - Amenities are ventilated.
- Unit 15 – TSB Living
 - No air conditioning was noticed in the office.
 - The warehouse has roof top packaged units discharging conditioned air into the warehouse through multidirectional distribution pods at high level.
 - There are several Temperzone split ducted systems in the warehouse that appear to be decommissioned.
 - Amenities are ventilated.
- Unit 15 - Nood
 - No mechanical services
- Unit 17 Johnson Controls
 - The offices are air conditioned by ducted split systems with fan coils in the ceiling void and condensers on the roof.
 - Amenities are ventilated.
- Unit 21 – Castle Rock Cafe
 - A wall hung split unit serves the dining area.
 - A kitchen exhaust hood is provided.
 - Amenities are ventilated.

Electrical:

- Site Wide
 - The site is served by a series of transformer substations as what appears to be a ring main that is on the supply authority side. Transformers are an array of 300kVA through to 750kVA with HV/LV switchgear distributing power to the various building main switchboards (MSB) by underground consumer mains.
- Unit 10a – Vacant & Elgas
 - Power feed is from a pillbox at the boundary.
 - The MSB is located in the Elgas tenancy and feeds both that tenancy and the vacant tenancy.
 - Lighting is by recessed fluorescent luminaires.
 - Emergency lighting and exit signage is provided.
- Unit 2 – AMS
 - Power feed is from a pillbox at the boundary.
 - The MSB is in the tenancy and feeds both that office and warehouse.

- Lighting is by recessed fluorescent luminaires.
- Emergency lighting and exit signage is provided.
- Unit 4 – Macpac
 - Power feed is from a pillbox at the boundary.
 - The MSB is in the warehouse and feeds both the office and warehouse.
 - Lighting is by recessed fluorescent luminaires.
 - Emergency lighting and exit signage is provided.
- Unit 6 – Kiwi Labels
 - Power feed is from a pillbox at the boundary.
 - The MSB in warehouse and feeds both the office and warehouse.
 - Lighting is by recessed fluorescent luminaires.
 - Emergency lighting and exit signage is provided.
- Unit 8 - CGI
 - Power feed is from a pillbox at the boundary.
 - The MSB in the office.
 - Lighting is by recessed fluorescent luminaires.
 - Emergency lighting and exit signage is provided.
- Unit 9 – Asalea-care
 - Power feed is from a pillbox at the boundary.
 - The MSB in warehouse and feeds both the office and warehouse.
 - Lighting is by recessed fluorescent luminaires in the office and LED high bay luminaires in the warehouse.
 - Emergency lighting and exit signage is provided.
- Unit 10 – Wormald / Johnson Controls
 - Power feed is from a pillbox at the boundary.
 - The MSB in the office.
 - Lighting is by recessed fluorescent luminaires.
 - Emergency lighting and exit signage is provided.
- Unit 11 – Longbeach Apparel
 - Power feed is from a pillbox at the boundary.
 - The MSB in the office.
 - Lighting is by recessed fluorescent luminaires with LED technology.
 - Emergency lighting and exit signage is provided.
- Unit 12 - Xtendlife
 - Power feed is from a pillbox at the boundary.
 - The MSB in the workshop/factory with DB's for the office.
 - Lighting is by recessed fluorescent luminaires.
 - Emergency lighting and exit signage is provided.
- Unit 14 – Tyco Electronics
 - Power feed is from a pillbox at the boundary.
 - The MSB in the workshop/factory with DB's for the office.

- Lighting is by recessed fluorescent luminaires.
 - Emergency lighting and exit signage is provided.
 - Unit 15 – TSB Living
 - Power feed is from a pillbox at the boundary.
 - The MSB in the warehouse with DB's for the office. It seems the MSB also serves the Nood tenancy.
 - Lighting is by recessed fluorescent luminaires.
 - Emergency lighting and exit signage is provided.
 - Unit 15 - Nood
 - Power feed is from a the MSB in TSB Living.
 - The DB is in the warehouse.
 - Lighting is by high bay metal halide luminaires.
 - Emergency light is provided.
 - Unit 17 Johnson Controls
 - Power feed is from a pillbox at the boundary.
 - The MSB in the office.
 - Lighting is by recessed fluorescent luminaires with LED technology.
 - Emergency lighting and exit signage is provided.
 - Unit 21 – Castle Rock Cafe
 - Power is provided from a pill box.
 - Lighting is fluorescent.
 - There is no emergency lighting.
- Fire:**
- Site Wide
 - Hydrants valves are located in the street.
 - We note that the fire safety systems within the buildings are generally maintained by the tenant.
 - Unit 10a – Vacant & Elgas
 - Fire services is a call point only.
 - Unit 2 – AMS
 - FIP alarm panel to alert occupant of a fire condition,
 - Brigade booster connection,
 - Booster pumps,
 - Sprinklers throughout the office and warehouse,
 - Smoke alarms,
 - Hosereels.
 - Unit 4 – Macpac
 - FIP alarm panel to alert occupant of a fire condition,
 - Brigade booster connection,
 - Booster pumps,
 - Sprinklers throughout the office and warehouse,
 - Smoke alarms,

- Hosereels.
- Unit 6 – Kiwi Labels
 - FIP alarm panel to alert occupant of a fire condition,
 - Brigade booster connection,
 - Booster pumps,
 - Sprinklers throughout the office and warehouse,
 - Smoke alarms,
 - Hosereels.
- Unit 8 - CGI
 - FIP alarm panel to alert occupant of a fire condition,
 - Brigade booster connection,
 - Booster pumps,
 - Sprinklers throughout the office and warehouse,
 - Smoke alarms,
 - Hosereels.
- Unit 9 – Asalea-Care
 - FIP alarm panel to alert occupant of a fire condition,
 - Brigade booster connection,
 - Booster pumps,
 - Sprinklers throughout the office and warehouse,
 - Smoke alarms,
 - Hosereels.
- Unit 10 – Wormald / Johnson Controls
 - FIP alarm panel to alert occupant of a fire condition,
 - Brigade booster connection,
 - Sprinklers throughout the office and warehouse,
 - Smoke alarms,
 - Hosereels.
- Unit 11 – Longbeach Apparel
 - FIP alarm panel to alert occupant of a fire condition,
 - Brigade booster connection,
 - Booster pumps,
 - Sprinklers throughout the office and warehouse,
 - Smoke alarms,
 - Hosereels.
- Unit 12 - Xtendlife
 - FIP alarm panel to alert occupant of a fire condition,
 - Brigade booster connection,
 - Sprinklers throughout the office and warehouse,
 - Smoke alarms,
 - Hosereels.

