

Two Sydney Childcare Investments
19 Fourth Avenue, Condell Park NSW
66 Conrad Road, Kellyville Ridge NSW

Information Memorandum

Auction 11am AEST Tuesday 27 June 2017
Doltone House Hyde Park, 181 Elizabeth Street, Sydney





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Investment Features

- Long 15 year leases plus options to G8 Education Limited to 2029
- Two further 5 year options to 2039
- G8 Education Ltd: largest ASX listed early education provider with over 480 centres nationally and a market cap of \$1.38 billion
- Highly desirable 4% annual rental increases plus ratchet (i.e. rent cannot reduce) provisions at market review, ensuring guaranteed rental growth
- Tenant pays all usual outgoings including management fees
- Long established and proven businesses acquired by G8 Education
- Easily managed, single tenanted investments

Address

19 Fourth Avenue, Condell Park, NSW

Term: Fifteen (15) years from 26 September 2014 to 25 September 2029

Options: Two (2) x five (5) years from 26 September 2029 to 25 September 2039

Net Income: \$94,099 pa + GST and outgoings

Address

66 Conrad Road, Kellyville Ridge, NSW

Term: Fifteen (15) years from 28 November 2014 to 27 November 2029

Options: Two (2) x five (5) years from 28 November 2029 to 27 November 2039

Net Income: \$101,237 pa + GST and outgoings

Method of Sale

For sale separately by Auction on Tuesday 27 June 2017 at 11am Doltone House, Sydney



Adam Thomas
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Condell Park

Introduction

Burgess Rawson are delighted to offer the freehold interest in two childcare investments located in Condell Park and Kellyville Ridge, New South Wales, and leased to G8 Education. Both properties will be offered separately for sale by way of Auction, to be held from 11.00am (AEST) on Tuesday 27 June 2017, at Doltone House, Sydney.

Burgess Rawson

Since being established in 1975, our Sales, Leasing, Property Management, Valuation and Advisory services fulfil the complete and ongoing needs of our clients. Burgess Rawson has a network of offices throughout Australia and extensive regional partnerships with local property specialists, giving unmatched depth and reach in all commercial property market sectors.

At every stage of ownership, our clients benefit from our specialist knowledge, experience, market insights and advice. Our strong market position, plus our targeted and effective marketing campaigns through a highly qualified database, generates maximum exposure for properties.

Burgess Rawson's iconic Portfolio Auctions are held in Melbourne and Sydney bringing together a diverse range of national commercial and investment grade properties.

Based on our knowledge and experience, Burgess Rawson are confident in recommending these properties as outstanding childcare investment opportunities.

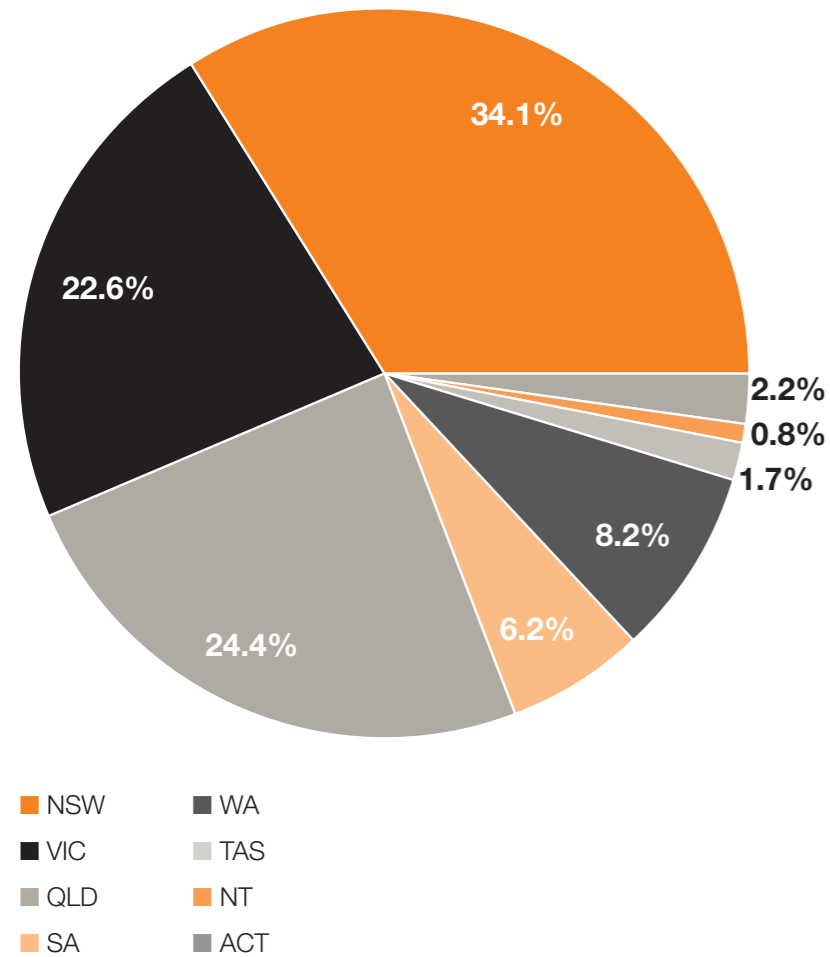


Key Childcare Sector Attributes

According to the Department of Education and Training report for the September 2015 quarter, the future looks bright for childcare investments with over 1.2 million children attending some form of approved childcare service in Australia. This has been steadily growing and has increased by 5.7% on the previous year.

Children using Long Day Care by State and Territory

September Quarter, 2015



According to IBIS World, a baby boom is coming – with the rate of births expected to increase by 6.4% over the next few years as the workforce ages.

The demand for childcare is being driven by a number of industry factors including:

- The high cost of living driving parents back to work
- The desire of more women to maintain careers than in the past
- The government's position that female workforce participation is good for the economy.
- The Australian Government subsidises the cost of child care for eligible families through the Child Care Benefit and the Child Care Rebate to help parents with the cost of approved child care.

