

**VALUATION REPORT PREPARED FOR:
L GRUND PTY LTD AS TRUSTEES FOR
GRUND SUPERANNUATION FUND**



**PROPERTY:
37 GEORGE STREET
EAST GOSFORD NSW 2250**

**VALUER:
DAVID MARKS
BPRE
AAPI 00070692
CERTIFIED PRACTISING VALUER**

Executive Summary

Property Address: Lot 2 Deposited Plan 362645
37 George Street East Gosford NSW 2250
Central Coast Council

Instructed by: Larissa Grund, PO Box 4084, East Gosford NSW 2250,
on behalf of LGrund Pty Ltd as Trustees for Grund Superannuation Fund

Purpose: Current Market Value for Superannuation Purposes

Interest Valued: Freehold Subject to Lease

Property Description: Detached Professional Rooms erected on R1 General Residential zoned
land at East Gosford

Date of Inspection: 19th August 2022 **Date of Valuation:** 19th August 2022

Market Value: \$930,000 (Nine Hundred and Thirty Thousand Dollars)
Excluding GST (if applicable)

Valuer:



David Marks
BPRE
AAPI 00070692
Certified Practising Valuer

Authorised for issue by:



Scott McMonigal
Director
AAPI 00068059
Certified Practising Valuer

The Valuation Summary forms part of the attached report document and should be read in conjunction with the report document and is subject to the same comments and qualifications contained therein.

The valuer/firm (in addition to the principal valuer) has no Potential Conflict of Interest or Pecuniary Interest (real or perceived) relating to the subject property.

All investigations have been conducted independently and without influence from a third party in any way.

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1.0 Instructions

We have been instructed Larissa Grund, PO Box 4084, East Gosford NSW 2250, on behalf of L Grund Pty Ltd as Trustees for Grund Superannuation Fund, to assess the Current Market Value and Current Market Rental of the subject property known as Lot 2 Deposited Plan 362645, No 37 George Street, East Gosford NSW 2250, for Superannuation purposes.

We confirm that we have inspected the subject property on the 19th August 2022 and have carried out various investigations as evidence of value.

1.01 Extension of Liability and Confidentiality

This report may only be relied upon by the party to whom this report is addressed for the specific purpose to which it refers.

No responsibility is accepted or assumed to any third party, nor should there be any reliance upon this report by any third party other than to whom the report is addressed, without our express written agreement.

This report is confidential as between Property Valuations NSW and the instructing party.

1.02 GST

Our valuation is on the basis the property is input taxed and free of GST. We are not privy to the financial circumstances of the current owners(s) nor previous transactions upon the property, which may impact upon the status of the property in relation to GST. Should the property not qualify as GST Free, our assessment is inclusive of GST.

1.03 Definition of Fair Market Value

The definition of Market Value as stipulated by the International Valuations Standards Council and endorsed by the Royal Institution of Chartered Surveyors (RICS) and the Australian Property Institute (API) is:

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

1.04 Definition of Fair Market Rental Value

The Australian Property Institute (API) has provided an international definition of Market Rental Value, consistent with the International Valuation Standards (IVS), which is as follows:

Market Rental is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

1.05 Limitations

This Valuation is subject to limitations and the following Certificates have not been sighted:

- Current survey report confirming legal identification
- Structural report confirming no essential repairs or deficiencies
- Pest inspection report confirming the property to be free from infestation
- Final inspection/Occupation Certificate/Building Certificate
- Certificate issued under Section 10.7(2) of the Environmental Planning and Assessment Act

We assume that satisfactory reports and certification would be obtainable from the relevant authority. Should any other advice be obtained that contradicts this assumption, this report should be returned to the Valuer for comment.

A final inspection advice/occupation certificate should be obtained from the Local Government and/or the Principal Certifying Authority to ensure compliance with any development and/or building consents. A Building Certificate issued under Section 10.7(2) of the Environmental Planning and Assessment Act 1979 (as amended) should be obtained if no such consents exist.

Our Valuation is based on the subject property being compliant with all previous development and/or building consent conditions and that an Occupation Certificate would be able to be obtained.

1.06 Areas not Inspected

Please be advised that our inspection did not include the roof, roof and wall cavity, sub floor and any inaccessible parts of the buildings either internally or externally.

2.0 Location

2.01 Suburb

East Gosford is on the shore of Brisbane Water and backed by Rumbalara Reserve. East Gosford is located close to the City of Gosford and is within easy reach of the holidays towns of Terrigal or The Entrance on the Central Coast. Shopping, schools and recreational facilities are available within the suburb and a comprehensive range of facilities are within a couple of kilometres in either direction. The central location of this suburb and the opportunity for waterfront or bush views make this a popular area.

2.02 Locality Map



2.03 Aerial Map



2.04 The Land

As per Valuer General the development lot comprises an area of approximately 670.3 m². The land is regular in shape and rises gently from road level toward the rear boundary. The land displays a cross-slope South-North. The property is set within an established residential location.

2.05 Services

The property is served by a tar-sealed road and concrete kerb and guttering. Services available to the property include electricity, town water, sewer, telephone and waste disposal.

3.0 Environmental Issues

From enquiries with Central Coast Council and/or NSW Planning Portal, the subject property is located within Coastal Management Zone.

3.01 Coastal Management

The subject property falls under the State Environmental Planning Policy Coastal Management. The Coastal Use Area represents land adjacent to ocean, estuary and lake waters where controls relate to public foreshore and beach access, scenic qualities and visual and cultural amenity. Essentially the land adjacent to the water areas defined by the CEA, except for Coastal Lakes and Sensitive Coastal Lakes.

