

Luke Buckley

19/04/2018

Via email: lukenathan44@bigpond.com

Re: 9-15 Tayler Road, Valley Heights NSW 2777

Thank you for allowing me the opportunity to appraise your property.

Taking into consideration tenant demand, market trends and other comparable properties in the area, it is my belief that the following rental would be achievable:

Unit 1:	\$50,106 Gross + GST per annum	(\$210/sqm gross p.a + gst)
Unit 2:	\$50,358 Gross + GST per annum	(\$210/sqm gross p.a + gst)
Unit 4:	\$35,511 Gross + GST per annum	(\$210/sqm gross p.a + gst)
Unit 5:	\$37,380 Gross + GST per annum	(\$210/sqm gross p.a + gst)
Unit 6:	\$37,380 Gross + GST per annum	(\$210/sqm gross p.a + gst)
Kiosk :	\$15,600 Gross + GST per annum	
Caretaker :	\$14,300 Gross	

As noted due to the lack of availability of industrial units within the area, coupled with the prospect of the Badgerys Creek Airport the above units will be very well received within the local market place we suspect that all units will be able to be leased off the plan allowing immediate occupation after completion of construction.

We are committed to finding the right tenant for your property and achieving the best rental return for your home. Our team is committed and trained to provide the best quality property management service in the industry.

Please note that this is only a rental opinion and not a valuation and is based on current market data as of at April 2018.

If we can be of any further assistance to you, please do not hesitate to contact me on 0413 630 226.

Kind regards,

Brenden Purcell

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E: reception@purcellproperty.com.au

LETTER OF OFFER / DEED OF AGREEMENT

21th May 2019

Mr. Luke Buckley
PO Box 2146, Woonona East, NSW. 2157.
Email: lukenathan44@bigpond.com
Mobile: 0414 592 060

SITE ADDRESS & PARTICULARS

Proposed factory at
Lots 4, 5, & 6 Tayler Road, Valley Heights, Blue Mountains. NSW

Drawn by Klyn Creations
Date August 2017
Project number KC1725 Drawing Number A000, A100, A101, A102, A200, A300

This Letter of Offer / Deed of Agreement, will be executed in 2 Stages as follows:-

STAGE 1 – Below ground floor

- 1 This stage will be by way of Cherco Pty. Limited being the Site Project Manager up to the stage of ground floor height but not including the ground floor concrete slab or works associated with it.
- 2 **Construction Costs**
All construction costs, including but not limited to materials, supplies, labour, fees, charges etc. will be met directly by the client, as and when they fall due. To ensure that construction workflow is constant, Cherco will, from time to time, request in writing a small lump sum to be deposited. The client will deposit the requested amount into Cherco's operating account so that moneys can be withdrawn to pay for the above-mentioned costs. An updated account of expenditure and copies of invoices will be supplied to the client on a regular basis.
- 3 **Project Manager Costs**
 - i. The client will pay the Site Project Manager, Cherco Pty. Limited the sum of \$20,000 + GST to manage Stage 1. The client will pay a deposit of \$5,000 + GST, payable on signing of this Letter of Offer. Further funds to be paid upon written request, by way of Invoice, as the job proceeds.

- ii. In the event whereby Stage 1 works are complete, Cherco Pty. Limited will continue with the development on a contract basis as per the following Stage 2.
- iii. In the event that Stage 2 of the development does not proceed due to finance being unavailable, then the client will pay the builder a further \$20,000 as compensation. The client would have to show that he has made every effort to secure finance but was unsuccessful. In this case the client would be released from this contract after the said payment. (The matters of finance should be expedited to avoid delays between the two stages).

STAGE 2

A LUMP SUM PRICE

Quotation Price	\$ 962,300
Add: GST	<u>96,230</u>
Total	<u>\$1,058,530</u>

B BRIEF DESCRIPTION OF WORKS

- 1 The development consists of 5 separate factories, 1 caretakers' residence, 1 shop canteen, 5 Mezzanines as approved plans display
- 2 Basic structure, concrete floor throughout, 150mm thick
- 3 Wall throughout 200mm light weight concrete panels with concrete fill including steel reinforcement throughout to 7m high
- 4 Colorbond (Speed Deck) metal roofing throughout
- 5 Mezzanines to be timber framed to walls and ceiling
- 6 Stairway & posts to mezzanines manufactured steel
- 7 Factory roof supports system, steel framed
- 8 All to approved engineers and architect drawings as listed above

