



VALUE MADE VISIBLE

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Valuation Report

86 Cimitiere Street
Launceston, Tasmania 7250

File Ref: 6557238

VALUATION REPORT



86 Cimitiere Street Launceston, Tasmania 7250

Prepared For	Launceston City Council
Report Purpose	Market Value for Presale Advice Purposes
Valuation Date	13 October 2015
Our Reference	6557238
Client Reference	Purchase Order No. M119791

Opteon Property Group

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VALUE MADE VISIBLE

1.0 Valuation Summary

1.1 Instructions

Instructing Party	Rod Sweetnam, Launceston City Council
Client / Authorised Party	Launceston City Council
Client Reference	Purchase Order No. M119791
Valuation Purpose	Presale advice purposes - <i>Please note, this report does not meet Practice Standards for valuations for mortgage/finance purposes and is specifically unsuitable for this purpose.</i>

1.2 Property Details

Property Address	86 Cimitiere Street, Launceston, Tasmania 7250
Property Description	The property comprises the Willis Street Car Park and National Automobile Museum of Tasmania ("NAMT"), located in a high profile position on the CBD fringe. The car park is operated by the Launceston City Council while NAMT occupy the museum building on a concessional rental with approximately 5.7 years of their current lease to run.

Title Reference	Tenure	Registered Proprietor	Title Area
Volume 142013 Folio 1	Freehold	Launceston City Council	12,000 sqm
Volume 141649 Folio 10	Freehold	Launceston City Council	2,022 sqm
Total Site Area			14,022 sqm

Land Area Comment	The land areas above are as per the current title plans. We have been supplied with spatial maps dated 7 October 2015, prepared by Launceston City Council. The land areas shown on the spatial maps differ to that indicated on the respective title plans. As instructed, we have adopted the land areas shown on the spatial maps for the purpose of our valuations. Refer Section 3.1 for details.
Building Area	1,388 sqm
Zoning	Urban Mixed Use

1.3 Property Profile

Market

Marketability	Reasonable
Market Activity	No recent sales of development sites of this size and price segment within the Launceston area.
Recent Market Direction	Steady after market downturn.

Asset

Highest & Best Use	The highest and best use for the property is considered to be for a development project as permitted under the current zoning/planning controls.
Other Factors	The property is partly encumbered by the existing lease to NAMT at an under market rental, which we have taken into consideration.

Occupancy/Cash Flow

Occupancy Status	Part leased
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Assumptions & Recommendations:

Key Assumptions	<ul style="list-style-type: none">The instructions and information supplied contain a full disclosure of all information that is relevant.The land areas of each site are as shown in spatial plans provided by Launceston City Council.
Recommended Documents to Sight	<ul style="list-style-type: none">Formal survey confirming land area/s.

Market Value As If Complete (revised land area):

Market Value with Vacant Possession (Willis Street Car Park Site):	\$2,600,000
Market Value subject to Existing Lease (Auto Museum Site):	\$500,000
Market Value assuming a Sale-In-One-Line (both titles):	\$3,400,000

This valuation is exclusive of GST

Notwithstanding our market valuation, there is a degree of volatility in prices in the property market which is influenced by the particular circumstances of purchasers and vendors. Having regard to this price volatility, we consider that an appropriate range of value for the subject property, assuming a sale of both sites In-One-Line, is between \$3,200,000 and \$3,600,000.

Interest Valued	Freehold interest
Date of Inspection	13 October 2015
Date of Valuation	13 October 2015
Date Issued	16 October 2015
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.

Signatories



Gavin Lipplegoes Grad. Dip (Prop)
B.Bus(Acc) FFin, AAPI Certified Practicing
Valuer
Managing Valuer
API Member 63838
Inspecting Valuer

Valuation Summary

*This Valuation Summary has been prepared with acknowledgement by the client that it is a synopsis of the property and the valuation on the understanding the client is familiar with the property or have taken their own investigations and due diligence on the property. A more detailed valuation report can be provided if required. All information obtained and researched on the property has been retained on our files for future reference if required. This report is provided on the basis and understanding that this report is only to be used for the specified purpose, and is specifically **not suitable for mortgage security purposes**. Should a financier be provided with a copy of this report we request the financier refer the client back to us or instruct us to prepare a valuation for mortgage security purposes.*

Third Party Disclaimer

This report has been prepared for the private and confidential use of our client, Launceston City Council for the specified purpose. It should not be reproduced in whole or part without the express written authority of Opteon (Tasmania) 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.

2.0 Location

Location

The property is located within a mixed use area on the north eastern fringe of the CBD with frontages to Cimitiere, Willis, Boland and Lawrence Streets.

Properties within the immediate vicinity include City Park (opposite), the Old Gas Works redevelopment site, offices, hotels, bulky goods sales and showrooms and the Albert Hall. The property is also located near the Launceston Plaza Shopping Centre and enjoys good profile to high levels of passing traffic.

Access

The property has good access via sealed roads with kerb and guttering and footpaths.

Parking

On-site and on-street car parking and public car parks are available in the area.

Specific Location Map



3.0 Tenure

3.1 Title/Site Particulars:

Title Reference		Registered Proprietor	Advised Area
Volume 142013 Folio 1	Willis Street Car Park Site	Launceston City Council	9,386 sqm
Volume 141649 Folio 10	Auto Museum Site	Launceston City Council	1,988 sqm
Total Site Area			11,374 sqm

The advised areas noted above are as per the spatial maps supplied by Launceston City Council. Our “As If Complete” valuation assumes that the advised land areas are accurate. Should there be any variance in the proposed land area, including the shape and dimensions of the site, then that information should be referred back to the valuer for review, as it may impact on value.

3.2 Easements, Encumbrances & Other Interests Noted on Title

Encumbrances	<p>The certificates of title indicate that the property is subject to the following easements, encumbrances and restrictions:</p> <p>The land contained in Certificate of Title 141649 Folio 10 is subject to a burdening Right of Way 5.50m wide, benefitting the land contained in Certificate of Title Volume 142013 Folio 1.</p>
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4.0 Planning

Local Government Area	Launceston
Planning Scheme	Launceston Interim Planning Scheme 2015
Current Zoning	Urban Mixed Use
Overlays	This property is not subject to any overlay controls
Existing Use	Public car park and automobile museum
Permitted Uses	Permitted uses within this zoning classification include Business and professional services (if above ground floor), Food services, Natural and cultural management and Passive recreation. Permitted uses with Permit include, but are not limited to, Bulky goods sales (subject to size restrictions), General retail and hire (subject to size restrictions), Hotel industry, Residential (if above ground level), and Tourist operation. There are also discretionary uses under the current zoning.

Zoning Effect	Various uses are permitted subject to Council approval, providing for a relatively broad range of potential development and use.
Heritage Issues	Not applicable

5.0 Site

5.1 Site Details

Site Description	The site comprises an irregular shaped, mainly level allotment with four street frontages.
Dimensions	The shape and dimensions of the property are shown on the Title plans and Spatial maps provided.
Total Site Area	11,374 sqm (as advised by Council)
Identification	The property has been identified from copies of the certificates of title and plan and spatial maps provided by Launceston City Council.

5.2 Services

Services	Electricity; telephone; sewer; reticulated/town water; storm water collection.
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6.0 Improvements

6.1 National Automobile Museum

Main Building Type	Light Industrial (shed)
Style	Split level, freestanding
Accommodation	Comprises a Colorbond clad structure configured as a gift shop, more recently constructed display area, office, toilets and adjoining museum/display areas, consisting of two galleries. Gallery 1 has a minimum height clearance (mhc) of approximately 3.5 metres while Gallery 2 has a mhc of approximately 5 m and includes a raised central apex with skylight panels housing a timber framed mezzanine level.