Please be aware that Council does not provide complete environmental information. All possible environmental factors cannot be confirmed and therefore cannot be taken into consideration within this valuation. For further clarification, you will need to apply for a Planning Certificate issued under Section 10.7(2) of the Environmental Planning and Assessment Act 1979 as amended, which provides details of the zoning and information about relevant planning controls.

3.02 Contamination

We have conducted a Contaminated Land search with NSW EPA. The subject property was not listed on this register. <https://apps.epa.nsw.gov.au/prclmapp/searchregister.aspx>

While the land appears suitable for the existing use, no soil tests or environmental studies have been made available. Therefore, the Valuation is subject to there being no surface or sub-surface soil problems including instability, toxic or hazardous wastes or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability. Notwithstanding the above, the property has been utilised for professional purposes.

4.0 Identification

The property has been identified by legal description, street address and RP Data.

The improvements erected upon the land appear to be within the property boundaries.

This valuation assumes no encroachments.

If required, this should be confirmed by survey.

5.0 Town Planning

5.01 Zoning

From enquiries with Central Coast Council the Subject Property is currently zoned R1 General Residential in the Central Coast Local Environmental Plan 2022.

Zone R1 General Residential

1 Objectives of zone

- To provide for the housing needs of the community.
- To provide for a variety of housing types and densities.
- To enable other land uses that provide facilities or services to meet the day to day needs of residents.
- To promote best practice in the design of multi dwelling housing and other similar types of development.
- To ensure that non-residential uses do not adversely affect residential amenity or place unreasonable demands on services.

2 Permitted without consent

Home occupations; Recreation areas

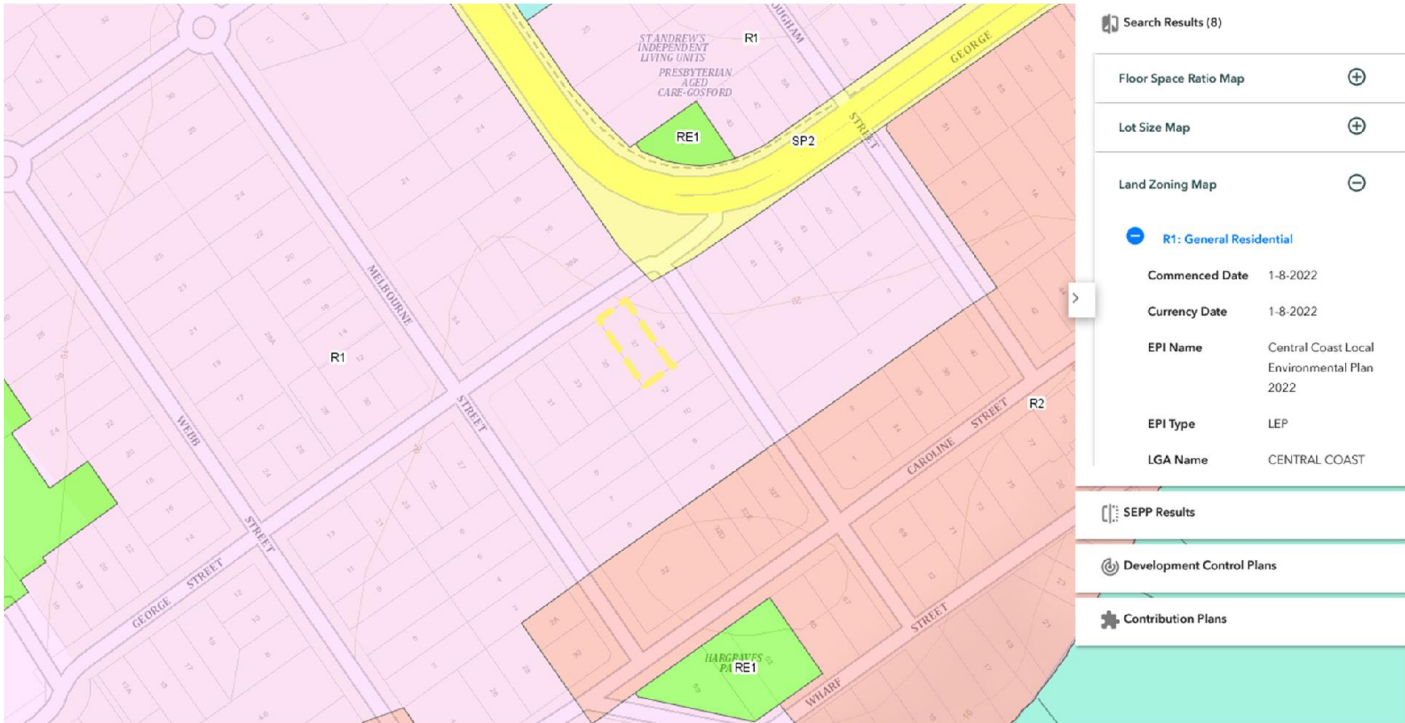
3 Permitted with consent

Attached dwellings; Bed and breakfast accommodation; Boarding houses; Boat launching ramps; Boat sheds; Car parks; Caravan parks; Centre-based child care facilities; Community facilities; Dual occupancies; Dwelling houses; Educational establishments; Emergency services facilities; Environmental facilities; Environmental protection works; Exhibition homes; Exhibition villages; Flood mitigation works; Group homes; Home-based child care; Home businesses; Home industries; Home occupations (sex services); Hostels; Hotel or motel accommodation; Information and education facilities; Jetties; Multi dwelling housing; Neighbourhood shops; Oyster aquaculture; Places of public worship; Pond-based aquaculture; Residential flat buildings; Respite day care centres; Roads; Secondary dwellings; Semi-detached dwellings; Seniors housing; Serviced apartments; Sewage reticulation systems; Shop top housing; Signage; Tank-based aquaculture; Water recycling facilities; Water reticulation systems; Water storage facilities

4 Prohibited

Any development not specified in item 2 or 3

Zoning Map



5.02 Development Applications

A search on the Central Coast Council's online DA Tacker reveals no past or current applications. Central Coast Council no longer provide information on Development Applications and Approvals in person over the telephone. We have been advised that this information can be requested by submitting an "Informal Access to Information Request Form", free of charge, however Central Coast Council has advised that the results may take 4 -14 weeks.

