



INFORMATION KIT

Investment & Operations

Ramada Hervey Bay

Hotel and Resort

627 Esplanade

Hervey Bay

August 2009

Ramada® Hervey Bay developed by: Affinity Property Group Pty Ltd

developed by: Affinity Property Group Pty Ltd

Ramada® Hervey Bay operated by: Seascope Hervey Bay Pty Ltd

by: Seascope Hervey Bay Pty Ltd

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Prospective purchasers rely on their own inspections, enquiries and

investigations on all aspects and all material provided in this Information Kit. Information contained herein is subject to change without notice. Rate and Return Analyses as well as Investment Analyses are indicative only and interested parties should make their own investigations, consult their financial advisers and reach their own conclusions. Be advised that the Sales Contract will be the binding document.



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The New 5 Star Ramada Hervey Bay

Ramada Hervey Bay brings the internationally renowned brand to Queensland's Fraser Coast for the first time. The 90 room 5 star resort has luxurious studio and 1 bedroom suites with the flexibility of dual-key configuration.

Ramada Hervey Bay offers guests safety, comfort, five star service and access to all of Hervey Bay's best experiences through an extensive network of first rate operators within the region, Ramada Hervey Bay is truly a fourth generation experience not soon forgotten.

For the adventurous souls there's jet skiing, skydiving, kayaking, four-wheel driving, sailing and more within an easy distance.

If guests have come for a long-weekend to escape the grind, they can lie by the longest resort pool in town, eat at our excellent café; enjoy the comfort of our beautifully appointed rooms (taking advantage of in-house movies on demand) or just relax.

Beyond that, the onsite fitness area is available exclusively for guests' use and there is a stylish and functional meeting room for business.

For those wanting a bit of retail therapy, there are many wonderful fashion boutiques; cafes and gifts shops in the marina precinct adjacent the hotel and resort

The marina is also gateway to the many pleasures of the world's largest sand island, Fraser Island just off shore, along with majestic humpback whales who come to Hervey Bay's pristine waters to give birth.

Hervey Bay is renowned as a premiere whale-watching destination in Australia with humpback whales arriving between late July and remain until November.

Hervey Bay is also conveniently located close to the southern Great Barrier Reef – with scenic flights departing from Hervey Bay Airport. Ramada Hervey Bay is conveniently the closest accommodation to the airport –

which is also good news for the business and holiday traveller. We can also arrange transfers to and from the airport at your request. Imagine yourself right now at Ramada Hervey Bay – then live the reality as soon as you can.

Ramada Hervey Bay Investment Summary

- A superb location – on the marina and the closest hotel to the airport
- A superb location – on the marina and the closest hotel to the airport
- Only internationally branded hotel and resort in Hervey Bay
- Only internationally branded hotel and resort in Hervey Bay
- A forecast positive cash flow – strong returns predicted
- A forecast positive cash flow – strong returns predicted
- Adjacent to the \$800 million marina upgrade – a capital growth recipe
- Adjacent to the \$800 million marina upgrade – a capital growth recipe
- Flexible studio and 1 bedroom hotel accommodation to optimise returns
- Flexible studio and 1 bedroom hotel accommodation to optimise returns
- Superb facilities including stunning foyer and 42 metre resort pool
- Superb facilities including stunning foyer and 42 metre resort pool

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1 RAMADA HERVEY BAY – THE VALUE EQUATION

Ramada Hervey Bay, a fourth generation resort located right at the marina in Hervey Bay, comprises 46 apartments - 44 dual key apartments, a triple key apartment and a 2 bed room managers apartment in Stage 1. So essentially there is 91 rooms available for guests.

The dual key apartments offer maximum flexibility and opportunity to optimise investor returns as each apartment comprises a fully self contained one bedroom kitchen dining and lounge as well as a studio bedroom with each able to be let to guests separately.

Stage 2 will be a further 26 dual key apartments and 2 triple key apartments. Once Stage 2 is complete Ramada Hervey Bay will be a 149 room hotel and resort.

THE VALUE EQUATION

Price Point / \$ per square metre

Prices per apartment range from \$400,000 for 107 sq metres in the Sea Apartments to \$430,000 for 122 sq metres in the Pool Apartments, offering exceptional value. These values equate to a \$ per sq metre of \$3,525 to \$3,738 which is real value for a dual key apartment. Brisbane, Sydney and Melbourne \$ per square metre are generally well above \$5,000 per square metre with the Ramada Hervey Bay prices offering underlying opportunity for both capital growth and operating returns. Especially when Hervey Bay is one of the fastest growing areas in Australia.

Branding and Management to Drive Returns

Operating returns and capital growth are driven by branding and marketing. Ramada Hervey Bay is the first international hotel and resort brand to Hervey Bay. Combining the Ramada global marketing program with the Ramada Hervey Bay national marketing program is a recipe to optimise

returns and capital growth. The 'branding machine' of Ramada Hervey Bay adds substantially to both the short and long term value equation.

No restrictions – Optimal Flexibility

Ramada Hervey Bay has no restrictions on purchasers adding to the value equation. As well as the opportunity to optimise returns through Ramada Hervey Bay a purchaser can live in their apartment, rent it out themselves, or rent through another agent.

Further, a purchaser may elect to live in their 1 one bedroom apartment and put the studio in the Ramada letting pool.

Complete flexibility adding to the value equation.

The Dual Key – The Double Income Scenario – How it Works

As indicated previously while an apartment purchaser is purchasing a 2 bedroom apartment the opportunity to dual let to different parties offers revenue optimisation. The power of having double income potential is substantial on returns. At peak season times both from a rate and an occupancy perspective it is dual keys that come into their own. When approaching 90% or 100% occupancy and demand high the opportunity to let the 1 bedder separately from the studio to unrelated parties enables the revenue stream to be maximised. Further, the dual key offers optimum flexibility in pricing as a studio can be priced very competitively and still offer a very sound rate of return.

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Our research indicates that the actual best return on capital comes from the studio and the studio acts complimentary to the 1 bedroom apartment. Our research further shows that the best capital growth comes from the studio combined with the 1 bedroom apartment.

Dual Key Revenue Analysis – Estimates

While analyses for 55% to 90% occupancy have been undertaken Ramada Hervey Bay consider an achievable target to be 65% to 75% occupancy considering the branding and market programs adopted. On that basis an 8% to 9% rate of return on apartment purchase price plus furniture pack is targeted.

Based on capital apportionment of the studio to the 1 bedder a summary of the rate of return on capital (not taking into account any of the depreciation or other benefits) is as follows

One Bedder

Forecast Occupancy Range 55% 65% 75% 85% 90%

Net Revenue to Apartment Owner \$16,206 \$19,983 \$23,760 \$27,537 \$29,425

Apportioned 1 Bedder Investment \$280,182 \$280,182 \$280,182 \$280,182 \$280,182

Return on Investment % 5.8% 7.1% 8.5% 9.8% 10.5%

Studio

Forecast Occupancy Range 55% 65% 75% 85% 90%

Net Revenue to Apartment Owner \$13,627 \$16,638 \$19,648 \$22,659 \$24,164

Apportioned Studio \$179,818 \$179,818 \$179,818 \$179,818 \$179,818

Return on Investment % 7.6% 9.3% 10.9% 12.6% 13.4%

Combined 1 Bedder and Studio Apartments

Forecast Occupancy Range 55% 65% 75% 85% 90%

Net Revenue to Apartment Owner \$29,833 \$36,620 \$43,408 \$50,196 \$53,590

Apartment Investment \$460,000 \$460,000 \$460,000 \$460,000 \$460,000

Return on Investment % 6.5% 8.0% 9.4% 10.9% 11.6%

The above clearly highlights the benefit of the dual key arrangement.

Full details of these analyses are contained in Section 3 of this Information Pack.

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1.1 HERVEY BAY FACTS AND FIGURES

(source - Fraser Coast Regional Council, Economic Development Report 2009)

Introduction

On 15 March, 2008 the Fraser Coast Regional Council was formed, including the amalgamation of the Hervey Bay, Maryborough, Woocoo and Divisions 1 and 2 of Tiaro LGAs. The Fraser Coast Economic Profile provides an overview of the new Fraser Coast Regional Council.

The Fraser Coast is the gateway to the World Heritage listed Fraser Island and the southern region of the Great Barrier Reef. Hervey Bay is the key tourism hub of the Fraser Coast, with key leisure

and tourism activities including whale watching and scuba diving, or simply relaxing on the beach enjoying the sun, surf and sand. Maryborough has unique Queensland heritage values as well as major manufacturing and engineering operations while Woocoo and Tiaro provide 'tree change' rural lifestyles in proximity to the benefits provided by the nearby cities of Maryborough and Hervey Bay. Apart from being a popular tourism destination, the Fraser Coast is one of the fastest growing regions in Queensland, with two major regional centres, Hervey Bay and Maryborough, servicing its population. The Fraser Coast includes major road, rail, air and sea transport infrastructure as well as considerable shopping, dining and entertainment options.

With many historic sites and contemporary entertainment venues and events to enjoy, as well as all the amenities of a regional centre, the Fraser Coast combines a relaxed country and coastal lifestyle with a strong and expanding business base.

Key Economic Indicators in the Fraser Coast

Demographic Profile

Between 2001 and 2007, the Fraser Coast population increased by approximately 18,038 persons to 92,458 persons in 2007. Over this period, Hervey Bay experienced the most significant growth, followed by Woocoo/Tiaro and Maryborough. Projected growth over the twenty years to 2026 in the Fraser Coast is expected to exceed that of Non Metropolitan Queensland (NMQ), with Hervey Bay expected to maintain a higher average annual population growth compared to Woocoo/Tiaro and Maryborough.

The Fraser Coast has a relatively older population distribution than Non-Metropolitan Queensland. This is a reflection of the region's reputation for leisure and tourism, producing an idyllic lifestyle option for residents. The increasing number of mature aged persons in the region will likely support continued demand for leisure, lifestyle, and specialised services (such as finance and health services).

The largest proportion of household composition was that of couples with no children at home (35.3%) and the Fraser Coast had a significantly larger portion of homes which were fully owned than in Non-Metropolitan Queensland. The Fraser Coast has also exhibited lower housing costs than in Non-Metropolitan Queensland, although costs of housing have increased at a faster rate than income growth.

Education levels have increased over the past five years, with increasing proportions of year 10 and 12 retention rates in the Fraser Coast, as well as completion of non-school qualifications. The increasing levels of education qualifications will continue to diversify the labour pool.

The majority of residents reported regular Internet use in the Fraser Coast in 2006. Of Internet users, the majority used broadband services.

These trends indicate that the Fraser Coast economy has performed strong in recent years, with a growing labour base and wealth creation opportunities. The draw of the region for lifestyle and leisure visitors has continued to expand the employment and skills base, as well as providing expanding services for residents and complementing and traditional industries of manufacturing and agriculture in the region.

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Economic Profile

The Fraser Coast produced an estimated \$3.03 billion in Gross Regional Product (GRP) in 2007-08, 19.6% more than 2006-07, and has recorded average annual growth of 9.3% since 2003-04. This is greater than the estimated average annual growth (7.9%) in GRP for Non-Metropolitan Queensland over the period. The Fraser Coast economy is most reliant on the sectors of Manufacturing, Ownership of Dwellings, Construction, Education and Retail Trade. The Fraser Coast has a high proportion of businesses in the industries of Construction, Property and Business Services, Agriculture, Forestry & Fishing, and Retail Trade.

Labour Market Profile

The Fraser Coast's labour force increased by 4.1% per annum on average between 2001 and 2006, to 33,092 people, above the recorded expansion in Non-Metropolitan Queensland. The Fraser Coast labour force has continued to increase since the 2006 Census to an estimated 37,147 people in the June Quarter 2008.

Occupations of significant employment on the Fraser Coast included Technicians & Trades Workers (employing 16.8% of the workforce), Labourers (14.4%) and Clerical & Administrative workers (13.9%). In comparison to the Non-Metropolitan Queensland occupational averages, the Fraser Coast employed similar proportions of the workforce in all occupations, with the exception of community and Personal Service workers and Managerial occupations.

Industries of significant employment on the Fraser Coast included Retail Trade (employing 13.6% of the workforce), Health Care & Social Assistance (13.2%) and Construction (11.0%). In comparison to NMQ, the Fraser Coast reported greater proportions of persons employed in these top three industries, indicating a greater reliance on these industries for the regional economy.

The Fraser Coast recorded lower average wages for all industries in comparison to NMQ, indicating that labour costs for businesses are lower in the Fraser Coast, and reflecting relatively lower costs of living in the region.

The implications of these trends indicate that there is a substantial labour supply base that is relatively cost effective in comparison to similar regions throughout the state, indicating the Fraser Coast may provide a cost effective option for many businesses in the future.

Investment Profile

Residential building investment in the Fraser Coast has experienced a net increase over the past five years, with increases in both the number and value of dwelling approvals recorded between 2003 and 2008. Hervey Bay has been the centre for dwelling construction in the Fraser Coast since the year ended September 2003, accounting for over 80% of total approvals during the five year period.

The Fraser Coast property market has recorded significant increases in median sale values since the year ended June 2003, with annual growth averaging approximately 9.9% for all property types over the past five years.

Non-residential building investment in the Fraser Coast has also increased considerably since the year ended September 2003, with the value of non-residential building approvals peaking at \$112.2 million in the year ended September 2005. The growth experienced in the building and property markets has in part been fuelled by major residential and non-residential projects recently completed or currently under construction in the region. Some notable developments include the recently completed Hervey Bay Airport Industrial Park and the Peppers Pier Reso

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Transport

The Fraser Coast region includes major roads and highways (the Bruce Highway and the Maryborough-Biggenden Road) bisecting the region north-south and east-west, respectively. Additionally, an extensive rail network connects the localities of the region with each other, the wider Queensland area, and commercial and industrial operations with other transportation linkages.

The Fraser Coast has a number of key port facilities and marinas, particularly in Hervey Bay and Maryborough. The Hervey Bay airport is the main passenger facility, catering to the entire region, and has recently undergone expansion and refurbishment, which has in part led to increases in passenger numbers.

This extensive and diverse range of transportation infrastructure has allowed the Fraser Coast to position the region as a hub for potential growth and expansion in visitors, residents and industry.

Industry Profiles

Tourism

Tourism is a major economic generator in the Fraser Coast region, particularly in Hervey Bay. As evidenced by Fraser Coast Tourism Region (FCTR) statistics over the past five years, the Fraser Coast experienced increases in overall visitor numbers, an increase in domestic day and international visitors and decrease in domestic overnight visitors.

Agriculture & Forestry

The agriculture, forestry and fishing sector has had a strong and vibrant history in the Fraser Coast region, most notably for sugar cane and timber production, but also for pastoral and orchard crop enterprises. The Fraser Coast's agriculture, forestry and fishing industry benefits from strong supply chains and infrastructure linkages between primary producers and major processors of primary products in the region.

Manufacturing

The Fraser Coast has a strong manufacturing industry that is currently undergoing a period of growth with the rising levels of investment in industrial facilities and regional support industries located within the Fraser Coast Enterprise Zone. Large manufacturers in the region include Downer EDI Rail/ Bombardier, Hyne Timber, Maryborough Sugar and Dale and Meyers Timber Company.

Construction

The Fraser Coast has seen a strong construction industry in recent years, reflected by significant growth in GRP contribution over the past 10 years and expanding property development. Average annual growth from 2000-01 to 2007-08 was 12.2%, accelerating to 12.9% in the past five years.

Retail Trade

Retail trade contributed \$0.23 billion to the Fraser Coast regional economy in 2007-08, representing 7.5% of the total Gross Regional Product, and an 8.2% increase from the 2005-06 contribution (\$0.21 billion).

