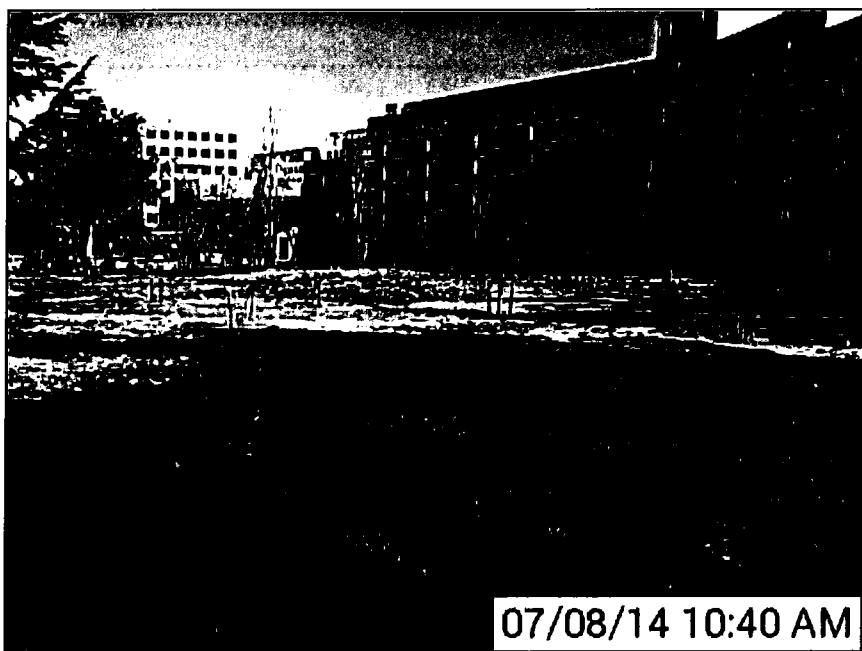


Amended Valuation Report

Opteon.

Australia's Property Advisors



Block 24 Section 65

City, Australian Capital Territory, 2601

Prepared For Land Development Agency

Valuation Date 7 August 2014

Date Report Reissued 25 August 2014

Our Reference 5466475

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- 2. Lease
- 3. Deposited Plan

1.0 Executive Summary

Instructing Party	Tim Xirakis, Land Development Agency
Client / Authorised Party	Land Development Agency
Client Reference	5466475
Valuation Purpose	For negotiation purposes
Valuation Basis	Market Value "As Is" (Subject to all present lease conditions)
Market Value Definition	Market Value is defined as <i>"the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion"</i> .
Property Address	Block 24 Section 65, City, Australian Capital Territory, 2601
Property Description	<p>The subject comprises an irregular shaped, inside parcel within the Glebe Park Precinct in the Canberra Central Business District (CBD). The site is slightly undulating and is of approximately 1.233 hectares in size. The site is held under a Market Lease which commenced on 16 May 2007.</p> <p>Zoned CZ6: Leisure and Accommodation, the Crown Lease Purpose Clause allows use of the premises only for the purposes of a parkland including a carpark, outdoor recreation facility, drink establishment, restaurant and other associated purposes. Gross Floor Area (GFA) is limited to a maximum of 650 square metres.</p> <p>At the time of inspection, we noted 26 sealed carparks including vehicle access via easement (right of way) on Block 25 Section 65 and that parts of the site appear to have been landscaped including defined garden beds in some areas.</p> <p>The Commencement of Development condition (Clause 3a) within the Crown Lease requires commencement of the erection of a parkland within the lease at a cost of not less than the sum of one million dollars (\$1,000,000) within 12 months' of the lease commencement and completion of the said development within 36 months' of lease commencement.</p> <p>The gross floor area (building entitlement) under the Crown Lease has not been utilised. It is not clear whether the Commencement of Development clause - with specific reference to the sum of \$1,000,000 - has been satisfied.</p>
Legal Description	Block 24 Section 65 Division of City on Deposited Plan 10358
Book / Volume/ Folio	Volume 1820 Folio 89
Site Area	1.233 ha (approximate)
Building Area	That the combined gross floor area of all buildings erected on the land shall not exceed 650 square metres
Zoning	"CZ6 (Leisure and Accommodation Zone)"
Interest Valued	Leasehold Interest

Key Assumptions The instructions and subsequent information supplied contain a full disclosure of all information that is relevant;
That there is no prospect of a change to the zoning or Lease Purpose Clause of the subject; and
That an assessment of the value of the lease under the *Planning and Development Act 2007, Sections 293 or 294* (Termination of Lease etc), is outside the scope of the instructions given.

Key Issues There is limited market evidence that can be considered comparable to the subject. The best available market evidence has been used.

Valuation

Market Value "As Is"
(Subject to all present Lease conditions)

\$950,000 - \$1,050,000 exclusive of GST

Date of Inspection 7 August 2014

Date of Valuation 7 August 2014

Inspecting Valuer



Narelle Byrne
Valuer
AAPI Certified Practising Valuer
25785 (NSW)

Counter Signatory



James Brennan
Managing Director / Certified Practising Valuer
AAPI Certified Practising Valuer
3652 (NSW)

Important	<i>This Executive Summary must be read in conjunction with the remainder of this report. The Executive Summary is only a synopsis designed to provide a brief overview and must not be acted upon in isolation to the contents of the valuation report.</i>
Third Party Disclaimer	<i>This report has been prepared for the private and confidential use of our client, Land Development Agency for the specified purpose. It should not be reproduced in whole or part without the express written authority of Opteon (ACT) Pty Ltd or relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. Our warning is registered here, that any party, other than those specifically named in this paragraph should obtain their own valuation before acting in any way in respect of the subject property.</i>
Counter Signatory	<i>The counter signatory confirms that the report is genuine and is endorsed by Opteon (ACT) Pty Ltd. The counter signatory may not have formally inspected the property or comparable sales. The opinion of value has been arrived at by the principal signatory.</i>

3.0 Instructions

Instructions have been received to undertake a valuation of the property as per the details below:

Instructing Party	Tim Xirakis, Land Development Agency
Property Address	Block 24 Section 65, City, Australian Capital Territory, 2601
Date of Instructions	30 July 2014
Client / Authorised Party	Land Development Agency
Valuation Purpose	For negotiation purposes
Valuation Basis	Market Value "As Is" - Subject to all present lease conditions
Pecuniary Interest	We confirm that the valuer does not have any pecuniary interest that would conflict with the proper valuation of the property. We note we advised the Instructing Party that a Director of the Glebe Park Pty Ltd, the Lessee of the subject property, is the landlord of the Opteon (ACT)'s office premises.
Documentation Relied Upon	<p>Information we have been provided with and relied upon in undertaking our valuation includes:</p> <ul style="list-style-type: none">• Lease;• Deposited Plan;• Development Control Plan Block 24 Section 65 City; and• ACTPLA Urban Design Guidelines. <p>We have also had regard to the:</p> <ul style="list-style-type: none">• Territory Plan;• National Capital Plan;• Planning and Development Act 2007;• Parking and Vehicular Access Guidelines; and• Commercial Zones Development Code.
Scope of Work	<p>The scope of work undertaken by the valuer in completing the valuation has included:</p> <ul style="list-style-type: none">• Collation of information from relevant parties regarding the subject property;• Undertaking our own research regarding the subject property;• An inspection of the property;• Undertaking market research in terms of values and/or costs of similar properties;• Preparation of valuation calculations; and• Preparation of this report.
Compliance	Our valuation has been prepared in accordance with the Australian Property Institute Practice Standards and Guidance Notes.
Assumptions	<p>The instructions and subsequent information supplied contain a full disclosure of all information that is relevant;</p> <p>That there is no prospect of any changes to the subject zoning or purpose clause; and</p> <p>That an assessment of the value of the lease under the <i>Planning and Development Act 2007, Sections 293 or 294</i> (Termination of Lease etc), is outside the scope of the instructions given.</p>

Full Disclosure Disclaimer	<i>Whilst we have attempted to confirm the veracity of information supplied, the scope of work did not extend to verification of all information supplied or due diligence. Our valuation and report has been prepared on the assumption the instructions and information supplied has been provided in good faith and contains a full disclosure of all information that is relevant. The valuer and valuation firm does not accept any responsibility or liability whatsoever in the event the valuer has been provided with insufficient, false or misleading information.</i>
Digital Copies of Reports	<i>Where a report has been provided in digital copy and has not been received directly via our firm, the report contents, especially the valuations and critical assumptions, should be verified by contacting the issuing office to ensure the contents are bona fide. In particular if the reader of this report has suspicions that the report appears to be tampered or altered then we recommend the reader contact the issuing office.</i>

A copy of our instructions is attached to this report.