With consideration to the current zoning the existing use is considered consistent and permissible under the zoning.

This assessment assumes the primary improvements and current usage to approved by the local authority with all required certifications issued.

6.0 Title Details

6.01 Certificate of Title

NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH

FOLIO: 2/362645

SEARCH DATE	TIME	EDITION NO	DATE
19/8/2022	10:37 AM	4	25/10/2014

LAND

LOT 2 IN DEPOSITED PLAN 362645
 AT EAST GOSFORD
 LOCAL GOVERNMENT AREA CENTRAL COAST
 PARISH OF GOSFORD COUNTY OF NORTHUMBERLAND
 TITLE DIAGRAM DP362645

FIRST SCHEDULE

L GRUND PTY LTD (T AI982352)

SECOND SCHEDULE (1 NOTIFICATION)

1 RESERVATIONS AND CONDITIONS IN THE CROWN GRANT(S)

NOTATIONS

UNREGISTERED DEALINGS: NIL

*** END OF SEARCH ***

We note one (1) notification in the second schedule of the Certificate of Title. This has not been searched and as such we are unaware of further detail. Should any notifications be revealed as being detrimental to overall marketability and hence market value we reserve the right to review/amend our assessment of value.

6.02 Easements and Encumbrances

Nil considered that would adversely impact upon marketability and hence Market Value. If any further information is provided to the valuer to the contrary, we reserve the right to review/amend our assessment accordingly.

7.0 Improvements

7.01 Property Description

Erected upon the land at 37 George Street, East Gosford is a detached single level dwelling having been converted to house a professional practice. Original construction appears to be c1960. A concrete driveway serves the property and provides on grade client parking for 8 vehicles. The land is perimeter fenced and landscaped to a medium standard.

Accommodation Comprises:

Reception/Waiting Area, Hallway, 1 unisex/disabled bathroom, staff bathroom, 3 x Consulting rooms, Staff Kitchen/Lunchroom

7.02 Construction

Walls: PVC Overclad
Frame: Timber
Windows: Timber
Roof: Colorbond
Flooring: Bearers and Joist
Linings: Plasterboard and Fibrous cement sheet

7.03 Approximate Building Areas

Dwelling : 108 m²

Front Patio: 4 m²

Rear Ramp: 5 m²

The building areas are as per onsite measurements. If more accurate figures are required an architect/surveyor should be engaged.

7.04 Age and Condition

The subject property presents in a generally functional condition with average quality fit out to all areas and adequate lighting and amenities.

It is not expected that the Valuer will provide expert advice or commentary on issues that fall more appropriately into the domain of other specialist professions such as Building Inspectors, Pest Inspectors, Architects, Quantity Surveyors, Lawyers, Environmental or Asbestos Specialists, Town Planners. Where comments are made on these issues, they are provided in the capacity of a Real Property Valuer, on the basis that they are from a person who is not an expert in these areas, and they are accepted on that basis.

7.05 Photographs

We confirm that photographs attached to this report were taken during our inspection on the date stated on page one of this report.





8.0 Market Commentary

The Reserve Bank has now lifted the cash rate over four consecutive months as a lever to curb inflationary pressure, now noted to be worldwide as economies emerge from two years of Covid-19 restrictions. The Australian economy has proven remarkably resilient, and property boom across 2020 and peaking 2021 resulted. Macro-economic factors including the conflict in Ukraine, supply chain issues, low unemployment and the ongoing pandemic are contributing to inflationary pressure. A cycle of rate rises to restore the cash rate to more normalised levels and combat rising inflation is expected over the coming 6-8 months. Early signs of an easing in realisations within the local marketplace as signaled by longer time on market are noted.

Historically low funding rates have resulted in significant yield compression within the commercial/industrial segment, driving commercial/industrial values higher in recent years, however the current cycle of rate increases will directly affect market yields being achieved going forward- as funding costs increase.

9.0 SWOT Analysis

Strengths

- Location within an established residential location
- Complementary style development surrounding
- Favourable and flexible zoning
- Size of property considered attractive to a wide market of investors or owner occupiers
- Ongrade parking

Weaknesses

- Older improvements- may contain asbestos
- Coastal management area
- Secondary location with limited exposure

Opportunities

- Investors moving from residential property, seeking higher yields
- Improving business conditions
- Develop site further (STCA)
- Easy conversion to residential usage

Threats

- Interest rate movement
- Further tightening of lending
- Competition from similar properties currently on the market or in operation
- Weakened sales and leasing conditions within the Gosford/East Gosford areas
- Effects of ongoing Covid-19 pandemic on corporate rental demand

10.0 Sales/Leasing Evidence

8 Wells Street East Gosford	Sold 29/07/2021 \$660,000	Area 506m²	Income \$33,418.35 Rate/m² \$304.00	Yield 5.06%
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Land area 506m². Comprises a detached single level clad/colorbond roof dwelling utilised as commercial rooms. Includes reception area, three larger and two smaller individual offices, an open plan area, archive area, kitchenette and staff amenities. 7 on-grade car spaces. Zoned B2 Local Centre. Approx lettable area 110m². Sold leased returning \$33,418.35 Nett per annum. Inferior lot size, inferior position and improvement content. Overall considered inferior in value. Rental and Yield considered.