Trade Area Analysis

The cities of Hervey Bay and Maryborough play significant roles in the functionality and economy of the Fraser Coast, acting as business and trade centres for the region. Trade areas for Hervey Bay and Maryborough have been defined based on:

The role and function of the cities in the context of the wider area;

The strength, range and appeal of services and facilities within the cities;

The proximity and composition of competing services; and

The level of accessibility influenced by such factors as the road network and the presence of physical barriers such as rivers, railways and roads.

The Hervey Bay and Maryborough Trade Areas are divided into three areas – primary, secondary and tertiary – based on the accessibility and role of the trade centre relative to its outlying areas serviced.

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Airports

The Fraser Coast has one major commercial airport located at Hervey Bay (the Fraser Coast Airport). This airport has recently undergone an extensive, \$13 million redevelopment, as a result the Airport won the Australian Airport of the Year in 2006. The redevelopment included the provision of more runway space, an expansion of the terminal to four times its original size, a new terminal to meet jet aircraft specifications and an enhancement of facilities to cater for up to 180 incoming and outgoing passengers at any one time. The facility redevelopment coincided with a \$100 million development project of the nearby Hervey Bay Airport Industrial Park. As of March 2009, Jetstar Airlines (Syd-HVB), Virgin Blue (Syd-HVB) and QantasLink (Bne-HVB) were providing services to the region, offering 32 return flights per week and a total of 2,052 seats (Tourism Queensland, 2009).

The impact of the redevelopment and provision of increasingly affordable service to the region has manifested in a considerable expansion in passenger numbers to and from the region, from 39,650 passengers in the December Quarter 2005 to 59,650 passengers in the December Quarter 2008.

When compared to a year earlier, the Fraser Coast Airport recorded an increase of 3.8% in passenger numbers from the December Quarter 2007 (57,456 passengers).

This growth in passenger traffic is evidence of the strong tourism, leisure and property development markets in the Fraser Coast, which all attract people from outside the immediate area.

Marina

In May 2008, the intentions for an \$800 million redevelopment of Hervey Bay's Urangan Boat Harbour was announced, including 230 new marina berths, an extension of the harbour wall, 100 new boat trailer parks, 4 new boat ramp lanes and a new ferry terminal (Enterprise Innovations, 2008).

As at December 31 2008, there were a total of 9,263 recreational vessel registered in the Fraser Coast, 66.9% in Hervey Bay, 27.5% in Maryborough and the remaining 5.6% in Wooco/Tiaro. Over the past four years recreational vessel registrations have grown at an average annual rate of 5.4% in the Fraser Coast, with the most significant growth experienced by Wooco/Tiaro (19.0%) compared to Hervey Bay (6.7%) and Maryborough (0.9%). Overall, the Fraser Coast (5.4%) experienced a higher average annual growth rate between 2004 and 2008 compared to

Queensland (4.6%).

1.2 TOURISM FACTS AND FIGURES IN SUMMARY

Fact – with 1.2 million visitor nights in Hervey Bay per year Ramada with its world class branding and facilities only need to ‘capture’ 26,000 of that market to be 80% occupied.

HERVEY BAY TOURISM

Hervey Bay / Fraser Coast tourism has a booming tourist market. Hervey Bay's abundance of natural assets includes access to Fraser Island and Lady Elliot Island at the southern tip of the Great Barrier Reef, as well as the Great Sandy Strait. Considered the Whale Watching Capital of the world, Hervey Bay is home to the humpback whales from July to early November each year.

- During the period 1999 to 2005 the Hervey Bay / Maryborough Tourist Region experienced an increase in visitor nights of 45% and a 33% increase in visitor expenditure. This was the most positive growth (together with Darwin) of all regions in Australia.
- The Fraser Coast attracted over 2.8 million visitors last year providing over 4.8 million visitor nights and remains a popular destination for domestic and international visitors.
- The new Hervey Bay/Fraser Coast airport has created a 4 fold increase in passenger numbers to Hervey Bay with Virgin Blue offering direct flights from Sydney and convenient transfers from Melbourne and Adelaide, and Qantas Link providing daily flights from Brisbane. from Melbourne and Adelaide, and Qantas Link providing daily flights from Brisbane.

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- Ramada Resort Hervey Bay is the closest accommodation to the airport and offers studio rooms which are perfect for the business traveler

1.3 FRASER COAST AND RAMADA HERVEY BAY MARKETING

Key to investor returns and strong capital growth above the average for Ramada Hervey Bay is occupancy and room rates achieved. Hervey Bay is considered an ‘emerging’ tourism market which is one of the reasons why Hervey Bay in mid 2009 is the only place in Australia to experience positive tourist growth. Historically it has been in the ‘emerging’ markets where the strongest returns and capital growth has been achieved.

A summary analysis of the key drivers of occupancy and room rates (and hence returns and capital growth) as well as marketing initiatives by Ramada Hervey Bay optimise occupancy is as follows.

1. Attributes of the Area

- Hervey Bay and the Fraser Coast is very strong in tourism, mining, agricultural and commercial business

Hervey Bay and the Fraser Coast is very strong in tourism, mining, agricultural and commercial business

- Hervey Bay is a water wonderland with a truly beautiful bay

Hervey Bay is a water wonderland with a truly beautiful bay

- Gateway to world renowned and known Fraser Island

Gateway to world renowned and known Fraser Island

- Whale watching capital

Whale watching capital

- Gateway to southern tip of the Great Barrier Reef and Lady Elliott Island

Gateway to southern tip of the Great Barrier Reef and Lady Elliott Island

- Many adventure and scenic tours

Many adventure and scenic tours

- A wonderful climate – Hervey Bay is said to have the best climate in the world

A wonderful climate – Hervey Bay is said to have the best climate in the world

- Cafes, restaurants and all the facilities.

Cafes, restaurants and all the facilities.

- Strong educational and community facilities – schools and university

Strong educational and community facilities – schools and university

2. Ramada Hervey Bay Location

- Ramada Hervey Bay is strategically located in the vibrant marina hub of Hervey Bay

Ramada Hervey Bay is strategically located in the vibrant marina hub of Hervey Bay

- Adjacent to the \$800 million marina development project which will see over 200 new marina berths and new commercial and residential development

Adjacent to the \$800 million marina development project which will see over 200 new marina berths and new commercial and residential development

- A recipe for strong occupancy and capital growth for Ramada Hervey Bay apartments

A recipe for strong occupancy and capital growth for Ramada Hervey Bay apartments

3. Benefits of the Ramada Branding

- Ramada Hervey Bay is the first international hotel brand name to Hervey Bay.

Ramada Hervey Bay is the first international hotel brand name to Hervey Bay.

- Ramada is part of the Wyndham Hotel Group which is the largest hotel group in the world.

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- With this comes a level of service expectation as well as all the global marketing and operational management aspects of a global hotel name

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- Statistics have shown that 'branded' hotels such as Ramada achieve higher levels of occupancy and higher room rates than unbranded hotels in a particular location due to –

- guest trend is to choose branded over unbranded hotels
- guest expectation of service

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- guest trend is to choose branded over unbranded hotels
- guest expectation of service

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- guest expectation of consistency of service
- guest expectation of consistency of facilities and systems
- guest expectation to pay a higher rate with a global hotel brand

4. Ramada Hervey Bay Marketing Strategy and Initiatives

Ramada Hervey Bay Marketing Strategy and Initiatives

In order to achieve a high occupancy rate we have initiated a focused, fully integrated strategic plan of marketing initiatives and strategic alliances. Our primary market is the drive market predominated by Brisbane, South East Queensland and the 400km drive catchment. Some of our key marketing strategies are as follows:

- Comprehensive wholesaler programs with Sunlovers, Blue Holidays, Infinity Holidays, and various other key online travel sites such as Wotif
- Hard copy advertising in travel brochures and newspapers
- Collaborations with tourism bodies such Fraser Coast Tourism and Tourism Queensland
- Collaborations with key travel industry members such as Qantas Link, Virgin Blue, Queensland rail, and coach companies
- Collaborations with local tour operators to develop refined holiday packages for guests
- PR promotions and features with mayor metropolitan and regional print media, travel magazines, TV media such as Getaway, and online media
- Chartered flights in collaboration with airline companies from selected towns such as Dubbo
- Fully optimised web site to increase the web traffic
- Billboard campaign on the main roads leading into Hervey Bay
- Extensive database promotions advertising various accommodation deals
- Collaborations with the Wyndum Worldwide group and other experts in the hotel industry
- Great value packages incorporating, accommodation and local tours and activities
- "Design your own Holiday" interface allowing guests to choose all the tours and activities they would like to do
- Special interest activities within the resort such as massage, feature chefs giving cooking demonstrations, astronomy, painting, and massage.
- Staff focusing on what the guests actually experience during their stay - sight, touch, sound, smell, taste.

- Designing dining experiences with quality local restaurants and bars in the area
- Working closely with local operators and developing specialised experiences
- Reviewing guests feedback and continually evolve services towards their needs

2 COMPARABLE PRICE ANALYSIS

Ramada Hervey Bay is set to become one of the prestige accommodation options in Hervey Bay and the only international branded hotel. The branding, the service, the facilities and the marketing initiatives combining quality, style and affordability will give Ramada Hervey Bay a competitive edge on the accommodation market in Hervey Bay.

Below is a comparable price analysis between some of the other major accommodation providers in Hervey Bay. Two key competitors to Ramada Hervey Bay is Peppers (on the Esplanade) and Mantra (at the Marina).

* Peppers Pier Resort Hervey Bay is located on the Charlton Esplanade in Urangan and encompasses accommodation from one bedroom suites to the three bedroom penthouse. Peppers Pier Resort was open to guests in early 2007 and is one of the newest addition to the Hervey Bay accommodation market.

one bedroom suites to the three bedroom penthouse. Peppers Pier Resort was open to guests in early 2007 and is one of the newest addition to the Hervey Bay accommodation market.

* Mantra Resort Hervey Bay is situated right on Urangan Marina and has accommodation ranging from hotel rooms to 3 bedroom dual let rooms. The Mantra Resort Hervey Bay is now an older hotel.

2.1 Market Positioning

Ramada Hervey Bay will be positioned as:

- A quality five star international leisure hotel/resort. The positioning will allow us to:

A quality five star international leisure hotel/resort. The positioning will allow us to:

- Take advantage of the increasing demand for quality accommodation in this region.

Take advantage of the increasing demand for quality accommodation in this region.

- Have the flexibility to compete in the higher end of the four (4) star market, should this be necessary or appropriate.

Have the flexibility to compete in the higher end of the four (4) star market, should this be necessary or appropriate.

- Comply with the standards and requirements as per our agreement with Ramada Worldwide.

Comply with the standards and requirements as per our agreement with Ramada Worldwide.

- An efficient, well managed and consistent product that enjoys strong brand awareness among our guests.

An efficient, well managed and consistent product that enjoys strong brand awareness among our guests.

- A new product offering a high standard of guest experience in the five star property market.

A new product offering a high standard of guest experience in the five star property market.

- Offering excellent value room rates, food and beverage prices and offering international standards of service and product.

Offering excellent value room rates, food and beverage prices and offering international standards of service and product.

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2.3 Competitor Rate Analysis

.3 Competitor Rate Analysis

Current Published Room Rates

Current published room rates at the major competitive hotels on the Hervey Bay are shown in the table below:

Hotel/Studio	1 B/room	2 B/room	3 B/room
2 BR			
Delux/Phouse			
3 BR			
Delux/Phouse			
Nights 1			
Min			
2 1			
Min			
2 1			
Min			
2 1			
Min			
2 1			
Min			
2 1			
Min			
2			
Ramada Low			
Season	189	145	208 160 n/a n/a n/a n/a n/a n/a
Quarterdeck Hotel			
Resort	n/a	n/a	
180	145	210 180	240 210
340	260		
Mantra Harbour			
Retreat	160	130	
190	160	260	230
315	285	n/a	n/a
Break Free Great			
Sandy Straights	120		
134	161	182	216
Akama	n/a	n/a	215 185
260			
205	270		
330	550	345	
Peppers Pier			
Resort	n/a	n/a	263
379	329	429	777 880
Grand Mercure			
Apartments			
Allegra Hervey			
Bay	n/a	n/a	
256			
205			
300			
240	n/a	n/a	
387	310	n/a	n/a
The Bay	n/a	n/a	
200			
230			
275	330		
189	145	208 160	n/a n/a n/a n/a n/a n/a
Quarterdeck Hotel			
Resort	n/a	n/a	
180	145	210 180	240 210
340	260		
Mantra Harbour			
Retreat	160	130	
190	160	260	230
315	285	n/a	n/a
Break Free Great			
Sandy Straights	120		

134 161 182 216
Akama n/a n/a 215 185
260
205 270
330 550 345
Peppers Pier
Resort n/a n/a 263
379 329 429 777 880
Grand Mercure
Apartments
Allegra Hervey
Bay n/a n/a
256
205
300
240 n/a n/a
387 310 n/a n/a
The Bay n/a n/a
200
230
275 330
Average Low
Season 156 137
205 171
257
237
285
275
582 310
463
303
Ramada High
Season 249 191 275 211 n/a n/a n/a n/a n/a n/a
Quarterdeck Hotel
Resort n/a n/a
190 160
260 210 320 240
380
310
Mantra Harbour
Retreat 224 182
254
212
324 282 379 337
Break Free Great
Sandy Straights 200
256
288
352 400
Akama n/a n/a 200
233 300
423
Peppers Pier
Resort n/a n/a 263 329 429
Grand Mercure
Apartments
Allegra Hervey
Bay n/a n/a 316 268 456
365 n/a n/a 538
430 n/a n/a
The Bay n/a n/a 235 280 335 330 395
249 191 275 211 n/a n/a n/a n/a n/a n/a
Quarterdeck Hotel
Resort n/a n/a
190 160
260 210 320 240
380
310
Mantra Harbour
Retreat 224 182
254

212
324 282 379 337
Break Free Great
Sandy Straights 200
256
288
352 400
Akama n/a n/a 200
233 300
423
Peppers Pier
Resort n/a n/a 263 329 429
Grand Mercure
Apartments
Allegra Hervey
Bay n/a n/a 316 268 456
365 n/a n/a 538
430 n/a n/a
The Bay n/a n/a 235 280 335 330 395

224 186 250 217

315 284 356 304

538

380

Average High 401 353

Season

The key points from the above table are there are a wide range of published room rates across the selected properties.

Further, a check on *Wotif* reveals some properties are competing closely to increase occupancy.

Note also the small number of properties offering Studio accommodation.

Also worthy of note is the seasonality at Hervey Bay.

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Further, a check on *Wotif* reveals some properties are competing closely to increase occupancy.

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Wotif reveals some properties are competing closely to increase occupancy.

Note also the small number of properties offering Studio accommodation.

Also worthy of note is the seasonality at Hervey Bay.

2.4 Seasonality

4 Seasonality

Low-Season * 27/01/09 - 09/04/09

20/04/09 - 26/06/09

13/07/09 - 31/07/09

01/11/09 - 11/12/09

27/01/09 - 09/04/09

20/04/09 - 26/06/09

13/07/09 - 31/07/09

01/11/09 - 11/12/09

High-Season * 20/12/09 - 26/01/10

10/04/09 - 19/04/09

01/08/09 - 31/10/09

12/12/09 - 26/01/10

20/12/09 - 26/01/10

10/04/09 - 19/04/09

01/08/09 - 31/10/09

12/12/09 - 26/01/10

***Indicative**

Indicative

High Season comprises 148 days (40%) of the year and Low Season 217 days (60%) of the year.