4.0 Basis of Valuation

This valuation has been prepared on the basis of Market Value as defined by the International Valuation Standards Committee (IVSC), and endorsed by the Australian Property Institute:

Market Value	Market Value is defined as <i>"the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion"</i> .
Highest & Best Use	Market Value is based on the highest and best use of the asset that may not necessarily be the existing use. Highest and Best Use is <i>"The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the property being valued"</i> .
Special Interest	No account has been taken of a higher price that may be paid by a purchaser with a 'special interest' in acquiring the property, such as an adjoining owner. In these circumstances the price paid by a special interest purchaser may not meet the definition of Market Value as the purchaser may be acting 'with compulsion'.

5.0 Date of Valuation

Valuation Date	7 August 2014
Date of Inspection	7 August 2014
Market Change	Due to possible changes in market forces and circumstances in relation to the subject property the report can only be regarded as representing our opinion of the value of the property as at the Date of Valuation.
Currency of Valuation	90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

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

6.1 Regional Location

The subject is located in the Canberra Central Business District (CBD), in the suburb officially known as City and referred to by many as Civic. The City is bound to the north by Barry Drive/Cooyong Street, to the south east by Coranderrk Street, to the south by Parkes Way and to the west by various streets including Ellery Crescent, that form the boundary of the Australian National University (ANU) as shown below, with the boundaries in yellow:



Source: Google Maps 2014

6.2 Specific Location

More specifically the subject is located within the Glebe Park precinct in the south east of the City. The subject has vehicular access via an easement (right of way) on Block 25 Section 65. To the north of the site, Glebe Park is an open space public park with play equipment and amenities, the Casio and Crowne Plaza Hotel are to the west of the subject, the Convention Centre is to the south of the subject. Glebe Residences a medium rise apartment building is to the south east of the subject. The precinct has various paved pathways to facilitate pedestrian access throughout the area and to provide linkages to the CBD and Convention Centre.

The map below illustrates the location of various components within the Precinct.



Source: Google Maps 2014

6.3 Access & Parking

The subject has no direct road frontage. Pedestrian access is via paved pathways and vehicular access is via the easement (right of way) at the northern boundary of the Glebe Residences site (Block 25 Section 65).

Short term parking for 26 vehicles is available onsite accessed by the easement referred to above.

7.0 Tenure

7.1 Legal Description

We have sighted and reviewed the Lease for the subject. The following are the key elements which we considered in our assessment of the value of the lease:

Tenure	Leasehold Interest
Description	Block 24 Section 65 Division of City Deposited Plan 10358
Commencement of Development	3.(a). That the Lessee shall within twelve (12) months from the date of the commencement of the lease or within such further time as may be approved in writing by the Authority for that purpose commence to erect an approved parkland within the lease at a cost not less than the sum of one million (\$1,000,000) dollars in accordance with plans and specifications prepared by the Lessee and previously submitted to and approved in writing by the Authority

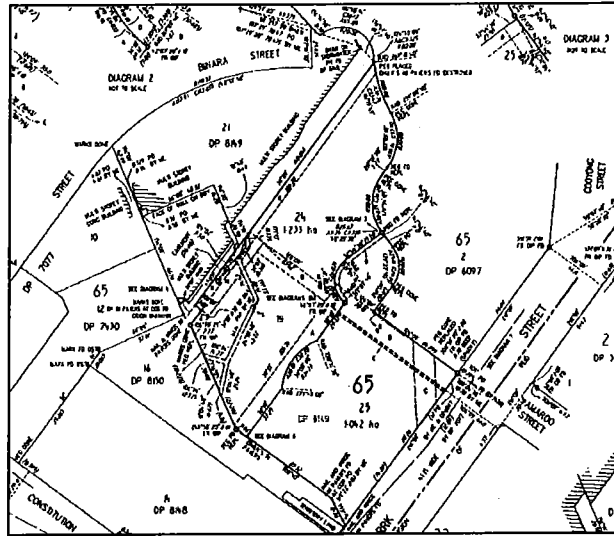
Note: Some parkland works appear to have been undertaken on the site. We have not sighted a record of expenditure related to the parkland construction and therefore, are unable to comment on whether this Lease requirement has been satisfied. We recommend the Lessor seek assurance or confirmation from the Lessee in this regard.

Completion of Development	<p>3.(b). That the Lessee shall within thirty six (36) months from the date of the commencement of the lease or within such further time as may be approved in writing by the Authority complete the erection of the said approved development within the lease in accordance with the said plans and specifications and in accordance with every Statute Ordinance or Regulation applicable thereto</p> <p>Note: See above comment.</p>
Crown Lease Purpose Clause	<p>3 (c). To use the premises only for the purposes of a parkland including a carpark, outdoor recreation facility, drink establishment, restaurant and other associated uses</p>
Gross Floor Area	<p>3. (d). That the combined gross floor area of all buildings erected on the land shall not exceed 650 square metres</p>
Carparking	<p>3. (e). That the Lessee shall provide and maintain an approved drained and sealed carparking area on the land to a standard acceptable to the Authority in accordance with plans and specifications previously submitted to and approved in writing by the Authority</p>
Rent	<p>Clause 2. (a) that the Lessee shall pay to the Authority rent at the rate of five cents per annum if and when demanded payable within one month of the date of any demand made by the Authority relating thereto and served on the lessee</p>
Termination	<p>5.(a). That if –</p> <ul style="list-style-type: none">(i) any rent or other moneys payable under this lease shall remain un paid for three months next after the date appointed for payment thereof (whether such rent or other moneys shall have been formally demanded or not); or(ii) the Lessee shall fail to observe or perform any other of the covenants herein contained on the part of the lessee to be observed or performed and shall have failed to remedy such breach within a period of six months from the date of service on the lessee of a notice in writing from the Authority specifying the nature of such breach <p>The Authority on behalf of the Commonwealth may terminate this lease but without prejudice to any claim which the Authority or the Commonwealth may have against the Lessee in respect of any breach of the covenants on the part of the lessee to be observed or performed.</p>

7.2 Easements, Encumbrances & Other Interests Noted on Title

Encumbrances Assumption	<p>Our valuation has been assessed assuming the property is only affected by encumbrances as noted on the Lease and Deposited Plan. We have not searched with other Government or relevant entities to ascertain whether any other encumbrances exist over the subject property. A number of easements for pedestrian access, vehicular access, drainage, electric supply, water supply and gas supply</p>
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burden/benefit the site and adjacent sites. The easements have been highlighted in yellow on this excerpt from the Deposited Plan No. 10358:



Excerpt from DP 10358

7.3 Native Title

Existence of Native Title	Based on our inspection of the property and enquiries we consider that it is unlikely that there are any native title rights and interests over the land.
Native Title Assumption	Our valuation has been prepared on the basis of no survival of native title rights and interests. We are not experts in native title or the property rights derived there from and have not been supplied with appropriate expert advice or reports. Therefore, this valuation is made assuming there are no actual or potential native title interests affecting the value or marketability of the property.

7.4 Identification

Identification Source	Block and section map and aerial photography supplied by the ACT Government (ACTMAPi).
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7.5 Encroachments

Site Survey	We have not sighted a site survey. We have assumed all improvements are within the site boundaries.
Assumption	The valuation is made on the basis that there are no encroachments (unless otherwise noted) by or upon the property.