Construction:

Floors	Concrete and timber
Main External Walls	Colorbond metal deck and brick

Windows	Aluminium and steel
Roof	Colorbond corrugated iron
Main Interior Linings	Timber; villaboard and unlined Colorbond metal deck
Ceilings	Timber and sisalation
Construction Year	Circa 1962
Additions	Later

Building Services

Lighting	Fluorescent and halogen downlighting
Air-conditioning / Ventilation	Heating and cooling is provided via a reverse cycle air-conditioning unit in the gift shop and various ceiling fans throughout.
Lifts	Stair access only between levels
Electrical	The building has standard electrical services.
Fire Services	Fire extinguishers, hose reels, smoke and heat detectors, emergency exits and illuminated exit signs
Security Systems	A building security alarm system is installed, incorporating movement and heat sensors and CCTV.
Disabled Persons' Access	Ramp access and disabled access toilet.
Building Services Comment	The building appears to provide a basic level of building services.

6.2 Plant & Equipment

Included within our valuation is all plant and equipment such as air-conditioning plant and equipment, fire services, or the like, which forms an integral part of the property. Our valuation excludes all non-integral plant and equipment, fit-out, furniture and equipment and personal items/contents.

6.3 Building Areas

Total Lettable Area	1,388 sqm
Building Area Measurement Basis	Gross Lettable Area
Source of Areas	The building area has been calculated from building plans of the property, together with check measurements taken on site.

6.4 Other Improvements

National Automobile Museum: Covered ramp access.

6.5 Condition and Repairs

Internal Condition Generally appears in average condition

External Condition Generally appears in average condition

Repairs & Maintenance As at the time of inspection the building appeared to be in reasonable condition with no essential repairs and maintenance requirements noted. The building is however of a basic type.

Essential Health & Safety Annual maintenance certificate not sighted.

Pest Infestation Our inspection of the subject property did not reveal any visible signs of pest infestation. It is recommended that regular inspections (and chemical treatments if necessary) are undertaken by a suitably certified pest control firm to ensure the property remains free of any pests.

7.0 Photography



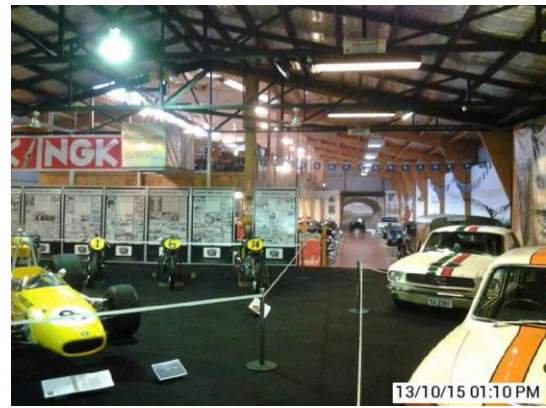
Automobile Museum Building (Cimitiere Street Frontage)



Automobile Museum Building



Gift Shop



Museum



Museum - Gallery 2



Museum - Gallery 1



Car Park



Car Park

8.0 Occupancy and Lease Details

Occupancy Status	Part leased
Leases Sighted	We confirm having been provided with signed copy of the Lease, the main terms and conditions of which are summarised as follows:

8.1 Lease Summary

Lessee	National Automobile Museum of Tasmania
Demised Premises	80 Cimitiere Street, Launceston
Commencement Date	1 July 2011
Initial Term	10 years
Options	Nil
Expiry Date	30 June 2021
Commencing Rent	\$25,000 pa
Current Rent	\$27,318 pa
Rent Reviews	The rent is reviewed annually to the greater of CPI and 3%.
Net or Gross	Part Gross
Outgoings	Under the terms of the lease the tenant is responsible for payment of water and sewerage charges and assessments and for the supply of services including, but not limited to, gas, oil, electric light, water consumption, power and telephone charges.
Permitted Use	National Automobile Museum
Special Conditions	The leased premises is together with a license for the tenant's non-exclusive use of adjoining land with a right to use 13 marked car parking spaces. These car parks are located in land contained within the Willis Street car park site/title and do not form part of the museum site if sold separately. The license may be revoked by the Landlord on 3 months notice in writing.

9.0 General Comments

The subject property is very well located, providing four street frontages and very good profile. The land is relatively level and favourably zoned for a range of development/use options, subject to obtaining the required approvals. Part of the property is however subject to a relatively long term lease at an under market rental, which is adverse to the marketability and market value of that portion of the property.

On a standalone basis, the Museum site offers very limited car parking area and the Willis Street car park site doesn't offer frontage to Cimitiere Street. As separately titled properties, the sites are irregular in shape which affects development potential and efficiency of land use. If sold together, we consider that the impact of the current under market rental on the museum tenancy is also less material than if that site was sold separately. Combined as a single site (both titles), the property is considered more marketable and valuable than if sold as two separate parcels. We have reflected this in our sale in one line valuation.

There are relatively few recent sales of properties which are directly comparable to the subject property. The shortage of directly comparable evidence restricts the ability of the valuer to make direct comparisons with recent comparable sales evidence. We have however had regard to available market evidence in assessing our valuation, making relevant adjustments where appropriate.

Given limited activity in this market segment, some of the sales evidence occurred some time ago; however, in the absence of more recent transactions of comparable properties, we consider they remain relevant, after taking account of any changes to market conditions which have since transpired.

10.0 Market Evidence

10.1 Rental Evidence

We have considered recent rental evidence in our assessment of current market rental value for the automobile museum tenancy. For confidentiality reasons, lease details are not disclosed, however, have been retained on our files.

From our analysis of the market rental evidence, we consider the passing rental to be below market parameters, as reflected later in this report.

10.2 Sales Evidence

Property	125 Invermay Road, Invermay, TAS	
Sale Price	\$200,001	
Sale Date	10-Dec-14	
Site Area	603 sqm	
Zoning	Commercial	
Property Description	The property comprises a vacant commercial site approximately 1 km north of the Launceston CBD.	
Analysis	Site Rate	\$333/sqm land area
Comparability	Significantly smaller site.	



Property 41-43 Canning Street, Launceston, TAS

Sale Price \$525,000

Sale Date 13-Jun-14

Site Area 1,081 sqm


Zoning Commercial



Property Description The property is located in a central and well regarded mixed use locale approximately 1 km south of the Launceston CBD and comprises a dated, single level brick retail building constructed circa 1966. The property included a paved rear yard with car parking for approximately 10 vehicles. The property was sold with vacant possession.

Analysis	Main Building Area	466 sqm	Market Net Yield	8.25 %
	Site Rate	\$486/sqm	Gross Building Area Rate	\$1,127/sqm

Comparability Smaller land area and building than the Museum site, however, well located and providing superior car parking. No encumbrance from lease. Consider comparable overall.