Under the proposed federal Budget the new Child Care Subsidy will replace both existing government subsidies where families earning up to \$65,000 will be able to receive up to 85% off the cost of their childcare back in subsidies. This rate reduces with higher incomes, with families earning over \$170,000 potentially receiving 50% back.

Nationally, total government recurrent and capital expenditure on childcare services was \$8.6 billion in 2014-15 (an increase of 9.6% from 2013-14). Over the last five years, the average annual growth rate of real expenditure was 10.6% which may push up demand for childcare even further.

Source: ABS and Department of Education and Training

During the September 2015 quarter, the total estimated expenditure on Child Care Benefit and Child Care Rebate was over \$1.8 billion, 64% of which was paid in relation to families using Long Day Care services.



Property Details – Condell Park

Address

19 Fourth Avenue, Condell Park, NSW

Title Details

Lot 30 on Deposited Plan 1872

Site Area

766 sqm

Zoning

The land is zoned '(R2) Low Density' under the Canterbury Bankstown Local Environment Plan 2015.

Location

The subject property is situated on the south-west corner of Second and Fourth Avenues, and 2km north-west from the intersection with both the Milperra Road and M5 Motorway.

Condell Park is an established residential area and adjoins the localities of Bankstown and Padstow, and is located 20 kilometres south-west from the Sydney CBD.

Site Description

The subject site is a regular shaped corner allotment with the following boundary dimensions:

- Northern boundary 50.29 m
(Second Avenue frontage)
- Eastern boundary 15.24 m
(Fourth Avenue frontage)
- Southern boundary 50.29 m
- Western boundary 15.24 m

Building Description

A single level facility with service approval for 33 Long Day Care (LDC) places.

Car Parking

4 spaces

Accommodation includes:

- Reception + office + meeting room
- Three (3) education rooms with direct access to external play areas
- Children's bathrooms
- One (1) cot room
- Disabled unisex WC
- Laundry + storage room
- Kitchen + staff room

Building Construction

- Footings: Reinforced concrete
- Floors: Reinforced concrete slab
- Floor Coverings: Predominantly vinyl plus tile to wet areas
- External walls: Rendered brick
- Internal lining: Painted plasterboard
- A/C: Ducted
- Lighting: Recessed fluorescent tube
- Windows: Aluminum framed
- Doors: Timber
- Ceilings: Painted plasterboard
- Roof: Tile

Lease Details – Condell Park

Lessee:	G8 Education Limited trading as Kindy Patch Condell Park
Lease Term	Fifteen (15) years
Lease Commenced	26 September 2014
Lease Expiry	25 September 2029
Options	Two (2) further terms of five (5) years to 25 September 2039
Outgoings	All outgoings paid by the tenant including management fees
Rent Reviews	Fixed 4% annual increases plus 'ratchet' provisions at market review ensuring the rent cannot reduce
Security	Bank guarantee equal to three (3) months' rent
Net Income	\$94,099 p.a. plus GST and Outgoings



Location – Condell Park

Condell Park is an established residential suburb, located 20km south-west from Sydney's CBD.

A new City of Canterbury Bankstown was announced by the NSW Government on 12 May 2016. The City of Canterbury Bankstown replaces the Bankstown and Canterbury Councils, and becomes the largest Council in NSW with 350,983 residents



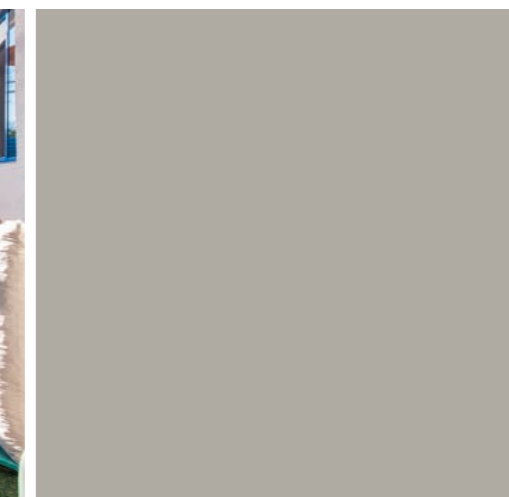
The City of Canterbury Bankstown covers an area of 110 square kilometres, with a population of over 350,000 and is located between 8 and 23km south-west of Sydney's CBD, and only 20 minutes by direct rail link or road from Sydney Airport. It is well serviced by several road networks, such as the Hume Highway, M5 Motorway and M5 East. Two separate railway lines directly link the area to Sydney's CBD. Bankstown is also home to Bankstown Airport, the largest general aviation airport in the southern hemisphere.

Bankstown has over 70 public and private schools, which provide a high standard of education to the council's youth and is also home to one of the University of Western Sydney's campuses attracting students from all over Sydney and abroad to study.

The municipality also boasts more than 1090 hectares of parks, gardens, reserves and open spaces including Bankstown City Gardens, Sylvan Grove Native Garden, Georges River National Park and Georges River.

In addition, Bankstown has many sporting facilities including Dunc Gray Velodrome, The Crest Sporting Complex (international standard athletics track), Memorial Oval, Bankstown Basketball Stadium, Kelso Softball Park, four Olympic swimming pools and many other local fields and centres.

For further information, please visit:
www.cbcity.nsw.gov.au



Property Details – Kellyville Ridge

Address

66 Conrad Road, Kellyville Ridge, NSW

Title Details

Lot 2013 on Deposited Plan 1071485

Site Area

931 sqm

Zoning

The land is zoned '(R2) Low Density Residential' under the Blacktown Local Environment Plan 2015.

Location

The subject property is situated on the western side of Conrad Road, 1km to the west of the intersection with Old Windsor Road and the new Skytrain, and 3km to the north of the intersection with the M7 Motorway.

Kellyville Ridge is an established and rapidly expanding area and adjoins the localities of Kellyville, Parklea and Rouse Hill, and is located 32km north-west from the Sydney CBD.

Site Description

The subject site comprises a generally regular shaped parcel of land, with the following boundary dimensions:

- Western boundary (Conrad Road frontage) 38.01 m
- Eastern boundary 34.60 m
- Northern boundary (over two bearings) 25.49 m
- Southern boundary 25.00 m

Building Description

A single level, facility with service approval for 36 Long Day Care (LDC) places.