C WORKS INCLUDED

- 1 Sewer lines to be pumped to holding tank and then pumped to street service as shown in approved plans
- 2 Stormwater will flow to holding tanks below ground level and then dispersed to the creek below as Detailed by engineering plans
- 3 General wall heights to be a maximum of 7 meters
- 4 Roof sheeting of speed deck metal heavy gage blanket insulation included
- 5 Steel frame throughout as to engineer's detail
- 6 Each factory to have a total of 5 double 240-volt power points, 2 x 2 tube fluorescent lighting and 1 outlet of 3 phase power
- 7 Caretakers residence to have standard lighting, 3 double 240-watt outlets, all fixtures and fittings to be of standard quality
- 8 Shop / canteen to have standard lighting and 4 double power points, all fixtures and fittings are basic, no grease trap or fit-out provided
- 9 Floor material to mezzanine to be yellow tongue sheeting throughout no further coverings
- 10 Provide concrete driveway and retaining walls above floor level as per approved plans
- 11 Windows and doors commercial grade as shown on approved plans, (Black)

- 12 Painting will apply only to the inside of the Mezzanine area, the caretaker's residence and inside the shop area
- 13 Supply and fix One (1) Fire Hydrant to the front side of the building
- 14 The concrete floor to the canteen to be polished concrete
- 15 Site office, WC and Site store room, these costs will be shared with client 50% / 50%
- 16 Supply all relative insurances, equipment, materials and labour
- 17 Remove construction debris

D ITEMS NOT INCLUDED

- 1 Payments to authorities, councils, engineers or consultants
- 2 Architects, Draftsman or Certifier
- 3 Works outside the above-mentioned items
- 4 Internal sheeting to walls or ceiling
- 5 Painting to external or internal concrete walls
- 6 Air Conditioning, fans or ducting
- 7 Removal of asbestos from site (if any)
- 8 Use of materials that are not in ready supply

E CONSTRUCTION TIME – Stage 2

- 1 Five (5) calendar months from completion of Stage 1 (See Clause F.2.)
- 2 Excluding public holidays
- 3 Adverse weather conditions - For every 1 day of wet weather there will be 1 day allowed for recovery totaling 2 days for each wet day. In the event that, the client disputes the number of wet days then advice from the Bureau of Meteorology will be the final wet day count.
- 4 Excluding delays that is not the fault of the builder including delays caused by the client or delays waiting for materials.

F CONSTRUCTION COMMENCEMENT

- 1 Works to Stage 1 of this contract will commence on or before Two (2) calendar weeks from acceptance and execution / signing of this document by all relative parties and payment of deposit, providing all necessary matters are in place such as financial approval, Council building permit.
- 2 Works to Stage 2 of this contract will commence forthwith when Stage 1 has been completed.

G VARIATIONS

- 1 All variations will be as per builder's reasonable quotation.
- 2 All variations to be approved and accepted by builder and client and in writing before commencement.
- 3 Variations will be subject to extended term of the contract as well as the varied contract price.
- 4 If the said variation halts construction, then the construction time will be extended to accommodate the extra time.
- 5 With the matter of variations and or extensions to the described works the builder is not obliged to carry out such works or give quotation to do so, this matter is left entirely to the discretion of the builder.

H PAYMENTS

- 1 In relation to Stage 1 of this contract refer above to Stage 1 section, Clause 3.
- 2 In relation to Stage 2 of this contract the deposit will be \$30,000 + GST payable when Stage 1 has been completed. It is the client's responsibility to ensure finance has been approved for completion of the development.
- 3 Progress payments as requested or to valuation of completed works (not including the deposit)
- 4 Final payment within One (1) week of practical completion
- 5 Payments settlement must be within Two (2) days of request
- 6 Payments to be by way of bank transfer

I DOCUMENT PRIORITY

- 1 This document dated 16th May 2019 will supersede over all other documents and plans in relation to the construction project.