- Unit 14 – Tyco Electronics
 - FIP alarm panel to alert occupant of a fire condition,
 - Brigade booster connection,
 - Sprinklers throughout the office and warehouse,
 - In rack sprinklers,
 - Smoke alarms,
 - Hosereels.
- Unit 15 – TSB Living
 - FIP alarm panel to alert occupant of a fire condition,
 - Smoke alarms,
 - Hosereels.
- Unit 15 - Nood
 - No fire services provided
- Unit 17 Johnson Controls
 - FIP alarm panel to alert occupant of a fire condition,
 - Smoke alarms,
 - Hosereels.
- Unit 21 – Castle Rock Cafe
 - No fire services provided.
- Hydraulics:
 - Unit 10a – Vacant & Elgas
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
 - Unit 2 – AMS
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
 - Unit 4 – Macpac
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
 - Unit 6 – Kiwi Labels
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
 - Unit 8 - CGI
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.

- Unit 9 – Asalea-care
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
- Unit 10 – Wormald / Johnson Controls
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
- Unit 11 – Longbeach Apparel
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
- Unit 12 - Xtendlife
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
- Unit 14 – Tyco Electronics
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
- Unit 15 – TSB Living
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns
 - Drainage is by gravity to the mains.
- Unit 15 - Nood
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
- Unit 17 Johnson Controls
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.
- Unit 21 – Castle Rock Cafe
 - Water is supplied to the building through underground mains,
 - Hot water is generated by local cisterns,
 - Drainage is by gravity to the mains.

4.4 SCHEDULE OF PLANT & EQUIPMENT

Item of plant	Number/Type	Date Installed	Condition
Office Air Conditioning	Various brands of split ducted or wall hung units	2000 – 2015	Good
Factory areas	Packaged air conditioning plant	2000 – 2015	Good
MSB's	Proprietary	2000 – 2015	Good
DB's	Proprietary	20000 – 2015	Good

5. COMMENTS & RECOMMENDATIONS

5.1 BUILDING ELEMENTS

Structure

- The Information Memorandum (IM) received states that the buildings have NBS ratings of between 67% and 100%, with the exception of Unit 6, which is at 50%. We have requested, but have not received, any ISA/DSA/DEEs to confirm this. CBRE highlights that any Engineering Reports provided by the vendor are not necessarily assignable to Augusta Funds Management and that you may wish to commission your own assessments or enquire with the vendor's provider whether the reports can be assigned for your benefit.
- We noted that building works were underway at Unit 6 at the time of our inspection and we were verbally informed that this included seismic strengthening. We recommend that enquiries are raised with the vendor regarding any proposed increase to the NBS rating that these works may achieve.
- We note evidence of repairs to the floor slab in Unit 17 (see photograph 40). Our enquiries with the tenant suggest that these repairs were undertaken after the 2011 earthquake and that all issues are now resolved. We recommend that the vendor should be asked to confirm that this is the case.
- We note minor cracking to a number of internal wall junctions with the southern elevation of Unit 10A (in the vacant portion of this building). Refer to photograph 43. It appears that there may have been rotational movement of the external wall. Refurbishment works are required in this vacant suite and we recommend that enquiries are raised with the vendor as to whether they are to implement any refurbishment works and whether repairs are to be undertaken to address the minor structural movement.
- We noted hairline cracking to a significant number of pre-cast panels around the site. However, this is not considered to be a structural issue, due to the presence of steel reinforcement bars. This defect is therefore discussed under the sub-heading Facades below.
- We noted relatively minor cracking to a number of floor slabs to the buildings around the site. It is not considered to be a structural issue and as such, this item is discussed under the sub-heading 'Interiors' below.

Roofs

- Our verbal enquiries with occupiers on site generally revealed a history of roof leaks, which have been resolved by the landlord. We were unable to inspect the majority of the roof areas during our survey, but we did note stained ceiling tiles including in Units 9 & 12 (refer to photograph 42).
- We recommend that allowance is made for ongoing maintenance to roof areas, to include clearance of gutters and rain water goods, checking fixings to roof sheeting and flashings, and reactive repairs to any leaks that do occur.

Facades

- Hairline cracking was noted to several units, particularly the older buildings, with the most significant cracking seen at Units 2, 4, 6, 12 & 15 (refer to photographs 26, 27 & 30). At Unit 12, the occupier reported that rain water had been penetrating through the cracks in the pre-cast panels, but that this defect had been resolved by the landlord through sealing the internal cracks (refer to photograph 29). We also noted that the external face of the front elevation of Unit 2 has been sheeted over with profile steel cladding. We suspect that this may have been to prevent water ingress through the cracking and also to conceal the cracking from view. Given the presence of

efflorescence within Units 2 & 4, we suspect that water is penetrating through the pre-cast panels. Most cracking noted on either internal or external faces of pre-cast panels is unlikely to penetrate through the full thickness of the panels.

- Repairs are required to be undertaken to Unit 4 to prevent water ingress through the panels. These repairs should be similar to those undertaken in Unit 12, which are reported as successful.
- Cracking to pre-cast panels in all units should be monitored over time for deterioration. We recommend that allowance is made for a quantity of resin crack repairs, particularly for the older buildings at the site.
- We noted evidence of water penetration through the copings at the head of pre-cast walls to Unit 4 (see photograph 24). We recommend that the flashing is checked and that fixings and sealants are renewed as necessary prior to remediation of the affected surfaces, to be undertaken in conjunction with cyclical redecoration.
- The external faces of pre-cast wall panels, where previously painted, will require cyclical redecoration. We recommend that sealant to joints between the concrete panels is renewed in conjunction with these works. Previously painted external doors should also be redecorated on the same cyclical basis.
- We noted that a number of external wall surfaces were soiled and require cleaning down. We have not included costs for this item in our capex forecast as this is considered to be an opex expenditure.
- We noted small areas of blown concrete to Unit 6, where building works were ongoing at the time of our inspection. We assume that these will be repaired by the landlord's contractor.
- We noted aluminium cladding panels to Units 10 & 14, which we suspect may be composite panels. We have requested information from the vendor's agent to determine the nature of the insulation material, to enable consideration of any fire risk.
- External redecoration is also required to areas of profiled steel cladding, fibre cement panels, decorative plywood (Unit 14) and several eaves soffits and canopies around the site.
- Roller shutter doors were not tested during our survey but our sample of verbal enquiries with occupiers suggest that these are all functional. We therefore do not anticipate any significant capex expenditure in this regard. Annual maintenance of automated roller shutters is excluded as an opex cost.
- We tested a small sample number of windows during our survey, all of which were found to be operational. We do not expect any significant expenditure in relation to the windows during the ten-year reporting period.

Interiors

- The warehouse floor slabs in each building exhibit a typical degree of minor cracking, impact damage at slab edges and general wear and tear. None of the cracking is considered to be structural significance. We recommend that allowance is made to undertake periodic repairs over and above any repairs that tenants may be responsible for through their lease provisions. Allowance should also be made to renew sealant to construction joints between the slabs.
- The internal faces of warehouse walls and also floor slabs are painted in some areas. It is assumed that redecoration of these items is a tenant responsibility, and this is therefore excluded from our capex forecast.
- The standard of finishes and fixtures in office areas varies from fair to good in the various buildings on site. We assume that tenants have redecoration obligations for

these areas and we have therefore excluded any such costs from our capex forecast. We recommend that allowance is made for periodic renewal of floor finishes, particularly for the older units, where replacement may be over and above the tenant's leasehold obligations.