40 Wells Street East Gosford	Sold 16/04/2022 \$835,000	Area 721m²	Improved Rate/m² \$6,734.00	Yield N/A
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Land area 721m². Comprises a detached single level clad/tile roof dwelling built c1960. 2 beds, 1 bath, detached garage. 124m² advised living. Mostly original improvements, some upgrades. Established under R1 zoning. Larger allotment, inferior improvements, may suit redevelopment (STCA). Inferior in value, improved rate considered.

Lot 10/69A Central Coast Highway West Gosford	22/06/2022 \$501,000	Income \$38,400	Rate/m² \$540	Yield 7.66%
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Comprises an attached single level commercial unit.71m² strata area with professional fitout and on grade parking. Leased until 2033 as advised. Smaller space of superior presentation and supportive of a lower rate/m² for the subject. Inferior in value, rental considered supportive of a lower rate for the subject

2-4 Renwick Street Wyoming	Sold 08/12/2020 \$1,890,000	Area 2,207m²	Income \$94,064	Yield 4.97%
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Land area 2,207m². Comprises a detached single level brick/tile roof commercial building utilised as medical rooms. 15 on-grade car spaces. Sold leased expiring November 2022 and returning \$94,064 Nett per annum. Superior lot size and improvement content compared to the subject, inferior location. Superior in value, yield considered.

17 Kerta Road Kincumber	Sold 17/02/2021 \$2,320,000	Area 788m²	Income \$122,908	Yield 5.30%
Land area 1,619m ² . Comprises a detached metal clad factory with attached brick offices. 788m ² advised lettable area. Sold fully leased with five tenancies returning \$122,908 per annum Nett. Superior property overall, yield considered.				

415 Terrigal Drive Erina	For Lease	Asking \$120,000	Rate/m² \$396	
Land area 1998m ² . Comprises a detached rendered purpose built medical centre. Property 100% leased to Erina Medical Centre. 5-year lease to 2021 + option to 2026 (not exercised and currently for lease asking \$120,000 reflecting \$396/m ²). Purpose-built building of 303 sqm lettable area with 30 on grade parks. Larger premises and considered to support a slightly higher rate/m ² for the subject.				

Comparable sales/ lease evidence used in this report may be slightly dated, however due to the nature and location of the subject property more recent comparable sales could not be sourced, despite our best efforts.

We advise that the leases quoted in this report are the most recent available at the time of production of this report and in our analysis we have made adjustments for differences in sales dates, land and building areas, age, condition/presentation and features offered, as well as location variables.

Market evidence has been gathered from numerous sources including commercial websites, published information and real estate salespersons. Evidence utilised has been observed externally with assumptions made of internal condition. Sales and leasing evidence relied upon has been confirmed with selling/leasing agents and/or with reference to Corelogic/RP Data records. This evidence is therefore deemed to be true and correct.

Previous transfer of \$465,000 on 21/08/2014 and subsequent upgrades is noted for the purpose of this assessment.

10.02 Valuer General's Assessment



Property Address : 37 GEORGE ST, EAST GOSFORD NSW 2250

Property Number: 49026

***Zone:** R1 - General Residential

Area: 670.3 square metres

Valuation Basis: 6A(1) - The land value is the freehold value of the land excluding any structural improvements.

Land Value

Base Date	Land Value
1 July 2021	\$745,000
1 July 2020	\$594,000
1 July 2019	\$594,000
1 July 2018	\$660,000
1 July 2017	\$555,000

The information shown was current at **24 July 2022**.

10.01 Sales Reconciliation

Address	Price	Income	Lettable Area	Improved Rate	Yield %	Comment
8 Wells Street East Gosford	\$660,000.00	\$33,418.00	110.00	6,000	5.06	Inferior Supports yield
40 Wells Street East Gosford	\$835,000.00	\$0.00	124.00	6,734	0.00	Inferior in value
Lot 10/69A Central Coast Highway West Gosford	\$501,000.00	\$38,400.00	71.00	7,056	7.66	Inferior Supports lower yield
2-4 Renwick Street Wyoming	\$1,890,000.00	\$94,064.00	0.00		4.98	Superior supports yield
17 Kerta Road Kincumber	\$2,320,000.00	\$122,908.00	788.00	2,944	5.30	Superior supports yield

11.0 Income Analysis

We note an expired commercial Lease Agreement between the parties, the relevant details of which are detailed as follows:

Lessor:	L. Grund Pty Ltd		
Lessee:	East Gosford Specialist Centre		
Commenced:	22-08-2014		
Expiry:	21-08-2017		
Term:	3 years		
Options:	1 x 3 Years		
Commencing Rental:	\$36,048.00 per annum inclusive of Outgoings and Nett of GST		
Passing Rental:	\$36,048.00 per annum inclusive of Outgoings and Nett of GST		
Rent Escalation:	Annually by CPI		
Outgoings:	Nil by Tenant		
Outgoings provided:	Insurance: (assumed)	\$2,500.00	
	Council Rates:	\$2,554.00	
	Water Rates:	\$ 729.00	
	GST:	<u>\$3,605.00</u>	and excluded from further calculation
	Total:	\$9,388.00	

Indicative Nett Rate/m² -\$280/m². Having regard to available evidence, the passing rental is considered below market.