Site Survey Disclaimer	<i>This report is not a site survey and no advice is given in any way relating to survey matters. Any comments given in relation to the property are not given in the capacity as an expert, however, are based on our inspection of the property and review of the Certificate of Title plans. Should the addressee require absolute certainty in relation to encroachments we recommend that a surveyor be engaged to provide appropriate advice and a survey of the property if considered necessary.</i>
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7.6 Statutory Assessment

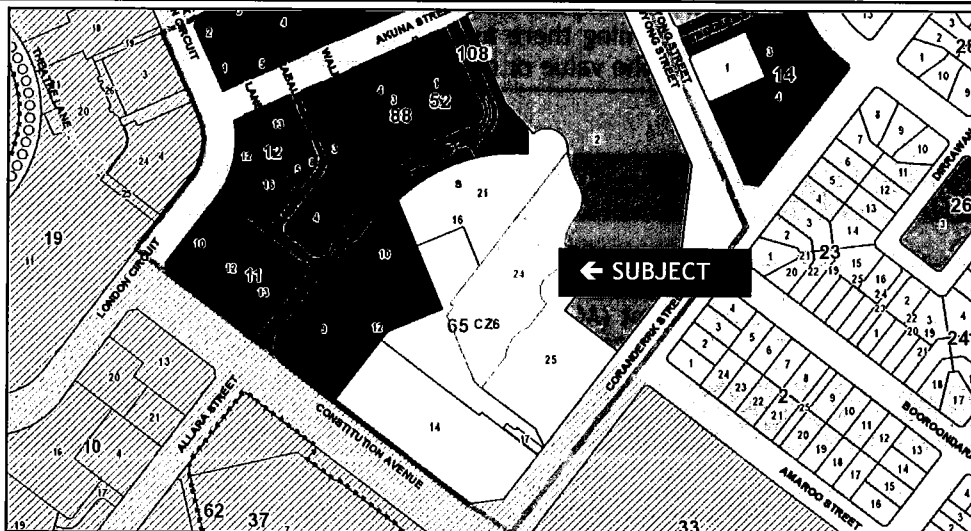
We have been advised by the ACT Revenue Office of the following statutory assessments for the subject as at 13 August 2014:

AUV	\$383,000
Rates 2014/15	\$15,798.99
City Centre Marketing and Improvements Levy	\$1,145.94

8.0 Planning

8.1 Local Planning

Local Government Authority	Australian Capital Territory
Current Town Planning Scheme	ACT Territory Plan
Current Zoning	"CZ6 (Leisure and Accommodation)"



Source: ACTMAPi 2014

Zone Objectives	<ol style="list-style-type: none"> a. Provide for the development of entertainment, accommodation and leisure facilities for residents of and visitors to the ACT and surrounding region; b. Protect leisure and accommodation uses from competition from higher order commercial uses, and encourage activities that enhance the region's economic diversity and employment prospects;
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	<ul style="list-style-type: none"> c. Ensure leisure and accommodation facilities have convenient access to public transport; d. Protect the amenity of nearby residential areas, with regard to noise, traffic, parking and privacy; e. Ensure the location of facilities, and their design and landscaping is compatible with environmental values; f. Ensure that the bulk, scale, size, design and landscaping of development is compatible with the surrounding landscape; and g. Encourage activity at street frontage level and provide an appropriate level of surveillance of the public realm.
Permitted Use in Zone	Ancillary use, aquatic recreation facility, car park, caravan park /camping ground, club, COMMERCIAL ACCOMMODATION USE, COMMUNITY USE, consolidation, craft workshop, demolition, development in a location and of a type identified in a precinct map as additional merit track development, drink establishment, drive-in cinema, group or organised camp, indoor entertainment facility; indoor recreation facility, minor road, minor use, outdoor recreation facility, overnight camping area, parkland, pedestrian plaza, place of assembly, public agency, public transport facility, restaurant, SHOP, sign subdivision, temporary use, tourist facility, zoological facility.
Existing Use	Parkland including car parking
Overlays	National Capital Plan Section 65 City Development Control Plan (previously as Block 19)
Zoning Effect	Current use appears to conform
Proposed Zoning	We are unaware of any proposed changes to the current zoning

8.2 Planning and Development Act 2007

A pertinent section of *the Act* is reproduced below:

Lease Termination	In the event the subject lease was terminated, we note that Sections 293 - 295 (and others) may apply. On the basis of the instructions given, lease termination is outside the scope of this report. These sections of <i>the Act</i> have, therefore, not been considered as part of this valuation and report.
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Planning Disclaimer	<i>Town planning and zoning information was informally obtained from the relevant local and State Government authorities. This information does not constitute a formal zoning certificate. Should the addressee require formal confirmation of planning issues then we recommend written application be made to the relevant authorities to obtain appropriate current zoning certificates.</i>
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8.3 Heritage Issues

Heritage Assumption	This valuation is made on the assumption that there are no actual or potential heritage issues affecting the value or marketability of the property.
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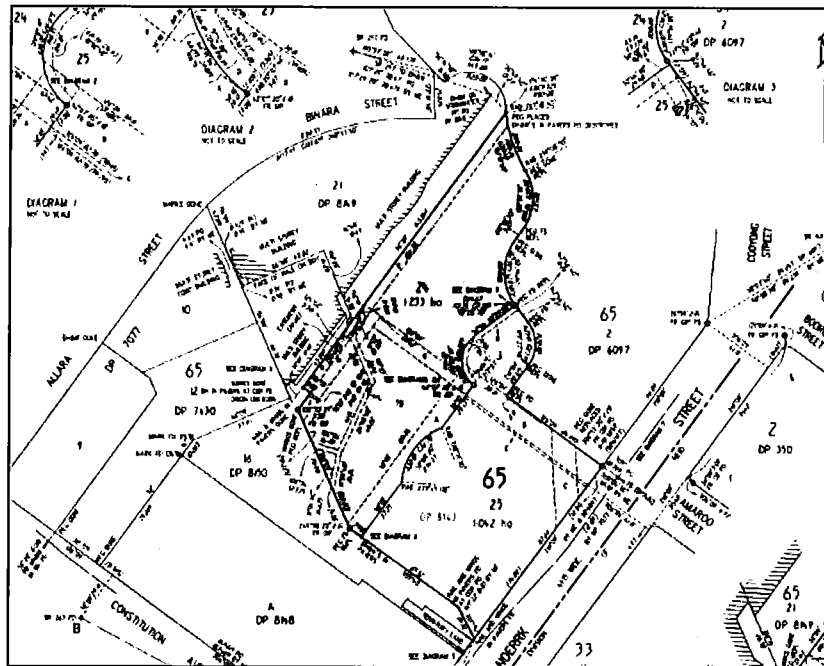
9.0 Land Description

9.1 Dimensions

Shape An irregular shaped, inside site with no street frontages

Street Frontage North western boundary: 186.695m

A full reproduction of the Deposited Plan is included at the Annexures. The shape of the site can be seen from this Deposited Plan excerpt below:



Source: DP10358

9.2 Site Area

Source of Site Area The land area has been obtained from the Deposited Plan

Site Area Approximately 1.233 hectares

Site Area Disclaimer

In the event the actual surveyed land area of the property is different to the area adopted in this valuation the survey should be referred to the valuer for comment on any valuation implications.

9.3 Physical Characteristics

Description	<p>The subject is a large, irregular shaped site with park outlook to the north. The northern portion of the site is relatively open, with grass/mixed ground cover, some formed and planted garden beds and occasional trees near the northern boundary.</p> <p>The central section comprises the sealed carpark and internal paved road.</p> <p>The southerly section of the site includes a more densely planted tree area and then a further, relatively open portion to the very south of the site.</p>
Slope	The site is slightly undulating
Aspect/Views	The site has attractive park views to the north
Drainage	The site appears to have reasonable site run-off drainage. We note conditions were dry on the day of inspection.

10.0 Services

We have assumed electricity, town water, sewerage, gas, and telephone services are available.

11.0 Photography



North west view



Central part of site comprising car park



Easement vehicle access from Block 25 Section 65



Western boundary area



Planted garden beds



Southerly view

12.0 Environmental Issues

12.1 Site Contamination

Past Uses	Park
Current Use	Leased Territory Land
API List of Potentially Contaminating Activities	The current and past uses are not listed on the API List of Potentially Contaminating Activities, Industries and Land Uses.
Site Observations	We have not investigated the site beneath the surface or undertaken vegetation or soil sampling. We confirm that a visual site inspection has not revealed any obvious pollution or contamination.
Contaminated Sites Database Search	Given site contamination is considered unlikely we have not searched the contaminated sites register.
Environment Risk	The property appears to be a low environmental risk subject to the extent of comments, disclaimers and investigations stated within this Section.
Contamination Assumption	Our valuation has been based upon the assumption that there are no actual or potential contamination issues affecting the property.

Environmental Disclaimer	<i>This report is not an environmental audit and no advice is given in any way relating to environmental matters. Any comments given as to environmental factors in relation to the property are not given in the capacity as an expert. Given contamination issues can have an impact on the Market Value of the property, we reserve the right to review and if necessary vary our valuation if any contamination or other environmental hazard is found to exist.</i>
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13.0 Market Commentary

13.1 National

Interest rates in Australia continue to hover near record lows as illustrated by the official cash rate in Australia remaining at 2.50% in July 2014 for the tenth consecutive month. There were two cuts in 2013 of 0.25% in May and August.

