

Building A Graham Street Limited Partnership

Other material information

19 May 2015

1 GENERAL

This Other Material Information Document (*Document*) has been prepared to meet the requirements of section 57(1)(b) of the Financial Markets Conduct Act 2013 (*FMCA*) and clauses 48 and 50 of Schedule 5 to the Financial Markets Conduct Regulations 2014 (*FMCR*) in relation to an offer of units in Building A Graham Street Limited Partnership, as set out in a product disclosure statement (*PDS*) dated on or around the date of this document available on the Offer Register at www.business.govt.nz/disclose by searching "Building A Graham Street Limited Partnership" under "search offers".

Terms capitalised but otherwise undefined in this document have the meanings given to them in the PDS. This Document must be read alongside the PDS. Any application for admission by an Investor in the LP must be made on the application form (and be accompanied by the relevant identification documentation) contained in the PDS.

2 **TOTAL ESTIMATED COSTS OF OFFER AND ISSUE**

Description of cost:	Amount paid, or agreed to be paid, by LP in connection with the offer and issue of the Interests (including all benefits):	Cost paid to:	Reason for cost and description of services:
Offeror fee	\$2,198,000	Manager	The offeror's fee is payable to the Manager for negotiating the acquisition of the Property, completing due diligence, arranging and establishing the LP and negotiating the bank facility.
Augusta Capital underwrite fee	\$750,000	Augusta Capital	The underwriting fees are payable to the underwriters for underwriting the Offer.
Brokerage fee*	\$1,400,000	Bayleys	The brokerage fee is payable to Bayleys as the sole selling agent for the Offer.
Other underwriters fees	\$1,350,000	Cypress Capital Limited Bayley Corporation Limited Jonathan George Edgar Wairahi Holdings Ltd Tabrita Securities Limited Alberto Limited Trevor McKee Riddell Enterprises Limited	The underwriting fees are payable to the underwriters for underwriting the Offer.

Description of cost:	Amount paid, or agreed to be paid, by LP in connection with the offer and issue of the Interests (including all benefits):	Cost paid to:	Reason for cost and description of services:
		Olsen Farms Limited Atlas Partners Limited	
Legal fees	\$180,000	Chapman Tripp	Legal fees are payable to the LP's Solicitors, Chapman Tripp, for the costs of legal due diligence on Building A, negotiation of the sale and purchase of Building A, settlement of the purchase, cost of advising on the PDS, the Limited Partnership Agreement and Governing Document, compliance with the Financial Markets Conduct Act, and in connection with the LP's financing arrangements.
Assurance fee	\$20,000	KPMG	Assurance fees represent KPMG's fee for providing a reasonable assurance engagement on the prospective financial statements contained on the Offer Register.
Valuation fee	\$12,000	Jones Lange LaSalle	The valuation fee is payable to Jones Lange LaSalle for preparing the Valuation Report on Building A.
Health and safety review fees	\$975		The health and safety review fee is payable in connection with the health and safety review undertaken on Building A as part of the Manager's due diligence investigations of Building A.

Description of cost:	Amount paid, or agreed to be paid, by LP in connection with the offer and issue of the Interests (including all benefits):	Cost paid to:	Reason for cost and description of services:
Due diligence reports fees	\$10,000	Harrison Grierson and others	The due diligence reports fees relates to the due diligence reports the Manager commissioned on the Building A as part of the Manager's due diligence investigations of Building A, including the peer review of the seismic rating of Building A by Harrison Grierson and a report on the guarantees and warranties provided by Mansons and the Vendor.
Chattel valuation fee	\$10,500		The chattel valuation fee is payable in connection with the chattel valuation obtained by the Manager for the chattels in Building A, required for calculation of capital allowances and depreciation.
Supervisor	\$10,000	Supervisor	The supervisor fees are payable to the Supervisor for their costs in relation to reviewing the PDS, the Governing Document and the Limited Partnership Agreement.
Marketing	\$335,000		Marketing costs reflect the costs of both preparing and producing advertisements in relation to the Offer and the costs for preparing and printing the PDS.
Bank legal fees	\$10,000		The bank legal fees are payable to ASB Bank's

Description of cost:	Amount paid, or agreed to be paid, by LP in connection with the offer and issue of the Interests (including all benefits):	Cost paid to:	Reason for cost and description of services:
			solicitors for the advice provided to ASB Bank on the LP's loan facility.
PDS registration fee and FMA levy	\$4,760		The PDS registration fee and FMA levy are payable in connection with the registration of the LP on the Offer Register and Scheme Register.
Disbursements	\$15,000		Disbursements are payable in for certain costs incurred by the Manager's professional advisers in connection with advising on the establishment of the LP and the preparation of the PDS.
Total	\$6,306,235		

* To the extent that any Unit is issued to an underwriter under their underwriting obligations, the brokerage fee will reduce by \$1,000 in respect of each such Unit. That amount may be subsequently applied to any brokerage payable where an underwriter disposes of its underwritten Units.

Note: The above fees are payable by the LP - none are chargeable to Investors directly. In respect of the supervisor fee, the health and safety review fees, the due diligence reports fees and half of the underwriting fees, the Manager has already met these costs on behalf of the LP and, accordingly, is entitled to reimbursement.

3 **VALUER**

An independent valuation of the Property have been provided by Dave Wigmore and Nick Thacker of Jones Lange LaSalle on a market value at \$119,850,000 plus GST (if any) as at 23 March 2016 in accordance with current Australia and New Zealand Valuation and Property Standards. It was prepared using both a capitalisation of net income approach and a discounted cash flow approach.

Dave Wigmore's qualifications are BPA, ANZIV and SPINA. Nick Thacker's qualifications are BBS(VPM). Jones Lange LaSalle's address is Level 16, 188 Quay Street, PO Box 165, Auckland 1140.

The valuation was made by the valuers as independent valuers. The valuers made the valuation for the purposes of the LP and for use by prospective investors in the LP. The valuers have consented to the distribution of the valuation report to prospective investors in the LP and, as at the date of the PDS, have not withdrawn that consent.

4 FEE ASSUMPTIONS

Establishment fees

The amount of the bank fee, marketing and disbursements, or components of those amounts are the Manager's best estimates, based on its experience and the information known to it at the date of the PDS, but may be subject to change. All other establishment fees set out at Section 8 of the PDS are maximum levels and cannot be increased. The fees payable to third parties (being those fees other than those payable to the Manager and its associated persons), in the Manager's view, represent reasonable levels for the services of the relevant third party. The fees payable to the Manager and its associated persons are not estimates, and are provided for at the levels disclosed in the PDS in the Governing Document.

Ongoing fees and expenses

The amounts of ongoing fees and expenses set out at Section 8 of the PDS have been calculated assuming the management fee increases at 3% per year, and no other fees are payable to the Manager or its associated persons (as at the date of the PDS the Manager does not anticipate it, nor any of its associated persons, will accrue any fees other than the management fee). The fees payable to third parties (being those fees other than those payable to the Manager and its associated persons) have been estimated by the relevant third party, and, in the Manager's view, represent reasonable levels for the services of the relevant third party.