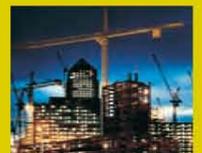
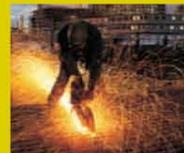




WASHINGTON BROWN
We know property



www.washingtonbrown.com.au

FILE NO: 26679

10-Dec-09

Marc John Newson
Delivered Via Email

Dear Client,

Unit CS69 (Lot 156), 180 Ocean Street, EDGECLIFF NSW 2027

Thank you for choosing Washington Brown to prepare your depreciation

We attach for your information our assessment of depreciation for the above project based upon the Diminishing Value method and the Prime Cost method.

You must choose either the Prime Cost method or Diminishing Value method. Once you choose your method of claim, you cannot alternate between the two options.

The final page of this report is a graphical representation of the both methods in order to assist in the decision making process.

This depreciation schedule has been prepared for the sole purpose of depreciation claims and may not be used for any other purpose.

We have based our assessment upon the information as provided, together with the property inspection and our estimate of probable construction costs.

A depreciating asset as defined in the Income Tax Assessment Act (ITAA) 1997 sect. 40-30(1), is an asset that has a limited effective life and can reasonably be expected to decline in value over the time it is used.

The calculation of the amount of a deduction allowed with respect to a depreciating asset in part depends upon the cost of that asset. The cost has been determined by the amount you have paid to hold a depreciating asset.



Sydney
Level 2, 270 Pacific Highway
Crows Nest NSW 2065

Melbourne
Level 2, 222 Latrobe Street
Melbourne VIC 3000

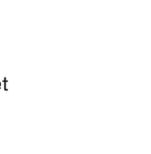
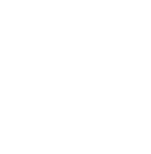
Brisbane
Level 23, 127 Creek Street
Brisbane QLD 4000

Perth
Level 3, 1060 Hay Street
West Perth WA 6005

Cairns
129A Lake Street
Cairns QLD 4870

Adelaide
213 Greenhill Road
Eastwood SA 5063

Hobart
127 Bathurst Street
Hobart Tasmania 7000



The building allowance as defined in Section 43 of the ITAA 1997 is the amount of the deduction determined by the construction cost of the entity which incurred the expenditure (and not by what an entity incurred to acquire the capital work).

We have not included items such as soft landscaping, demolition and the developers profit. However, we have included such items as design, council fees, authority fees and building preliminaries.

The items classified as plant and equipment have been determined, in part, by TR2009/4.

Where depreciating assets are co-owned, but are not partnership assets, the capital allowances provisions applies to the asset as if an individual's interest in the asset is the relevant asset. Each co-owner therefore must treat their depreciating asset (their interest in the underlying asset) in accordance with their own tax profile.

This report will become void if you sell this property. Future owners should contact this office to discuss any future claims.

Please refer to the year end summary pages in order to make your claim.

Washington Brown Depreciation Pty. Ltd. does not accept any contractual, tortious or other form of liability for any consequences, loss or damage which may arise as a result of any other person acting upon or using this valuation.

Yours faithfully,

A handwritten signature in blue ink that reads "Washington Brown Depreciation Pty Ltd". The signature is written in a cursive, flowing style.

Washington Brown Depreciation Pty. Ltd.