High season is 31 Days in Aug, 30 days in Sept, 31 Days in Oct, 20 Days in Dec, 26 Days in Jan, and 10 Days in April.

2.4 Yield Management Strategy

4 Yield Management Strategy

The strategy will be to maximise guest room rates when demand exceeds supply and maximise occupancy when supply exceeds demand.

Regular yield management meetings will be conducted to review strategies and objectives to maximise yield and average rate. These meetings will be conducted by the General Manager and the focus of the meetings will be to concentrate on the 30, 60 and 90 day demand forecast and 12 month overview.

A seven stage Yield Management System model will be established, emphasising the role that people have in making the system work:

- Develop a Yield Culture.

Develop a Yield Culture.

- Analyse overall demand.

Analyse overall demand.

- Establish the price-value relationship.

Establish the price-value relationship.

- Create appropriate market segments.

Create appropriate market segments.

- Analyse the pattern of demand.

Analyse the pattern of demand.

- Track declines and denials.

Track declines and denials.

- Evaluate and revise the system.

Evaluate and revise the system.

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3 RATE AND YIELD ANALYSIS – RAMADA HERVEY BAY

Key parameters:

- Based on analysis of all current rates in Hervey Bay as researched but based on a conservative 70% low (36 weeks) and 30% (16 weeks) high season

Based on analysis of all current rates in Hervey Bay as researched but based on a conservative 70% low (36 weeks) and 30% (16 weeks) high season

- Two sensitivity analyses also provided being minus 20% nightly rates and plus 20% nightly rates

Two sensitivity analyses also provided being minus 20% nightly rates and plus 20% nightly rates

- Based on professional management by Seascope Hervey Bay Pty Ltd part of the Affinity Property Group who have the license with Ramada® Worldwide.

Based on professional management by Seascope Hervey Bay Pty Ltd part of the Affinity Property Group who have the license with Ramada® Worldwide.

- Residence location in building as to height and views not differentiated

Residence location in building as to height and views not differentiated

- Yields calculated on average apartment price list as at August 2009

Yields calculated on average apartment price list as at August 2009

- An allowance of an average 15% for industry commissions eg Sunlover, Qantas Holidays etc as well as payment of Ramada royalties and marketing levies and all Ramada costs

An allowance of an average 15% for industry commissions eg Sunlover, Qantas Holidays etc as well as payment of Ramada royalties and marketing levies and all Ramada costs

- 5 occupancy levels analysed – 55%, 65%, 75%, 85% and 90% - Minimum Target of 65% as per John Dean Report

5 occupancy levels analysed – 55%, 65%, 75%, 85% and 90% - Minimum Target of 65% as per John Dean Report

- 42.5% of revenue paid to management for their management cost, all service cost, repairs and maintenance of rooms for management purposes and marketing.

42.5% of revenue paid to management for their management cost, all service cost, repairs and maintenance of rooms for management purposes and marketing.

· Body corporate fees, owner apartment costs and HBCC rates paid by the apartment owner – a general figure of \$4,000 per apartment adopted based on the overall body corporate fees of Stage 1 and 2

Body corporate fees, owner apartment costs and HBCC rates paid by the apartment owner – a general figure of \$4,000 per apartment adopted based on the overall body corporate fees of Stage 1 and 2

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SUMMARY OF RATE AND YIELD TABLES

Forecast Serviced Nightly Rates

Occupancy 55% 65% 75% 85% 90%

DUAL KEY APARTMENT

Net Revenue to Apartment Owner \$33,037 \$40,044 \$47,050 \$54,057 \$57,560

Avg. Purchase Price of Apartment \$430,000 \$430,000 \$430,000 \$430,000 \$430,000

Furniture Investment Allocation \$30,000 \$30,000 \$30,000 \$30,000 \$30,000

Average Dual Key Investment \$460,000 \$460,000 \$460,000 \$460,000 \$460,000

Return on Investment % 6.5% 8.0% 9.4% 10.9% 11.6%

Forecast Serviced Nightly Rates at a 20% Reduction

Occupancy 55% 65% 75% 85% 90%

DUAL KEY APARTMENT

Net Revenue to Apartment Owner \$25,330 \$30,935 \$36,540 \$42,146 \$44,948

Avg. Purchase Price of Apartment \$430,000 \$430,000 \$430,000 \$430,000 \$430,000

Furniture Investment Allocation \$30,000 \$30,000 \$30,000 \$30,000 \$30,000

Average Dual Key Investment \$460,000 \$460,000 \$460,000 \$460,000 \$460,000

Return on Investment % 4.9% 6.0% 7.2% 8.4% 9.0%

Forecast Serviced Nightly Rates at a 20% Increase

Occupancy 55% 65% 75% 85% 90%

DUAL KEY APARTMENT

Net Revenue to Apartment Owner \$40,744 \$49,152 \$57,560 \$65,969 \$70,173

Avg. Purchase Price of Apartment \$430,000 \$430,000 \$430,000 \$430,000 \$430,000

Furniture Investment Allocation \$30,000 \$30,000 \$30,000 \$30,000 \$30,000

Average Dual Key Investment \$460,000 \$460,000 \$460,000 \$460,000 \$460,000

Return on Investment % 8.1% 9.9% 11.6% 13.4% 14.3%

Important: see following tables for full details

Disclaimer: Note that the computer projections listed above are to simply illustrate the outcome calculated from the input values and the assumptions contained in the model. Hence the figures can be varied as required and are in no way intended to be a guarantee of future performance. Although the information is provided in good faith, it is also given on the basis that no person using the information, in whole or in part, shall have any claim against Affinity Property Group Pty Ltd or Ramada Hervey Bay Pty Ltd, its directors, employees or consultants, or any related company or shareholder of Affinity Property Group Pty Ltd or Ramada Hervey Bay Pty Ltd.

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EXPECTED RETURNS

RAMADA NIGHTLY RATE ANALYSIS

Dual Key Apartments

RAMADA RATE OF RETURN ANALYSIS

Ramada Hervey Bay - Nightly Rate Analysis

Based on nightly stay rate

Apartment location in building as to height and views not differentiated

Yield Based on average price as per current price list

Dual Key 1 Bedroom and Studio Apartment - Total Potential Revenue Analysis

Est Net After

1 Bedroom Weeks Nightly Rate Total* Commissions ** Total \$

Weeks Nightly Rate Total* Commissions ** Total \$ Note that the computer projections listed above are to simply illustrate the outcome calculated from the

input values and the assumptions contained in the model. Hence the figures can be varied as required and are in no way intended to be a guarantee of future performance. Although the information is provided in good faith, it is also given on the basis that no person using the information, in whole or in part, shall have any claim against Affinity Property Group Pty Ltd or Ramada Hervey Bay Pty Ltd, its directors, employees or consultants, or any related company or shareholder of Affinity Property Group Pty Ltd or Ramada Hervey Bay Pty Ltd.

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EXPECTED RETURNS

RAMADA NIGHTLY RATE ANALYSIS

Dual Key Apartments

RAMADA RATE OF RETURN ANALYSIS

Ramada Hervey Bay - Nightly Rate Analysis

Based on nightly stay rate

Apartment location in building as to height and views not differentiated

Yield Based on average price as per current price list

Dual Key 1 Bedroom and Studio Apartment - Total Potential Revenue Analysis

Est Net After

1 Bedroom Weeks Nightly Rate Total* Commissions ** Total \$

Weeks Nightly Rate Total* Commissions ** Total \$

Based on nightly stay rate

Apartment location in building as to height and views not differentiated

Yield Based on average price as per current price list

Dual Key 1 Bedroom and Studio Apartment - Total Potential Revenue Analysis

Est Net After

1 Bedroom Weeks Nightly Rate Total* Commissions ** Total \$

Weeks Nightly Rate Total* Commissions ** Total \$

Low & Mid Season 36 \$200 \$50,400 85% \$42,840

High Season 16 \$240 \$26,880 85% \$22,848

Total 52 \$77,280 \$65,688

Studio Weeks Nightly Rate Total Total \$

Low Season 36 \$160 \$40,320 85% \$34,272

High Season 16 \$190 \$21,280 85% \$18,088

Total 52 \$61,600 \$52,360

Weeks Nightly Rate Total Total \$

Low Season 36 \$160 \$40,320 85% \$34,272

High Season 16 \$190 \$21,280 85% \$18,088

Total 52 \$61,600 \$52,360

Total Potential Revenue at 100% Occupied \$118,048

Average per night \$323

**Total Revenue x 85% to cover industry commissions and Ramada Worldwide fees

* The above analysis is based on a private investor who is not required to be registered for GST

Dual Key 1 Bedroom and Studio Apartment - Occupancy Analysis

Total Potential Forecast Revenue \$118,048 \$118,048 \$118,048 \$118,048 \$118,048

Forecast Occupancy Range 55% 65% 75% 85% 90%

Apartment Revenue per annum \$64,926 \$76,731 \$88,536 \$100,341 \$106,243

Management Cost at 12.5% 12.5% 12.5% 12.5% 12.5% 12.5%

Service Cost at 10% 10.0% 10.0% 10.0% 10.0% 10.0%

Costs and Repairs at 10% 10.0% 10.0% 10.0% 10.0% 10.0%

Room Marketing Cost at 10% 10.0% 10.0% 10.0% 10.0% 10.0%

Total Cost as a % of Revenue 42.5% 42.5% 42.5% 42.5% 42.5%

Management Cost @ 42.5% Revenue \$27,594 \$32,611 \$37,628 \$42,645 \$45,153

Average Body Corporate Fee Estimate* \$4,000 \$4,000 \$4,000 \$4,000 \$4,000
 HBCC Rates Estimate* \$1,500 \$1,500 \$1,500 \$1,500 \$1,500
 Other owner net costs estimated* \$2,000 \$2,000 \$2,000 \$2,000 \$2,000
 Total Costs \$35,094 \$40,111 \$45,128 \$50,145 \$52,653
Net Revenue to Apartment Owner \$29,833 \$36,620 \$43,408 \$50,196 \$53,590
 Average Purchase Price of Dual Key \$430,000 \$430,000 \$430,000 \$430,000 \$430,000
 Furniture Investment Allocation \$30,000 \$30,000 \$30,000 \$30,000 \$30,000
 Average Dual Key Investment \$460,000 \$460,000 \$460,000 \$460,000 \$460,000
Return on Investment % 6.5% 8.0% 9.4% 10.9% 11.6%
 * - Body Corporate Estimates, HBCC Rates and other costs are rounded and estimated numbers only

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RAMADA 20% NIGHTLY RATE REDUCTION ANALYSIS

Dual Key Apartments

RAMADA RATE OF RETURN ANALYSIS

Ramada - Nightly Rate Analysis - 20 % Nightly Rate Reduction

Based on nightly stay rate

Apartment location in building as to height and views not differentiated

Yield Based on average price as per current price list

Dual Key 1 Bedroom and Studio Apartment - Total Potential Revenue Analysis

Est Net After

1 Bedroom Weeks Nightly Rate Total* Commissions ** Total \$

Weeks Nightly Rate Total* Commissions ** Total \$

Based on nightly stay rate

Apartment location in building as to height and views not differentiated

Yield Based on average price as per current price list

Dual Key 1 Bedroom and Studio Apartment - Total Potential Revenue Analysis

Est Net After

1 Bedroom Weeks Nightly Rate Total* Commissions ** Total \$

Weeks Nightly Rate Total* Commissions ** Total \$

Low & Mid Season 36 \$160 \$40,320 85% \$34,272

High Season 16 \$192 \$21,504 85% \$18,278

Total 52 \$61,824 \$52,550

Studio Weeks Weekly Rate Total Total \$

Low Season 36 \$128 \$32,256 85% \$27,418

High Season 16 \$152 \$17,024 85% \$14,470

Total 52 \$49,280 \$41,888

Weeks Weekly Rate Total Total \$

Low Season 36 \$128 \$32,256 85% \$27,418

High Season 16 \$152 \$17,024 85% \$14,470

Total 52 \$49,280 \$41,888

Total Potential Revenue at 100% Occupied \$94,438

Average per night \$259

* Total Revenue x 85% to cover industry commissions and Ramada Worldwide fees

* The above analysis is based on a private investor who is not required to be registered for GST

Dual Key 1 Bedroom and Studio Apartment - Occupancy Analysis

Total Potential Forecast Revenue \$94,438 \$94,438 \$94,438 \$94,438 \$94,438

Forecast Occupancy Range 55% 65% 75% 85% 90%

Apartment Revenue per annum \$51,941 \$61,385 \$70,829 \$80,273 \$84,995

Management Cost at 12.5% 12.5% 12.5% 12.5% 12.5%

Service Cost at 10% 10.0% 10.0% 10.0% 10.0%

Costs and Repairs at 10% 10.0% 10.0% 10.0% 10.0%

Room Marketing Cost at 10% 10.0% 10.0% 10.0% 10.0%

Total Cost as a % of Revenue 42.5% 42.5% 42.5% 42.5% 42.5%

Management Cost @ 42.5% Revenue \$22,075 \$26,089 \$30,102 \$34,116 \$36,123

Average Body Corporate Fee Estimate* \$4,000 \$4,000 \$4,000 \$4,000 \$4,000

HBCC Rates Estimate* \$1,500 \$1,500 \$1,500 \$1,500 \$1,500

Other owner net costs estimated* \$2,000 \$2,000 \$2,000 \$2,000 \$2,000

Total Costs \$29,575 \$33,589 \$37,602 \$41,616 \$43,623

Net Revenue to Apartment Owner \$22,366 \$27,796 \$33,227 \$38,657 \$41,372

Average Purchase Price of Dual Key \$430,000 \$430,000 \$430,000 \$430,000 \$430,000

Furniture Investment Allocation \$30,000 \$30,000 \$30,000 \$30,000 \$30,000

Average Dual Key Investment \$460,000 \$460,000 \$460,000 \$460,000 \$460,000

Return on Investment % 4.9% 6.0% 7.2% 8.4% 9.0%

* - Body Corporate Estimates, HBCC Rates and other costs are rounded and estimated numbers only

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RAMADA 20% NIGHTLY RATE INCREASE ANALYSIS

Dual Key Apartments

RAMADA RATE OF RETURN ANALYSIS

Ramada - Nightly Rate Analysis - 20 % Nightly Rate Increase

Based on nightly stay rate

Apartment location in building as to height and views not differentiated

Yield Based on average price as per current price list

Dual Key 1 Bedroom and Studio Apartment - Total Potential Revenue Analysis

Est Net After

1 Bedroom Weeks Nightly Rate Total* Commissions ** Total \$

Weeks Nightly Rate Total* Commissions ** Total \$

Based on nightly stay rate

Apartment location in building as to height and views not differentiated

Yield Based on average price as per current price list

Dual Key 1 Bedroom and Studio Apartment - Total Potential Revenue Analysis

Est Net After

1 Bedroom Weeks Nightly Rate Total* Commissions ** Total \$

Weeks Nightly Rate Total* Commissions ** Total \$

Low & Mid Season 36 \$240 \$60,480 85% \$51,408

High Season 16 \$288 \$32,256 85% \$27,418

Total 52 \$92,736 \$78,826

Studio Weeks Weekly Rate Total Total \$

Low Season 36 \$192 \$48,384 85% \$41,126

High Season 16 \$228 \$25,536 85% \$21,706

Total 52 \$73,920 \$62,832

Weeks Weekly Rate Total Total \$

Low Season 36 \$192 \$48,384 85% \$41,126

High Season 16 \$228 \$25,536 85% \$21,706

Total 52 \$73,920 \$62,832

Total Potential Revenue at 100% Occupied \$141,658

Average per night \$388

* Total Revenue x 85% to cover industry commissions and Ramada Worldwide fees

* The above analysis is based on a private investor who is not required to be registered for GST