The Reserve Bank advised that GDP increased 0.8% in the March quarter 2014 with GDP growth for the previous 12 months at 3.20%. Unemployment rates have remained steady at 5.90% in June 2014 after an increase to 5.80% in December 2013.

Inflation levels measured by the CPI index show a 0.60% increase for the March 2014 quarter, down from 0.80% in the December quarter 2013, reflecting an overall rate of 2.90% for the past 12 months. The Australian Dollar has remained at high levels, however, has decreased in value by approximately 10% since April 2013.

13.2 ACT

Consumer and business sentiment in the ACT is being impacted heavily by significant projected job cuts to the public sector. This has resulted in uncertainty for the ACT economy with its high reliance on public sector employment and for many businesses; the Federal Government is a major purchaser of services and products.

Unemployment in the ACT was reported to be at 3.90% in July 2014, a minor increase from 3.80% in June 2014. The unemployment rate for the ACT showed a surprising decline to 3.50% in May 2014 and has returned to the relatively steady previous levels.

14.0 Valuation Analysis

In forming our view, we have had regard to the accepted definition of Market Value:

"the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

14.1 Market Value "As Is" - Subject to all present conditions of the lease

This value assumes that all conditions of the lease, specifically the lease purpose clause and GFA restriction to a maximum of 650 sqm remain in place. We assume, in accordance with our instructions, that there is no possibility of a change to the zoning or Lease Purpose Clause or for the subject to be sub-divided.

No income is generated from parkland. We note that the building entitlement under the lease has not been utilised. We consider that the market would view the value of the Lease to be the building entitlement of 650 sqm of GFA within the confines of the site and the park environment in which it is located.

It can be most accurately compared to the sale rate achieved for a development site which also encompasses building/development rights. We have considered the property in terms of how it would be viewed by the market in circumstances that permitted transfer.

Property Profile

Marketability	<ul style="list-style-type: none"> Desirable location with attractive surrounds, within the Canberra CBD, although no street profile No income currently generated by the site Development rights for 650 sqm of GFA for specified uses No prospect of change to Lease Purpose Clause, zoning or GFA or sub-division
Market Sector Demand	<ul style="list-style-type: none"> No market for parkland Subdued market for restaurant/drink establishment site of this size
Type of Development Possible	<ul style="list-style-type: none"> Food court style development Restaurant (including Function Centre) / Bar / Cafe
Competing Stock Levels	None
Transaction Volumes	Limited transactions
Selling Period	Estimated 12 months
Likely Buyer Profile	Developer/Investor

14.1.1 Valuation Methodology & Conclusions

Practice Standards	Our valuation has been assessed in accordance with applicable International and Australian Valuation Application Standards and Technical Information Papers.
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14.1.2 Valuation Approaches

The International Valuation Standards Committee and the Australian Property Institute recognise three primary valuation approaches. Relevant extracts from International Valuation Standard 102 Valuation Approaches are provided as follows:

Market Approach

The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

Under this approach the first step is to consider the prices for transactions of identical or similar assets that have occurred recently in the market. If few recent transactions have occurred, it may also be appropriate to consider the prices of identical or similar assets that are listed or offered for sale provided the relevance of this information is clearly established and critically analysed. It may be necessary to adjust the price information from other transactions to reflect any differences in the terms of the actual transaction and the basis of value and any assumptions to be adopted in the valuation being undertaken. There may also be differences in the legal, economic or physical characteristics of the assets in other transactions and the asset being valued.

Income Approach

The income approach provides an indication of value by converting future cash flows to a single current capital value.

This approach considers the income that an asset will generate over its useful life and indicates value through a capitalisation process. Capitalisation involves the conversion of income into a capital sum through the application of an appropriate discount rate. The income stream may be derived under a contract or contracts, or be non-contractual, eg the anticipated profit generated from either the use of or holding of the asset.

Methods that fall under the income approach include:

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REDACTED

- *income capitalisation, where an all-risks or overall capitalisation rate is applied to a representative single period income, and*
- *discounted cash flow where a discount rate is applied to a series of cash flows for future periods to discount them to a present value.*

Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction.

This approach is based on the principle that the price that a buyer in the market would pay for the asset being valued would, unless undue time, inconvenience, risk or other factors are involved, be not more than the cost to purchase or construct an equivalent asset. Often the asset being valued will be less attractive than the alternative that could be purchased or constructed because of age or obsolescence. Where this is the case, adjustments may need to be made to the cost of the alternative asset depending on the required basis of value.

Use of Multiple Approaches and Methods

In practice there are a number of methods under each of these three primary approaches. In some cases it may be appropriate to use more than one approach or method in order to arrive at the valuation, especially where there is a shortage of market data to fully support the use of one method.

14.1.3 Adopted Valuation Method

The most appropriate method of valuation for a property of this nature is the Market Approach whereby the subject property is compared with sales of comparable properties and adjustments made for points of difference. We have utilised the Hypothetical Development Method as a check method of valuation.

Due regard has been given to sales of comparable properties, as discussed under the market evidence section of this report.

14.1.4 Market Evidence and Analysis

Information Availability	<p>In preparing this valuation we have undertaken those investigations reasonably expected of a professional valuer having regard to normal industry practice so as to obtain the most relevant, available, comparable market evidence. Whilst we believe the sales information provided to be accurate, not all details can and have been formally verified. Due to privacy laws, confidentiality agreements and other circumstances beyond our control, the valuer may not have had access to:</p> <ul style="list-style-type: none">• Personal details of parties involved in transactions and is therefore unable to confirm whether such dealings are arm's length transactions; and• Information on recent transactions that are yet to become public knowledge.
Additional Information	<p>In the event additional information becomes available this may affect the opinion expressed by the valuer. Nevertheless the valuation is based on information and market evidence reasonably available to the valuer as at the date of the valuation in accordance with usual valuation practices.</p>

14.1.5 Sales Evidence

We have been unable to identify any directly comparable sales to the subject due to the large size of the land holding within the CBD environment and the restrictions on permitted uses under the Lease Purpose Clause. We have had regard to the attractive surrounds of the subject site and city location, however, the value inherent in the value attributed to the site is largely due to the building rights of 650 sqm of GFA which has, therefore, been the focus of this analysis.

14.1.6 Sale Rates per sqm of Gross Floor Area

We have excluded sales with a residential component from our research and focussed on sales where GFA is limited under the Lease. Development site sales by the Land Development Agency and Direct Sales have been reviewed. There have been an extremely limited number of development site sales with a maximum GFA prescribed by the Lease Purpose Clause in and no residential component in recent years. We acknowledge the variance in approved uses for the sales and this will be addressed in the comparison with the subject site.

The following sales can be evaluated on the basis of a rate/sqm of GFA:

Property	57 Bangalay Street, Rivett, Australian Capital Territory		
Sale Price	\$800,000	Sale Date	05-Jun-14
Comments	1,371 sqm commercial development site within the Rivett local shops precinct sold at Auction. Generally regular shaped with maximum permitted GFA of 887 sqm with broad Crown Lease Purpose Clause. Sale reflects \$583/sqm of site area and \$901/sqm of GFA.		
Comparability	Relatively comparable permitted GFA on a much smaller site area in an inferior suburban location. The most recent sale of a GFA limited development site. Inferior on a rate per sqm.		
Property	Block 1 Section 227, Gungahlin, Australian Capital Territory		
Sale Price	\$1,050,000	Sale Date	30-Aug-13
Comments	8,279 sqm commercial development site in a CZ1 - Core Zone, sold by the ACT Government to Eastlake Football Club for the purpose of a club or drink establishment. Offered for sale by tender and eventually sold under negotiation. Maximum GFA permitted 6,000 sqm. Associated works to on street car parking required of the purchaser to an approximate value of \$195,000. Significant car parking requirements including 24 hour access. Analysed sale price of \$1,245,000 which equates to \$208/sqm of GFA.		
Comparability	Highest and Best use was Club Site. Large development site, although in a Town Centre rather than CBD environment. Restricted market due to 'club use' in the purpose clause, although suitable for drink establishment and carparking as for subject. Much larger GFA, which typically results in a lower rate per sqm. A superior prospect in terms of income potential, although in an inferior location. Significantly inferior on a rate per sqm basis.		