PURCHASE OF A BUILDING

KNOWN AS

Unit CS69 (Lot 156), 180 Ocean Street, EDGECLIFF NSW 2027

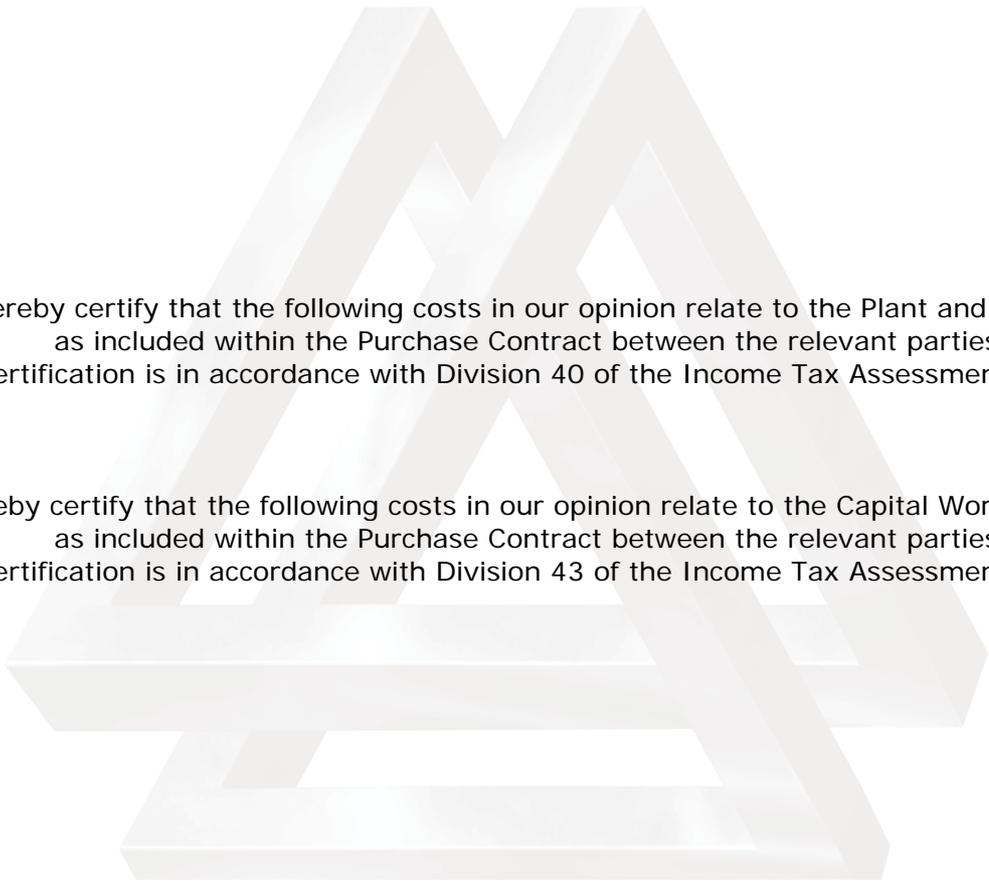
DATE OF SETTLEMENT

April 4, 2005

CONSTRUCTION COMMENCEMENT YEAR

Pre July 18, 1985

CERTIFICATE OF CAPITAL EXPENDITURE
INCURRED UPON PLANT AND EQUIPMENT
ATTRACTING DEPRECIATION AND THE BUILDING ALLOWANCE



We hereby certify that the following costs in our opinion relate to the Plant and Equipment as included within the Purchase Contract between the relevant parties.
This certification is in accordance with Division 40 of the Income Tax Assessment Act 1997.

We hereby certify that the following costs in our opinion relate to the Capital Works Allowance as included within the Purchase Contract between the relevant parties.
This certification is in accordance with Division 43 of the Income Tax Assessment Act 1997.



CERTIFICATE
BASED UPON
THE DIMINISHING VALUE METHOD

| CONSTRUCTION SUMMARY - DIMINISHING VALUE | | |
|--|----------------|-------------------------------|
| DEPRECIATION & BUILDING ALLOWANCES BASED ON THE DIMINISHING VALUE METHOD AS OUTLINED IN THE NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT1999. AMENDMENTS TO INCOME TAX ASSESSMENT ACT 1997 BY NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT 1999 (ACT 164 of 1999, ROYAL ASSENT 10 DECEMBER 1999). | | |
| PROJECT: Unit CS69 (Lot 156), 180 Ocean Street, EDGECLIFF NSW 2027 CLIENT: Marc John Newson | | DATE: 10-Dec-09 JOB: 26679 |
| DESCRIPTION | VALUE | CALCULATIONS |
| PURCHASE PRICE | \$110,000 | |
| BUILDING COST (Prior to July 18, 1985) | N/A | |
| ADD EXISTING PLANT & EQUIPMENT | \$1,427 | |
| ADD OWNERS INCLUSIONS | \$2,018 | |
| TOTAL CONSTRUCTION COSTS | \$3,445 | \$3,445 |
| LESS TOTAL INSTALLED COST OF PLANT & EQUIPMENT ITEMS AS SHOWN OVER | \$488 | |
| LESS ALLOWANCE FOR ITEMS NOT ELIGIBLE FOR DEPRECIATION: | N/A | |
| LESS TOTAL VALUE OF LOW POOL ITEMS | \$938 | |
| LESS CLIENT INCLUDED CAPITAL WORKS | \$2,018 | |
| SUB TOTAL | \$3,445 | -\$3,445 |
| ORIGINAL BUILDING COSTS - DIVISION 43 ALLOWANCE | | N/A |
| PLANT AND EQUIPMENT | | \$487 |
| LOW VALUE POOL ITEMS | | \$175 |
| CAPITAL WORKS ALLOWANCE (Incl. any Client added items) | | \$51 |
| NETT DEPRECIATION CLAIMABLE IF A FULL 365 DAYS OF THE YEAR APPLIED: REFER OVER FOR THE YEAR END SUMMARY BREAKDOWN | | \$713 |