Dual Key 1 Bedroom and Studio Apartment - Occupancy Analysis

Total Potential Forecast Revenue \$141,658 \$141,658 \$141,658 \$141,658 \$141,658

Forecast Occupancy Range 55% 65% 75% 85% 90%

Apartment Revenue per annum \$77,912 \$92,077 \$106,243 \$120,409 \$127,492

Management Cost at 12.5% 12.5% 12.5% 12.5% 12.5%

Service Cost at 10% 10.0% 10.0% 10.0% 10.0%

Costs and Repairs at 10% 10.0% 10.0% 10.0% 10.0%

Room Marketing Cost at 10% 10.0% 10.0% 10.0% 10.0%

Total Cost as a % of Revenue 42.5% 42.5% 42.5% 42.5% 42.5%

Management Cost @ 42.5% Revenue \$33,112 \$39,133 \$45,153 \$51,174 \$54,184

Average Body Corporate Fee Estimate* \$4,000 \$4,000 \$4,000 \$4,000 \$4,000

HBCC Rates Estimate* \$1,500 \$1,500 \$1,500 \$1,500 \$1,500

Other owner net costs estimated* \$2,000 \$2,000 \$2,000 \$2,000 \$2,000

Total Costs \$40,612 \$46,633 \$52,653 \$58,674 \$61,684

Net Revenue to Apartment Owner \$37,299 \$45,445 \$53,590 \$61,735 \$65,808

Average Purchase Price of Dual Key \$430,000 \$430,000 \$430,000 \$430,000 \$430,000
Furniture Investment Allocation \$30,000 \$30,000 \$30,000 \$30,000 \$30,000
Average Dual Key Investment \$460,000 \$460,000 \$460,000 \$460,000 \$460,000

Return on Investment % 8.1% 9.9% 11.6% 13.4% 14.3%

* - Body Corporate Estimates, HBCC Rates and other costs are rounded and estimated numbers only

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4 INVESTMENT PROPERTY ANALYSIS

These Investment Analyses have been undertaken on the following parameters and assumptions:

· Average purchase price of the dual key apartments at \$430,000 being the highest price on the current price list with the furniture package added (as will be required for the apartment to be made available to Ramada Hervey Bay for letting)

Average purchase price of the dual key apartments at \$430,000 being the highest price on the current price list with the furniture package added (as will be required for the apartment to be made available to Ramada Hervey Bay for letting)

· Purchase costs of stamp duty, finance costs and legal fees indicative only

Purchase costs of stamp duty, finance costs and legal fees indicative only

· For each residence type an analysis if 20% investor equity contribution has been provided or a 100% lend (where for instance using equity in another property and borrowing all the purchase price

For each residence type an analysis if 20% investor equity contribution has been provided or a 100% lend (where for instance using equity in another property and borrowing all the purchase price

· Occupancy in Year 1 of 55% (albeit target rates of 65% should be achievable due to the branding and marketing program) Year 2 of 65% and 75% in Year 3 and thereafter

Occupancy in Year 1 of 55% (albeit target rates of 65% should be achievable due to the branding and marketing program) Year 2 of 65% and 75% in Year 3 and thereafter

· Loan interest rate of 7.5%

Loan interest rate of 7.5%

· Non cash deductions as stipulated from Depreciation from BMT Surveyors report – indicative only as will vary slightly for each residence

Non cash deductions as stipulated from Depreciation from BMT Surveyors report – indicative only as will vary slightly for each residence

· Where a furniture package is purchased that amount may also be depreciated which will further enhance the investment return to owners.

Where a furniture package is purchased that amount may also be depreciated which will further enhance the investment return to owners.

· Tax Rate of 48.5%

Tax Rate of 48.5%

· Annual Revenue Growth of a conservative 5% and a targeted 8%

Annual Revenue Growth of a conservative 5% and a targeted 8%

· Annual Capital Growth of a conservative 5% and a targeted 8%

Annual Capital Growth of a conservative 5% and a targeted 8%

Key Conclusions

1. On the above basis all after tax cash flows per week are positive

2. For a Dual Key Apartment with a 5% per annum yield escalation commencing in year 4 and a 5% capital growth escalation commencing in year 2 and \$95,320 equity contribution the Internal Rate of Return (IRR)** for 10 years using the above assumptions of revenue and capital growth is **26%**

26%

3. For a Dual Key Apartment with a 8% per annum yield escalation commencing in year 4 and a 8% capital growth escalation commencing in year 2 and \$95,320 equity contribution the Internal Rate of Return (IRR)** for 10 years using the above assumptions of revenue and capital growth is **32%**

32%

** IRR (Internal Rate of Return) reflects the rate of return on the investment over a 10 year period

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DUAL KEY APARTMENTS

WITH

LUXURY FURNITURE PACK

Conservative - 5% Revenue Growth and 5% Capital Growth

FIRST ANALYSIS :

FULL 100% LEND

SECOND ANALYSIS :

20% INVESTOR EQUITY CONTRIBUTION 80% BORROWED

Year 1 Year 2 Year 3 Year 10 Year 15

Average Dual Key Purchase Price (2007) \$430,000 2009 / 2010 Operational Start

2009 / 2010 Operational Start

Furniture Pack \$30,000

Purchase Property Price + Furniture \$460,000 Assumptions

Assumptions

The investment analysis have been undertaken based on certain assumptions - you

Initial Purchase Costs should consult your advisers for your own particular circumstances -

should consult your advisers for your own particular circumstances -

Stamp Duty \$13,000 assumptions include:

assumptions include:

Finance Costs \$2,400 1 - Average price of an apartment – the analysis will vary for a particular apartment

1 - Average price of an apartment – the analysis will vary for a particular apartment

Legal Fees \$1,200 2 - Purchase costs of stamp duty, finance costs and legal fees indicative only

2 - Purchase costs of stamp duty, finance costs and legal fees indicative only

Total \$16,600 3 - Non cash deductions indicative only

4 - Tax Rate of 48.5%

3 - Non cash deductions indicative only

4 - Tax Rate of 48.5%

Loan Amount (at 100%) \$476,600 5 - Annual Revenue Growth (starts Year 4) of 5%

6 - Annual Capital Growth (starts Year 2) of 5%

5 - Annual Revenue Growth (starts Year 4) of 5%

6 - Annual Capital Growth (starts Year 2) of 5%

Occupancy Rate (a) 55% 65% 75% 75% 75%

Gross Apartment Revenue per annum \$64,926 \$76,731 \$88,536 \$124,579 \$158,998

Less Management Cost @ 42.5% of Revenue \$27,594 \$32,611 \$37,628 \$52,946 \$67,574

Less Average Body Corporate Fee Estimate \$4,000 \$4,000 \$4,000 \$5,628 \$7,183

Less HBCC Rates Estimate \$1,500 \$1,500 \$1,500 \$2,111 \$2,694

Less Net Owner Costs Estimated \$2,000 \$2,000 \$2,000 \$2,814 \$3,592

Net Revenue to Apartment Owner (b) \$29,832 \$36,620 \$43,408 \$61,080 \$77,955

Less

Cash Deductions

Loan Interest @ 7.5% \$35,745 \$35,745 \$35,745 \$35,745 \$35,745

Non-Cash Deduction Estimates

Initial Loan Costs \$480 \$480 \$480 \$0 \$0

Depreciation - Buildings, Furniture, Fixtures and Fittings \$17,500 \$18,000 \$14,500 \$4,250 \$4,250

Total Deductions \$53,725 \$54,225 \$50,725 \$39,995 \$39,995

Tax Return (based on 48.5%) \$11,588 \$8,538 \$3,549 -\$10,226 -\$18,411

After-tax Cash Flow Per Year \$5,675 \$9,414 \$11,212 \$15,109 \$23,799

After-tax Cash Flow Per Week \$109.14 \$181.03 \$215.61 \$290.55 \$457.68

(c) Capital growth based on purchase price including furniture package. Each purchaser has their own individual financial circumstances.

Capital growth based on purchase price including furniture package. Each purchaser has their own individual financial circumstances.

Year 1 Year 2 Year 3 Year 10 Year 15

Property Value (Capital Growth at 5% pa) (c) \$460,000 \$483,000 \$507,150 \$713,611 \$910,769

Loan Amount \$476,600 \$476,600 \$476,600 \$476,600 \$476,600

Net Equity -\$16,600 \$6,400 \$30,550 \$237,011 \$434,169

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\$460,000 \$483,000 \$507,150 \$713,611 **\$910,769**

Loan Amount \$476,600 \$476,600 \$476,600 \$476,600 \$476,600

Net Equity -\$16,600 \$6,400 \$30,550 \$237,011 \$434,169

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\$476,600 \$476,600 \$476,600 \$476,600 **\$476,600**

Net Equity -\$16,600 \$6,400 \$30,550 \$237,011 \$434,169

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\$0

\$200,000

\$400,000

\$600,000

\$800,000

\$1,000,000

Year 1 Year 3 Year 5 Year 7 Year 9 Year 11 Year 13 Year 15

Property Value v Loan

Loan Amount Property Value

Year 1 Year 2 Year 3 Year 4 Year 10 Year 15

Average Dual Key Purchase Price \$430,000 2009 / 2010 Operational Start

2009 / 2010 Operational Start

Furniture Pack \$30,000

Purchase Property Price + Furniture \$460,000

Initial Purchase Costs Assumptions

Assumptions

Stamp Duty \$13,000 The investment analysis have been undertaken based on certain assumptions - you

The investment analysis have been undertaken based on certain assumptions - you

Finance Costs \$2,400 should consult your advisers for your own particular circumstances -

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Legal Fees \$1,200 assumptions include:

assumptions include:

Total \$16,600 1 - Average price of an apartment – the analysis will vary for a particular apartment

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Total Investment \$476,600 3 - Non cash deductions indicative only

4 - Tax Rate of 48.5%

3 - Non cash deductions indicative only

4 - Tax Rate of 48.5%

Investor Contribution 20% \$95,320 55 -- Annnnuuall Reevveennuuee Grroowthh ((ssttaarrttss Yeeearr 44)) ooff 55% and Annual Capital Growth (starts Year 2) of 5%

55 -- Annnnuuall Reevveennuuee Grroowthh ((ssttaarrttss Yeeearr 44)) ooff 55% and Annual Capital Growth (starts Year 2) of 5%

Loan Amount (at 80%) \$381,280 6 - Annual Capital Growth (starts Year 2) of 5%

6 - Annual Capital Growth (starts Year 2) of 5%

Occupancy Rate (a) 55% 65% 75% 75% 75%

Gross Apartment Revenue per annum \$64,926 \$76,731 \$88,536 \$124,579 \$158,998

Less Management Cost @ 42.5% of Revenue \$27,594 \$32,611 \$37,628 \$52,946 \$67,574

Less Average Body Corporate Fee Estimate \$4,000 \$4,000 \$4,000 \$5,628 \$7,183

Less HBCC Rates Estimate \$1,500 \$1,500 \$1,500 \$2,111 \$2,694

Less Net Owner Costs Estimated \$2,000 \$2,000 \$2,000 \$2,814 \$3,592

Net Revenue to Apartment Owner (b) \$29,832 \$36,620 \$43,408 \$61,080 \$77,955

Less

Cash Deductions

Loan Interest @ 7.5% \$28,596 \$28,596 \$28,596 \$28,596 \$28,596

Non-Cash Deduction Estimates

Initial Loan Costs \$480 \$480 \$480 \$0 \$0

Depreciation - Buildings, Furniture, Fixtures and Fittings \$17,500 \$18,000 \$14,500 \$4,250 \$4,250

Total Deductions \$46,576 \$47,076 \$43,576 \$32,846 \$32,846

Tax Return (based on 48.5%) \$8,121 \$5,071 \$81 -\$13,693 -\$21,878

After-tax Cash Flow Per Year \$9,357 \$13,095 \$14,894 \$18,790 \$27,481

After-tax Cash Flow Per Week \$179.94 \$251.83 \$286.42 \$361.35 \$528.48

(c) Capital growth based on purchase price including furniture package. Each purchaser has their own individual financial circumstances.

Capital growth based on purchase price including furniture package. Each purchaser has their own individual financial circumstances.

Projected Return on Investor's Contribution of \$95,320 Year 1 Year 2 Y Yeeearr 34 Year 10 Year 15

Property Value (Capital Growth at 5%) (c) \$460,000 \$483,000 \$507,150 \$713,611 \$910,769

Loan Amount \$381,280 \$381,280 \$381,280 \$381,280 \$381,280

Net Capital Increase \$78,720 \$101,720 \$125,870 \$332,331 \$529,489

Less Initial Investor Contribution \$95,320 \$95,320 \$95,320 \$95,320 \$95,320

Net Capital Increase after Investor Contribution -\$16,600 \$6,400 \$30,550 \$237,011 \$434,169

After-tax cash flow Per Year \$9,357 \$13,095 \$14,894 \$18,790 \$27,481

Cash Flow : Annual Cash Return + Capital Growth Yr 10 -\$85,963 \$13,095 \$14,894 \$255,801 \$461,650

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\$0

\$200,000

\$400,000

\$600,000

\$800,000

\$1,000,000

Year 1 Year 3 Year 4 Year 6 Year 8 Year 10 Year 12 Year 14

Property Value v Loan

Property Value Loan Amount

Ramada Hervey Bay Information Kit 21

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DUAL KEY APARTMENTS

WITH

LUXURY FURNITURE PACK

Targeted - 8% Revenue Growth and 8% Capital Growth

FIRST ANALYSIS :

FULL 100% LEND

SECOND ANALYSIS :

20% INVESTOR EQUITY CONTRIBUTION 80% BORROWED

Year 1 Year 2 Year 3 Year 10 Year 15

Average Dual Key Purchase Price (2007) \$430,000 2009 / 2010 Operational Start

2009 / 2010 Operational Start

Furniture Pack \$30,000

Purchase Property Price + Furniture \$460,000 Assumptions

Assumptions

The investment analysis have been undertaken based on certain assumptions - you

Initial Purchase Costs should consult your advisers for your own particular circumstances -

should consult your advisers for your own particular circumstances -

Stamp Duty \$13,000 assumptions include:

assumptions include:

Finance Costs \$2,400 1 - Average price of an apartment – the analysis will vary for a particular apartment

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Legal Fees \$1,200 2 - Purchase costs of stamp duty, finance costs and legal fees indicative only

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Total \$16,600 3 - Non cash deductions indicative only

4 - Tax Rate of 48.5%

3 - Non cash deductions indicative only

4 - Tax Rate of 48.5%

Loan Amount (at 100%) \$476,600 5 - Annual Revenue Growth (starts Year 4) of 8%

6 - Annual Capital Growth (starts Year 2) of 8%

5 - Annual Revenue Growth (starts Year 4) of 8%

6 - Annual Capital Growth (starts Year 2) of 8%

Occupancy Rate (a) 55% 65% 75% 75% 75%

Gross Apartment Revenue per annum \$64,926 \$76,731 \$88,536 \$151,735 \$222,949

Less Management Cost @ 42.5% of Revenue \$27,594 \$32,611 \$37,628 \$64,487 \$94,753

Less Average Body Corporate Fee Estimate \$4,000 \$4,000 \$4,000 \$6,855 \$10,073

Less HBCC Rates Estimate \$1,500 \$1,500 \$1,500 \$2,571 \$3,777

Less Net Owner Costs Estimated \$2,000 \$2,000 \$2,000 \$3,428 \$5,036

Net Revenue to Apartment Owner (b) \$29,832 \$36,620 \$43,408 \$74,394 \$109,309

Less

Cash Deductions

Loan Interest @ 7.5% \$35,745 \$35,745 \$35,745 \$35,745 \$35,745

Non-Cash Deduction Estimates

Initial Loan Costs \$480 \$480 \$480 \$0 \$0

Depreciation - Buildings, Furniture, Fixtures and Fittings \$17,500 \$18,000 \$14,500 \$4,250 \$4,250

Total Deductions \$53,725 \$54,225 \$50,725 \$39,995 \$39,995

Tax Return (based on 48.5%) \$11,588 \$8,538 \$3,549 -\$16,684 -\$33,617

After-tax Cash Flow Per Year \$5,675 \$9,414 \$11,212 \$21,965 \$39,947

After-tax Cash Flow Per Week \$109.14 \$181.03 \$215.61 \$422.41 \$768.21

(c) Capital growth based on purchase price including furniture package. Each purchaser has their own individual financial circumstances.