Car Parking

7 spaces

Accommodation includes

- Foyer + reception accessed via a pedestrian ramp
- Two (2) education rooms with direct access to bathrooms and external play areas
- Nursery/cot room
- Kitchen + staff room
- Laundry
- Unisex WC
- Large outdoor storage shed

Building Construction

- Footing: Reinforced concrete
- Floors: Reinforced concrete slab
- Floor Covering: Predominantly vinyl plus tile to wet areas
- External walls: Exposed brick
- Internal lining: Painted Plasterboard
- Windows: Aluminum framed
- Doors: Timber (internal)
Aluminium framed (external)
- Lighting: Fluorescent tube
- A/C: Ducted heating
- Ceilings: Painted plasterboard
- Roof: Tile

Lease Details – Kellyville Ridge

Lessee	G8 Education Limited and trading as Creative Garden Kellyville Ridge
Lease Term	Fifteen (15) years
Lease Commenced	28 November 2014
Lease Expiry	27 November 2029
Options	Two (2) further terms of five (5) years to 27 November 2039
Outgoings	All outgoings paid by the tenant including management fees
Rent Reviews	Fixed 4% annual increases with 'ratchet' provisions at market review, ensuring the rent cannot reduce
Security	Bank guarantee equal to three (3) months' rent
Net Income	\$101,237 p.a plus GST and Outgoings



Location – Kellyville Ridge

Blacktown City is the fastest growing local government area in New South Wales, with a resident population in excess of 340,000.



Blacktown City is located approximately 35km north-west from the Sydney CBD, with a current estimated 340,000 residents and forecast to grow to over 540,000 by 2036.

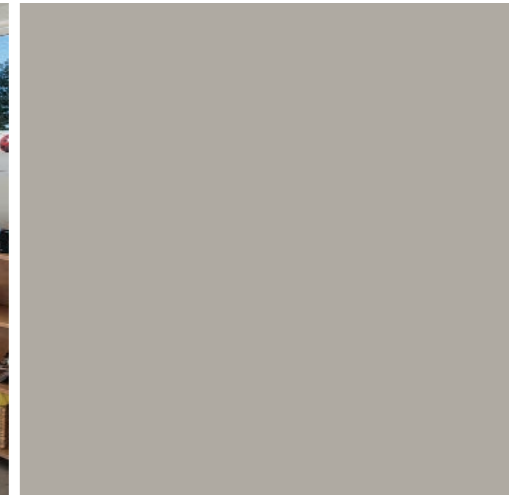
A modern bustling city of 247 square kilometres with 48 residential suburbs, Blacktown City is the fastest growing and second largest city (by population) in NSW.

The City is at the heart of Western Sydney and well serviced by employment lands, public transport and road access and supported by core infrastructure in health, education, recreation, culture and leisure. Blacktown's diverse land use also continues to attract developers and retailers to the largest quantity of zoned and serviced industrial and commercial land throughout NSW.

Access into and out of Blacktown is simple due to various major arterial roads and public transport facilities including the Western Railway Line from Sydney, the Great Western Highway, Richmond Road and the M2 and M4 Motorways.

Blacktown's Central Business District provides residents with numerous shopping facilities and services and is the commercial centre for government departments and local business. Other key industries in the area include transport, storage, warehousing, distribution and logistics.

For further information, please visit: www.blacktown.nsw.gov.au



Tenant Profile



G8 Education^{ltd}

G8 Education Limited (ASX: GEM) listed on the Australian Securities Exchange on 5 December 2007 is the largest ASX listed early education centre provider in Australia, with a current market capitalisation of \$1.38billion.

G8 currently owns and operates over 480 centres nationally and their premium brands include:



For further details please visit: www.g8education.edu.au

Inspection Times

Condell Park, 19 Fourth Avenue Wednesday 21 June 2017 5:00 – 5:30pm

Kellyville Ridge, 66 Conrad Road Thursday 22 June 2017 5:00 – 5:30pm

Please note: inspections are “strictly by appointment” only, please contact the agents to register your attendance.

Market Evidence

Comparable sales of New South Wales childcare investments transacted by Burgess Rawson include:

Date	Address	Sale Price	Yield
Apr 2017	Belmore, 40 York Street, NSW	\$2,560,000	4.73%
Apr 2017	Kingsgrove, 4 Richland Street, NSW	\$2,500,000	4.72%
Apr 2017	North Richmond, 33 Riverview Street, NSW	\$1,990,000	5.37%
Feb 2017	Punchbowl, 57 Belmore Road, NSW	\$1,600,000	5.30%
Oct 2016	Parramatta, 31-33 Iron Street, NSW	\$3,990,000	5.17%
Oct 2016	Engadine, 252 Woronora Road, NSW	\$2,065,000	4.84%
Sep 2016	West Hoxton, 38 - 40 Wainwright Ave, NSW	\$2,327,000	4.00%
Sep 2016	Condell Park, 227 Edgar Street, NSW	\$2,330,000	4.51%

Sale Process

Method of Sale

Each property will be offered separately for sale by Auction:

Auction Tuesday 27 June 2017 at 11am

Doltone House, Sydney NSW



Interstate Bidding

Interstate bidding is available strictly by prior arrangement at one of Burgess Rawson's interstate offices.



Burgess Rawson & Associates
Level 7, 140 Bourke Street
Melbourne VIC

Adam Thomas
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athomas@burgessrawson.com.au

Natalie Couper
0413 856 983
ncouper@burgessrawson.com.au



Burgess Rawson & Associates
Level 18, 15 Castlereagh Street
Sydney NSW

Michael Vanstone
0403 580 528
mvanstone@burgessrawson.com.au

Property Management

Burgess Rawson is not only a market leader in investment sales; we are also regarded as highly professional property managers. With an Australia-wide management portfolio of well in excess of \$2billion, we are able to equally manage property whether it is CBD, metropolitan or regionally located.