- We note this lease to be between related parties.
- We note the lease is not registered per the Certificate of Title.
- A copy of the lease document has been retained on our files.

12.0 Valuation Methodology

12.01 Valuation Calculations

In assessing the market value of the subject property we have had due regard to available evidence reflecting rental rates/m², improved rates /m² and market yields.

We have assessed a market rental with reference to available evidence and adopted a capitalised value based upon a market derived yield parameter.

Given location and fitout as inspected and with due regard to available evidence, we adopt \$430/m² as market rental Nett of Outgoings and GST

Rental may be expressed as 108m² lettable area x \$430/m² = \$46,440 per annum Nett.

Market yields fall between 4.80-5.20% and this range has been adopted based upon a notional commercial lease

We adopt a yield of 5.00% as being at market.

A summation of land and improvements appears supportive

12.02 Income Capitalisation Approach

Property Address		Address 37 George Street East Gosford						
Lot 2 DP 362645		As Is						
Value "as is"							52	
	Rental	Term	Options	m2	Indicative Rate			Nett Ex. GST
Assessed	\$46,440	Notional 3 Year	1 x 3	108	\$430.00			\$46,440
Site Area(m2)		670					Total Ex. GST	\$46,440
GLA			Rental/week	\$1,004				
	Lettable area	108	Rental assessed		Area	Rate	Rental	
Total Gross Rental		\$484	Outgoings as Indicative % of market rental		12.45%	Indicative rate/m²	\$430.00	
Total Nett Rental		\$430						
OUTGOINGS provided			Actual/Assumed			Borne by...	Recoverable Outgoings	
			Rates Provided	\$2,554		Lessee	\$2,554	
			Water Rates Provided	\$729		Lessee	\$729	
			Insurance Assumed	\$2,500		Lessee	\$2,500	
			Total	\$5,783			\$5,783	
							Nett Outgoings	\$0
						Sub Total	\$0	
Nett Rental /m2						Assessed	Nett Rental	\$46,440
		Passing	\$46,440					
Commercial		4.60%	\$1,009,565					
Nett Capitalised @		4.80%	\$967,500					
		5.00%	\$928,800	Adopt				
		5.20%	\$893,077					
		5.40%	\$860,000					
Check		10.00%	\$464,400					

12.03 Summation Approach on a Rate/m² Basis

Summation		Improved Rate/m ² \$8,519				
Address	37 George Street East Gosford					
Lot Size	670					
Gross Building Improvement Rate	108					
Rate	\$1,200	\$1,300	\$1,400	\$1,500	\$1,600	\$1,700
Value of Improvements	\$129,600	\$140,400	\$151,200	\$162,000	\$172,800	\$183,600
Land Rate	\$1,000	\$1,050	\$1,100	\$1,150	\$1,200	\$1,250
Value of Land	\$670,000	\$703,500	\$737,000	\$770,500	\$804,000	\$837,500
Overall Value		\$921,700				
Adopted Value		\$920,000				

12.04 Valuation Conclusion

By income capitalisation a value of \$928,800 is indicated.

Adopt \$930,000

By summation a value of \$921,700 is indicated.

Adopt \$920,000

Adopt Value by Income Capitalisation

\$930,000

13.0 Conclusions

Early signs of market change with a reduced volume of purchasers throughout the majority of market segments along with the urgency level of purchasers declining. Purchasers are now less likely to pay premium prices as observed over recent times given what we assume slightly less demand and slightly more supply within most segments of the marketplace. This together with possible looming interest rates rises, the continuing Corona Virus saga and the uncertainty of world events in particular the Ukraine/Russia conflict the associated risk in market correction and possible reducing values is being voiced throughout the property industry.

The market that the property/asset is transacted and/or valued in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a market uncertainty resulting in significant valuation uncertainty.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.

Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.

Our analysis of the lease provided reveals the passing rental to be below market and rental has been assessed with due consideration to market evidence.

Market yield falls within the range of 4.80%-5.20% with a midpoint of 5.00% adopted in a Capitalisation of assessed rental.

Please note this report does not meet Practice Standards for valuations for mortgage/finance purposes or any Court proceedings and is specifically unsuitable for these purposes.

14.0 Valuation

We are of the opinion that, subject to the qualifications and recommendation made within the body of this report, the Current Market Valuation of the Subject Property as at the 19th August 2022 is as follows:

\$930,000
(Nine Hundred and Thirty Thousand Dollars)
Excluding GST (if applicable)
Based upon a rental of \$46,440 per annum Nett of Outgoings and GST

Valuer:



David Marks
BPRE
AAPI 00070692
Certified Practising Valuer

Authorised for issue by:



Scott McMonigal
Director
AAPI 00068059
Certified Practising Valuer

I hereby certify that I personally physically inspected the property and have carried out the assessments above as at that date. Neither I, nor to the best of my knowledge, any member of the firm, has any conflict of interest, or direct, indirect or financial interest in relation to this property that is not disclosed herein.

This Report is for the sole use only of the instructing party(s) only and is not to be used for any other purpose by any other party. Any reliance, use, distribution, publication of the Report and/or any other representations made relating to the contents of the Report is restricted solely to the instructing party(s), and any additional party(s) expressly named in this Report.

No responsibility is accepted by the Valuer and/or Valuation Firm in the event that the instruction party(s) to which this Report is addressed, and any other agreed additional reliant party(s) noted in this Report, relies, uses, distributes, publishes and/or otherwise represents anything contained in the Report for any other purpose apart from that expressly noted previously.