Capital growth based on purchase price including furniture package. Each purchaser has their own individual financial circumstances.

Year 1 Year 2 Year 3 Year 10 Year 15

Property Value (Capital Growth at 8% pa) (c) \$460,000 \$496,800 \$536,544 \$919,542 \$1,351,109

Loan Amount \$476,600 \$476,600 \$476,600 \$476,600 \$476,600

Net Equity -\$16,600 \$20,200 \$59,944 \$442,942 \$874,509

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\$476,600 \$476,600 \$476,600 \$476,600 \$476,600

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\$0
 \$200,000
 \$400,000
 \$600,000
 \$800,000
 \$1,000,000
 \$1,200,000
 \$1,400,000
 \$1,600,000
 Year 1 Year 3 Year 5 Year 7 Year 9 Year 11 Year 13 Year 15

Property Value v Loan
 Loan Amount Property Value

Year 1 Year 2 Year 3 Year 10 Year 11 Year 15
Average Dual Key Purchase Price \$430,000 2009 / 2010 Operational Start
 2009 / 2010 Operational Start

Furniture Pack \$30,000
Purchase Property Price + Furniture \$460,000
Initial Purchase Costs Assumptions

Assumptions
 Stamp Duty \$13,000 The investment analysis have been undertaken based on certain assumptions - you
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 Legal Fees \$1,200 assumptions include:
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Total Investment \$476,600 3 - Non cash deductions indicative only

4 - Tax Rate of 48.5%
 3 - Non cash deductions indicative only
 4 - Tax Rate of 48.5%

Investor Contribution 20% \$95,320 5 - Annual Revenue Growth (starts Year 4) of 8%

6 - Annual Capital Growth (starts Year 2) of 8%
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Loan Amount (at 80%) \$381,280

Occupancy Rate (a) 55% 65% 75% 75% 75%

Gross Apartment Revenue per annum \$64,926 \$76,731 \$88,536 \$151,735 \$222,949

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 Less Net Owner Costs Estimated \$2,000 \$2,000 \$2,000 \$3,428 \$5,036

Net Revenue to Apartment Owner (b) \$29,832 \$36,620 \$43,408 \$74,394 \$109,309

Less

Cash Deductions

Loan Interest @ 7.5% \$28,596 \$28,596 \$28,596 \$28,596 \$28,596

Non-Cash Deduction Estimates

Initial Loan Costs \$480 \$480 \$480 \$0 \$0

Depreciation - Buildings, Furniture, Fixtures and Fittings \$17,500 \$18,000 \$14,500 \$4,250 \$4,250

Total Deductions \$46,576 \$47,076 \$43,576 \$32,846 \$32,846

Tax Return (based on 48.5%) \$8,121 \$5,071 \$81 -\$20,151 -\$37,085

After-tax Cash Flow Per Year \$9,357 \$13,095 \$14,894 \$25,647 \$43,629

After-tax Cash Flow Per Week \$179.94 \$251.83 \$286.42 \$493.22 \$839.01

(c) Capital growth based on purchase price including furniture package. Each purchaser has their own individual financial circumstances.

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Projected Return on Investor's Contribution of \$95,320 Year 1 Year 2 Year 3 Year 10 Year 15

Property Value (Capital Growth at 8%) (c) \$460,000 \$496,800 \$536,544 \$919,542 \$1,351,109

Loan Amount \$381,280 \$381,280 \$381,280 \$381,280 \$381,280

Net Capital Increase \$78,720 \$115,520 \$155,264 \$538,262 \$969,829

Less Initial Investor Contribution \$95,320 \$95,320 \$95,320 \$95,320 \$95,320

Net Capital Increase after Investor Contribution -\$16,600 \$20,200 \$59,944 \$442,942 \$874,509

After-tax cash flow Per Year \$9,357 \$13,095 \$14,894 \$25,647 \$43,629

Cash Flow : Annual Cash Return + Capital Growth Yr 10 -\$85,963 \$13,095 \$14,894 \$468,589 \$918,138

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\$0

\$200,000

\$400,000

\$600,000

\$800,000

\$1,000,000

\$1,200,000

\$1,400,000

\$1,600,000

Year 1 Year 3 Year 11

Property Value v Loan

Property Value Loan Amount

Ramada Hervey Bay Information Kit 22

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5 BODY CORPORATE FEES

Ramada Hervey Bay Information Kit 23

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6 CAPITAL ALLOWANCE DEDUCTIONS ANALYSIS

The following report was commissioned from BMT Quantity Surveyors to enable apartment

purchasers to analyse approximate deductions pertinent to their residence.

Lots analyses are based on –

\$400,000 plus \$30,000 Furniture Pack

\$420,000 plus \$30,000 Furniture Pack

\$430,000 plus \$30,000 Furniture Pack

\$590,000 plus \$30,000 Furniture Pack

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The depreciation of plant and equipment items is based on the diminishing value effective life rates as published by the commissioner of taxation (TR2006/C5).

Melbourne, Brisbane, Newcastle, Canberra,

Please find attached our tax depreciation estimates for the above property detailing the depreciation and associated tax allowances that may be available to the owner under the Income Tax Assessment Act 1997 (ITAA97).

2.0 Depreciation Potential – Plant and Capital Allowance

The purchaser of the property, intending to use it for income producing purposes, is entitled to depreciation including:

QUANTITY SURVEYORS

BMT Tax Depreciation provide an Australian wide Service with offices in Sydney,

BMT Tax Depreciation

Tax Depreciation

Level 6/293 Queen Street

Mr Tim Wright

BRISBANE, QLD 4000

Re: Ramada Resort Hervey Bay, 627 The Esplanade, HERVEY BAY, QLD 4655

Dear Tim,

Ozzyconnect Ltd

August 3, 2009

Written and verbal information provided by Ozzyconnect Ltd.

The following information was used in the preparation of the schedules:

Division 43, Capital Works allowance (2.5%pa).

Division 40, Depreciation of Plant and Equipment; and

The allowance for capital works will be based on the historical cost of construction less nondepreciable items.

1.0 Information

In the scenario where plant and equipment items are not sold at an agreed value these items will be depreciated on the basis of a just attribution of the total expenditure (42-65 ITAA97).

This document is intended to provide a guide to the potential depreciation and building allowances available from the purchase of the above residential property, facilitating the estimation of the after tax return on the investment over the first 10 full years of ownership.

Property Depreciation and Construction Cost Consultants

ABN 44 115 282 392

Level 7, 320 Adelaide Street

GPO Box 3229

Brisbane QLD 4001

www.bmtqs.com.au

07 3221 9922

07 3221 9933

info@bmtqs.com.au

QLD 4001

www.bmtqs.com.au

07 3221 9922

07 3221 9933

info@bmtqs.com.au

627 The Esplanade,

HERVEY BAY, QLD 4655 1 File No: 111311

BMT Tax Depreciation

Tax Depreciation

QUANTITY SURVEYORS

Should you or the purchaser wish to discuss the contents of this report in more detail, please do not hesitate to contact Bradley Beer of this office.

As can be extracted from the attached tables, the units will obtain maximum depreciation potential within the first 5 years of ownership.

BMT Tax Depreciation would be pleased to provide a complete detailed tax depreciation report on any of the units in the above property upon request.

3.0 Capital Work Allowance

4.0 Estimate Calculation

As documentation improves, BMT Tax Depreciation will be able to provide more accurate estimates of depreciation.

This report has been based on very preliminary documentation, and the figures provided should be treated as a guide only.

This report is based on a just attribution of the total expenditure to estimate the allowances for plant. The estimates provided are based on the sale price as indicated, as the final purchase price at this time is not known.

Quantity Surveyors

The building will be constructed after the 18th July 1985 and therefore qualifies for the capital works allowance of 2.5%pa.

Yours Sincerely,

This estimate has been provided for the purpose of informing the investor of the depreciation potential. Different depreciation returns are available and are influenced by the purchase price of the property.

5.0 Disclaimer

Our results suggest employing a specialist to maximise the various tax allowances has a significant effect on improving the after tax return.

Please note that the first year calculations are based on ownership over a full financial year.

6.0 Conclusion

BMT Tax Depreciation Pty Ltd

627 The Esplanade,

HERVEY BAY, QLD 4655 2 File No: 111311

BMT Tax Depreciation

Tax Depreciation

QUANTITY SURVEYORS

627 The Esplanade

Appendix One

Phase A – Tax Depreciation Estimate

Ramada Resort Hervey Bay

HERVEY BAY, QLD 4655

627 The Esplanade,

HERVEY BAY, QLD 4655 3 File No: 111311

1 13,373 4,904 18,277

2 14,704 4,904 19,608

3 10,321 4,904 15,225

4 7,155 4,904 12,059

5 5,252 4,904 10,156

6 3,935 4,904 8,839

7 3,180 4,904 8,084

8 2,405 4,904 7,309

9 1,648 4,904 6,552

10 1,613 4,904 6,517

11 + 4,597 147,118 151,715

Total \$68,183 \$196,157 \$264,340

1 10,466 4,712 15,178

2 11,507 4,712 16,219

3 8,078 4,712 12,790

4 5,600 4,712 10,312

5 4,110 4,712 8,822

6 3,080 4,712 7,792

7 2,489 4,712 7,201

8 1,882 4,712 6,594

9 1,290 4,712 6,002

10 1,263 4,712 5,975

11 + 3,597 141,349 144,946

Total \$53,362 \$188,465 \$241,827

Typical Furnished Apartment, Ramada Resort Hervey Bay 111311

627 The Esplanade, HERVEY BAY, QLD 4655

* assumes settlement on 1 July in any given year.

This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the

Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off

Allowance is calculated via the Prime Cost Method. This estimate is based upon legislation in force at the

date of report production.

This Estimate Cannot Be Used For Taxation Purposes

To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on (07) 3221 9922

**Year Plant &
Equipment Division 43 Total**

**Year Plant &
Equipment Division 43 Total**

\$0

\$20,000

\$40,000

\$60,000

\$80,000

\$100,000

\$120,000

(\$)

1 2 3 4 5 6 7 8 9 10

Year

Minimum

Maximum

\$0

\$2,000

\$4,000

\$6,000

\$8,000

\$10,000

\$12,000

\$14,000

\$16,000

\$18,000

\$20,000

(\$)

1 2 3 4 5 6 7 8 9 10

Year

Maximum

Minimum

1 13,584 5,081 18,665

2 14,861 5,081 19,942

3 10,442 5,081 15,523

4 7,248 5,081 12,329

5 5,323 5,081 10,404

6 3,996 5,081 9,077

7 3,227 5,081 8,308

8 2,241 5,081 7,322

9 1,757 5,081 6,838

10 1,685 5,081 6,766

11 + 4,805 152,442 157,247

Total \$69,169 \$203,255 \$272,424

1 10,631 4,882 15,513
 2 11,631 4,882 16,513
 3 8,172 4,882 13,054
 4 5,673 4,882 10,555
 5 4,166 4,882 9,048
 6 3,128 4,882 8,010
 7 2,525 4,882 7,407
 8 1,754 4,882 6,636
 9 1,375 4,882 6,257
 10 1,319 4,882 6,201
 11 + 3,760 146,463 150,223

Total \$54,134 \$195,285 \$249,419

Typical Furnished Apartment, Ramada Resort Hervey Bay 111311
 627 The Esplanade, HERVEY BAY, QLD 4655

* assumes settlement on 1 July in any given year.

This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated via the Prime Cost Method. This estimate is based upon legislation in force at the date of report production.

This Estimate Cannot Be Used For Taxation Purposes

To discuss the contents of this report please contact Bradley Beer at BMT Tax Depreciation on (07) 3221 9922

Year Plant & Equipment Division 43 Total

Year Plant & Equipment Division 43 Total

\$0
 \$20,000
 \$40,000
 \$60,000
 \$80,000
 \$100,000
 \$120,000
 (\$)
 1 2 3 4 5 6 7 8 9 10

Year

Minimum
 Maximum
 \$0

\$2,000
 \$4,000
 \$6,000
 \$8,000
 \$10,000
 \$12,000
 \$14,000
 \$16,000
 \$18,000
 \$20,000

(\$)

1 2 3 4 5 6 7 8 9 10

Year

Maximum
 Minimum

1 13,667 5,259 18,926
 2 14,924 5,259 20,183
 3 10,482 5,259 15,741
 4 7,282 5,259 12,541
 5 5,345 5,259 10,604
 6 4,016 5,259 9,275
 7 3,242 5,259 8,501
 8 2,253 5,259 7,512
 9 1,772 5,259 7,031
 10 1,695 5,259 6,954
 11 + 4,879 157,760 162,639

Total \$69,557 \$210,346 \$279,903

1 10,696 5,052 15,748
 2 11,679 5,052 16,731
 3 8,204 5,052 13,256
 4 5,699 5,052 10,751
 5 4,183 5,052 9,235
 6 3,143 5,052 8,195
 7 2,537 5,052 7,589
 8 1,763 5,052 6,815
 9 1,387 5,052 6,439
 10 1,327 5,052 6,379
 11 + 3,819 151,573 155,392

Total \$54,437 \$202,098 \$256,535

Typical Furnished Apartment, Ramada Resort Hervey Bay 111311
 627 The Esplanade, HERVEY BAY, QLD 4655

* assumes settlement on 1 July in any given year.

This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated via the Prime Cost Method. This estimate is based upon legislation in force at the date of report production.

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**Year Plant &
Equipment Division 43 Total**

**Year Plant &
Equipment Division 43 Total**

\$0
 \$20,000
 \$40,000
 \$60,000
 \$80,000
 \$100,000
 \$120,000
 (\$)
 1 2 3 4 5 6 7 8 9 10

Year
 Minimum
 Maximum
 \$0
 \$5,000
 \$10,000
 \$15,000
 \$20,000
 \$25,000
 (\$)

1 2 3 4 5 6 7 8 9 10
Year
 Maximum
 Minimum

1 15,189 6,973 22,162
 2 16,061 6,973 23,034
 3 11,081 6,973 18,054
 4 7,999 6,973 14,972
 5 5,688 6,973 12,661
 6 4,513 6,973 11,486
 7 3,633 6,973 10,606
 8 2,540 6,973 9,513
 9 1,823 6,973 8,796
 10 1,978 6,973 8,951
 11 + 6,144 209,201 215,345

Total \$76,649 \$278,935 \$355,584

1 11,887 6,700 18,587
 2 12,569 6,700 19,269
 3 8,672 6,700 15,372
 4 6,260 6,700 12,960
 5 4,451 6,700 11,151
 6 3,532 6,700 10,232
 7 2,843 6,700 9,543
 8 1,988 6,700 8,688
 9 1,427 6,700 8,127
 10 1,548 6,700 8,248
 11 + 4,809 200,998 205,807

Total \$59,986 \$267,997 \$327,983

Typical Furnished Apartment, Ramada Resort Hervey Bay 111311
 627 The Esplanade, HERVEY BAY, QLD 4655

* assumes settlement on 1 July in any given year.