- We noted that Unit 4 has a higher degree of wear and tear in its office areas. We have allowed a provisional sum for general refurbishment of the unit for offices. The Information Memorandum (IM) received suggests that the vendor is proposing to undertake a programme of works. This should be verified.
 - The standard of finishes and fixtures within amenity areas varies from fair to good in the various buildings on site. Again, we assume that tenants have redecoration obligations for these areas and we have excluded this from our capex forecast. We do recommend that allowance is made for renewal of vinyl floor finishes for a number of the units. We anticipate that a full refurbishment of WC areas will be needed during the reporting period in Units 4 & 15.
 - We highlight that the vacant tenancy area in Unit 10A Chapmans Road requires a general refurbishment to include stripping out of three quarter height partitions, replacement of ceiling tiles, full internal redecoration and partial renewal of floor finishes (refer to photograph 37). We have included a provisional sum allowance within our capex forecasting, although we recommend that you clarify with the vendor whether any works are to be undertaken. We also noted an apparent lack of fire separation between the two tenancies in Unit 10A and between the vacant portion of this building and the adjoining Unit 2. We recommend that the Fire Reports for these buildings are checked to establish the compliance status and we recommend that a provisional sum is allowed for passive fire works/upgrade works to the separating walls.
 - Unit 15 is currently occupied by two separate tenants and we note the subdivision of the units appear to have been undertaken informally. The inter-tenancy wall contains two roller shutters, which offers poor security and allows visibility between the two tenancies (refer to photograph 39). The dividing wall is not constructed as a fire separating wall. We recommend that the fire reports for the building are checked to establish whether this arrangement is compliant. We recommend upgrade of this wall at lease expiry/vacant possession.
 - Also in Unit 15, we noted apparent non-compliant egress from the WC area, where access cards are required to egress from this area into the adjoining warehouse. We suspect that this may be an alteration made to the building without building consent and we recommend that the vendor should be asked to comment upon this. We recommend that a sum is allowed for implementing revised, compliant egress arrangements in this area.
 - We note that Unit 11 is divided into two tenancies with a shared staff kitchen/café area. The shared access means that the two tenancies are not formally separated. Alteration works may be required at lease expiry to create separate kitchen/café areas for two tenants, in conjunction with works to physically subdivide the two tenancies. We recommend that a provisional sum is set aside for such works at lease expiry in 2022.
 - We anticipate that many of the units on site were designed and constructed to the bespoke requirements of each occupier. Tenants may therefore have limited reinstatement obligations at lease expiry. We anticipate that offices will typically not be returned to an open plan layout and we highlight that this may affect their marketability.
- Externals**
- We noted minor cracking to car park and service yards to a number of the units around the site (see photograph 46). We also noted areas of unevenness and settlement in the

footpath and car park areas (see photograph 47). We recommend that a sum is allowed for targeted cyclical repairs to these defects.

- We noted a number of cracked and broken concrete kerbs (refer to photograph 44), particularly adjacent to vehicle entrances around the site. We recommend a sum is allowed for targeted repairs for these defects.
- We noted an apparent issue with sewer drainage on site. There is a noticeable foul odour from Unit 21 (café) along Mary Muller Drive towards Unit 2. We anticipate that any repairs to the main sewer will be a City Council obligation. We recommend that the vendor is requested to comment on this item. We recommend that a sum is allowed for maintenance to the sewer drainage within the boundaries of the site.
- The storm water drainage system to the car parks and service yards will require cyclical maintenance. We have allowed a sum in our capex forecasting in this regard.
- We noted that the polished stone totem/tenancy directory signage exhibits horizontal cracking (refer to photograph 45). We recommend that this is monitored for any deterioration. We have allowed a sum for resin repairs to the cracks, should these become necessary.
- We did not note any significant defects to the chain-link fencing around the site. We have allowed a nominal sum for minor repairs to be undertaken on a cyclical, targeted basis.
- Soft landscaping around the site will require annual maintenance. This is excluded from our capex forecasting, since this is regarded as an operational cost.

5.2 BUILDING SERVICES

- Mechanical:**
- Unit 10a – Vacant & Elgas
 - The air conditioning plant is spread across both tenancies. There is a need to separate them so proper control can be achieved.
 - Unit 2 – AMS
 - No concerns noticed
 - Unit 4 – Macpac
 - No concerns noticed
 - Unit 6 – Kiwi Labels
 - No concerns noticed
 - Unit 8 - CGI
 - No concerns noticed
 - Unit 9 – Asalea-care
 - No concerns noticed
 - Unit 10 – Wormald / Johnson Controls
 - No concerns noticed
 - Unit 11 – Longbeach Apparel
 - No concerns noticed.
 - Air compressors and fume extraction plant apparently belong to the Landlord and will need attention within the reporting period.
 - Unit 12 - Xtendlife
 - No concerns noticed
 - Unit 14 – Tyco Electronics
 - No concerns noticed, but there is critical plant associated with the Tenant’s process that belongs to the Landlord. Overhaul will be need in the long term.
 - Unit 15 – TSB Living
 - The air conditioning plant will need replacement within the reporting period.
 - Warehouse plant appears to be both active and redundant. The active plant will need overhaul within the reporting period.
 - Unit 15 - Nood
 - No concerns noticed.
 - Unit 17 Johnson Controls
 - No concerns noticed but the plant is likely to need replacement within the reporting period.
 - Unit 21 – Castle Rock Cafe
 - No concerns noticed.

- Electrical:**
- Unit 10a – Vacant & Elgas
 - The MSB for the two tenancies is located in the Elgas tenancy with circuit feeds to the vacant tenancy. There is need for a new DB in the vacant tenancy with a metered feed from the existing MSB.
 - Security system will need to be upgraded in the long term.
 - Unit 2 – AMS
 - No concerns noticed
 - Exit signage is deficient in the warehouse. There is need for a sign at the end of each racking aisle.
 - Security system will need to be upgraded in the long term.
 - Unit 4 – Macpac
 - No concerns noticed
 - Exit signage is deficient in the warehouse. There is need for a sign at the end of each racking aisle.
 - Security system will need to be upgraded in the long term.
 - Unit 6 – Kiwi Labels
 - No concerns noticed
 - Exit signage is deficient in the warehouse. There is need for a sign at the end of each racking aisle.
 - Security system will need to be upgraded in the long term.
 - Unit 8 - CGI
 - No concerns noticed
 - Security system will need to be upgraded in the long term.
 - Unit 9 – Asalea-care
 - No concerns noticed
 - Security system will need to be upgraded in the long term.
 - Communications and radio frequency infrastructure are Landlord property and will need upgrade within the reporting period.
 - Unit 10 – Wormald / Johnson Controls
 - No concerns noticed
 - Security system will need to be upgraded in the long term.
 - Unit 11 – Longbeach Apparel
 - No concerns noticed
 - Security system will need to be upgraded in the long term.
 - Unit 12 - Xtendlife
 - No concerns noticed
 - Security system will need to be upgraded in the long term.
 - Unit 14 – Tyco Electronics
 - No concerns noticed
 - Security system will need to be upgraded in the long term.