No responsibility is accepted by the Valuer and/or Valuation Firm to any other parties who rely, use, distribute, publish and/or otherwise represent anything contained in the Report for any purpose.

The valuer/firm (in addition to the principal valuer) has no Potential Conflict of Interest or Pecuniary Interest (real or perceived) relating to the subject property.

15.0 Disclaimers

In accordance with the Competition and Consumer Act 2010 this Valuation is a Professional opinion of value carried out with due skill and care. It is provided for no other purpose than to give professional opinion of Value. We hereby declare that it makes no guarantee, warranty, representation or undertaking that the lodgment of this Valuation Report will result in any predetermined requirements of the instructing party being satisfied. In the absence of formal searches or enquires as to requisitions, our Valuation assumes that results of any of these searches, surveys or requisitions would not disclose any matter, which would significantly affect the value of the property. This Valuation is based upon the existing zoning of the land and enquiries made at the Town Planning Department of Central Coast Council and/or NSW Planning Portal.

The Valuation does not take into consideration any potential change in Land use, which may result from the implementation of the provisions of State Environmental Planning Policy No.1.

Neither the whole nor any part of this Report, nor any reference thereto, may be included in any document, circular or statement without our written approval of the form and context in which it will appear. This Valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party that may use or rely on the whole or any part of the content of this Valuation.

The Valuation Report is not a complete building report and the Valuation is subject to a satisfactory pest and building report being issued.

We have visually identified the site only. There are no obvious visible encroachments, assuming that there are no fencing irregularities. This statement should not be construed as survey advice.

We have not sighted a current pest inspection report. As we are not experts in this field we cannot confirm the property is free from infestation.

For the most part, we are unable to examine contracts relating to the sales evidence used in this report and therefore have no knowledge of any terms or special conditions included therein which may have affected the purchase price.

Our valuation relies on the detail contained in the market evidence. We have assumed this detail to be correct and complete. In the event that future investigation or new information reveals this detail to be incorrect and/or incomplete then this valuation may be subject to revision.

Information comprising the detail of the market evidence can be obtained from a number of sources. These sources include records from the Land Titles Office delivered by third party providers, real estate sales persons, real estate media in both print and electronic forms, vendors, purchasers, other valuation professionals and other persons involved with the property market.

Our inspection of the market evidence is external unless otherwise noted. We will make an assumption on internal condition based on external condition and/or advice received from other sources.

Information provided verbally, in print and electronic forms may be subject to errors or omissions.

It is a fiduciary requirement that we may not discuss valuations with anyone other than our instructing party. Any queries or disputes should, therefore, be referred to us via the instructing party. We are always ready to review a valuation but we are unable to do so unless directed by our instructing party after following the correct protocols.

This valuation has a limited liability for costs of \$10,000. By accepting this valuation and using it you are aware that future proceedings in any matter or action is limited to this amount.

Given the ongoing COVID-19 pandemic the following applies:

By accepting the quote and report once completed, you accept the conditions upon the writer and difficulties therein.

Please note that sales used may date prior to the COVID-19 Pandemic, i.e. prior to February 2020. Until new market evidence can be provided, i.e. 6-week settlement delay from exchange, we are unable to predict, estimate or analyse the effects of the crisis on the subject property. We, therefore, indemnify the report to severe market drops once this information comes to hand and caution the reader (instructing party) that the figures provided do not and cannot estimate market fluctuations.

In lieu of when Full Physical Inspection is not possible – Residential, Commercial and other Property. The Valuer will adhere to the following proposed hierarchy of alternate practices, where practicable:

Utilising the range of resources;

- (i) A full external street frontage inspection of the property, which may include but is not limited to a complete walk-around of the main building and ancillary improvements.
- (ii) A partial external inspection of the property for areas that are assessable but at a minimum from the road frontage. This may be conducted from the vehicle to avoid face to face contact and/or maintain social distancing stipulations.
- (iii) Virtual external inspection of the property utilising satellite imagery and/or video conferencing technology. Note, in these instances the technology must include geo-positioning capabilities or similar that enables confirmation the correct property has been identified. Valuers must at all times comply with relevant regulatory and local laws (for eg. CASA) in respect of Drones and other tools.
- (iv) Virtual internal Inspection that may include contribution of information from the owner/occupier/third party
- (v) Without Owner/Occupant/Third Party information provision but a phone call to the owner/occupier/third party and other research necessary to form an opinion as to value.
- (vi) We would highly recommend that the property be revalued once the COVID-19 Pandemic has passed and the effects of the crisis are fully identified by evidence in the marketplace of recent sales or transactions.

Should the property be able to be physically internally inspected within 90 days of the completed report, a Compliance Letter will be provided (by Property Valuation NSW) and include a confirmation of assessed value (as at the date of the report), confirmation of the assumptions made in the original indicative market assessment, date of physical inspection undertaken, photographic evidence. Should the property not be able to be physically re-inspected, then it is the prerogative of the Instructing Party/Client to arrange for a reinstruction at a later date.