SCHEDULE OF DEPRECIABLE ITEMS BASED UPON THE DIMINISHING VALUE METHOD

PROJECT: Unit CS69 (Lot 156), 180 Ocean Street, EDGECLIFF NSW 2027 DATE: 10-Dec-09
 CLIENT: Marc John Newson JOB: 26679

Category : ASSETS GENERALLY (5 items)

| Depreciable Item | Installed Cost | Effective Life (DV) | Diminishing Value |
|-----------------------------------|----------------|---------------------|-------------------|
| Door closers | \$ 3 | <= \$300** | 100% |
| Floor coverings - Carpet (common) | \$ 27 | <= \$300** | 100% |
| Lifts | \$ 215 | <= \$300** | 100% |
| Water pumps | \$ 14 | <= \$300** | 100% |

Category : FIRE CONTROL ASSETS (6 items)

| Depreciable Item | Installed Cost | Effective Life (DV) | Diminishing Value |
|---|----------------|---------------------|-------------------|
| Detector - Alarm bells | \$ 4 | <= \$300** | 100% |
| Detector - Detectors | \$ 5 | <= \$300** | 100% |
| Emergency Warning & Intercommunication Systems (EWIS) | \$ 59 | <= \$300** | 100% |
| Extinguishers | \$ 9 | <= \$300** | 100% |
| Hoses & nozzles | \$ 17 | <= \$300** | 100% |
| Pumps (including diesel & electric) | \$ 16 | <= \$300** | 100% |

Category : OUTDOOR ASSETS (7 items)

| Depreciable Item | Installed Cost | Effective Life (DV) | Diminishing Value |
|--|----------------|---------------------|-------------------|
| Automatic garage door - Controls | \$ 101 | <= \$300** | 100% |
| Automatic garage doors, electrical - Motors (common) | \$ 2 | <= \$300** | 100% |
| Furniture, freestanding | \$ 3 | <= \$300** | 100% |
| Sauna heating assets | \$ 5 | <= \$300** | 100% |
| Spas - Fixed: Chlorinators & filtration (including pumps) | \$ 2 | <= \$300** | 100% |
| Swimming pool assets - Chlorinators & filtration (including pumps) | \$ 5 | <= \$300** | 100% |

VALUE OF PLANT ITEMS \$ 488

** Indicates items that are less than or equal to \$300.00.

Category : LOW VALUE POOL ITEMS (2 items)

| Depreciable Item | Installed Cost | Effective Life (DV) | Diminishing Value |
|--------------------------------|----------------|---------------------|-------------------|
| Ventilation fans | \$ 349 | Low Pool* | 18.75% |
| Automatic garage door - Motors | \$ 589 | Low Pool* | 18.75% |

VALUE OF LOW POOL ITEMS \$ 938

* Indicates items allocated to Low Pool Category. These items must be calculated using Diminishing Value Method. Low Pool items are depreciated at 18.75% in the year of acquisition. In the following year the opening tax value of the pool is written down using the Diminishing Value rate of 37.5% p.a.

Category : CLIENT INCLUDED CAPITAL WORKS (2 items)

| Depreciable Item | Installed Cost | Effective Life (PC) | Prime Cost |
|---------------------------|----------------|---------------------|------------|
| Plywood wall (19/04/2005) | \$ 1,478 | 40 | 2.50% |
| Shelving (29/06/2005) | \$ 540 | 40 | 2.50% |

| | |
|---|-----------------|
| VALUE OF CLIENT INCLUDED CAPITAL WORKS | \$ 2,018 |
|---|-----------------|

Category : RESIDUAL BUILDING ALLOWANCE (Capital Works)

| Depreciable Item | Installed Cost | Effective Life (DV) | Diminishing Value |
|-----------------------------|----------------|---------------------|-------------------|
| Residual building allowance | \$ - | 40 | 2.50% |