- More than Rental Collection - care for your property and investment. Professional property management enhances and secures your tenant relationship, provides property accounting (including tax invoicing/GST/BAS) reports and maximises rental. We take the weight off your shoulders.
- Achieve \$ savings - through our buying power and access to the best providers: insurance brokers, maintenance contractors etc. We have the contacts and long standing relationships to be at your disposal.
- Improve your cash flow - Apart from ensuring regular rental increases are enacted to maximum sustainable levels, a professional property manager reviews council rating values, as well as accessing the best taxation depreciation assessment to improve your after income tax bottom line. We aim to add more to your overall capital value.
- Not missing a beat - With our daily contact in the market, we hear about new developments, tenants on the move etc. Whether this information helps protect your investment or leads to further opportunities, we have our ears to the ground.
- Problem solvers Owning property has never been more complicated, and highly regulated. We are fully conversant with the Retail Tenancies Act, Town Planning and Occupational Health and Safety Regulations. We can anticipate and prevent problems.
- Experience and involvement - Our professional property managers offer a wide range of expertise. Time in the profession, and continuous improvement and involvement in the property sector is an intellectual pursuit. We can provide a pool of such experience to individual clients in a way we believe self-managed property owners cannot.
- Value for money - free yourself up to concentrate on the returns of your investments, rather than the daily issues which can arise from your property. The small cost involved in professional management is money well spent. We have the resources to service your needs.

To discuss your particular property management's needs, please contact either your Burgess Rawson selling agent or Ingrid Filmer today.



Ingrid Filmer
Director Principal
Property Management Department
0413 860 312
ifilmer@burgessrawson.com.au

Disclaimer

The information contained in the report/information memorandum has been prepared in good faith and due care by the Vendor, Burgess Rawson. Any projections contained in the report therefore, represent best estimates only and may be based on assumptions.

The information contained herein is supplied without any representation as to its truth or accuracy. All interested parties should make their own enquiries to satisfy themselves in all aspects and obtain their own independent advice in order to verify any of the information. All stated dimensions and areas are approximate.

The vendor does not represent or warrant the accuracy of any information contained in this document. Subject to any statutory limitation on its ability to do so, the vendor disclaims all liability under any cause of action, including negligence, for any loss arising from reliance on this document.

Specifically, we make the following disclosures:

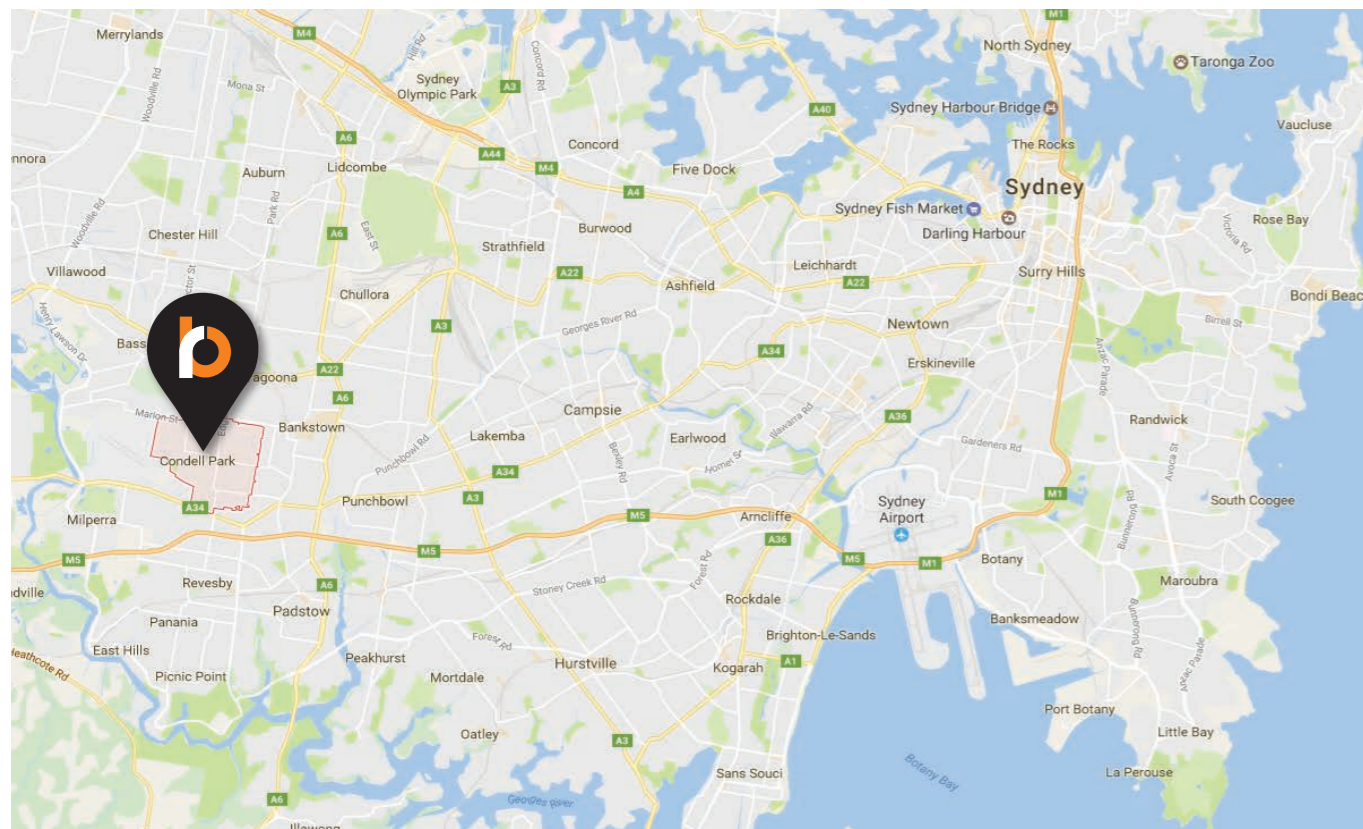
- All areas, measurements, boundaries, car space numbers, rents are approximate only and subject to final confirmation;
- The indicative depreciation schedule has been provided by Napier & Blakeley and is an estimate only and cannot be used for tax purposes.