Property	Block 11 Section 18, Gungahlin, Australian Capital Territory		
Sale Price	\$1,250,000	Sale Date	29-Nov-12
Comments	2,576 sqm commercial development site in CZ3 - Services zone. Maximum GFA permitted under the Crown Lease is 3,500 sqm. Sold at a rate of \$485/sqm of site area and \$357/sqm of GFA.		
Comparability	Inferior location in a Town Centre, services zone as opposed to the Canberra CBD. Much larger GFA, typically resulting in a lower rate per sqm. A superior prospect in terms of income potential, although in an inferior location. Significantly inferior on a rate per sqm of GFA basis.		

Property	Block 12 Section 18, Gungahlin, Australian Capital Territory		
Sale Price	\$1,850,000	Sale Date	29-Nov-12
Comments	3,738 sqm commercial development site zoned CZ3: Services Zone. Maximum permitted GFA under the Crown Lease is 5,000 sqm. Sold at a rate of \$494/sqm of site area and \$370/sqm of GFA.		
Comparability	Inferior location in a Town Centre, services zone as opposed to the Canberra CBD. Much larger GFA, typically resulting in a lower rate per sqm. A superior prospect in terms of income potential, although in an inferior location. Significantly inferior on a rate per sqm basis.		

Sales which permit a significantly larger GFA are inferior to the subject. The most relevant sale is that of 57 Bangalay Street in Rivett with a permitted GFA of up to 887 sqm at a rate of \$901/sqm of GFA. This site is considered inferior to the subject due to its suburban location, although we note that the subject poses a greater investment risk than the subject due to the purpose clause and unsure demand for a facility of that type. Suburban development sites are extremely rare, and we note that Weston Creek is one of the fastest growing areas within the ACT. The sales evidence above reflects a rate per sqm of GFA for comparable properties of above \$900/sqm. The subject is superior to the sales above due to location and the more restricted GFA permitted for the site (maximum of 650 sqm). Based on the analysis above, this evidence reflects a sale price above \$900/sqm X 650 sqm of GFA = \$585,000.

14.1.7 Capital Value Analysis and Sales on the basis of a rate per sqm of site

Property	57 Bangalay Street, Rivett, Australian Capital Territory		
Sale Price	\$800,000	Sale Date	05-Jun-14
Comments	1,371 sqm commercial development site within the Rivett local shops precinct sold at Auction. Generally regular shaped with maximum permitted GFA of 887 sqm with broad Crown Lease Purpose Clause. Sale reflects \$583/sqm of site area and \$901/sqm of GFA.		
Comparability	Inferior overall site in a significantly inferior suburban location. Comparable level of development permitted and this site presents as a lower investment risk than the subject as there is a larger market for smaller sites of this type and a more defined pool of buyers for a completed development. The most recent GFA limited commercial development site sale without a residential component. Superior on a rate per sqm of site area. Overall inferior.		

Property	Block 1 Section 227, Gungahlin, Australian Capital Territory		
Sale Price	\$1,050,000	Sale Date	30-Aug-13
Comments	8,279 sqm commercial development site in a CZ1 - Core Zone, sold by the ACT Government to Eastlake Football Club for the purpose of a club or drink establishment. Offered for sale by tender and eventually sold under negotiation. Maximum GFA permitted 6,000 sqm. Associated works to on street car parking required of the purchaser to an approximate value of \$195,000. Significant car parking requirements including 24 hour access. Analysed sale price of \$1,245,000 which equates to \$208/sqm of GFA and \$150/sqm of site area		
Comparability	Smaller site area than subject with superior development rights. Highest and Best use was Club use, which limited the pool of potential buyers. Superior zoning, although inferior location. Superior on a rate per sqm of site area. On the basis of the analysed price, overall superior.		

Property	Block 3 Section 95, Watson, Australian Capital Territory		
Sale Price	\$1,600,000	Sale Date	31-Jan-12
Comments	3.347 ha CZ6: Leisure and Accommodation zoned, commercial development site. Crown Lease purpose clause permits commercial and student accommodation. Sold at a rate of 46.40/sqm of site area.		
Comparability	Larger site area in an inferior location outside of the CBD or a Town Centre. Restricted Purpose Clause. Inferior on a rate per sqm of site area. Overall far superior.		

Property	Block 5 Section 790, Calwell, Australian Capital Territory		
Sale Price	\$2,050,000	Sale Date	23-Dec-11
Comments	Vacant parcel of 2.101 ha adjoining the Calwell Group Centre zoned for community use. Sold for aged care development. Purpose clause widened to improve marketability, permits residential car accommodation, retirement complex and supportive housing.		
Comparability	Larger site area, in an inferior location and zone. Broader purpose clause with superior income producing potential. Analysis of the sale reflects \$98/sqm of site area. Superior on a rate per sqm of site area. Overall far superior.		

Property	Block 8 Section 856, Isabella Plains, Australian Capital Territory		
Sale Price	\$5,050,000	Sale Date	8-Dec-11
Comments	4.468 ha vacant corner parcel opposite the local high school and zoned for community use. Sold for aged care development. Purpose clause widened to improve marketability, permits residential car accommodation, retirement complex and supporting housing.		
Comparability	Larger site area, in an inferior location and zone. Broader purpose clause with superior income producing potential. Analysis of the sale reflects \$113/sqm of site area. Superior on a rate per sqm of site area. Overall far superior.		

We note that the sales evidence reflects different permitted purposes than those approved under the Lease Purpose Clause for the subject. We have noted that the likely purchaser in the event the subject was offered for sale would be an investor or developer, not an owner operator. In view of this, it is appropriate to consider the site in view of their income earning potential as has been done in the comments included with each sale. Whilst the subject is in a superior CBD location, the strict limitations on the further development of the site mean that it is considered an inferior investment opportunity compared to some of the sales above.

The sales evidence for larger sites, such as the subject, as illustrated above reflects a range of \$46.40 - \$150/sqm of site area. We note that the lower end of the range is considered inferior, with superior sites commencing at \$98/sqm of site area.

Most Comparable Sites on a rate per sqm of site area

Block / Section	Suburb	Site Area	Rate/sqm of Site Area	Comparability
Block 3 Section 95	Watson	3.347 ha	\$46.40	Inferior
Block 5 Section 790	Calwell	2.101 ha	\$98	Far Superior

This indicates a comparable range above \$46.40 - up to \$98/sqm of site area. The upper and lower bands reflect values as follows:

Indicative Value from Market Evidence on a Rate per sqm of Site Area

Rate/sqm of Site Area	Comparability	Subject Site Area	Resultant Value
\$46.40	Inferior	1.233 ha	\$572,112
\$98	Superior	1.233 ha	\$1,208,340

On the basis of site rate analysis, we consider the subject market value is within the range of say \$650,000 - \$1,100,000.

When considered on a capital value basis, the market evidence above reflects an inferior sale at \$800,000 (Rivett) and a superior sale at \$1,245,000 (Block 1 Section 227 Gungahlin, analysed price including Associated Works) as illustrated in the table below:

Site	Suburb	Sale Price	Comparison
57 Bangalay Street	Rivett	\$800,000	Inferior
Block 1 Section 227	Gungahlin	\$1,245,000	Superior

14.2 Market Approach Conclusions

Due to the limited sales of sites that can be considered comparable to the subject, we have analysed the market evidence and available sales on a number of bases. We acknowledge that we have still had to make assumptions and comparisons between sales of properties for different purposes, in different locations including Town Centre and suburban locations and where different purpose clauses apply. Considering these sites in terms of the potential income from the permitted uses and GFA permitted is relevant to the site which we consider would be purchased by a developer or investor rather than an owner operator. A developer or investor would consider the site in terms of the income generating potential as we have assumed that the subject could not be sub-divided. The subject site would require more maintenance than smaller sites with a comparable GFA.

From the evidence above we have assessed a range most applicable to the subject is in the range of \$900,000 to \$1,100,000 exclusive of GST.

14.3 Hypothetical Development Approach

We have conducted a Hypothetical Development Scenario as a check method of valuation.

The Hypothetical Development Methodology is a residual analysis approach that measures the price that a developer could afford to pay for the development site after making appropriate allowances for holding charges, development costs, transaction costs, etc and a reasonable profit on the venture after taking into account the risks involved. This analysis assumes 100% debt financing.