Property	160-162 Cimitiere, Street, Launceston, TAS			
Sale Price	\$530,000			
Sale Date	14-Jul-13			
Site Area	612 sqm			
Zoning	Commercial			
Lettable Area	931 sqm			
Property Description	<p>The property is located on the fringe of the Launceston CBD on a relatively high profile position. The improvements comprise a two level, conjoined retail building which was constructed in around 1957. The building is relatively long and narrow with large areas of reduced value and rear right of way access. Accommodation comprises an unlined retail shop with lift and rear storage areas on the ground floor and first floor offices, amenities and a large area occupied by a gallery. The property was sold with the ground floor vacant and part of the first floor subject to lease, with a remaining lease term of approximately six months. The property was purchased by an owner occupier.</p>			
Analysis	Market Net Yield	11.10 %	Gross Building Area Rate	\$433/sqm
	Site Rate	\$866/sqm (inclusive of improvements)		
	Lettable Area Rate	\$569/sqm		
Comparability	<p>Smaller site and improvements not encumbered by under market rental. Similar limited car parking. Superior position.</p>			

Property **89-93 Cimitiere Street, Launceston, TAS**

Sale Price	\$800,000
Sale Date	31-Jul-15
Site Area	1,644 sqm
Zoning	Urban Mixed Use



Lettable Area 1,644 sqm

Property Description The property comprises a single level industrial building part redeveloped and occupied by a motorcycle retailer (Braarp). The property fronts a busy inner city road and has a good profile. The majority of the improvements are vacant and in poor condition. The property was purchased by an interstate investor.

Analysis	WALE	1.7 years	Market Net Yield	7.75 %
	Site Rate	\$487/sqm (including improvements)		
	Lettable Area Rate	\$487/sqm		

Comparability Smaller, fully developed site. Part inferior improvements. Same zoning and part leased. Not encumbered by under market rental. Superior to Museum site on a standalone basis.

Property **59 Boland Street, Launceston, TAS**

Sale Price	\$1,000,000
Sale Date	24-Nov-14
Site Area	4,047 sqm
Zoning	Commercial



Property Description Comprises a level to gently sloping gravel hardstand site previously uses as a car park. Located within an established commercial area opposite KMart Shopping Centre.

Analysis	Site Rate	\$247/sqm
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Comparability Smaller site. Commercial location and zoning. Inferior position.

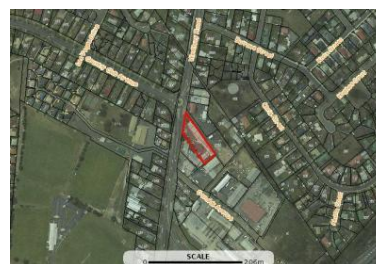
Property **375 Westbury Road, Prospect Vale, TAS**

Sale Price \$1,000,000

Sale Date 06-Sep-13

Site Area 3,713 sqm

Zoning Light Industrial



Property Description The property comprises the former Cleavers Mitre 10 site. Gently sloping site acquired by an adjoining owner for redevelopment. Considered a strong price reflected special interest purchaser.

Analysis Site Rate \$269/sqm

Comparability Smaller site. Inferior location/position and considered less favourably zoned.

Property **45 Boland Street, Launceston, TAS**

Sale Price \$1,350,000

Sale Date 28-Sep-12

Site Area 4,447

Zoning Commercial



Property Description The property comprises a basic showroom and workshop and surplus land located in a high profile commercial position. The property was sold to a developer/investor for retention of the existing improvements and development of a “Shiploads” retail outlet.

Analysis The sale price reflected an analysed underlying land value of approximately \$240 psm.

Comparability Smaller site. Comparable position.

Property **80 Lindsay Street, Invermay, TAS**

Sale Price \$1,500,000

Sale Date 30-Apr-14

Site Area 7,997 sqm

Zoning Commercial



Property Description The property comprises a commercial development site neighbouring the recently developed Bunnings Hardware and having frontage to Lindsay Street. The property was purchased by a developer for a multi-tenancy development.

Analysis Site Rate \$188/sqm

Comparability Smaller site. Commercial location and zoning. Inferior position.

Property **260-264 York Street, Launceston, TAS**

Sale Price \$2,300,000

Sale Date 15-Jul-15

Site Area 3,010 sqm

Zoning Commercial



Property Description The property comprises a high profile site with frontage to two major three lane arterial roads (York and Brisbane Streets) leading into and out of the CBD. The Improvements comprise a freestanding former industrial style building which had been converted for use as a 'Home Ideas' showroom and a part two level office building accessed via Brisbane Street. The improvements are constructed of brick and masonry block walls with colorbond and metal deck roofing. The main building was constructed circa 1968 and the office building appears to have been constructed in the 1990's. The property was sold subject to a lease over the office building with an unexpired lease term of 1 year and 10 months and a monthly tenancy for part of the main improvements. The property was purchased by an adjoining owner (motor vehicle dealership) for owner occupation. Analysis of the sale price indicates an underlying land value of around \$350 psm land area.

Analysis	Main Building Area	2,124 sqm	Market Net Yield	8.00 %
	Site Rate	\$764/sqm	Gross Building Area Rate	\$1,030/sqm
	Lettable Area Rate	\$1,083/sqm		

Comparability Smaller site with more substantial building improvements.

Sales Evidence Conclusions:

Sale	Address	Sale Price	Sale Date	Land Area	Site Rate
1	125 Invermay Road, Invermay, TAS	\$200,001	Dec-14	603 sqm	\$333/sqm
2	41-43 Canning Street, Launceston, TAS	\$525,000	Jun-14	1,081 sqm	\$486/sqm
3	160-162 Cimitiere Street, Launceston, TAS	\$530,000	Jul-13	612 sqm	\$866/sqm
4	89-93 Cimitiere Street, Launceston, TAS	\$800,000	Jul-15	1,644 sqm	\$487/sqm
5	59 Boland Street, Launceston, TAS	\$1,000,000	Nov-14	4,047 sqm	\$247/sqm
6	375 Westbury Road, Prospect Vale, TAS	\$1,000,000	Sep-13	3,713 sqm	\$269/sqm
7	45 Boland Street, Launceston, TAS	\$1,350,000	Sep-12	4,447 sqm	\$240/sqm
8	80 Lindsay Street, Invermay, TAS	\$1,500,000	Apr-14	7,997 sqm	\$188/sqm
9	260-264 York Street, Launceston, TAS	\$2,300,000	Jul-15	3,010 sqm	\$350/sqm
Subject Property (Valuation) – Auto Museum Site		\$500,000	Oct-15	1,988 sqm	\$251 psm
Subject Property (Valuation) – Car Park Site		\$2,600,000	Oct-15	9,386 sqm	\$277 psm

The site rates quoted above for the two Cimitiere Street sales and the canning Street sale are inclusive of improvements. These properties are considered superior to the Automobile Museum site on a direct comparison basis, due to the present value rental shortfall under the existing lease.

The site rate quoted for the recent sale of 260-264 York Street is our analysed rate after deduction of the assessed added value of the improvements.