The information contained in this document is provided as a guide and an aid to further investigation by potential purchasers. Prospective purchasers should seek legal, financial and other appropriate expert advice in order to verify the accuracy of the information presented in this document

GST Disclaimer

Burgess Rawson advises that the financial information in this report relating to income, outgoings and the like is provided without reference to the possible impact of GST, if any. Purchasers should make their own assessment of the impact of GST on the investments and the returns derived there from after obtaining expert professional advice.

Location Maps – Condell Park



Lease Schedule – Condell Park

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20 Reference Schedule

- Item 1 **Landlord**
REMON GUIRGUIS, PHOEBE GUIRGUIS, FOUAD ABDELMALEK AND HALA ABDELMALEK of 19 Fourth Avenue, Condell Park NSW 2200
- Item 2 **Tenant**
KYRMENOFER PTY LTD ACN 124 338 110 of c/-of AAG Accounting & Tax Agent, Suite 1, 2-6 Regent Street, Kogarah, NSW 2217
- Item 3 **Premises**
19 Fourth Avenue, Condell Park NSW 2200
- Item 4 **Commencement Date**
26 September 2014
- Item 5 **Termination Date**
25 September 2029
- Item 6 **Term**
15 years
- Item 7 **Option to Renew**
2 further terms of 5 years each
- Item 8 **Rent**
As and from the Commencement Date, the Rent for the first year of the term shall be calculated and paid monthly in advance representing 12% of the prior months gross income of the Child Care Centre conducted by the Tenant in the Premises plus GST, and otherwise upon the terms contained in Special Condition 1 of Item 15 below.
- Item 9 **Review Dates**
On each anniversary of the Commencement Date the Rent shall be increased by 4% per annum
Option Terms
On each anniversary of the Commencement Date, the Rent shall be increased by fixed increases of 4% per annum
- Item 10 **Market Review Dates**
On the commencement of each further term (if any)
- Item 11 **Permitted Use of Premises**
Child Care Centre

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page 53 of 56*

Lease Schedule – Condell Park

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 Ref:291844 /Src:C

- Item 12 **Bank Guarantee Amount**
 Three (3) months' rent plus GST, which guarantee shall contain an expiry date which is a date 6 months after the last term
- Item 13 **Guarantor**
 Not applicable
- Item 14 **Land**
 Folio Identifier 30/1/1872
- Item 15 **Special Conditions**
 1. All rental payments will be calculated on the basis of the previous month's gross income from the Child Care Centre conducted by the Tenant in the Premises, and for the first month of the Term, shall be based on the gross income of the business conducted by the previous Tenant in the premises, for the month immediately prior to the Commencement Date. Such calculations will be provided monthly by the Tenant to the Landlord in writing, with respect to the Rent to be paid in advance to the Landlord by the Tenant, and will incorporate particulars of the gross income received for the prior month (including, without limitation copies of all documentation evidencing the gross income of the Tenant's (or previous Tenant's) business reasonably required by the Landlord). In the event the Landlord disputes or queries the gross income as disclosed by the Tenant, the Landlord may at its discretion and at its cost, seek and obtain an audit of the disputed gross income by the Landlord's nominated auditor. In the event the auditor so nominated determines there is a shortfall of 1.5% or more between the stated gross income and the gross income determined by the auditor, the Tenant shall pay the shortfall to the Landlord on demand, together with the rent unpaid and the costs of the audit. In such an event, the Landlord shall also be entitled to have all previous gross income calculations supplied by the Tenant audited, at the Tenant's cost, on the same basis as set out above, including, without limitation, any determined shortfalls in payments by the Tenant being payable as one sum, to the Landlord, upon demand.
 2. For the purposes of Special Condition 1 above, "gross income" shall mean all income received by the Tenant in respect of the child Care Centre conducted by the Tenant in the Premises, exclusive of GST, prior to the deduction of any costs or expenses whatsoever (except GST).
 3. For the purposes of the first review of Rent on the first anniversary of the Commencement Date of this Lease, the aggregate monthly instalments paid by way of Rent for the period of the year leading up to that first review date, will constitute the base Rent for the purposes of that review.

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 F.A
 P. G. Higgins
 PG.
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Variation of Lease – Condell Park

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 Ref:320222 /Src:C

Form: 07VL
 Licence: 01-05-063
 Licensee: LEAP Legal Software Pty Limited
 Firm name: Uther Webster & Evans

VARIATION OF LEA
 New South Wales
 Real Property Act 1900



AJ274565P

PRIVACY NOTE: Section 31B of the Real Property Act 1900 (RP Act) authorises the Registrar General to collect the information required by this form for the establishment and maintenance of the Real Property Act Register. Section 96B RP Act requires that the Register is made available to any person for search upon payment of a fee, if any.

STAMP DUTY Office of State Revenue use only

(A) **TORRENS TITLE** 30/1/1872

(B) **HEAD LEASE**

Number	Torrens Title

(C) **LODGED BY**

Document Collection Box	Name, Address or DX, Telephone and Customer Account Number if any	CODE
6311L	Uther Webster & Evans DX 141 Sydney Tel: (02) 9290 1177 Customer Account No: 123461X Reference: JA:KP:27644	VL

(D) **LESSOR** JUICE ASSETS PTY LTD (ACN 168 782 198)

(E) **LEASE VARIED** AJ88644 1 I am authorised to make this change
 GEORGIA APPLBY *Signature*

(F) **LESSEE** G8 EDUCATION LIMITED (ACN 123 828 553)

- (G) 1. The rent is N.A. \$N.A. per N.A. on and as from N.A.
- 2. The term is N.A. years N.A. months and N.A. days so as to expire on N.A.
- 3. The option to renew is Not Applicable
- 4. The provisions of the lease are varied as set out in annexure A hereto.

DATE

(H) Certified correct for the purposes of the Real Property Act 1900 and executed on behalf of the company named below by the authorised person(s) whose signature(s) appears(s) below pursuant to the authority specified.