Our assessment of value has been undertaken utilising the Estate Master Model version No. 5.30. In our feasibility calculations we have assessed the residual land value for the subject property as appropriate utilising a number of key assumptions, inputs and considerations as follows:

Timing

We have assumed the development will be constructed in one stage of 14 months as shown below:

Stage	Number of Months	Construction Timeline (mths)
Land Purchase and Acquisition	1	0-1
Planning and Approvals	3	2-4
Construction	8	5-13
Post Construction/Selling	1	13-14

General Inputs

We have adopted the following general inputs:

Input	Adopted Value
Legal on purchase	0.50%
Valuation on purchase	\$10,000
Escalation	None
Project Contingency	2.50% of construction and professional fees
Professional Fees	2% of construction costs
Development Application	\$10,000
General Construction Fees	\$1,800/sqm \$3,000/car park (33 required under legislation if GFA is maximised for restaurant/drink establishment use)
Land Holding Costs	\$3,950/quarter Rates (Source ACT Revenue) \$287/quarter CCMIL (Source ACT Revenue)
Selling Costs	0.50% of Gross Sales \$2,000 Legals
Financing	7.50% Interest \$5,000 Application Fee

Gross Realisations

In determining our gross realisations we have had particular regard to the type of product to be developed including assumed quality of finish, surrounding competition, as well as market forces which will affect both potential sale price and take-up rates. We acknowledge the difference between GFA as a method of measurement compared to NLA as referred to below. This variation in part reflects the difference between a future building right and the final product that may be constructed and then considered in terms of lettable area. We have considered the following market evidence of improved retail sales in the CBD and Braddon area to determine the gross realisations for the subject:

Property	202-212 City Walk, City, Australian Capital Territory		
Sale Price	\$10,000,000	Sale Date	01-Aug-11
Comments	Two adjoining properties sold in one line to the Canberra Labor Club Group by GE Real Estate Investments for \$10,000,000 exclusive of GST and on an initial yield of 7.30% on passing income.		
	202-208 City Walk was erected on the land circa 1964 comprising a three level retail and office building. The site is leased to 2 separate tenants anchored by Westpac Banking Corporation. Part of the upper level office was vacant as at the date of sale.		
	210-212 City Walk comprises a three storey retail and office building originally constructed in 1959. Occupancy of the property comprises a mixture of tenants including the Salvation Army and retail clothing (Ivan's fashions). Part of the upper level office accommodation was vacant at the time of sale.		
	2236.6 sqm of NLA with gross passing income of \$899,543. Analysed sale rate of \$4,471/sqm of NLA and sold on an equivalent yield of 8.51%.		
Comparability	Lower rate per sqm of NLA of \$4,471/sqm due to larger lettable area, although a tenanted investment at the time of sale. Superior location in heart of CBD.		
	Overall inferior on a rate per sqm of NLA.		

Property	25 Garema Place, City, Australian Capital Territory		
Sale Price	\$1,600,000	Sale Date	24-Jun-11
Comments	The property comprises a semi-detached two (2) level retail building divided into ground and first floor tenancies both reportedly 115 sqm. At the time of sale the ground floor was occupied by Flight Centre (Escape Travel) with an expiring lease 30 Sep 2011. The upper level was leased to Anton's Hair Salon expiring 31 March 2016. WALE of 1.43 by income and 2.42 by area.		
	Sold at a rate of \$6,956/sqm of NLA and an equivalent yield of 5.10%.		
Comparability	Likely to be a smaller NLA compared to the subject. Tenanted at the time of sale. Superior location in heart of CBD.		
	Superior on a rate per sqm of NLA.		

Property	165 City Walk, City, Australian Capital Territory		
Sale Price	\$2,500,000	Sale Date	12-Jan-11
Comments	Erected on the land circa 1953, is a semi-detached older style two level retail/office building refurbished in 1992. Base construction comprises reinforced concrete slab on the ground level suspended timber floor to the upper level plasterboard internal linings, glass shop front with aluminium window and metal clad roof. At the time of sale the ground level was vacant and upstairs office area was leased until 31 May 2014.		
	412 sqm of retail/office accommodation on a site area of 233 sqm. Sold at an analysed rate of \$6,068/sqm of NLA with gross income of \$44,000. Equivalent yield of 5.22%.		
Comparability	Smaller lettable area in a key location. Limited income at the time of sale. Superior on a rate per sqm of NLA.		

Property	Mode 3, 132/24 Lonsdale Street, Braddon, Australian Capital Territory		
Sale Price	\$976,690	Sale Date	24-Sep-13
Comments	143 sqm ground floor commercial unit within the Mode 3 development. Sold at a rate of \$6,831/sqm of NLA with 1 basement carpark.		
Comparability	Much smaller commercial unit within a thriving location. Far superior on a rate per sqm of NLA.		

Property	Habitat, 4/38 Mort Street, Braddon, Australian Capital Territory		
Sale Price	\$471,337	Sale Date	31-May-12
Comments	61 sqm retail unit on the ground floor of the soon to be completed Habitat development in Braddon ACT. Sold on a rate of \$7127/sqm of NLA.		
Comparability	Much smaller commercial unit within a thriving location. Far superior on a rate per sqm of NLA.		

Property	Habitat, 5/38 Mort Street, Braddon, Australian Capital Territory		
Sale Price	\$451,390	Sale Date	31-May-12
Comments	61 sqm ground floor commercial unit within the soon to be completed Habitat development in Braddon. Sold on a rate of \$7,399/sqm of NLA.		
Comparability	Much smaller commercial unit within a thriving location. Far superior on a rate per sqm of NLA.		

We have adopted a rate of \$5,000 per sqm of GFA for the subject. The sales above reflecting rates above this level are for individual unit sales, in some cases tenanted. The subject would need to be sold in a 650 sqm GFA lot, not subdivided and so naturally that rate per sqm is lower than would be attained for individual small units. We consider that the rate also reflects variances in whether the full improvement (when constructed) could be occupied on a lettable basis. We do consider the rate to be slightly above that achieved at the large property of 202-212 City Walk, at \$4,471/sqm. Whilst a much larger property and NLA, it was part tenanted at the time of sale to a strong anchor tenant reflecting a strong income stream.

Our total calculated Gross Realisation for the development on an un-escalated basis is **\$3,250,000** as shown below:

Gross Realisations Calculations

Gross Floor Area	Rate per Sqm	Gross Realisation
650 sqm	\$5,000	\$3,250,000

Profit and Risk Allowance and Internal Rate of Return (IRR)

In determining a profit margin a developer would expect for the development, we have taken into account the size, nature and status of construction of the development, time frame of construction and gross realisation calculation.

The determination of the profit margin is a difficult process, especially in the course of providing an objective evaluation of a proposed development. Influences on such rates of return are many and varied, with the pertinent factors summarised as follows:

- The nature of the proposed development including, amongst others, the specific market segment the end product is targeting, demand and supply trends in that market and the size and scale of the development;
- Degree of confidence in the end user market which encompasses the pricing of the end product to meet the market, the timing of the sales on completion and the costs associated with the project;
- The likelihood of potential problems during construction with issues including and not limited to industrial disputation, adverse weather conditions and unforeseen cost blowouts;
- Rates of return currently available on less risky, alternative investments;
- The timing of the development, particularly in relation to development margins, which are not annual returns but represent overall returns over the whole period;
- The inclusion of adequate contingencies in the development costs which form part of the evaluation;
- The reasonableness of input assumptions made in relation to issues such as construction costs, cost of funds and timing of costs and revenues; and
- The specific financial position and return criteria of the developer. Depending on factors such as the cost structure of the developer, its tax position, its capacity to negotiate building contracts effectively and its on-site management style which should ensure an efficient development process, the requisite rate of return can vary accordingly.

With regard to benchmarking the property against a profit and risk, it would be expected to be in the range of 15 - 17.5% given the size, short project length term, the level of surrounding supply, nature and term of the development.

The following bands provide a guide for different scenarios when determining a hurdle rate for the profit and risk -

- 15% - 17.5% Usually short-term development considered to be low risk, DA in place, construction costs fixed, presales reasonably certain, construction may be in progress, competitive price point.
- 17.5% - 20% Generally medium term development with some associated risks such as prolonged development periods, possible lower level of presales.
- 20% - 25% Longer-term larger development with more risk, be it requirement of approvals, critical milestones to be met, no presales in place and the like.

Having regard to the above, we have adopted a target Profit and Risk Rate of 15% and a targeted Internal Rate of Return of 15%.