-
- Unit 15 – TSB Living
 - No concerns noticed
 - Security system will need to be upgraded in the long term.
 - Unit 15 - Nood
 - The DB will need to be upgraded in the short term.
 - Unit 17 Johnson Controls
 - No concerns noticed
 - Security system will need to be upgraded in the long term.
 - Unit 21 – Castle Rock Cafe
 - No concerns noticed.
 - Fire:**
 - Unit 10a – Vacant & Elgas
 - Noting noticed
 - Unit 2 – AMS
 - No fire services
 - Unit 4 – Macpac
 - Nothing noticed.
 - Unit 6 – Kiwi Labels
 - Nothing noticed.
 - Unit 8 - CGI
 - Nothing noticed
 - Unit 9 – Asalea-care
 - Booster pumps, valves, etc. will need overhaul in the long term.
 - Unit 10 – Wormald / Johnson Controls
 - Fire services are in excess of code requirement but appear in good condition.
 - Unit 11 – Longbeach Apparel
 - Nothing noticed.
 - Unit 12 - Xtendlife
 - Nothing noticed.
 - Unit 14 – Tyco Electronics
 - Nothing noticed.
 - Unit 15 – TSB Living
 - The separation of the TSB tenancy warehouse and the Nood warehouse is not fire rated. Investigation is needed, and the fire separation made good.
 - Unit 15 - Nood
 - See comments for TSB above.
 - Unit 17 Johnson Controls
 - No concerns noticed.

- Unit 21 – Castle Rock Cafe
 - No fire services.
- Hydraulics:**
 - Unit 10a – Vacant & Elgas
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 2 – AMS
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 4 – Macpac
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 6 – Kiwi Labels
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 8 - CGI
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 9 – Asalea-care
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 10 – Wormald / Johnson Controls
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 11 – Longbeach Apparel
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 12 - Xtendlife
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 14 – Tyco Electronics
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 15 – TSB Living
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 15 - Nood
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 17 Johnson Controls
 - Hot water cisterns will need to be replaced as they fail.
 - Unit 21 – Castle Rock Cafe
 - Hot water cisterns will need to be replaced as they fail.
- Maintenance:**
 - In general terms the level of maintenance appears very high with reasonable documentation available.

5.3 PHOTOGRAPHS – BUILDING STRUCTURE, FABRIC & EXTERNAL AREAS



1. Tenant Directory Signage



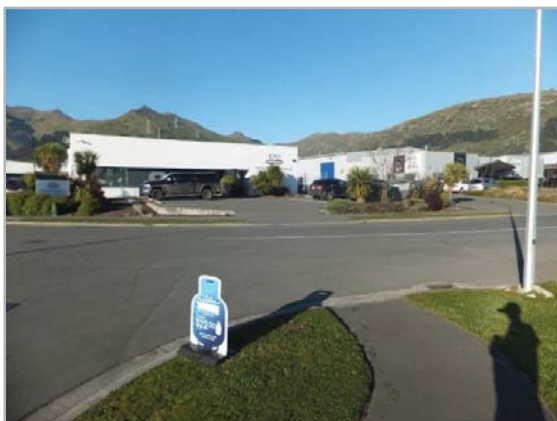
2. View of Mary Muller Drive from Chapmans Road



3. View of South-East Corner of Business Park



4. View of South-West Corner of Business Park



5. Central Area of Business Park



6. Unit 10A Chapmans Road



7. Unit 2 Mary Muller Drive



8. Unit 4 Mary Muller Drive



9. Unit 6 Mary Muller Drive



10. Unit 8 Mary Muller Drive



11. Unit 9 Mary Muller Drive



12. Unit 10 Mary Muller Drive



13. Unit 11 Mary Muller Drive



14. Unit 12 Mary Muller Drive



15. Unit 14 Mary Muller Drive



16. Unit 15 Mary Muller Drive



17. Unit 17 Mary Muller Drive



18. Unit 21 Mary Muller Drive



19. Typical Steel Portal Frame to Warehouse



20. Diagonal Bracing Used to Unit 9 Roof Structure



21. Diagonal Bracing Used to Unit 9 Columns



22. Unit 11 Roof Sheetting with Evidence of Repairs



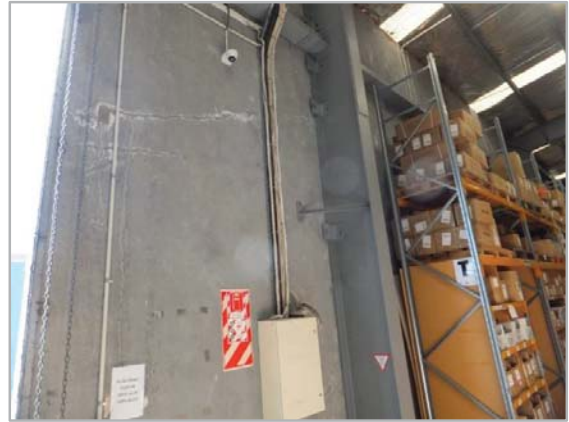
23. Underside of Roof, Unit 10A Chapmans Road