Company: JUICE ASSETS PTY LTD (ACN 168 782 198)
 Authority: section 127 of the Corporations Act 2001

Signature of John West Collins

Signature of authorised person:

Signature of authorised person:

Name of authorised person:
 Office held:

Name of authorised person: John West Collins
 Office held: Sole Director/Secretary

Certified correct for the purposes of the Real Property Act 1900 and executed on behalf of the company named below by the authorised person(s) whose signature(s) appears(s) below pursuant to the authority specified.

Company: G8 EDUCATION LIMITED (ACN 123 828 553)
 Authority: section 127 of the Corporations Act 2001

Signature of authorised person: *Signature*

Signature of authorised person: *Signature*

Name of authorised person: JENNIFER JOAN HUTSON
 Office held: Director

Name of authorised person: CHRISSIE PAUL SPENCE
 Office held: Director Secretary

* s117 RP Act requires that you must have known the signatory for more than 12 months or have sighted identifying documentation.
 ALL HANDWRITING MUST BE IN BLOCK CAPITALS. Page 1 of 2 1111
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A

Variation of Lease – Condell Park

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Ref:320222 /Src:C

Annexure A to Variation of Lease AJ88644

PARTIES:

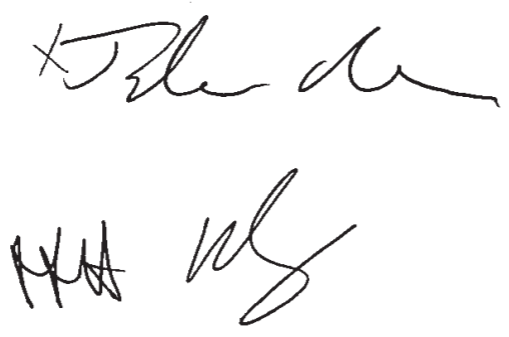
JUICE ASSETS PTY LTD ACN 168 782 198) - Lessor

G8 EDUCATION LIMITED (ACN 101 633 318) – Lessee

The Lessor and the Lessee agree that the Lease is varied as follows:

1. Delete the words in Item 8 – Rent and replace with the following:

'\$87,000.00 per annum plus GST'
2. Delete Item 15 – Special conditions in the Reference Schedule.



0414283

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Deed of Assignment – Condell Park

Information table

Date

Parties

Name	Remon Guirguis, Phoebe Guirguis, Fouad Abdelmalek and Hala Abdelmalek
Short form name	Landlord
Notice details	

Name	Kyrmenofer Pty Ltd ACN 124 338 110
Short form name	Assignor
Notice details	c/-of AAG Accounting & Tax Agent, Suite 1, 2-6 Regent Street, Kogarah, NSW 2217 Attention: Fouad Abdelmalek and Phoebe Guirguis