This is an estimate only and should not be applied or acted upon. Depreciation of plant is based on the Diminishing Value method of depreciation applying Low-Value Pooling. The Division 43 Write Off Allowance is calculated via the Prime Cost Method. This estimate is based upon legislation in force at the date of report production.

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Year Plant & Equipment Division 43 Total

Year Plant & Equipment Division 43 Total

\$0
 \$20,000
 \$40,000
 \$60,000
 \$80,000
 \$100,000
 \$120,000
 \$140,000
 \$160,000

(\$)

1 2 3 4 5 6 7 8 9 10

Year

Minimum

Maximum

\$0

\$5,000

\$10,000

\$15,000
\$20,000
\$25,000
(\$)
1 2 3 4 5 6 7 8 9 10
Year
Maximum
Minimum

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7 MANAGEMENT AND OPERATIONAL REVIEW

Overview

Ramada® Hervey Bay at completion of Stage 1 will comprise three stand alone buildings strategically designed for a mix of lifestyle investors and investors who want the opportunity to maximise yield through the dual key apartments.

All across the world, the corporate and leisure accommodation industries are moving towards serviced apartments, particularly dual key apartments. Investors target to acquire quality strata titled apartments in strategic locations such as Ramada® Hervey Bay. The investor targets a cash flow positive, passive property investment that has relatively low holding costs that they can afford to keep in order to ride the capital growth. Ramada® Hervey Bay is in a growth area with visitor numbers escalating into Hervey Bay with the new airport upgrades for jet traffic and general recognition of the attributes and beauty of the Great Sandy Straits area. A swell in both permanent and visitor population underpins capital growth.

Apartment Description – Stylish by Design

Specifically designed and located for the investor and lifestyle investor who may desire to live or retire to their apartment at some future date. There are apartments which have views of the harbour with the Poolside Apartments facing the exclusive pool and garden atrium area. The 42 metre pool is the longest resort pool in Hervey Bay and with its spa and heated pool is ideal for families.

Dual Key Apartments

The Dual Key Apartments have been designed with a three fold purpose:

- make a guest feel at home while away from home
- make a guest feel at home while away from home
- large enough with all facilities for an owner to live in for an extended period and still earn an income from the studio
- large enough with all facilities for an owner to live in for an extended period and still earn an income from the studio
- optimise investment yield

The dual key two bedroom apartments allows for maximum flexibility – either to be used as a large two bedroom apartment or to be utilised as a one bedroom apartment and a studio. The apartments are stylish and elegant by design and finished to the highest standard. High end furniture packs which have been uniquely designed for each unit are available for the astute investor or the lifestyle investor.

optimise investment yield

The dual key two bedroom apartments allows for maximum flexibility – either to be used as a large two bedroom apartment or to be utilised as a one bedroom apartment and a studio. The apartments are stylish and elegant by design and finished to the highest standard. High end furniture packs which have been uniquely designed for each unit are available for the astute investor or the lifestyle investor.

Seascope Hervey Bay Pty Ltd

Ramada® Hervey Bay will be managed by Seascope Hervey Bay Pty Ltd, a management company exclusively incorporated for this purpose, and associated with the developer Affinity Property Group Pty Ltd. Seascope Hervey Bay Pty Ltd has a licence arrangement with Ramada® Worldwide. Seascope Hervey Bay Pty Ltd have contracted an experienced on site General Manger and staff to ensure that those seeking to make their apartment available to Seascope Hervey Bay Pty Ltd Bay for letting can optimise their yield. Marketing and promotions will be undertaken directly by Seascope Hervey Bay Pty Ltd who have their own web site www.ramadaherveybay.com.au as well as through the central booking and marketing group, Ramada® Worldwide and Wyndham Hotel

Group.

The decision by Affinity Property Group Pty Ltd to place Ramada® Resort Hervey Bay into management by Seascope Hervey Bay Pty Ltd compared to other 'named brands' was based on such 'named brands' having a reputation in the market place of not allowing flexibility of apartment use by owners and owner / investors not being satisfied with their investment return. The Seascope www.ramadaherveybay.com.au as well

as through the central booking and marketing group, Ramada® Worldwide and Wyndham Hotel Group.

The decision by Affinity Property Group Pty Ltd to place Ramada® Resort Hervey Bay into management by Seascope Hervey Bay Pty Ltd compared to other 'named brands' was based on such 'named brands' having a reputation in the market place of not allowing flexibility of apartment use by owners and owner / investors not being satisfied with their investment return. The Seascope

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Hervey Bay Pty Ltd target is to optimise yield to the owner / investor. The larger 'named brands' generally have to amortise substantial overhead costs which lowers investor yields compared to that of Seascope Hervey Bay Pty Ltd. Seascope Hervey Bay Pty Ltd plans to position themselves between the large hotel groups with large hotel overheads and a heavy emphasis on marketing and the more traditional family owned management rights operator concentrating on low overheads with very limited marketing. Seascope Hervey Bay Pty Ltd plan for a carefully contained overhead allocation with a 'sleek' modern day internet and electronic marketing strategy.

Ramada® Resort Hervey Bay Options

Options

Owners / investors will have the flexibility of a number of options as to their property:

- Live in it – furnish it yourself or utilise the Ramada® Resort Hervey Bay Furniture Pack in case you may wish to make your apartment available for letting to Seascope Hervey Bay Pty Ltd at some future date

- Live in it – furnish it yourself or utilise the Ramada® Resort Hervey Bay Furniture Pack in case you may wish to make your apartment available for letting to Seascope Hervey Bay Pty Ltd at some future date

- Manage the property on a furnished or unfurnished permanent letting basis through Seascope

Hervey Bay Pty Ltd (or for that matter any other Agent)

Manage the property on a furnished or unfurnished permanent letting basis through Seascope

Hervey Bay Pty Ltd (or for that matter any other Agent)

· Elect to purchase a ® Resort Hervey Bay Furniture Pack and have your property managed by Seascope Hervey Bay Pty Ltd when you are not residing at your apartment

Elect to purchase a ® Resort Hervey Bay Furniture Pack and have your property managed by Seascope Hervey Bay Pty Ltd when you are not residing at your apartment

Fee Structure / Apartment Letting Arrangement

The fee structure charged by management rights operators can be categorised into two broad approaches. The most common historically is the itemised approach where each cost component is assessed on an individual basis and charged back to the owner / investor of the apartment. The second being a fixed tariff share percentage (usually between 40% and 45% to the management company). The tariff share is more common with serviced apartments, and both the landlord and the operator get their fixed percentage of the tariff income irrespective of the occupancy.

Seascope Hervey Bay Pty Ltd will operate on a Tariff Share basis at 42.5%. This 42.5% is on the net rental paid after costs such as the wholesaler's commission and booking, royalty and marketing fees to Ramada Worldwide with whom Affinity Property Group has a license agreement. All the deductions and fees are fully detailed in the Apartment Purchase Contract.

The 42.5% covers the following for the operator:

· The traditional 12% management fee for holiday letting

The traditional 12% management fee for holiday letting

· Service and house keeping costs

Service and house keeping costs

· Marketing costs

Marketing costs

· General operating repairs and maintenance of the apartments (excludes capital repairs and repairs paid by the body corporate).

In this manner Seascope Hervey Bay Pty Ltd as the operator has every incentive to optimise returns as their return is directly correlated with the owner / investors return.

General operating repairs and maintenance of the apartments (excludes capital repairs and repairs paid by the body corporate).

In this manner Seascope Hervey Bay Pty Ltd as the operator has every incentive to optimise returns as their return is directly correlated with the owner / investors return.

Note: This development enjoys an exemption from the Serviced Strata Scheme under the Managed Investments Act. Full details of this will be outlined in the Ramada® Resort Hervey Bay Contract and Disclosure Documents.

Owners Right to Sell

As the apartment owner, you are free to sell your property at any time (unless you have entered into some arrangement with a separate agent or party which precludes a sale).

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8 FREQUENTLY ASKED QUESTIONS

What are the annual body corporate fees?

· Body Corporate fees are calculated according to a formula which fairly apportions costs depending on an owners contribution and interest schedule. Please see section 4 which details the body corporate fees payable for each apartment.

Body Corporate fees are calculated according to a formula which fairly apportions costs depending on an owners contribution and interest schedule. Please see section 4 which details the body corporate fees payable for each apartment.

· Body Corporate fees include the administration fund fee (which includes the body corporate managers fee for caretaking, maintenance and repair of the common property of Ramada® Resort Hervey Bay including the gardens and grounds – full details of which duties are specified in the Caretaking Agreement) and the sinking fund fee which covers future payment for external repairs and maintenance and capital items.

Body Corporate fees include the administration fund fee (which includes the body corporate managers fee for caretaking, maintenance and repair of the common property of Ramada® Resort Hervey Bay including the gardens and grounds – full details of which duties are specified in the Caretaking Agreement) and the sinking fund fee which covers future payment for external repairs and maintenance and capital items.

What about Council rates?

· You will be responsible for paying Hervey Bay City Council rates.

You will be responsible for paying Hervey Bay City Council rates.

How is my Property Managed?

· The Seascope Hervey Bay Pty Ltd management team, with a manager who lives on the premises, will manage your property. They will wear Ramada® uniforms at all times and operate a full-service front desk and concierge style service, seven days per week.

The Seascope Hervey Bay Pty Ltd management team, with a manager who lives on the premises, will manage your property. They will wear Ramada® uniforms at all times and operate a full-service front desk and concierge style service, seven days per week.

· Other staff will be employed by Seascope Hervey Bay Pty Ltd as necessary (e.g. cleaners, gardeners, maintenance personnel and front office staff)

Other staff will be employed by Seascope Hervey Bay Pty Ltd as necessary (e.g. cleaners, gardeners, maintenance personnel and front office staff)

Can I sell my Apartment?

· There are no restrictions on re-sale of apartments within the development.

There are no restrictions on re-sale of apartments within the development.

· Owners can engage the agent of choice, to determine the method of sale and set the market price.

Owners can engage the agent of choice, to determine the method of sale and set the market price.

· Apartments can be sold with or without the Management Agreement in place.

Apartments can be sold with or without the Management Agreement in place.

· New owners can offer apartments to Seascope Hervey Bay Pty Ltd; however, they would need to ensure that their apartment is suitably furnished and equipped.

New owners can offer apartments to Seascope Hervey Bay Pty Ltd; however, they would need to ensure that their apartment is suitably furnished and equipped.

What if I don't require the Furniture Package?

· You do not need to purchase a furniture package. However, if you want your apartment managed by Seascope Hervey Bay Pty Ltd under the Seascope Hervey Bay Pty Ltd Letting Agreement, then you do need to purchase a Seascope Hervey Bay Pty Ltd Furniture and Fittings package.

You do not need to purchase a furniture package. However, if you want your apartment managed by Seascope Hervey Bay Pty Ltd under the Seascope Hervey Bay Pty Ltd Letting Agreement, then you do need to purchase a Seascope Hervey Bay Pty Ltd Furniture and Fittings package.

· To ensure continuity of theme and a high quality of accommodation and furniture for guests, purchasers who may wish to make their apartment available for letting from time to time by Seascope Hervey Bay Pty Ltd will need to purchase a furniture package.

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Does the Apartment come with Car-Parking?

· Yes - the car park is marked as an exclusive use area on the relevant body corporate material.

Yes - the car park is marked as an exclusive use area on the relevant body corporate material.

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What am I purchasing as part of my contract?

· The property that you are purchasing is a strata titled property on a building format plan. A furniture package can be purchased, and all inclusions and specifications to the Ramada® Hervey Bay standard to make your apartment available for either short or long-term tenancy or

occupation by you as an owner occupier.

The property that you are purchasing is a strata titled property on a building format plan. A furniture package can be purchased, and all inclusions and specifications to the Ramada® Hervey Bay standard to make your apartment available for either short or long-term tenancy or occupation by you as an owner occupier.

Will alcohol be available for purchase at the resort

· Yes, Ramada Hervey Bay intends to have a liquor licence so that alcohol may be served in and around the pool area and will be available to be supplied to individual apartments as required. Yes, Ramada Hervey Bay intends to have a liquor licence so that alcohol may be served in and around the pool area and will be available to be supplied to individual apartments as required.

Who is responsible for repairs and maintenance?

· External Repairs and Maintenance of Apartments, Common Areas and Exclusive Use Areas
External repairs and maintenance are covered either by the administration fund in the body corporate budget or as part of the sinking fund (capital items). Specific sums are agreed upon by you (in conjunction with other owners) for repairs and maintenance as part of the body corporate administration fund budget. The sinking fund makes provision for the replacement and repainting of items. An estimate is prepared by a quantity surveyor retained by the body corporate to act as a guide for the body corporate. Amounts are accumulated to meet anticipated major expenditure over at least the first 10 financial years together with provision for anticipated future costs requiring repairs or replacement over a 30 year lifespan. For full details you should refer to the Sinking Fund report.

External Repairs and Maintenance of Apartments, Common Areas and Exclusive Use Areas
External repairs and maintenance are covered either by the administration fund in the body corporate budget or as part of the sinking fund (capital items). Specific sums are agreed upon by you (in conjunction with other owners) for repairs and maintenance as part of the body corporate administration fund budget. The sinking fund makes provision for the replacement and repainting of items. An estimate is prepared by a quantity surveyor retained by the body corporate to act as a guide for the body corporate. Amounts are accumulated to meet anticipated major expenditure over at least the first 10 financial years together with provision for anticipated future costs requiring repairs or replacement over a 30 year lifespan. For full details you should refer to the Sinking Fund report.

· Day to day internal repairs

Within the 42.5% of the letting fees payable to Seascope Hervey Bay Pty Ltd there is a component for general day to day internal repairs and maintenance for apartments that are within the Seascope Hervey Bay Pty Ltd letting arrangement.

Day to day internal repairs

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· Internal repairs of a capital nature

Individual owners of a apartment will be responsible for internal repairs and maintenance of a capital or replacement nature.

Internal repairs of a capital nature

Individual owners of a apartment will be responsible for internal repairs and maintenance of a capital or replacement nature.

Who is Seascope Hervey Bay Pty Ltd?

· Seascope Hervey Bay Pty Ltd will manage Ramada® Hervey Bay under a Letting and Management Agreement detailed in the Apartment Contract. Seascope Hervey Bay Pty Ltd will not manage any other properties and prior to commencement or following commencement of operations.

Seascope Hervey Bay Pty Ltd will manage Ramada® Hervey Bay under a Letting and Management Agreement detailed in the Apartment Contract. Seascope Hervey Bay Pty Ltd will not manage any other properties and prior to commencement or following commencement of operations.

· The Seascope Hervey Bay Pty Ltd mandate is to optimise returns to apartment owners. The Seascope Hervey Bay Pty Ltd mandate is to optimise returns to apartment owners.

How does Seascope Hervey Bay Pty Ltd market?

· Seascope Hervey Bay Pty Ltd through Ramada® Hervey Bay will be fostering strategic

relationships with Australia's major corporate and government organizations.

Seascope Hervey Bay Pty Ltd through Ramada® Hervey Bay will be fostering strategic relationships with Australia's major corporate and government organizations.

· Seascope Hervey Bay Pty Ltd will be operating an extensive booking system with numerous agreements with major wholesalers and booking agencies such as wotif.

Seascope Hervey Bay Pty Ltd will be operating an extensive booking system with numerous agreements with major wholesalers and booking agencies such as wotif.

· Seascope Hervey Bay Pty Ltd will be marketing to the tourist market and operators keen to be involved in the Hervey Bay market.