11.0 Valuation Calculations

11.1 Market Approach

Direct Comparison Method – Automobile Museum

Direct Comparison Valuation Method (Land Area)			
			Market Value
Land Area:	1,988 sqm	@ \$235	\$467,180
	1,988 sqm	@ \$250	\$497,000
	1,988 sqm	@ \$265	\$526,820
Adopt, Total Land Value:		<i>Rounding</i>	\$500,000

Direct Comparison Method – Willis Street Car Park

Direct Comparison Valuation Method (Land Value)			
			Market Value
Land Area:	9,386 sqm	@ \$250	\$2,346,500
	9,386 sqm	@ \$275	\$2,581,150
	9,386 sqm	@ \$300	\$2,815,800
Adopt, Total Land Value:		<i>Rounding</i>	\$2,600,000

Direct Comparison Method – Sale-In-One-Line

Direct Comparison Valuation Method (Land Value)			
			Market Value
Land Area:	11,374 sqm	@ \$275	\$3,127,850
	11,374 sqm	@ \$300	\$3,412,200
	11,374 sqm	@ \$325	\$3,696,550
Adopt, Total Land Value:		<i>Rounding</i>	\$3,400,000

11.2 Income Approach

Market Income Capitalisation Method – Automobile Museum

Our valuation calculations are summarised as follows:

Current/Passing Income Analysis

Tenancy	Tenant	Area	Rate	Rental
Museum	NAMT	1,388 sqm @ \$20 psm		\$27,318
Total Passing Part Gross Income:				\$27,318

Market Rent & Income Assessment

Tenancy	Tenant	Area	Rate	Rental
Ground Level	NAMT	1,180 sqm @ \$50 psm		\$59,000
Mezzanine	NAMT	208 sqm @ \$15 psm		\$3,120
Total Market Net Income:				\$62,120

The current lease agreement provides for a partially gross rental, under which the tenant pays for water and sewerage charges, however, rates and land tax are inclusive within the rental. Both lots are recorded under the same Property Identification Number for rating and taxing purposes. We have been advised by Launceston City Council that current rates attributable to the Museum site are approximately \$5,234 pa. We have also been advised that current land tax for both sites is \$5,468 pa. Based upon the information provided, we have made an allowance of \$6,500 pa for non-recovered rates and land taxes attributable to the Museum site. We reserve the right to review our valuation in the event that actual rates and land taxes for the Museum Site, if separately rated, differs materially to our allowance

For the purpose of our current market valuation, and based upon our analysis of market rental evidence, we have assessed a net market rental assuming that a tenant would pay all statutory outgoings, as is typical in the current market for this type of property.

Market Income Capitalisation Method

Valuation Inputs:

Land area:	1,988 sqm
Lettable area:	1,388 sqm

Market Annual Income:

Market Annual Income:	\$62,120
Capitalised	@ 9.00%
Capitalised Value (before adjustments):	\$690,222

Capital Adjustments:

Letting up allowance	\$0
Rental shortfall under current lease	(\$189,289)
Capital expenditure	\$0
Value of surplus land	0 sqm @ \$0 psm
Other	\$0
Total Market Value:	\$500,933

Adopt, Total Market Value:	<i>Rounding factor</i>	<i>\$5,000</i>	\$500,000
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Sensitivity Analysis:

Net Market Annual Income:	\$62,120	\$62,120	\$62,120
Capitalised	@ 8.50%	@ 9.00%	@ 9.50%
Capitalised Value:	\$730,824	\$690,222	\$653,895
Capital Adjustments:	(\$189,289)	(\$189,289)	(\$189,289)
Total Market Value:	\$541,535	\$500,933	\$464,606

Indicates, Total Market Value:	\$540,000	\$500,000	\$465,000
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Reflects:	Rate psm land:	\$272	\$252	\$234
	Rate psm lettable area:	\$389	\$360	\$335
	Reversionary yield:	11.50%	12.42%	13.36%

12.0 Assumptions, Conditions & Limitations

Area Disclaimer	<i>In the event actual surveyed areas of the property are different to the areas adopted in this valuation the survey should be referred to the valuer for comment on any valuation implications. We reserve the right to amend our valuation in the event that a formal survey of areas differs from those detailed in this report.</i>
Asbestos Disclaimer	<i>We are not experts in the identification of Asbestos and therefore, in the absence of an environmental consultant's report concerning the presence of any asbestos fibre within the subject property, this valuation is made on the assumption that there is no: asbestos material present; health risk from asbestos within the property; or there is any material expense relating to the repair, management or replacement of asbestos materials in the foreseeable future. Should an expert's report establish that there is an asbestos related health risk or a requirement to undertake asbestos remediation works then we reserve the right to review this valuation.</i>
Building Services Disclaimer	<i>No documentation or certification has been sighted to verify the condition of building services, and we have assumed that all building services are: adequate in specification; in good operational condition; and satisfactorily maintained.</i>
Encroachments	<i>The valuation is made on the basis that there are no encroachments (unless otherwise noted) by or upon the property and this should be confirmed by a current survey report and/or advice from a land surveyor. If any encroachments are noted by the survey report the valuer should be consulted to assess any effect on the value stated in this report.</i>
Environmental Disclaimer	<i>This report is not an environmental audit and no advice is given in any way relating to environmental or pollution matters. Any comments given as to environmental or pollution factors in relation to the property are not given in the capacity as an expert. This assessment of value is on basis that the property is free of contamination or environmental issues affecting the property not made known to the valuer. In the event the property is found to contain contamination the matter should be referred to this office for comment. 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>
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, is not in any way misleading or deceptive, contains a full disclosure of all information that is relevant, there are no undisclosed agreements in place that affect the property and the sale price includes GST. 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>
Future Value	<p><i>Any comments are made in relation to future values are based on general knowledge and information currently available. These comments should not be construed as a prediction of future value levels or a warranty of future performance as the property market is susceptible to potential rapid and unexpected change caused by multiple factors. Ultimately current expectations as to trends in property values may not prove to be accurate.</i></p> <p><i>Due to possible changes in the property market, economic conditions, occupancy status and property specific factors, we recommend the value of the property be reassessed at regular intervals</i></p>

<p>Geotechnical</p>	<p><i>We have not sighted a geotechnical engineers' survey of the property. We are not experts in the field of civil or geotechnical engineering and we are therefore unable to comment as to the geotechnical integrity of the ground and soil conditions. It is specifically assumed that there are no adverse geotechnical conditions that compromise the utility of the property for the current or highest and best use. In the event there is found to be adverse ground conditions we recommend the matter be referred to this Company for comment.</i></p>
<p>Heritage Disclaimer</p>	<p><i>Our valuation has been assessed having regard to the nature of any buildings on the property and any known heritage listings. However we have not obtained formal confirmation of heritage listings beyond what is available in the public domain and identified in this report. Our valuation assumes, unless otherwise specified, that any heritage issues (including Aboriginal) do not impact on the continued and/or highest and best use of the property. If there is doubt in relation to such issues we recommend written application be made to the relevant authorities.</i></p>
<p>Inconsistencies in Assumptions</p>	<p><i>If there is found to be any variance, inconsistency or contradiction in any of the assumptions within this report then this may have an impact on the market value of the property and we recommend this valuation be referred back to the Valuer for comment.</i></p>
<p>Insurance Value</p>	<p><i>The insurance reinstatement value excludes GST; all personal items and contents; loss of rental income or profits; any allowance for loss in land value as a consequence of the existing improvements not being permitted to be rebuilt due to changes in planning controls, development standards or the extinguishment of existing use rights; any increase in proportionate costs as a consequence of a partial loss; costs for removal of asbestos; and increased costs as a consequence of widespread catastrophic events. Some or all of the itemised cost factors could be automatically excluded in the insurance policy; therefore it is important to establish the extent of such inclusions with the insurer. We recommend you investigate the terms and conditions of your insurance policy to determine the extent of inclusions and exclusions or discuss the issue with your insurance broker or insurer. This Insurance Value should only be regarded as an estimate and should a more accurate assessment be required we recommend a quantity surveyor be engaged.</i></p>
<p>Leases and Rents</p>	<p><i>This valuation is based on the lease terms and conditions summarised within this report sourced from a review of the available lease documentation and tenancy schedules made available. This valuation is made on the basis that the tenants are paying rent in accordance with the lease agreements and there are no undisclosed rental subsidies, rent free periods or other incentives that have been provided by the lessor. Our valuation assumes there are no material breaches of the essential terms of existing Leases by the existing Lessees and no material rental arrears at the date of Valuation.</i></p>
<p>Market Change</p>	<p><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 or factors that the Valuer could not have reasonably become aware as at the date of the Report). 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 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></p>