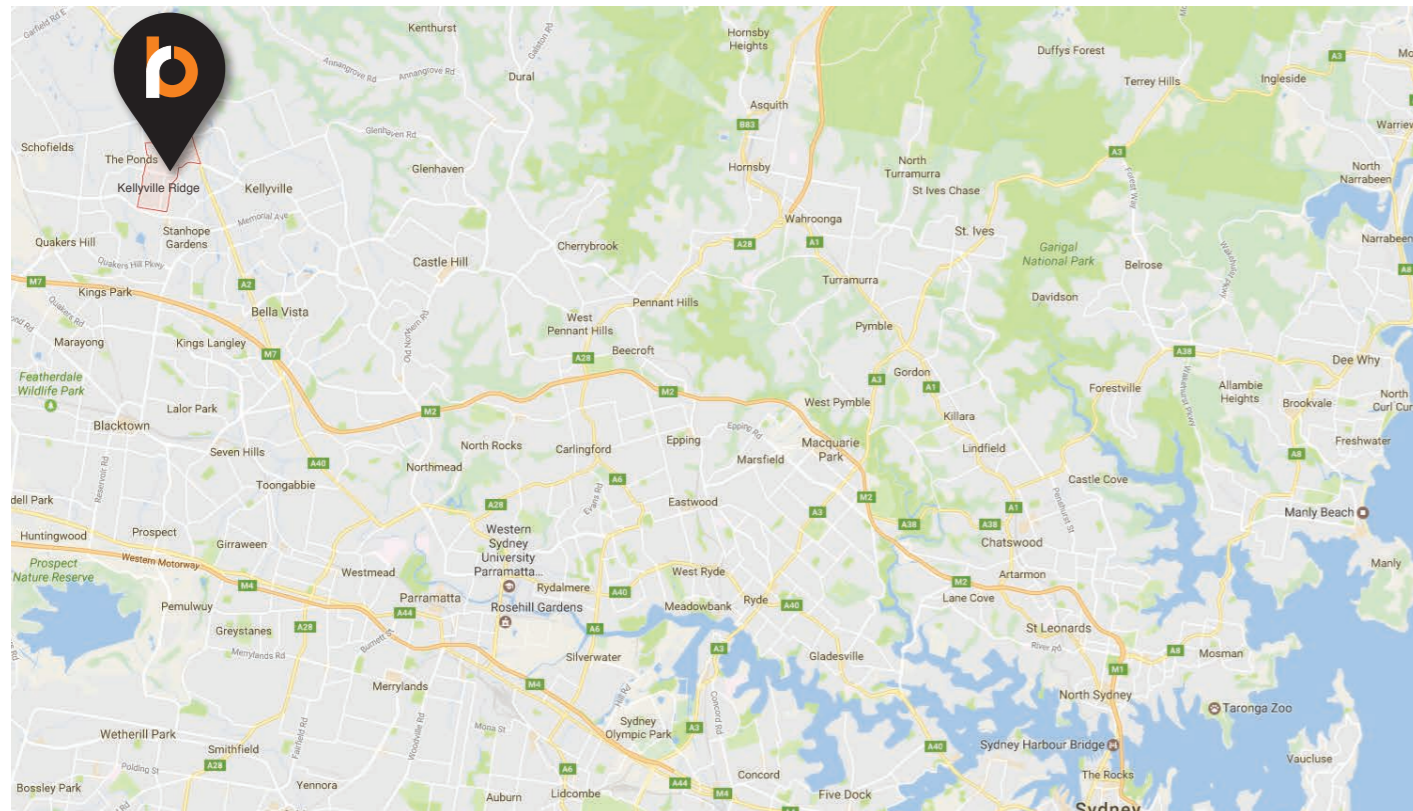
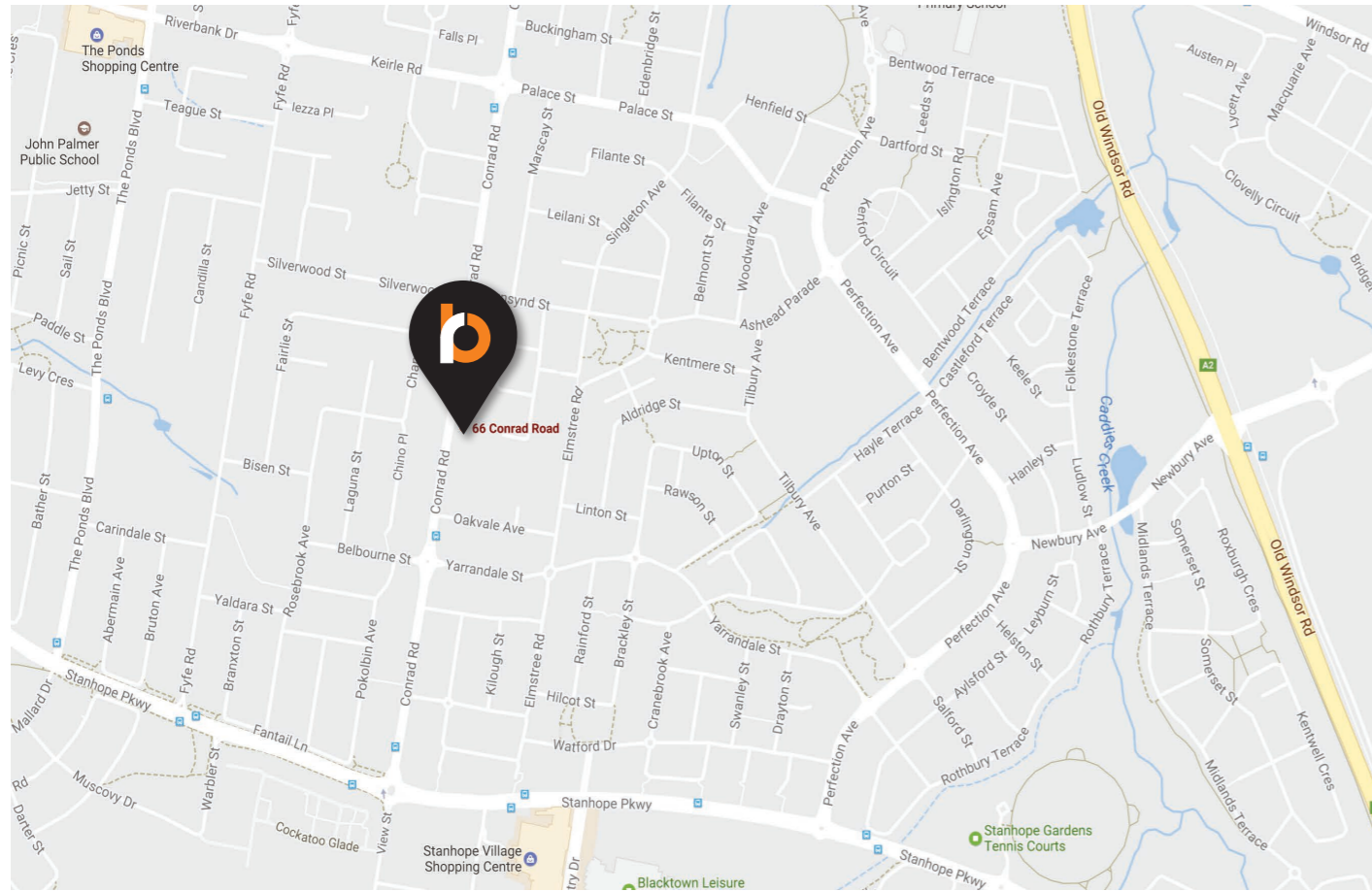
Name	G8 Education Limited ACN 123 828 553
Short form name	Assignee
Notice details	159 Varsity Parade, Varsity Lakes QLD 4227 Facsimile: (07) 5581 5311 Email: chris.sacre@g8education.com Attention: Chris Sacre

Background

- A The Landlord is the registered proprietor of the Premises.
- B The Premises are leased to the Assignor under the Lease.
- C The Assignor wants to assign the Lease to the Assignee on and from the Effective Date.
- D The Landlord has consented to the assignment of the Lease by the Assignor to the Assignee on the conditions of this document
- E This document evidences the assignment of the Lease.

Minter Ellison Ref: KGP:RZT:314026 Deed of assignment of lease – Noah's Ark on the Park page 3
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Location Maps – Kellyville Ridge



Lease Schedule – Kellyville Ridge

20 Reference Schedule

- Item 1 **Landlord**
Badaoui Investments Pty Ltd ACN 101 633 318
of 4 LotusClose, Baukham Hills, NSW 2153

- Item 2 **Tenant**
G8 Education Limited ACN 123 828 553
of 159 Varsity Parade, Varsity Lakes QLD 4227

- Item 3 **Premises**
66 Conrad Street, Kellyville Ridge, NSW 2155

- Item 4 **Commencement Date**
28 November 2014

- Item 5 **Termination Date**
27 November 2029

- Item 6 **Term**
15 years

- Item 7 **Option to Renew**
2 further terms of 5 years each

- Item 8 **Rent**
As and from the Commencement Date, the Rent for the first year of the term shall be calculated and paid monthly in advance representing 12% of the prior months gross income of the Child Care Centre conducted by the Tenant in the Premises plus GST, and otherwise upon the terms contained in Special Condition 1 of Item 15 below.