| | |
|---|-------------|
| VALUE OF RESIDUAL BUILDING ALLOWANCE | \$ - |
|---|-------------|



| DIMINISHING VALUE - YEAR END SUMMARY | | | | |
|---|-------------------------|-----------------------------|-----------------------|------------------|
| Unit CS69 (Lot 156), 180 Ocean Street, EDGECLIFF NSW 2027 | | | | |
| DEPRECIATION PLANT & EQUIPMENT | LOW VALUE POOL ITEMS | CAPITAL WORKS DEDUCTIONS | FINANCIAL YEAR END | AMOUNT CLAIMABLE |
| \$487 | \$175 | \$7 | 2004/2005 | \$669 |
| \$1 | \$286 | \$51 | 2005/2006 | \$339 |
| \$0 | \$179 | \$51 | 2006/2007 | \$230 |
| \$0 | \$112 | \$51 | 2007/2008 | \$163 |
| \$0 | \$70 | \$51 | 2008/2009 | \$121 |
| \$0 | \$44 | \$51 | 2009/2010 | \$95 |
| \$0 | \$27 | \$51 | 2010/2011 | \$78 |
| \$0 | \$17 | \$51 | 2011/2012 | \$68 |
| \$0 | \$11 | \$51 | 2012/2013 | \$62 |
| \$0 | \$7 | \$51 | 2013/2014 | \$58 |
| \$0 | \$4 | \$51 | 2014/2015 | \$55 |
| \$0 | \$3 | \$51 | 2015/2016 | \$54 |
| \$0 | \$2 | \$51 | 2016/2017 | \$53 |
| \$0 | \$1 | \$51 | 2017/2018 | \$52 |
| \$0 | \$1 | \$51 | 2018/2019 | \$52 |
| \$0 | \$0 | \$51 | 2019/2020 | \$51 |
| \$0 | \$0 | \$51 | 2020/2021 | \$51 |
| \$0 | \$0 | \$51 | 2021/2022 | \$51 |
| \$0 | \$0 | \$51 | 2022/2023 | \$51 |
| \$0 | \$0 | \$51 | 2023/2024 | \$51 |



CERTIFICATE
BASED UPON
THE PRIME COST METHOD

| CONSTRUCTION SUMMARY - PRIME COST | | |
|---|----------------|-------------------------------|
| DEPRECIATION & BUILDING ALLOWANCES BASED ON THE PRIME COST METHOD AS OUTLINED IN THE NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT1999. AMENDMENTS TO INCOME TAX ASSESSMENT ACT 1997 BY NEW BUSINESS TAX SYSTEM (CAPITAL ALLOWANCES) ACT 1999 (ACT 164 of 1999, ROYAL ASSENT 10 DECEMBER 1999). | | |
| PROJECT: Unit CS69 (Lot 156), 180 Ocean Street, EDGECLIFF NSW 2027 CLIENT: Marc John Newson | | DATE: 10-Dec-09 JOB: 26679 |
| DESCRIPTION | VALUE | CALCULATIONS |
| PURCHASE PRICE | \$110,000 | |
| BUILDING COST (Prior to July 18, 1985) | N/A | |
| ADD EXISTING PLANT & EQUIPMENT | \$1,427 | |
| ADD OWNERS INCLUSIONS | \$2,018 | |
| TOTAL CONSTRUCTION COSTS | \$3,445 | \$3,445 |
| LESS TOTAL INSTALLED COST OF PLANT & EQUIPMENT ITEMS AS SHOWN OVER | \$1,427 | |
| LESS ALLOWANCE FOR ITEMS NOT ELIGIBLE FOR DEPRECIATION: | N/A | |
| LESS TOTAL VALUE OF LOW POOL ITEMS | N/A | |
| LESS CLIENT INCLUDED CAPITAL WORKS | \$2,018 | |
| SUB TOTAL | \$3,445 | -\$3,445 |
| ORIGINAL BUILDING COSTS - DIVISION 43 ALLOWANCE | | N/A |
| PLANT AND EQUIPMENT | | \$184 |
| LOW VALUE POOL ITEMS | | N/A |
| CAPITAL WORKS ALLOWANCE (Incl. any Client added items) | | \$51 |
| NETT DEPRECIATION CLAIMABLE IF A FULL 365 DAYS OF THE YEAR APPLIED: REFER OVER FOR THE YEAR END SUMMARY BREAKDOWN | | \$235 |

| SCHEDULE OF DEPRECIABLE ITEMS BASED UPON THE PRIME COST METHOD | |
|--|-----------------|
| PROJECT: Unit CS69 (Lot 156), 180 Ocean Street, EDGECLIFF NSW 2027 | DATE: 10-Dec-09 |
| CLIENT: Marc John Newson | JOB: 26679 |

Category : ASSETS GENERALLY (5 items)

| Depreciable Item | Installed Cost | Effective Life (PC) | Prime Cost |
|-----------------------------------|----------------|---------------------|------------|
| Door closers | \$ 3 | 5 | 20% |
| Floor coverings - Carpet (common) | \$ 27 | 5 | 20% |
| Lifts | \$ 215 | 15 | 6.67% |
| Ventilation fans | \$ 349 | 10 | 10% |
| Water pumps | \$ 14 | 10 | 10% |