<p>Market Evidence Information Availability</p>	<p><i>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 market evidence information and any other 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:</i></p> <ul style="list-style-type: none"> • <i>Personal details of parties involved in transactions (including the relationship of the parties);</i> • <i>Information on recent transactions that are yet to become public knowledge; and</i> • <i>Copies of leases or contracts to confirm rents or prices and to ascertain whether or not rents or prices are inclusive or exclusive of GST.</i>
<p>Market Value</p>	<p><i>“Market Value is the estimated amount for which an asset or liability should exchange on the Valuation date 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></p>
<p>Native Title Assumption</p>	<p><i>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.</i></p>
<p>Planning Disclaimer</p>	<p><i>Town planning and zoning information was informally obtained from the relevant local and State Government authorities and is assumed to be correct. Should the addressee require formal confirmation of planning issues then we recommend formal application be made to the relevant authorities to confirm planning details.</i></p>
<p>Publication of Report</p>	<p><i>The publication of the valuation or report in whole or any part, or any reference thereto, or the names and professional affiliations of the valuers is prohibited without the prior written approval of the valuer as to the form and context in which it is to appear.</i></p>
<p>Site Survey Disclaimer</p>	<p><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 the site area, dimensions or possible encroachments we recommend that a surveyor be engaged to provide appropriate advice and a survey of the property if considered necessary. In the event there are any fundamental inconsistencies between any site survey undertaken and site detail adopted in this valuation, the survey should be referred to the valuer for comment on any valuation implications (including amendment of our valuation if considered necessary).</i></p>
<p>Structural Disclaimer</p>	<p><i>This report is not a structural survey and no advice is given in any way relating to structural matters. Any opinion given as to the condition of the improvements on the property is not given in the capacity as an expert. A structural report on the building and/or its plant and equipment has not been sighted, and nor have we inspected unexposed or inaccessible portions of the premises. Therefore we cannot comment on the structural integrity, any defects, rot or pest infestation (or damage from pest infestation) of the improvements, any use of asbestos or other materials now considered hazardous or areas of non-compliance with the Building Code of Australia, other than matters which are obvious and which are noted within this report. This valuation assumes the building is structurally sound; that building services are adequate and appropriately maintained; the building complies with applicable Council, building, health, safety and fire regulations, laws, bylaws, rules, licences, permits and directives; and is free of asbestos or other defects, unless specified otherwise. Should an expert’s report establish that there is any damage of the varieties noted above then we reserve the right to review this valuation.</i></p>

Third Party Disclaimer

This report has been prepared for the private and confidential use of our client, Launceston City Council for the specified purpose. It should not be reproduced in whole or part without the express written authority of Opteon (Tasmania) 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.

Title and Unregistered Instruments

For the purpose of this report we have assumed that the title information provided to us is correct. Our Valuation has been assessed assuming the property is only affected by encumbrances noted on Title with the exception of registered instruments (eg. mortgages or caveats) that are normally and expected to be discharged prior to transfer of the property. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted on the title, they may affect the assessment of value. If there are errors or omissions found to exist on the title documents we should be notified and we reserve the right to review our valuation.

APPENDIX 1

TITLE TEXT CT 1420131

SEARCH OF TORRENS TITLE

VOLUME 142013	FOLIO 1
EDITION 2	DATE OF ISSUE 06-Jul-2015

SEARCH DATE : 14-Oct-2015

SEARCH TIME : 05.10 PM

DESCRIPTION OF LAND

City of LAUNCESTON

Lot 1 on Plan 142013

Derivation : Part of Lot 1 (1.569ha) Vested in The Australian National Railways Commission

Prior CT 128992/2

SCHEDULE 1

B188060 TRANSFER to LAUNCESTON CITY COUNCIL

SCHEDULE 2

Reservations and conditions in the Crown Grant if any

SP 141649 BENEFITING EASEMENT: Right of Carriageway over the Right of Way 5.50 wide shown on Plan No.142013

UNREGISTERED DEALINGS AND NOTATIONS

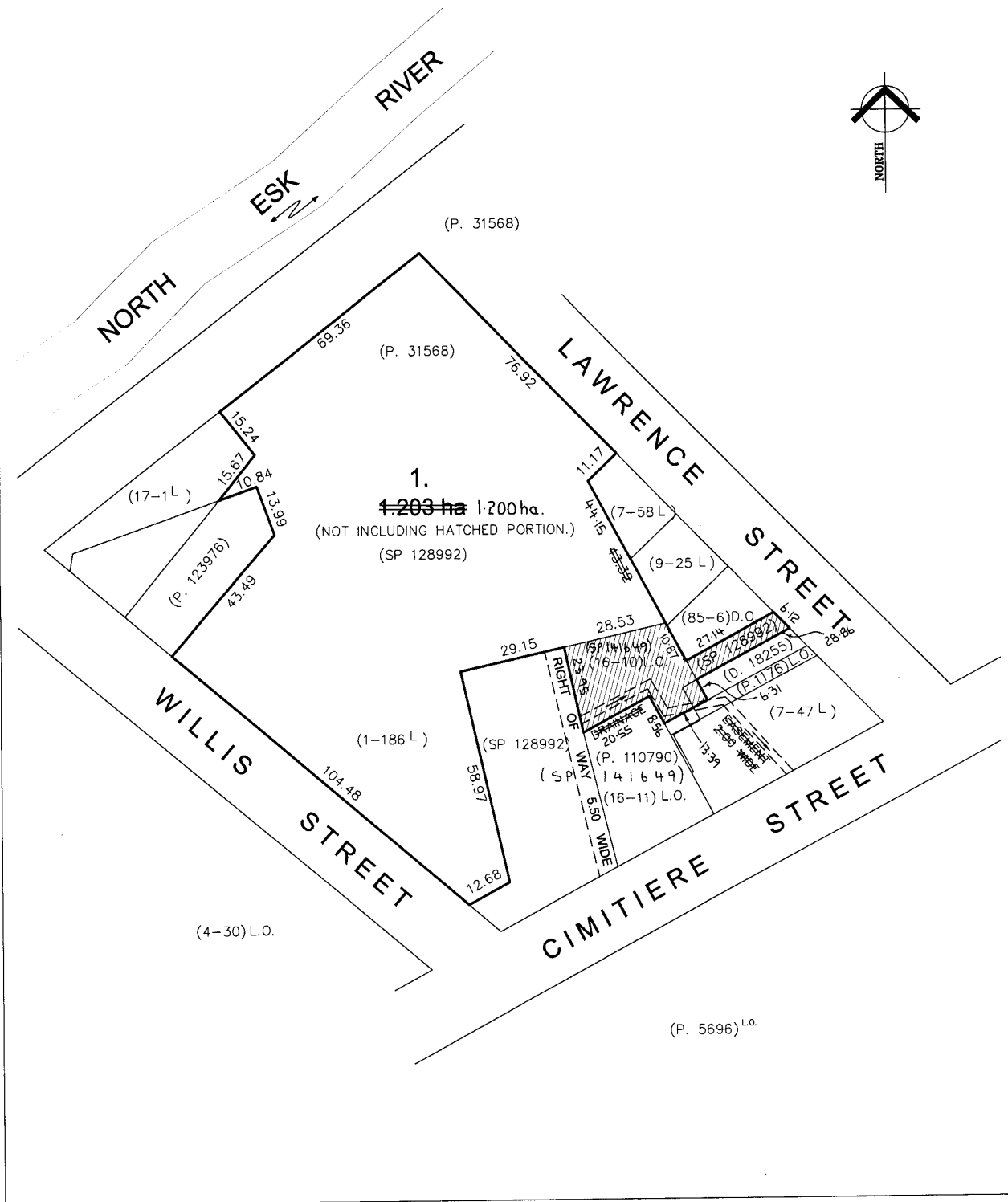
144355 PLAN Lodged by LAUNCESTON CITY COUN on 07-Jul-2005
BP: 144355

