

Assumptions and Notes applicable to all scenarios

July 2014.

Figures are ex GST

Years are calculated as financial years, commencing in July and concluding in June

FY refers to a financial year eg: FY17 relates to the period from July 2016 to June 2017

Where the term Q is used, it refers to a quarter of a financial year eg: Q2FY17 refers to the period October - December 2016

Sinking Fund(SF) levies and building maintenance costs increase by 5% each FY

The SF levy assumption does not bind owners to a 5% increase per year, Owners will continue to vote at AGM on any increase amount or %

Regular Levy increases apply in the second quarter of each FY

Loan payments are "added" to the each Lot's Sinking Fund levy

Owners decide on the fate of any insurance payouts at EGM or AGM, whichever is applicable based on timeframes

Interest rates remain stable at 8.25% for the duration of the loan terms

The annual AGM decides the next 12 months future of any remaining loan term eg:

owners may decide to increase regular repayments, make a lump sum payment or pay out

Cost assumptions for painting and HW fixes are based on advice from building management and consulting engineers respectively

Scenarios presented show the impact of no insurance payout being received and also receiving a limited insurance payout

Assumption that any insurance payout is limited to 30% / \$300,000

The insurance payout assumption is not based in any fact, it is merely for scenario

Painting will commence in Q2FY17 as per the 2014 Sinking Fund Levy report