Category : FIRE CONTROL ASSETS (6 items)

| Depreciable Item | Installed Cost | Effective Life (PC) | Prime Cost |
|---|----------------|---------------------|------------|
| Detector - Alarm bells | \$ 4 | 6 | 16.67% |
| Detector - Detectors | \$ 5 | 10 | 10% |
| Emergency Warning & Intercommunication Systems (EWIS) | \$ 59 | 6 | 16.67% |
| Extinguishers | \$ 9 | 8 | 12.50% |
| Hoses & nozzles | \$ 17 | 6 | 16.67% |
| Pumps (including diesel & electric) | \$ 16 | 12 | 8.33% |

Category : OUTDOOR ASSETS (7 items)

| Depreciable Item | Installed Cost | Effective Life (PC) | Prime Cost |
|--|----------------|---------------------|------------|
| Automatic garage door - Controls | \$ 101 | 3 | 33.33% |
| Automatic garage door - Motors | \$ 589 | 8 | 12.50% |
| Automatic garage doors, electrical - Motors (common) | \$ 2 | 5 | 20% |
| Furniture, freestanding | \$ 3 | 3 | 33.33% |
| Sauna heating assets | \$ 5 | 7 | 14.29% |
| Spas - Fixed: Chlorinators & filtration (including pumps) | \$ 2 | 6 | 16.67% |
| Swimming pool assets - Chlorinators & filtration (including pumps) | \$ 5 | 6 | 16.67% |

| | |
|-----------------------------|-----------------|
| VALUE OF PLANT ITEMS | \$ 1,427 |
|-----------------------------|-----------------|

Category : CLIENT INCLUDED CAPITAL WORKS (2 items)

| Depreciable Item | Installed Cost | Effective Life (PC) | Prime Cost |
|---------------------------|----------------|---------------------|------------|
| Plywood wall (19/04/2005) | \$ 1,478 | 40 | 2.50% |
| Shelving (29/06/2005) | \$ 540 | 40 | 2.50% |

| | |
|---|-----------------|
| VALUE OF CLIENT INCLUDED CAPITAL WORKS | \$ 2,018 |
|---|-----------------|

Category : RESIDUAL BUILDING ALLOWANCE (Capital Works)

| Depreciable Item | Installed Cost | Effective Life (PC) | Prime Cost |
|-----------------------------|----------------|---------------------|------------|
| Residual building allowance | \$ - | 40 | 2.50% |

| | |
|---|-------------|
| VALUE OF RESIDUAL BUILDING ALLOWANCE | \$ - |
|---|-------------|



| PRIME COST - YEAR END SUMMARY | | | | |
|---|-------------------------|-----------------------------|-----------------------|------------------|
| Unit CS69 (Lot 156), 180 Ocean Street, EDGECLIFF NSW 2027 | | | | |
| DEPRECIATION PLANT & EQUIPMENT | LOW VALUE POOL ITEMS | CAPITAL WORKS DEDUCTIONS | FINANCIAL YEAR END | AMOUNT CLAIMABLE |
| \$41 | N/A | \$7 | 2004/2005 | \$48 |
| \$184 | N/A | \$51 | 2005/2006 | \$235 |
| \$184 | N/A | \$51 | 2006/2007 | \$235 |
| \$176 | N/A | \$51 | 2007/2008 | \$227 |
| \$149 | N/A | \$51 | 2008/2009 | \$200 |
| \$148 | N/A | \$51 | 2009/2010 | \$199 |
| \$140 | N/A | \$51 | 2010/2011 | \$191 |
| \$128 | N/A | \$51 | 2011/2012 | \$179 |
| \$109 | N/A | \$51 | 2012/2013 | \$160 |
| \$52 | N/A | \$51 | 2013/2014 | \$103 |
| \$44 | N/A | \$51 | 2014/2015 | \$95 |
| \$15 | N/A | \$51 | 2015/2016 | \$66 |
| \$15 | N/A | \$51 | 2016/2017 | \$66 |
| \$14 | N/A | \$51 | 2017/2018 | \$65 |
| \$14 | N/A | \$51 | 2018/2019 | \$65 |
| \$11 | N/A | \$51 | 2019/2020 | \$62 |
| \$0 | N/A | \$51 | 2020/2021 | \$51 |
| \$0 | N/A | \$51 | 2021/2022 | \$51 |
| \$0 | N/A | \$51 | 2022/2023 | \$51 |
| \$0 | N/A | \$51 | 2023/2024 | \$51 |

Diminishing Value Method Vs. Prime Cost Method