APPENDIX 2

TITLE PLAN CT 1420131

OWNER LAUNCESTON CITY COUNCIL	PLAN OF TITLE LOCATION CITY OF LAUNCESTON SEC K.K.	Registered Number P 142013
FOLIO REFERENCE C.T. 128992-2		APPROVED 16 MAR 2005 <i>Alice Kawa</i> Recorder of Titles
GRANTEE PART OF LOT 1 (1.569 ha) VESTED IN THE AUSTRALIAN NATIONAL RAILWAYS COMMISSION.	FIRST SURVEY PLAN No. SP128992 COMPILED BY SCALE 1:1000 LENGTHS IN METRES	
MAPSHEET MUNICIPAL CODE No. 120 (5041-43)	LAST UPI No. FQT44-45	LAST PLAN No. S.P. 128992
ALL EXISTING SURVEY NUMBERS TO BE CROSS REFERENCED ON THIS PLAN		

BALANCE PLAN



APPENDIX 3

TITLE TEXT CT 14164910

SEARCH OF TORRENS TITLE

VOLUME 141649	FOLIO 10
EDITION 2	DATE OF ISSUE 06-Jul-2015

SEARCH DATE : 14-Oct-2015

SEARCH TIME : 05.09 PM

DESCRIPTION OF LAND

City of LAUNCESTON
 Lot 10 on Sealed Plan 141649
 Derivation : Part of Lot 1 (1.569ha) Vested in The Australian
 National Railways Commission
 Prior CT 128992/1

SCHEDULE 1

B188060 TRANSFER to LAUNCESTON CITY COUNCIL

SCHEDULE 2

Reservations and conditions in the Crown Grant if any
 SP 141649 EASEMENTS in Schedule of Easements
 SP 141649 FENCING COVENANT in Schedule of Easements

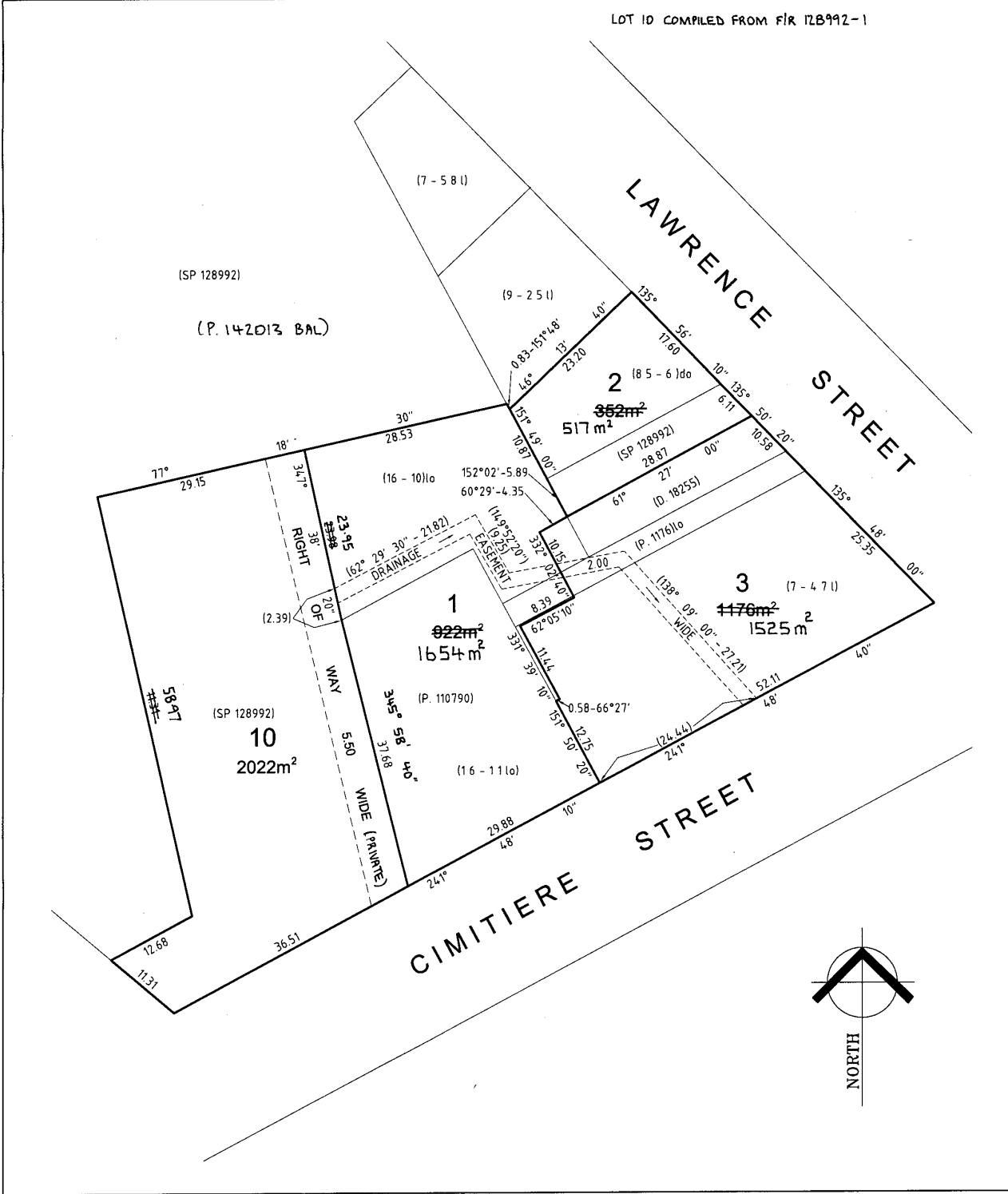
UNREGISTERED DEALINGS AND NOTATIONS

No unregistered dealings or other notations

APPENDIX 4

TITLE PLAN CT 14164910

<p>OWNER CRYSTAL CLEANING PTY. LTD. COL LEE PTY. LTD. MARLOU PTY. LTD. LAUNCESTON CITY COUNCIL</p> <p>FOLIO REFERENCE CT Vol 110790 Fol 1 CT Vol 91480 Fol 1 CT Vol 204527 Fol 1 CT Vol 10255 Fol 1 CT Vol 91483 Fol 3 CT Vol 12899 Fol 2 FIR 128992-1 FIR 124871-1</p> <p>GRANTEE PART OF LOT 1 (1.569ha) VESTED IN THE AUSTRALIAN NATIONAL RAILWAYS COMMISSION WHOLE OF LOT 34727 GRANTED TO THE TRANSPORT PART OF 2R-33P. GRANTED TO H. READING. PART OF 2R-23P & 2R-27P GRANTED TO H. READING. WHOLE OF 0-3-33 0-0-36 1/2 GTO TO KEITH R. RITCHIE</p>	<p>PLAN OF SURVEY</p> <p>BY SURVEYOR IAN ROBERT GREEN of G.J. WALKEM & CO. LAUNCESTON of land situated in the</p> <p>LOCATION CITY OF LAUNCESTON SECTION KK</p> <p>SCALE 1:500 LENGTHS IN METRES</p>	<p>REGISTERED NUMBER SP141649</p> <p>APPROVED 16 MAR 2005 <i>Alice Karva</i> Recorder of Titles</p>	
<p>MAPSHEET MUNICIPAL CODE No. 120 (5041-43)</p>	<p>LAST UPI No. 5433063 5433059 5433100 GJRO3</p>	<p>LAST PLAN No. SP128992 9-25 LTON P 110790</p>	<p>ALL EXISTING SURVEY NUMBERS TO BE CROSS REFERENCED ON THIS PLAN</p>