Seascope Hervey Bay Pty Ltd will be marketing to the tourist market and operators keen to be involved in the Hervey Bay market.

· Seascope Hervey Bay Pty Ltd will at all times be focused on a high level of service.

Seascope Hervey Bay Pty Ltd will at all times be focused on a high level of service.

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Do I have to use Seascope Hervey Bay Pty Ltd to let my Apartment?

· No, you have complete flexibility in respect of the use of your apartment, and your apartment can be:

- Tenanted via Seascope Hervey Bay Pty Ltd
- Tenanted by you directly or through using another agent; or
- Owner occupied

No, you have complete flexibility in respect of the use of your apartment, and your apartment can be:

- Tenanted via Seascope Hervey Bay Pty Ltd
- Tenanted by you directly or through using another agent; or
- Owner occupied

Are the returns outlined by Affinity Property Group Pty Ltd in this Information Pack Guaranteed?

No - projections are based on a number of scenarios as provided by research by Affinity Property Group Pty Ltd and analysis of the Hervey Bay market.

· Projections have been based on Downside, Upside and Anticipated Occupancies and Yields.

Projections have been based on Downside, Upside and Anticipated Occupancies and Yields.

· All prospective purchasers should make their own enquiries with respect to the projections and seek their own independent advice.

All prospective purchasers should make their own enquiries with respect to the projections and seek their own independent advice.

What control do I have over expenses under the Seascope Hervey Bay Pty Ltd Letting Arrangement?

· The room revenue is split 42.5% to Seascope Hervey Bay Pty Ltd and 57.5% to the apartment owner. What the 42.5% covers is detailed in Section 5 of this Information Pack.

The room revenue is split 42.5% to Seascope Hervey Bay Pty Ltd and 57.5% to the apartment owner. What the 42.5% covers is detailed in Section 5 of this Information Pack.

· Other main expenses, such as body corporate, council rates and costs of apartment ownership such as phone are externally controlled. These costs are detailed in the Apartment Purchase Contract.

Other main expenses, such as body corporate, council rates and costs of apartment ownership such as phone are externally controlled. These costs are detailed in the Apartment Purchase Contract.

· Body Corporate expenditure is subject to review by the owners at each Annual General Meeting where all owners vote on the planned expenditure budget to be managed by the Body Corporate.

Body Corporate expenditure is subject to review by the owners at each Annual General Meeting where all owners vote on the planned expenditure budget to be managed by the Body Corporate.

Can I exit the Seascope Hervey Bay Pty Ltd Scheme if I choose to?

· Yes – owners / Investors can exit the Seascope Hervey Bay Pty Ltd Management arrangement

at any time, but must provide 90 days written notification to Seascope Hervey Bay Pty Ltd. This requirement is to cover any advance bookings. Also, owners can exit the Lease back arrangement with 90 days notice.

Yes – owners / Investors can exit the Seascope Hervey Bay Pty Ltd Management arrangement at any time, but must provide 90 days written notification to Seascope Hervey Bay Pty Ltd. This requirement is to cover any advance bookings. Also, owners can exit the Lease back arrangement with 90 days notice.

Do I have the ability to use my apartment at anytime?

· Yes, you can use your apartment at anytime provided:

1.0 that if a party is booked into your apartment we can satisfactorily relocate them
2.0 that you pay the cleaning cost at the end of your stay to ensure the apartment is ready to the Ramada® standard for guests

3.0 that you pay costs of cleaning or other costs you incur while residing in your apartment

Yes, you can use your apartment at anytime provided:

1.0 that if a party is booked into your apartment we can satisfactorily relocate them

2.0 that you pay the cleaning cost at the end of your stay to ensure the apartment is ready to the Ramada® standard for guests

3.0 that you pay costs of cleaning or other costs you incur while residing in your apartment

Will I have to pay for staying in my apartment and what about cleaning?

· As an owner you will not have to pay a letting fee for staying in your apartment. You will however have to pay Seascope Hervey Bay Pty Ltd for cleaning before you hand your apartment back to management for letting to ensure the apartment is ready to the Ramada® standard for guests. You may choose to carry out your own cleaning while you are in apartment and only pay for the final clean prior to handing your apartment back to management.

As an owner you will not have to pay a letting fee for staying in your apartment. You will however have to pay Seascope Hervey Bay Pty Ltd for cleaning before you hand your apartment back to management for letting to ensure the apartment is ready to the Ramada® standard for guests. You may choose to carry out your own cleaning while you are in apartment and only pay for the final clean prior to handing your apartment back to management.

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Alternatively, you may choose to utilise the services of the residential resorts cleaners as often as you like and pay the standard cleaning fee.

What if I decide on short notice that I would like to stay in my apartment and someone has already booked it?

· Seascope Hervey Bay Pty Ltd as manager will use their best endeavours not to allocate a particular apartment when guests make bookings at the residential resort to give owners the opportunity to make the decision on short notice to stay in their apartment. If a booking has been made by a guest for a particular apartment and the guest can not be relocated an owner may stay at another apartment (if available) and the cost will be offset against the rental being paid by the guest in the owners apartment, and if necessary, an adjustment made.

Seascope Hervey Bay Pty Ltd as manager will use their best endeavours not to allocate a particular apartment when guests make bookings at the residential resort to give owners the opportunity to make the decision on short notice to stay in their apartment. If a booking has been made by a guest for a particular apartment and the guest can not be relocated an owner may stay at another apartment (if available) and the cost will be offset against the rental being paid by the guest in the owners apartment, and if necessary, an adjustment made.

Who will be able to use the common facilities of the resort such as the pool, spa, sauna, gym and other facilities?

· These facilities, unless otherwise approved by the body corporate, will be solely for use of owners and guests of the resort. In the event guests may wish to invite friends or relatives the manager, Seascope Hervey Bay Pty Ltd, will be granted the right to allow entry of guest and relatives. This ensures preservation of 'quiet enjoyment' for owners and guests.

These facilities, unless otherwise approved by the body corporate, will be solely for use of owners and guests of the resort. In the event guests may wish to invite friends or relatives the manager, Seascope Hervey Bay Pty Ltd, will be granted the right to allow entry of guest and

relatives. This ensures preservation of 'quiet enjoyment' for owners and guests.

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9 INDICATIVE FINISHES SCHEDULE

Ramada Hervey Bay finishes are classy, upmarket, contemporary and elegant.

The Ramada Seascape Purchase Contract and Disclosure Documents will have a *Schedule of Finishes which will include itemisation / description of finishes including:*

Schedule of

Finishes which will include itemisation / description of finishes including:

which will include itemisation / description of finishes including:

Exterior Finishes

Walls – Floors – Roofing – Windows – Balustrades - Lifts

Internal Finishes

· Walls – internal, entry, kitchen, bathroom ensuite, laundry

Walls – internal, entry, kitchen, bathroom ensuite, laundry

· Floors – entry, kitchen, dining and living, bedrooms, ensuite, laundry, balconies

Floors – entry, kitchen, dining and living, bedrooms, ensuite, laundry, balconies

· Skirtings and Architraves

Skirtings and Architraves

· Doors – entry, internal, to balconies

Doors – entry, internal, to balconies

· Joinery – kitchen bench tops, kitchen cabinet handles, bathroom ensuite vanity taps, robes

Joinery – kitchen bench tops, kitchen cabinet handles, bathroom ensuite vanity taps, robes

· Bathrooms / Ensuite Fittings and Fixtures – bath, vanity basin, toilet, tapware, accessories

Bathrooms / Ensuite Fittings and Fixtures – bath, vanity basin, toilet, tapware, accessories

· Kitchen – sink, tapware : Laundry – tub, tapware

Kitchen – sink, tapware : Laundry – tub, tapware

· Electrical – stove, range hood, dishwasher, clothes dryer

Electrical – stove, range hood, dishwasher, clothes dryer

· Air conditioning – Lighting – Security

Air conditioning – Lighting – Security

10 MORTGAGE FINANCE OPTIONS

OzzyConnect Limited (go to www.OzzyConnect.com for full details) are able to facilitate and refer a comprehensive array of financing options and financiers. OzzyConnect have packaged a specialised competitive package for Ramada Seascape purchasers. OzzyConnect have established relations with an array of funders who can provide the most competitive mortgages in Australia today.

www.OzzyConnect.com for full details) are able to facilitate and refer a

comprehensive array of financing options and financiers. OzzyConnect have packaged a specialised competitive package for Ramada Seascape purchasers. OzzyConnect have established relations with an array of funders who can provide the most competitive mortgages in Australia today.

11 INDICATIVE FURNITURE PACKAGE

Attached are the inventories for the dual key apartments. The furniture packages are 'designer package' specifically created for Ramada Hervey Bay and its 5 star positioning in Hervey Bay.

The furniture is an elegant contemporary range featuring timbers and a sophisticated fabric and décor selection.

Indicative Furniture Pack Prices:

Dual Key \$30,000

2 Bedroom apartment + studio \$35,000

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Ramada Hervey Bay

Schedule of Fixtures and Finishes

The items listed below are subject to change. See purchase contract for confirmation.

EXTERIOR FINISHES

WALLS

- Textured coating to masonry or equal walls or similar material
- Fibre cement or metal cladding to select walls or other approved material

FLOORS

- Lift lobby – Fully vitrified tiles
- Pool Area – Selected external tile or stone styled finish

ROOFING

- Metal roof sheeting and concrete
- Colorbond PVC downpipes where not concealed

WINDOWS

- powdercoated aluminium windows and sliding doors

BALUSTRADES

- Glazed aluminium framed balustrades or
- Aluminium balustrades or
- Split face cement block
- Textured coating to masonry balustrades

LIFTS

- Security activated access from car park and foyer levels

INTERNAL FINISHES

INTERIOR DESIGN CONCEPT - Ocean

Ocean

WALLS

- Internal walls - Painted plasterboard in washable acrylic, low sheen finish or similar material on finish
- Entry Painted plasterboard in washable acrylic, low sheen finish
- Kitchen Splashback sink to u'side of window & behind stove – Tiles 100x300 Highgloss White
- Bathroom/ Laundry Tiles to full height in shower/ shower bath

CEILINGS

- White painted finish

FLOORS AND OPTIONS

- Entry, Kitchen, Living tiles
- Bedrooms Contemporary carpet
- Ensuite Fully vitrified tiles
- Laundry Fully vitrified tiles
- Balconies Marmi Natural or Textured R10 slip rated tiles

SKIRTINGS AND ARCHITRAVES

- Painted timber skirtings throughout living and bedroom areas with tiles to laundries
- Gloss enamel architraves throughout. Square set to ceiling and wall.

DOORS

- Entry – Pool Residences fire rated doors with gloss enamel painted finish
- Entry - Residences fire doors with gloss enamel painted finish
- Internal Hollow core with gloss enamel painted finish
- To balconies, coloured aluminium framed sliding doors
- Residences fire doors with gloss enamel painted finish
- Internal Hollow core with gloss enamel painted finish
- To balconies, coloured aluminium framed sliding doors

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JOINERY & OPTIONS

- Kitchen bench tops 20mm reconstituted or natural stone with square edge detail or similar
- Kitchen cupboard fronts Laminated to complement tiles
- Kitchen kickboard Brushed Aluminium
- Kitchen cabinet handles Contemporary stainless steel handles
- Bathroom vanity tops Reconstituted or natural stone with square edge detail or similar
- Bathroom cupboard fronts Laminated to complement tile flooring
- Bathroom cabinet handles Contemporary stainless steel handles
- Bathroom Mirrors Concealed fixing mirrors over vanities
- Fitted robes Adjustable shelves, chrome hanging rail and shelf

TAPWARE

All tap ware is to have a polished chrome finish.

- Basin mixer, Astivita Bella chrome plated
- Shower mixer, Astivita Bella chrome plated
- Shower/bath diverter, Astivita Bella chrome plated

- Astivita Bella Hand shower and rail system, with clear soap dish and metal hose, and feature bath spout

BATHROOM/ LAUNDRY/ ENSUITE FITTINGS & FIXTURES

- Spa Bath – Berlin therapy 1500 mm rectangular spa bath (One Bed only)
- Vanity – ARTO Semi Recess Square Basin (Both One bed and Studio)
- Toilet – Stylus Venecia Wall faced Toilet suite, dual flush (Both One bed and Studio)
– Berlin therapy 1500 mm rectangular spa bath (One Bed only)
- Vanity – ARTO Semi Recess Square Basin (Both One bed and Studio)
- Toilet – Stylus Venecia Wall faced Toilet suite, dual flush (Both One bed and Studio)
– ARTO Semi Recess Square Basin (Both One bed and Studio)
- Toilet – Stylus Venecia Wall faced Toilet suite, dual flush (Both One bed and Studio)
– Stylus Venecia Wall faced Toilet suite, dual flush (Both One bed and Studio)

ACCESSORIES

All accessories are to have a satin chrome finish.

- Toilet roll holder x2
- Robe hooks X2
- Towel rail
- Towel rack
- Grab Bar & accessories (only in disabled apartments)
- Towel Rack

Spa grab bar 300m

Towel Rack

Spa grab bar 300m

KITCHEN FITTINGS & FIXTURES

- Sink EPURE Quatro stainless steel sink or similar (One Bed only)
- Sink Mixer Dorf KYTIN single lever sink mixer or similar with swivel spout in polished chrome finish or similar (One Bed only)

APPLIANCES

- Blanco BCCT60N electric cook top or similar (One Bed only)
- Blanco BRS60PX slide-out recirculating range hood or similar (One Bed only)
- Blanco Convection microwave oven and trim kit or similar (One Bed only)
- Blanco BFDWC65X dishwasher or similar (One Bed only)
- Fisher & Paykel Dryer AD39 clothes dryer with stacking frame for washing machine or similar (One Bed only)
- out recirculating range hood or similar (One Bed only)
- Blanco Convection microwave oven and trim kit or similar (One Bed only)
- Blanco BFDWC65X dishwasher or similar (One Bed only)
- Fisher & Paykel Dryer AD39 clothes dryer with stacking frame for washing machine or similar (One Bed only)

TELEPHONE & INTERNET SOCKETS

- High quality Cat 5 or similar computer data cabling to media
- Provision for future broadband internet connection

LIGHTING

- Recessed down lights to wet areas and kitchen

AIR CONDITIONING

- 2.5hp Fujitsu multi-head split reverse air-conditioner. H1. 7kw cooling, 9.2kw heating. H2. 2.9kw cooling, 3.2kw heating or similar. Split system unit to service the one bedroom apartment and the studio
- 1.5hp reverse air-conditioner or similar (Only for 2 Bedroom plus Studio)

SECURITY

- Remote controlled security gate to car park

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- Restricted key entry to lift entry and exits
- Fire isolated stairwell
- External lighting switch to entry, pool and garden areas
- Smoke detectors to each apartment
- Quantum Heat Pump Hot Water Units
- Carter Multicom System or similar

DISCLAIMER

All material referred to herein are subject to the availability of materials and colours and sufficient quantities to comply with the Schedule of Finishes.

Where the colour and/or quantities are not available, the vendor shall be entitled to substitute such other colour or designed or materials as the vendor in its absolute discretion shall think it, if necessary of a different

brand, providing such new materials shall NOT be substantially inferior to that referred to herein. Modifications, additions and deletions may occur due to operational requirements provided the overall fit-out is not substantially inferior.