14.3.1 Hypothetical Development Analysis Outcomes

Our analysis using the Hypothetical Development Approach has produced the following outcome:

Land Purchase Price	Net Development Profit	Profit and Risk Margin	Net Present Value	Internal Rate of Return	Residual Land Value
\$1,000,000	\$390,400	15.23%	\$128,069	24.39%	\$1,004,423

We have derived a market value of \$1,004,423 which we round to \$1,000,000 under the Hypothetical Development Approach. Our detailed hypothetical development analysis is available if required.

15.0 Valuation Reconciliation

From our valuation calculations, we have derived the following:

Valuation Methodology	Market Value
Market Approach	\$900,000 - \$1,100,000
Hypothetical Development Approach	\$1,000,000
Adopted Value Range	\$950,000 - \$1,050,000

Having regard to the above calculations, and after taking into account both the positive and negative attributes of the property, from an objective and unbiased, yet balanced point of view, we are of the opinion that the Current Market Value of the property is in the range of \$950,000 to \$1,050,000 exclusive of GST.

16.0 Goods & Services Tax

Treatment of GST	All amounts and values expressed in this report are exclusive of GST unless otherwise specified.
Commercial Property	The sale of commercial property or commercial residential property is subject to GST where the vendor is registered. Commercial residential property includes hotels, motels, hostels, caravan parks etc.

17.0 Valuation

17.1 Market Value "As Is"

- Subject to all present conditions of the Lease

We are of the opinion that the Current Market Value of the Leasehold Interest for negotiation purposes, as at 7 August 2014 subject to the comments in this report, is in the range of:

\$950,000 - \$1,050,000 exclusive of GST

Inspecting Valuer



Narelle Byrne
Valuer
AAPI Certified Practising Valuer
25785 (NSW)

Counter Signatory



James Brennan
Managing Director / Certified Practising Valuer
AAPI Certified Practising Valuer
3652 (NSW)

Important	<i>This valuation is subject to the definitions, qualifications and disclaimers and other comments contained within this report.</i>
Counter Signatory	<i>The counter signatory confirms that the report is genuine and is endorsed by Opteon (ACT) Pty Ltd. The counter signatory may not have formally inspected the property or comparable sales. The opinion of value has been arrived at by the principal signatory.</i>

Appendices

1. Instructions
2. Lease
3. Deposited Plan

Instructions



ACT
Government
Chief Minister, Treasury and
Economic Development



Land
Development
Agency
CANBERRA FIRST

ABN 204 199 255 79
TransACT House
470 Northbourne Avenue
Dickson ACT 2602
GPO Box 158 Canberra ACT 2601
Phone: (02) 6205 0600
Fax: (02) 6107 5101
Email: lda@act.gov.au
Web: lda.act.gov.au

Mrs Narelle Byrne
Commercial Valuer
Oteon (ACT) Pty Ltd
By email: narelle.byrne@opteonproperty.com.au

Dear Mrs Byrne

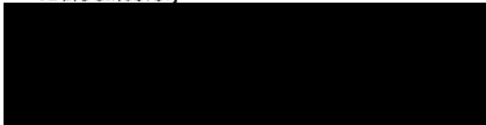
Thank you for your proposal to provide services to the Land Development Agency (LDA) for a valuation to be undertaken on Block 24 Section 65 Acton.

The LDA is pleased to inform you that your quotation has been accepted and all documentation to formalise arrangements between the LDA and your office is being prepared.

In the meantime, please find enclosed a Confidentiality and Conflict of Interest Undertaking. Please sign this Undertaking and return it to the LDA (by email). Upon receiving the signed Undertaking, the LDA will provide you with the executed Internal Services Request Form and a Purchase Order Number (to be quoted on all invoices) which includes the General Terms and Conditions.

If you have any questions, please contact Pamela Roncon on 620 75378 or by email: pamela.roncon@act.gov.au.

Yours sincerely


Tim Xirakis
Project Director
30 July 2014

Lease

Entered in Register Book Vol. 1820 Folio 89



Brett Phillips
Registrar-General



- 3 AUG 2007

AUSTRALIAN CAPITAL TERRITORY

LAND (PLANNING AND ENVIRONMENT) ACT 1991

Australian Capital Territory (Planning and Land Management) Act 1988 (C'th) ss 29, 30 & 31

LEASE GRANTED pursuant to the Land (Planning and Environment) Act 1991 and the Regulations thereunder on the ~~sixteenth~~ day of *May* Two thousand and ~~seven~~ WHEREBY THE PLANNING AND LAND AUTHORITY ("the Authority") ON BEHALF OF THE COMMONWEALTH OF AUSTRALIA ("the Commonwealth") in exercising its functions grants to **Glebe Park Pty Limited A.C.N. 095 891 213** a company having its registered office at 17 Torrens Street Braddon in the Australian Capital Territory ("the Lessee") ALL THAT piece or parcel of land situate in the Australian Capital Territory containing an area of **1.233 hectares** or thereabouts and being **Block 24 Section 65 Division of City** as delineated on **Deposited Plan Number 10358** in the Registrar-General's Office at Canberra in the said Territory ("the land") RESERVING unto the Territory all minerals TO HOLD unto the Lessee for the term commencing on the ~~sixteenth~~ day of *May* Two thousand and ~~seven~~ ("the date of the commencement of the lease") and terminating on the eighth day of **January Two thousand and eighty three** to be used by the Lessee for the purpose set forth in Clause 3(e) of this lease only YIELDING AND PAYING THEREFOR rent in the amount and in the manner and at the times hereinafter provided and UPON AND SUBJECT TO the covenants conditions and agreements hereinafter contained.

LESSEE

LAND

TERM

ACT REVENUE OFFICE
 ORIGINAL DULY STAMPED
 Client A/C No 106B48
 Assess Basis Concession
 Assessment ID 147084
 Assessed Value \$1.00
 Duty Paid \$20.00
 For **Block 24 Sec 65 City**
 Date 17/05/2007 Time 15:00:11

Page 1 of 8

INTERPRETATION

1. IN THIS LEASE unless the contrary intention appears:

- (a) "Authority" means the Planning and Land Authority established by section 7 of the Planning and Land Act 2002;
- (b) "building" means any building or structure, as those terms are defined in section 222 of the Land (Planning and Environment) Act 1991, which requires approval under Part 6 of that Act;
- (c) "car park" means the use of land specifically allocated for the parking of motor vehicles.
- (d) "drink establishment" means the use of land for the sale of alcoholic beverages and spirits to members of the public primarily for consumption on the premises, and which is a licensed premise under the Liquor Act 1975;
- (e) "gross floor area" means the sum of the area of all floors of the building measured from the external faces of the exterior walls, or from the centre lines of walls separating the building from any other building, excluding any area used solely for rooftop fixed mechanical plant and/or basement car parking;
- (f) "Lessee" shall -
 - (i) where the Lessee shall consist of one person be deemed to include the Lessee and the executors administrators and assigns of the Lessee;
 - (ii) where the Lessee shall consist of two or more persons be deemed to include in the case of a tenancy in common the persons and each of them and their and each of their executors administrators and assigns and in the case of a joint tenancy be deemed to include the said persons and each of them and their and each of their assigns and the executors administrators and assigns of the survivor of them; and
 - (iii) where the Lessee is a corporation be deemed to include such corporation its successors and assigns;
- (g) "outdoor recreation facility" means the use of land for a recreation facility serving the sporting needs of people where the activities are undertaken predominantly outdoors;

- (h) "parkland" means the use of land which is unrestricted to public access and which is for recreation, conservation or amenity purposes and includes facilities for the enjoyment and convenience of the public, such as kiosks, car parks, shelters, pavilions, public toilets and the like. The term also includes the use of the land for the management of stormwater drainage, for community paths and landscape buffers, and for other minor utility purposes where such uses can be integrated into the open space system;
- (i) "premises" means the land and any building and all other improvements on the land;
- (j) "restaurant" means the use of land for the primary purpose of providing food for consumption on the premises whether or not the premises are licensed premises under the Liquor Act 1975 and whether or not entertainment is provided;
- (k) "Territory" means -
 - (i) when used in a geographical sense the Australian Capital Territory; and
 - (ii) when used in any other sense the body politic established by section 7 of the Australian Capital Territory (Self-Government) Act 1988 (C'th);
- (l) words in the singular include the plural and vice versa;
- (m) words importing one gender include the other genders.