APPENDIX 5
VALUATION ORDER

From: Gavin.Lipplegoes@opg.net
Sent:
To: tas.instructions@opg.net
Subject: FW: Quote from Opteon Tasmania

This relates to two jobs for Launceston City Council sent for rego earlier.

Thanks

Gavin Lipplegoes | Grad. Dip (Prop) B.Bus(Acc) FFin, AAPI, CPV
Managing Valuer

 [Opteon Property Group](#)

D 03 6335 1488
M 0409 427 241
P 03 6335 1444
E Gavin.Lipplegoes@opg.net
W <http://www.opg.net>

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From: Rod Sweetnam [mailto:Rod.Sweetnam@launceston.tas.gov.au]
Sent: Monday, 12 October 2015 3:17 PM
To: Gavin Lipplegoes; Rod Sweetnam
Subject: RE: Quote from Opteon Tasmania

Hi Gavin

Please include Purchase Order number M119791 on your invoice.

Regards

Korinda Smith | Personal Assistant - Director Facilities Management | City of Launceston
T 03 6323 3507 | www.launceston.tas.gov.au

From: Gavin Lipplegoes [mailto:Gavin.Lipplegoes@opg.net]
Sent: Monday, 12 October 2015 12:19 PM
To: Rod Sweetnam
Subject: Re: Quote from Opteon Tasmania

Good morning Rod,
Are you able to have your confirmation and order number sent through asap please. I'll need to get started to meet the timeframe.

Regards
Gavin Lipplegoes

Sent from my HTC on the Telstra Mobile network

----- Reply message -----

From: "Rod Sweetnam" <Rod.Sweetnam@launceston.tas.gov.au>
To: "Gavin Lipplegoes" <Gavin.Lipplegoes@opg.net>
Cc: "Korinda Smith" <Korinda.Smith@launceston.tas.gov.au>
Subject: Quote from Opteon Tasmania
Date: Fri, Oct 9, 2015 4:38 PM

Thank you for your quote Gavin I will arrange for an order number to be issued to you on Monday.
The point of contact at council will change I will send those details with the order number


Regards

Rod

Rod Sweetnam | Director Facilities Management | Launceston City Council
M 0418 372 030 | T 03 6323 3505 | F 03 6323 3185 | www.launceston.tas.gov.au

From: Gavin Lipplegoes [<mailto:Gavin.Lipplegoes@opg.net>]
Sent: Friday, 9 October 2015 12:51 PM
To: Rod Sweetnam
Cc: tas.quotes
Subject: Quote from Opteon Tasmania

Thank you for considering Opteon

 Description:
cid:image001.png@01D1050

9 October 2015

Dear Mr Sweetnam,

Thank you for the opportunity to provide you with a fee proposal for independent property/valuation advice.

Below is our understanding of your requirements:

Our Client(s):	Launceston City Council
Client Email:	rod.sweetnam@launceston.tas.gov.au
Purpose/Scope:	Market value for potential sale/transfer purposes and should not be relied upon for any other purpose.
Property:	<ol style="list-style-type: none">1. Part of the land at 2 Invermay Road, Invermay, known as the "Old Cycle Track", and having an area of approximately 13,798.61 sqm; &2. 86 Cimitiere Street, Launceston, known as the "National Automobile Museum" (including the Willis Street Car Park).
Type of Property:	Vacant land, Car Park and Museum/Potential development sites.
Contact for Access:	Rod Sweetnam
Report Delivery:	A separate report for each property will forwarded by email.

Required Information:	If you have any information about the property or information which is relevant to the purpose of this advice please supply this information to us, preferably by email. In particular, please provide the following: <ul style="list-style-type: none">· Copy of lease/s and passing rents for the property/ies; We may identify further information requirements as we work through our valuation..
Address Invoice to:	Launceston City Council
Total Professional Fees:	\$4,500 plus GST. If we are required to undertake title searches, further fees of \$40 per document will apply.
Payment of Fees:	It would be appreciated if you could please arrange for payment of our professional fees within 14 days of issue of our invoice, which will be forwarded to you with our valuation reports.
Date of Completion:	As requested, our reports will be completed by close of business Friday 16 th of October, subject to us being able to have full access to the properties and timely receipt of all necessary information.
Terms of Engagement:	Our advice and report will be provided subject to Opteon's Standard Terms and Conditions which are enclosed.

If you have any queries or changes regarding this job, please contact us.

Could you please confirm that you would like us to proceed by return email. In order to assist with timely completion of this job, please collate and email us all necessary information.

Thank you again for the opportunity to be of service to you and we look forward to your business.

Opteon - Standard Terms and Conditions

Explanation

The following terms are the standard terms and conditions that apply to valuation or consultancy assignments and services for which Opteon is engaged. These terms form part of the appointment of Opteon by the Client to provide the services unless other specific terms and conditions are agreed in writing between Opteon and the Client.

Exclusion on Use and Liability

Advice or any report prepared by Opteon will be for and will be confidential to the Client for the specific purpose outlined in writing in the engagement. Only the Client, or any other party to whom the advice or report is specifically addressed, may rely upon the advice or report. Should any other party seek to rely upon the advice or report, the consent of Opteon must be obtained in writing. Opteon accept no liability for negligence and/or any other cause of action for any loss or damage suffered by a third party to whom the advice or report was not addressed nor assigned.

The Client agrees that neither the whole nor any part of any advice or report or the substance thereof will be communicated to any other person without first obtaining the written consent of Opteon. The Client further agrees that if it does communicate to any other person, the whole or any part of the report, or the substance of it in accordance with these terms and conditions the Client will also communicate the terms of the engagement to that other person and will fully indemnify Opteon in the event of any failure to do so.

Neither the advice of Opteon nor any of the services provided pursuant to the engagement of Opteon are intended, either expressly or by implication, to confer any benefit on any third party (other than a third party who is nominated to Opteon in writing as part of the engagement) and the liability of Opteon to any third party is expressly disclaimed.

The Client acknowledges that the valuation is current as at the date of valuation only. Opteon does not accept any responsibility for losses caused by changes in market value after the date of valuation. Without limiting this qualification, Opteon accepts no responsibility for any reliance placed on a report any later than 3 months after the date of issue of the report.

Performance of the Services

Opteon shall exercise all reasonable skill and care in providing the services and shall inform the Client if it becomes apparent that the scope of the engagement for the services need to be varied. Opteon shall confirm with the Client any agreement reached resulting in a variation of the scope of engagement.