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ONE BED Furniture Package 1

Quantity Item Finish Size

ZIP KING ROOM

- 1 Bedding Ensemble Gold Series Mattress Fully Upholstered Base Zip King 1850W
- 1 Bed Head As Per Range Zip King 2500L x 800H
- 2 Bedside Tables As Per Range 500 x 500
- 1 Folding Luggage Rack
- 1 Freestanding Robe
- 1 Corner TV unit
- 1 Mounted Safety Deposit Box
- 4 Coat Hanger female
- 4 Coat Hanger male

LIVING AREA

- 1 Occasional Chair Upholstered
- 1 2.5 Seat Sofa Bed Lounge with Chaise Upholstered
- 1 Coffee Table Glass Top 1000 x 750
- 1 Entertainment Unit/DVD Shelf/End Drawers 2100L x 650H x 500D
- 1 Console Unit with Centre Drawer 1000L x 750H x 450D
- 1 Desk Chair
- 1 Dining Table 1000 x 1000
- 4 Dining Chairs

ELECTRICAL

- 1 Floor Lamp
- 1 Desk Lamp Hard Wired to Desk
- 2 Bedside Lamps Hard Wired to Bed Head
- 1 Samsung Widescreen LCD TV 56cm

DECOR ITEMS

- 3 Original Canvas Artwork 1400 x 600
- 1 Original Canvas Artwork 900 x 900
- 1 Framed Wall Mirror 1400 x 500

OUTDOOR

- 1 Outdoor 5 Piece Setting Aluminium

DINING (2 PAX)

- 1 Wine Glasses 1 Beer Glasses
- 1 Coffee Mugs 1 Knife Table solid handle
- 1 Glass Tumblers 1 Spoon Tea
- 1 Mini Bar Acrylic tray 1 Plate Bread and Butter
- 1 Tea and Coffee holder

KITCHEN

- 1 Fridge Westinghouse Frost free fridge Top Mount 310 lt
- 4 Placemats
- 1 Saucepan set 4 piece Stainless Steel 3 saucepans, 1 frypan
- 1 Storage container
- 1 Tongs
- 3 Utensils
- 1 Cutting Board

BATHROOM

- 1 Washing machine 5.5 Kg MW512 Fisher & Paykel
- 1 Dustpan & Brush
- 3 Wastepaper bin
- 1 Toilet Brush set
- 2 Glass water

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SOFT FURNISHINGS

- 1 Bed End Runner King
- 1 Blanket Cotton Cellular King
- 1 Duvet Cover and Insert White King
- 1 Mattress Protector White King
- 1 Blanket Cotton Cellular Double
- 6 Pillow Protector

6 Pillows White Premium
2 Bed Cushions Small 400 x 400 Upholstered
5 Lounge Cushions Upholstered

WINDOW DRESSING

Blockout curtains with sheer on hand drawn tracks to main
Roller Blinds to bedroom

STUDIO

Quantity Item Finish Size

ENTRY FOYER

1 Framed Wall Mirror 1400 x 500

ZIP KING ROOM

1 Bedding Ensemble Gold Series Mattress Fully Upholstered Base Zip King 1850W
1 Bed Head As Per Range Zip King 2500L x 800H
2 Bedside Tables As Per Range 500 x 500
2 Bedhead Mounted Lights
1 Folding Luggage Rack

LIVING AREA

2 Desk Chair
1 Freestanding Robe
4 Coat Hanger female
4 Coat Hanger male
1 Combined TV desk unit
1 Mounted Safety Deposit Box

ELECTRICAL

1 Floor Lamp
1 Desk Lamp Hard Wired to Desk
2 Bedside Lamps Hard Wired to Bed Head
1 Samsung Widescreen LCD TV 66cm

DECOR ITEMS

1 Original Canvas Artwork 900x900
2 Original Canvas Artwork 1400 x 600
Original Canvas Artwork 900x900
2 Original Canvas Artwork 1400 x 600

OUTDOOR

1 Outdoor 3 Piece Setting Aluminium

DINING (2 PAX)

1 Wine Glasses
1 Coffee Mugs
1 Glass Tumblers
1 Coffee Mug 300ml
1 Plate Bread and Butter 180mm
1 Knife Table solid handle
1 Spoon Tea

KITCHEN

1 Bar fridge Fisher & Paykel P120RW 120
1tr bar fridge
1
1 Mini Bar Acrylic Tray
1 Tea and Coffee holder

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CLEANING

1 Toilet Tidies Metal Finish
1 Dustpan & Brush 1 Waste Paper Basket Metal Finish
2 Glass Water 1 Small Bathroom Bin Metal Finish
1 Kitchen Bin Metal Finish

SOFT FURNISHINGS

1 Bed End Runner King
1 Blanket Cotton Cellular King
1 Duvet Cover and Insert White King
2 Bed End Runner Single
2 Blanket Cotton Cellular Single
2 Duvet Cover and Insert White Single
2 Mattress Protector White Single
6 Pillows White Premium
6 Pillow Protectors White Premium
2 Bed Cushions Small 400 x 400 Upholstered

WINDOW DRESSING

Blockout curtains with sheer on hand drawn tracks

All material referred to herein are subject to the availability of materials and colours and sufficient quantities to comply with the Furniture Package.

Where the colour and/or quantities are not available, the vendor shall be entitled to substitute such other colour or designed or materials as the vendor in its absolute discretion shall think it, if necessary of a different brand, providing such new materials shall NOT be substantially inferior to that referred to herein.

DEVELOPER BONUS

One Bed Iron Sunbeam Iron with Auto off SR5450

Iron Sunbeam Iron with Auto off SR5450

One Bed Toaster Sunbeam TA3420 4 slice toaster

Toaster Sunbeam TA3420 4 slice toaster

One Bed Kettle Sunbeam cordless Kettle

Kettle Sunbeam cordless Kettle

One Bed Clock radio Panasonic RC700

Clock radio Panasonic RC700

Studio Iron Sunbeam Iron with Auto off SR5450

Iron Sunbeam Iron with Auto off SR5450

Studio Toaster Sunbeam TA3420 4 slice toaster

Toaster Sunbeam TA3420 4 slice toaster

Studio Kettle Sunbeam cordless Kettle

Kettle Sunbeam cordless Kettle

Studio Clock radio Panasonic RC700

Clock radio Panasonic RC700

Modifications, additions and deletions may occur due to operational requirements provided the overall fit-out is not substantially inferior.

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ONE BED (Trilock) Unit 1005 Furniture Package 2

Quantity Item Finish Size

ZIP KING ROOM

1 Bedding Ensemble Gold Series Mattress Fully Upholstered Base Zip King 1850W

1 Bed Head As Per Range Zip King 2500L x 800H

2 Bedside Tables As Per Range 500 x 500

1 Folding Luggage Rack

1 Freestanding Robe

1 Corner TV unit

1 Mounted Safety Deposit Box

4 Coat Hanger female

4 Coat Hanger male

LIVING AREA

1 Occasional Chair Upholstered

1 2.5 Seat Sofa Bed Lounge with Chaise Upholstered

1 Coffee Table Glass Top 1000 x 750

1 Entertainment Unit/DVD Shelf/End Drawers 2100L x 650H x 500D

1 Console Unit with Centre Drawer 1000L x 750H x 450D

1 Desk Chair

1 Dining Table 1000 x 1000

4 Dining Chairs

ELECTRICAL

1 Floor Lamp

1 Desk Lamp Hard Wired to Desk

2 Bedside Lamps Hard Wired to Bed Head

1 Samsung Widescreen LCD TV 56cm

DECOR ITEMS

3 Original Canvas Artwork 1400 x 600

1 Original Canvas Artwork 900 x 900

1 Framed Wall Mirror 1400 x 500

OUTDOOR

1 Outdoor 5 Piece Setting Aluminium

DINING (2 PAX)

1 Wine Glasses 1 Beer Glasses

1 Coffee Mugs 1 Knife Table solid handle

1 Glass Tumblers 1 Spoon Tea

1 Mini Bar Acrylic tray 1 Plate Bread and Butter

1 Tea and Coffee holder

KITCHEN

1 Fridge Westinghouse Frost free fridge Top Mount 310 Lt

4 Placemats

1 Saucepan set 4 piece Stainless Steel 3 saucepans, 1 frypan

- 1 Storage container
- 1 Tongs
- 3 Utensils
- 1 Cutting Board

BATHROOM

- 1 Washing machine 5.5 Kg MW512 Fisher & Paykel
- 1 Dustpan & Brush
- 3 Wastepaper bin
- 1 Toilet Brush set
- 2 Glass water

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SOFT FURNISHINGS

- 1 Bed End Runner King
- 1 Blanket Cotton Cellular King
- 1 Duvet Cover and Insert White King
- 1 Mattress Protector White King
- 1 Blanket Cotton Cellular Double
- 6 Pillow Protector
- 6 Pillows White Premium
- 2 Bed Cushions Small 400 x 400 Upholstered
- 5 Lounge Cushions Upholstered

WINDOW DRESSING

- Blockout curtains with sheer on hand drawn tracks
- Roller blinds to bedroom

STUDIO Unit 1006

Quantity Item Finish Size

ENTRY FOYER

- 1 Framed Wall Mirror 1400 x 500

ZIP KING ROOM

- 1 Bedding Ensemble Gold Series Mattress Fully Upholstered Base Zip King 1850W
- 1 Bed Head As Per Range Zip King 2500L x 800H
- 2 Bedside Tables As Per Range 500 x 500
- 2 Bedhead Mounted Lights
- 1 Folding Luggage Rack

LIVING AREA

- 2 Desk Chair
- 1 Freestanding Robe
- 4 Coat Hanger female
- 4 Coat Hanger male
- 1 Combined TV desk unit
- 1 Mounted Safety Deposit Box

ELECTRICAL

- 1 Floor Lamp
- 1 Desk Lamp Hard Wired to Desk
- 2 Bedside Lamps Hard Wired to Bed Head
- 1 Samsung Widescreen LCD TV 66cm

DECOR ITEMS

1 Original Canvas Artwork 900x900

2 Original Canvas Artwork 1400 x 600

Original Canvas Artwork 900x900

2 Original Canvas Artwork 1400 x 600

OUTDOOR

- 1 Outdoor 3 Piece Setting Aluminium

DINING (2 PAX)

- 1 Wine Glasses
- 1 Coffee Mugs
- 1 Glass Tumblers
- 1 Coffee Mug 300ml
- 1 Plate Bread and Butter 180mm
- 1 Knife Table solid handle
- 1 Spoon Tea

KITCHEN

- 1 Bar fridge Fisher & Paykel P120RW 120ltr bar fridge
- 1
- 1 Mini Bar Acrylic Tray
- 1 Tea and Coffee holder

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CLEANING

- 1 Toilet Tidies Metal Finish
- 1 Dustpan & Brush 1 Waste Paper Basket Metal Finish
- 2 Glass Water 1 Small Bathroom Bin Metal Finish
- 1 Kitchen Bin Metal Finish

SOFT FURNISHINGS

- 1 Bed End Runner King
- 1 Blanket Cotton Cellular King
- 1 Duvet Cover and Insert White King
- 2 Bed End Runner Single
- 2 Blanket Cotton Cellular Single
- 2 Duvet Cover and Insert White Single
- 2 Mattress Protector White Single
- 6 Pillows White Premium
- 6 Pillow Protectors White Premium
- 2 Bed Cushions Small 400 x 400 Upholstered

WINDOW DRESSING

- Blockout curtains with sheer on hand drawn tracks

STUDIO Unit 1007

Quantity Item Finish Size

ENTRY FOYER

- 1 Framed Wall Mirror 1400 x 500

ZIP KING ROOM

- 1 Bedding Ensemble Gold Series Mattress Fully Upholstered Base Zip King 1850W
- 1 Bed Head As Per Range Zip King 2500L x 800H
- 2 Bedside Tables As Per Range 500 x 500
- 2 Bedhead Mounted Lights
- 1 Folding Luggage Rack

LIVING AREA

- 2 Desk Chair
- 1 Freestanding Robe
- 4 Coat Hanger female
- 4 Coat Hanger male
- 1 Combined TV desk unit
- 1 Samsung Widescreen TV
- 1 Mounted Safety Deposit Box

ELECTRICAL

- 1 Floor Lamp
- 1 Desk Lamp Hard Wired to Desk
- 2 Bedside Lamps Hard Wired to Bed Head

DECOR ITEMS

1 Original Canvas Artwork 900x900

2 Original Canvas Artwork 1400 x 600

- Original Canvas Artwork 900x900
- 2 Original Canvas Artwork 1400 x 600

OUTDOOR

- 1 Outdoor 3 Piece Setting Aluminium

DINING (2 PAX)

- 1 Wine Glasses
- 1 Coffee Mugs
- 1 Glass Tumblers
- 1 Coffee Mug 300ml
- 1 Plate Bread and Butter 180mm
- 1 Knife Table solid handle
- 1 Spoon Tea

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12 CAR PARKING PLAN AND ALLOCATION

1.0 SITE LAYOUT

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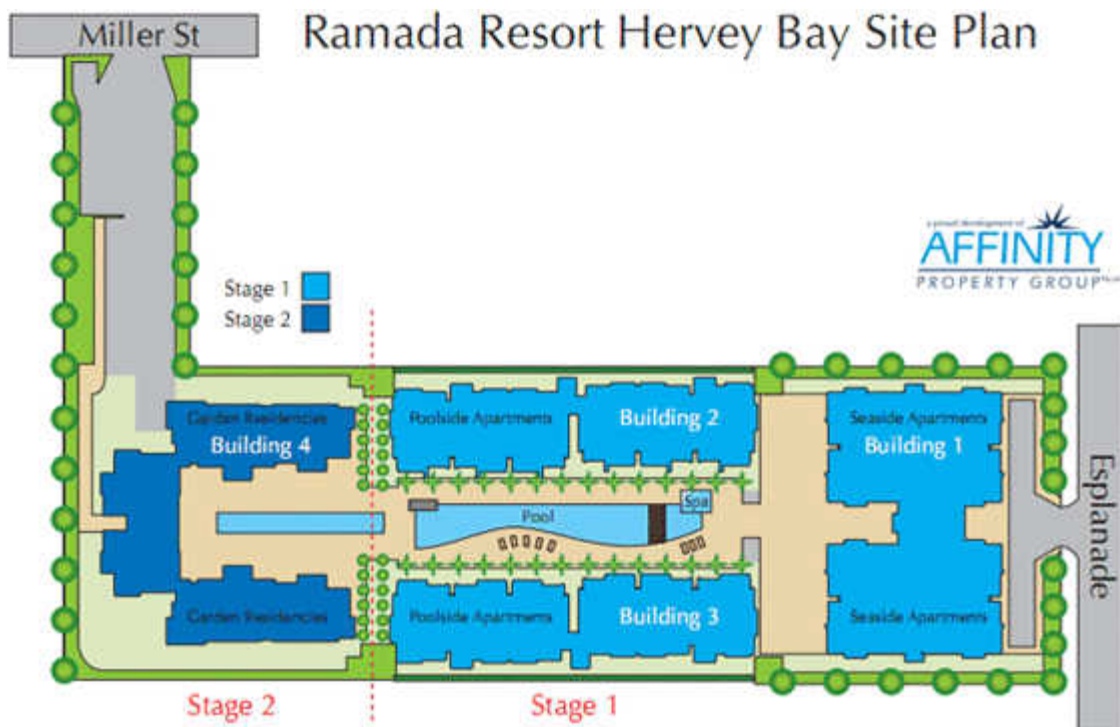
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2.0 CARPARK PLAN FOR BUILINGS 1, 2 AND 3 BEING THE SEASIDE AND POOLSIDE

APARTMENTS – ALLOCATED CAR PARKS

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SITE PLAN AND APARTMENT LOCATION PLAN

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15 FLOOR PLANS

- Seaside Apartments
- Seaside Apartments
- Poolside Apartments
- Poolside Apartments

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Sea Apartments

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Pool Apartments

More Information

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