1. Market Uncertainty

Market Uncertainty comes about when a market, as at the valuation date, is disrupted by current or very recent events such as sudden economic or political crises. The event(s) that cause market uncertainty may be macroeconomic, for example the current COVID-19 outbreak, or microeconomic such as a change to a law or regulation which resets or disrupts a market sector. In the real estate market, both macro or microeconomic event(s) may result in valuation uncertainty as the only evidence available to be considered by the Valuer is most likely to have taken place before the event occurred and the impact of which was not reflected in market evidence. The impact on sale prices and volumes will not be known until the market has stabilised and a new normal is in place. Additionally, the API cautions Members in the use of desktop products based on potentially old AVM data during times of market uncertainty. It is critical that market uncertainty is not confused with market risk. Market risk is the risk that an asset may experience a reduction in value over time as a result of changing market conditions after the valuation date. Market uncertainty is not measurable as the uncertainty arises from the inability to observe and reconcile the impact of the event(s) on market prices as at the valuation date. The extent of the impact is unknown at this time and is therefore considered to represent market uncertainty as at the date of preparation of this protocol.

2. Model Uncertainty

Model Uncertainty arises from the actual valuation model (or methodology) utilised by the Valuer. There may be situations where different valuation models (methodologies) are used to provide an indication of value, and that the different models produce a different outcome. It is then incumbent on the Valuer to select the most appropriate model. This can result in model uncertainty as the selection of the most appropriate model may of itself be a source of uncertainty.

3. Input Uncertainty

Input uncertainty arises where there are a number of equally reasonable or feasible inputs or assumptions, that the Valuer can utilise, and their impact on the outcome of the valuation can be measured by applying reasonably alternative inputs. For example, if the inputs are based on historical data, then the assumptions and methods made to adjust the data to current market conditions applicable at the validation date can be a source of uncertainty.

General Disclaimers

Appointment

By accepting Property Valuations NSW to provide a Valuation, Scott McMonigal, Director, and employees/contractors of Property Valuations NSW are indemnified from and against any liability, cost expenses and damage, including (without limitation), the time of Property Valuation NSW personnel, paid or incurred by Property Valuations NSW in connection with any claim brought by or on behalf of those parties stated above in respect of this determination.

Waiver Clause

The contractor holds the principal harmless from any action, claims, liability or loss in respect of the performance of the services provided. Under this hold harmless clause, the contractor is not only prevented from bringing any claim against the principal (even if the principal has contributed to the loss or liability in the first place), the contractor may be required to "hold the principal harmless" by ensuring that the principal does not suffer any loss or liability as a result of the performance of the services which may include claims by a third party.

Limited Title

Where land is not fully defined by survey in a new deposited plan, a limited certificate of title will issue indicating that the boundaries have not been examined in LPI. This may include residue parcels and consolidations.

A Limitation notification is entered on the title in the form 'Limitation pursuant to s.28T(4) *Real Property Act 1900*.

The boundaries of the land comprised herein have not been investigated by the Registrar General.'

The limitation may be removed by the lodgement of a plan of survey, which satisfactorily defines the boundaries of the parcel.

IMPORTANT NOTES & QUALIFICATIONS (inserted due to Professional Indemnity Insurance)

Definition of Market Value

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

Building & Construction

This Valuation inspection and Report does not constitute a structural survey and is not intended as such. We have carried out an inspection only of the exposed and readily accessible areas of the improvements. Note, the Valuer is not a building construction or structural expert and is therefore unable to certify the structural soundness of the improvements. Readers of this report should make their own enquiries.

This Valuation has been based on the condition of the structural improvements and the property in general as at the inspection date, and if the property has to be sold in circumstances where its condition has deteriorated and/or essential fixtures/fittings removed there is likely to be a significant write down in the asset value when compared to the current assessment. Under these circumstances the Valuer will not be responsible for any reduction in value.

Insurance Replacement Cost Estimate

The recipient of this report is advised that the undersigned is not a Quantity Surveyor and has relied on published building costing guides to arrive at the option of replacement cost for insurance purposes for the subject property improvements. Our estimate includes an allowance for the following- (a) demolition and removal of debris; (b) professional fees and preliminaries and contingency costs; (c) extra cost of reinstatement; (d) an inflation factor in respect to lead time for demolition and building approval, construction period and policy year.

Improvements

This valuation assumes that all improvements have been constructed in accordance with the appropriate planning and building regulations in force at the time of construction, and that all appropriate approvals have been obtained from the relevant authorities. The valuation is made on the basis that there are no encroachments by or upon the property. If the instructing party has any concerns regarding encroachments they should be referred to a Registered Surveyor for advice or current survey report.

Number of Bedrooms in Sales Evidence

The number of bedrooms listed in the above sales schedule are either as recorded in available property sales databases or have been assumed by the Valuer. As we have not physically inspected the interior of the sales evidence quoted we cannot guarantee the accuracy of the information provided.

Land Dimensions/Area

Unless stated as otherwise in this report we advise that we have not searched or been provided with a copy of the current Title or Registered Plans and that any dimensions or land areas quoted in this report have been obtained from third party information sources and whilst every endeavor has been made to verify such information we accept no responsibility for inaccuracy of any information provided and relied upon.

Environmental

The client acknowledges and recognises that the Valuer is not expert in identifying environmental hazards and compliance requirements affecting properties. The Valuer has endeavored to identify all matters of environmental concern and the effect they might have on the value of the property. However, the Valuer will not be held liable or responsible for his/her failure to identify all such matters of environmental concern and the impact which any environmental related issues has on the property and its value including loss arising from site contamination; or the non-compliance with environmental laws; or costs associated with the cleanup of the property to which an environmental hazard has been recognised, including action by the Environmental Protection Agency to recover cleanup costs pursuant to the relevant Environmental Protection Act.

Certificate of Title

Unless stated as otherwise in this report we advise that a copy of the current Certificate of Title has not been provided or searched. This valuation assumes clear Title. Should any encumbrances, easements, leases or other restrictions not mentioned in this report be known or discovered then the valuation should be referred to the Valuer for comment.