- Item 9 **Review Dates**
On each anniversary of the Commencement Date the Rent shall be increased by 4% per annum
Option Terms
On each anniversary of the Commencement Date, the Rent shall be increased by fixed increases of 4% per annum

- Item 10 **Market Review Dates**
On the commencement of each further term (if any)

- Item 11 **Permitted Use of Premises**
Child Care Centre

16.11.14;317071_018.docx

Lease Schedule – Kellyville Ridge

Item 12 Bank Guarantee Amount

Three (3) months' rent plus GST, which guarantee shall contain an expiry date which is a date 6 months after the last term

Item 13 Guarantor

Not applicable

Item 14 Land

Folio Identifier 2013/1071485 being Lot 2013 Plan 1071485

Item 15 Special Conditions

- All rental payments will be calculated on the basis of the previous month's gross income from the Child Care Centre conducted by the Tenant in the Premises, and for the first month of the Term, shall be based on the gross income of the business conducted by the previous Tenant in the premises, for the month immediately prior to the Commencement Date. Such calculations will be provided monthly by the Tenant to the Landlord in writing, with respect to the Rent to be paid in advance to the Landlord by the Tenant, and will incorporate particulars of the gross income received for the prior month (including, without limitation copies of all documentation evidencing the gross income of the Tenant's (or previous Tenant's) business reasonably required by the Landlord). In the event the Landlord disputes or queries the gross income as disclosed by the Tenant, the Landlord may at its discretion and at its cost, seek and obtain an audit of the disputed gross income by the Landlord's nominated auditor. In the event the auditor so nominated determines there is a shortfall of 1.5% or more between the stated gross income and the gross income determined by the auditor, the Tenant shall pay the shortfall to the Landlord on demand, together with the rent unpaid and the costs of the audit. In such an event, the Landlord shall also be entitled to have all previous gross income calculations supplied by the Tenant audited, at the Tenant's cost, on the same basis as set out above, including, without limitation, any determined shortfalls in payments by the Tenant being payable as one sum, to the Landlord, upon demand.
- For the purposes of Special Condition 1 above, "gross income" shall mean all income received by the Tenant in respect of the child Care Centre conducted by the Tenant in the Premises, exclusive of GST, prior to the deduction of any costs or expenses whatsoever (except GST).
- For the purposes of the first review of Rent on the first anniversary of the Commencement Date of this Lease, the aggregate monthly instalments paid by way of Rent for the period of the year leading up to that first review date, will constitute the base Rent for the purposes of that review.

Variation of Lease – Kellyville Ridge

Form: 07VL
 Licence: 01-05-063
 Licensee: LEAP Legal Software Pty Limited
 Firm name: Uther Webster & Evans

VARIATION OF LEASE
 New South Wales
 Real Property Act 1900

Leave this space clear. Affix additional pages to the top left-hand corner.

PRIVACY NOTE: Section 31B of the Real Property Act 1900 (RP Act) authorises the Registrar General to collect the information required by this form for the establishment and maintenance of the Real Property Act Register. Section 96B RP Act requires that the Register is made available to any person for search upon payment of a fee, if any.

STAMP DUTY Office of State Revenue use only

(A) **TORRENS TITLE** 2013/1071485

(B) **HEAD LEASE** Number Torrens Title

(C) LOGGED BY	Document Collection Box	Name, Address or DX, Telephone and Customer Account Number if any	CODE VL
	631L	Uther Webster & Evans DX 141 Sydney Tel: (02) 9290 1177 Customer Account No: 123461X Reference: JA:KP:27757	

(D) **LESSOR** JUICE ASSETS PTY LTD (ACN 168 782 198)

(E) **LEASE VARIED**

(F) **LESSEE** G8 EDUCATION LIMITED (ACN 123 828 553)

- (G) 1. The **rent** is N.A. \$N.A. per N.A. on and as from N.A.
 2. The **term** is N.A. years N.A. months and N.A. days so as to expire on N.A.
 3. The **option to renew** is modified to Not applicable
 4. The **provisions** of the lease are varied as set out in annexure A hereto.

DATE

(H) Certified correct for the purposes of the Real Property Act 1900 and executed on behalf of the company named below by the authorised person(s) whose signature(s) appears(s) below pursuant to the authority specified.

Company: JUICE ASSETS PTY LTD (ACN 168 782 198)
 Authority: section 127 of the Corporations Act 2001

Signature of authorised person:

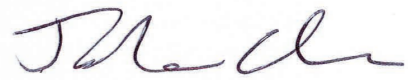
Name of authorised person:
 Office held:

Certified correct for the purposes of the Real Property Act 1900 and executed on behalf of the company named below by the authorised person(s) whose signature(s) appears(s) below pursuant to the authority specified.


Company: G8 EDUCATION LIMITED (ACN 123 828 553)
 Authority: section 127 of the Corporations Act 2001

Signature of authorised person:

Name of authorised person: **JENNIFER JOAN HUTSON**
 Office held: Director


 Signature of authorised person:

Name of authorised person: John West Collins
 Office held: Sole Director / Secretary


 Signature of authorised person:
 Name of authorised person: **CHRISTOPHER PAUL SACRE**
 Office held: ~~SECRETARY~~ Director

Variation of Lease – Kellyville Ridge

Annexure A to Variation of Lease

PARTIES:

JUICE ASSETS PTY LTD (ACN 168 782 198) - Lessor

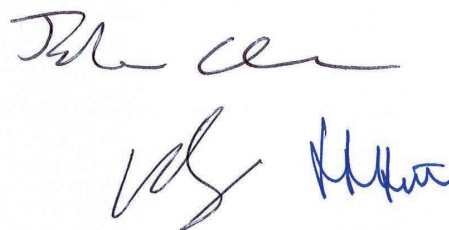
G8 EDUCATION LIMITED (ACN 101 633 318) – Lessee

The Lessor and the Lessee agree that the Lease is varied as follows:

1. Delete the words in Item 8 – Rent and replace with the following:
‘\$93,600.00 per annum plus GST’
2. Delete Item 15 – Special conditions in the Reference Schedule.

0408324

Page 2 of 2

Handwritten signatures in blue ink, including a signature that appears to be 'John' and another that appears to be 'VJ'.