Valuation reports will be prepared in accordance with applicable Australian Property Institute (API) Professional Practice Standards and Guidance Notes and will be subject to disclaimers and qualifications where those are noted in the report.

Information Provided by Client

The Client shall provide to Opteon all information necessary or reasonably required to enable Opteon to properly perform the Services. The instructions should be provided in writing and must include a statement as to the purpose for which the Client intends to use the report.

The Client accepts that Opteon is entitled to rely on the accuracy, sufficiency and consistency of any and all information supplied by the Client. Opteon accepts no liability for any inaccuracies contained in information disclosed by the Client, whether prepared by the Client or by a third party and whether or not supplied directly to Opteon by that third party.

Except where required by law or by any proper authority, all confidential information provided by the Client shall, except with the prior written consent of the Client, be kept confidential by Opteon.

All confidential information provided by the Client will be returned, destroyed or erased upon the Client's request, save that Opteon reserves the right to retain one copy of the confidential information for purposes only of compliance with any professional, legal or regulatory requirements or obligations (subject always to its continuing duty to treat such information as confidential).

Information Provided by Opteon

Intellectual Property in all material of whatever nature prepared by Opteon and provided to the Client or otherwise generated in the course of carrying out the Services shall remain the property of Opteon. No part of any report, document or publication may be reproduced or transmitted or disclosed in any form or by any means, or stored in any database or retrieval system of any nature, without prior written permission of Opteon.

All information and advice made available by Opteon to the Client is for the sole use of the Client for the sole purpose for which it was prepared.

Third Party Liability

The Client acknowledges that, save in respect of Opteon's own sub-contractors, Opteon does not warrant the performance, work or the products of third parties. The Client shall not hold Opteon responsible for the inspection or supervision of the execution of such performance, work or products.

Delays

Opteon shall not be responsible for any delay in the performance of the Services, where matters beyond Opteon's control cause such delay.

Payment of Fees, Expenses and Disbursements

Payment of the fees for the Services shall be calculated, charged and made as agreed in writing between the Client and Opteon. The Client shall pay reasonable expenses and reimburse the disbursements incurred on its behalf by Opteon as agreed in writing. All references to fees, expenses and disbursements are exclusive of any applicable government taxes. Any such taxes chargeable on Opteon's fees expenses and disbursements shall be paid by the Client.

Where for any reason Opteon provides only part of the services for which it is engaged, Opteon shall be entitled to charge fees proportionate to the agreed fees, based on our estimate of the percentage of completion of the services.

Our fees are inclusive of responding to normal post valuation enquiries if required. In the event post valuation work extends beyond reasonable enquiry or additional work beyond the original scope of work, Opteon reserves the right to charge for additional professional time involved in responding to the Client's queries or further work required.

In the event that invoices are not settled on the terms agreed prior to acceptance of the engagement by Opteon, Opteon will be entitled to charge interest on the fees from the date of invoice and also reserves the right to withdraw responsibility for work performed.

Environmental Issues

The Client acknowledges that Opteon is not an expert in environmental issues and that it will not rely on any environmental matters raised by Opteon. Opteon is not to be considered by the Client to have the expertise to be able to prepare an environmental audit report and any report prepared by Opteon will not in any way constitute an environment audit.

Opteon does not carry out investigations on site or by enquiry to ascertain whether any building was constructed or altered using deleterious materials (eg. asbestos). Unless we are otherwise informed, our reports are on the basis that no such materials have been used. The Client should engage structural experts to advise it on the existence and state of any such materials.

Town Planning and Other Statutory Regulations

Information on Town Planning is usually obtained verbally by Opteon from the Local Government Authority or via the LGA's website. We recommend that the Client obtains verification of this from the relevant authority in writing that confirms:

- a) the position is correctly stated in Opteon's report;
- b) the property is not adversely affected by any other decisions made, or conditions prescribed by public authorities;
- c) that there are no outstanding statutory notices.

Should the information provided to Opteon prove to be incorrect, we reserve the right to amend our report. Opteon reports are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations, including ordinances relating to fire regulations. The correctness of these assumptions should be checked by the Client.

Structural Surveys

Opteon does not carry out structural surveys nor do we test building services (e.g. fire, electrical, air conditioning, etc.) Whilst any defects or items of disrepair which we note during the course of the inspection may be noted in our report, Opteon is not able to give any assurance that a property is free from defect. The Client should engage appropriate professionals to advise on structural soundness and the suitability and state of services.

Site Conditions

Opteon does not carry out investigations on site in order to determine the suitability of ground conditions and services for any new development. Unless otherwise informed, our reports are on the basis that these aspects are satisfactory and that where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

Properties as Trading Businesses

Special use properties, where the physical existence of the real estate is necessary to the conduct of the business, are valued as fully operational businesses either as a "going concern" with vacant possession or subject to an occupational lease or an operating agreement as appropriate. Our reports assume the subject property has the benefit of all-necessary licences and fire certificates, unless stated to the contrary. It is further assumed that a prospective purchaser will normally engage the existing staff and management and would expect to take over the benefit of future bookings.

We do not take an inventory or separately assess the pricing of furniture, fittings and equipment but can arrange for such service to be provided. Opteon presumes all these items are owned by the proprietor of the business unless otherwise informed. Those items hired or leased are presumed to be sufficiently secured by appropriate documentation and able to be transferred without penalty. No allowance is made for any contingent tax liabilities to staff.

Lease and Title Searches

Opteon does not normally inspect all dealings or leases registered on title. Where a client is considering the purchase of a property we recommend that a lawyer be engaged to provide advice on legal matters. Opteon assumes, unless informed to the contrary, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other issues of an onerous nature which would affect the value of the interest under consideration.

Enquiries as to the financial standing of actual lessees or prospective tenants are not normally made unless specifically requested. Where properties are assessed with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenants.

Land Boundaries

The report is made on the basis that there are no encroachments upon or by the subject property, however, should confirmation of this be required, the services of a consulting

surveyor should be engaged.

Termination

In the event that either party is in material or persistent breach of any of the terms of the engagement, the other party may terminate the engagement if, upon the expiration of 14 days after serving notice on the party in default, steps have not been taken by such party to remedy the breach.

On termination of the engagement, Opteon shall be entitled to, and shall be paid, fees for all Services provided to that time, to the satisfaction of the Client, in accordance with the above clause relating to payment of fees.

Limitation of Liability

- 1.1 To the extent permitted by law, the total liability of Opteon Property and Opteon Tasmania Pty Ltd or Opteon Tasmania (Residential) Pty Ltd in respect of any loss arising from or in any way connected with the Services the subject of this Agreement will be limited to the lesser of 10% of our valuation or the limit of cover under our professional indemnity insurance.
- 1.2 Other than as provided in clause 1.1 above, you agree to release and hold Opteon Property and Opteon Tasmania Pty Ltd or Opteon Tasmania (Residential) Pty Ltd harmless from all liability which arises from or is in any way connected with the Services.

Gavin Lippelgoes | Grad. Dip (Prop) B.Bus(Acc) FFin, AAPI, CPV

Managing Valuer

 **Description: Opteon Property Group**

D 03 6335 1488
M 0409 427 241
P 03 6335 1444
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Gavin Lippelgoes | Grad. Dip (Prop) B.Bus(Acc) FFin, AAPI, CPV

Managing Valuer

 **Description: Opteon Property Group**

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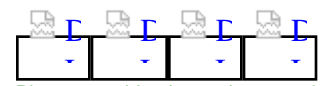
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