2. THE LESSEE COVENANTS WITH THE COMMONWEALTH as follows:

- | | |
|----------------------------------|--|
| RENT | (a) That the Lessee shall pay to the Authority rent at the rate of five cents per annum if and when demanded payable within one month of the date of any demand made by the Authority relating thereto and served on the Lessee; |
| MANNER OF PAYMENT OF RENT | (b) That any rent or other moneys payable by the Lessee under this lease shall be paid to such person as may be authorised by the Authority for that purpose at Canberra in the said Territory without any deduction whatsoever. |

3. IT IS MUTUALLY COVENANTED AND AGREED as follows:

- COMMENCEMENT OF DEVELOPMENT** (a) That the Lessee shall within twelve (12) months from the date of the commencement of the lease or within such further time as may be approved in writing by the Authority for that purpose commence to erect an approved parkland within the lease at a cost not less than the sum of one million (\$1,000,000) dollars in accordance with plans and specifications prepared by the Lessee and previously submitted to and approved in writing by the Authority;
- COMPLETION OF DEVELOPMENT** (b) That the Lessee shall within thirty six (36) months from the date of the commencement of the lease or within such further time as may be approved in writing by the Authority complete the erection of the said approved development within the lease in accordance with the said plans and specifications and in accordance with every Statute Ordinance or Regulation applicable thereto;
- PURPOSE** (c) To use the premises only for the purposes of a parkland including a carpark, outdoor recreation facility, drink establishment, restaurant and other associated uses;
- GROSS FLOOR AREA** (d) That the combined gross floor area of all buildings erected on the land shall not exceed 650 square metres;
- CARPARKING** (e) That the Lessee shall provide and maintain an approved drained and sealed carparking area on the land to a standard acceptable to the Authority in accordance with plans and specifications previously submitted to and approved in writing by the Authority;
- LANDSCAPING** (f) That the Lessee shall provide and maintain landscaping on the land in accordance with a Landscape Management Plan prepared by the lessee and previously submitted to and approved in writing by the Authority;
- PEDESTRIAN ACCESS** (g) That the Lessee shall maintain quality hard paved public walkways within the pedestrian access areas indicated by hatching on the public walkway plan attached to this lease and in other such locations as the Authority may determine from time to time and shall at all times (or at such lesser times as may be approved in writing by the Authority) permit members of the public access to pass and repass along the said public walkways;

- LIGHTING** (h) The Lessee shall illuminate and keep illuminated at the Lessee's own expense all public access areas and public walkways in accordance with plans and specifications submitted to and approved in writing by the Authority;
- FLOODING** (i) That the Lessee shall release and indemnify the Territory and the Authority against all actions claims proceedings and demands which may be made against the Territory or the Authority and its servants and agents arising out of flooding of the land;
- FENCING** (j) The Lessee shall not fence any part of the perimeter of the lease except as required for screening of the service areas or for public safety;
- PRESERVATION OF TREES** (k) That the Lessee shall not, without the previous consent in writing of the Territory, remove any tree:
- (i) that has been identified in a development approval for retention during the period allowed for construction of the building; or
 - (ii) to which the Tree Protection (Interim Scheme) Act 2001, or any Act in substitution therefore, applies;
- FACILITIES AND ACCESS FOR PERSONS WITH A DISABILITY** (l) That the Lessee shall provide and maintain facilities and access on the land for persons with a disability in accordance with plans and specifications submitted to and approved in writing by the Authority;
- ENVIRONMENTAL PROTECTION** (m) That the lessee shall provide and maintain facilities within the lease boundary to contain and treat spillages and surface runoff including surface water harmful to stream or water table ecology;
- SERVICE AREAS** (n) That the Lessee shall screen and keep screened all service areas to the satisfaction of the Authority and shall ensure that all plant and machinery contained within the premises is suitably screened from public view;
- BUILDING SUBJECT TO APPROVAL** (o) That the Lessee shall not without the previous approval in writing of the Authority erect any building, or make any structural alterations to any building, on the land;
- REPAIR** (p) That the Lessee shall at all times during the said term maintain repair and keep in repair the premises to the satisfaction of the Authority;

**FAILURE TO
REPAIR**

- (q) If and whenever the Lessee is in breach of the Lessee's obligations to maintain repair and keep in repair the premises the Authority may by notice in writing to the Lessee specifying the repairs and maintenance needed require the Lessee to effect the necessary work in accordance with the notice. If the Authority is of the opinion that a building or some other improvement on the land is beyond reasonable repair the Authority may by notice in writing to the Lessee require the Lessee to remove the building or improvement and may require the Lessee to construct a new building or improvement in place of that removed within the time specified in the notice. If the Lessee does not carry out the required work within the time specified by the Authority any person or persons duly authorised by the Authority with such equipment as is necessary may enter the premises and carry out the necessary work and all costs and expenses incurred by the Authority in carrying out the work shall be paid by the Lessee to the Authority on demand and from the date of such demand until paid shall for all purposes of this lease be a debt due and payable to the Authority by the Lessee;

**RIGHT OF
INSPECTION**

- (r) Subject to the provisions of the Land (Planning and Environment) Act 1991 to permit any person or persons authorised by the Authority to enter and inspect the premises at all reasonable times and in any reasonable manner;

**RATES AND
CHARGES**

- (s) To pay all rates charges and other statutory outgoings assessed levied or payable in respect of the premises as and when the same fall due.

4. THE COMMONWEALTH COVENANTS WITH THE LESSEE as follows:

**QUIET
ENJOYMENT**

That the Lessee paying the rent and observing and performing the covenants and stipulations on the part of the Lessee to be observed and performed shall quietly enjoy the premises without interruption by the Authority or any person lawfully claiming from or under or in trust for the Authority.

5. IT IS MUTUALLY COVENANTED AND AGREED as follows:

TERMINATION

- (a) That if -
- (i) any rent or other moneys payable under this lease shall remain unpaid for three months next after the date appointed for payment thereof (whether such rent or other moneys shall have been formally demanded or not); or

- (ii) the Lessee shall fail to observe or perform any other of the covenants herein contained on the part of the Lessee to be observed or performed and shall have failed to remedy such breach within a period of six months from the date of service on the Lessee of a notice in writing from the Authority specifying the nature of such breach

the Authority on behalf of the Commonwealth may terminate this lease but without prejudice to any claim which the Authority or the Commonwealth may have against the Lessee in respect of any breach of the covenants on the part of the Lessee to be observed or performed;

**ACCEPTANCE
OF RENT**

- (b) That acceptance of rent or other moneys by the Authority during or after any period referred to in Clauses 5(a)(i) or (ii) of this lease shall not prevent or impede the exercise by the Authority of the powers conferred upon it by said Clauses;

FURTHER LEASE

- (c) Subject to the provisions of the Land (Planning and Environment) Act 1991 the Lessee shall be entitled to a further lease of the land for such further term and at such rent and subject to such conditions as may then be provided or permitted by Statute Ordinance or Regulation;

NOTICES

- (d) That any notice requirement demand consent or other communication to be given to or served upon the Lessee under this lease shall be deemed to have been duly given or served if signed by or on behalf of the Authority and delivered to or sent in a prepaid letter addressed to the Lessee at the registered office of the Lessee in the said Territory BUT if for any reason the Lessee does not have a registered office in the said Territory then at the usual or last-known address of the Lessee or affixed in a conspicuous position on the premises;



**EXERCISE OF
POWERS**

- (e) Any and every right, power and or remedy conferred on the Commonwealth or Territory hereunder or implied by law may be exercised on behalf of the Commonwealth or the Territory or as the case may be by -
 - (i) the Authority;
 - (ii) an authority or person for the time being authorised by the Authority or by law to exercise those powers or functions of the Commonwealth or Territory; or

(iii) the authority or person to whom the Authority has delegated all its powers or functions under the Planning and Land Act 2002 or any Statute Ordinance or Regulation substituted therefore

IN WITNESS whereof the Authority on behalf of the Commonwealth and the Lessee have executed this Lease.

Signed by **SUSAN ANN MESSER**)
a delegate authorised to execute this lease)
on behalf of the Commonwealth in the)
presence of **KAREN WALKER**)


.....
Delegate

.....
Witness

Signed by **Glebe Park Pty Limited**)
(A.C.N. 095 891 213) by:


.....
Signature

BARRY JAMES MORRIS

.....
Name in full

DIRECTOR

.....
Director/Secretary


.....
Signature

GRAHAM GERARD POTTS

.....
Name in full

DIRECTOR

.....
Director/Secretary

Deposited Plan