J WORKING CONDITIONS

- 1 Animals and pets must always be kept away from workers.
- 2 Workers must have continuous and free access to work site.
- 3 Workers and management are to have uninterrupted hours in work time.
- 4 For the reasons of insurance and safety, the client or their associates must not be in the vicinity of the worksite. The client may view the workplace after working hours providing the builder has approved the visit, and is present, and the conditions are deemed to be safe by the builder.
- 5 The work area must be vacant before commencement of construction. The client agrees that they will not interfere or interrupt site workers. The client will not give instructions or make inquiries to workers on-site. All inquiries must be directed to the site manager only.
- 6 Information on items, colours and type must be provided in advance to the builder to avoid delays to construction time. The builder will proceed with work in a fashion that displays the standard building practice or procedure, unless requested by the client to do works that are not considered to be standard. This request must be in writing and may result in a variation to the contract sum.
- 7 Practical completion means, when for all intents and purpose, the works have been completed, this does not include defects that may occur.
- 8 All variations will be regarded as an annexure to this agreement
- 9 At Practical Completion, all monies related to the contract value are to be settled. If in the event the client deems that there are defects, the client will issue the builder with a list of any reasonable defects, whereby the builder has Six (6) weeks to rectify.
- 10 In the event that the client, without written approval from the builder, occupies the construction zone any time before practical completion and or removes any works, even if they are alleged to be defective or causes damage or an unsafe situation within the work site, then the works will be deemed to have reached practical completion. The builder will advise the client of this by way of letter. At that time all monies in relation to the contract sum will be payable.
- 11 This document has no binding effects unless the document is duly signed and executed in accordance with item F1 of this agreement.
- 12 Nothing in this document provides the removal or handing of asbestos. This would be a separate quotation.
- 13 All works to be carried out in a tradesman like manner.

K SITE MATERIALS / SITE STRUCTURE

- 1 All Materials on site either fixed or unfixd remain the property of the builder, until such time as all payments in accordance with the Letter of Offer have been paid and the described works have been complete. Progress payments do not give the client ownership of the works until the full amount of the quotation has been settled and works are complete. .
- 2 In the case whereby there are unpaid monies owed to the builder by the client or outstanding invoices the builder will have a lean on the structural works and the associated property until paid.

L PAYMENT SECURITY

- 1 The Letter of Offer and associated invoices are I accordance with the Building and Construction Security of Payment Act 1999.

M CONTRACT MATTERS - Termination

- a) The client may terminate the contract for the following reasons: -
 1. If the builder has not without lawful reason actioned works within two months of the agreed starting date
 2. If the builder is more than Three (4) months over completion time without lawful reason
 3. If the builder becomes insolvent
 4. If the construction works are defective and the builder has not rectified within 6 weeks after written request
- b) The builder may terminate the contract for the following reasons: -
 1. If the client fails to pay the builder within the prescribed period
 2. In the event whereby the builder cannot gain proper access to the worksite
 3. In the event whereby the client becomes insolvent
- c) In the event whereby: -
 - 1 The contract is lawfully terminated by the client, the builder will be liable for reasonable losses suffered by the builder's actions.
 - 2 The contract is lawfully terminated by the builder, the client will pay to the builder all losses suffered by the action including profit margin being 10% of the total contract price.
 - 3 The contract is mutually terminated or terminated for any reason the client must pay for all works carried out up to the date of termination. The client must give a list of reasonable defective works to the builder to rectify. The builder must rectify defective works within Six (6) working weeks from written notification. The client must give access to the work site to the builder. Whereby the Builder does not rectify the said reasonable defects within the prescribed time, the client may engage another builder to carry out the works.

N CONTRACT MATTERS - Payment

a) In the event whereby: -

- 1 The client fails to pay the builder, the builder is entitled to charge a 10% fee per week plus costs on all outstanding monies.
- 2 The client has failed to execute payment as described within this Letter of Offer the builder has the right to cease works without notice.
- 3 The builder ceases work due to none payment or slow payments, then the builder will be entitled to charge \$3,000 for stop / start fee to cover builder's costs and disruption of job flow.

O OTHER

- 1 In the event that the Letter of Offer is signed by the relevant parties, and does not proceed for any reason, then the Builder will have the right to reasonably charge for any works carried out including works prior to signing of the contract including administration matters and works.

Michael Hadad
Builder/Cherco Pty. Limited
Date / / 2019

Luke Buckley
Client
Date / / 2019

Bank Details

Cherco Pty. Limited
Westpac Bank
BSB: 032-828
A/C: 289955