24. Deteriorated Finish to Parapet Walls, Unit 4



25. Diagonal Cracking to Pre-Cast Walls, Unit 4



26. Diagonal Cracking to Pre-Cast Walls, Unit 4



27. Diagonal Cracking to Pre-Cast Walls, Unit 6



28. Failed Sealant to Pre-Cast Panels, Unit 9



29. Repaired Cracking to Pre-Cast Panels, Unit 12



30. Cracking to Internal Face of Pre-Cast, Unit 9



31. Typical Unpainted Floor Slab, Unit 4



32. Typical Wear & Tear to Slab, Unit 15



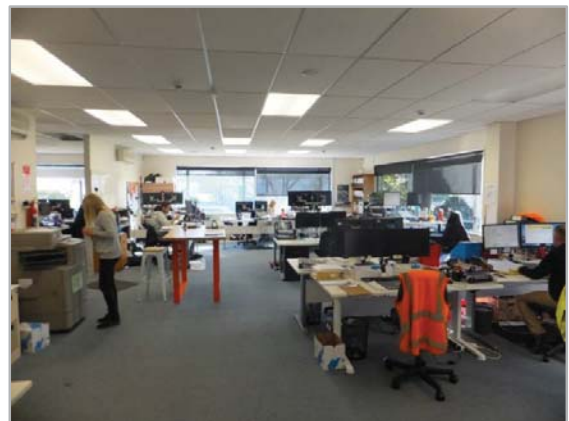
33. Painted Floor Slab, Unit 6



34. Typical Standard Office Interior, Unit 17



35. More Bespoke Interior, Unit 11



36. More Dated Office Interior, Unit 4



37. Internal Area Requiring Refurbishment, Unit 10A Chapmans Road



38. Roller Shutter Openings in Inter-Tenancy Wall, Unit 15



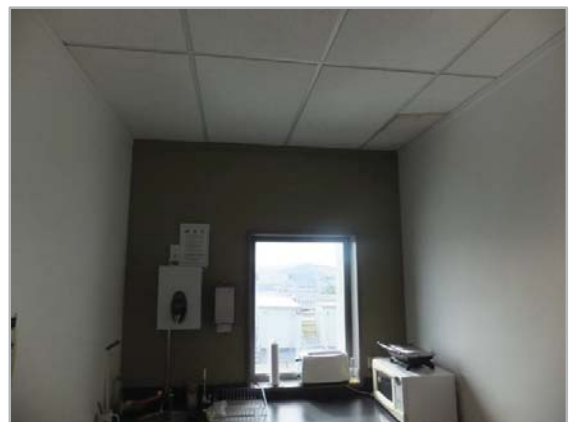
39. Poor Security in Inter-Tenancy Wall, Unit 15



40. Evidence of Post-Earthquake Repairs, Unit 17



41. Dated WC Area, Unit 15



42. Evidence of Roof Leak, Unit 9



43. Cracking at Wall Junction, Unit 10A
Chapmans Road



44. Example of Damaged Kerb at Drainage
Gully



45. Horizontal Cracking to Tenant Directory
Sign



46. Cracking to Asphalt Car Park, Unit 15



47. Settlement to Car Park, Unit 15

5.4 PHOTOGRAPHS – SERVICES



1. Unit 10a



2. Air conditioning condensers



3. Vacancy ceiling works



4. Break glass alarm



5. Power pit box



6. MSB – both tenancies

5

Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch



7. DB



8. Air distribution and lighting



9. Unit 2



10. Air conditioning and lighting layout



11. MSB & DB



12. Ventilation



13. Warehouse racking



14. Lighting



15. Unit 4



16. FIP



17. Air conditioning condenser



18. Condenser on the roof



19. Unit 6



20. Wall hung split air conditioning (typical)



21. Lighting



22. MSB



23. Process machinery



24. Lighting



25. FIP



26. Warehouse lighting



27. Warehouse



28. DB



29. Racking



30. Racking



31. Unit 8



32. Air conditioning condensers



33. Cassette



34. Ceiling diffuser air distribution



35. MSB



36. Tenant generator



37. FIP



38. Foyer



39. Unit 9



40. Water supply (fire)



41. Air conditioning & emergency light



42. Office lighting



43. Warehouse



44. MSB



45. FIP



46. Block plan



47. Booster pump



48. Sprinkler valves



49. Booster



50. Condensers



51. Unit 10



52. Air conditioning condensers



53. MSB



54. Air conditioning controls

5

Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch



55. Lighting



56. Swirl diffusers, sprinklers, and lighting



57. FIP



58. Warehouse sprinklers



59. Unit 11



60. FIP



61. MSB



62. Warehouse



63. Warehouse



64. Office – lighting and air distribution



65. Air conditioning condensers



66. Air conditioning condensers

5

Castle Rock Business Park, Mary Muller Drive, Hillsborough, Christchurch



67. Unit 12



68. Incoming power



69. FIP



70. Block plan



71. MSB



72. Cassette air conditioning



73. Tenant mechanical services



74. Condensing units



75. Condensing units



76. Refrigerated space



77. Warehouse cooling



78. DB



79. Unit 14



80. Roof top packaged unit (factory area)



81. Small split condenser



82. Main condensing unit



83. Booster connections



84. Power supply



85. Exit signage



86. Lighting – office



87. MSB



88. Power distribution rail and air conditioning



89. General lighting



90. Sprinklers



91. In rack sprinklers



92. MSB 2



93. Fire hydrant



94. FIP



95. Booster



96. Temperature controller



97. Unit 15



98. Nood tenancy



99. Lighting



100. Amenity access



101. MSB



102. Non fire rated door between tenancies



103. FIP (building)



104. Block plan



105. Lighting (CGI)



106. Emergency lighting



107. Warehouse (CGI)



108. Cooling equipment (redundant?)



109. Cooling plant



110. Cooling equipment



111. Inter tenancy wall



112. MSB



113. Unit 17 Mary Muller Drive



114. Lighting



115. MSB & DB



116. Air conditioning layout



117. FIP



118. AC plant on the roof



119. Unit 21



120. Heaters



121. Kitchen ventilation



122. Wall hung split

6. 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. 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, builder’s 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.
- Minor items for which the Capex cost is less than \$1,000

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

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
1	STRUCTURE								
1.1	Seismic strengthening generally	It is assumed that the vendor will fund the completion of the current seismic strengthening works to Unit 6. No allowance made here for seismic upgrade works to this or any other unit.	CAP	Moderate	\$ -	\$ -	\$ -	\$ -	\$ -
1.2	Unit 10A Chapmans Road (vacant section).	Allow for investigation of minor structural movement. Allow provisional sum for remedial works, prior to general refurbishment works.	R&M	Moderate	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
2	BUILDING FABRIC								
2.1	ROOF								
2.1.1	Unit 10A Chapmans Road	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ 6,000
2.1.2	Unit 2 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 8,000	\$ -	\$ 8,000	\$ 16,000
2.1.3	Unit 4 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 29,000	\$ -	\$ 29,000	\$ 58,000
2.1.4	Unit 6 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 21,000	\$ -	\$ 21,000	\$ 42,000
2.1.5	Unit 8 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 10,000
2.1.6	Unit 9 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 31,000	\$ -	\$ 31,000	\$ 62,000
2.1.7	Unit 10 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 9,000	\$ -	\$ 9,000	\$ 18,000
2.1.8	Unit 11 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 18,000	\$ -	\$ 18,000	\$ 36,000
2.1.9	Unit 12 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 13,000	\$ -	\$ 13,000	\$ 26,000
2.1.10	Unit 14 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 50,000
2.1.11	Unit 15 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 26,000	\$ -	\$ 26,000	\$ 52,000
2.1.12	Unit 17 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 7,000	\$ -	\$ 7,000	\$ 14,000
2.1.13	Unit 21 Mary Muller Drive	Allow sum for cyclical and reactive maintenance to roof, gutters and rainwater goods	R&M	Low	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ 4,000

CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
2.2 FACADES									
2.2.1	Unit 10A Chapmans Road	Redecorate profile steel cladding, precast panels, eaves soffits and steelwork. Renew sealant to precast panel joints prior to redecoration	R&M	Low	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ 30,000
2.2.2	Unit 2 Mary Muller Drive	Redecorate profile steel cladding, external doors	R&M	Low	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000
2.2.3	Unit 4 Mary Muller Drive	Allow provisional sum to monitor cracking to pre-cast panels, clean off efflorescence and undertake resin injection repairs prior to external redecoration. Attend to flashings at head of office pre-cast panels to prevent water ingress. Prepare areas affected by water penetration prior to external redecoration	R&M	Moderate	\$ -	\$ 15,000	\$ -	\$ -	\$ 15,000
2.2.4	Unit 4 Mary Muller Drive	Undertake resin repairs to cracks in pre-cast panels to prevent water ingress. Redecorate pre-cast panels to warehouse and office areas, include external doors. Renew sealant to precast panel joints prior to redecoration	R&M	Moderate	\$ -	\$ 47,500	\$ -	\$ 39,000	\$ 86,500
2.2.5	Unit 6 Mary Muller Drive	Allow provisional sum to monitor cracking to pre-cast panels and undertake resin injection repairs prior to external redecoration	R&M	Moderate	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ 20,000
2.2.6	Unit 6 Mary Muller Drive	Redecorate pre-cast panels to warehouse and office areas, fibre cement panels, include external doors. Renew sealant to precast panel joints prior to redecoration. It is assumed that small areas of blown concrete associated with current building works will be repaired by the vendor's contractor.	R&M	Low	\$ -	\$ 30,000	\$ -	\$ 30,000	\$ 60,000
2.2.7	Unit 8 Mary Muller Drive	Redecorate pre-cast panels. Renew sealant to joints between pre-cast panels	R&M	Low	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ 20,000
2.2.8	Unit 9 Mary Muller Drive	Redecorate pre-cast panels, and renew sealant to precast joints, redecorate timber cladding to office building, in short and long term. Redecorate profile steel cladding in long term.	R&M	Low	\$ -	\$ 20,000	\$ -	\$ 57,500	\$ 77,500
2.2.9	Unit 10 Mary Muller Drive	Redecorate pre-cast panels to rear portion. Renew sealant to pre-cast panels. Redecorate soffit over glazing.	R&M	Low	\$ -	\$ 7,500	\$ -	\$ 7,500	\$ 15,000
2.2.10	Unit 11 Mary Muller Drive	Redecorate external elevations to include pre-cast panels, fibre cement panels, timber cladding around entrance. Renew sealant to joints between pre-cast panels.	R&M	Low	\$ -	\$ 35,000	\$ -	\$ 35,000	\$ 70,000
2.2.11	Unit 12 Mary Muller Drive	Redecorate fibre cement panels to office elevations. Redecorate pre-cast concrete to south elevation of warehouse. Renew sealant to pre-cast panel joints.	R&M	Low	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ 20,000

CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
2.2.12	Unit 14 Mary Muller Drive	Renew finish to decorative plywood to office building; redecorate feature steelwork at entrance; redecorate pre-cast panels to rear and front of warehouse; renew sealant to joints in pre-cast panels	R&M	Low	\$ -	\$ -	\$ 37,500	\$ -	\$ 37,500
2.2.13	Unit 15 Mary Muller Drive	Redecorate pre-cast panels to north, east and west elevations and south elevation above trees. Renew sealant to joints between pre-cast panels.	R&M	Low	\$ -	\$ 33,000	\$ -	\$ 33,000	\$ 66,000
2.2.14	Unit 17 Mary Muller Drive	Redecorate pre-cast panels to east elevation. Redecorate eaves soffit and canopy.	R&M	Low	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ 8,000
2.2.15	Unit 21 Mary Muller Drive	Redecorate pre-cast panels and previously decorated external doors and steelwork.	R&M	Low	\$ -	\$ 1,500	\$ -	\$ 1,500	\$ 3,000
2.2.16	Site generally	Provisional sum for resin repairs to cracks to pre-cast concrete panels	R&M	Low	\$ -	\$ 10,000	\$ 20,000	\$ 20,000	\$ 50,000
2.3 INTERIOR									
2.3.1	Unit 10A Chapmans Road	General refurbishment required to vacant tenancy to include strip out, replacement ceiling files, full redecoration. Ensure compliant fire separation.	CAP	Low	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
2.3.2	Unit 4 Mary Muller Drive	Provisional sum for general refurbishment of office area to include new ceilings, floor finishes and redecoration	CAP	Low	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
2.3.3	Unit 6 Mary Muller Drive	Allowance for replacement of carpet and vinyl floor finishes in older units, where over and above Tenants lease obligations. Include for office and amenity areas in Units 6, 9, 10A(Eigas), 11 (ASL), 15 & 17	CAP	Low	\$ -	\$ -	\$ -	\$ 385,000	\$ 385,000
2.3.4	Unit 11 Mary Muller Drive	Provision for undertaking works to formally subdivide the two tenancies. Create new staff kitchen / cafe in one of the tenancies. May be necessary at expiry of leases in 2022	CAP	Low	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000
2.3.5	Unit 15 Mary Muller Drive	Undertake refurbishment works to WC areas shared by both tenancies. Undertake works to provide compliant egress from WC areas. Upgrade inter-tenancy wall to give proper security and fire separation. Undertake at 2019 lease expiry	CAP	Low	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
2.3.6	Floor slabs to all buildings generally.	Allowance for undertaking repairs to cracking to floor slabs and renewal of sealant to slab joints, where these repairs are over and above Tenant's obligations. Periodic works to implement at lease expiry / vacant possession	R&M	Low	\$ -	\$ 20,000	\$ 30,000	\$ 50,000	\$ 100,000

CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
3	EXTERNAL AREA								
3.1	Car parking areas	Renewal of white lining excluded. Assumed Tenant responsibility			\$ -	\$ -	\$ -	\$ -	\$ -
3.2	Car parks, service yards and footpaths	Allow sum for cyclical repairs to cracks to asphalt surfaces of car parks and service yards for works over and above Tenant obligations. Include for similar repairs to common area footpaths	R&M	Low	\$ -	\$ 10,000	\$ 10,000	\$ 30,000	\$ 50,000
3.3	Car parks, service yards and footpaths	Allow sum for repairs to areas of settlement and unevenness in car parks, service yards and footpaths	R&M	Low	\$ -	\$ 5,000	\$ 5,000	\$ 15,000	\$ 25,000
3.4	Car parks, service yards and footpaths	Allow sum for repairs to / replacement of sections of damaged concrete kerbs, for works over and above any Tenant obligations for damage	R&M	Low	\$ -	\$ 2,500	\$ 2,500	\$ 7,500	\$ 12,500
3.5	Car parks, service yards and footpaths	Allow sum for cyclical maintenance of, and reactive repairs to, stormwater drainage system serving the external hard standings	R&M	Low	\$ -	\$ 10,000	\$ 10,000	\$ 30,000	\$ 50,000
3.6	Site generally	Allow sum for cyclical maintenance of, and reactive repairs to, sewer drainage within the boundaries of the site	R&M	Low	\$ -	\$ 10,000	\$ 10,000	\$ 30,000	\$ 50,000
3.7	Site generally	Allow sum for anticipated minor repairs to site fencing	R&M	Low	\$ -	\$ 1,000	\$ 1,000	\$ 3,000	\$ 5,000
3.8	Totem sign / Tenant directory at junction of Mary Muller Drive & Chapmans Road	Allow provisional sum for resin repairs to horizontal cracking, should this become necessary	R&M	Low	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
4	MECHANICAL SERVICES								
4.1	Unit 10A Chapmans Road	The air conditioning plant is spread across two tenancy areas, Elgas and Vacant. There needs to be some modification to allow reasonable control to function.	CAP	Moderate	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
4.2	Unit 10A Chapmans Road	Air conditioning plant appears in good condition and should remain viable within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
4.3	Unit 2 Mary Muller Drive	Air conditioning plant appears in good condition and should remain viable within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
4.4	Unit 2 Mary Muller Drive	Ventilation plant is Landlord property but appears to be in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
4.5	Unit 4 Mary Muller Drive	Air conditioning is Landlord property, but appears in good condition and should remain viable within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
4.6	Unit 4 Mary Muller Drive	Ventilation plant is Tenant property relating to their process.			\$ -	\$ -	\$ -	\$ -	\$ -
4.7	Unit 6 Mary Muller Drive	Air conditioning plant is Landlord property but appears in good condition and should remain viable within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
4.8	Unit 6 Mary Muller Drive	Heating plant in the warehouse is Landlord property and appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
4.9	Unit 8 Mary Muller Drive	Air conditioning plant is Landlord property and appears in good condition and should remain viable within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
4.10	Unit 9 Mary Muller Drive	Air conditioning, heating and ventilating plant is Landlord property and appears in good condition and should remain viable within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
4.11	Unit 10 Mary Muller Drive	Air conditioning plant appears in good condition and should remain viable within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
4.12	Unit 11 Mary Muller Drive	The VRT air conditioning systems appear in good condition and should not require CapEx attention within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
4.13	Unit 11 Mary Muller Drive	Air compressors are Landlord property and expected to need overhaul within the reporting period.	R&M	Low	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
4.14	Unit 11 Mary Muller Drive	Fume extraction units are Landlord property and will need attention within the reporting period.	R&M	Low	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 10,000
4.15	Unit 12 Mary Muller Drive	Air conditioning and ventilation plant is Landlord property and appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
4.16	Unit 12 Mary Muller Drive	Refrigeration and dust extraction plant is Tenant property.			\$ -	\$ -	\$ -	\$ -	\$ -
4.17	Unit 14 Mary Muller Drive	The mechanical services are Landlord property. The main plant is critical to the manufacture process and will need attention within the reporting period.	R&M	Moderate	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
4.18	Unit 15 Mary Muller Drive	Air conditioning plant appears in reasonable condition but is expected to need replacement within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000
4.19	Unit 15 Mary Muller Drive	Air conditioning plant both active and redundant in the warehouse is assumed to be Tenant property. If it is Landlord property, there will need to be upgrade work carried out within the reporting period.	CAP	Low	\$ -	\$ 10,000	\$ 60,000	\$ -	\$ 70,000
4.20	Unit 17 Mary Muller Drive	Air conditioning plant appears in reasonable condition but is expected to need replacement within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000
4.21	Unit 21 Mary Muller Drive	Air conditioning plant is Landlord property but appears in good condition and should remain viable within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
4.22	Unit 21 Mary Muller Drive	Kitchen ventilation equipment appears in good condition with CapEx concerns expected within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
5	ELECTRICAL SERVICES								
5.1	Unit 10A Chapmans Road	The main switchboard for the two tenancies is located in the front tenancy (Elgas) with no noticeable split for metering, circuiting, etc to the vacant tenancy. A new distribution board and meter is required in the vacant tenancy	CAP	Moderate	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000
5.2	Unit 10A Chapmans Road	The MSB appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.3	Unit 10A Chapmans Road	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.4	Unit 10A Chapmans Road	Security system appears in good condition but will need upgrade within the reporting period	R&M	Moderate	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
5.5	Unit 10A Chapmans Road	Exit signage - additional signage provided.	CAP	Moderate	\$ -	\$ 1,000	\$ -	\$ -	\$ 1,000
5.6	Unit 2 Mary Muller Drive	The MSB appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.7	Unit 2 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.8	Unit 2 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	R&M	Moderate	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
5.9	Unit 2 Mary Muller Drive	Exit signage in the warehouse area needs to be reviewed and additional signage provided.	CAP	Moderate	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
5.10	Unit 4 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.11	Unit 4 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.12	Unit 4 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	CAP	Moderate	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
5.13	Unit 4 Mary Muller Drive	Exit signage in the warehouse area needs to be reviewed and additional signage provided.	CAP	Moderate	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
5.14	Unit 6 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.15	Unit 6 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.16	Unit 6 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	CAP	Moderate	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000
5.17	Unit 8 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.18	Unit 8 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.19	Unit 8 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	CAP	Moderate	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
5.20	Unit 9 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.21	Unit 9 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.22	Unit 9 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	CAP	Moderate	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
5.23	Unit 9 Mary Muller Drive	Communications system and radio frequency infrastructure will need attentions within the reporting period.	R&M	Moderate	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
5.24	Unit 9 Mary Muller Drive	Exit signage in the warehouse area needs to be reviewed and additional signage provided.	CAP	Moderate	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000

CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
5.25	Unit 10 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.26	Unit 10 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.27	Unit 10 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	R&M	Moderate	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
5.28	Unit 11 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.29	Unit 11 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.30	Unit 11 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	R&M	Moderate	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
5.31	Unit 12 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.32	Unit 12 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.33	Unit 12 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	R&M	Moderate	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
5.34	Unit 14 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.35	Unit 14 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.36	Unit 14 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	R&M	Moderate	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
5.37	Unit 15 Mary Muller Drive	The MSB & DB's appear in good condition for the TSB Living tenancy but the Nood tenancy needs work done on the DB's	R&M	Moderate	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
5.38	Unit 15 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.39	Unit 15 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period			\$ -	\$ -	\$ -	\$ -	\$ -
5.40	Unit 15 Mary Muller Drive	Exit signage in the warehouse area needs to be reviewed and additional signage provided.	CAP	Moderate	\$ -	\$ 2,000	\$ -	\$ -	\$ 2,000
5.41	Unit 17 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.42	Unit 17 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
5.43	Unit 17 Mary Muller Drive	Security system appears in good condition but will need upgrade within the reporting period	R&M	Moderate	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
5.44	Unit 21 Mary Muller Drive	The MSB & DB's appears in good condition.			\$ -	\$ -	\$ -	\$ -	\$ -
5.45	Unit 21 Mary Muller Drive	Lighting appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
6 FIRE SERVICES									
6.1	Unit 10A Chapmans Road	Breakglass only - no concerns			\$ -	\$ -	\$ -	\$ -	\$ -
6.2	Unit 2 Mary Muller Drive	No fire services provided.			\$ -	\$ -	\$ -	\$ -	\$ -
6.3	Unit 4 Mary Muller Drive	FIP appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
6.4	Unit 4 Mary Muller Drive	Smoke detectors appear in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
6.5	Unit 6 Mary Muller Drive	Portable extinguishers only			\$ -	\$ -	\$ -	\$ -	\$ -
6.6	Unit 8 Mary Muller Drive	Manual call point only reporting to an FIP. No concerns noticed			\$ -	\$ -	\$ -	\$ -	\$ -
6.7	Unit 9 Mary Muller Drive	FIP appears in good condition but will need replacement in the period beyond the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
6.8	Unit 9 Mary Muller Drive	Booster pumps will need to be overhauled in the long term	R&M	Moderate	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000

CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
6.9	Unit 9 Mary Muller Drive	Sprinkler valve sets will need to be overhauled in the long term	R&M	Moderate	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000
6.10	Unit 10 Mary Muller Drive	FIP appears in good condition			\$ -	\$ -	\$ -	\$ -	\$ -
6.11	Unit 10 Mary Muller Drive	Fire services are excessive to code requirements and all appear in very good condition including sprinklers, detectors, etc.			\$ -	\$ -	\$ -	\$ -	\$ -
6.12	Unit 11 Mary Muller Drive	FIP appears in good condition with no CapEx expected within the reporting period			\$ -	\$ -	\$ -	\$ -	\$ -
6.13	Unit 12 Mary Muller Drive	FIP appears in good condition and not expected to require CapEx within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
6.14	Unit 14 Mary Muller Drive	FIP, sprinklers, alarms and gas suppression system appear in very good condition with no CapEx concerns expected within the reporting period.			\$ -	\$ -	\$ -	\$ -	\$ -
6.15	Unit 15 Mary Muller Drive	Two separate areas have been created in Unit 15 with separate tenants. The separation of the tenancies has not considered fire separation as the partition wall is not fire rated.	CAP	High	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
6.16	Unit 17 Mary Muller Drive	FIP appears in good condition as well as alarm.			\$ -	\$ -	\$ -	\$ -	\$ -
6.17	Unit 21 Mary Muller Drive	No fire services provided.			\$ -	\$ -	\$ -	\$ -	\$ -
7	HYDRAULICS SERVICES								
7.1	Unit 10A Chapmans Road	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.2	Unit 2 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.3	Unit 4 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.4	Unit 6 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.5	Unit 8 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.6	Unit 9 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.7	Unit 10 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.8	Unit 11 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.9	Unit 12 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.10	Unit 14 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500

CAPITAL EXPENDITURE (CAPEX) FORECAST

Item	Element / Description / Location	Suggested Remedy	Work Type	RISK	Immediate	Short Term (1-2 Years)	Medium Term (3-5 Years)	Long Term (6-10 Years)	Total
7.11	Unit 15 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.12	Unit 17 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.13	Unit 21 Mary Muller Drive	No concerns noticed. DHW cisterns will need to be replaced within the reporting period.	CAP	Moderate	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500
7.14					\$ -	\$ -	\$ -	\$ -	\$ -
7.15					\$ -	\$ -	\$ -	\$ -	\$ -
7.16					\$ -	\$ -	\$ -	\$ -	\$ -
7.17					\$ -	\$ -	\$ -	\$ -	\$ -
7.18					\$ -	\$ -	\$ -	\$ -	\$ -
7.19					\$ -	\$ -	\$ -	\$ -	\$ -
7.20					\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL					\$300,000	\$693,000	\$411,000	\$1,257,500	\$2,661,500

7. QUALIFICATIONS & EXCLUSIONS

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

- Parts of the building built in, covered up or otherwise made inaccessible during construction, alteration or fitting out, 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.
- 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 thought 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.
- Where a variety of multiple areas exist (e.g. tenancies, units, rooms, etc.), a random selection and sample of each area will be inspected and used for the basis for this report. Those areas inspected will be deemed to be representative of the balance.
- We have not prepared an exhaustive list of those minor defects or imperfections thought not to have a material bearing upon the proposed interest.
- 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.
- Where noted, timeframes relate to short-term (1-2 years), midterm (3-5 years) and long-term (6-10 years).

8. TERMS & CONDITIONS

The conditions set out in this Attachment are to be read in conjunction with the Terms of Engagement provided by CBRE ("the Company") which confirms the scope of consultancy services ("the Services"), the personnel providing those Services and the Company's charges for those Services.

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 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.

Fees and Disbursements

All disbursements, including travelling and other reasonable expenses incurred by the Company in the provision of the Services are fully recoverable from the Instructing Party as and when incurred.

All invoices are payable within 14 days of the date of invoice, unless otherwise stated in the Terms of Engagement. 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 shall be fully recoverable from the Instructing Party as and when incurred.

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.

Return of Document

The Company reserves the right to retain possession of all papers and documents owned by the Instructing Party until all outstanding amounts payable by the Instructing Party have been received.

Once the Services provided to the Instructing Party have been finalised and all outstanding invoices have been paid, the Company will return documents owned by the Instructing Party within a reasonable time.

Electronic Communication

If the Instructing Party asks the Company to send any documents by email, the Instructing Party will be deemed to have accepted the risk of (and the Company will have no responsibility for) the message being intercepted, not being received or not being viewed by the recipient.

If the Instructing Party asks the Company to provide the Instructing Party with a copy of a document by email or disk, the Company will do so on the basis that the Company does not warrant that the disk or email communication will be virus or defect free and on the basis that:

- the Company will not be responsible for any loss or damage sustained by the computer system which reads the disk or email; and
- precautions will be taken by the Instructing Party to ensure that the disk or email does not cause any loss or damage.

Copyright

Copyright in any written work, drawing, compilation, table, graph and similar works created by or on behalf of the Company remains with the Company.

Variation

The engagement conditions can only be varied by agreement and in writing by the Instructing Party and the Company.

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.

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 the Competition and Consumer Act 2010, 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 section 68A of the Trade Practices Act 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.

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.

Entirety of Terms of Engagement

The Engagement Letter in terms of engagement, subject to any qualifications, conditions, assumptions, and reservations set out in any report or opinion furnished to you:

- a) Constitutes 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 the matters dealt with in this Engagement Letter;
and
- c) May be varied at any time by mutual agreement in writing.

CBRE