Body Corporate Records

We advise that we have not conducted a search of the Body Corporate records and our valuation assumes there are no outstanding requisitions or legal liabilities. We recommend the Introducer/Funder conduct a search of the Body Corporate records prior to the advancement of mortgage funds should they deem necessary.

Market Movement & Report Expiry

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from subsequent changes in value. We do not assume any responsibility or accept any liability where this valuation is relied upon the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation".

Should any fraud be involved, or any fraudulent information be provided, this report should be treated as if it had never existed. Assignment, confirmation, re-issue or other act which has the effect of assuming or extending responsibility to any person for a valuation and/or the opinion set out in the valuation report will not be provided unless the initial valuation was dated within three months of the request and is made on the understanding that the Valuer has not re-inspected the property nor undertaken further investigation or analysis as to any changes since the initial valuation and accepts no responsibility for reliance upon the initial valuation other than as a valuation of the property as at the date of the initial valuation. The valuation MAY NOT be: carried out for or on behalf of any person involved in the making of any Solicitor loan; issued to any person involved in the making of any Solicitor loan; or for which responsibility is accepted by any person involved in the making of any Solicitor loan. Solicitor Loan means any loan of money on mortgage security arrange, controlled, managed, brokered or otherwise induced by a Solicitor or firm or partnership of Solicitors (including but not limited to any mortgage fund operating by way of Managed Investment Scheme where such a scheme is operated, controlled or otherwise associated with any Solicitor or firm or partnership of Solicitors.

Prudent Lending

This Valuation is given subject to the following Prudent Lending Clause, unless; the person or entity making such loan is an authorised deposit taking institution within the meaning of the Banking Act 1959 (including but not limited to any bank, building society or credit union).

The Valuation is prepared on the assumption that the Lender as referred to in the valuation report (and no other) may rely on the valuation for mortgage finance purposes and the Lender has complied with its own lending guidelines as well as prudent finance industry lending practices, and has considered all prudent aspects of credit risk for any potential borrower including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the Lender is providing mortgage financing at a conservative and prudent loan to value ratio (LVR). The valuer accepts no liability whatsoever if prudent lending practices fail to be strictly observed and/or if the lender relies solely on this valuation, and no other criteria, to advance loan fund.

16.0 Annexures

16.01 Letter of Instruction



ABN 40001116454
 VALUERS OF NEWCASTLE, CENTRAL COAST, LAKE MACQUARIE,
 HUNTER VALLEY, MAITLAND AND PORT STEPHENS

VALUATION INSTRUCTION

I refer to my recent valuation enquiry and now instruct Property Valuations NSW to undertake a valuation as follows:

Date of this instruction	7.8.22
Property address	37 George St East Gosford
Legal Description (if known)	Lot SP/ DP
Type of Valuation	Current Fair Market Valuation
Reason for Valuation	Super fund audit
Report to be addressed to (name on the report)	LGrundPTYLTD as trustees for Grund Superannuation Fund
My contact details	Name: Larissa Grund Postal Address: PO Box 4084 East Gosford NSW 2250 Phone: 0405331250 Email:lilly@internode.on.net
Contact for property access (if different to above)	Name: as above Phone:

I accept your professional fees and payment terms as follows:
 This valuation has a limited liability for costs of \$10,000. By accepting this valuation and using it you are aware that future proceedings in any matter or action is limited to this amount.

Professional fees as quoted (inc GST)	
Payment terms	Payment is required prior to release of the Report.

How did you find us? (just mark with an X)

Google Search Web Site Referral Yellow Pages Return Client Other

Liability Limited by a Scheme Approved Under Professional Standards Legislation
 PO Box 7161, Toowoomba Bay NSW 2261 Tel : 1300305540 Email : info@pvalnsw.com

16.02 Extract from Lease

Handwritten: Original copy for EGSC
Commercial Lease

This lease is made in duplicate on 22 / 08 / 2014 at
37 George Street East Gosford in the State of NSW.

PARTIES:

Between L GRUND PTY LTD AS TRUSTEES FOR GRUND SUPERANNUATION FUND ABN 600 714 234 (Landlord)
(Name, address, and ABN)

And East Gosford Specialist Centre Trust, 37 George Street East Gosford 2250, ABN 33 987 956 380 (Tenant)
(Name, business address, and ABN)

GST Registration

The Landlord is registered for GST Yes
The Tenant is registered for GST Yes

Premises

The Landlord leases the premises known as East Gosford Specialist Centre (the premises),
including all fixtures listed in the inventory which is signed by all parties and attached as part of this lease.

Permitted Use

The Premises shall be used only as Professional consulting rooms.

Rent

Except as otherwise provided, the rent shall be \$ 3304.40 (inc. GST) per month commencing on
10th September 2014, and payable in advance by the Tenant on the 10th day of every month to the
Landlord/Agent at the above address or at any other reasonable place as the Landlord/Agent notifies in writing.

Term

The term of the lease shall be 3 years commencing on 22 / 08 / 2014 and ending on 21 / 08 / 2017.

Rent Indexation

Rent review can be increased annually by the Landlord within CPI.

Option

Subject to Clause 29 of this lease, the Landlord/Agent offers a renewal of this lease for a further term of
3 years.

Holding Over

Unless either party gives the other written notice of termination in accordance with Clause 30a, the lease shall
continue as a periodic lease from month to month at the same rent or at a rent to which both parties agree. The
landlord has the option to increase the rent at this time to reflect any increase in costs.