

TAX DEPRECIATION ESTIMATE

PREPARED FOR:

Coast Broadwater – South Tower

378 Marine Parade, Labrador, QLD

28 April 2016

Coast Broadwater - South Tower, 378 Marine Parade, Labrador, Qld

Dear Investor

Following is our report detailing the depreciation and associated tax deductions that could be available to a purchaser of the above property under the Income Tax Assessment Act 1997 (ITAA 1997).

This report is provided to outline indicative capital allowances and capital works deductions available to a purchaser of the above property. The deductions calculated can be used for initial tax planning purposes only. The estimated figures supplied can not be used in a tax return and a certified tax depreciation schedule would be required for this.

1. Information

The following information was used in the preparations of these depreciation estimates:

- Body corporate information and selling prices provided by the sales office.
- Floors plans and inclusions list provided by sales office.

2. Available Allowances and Valuation Methodology

A tax paying purchaser is generally entitled to allowances in respect of:

- Capital allowances for expenditure on plant (Division 40 of ITAA 1997)
- Capital works deductions on structure and infrastructure (Division 43 of ITAA 1997)

According to legislation plant can be depreciated on the basis of a reasonable attribution of the purchase price. Depending on the date the building commenced construction, capital works deductions will be available based on the historical construction cost after subtracting non qualifying expenditure, and notionally depreciating the qualifying expenditure to the date of settlement.

3. Estimate Calculations

The estimates are based on sale prices indicated in the following schedules. Should the purchase price change this will affect the depreciation returns and the purpose of these estimates is to provide the investor with potential depreciation deductions available.

4. Disclaimer

Prospective purchasers should seek their own specialist advice having regard to their own specific taxation position. This report is for general advice only.

5. Summary

Property tax allowances can significantly enhance the bottom line of a property investment as clearly demonstrated in the attached estimate.

KC Partnership tax depreciation specialists would be pleased to provide detailed tax depreciation reports for this property upon request.

If you have any queries regarding property tax allowances please do not hesitate to contact Sean Connolly in our office on 1300 726 098.

Yours faithfully



KC Partnership

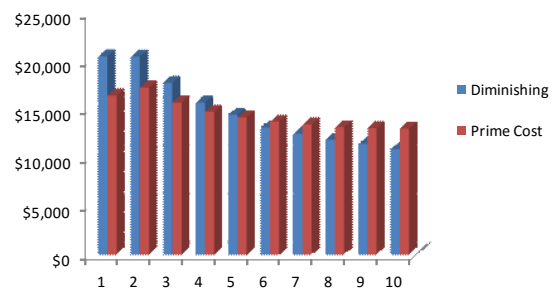
**Estimated Depreciable Claims
Unit Type G**

Coast Broadwater - South Tower, 378 Marine Parade, Labrador, Qld

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$11,365	\$9,104	\$20,469
2	\$11,345	\$9,104	\$20,449
3	\$8,607	\$9,104	\$17,711
4	\$6,605	\$9,104	\$15,709
5	\$5,344	\$9,104	\$14,448
6	\$4,025	\$9,104	\$13,129
7	\$3,362	\$9,104	\$12,466
8	\$2,745	\$9,104	\$11,849
9	\$2,324	\$9,104	\$11,428
10	\$1,790	\$9,104	\$10,894
11 +	\$12,964	\$270,634	\$283,598
Total	\$70,476	\$361,674	\$432,150

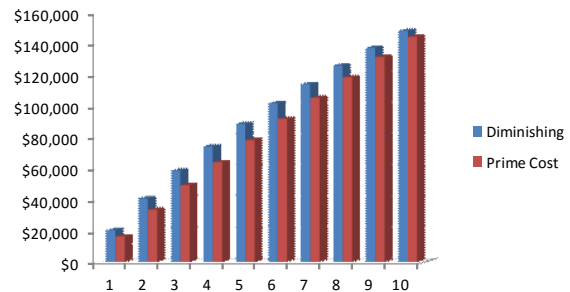
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$7,308	\$9,104	\$16,412
2	\$8,142	\$9,104	\$17,246
3	\$6,610	\$9,104	\$15,714
4	\$5,653	\$9,104	\$14,757
5	\$5,054	\$9,104	\$14,158
6	\$4,640	\$9,104	\$13,744
7	\$4,336	\$9,104	\$13,440
8	\$4,044	\$9,104	\$13,148
9	\$3,953	\$9,104	\$13,057
10	\$3,885	\$9,104	\$12,989
11 +	\$16,850	\$270,634	\$287,484
Total	\$70,475	\$361,674	\$432,149

Cumulative Yr 1-10



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This Estimate Is Not To Be Used For Taxation Purposes

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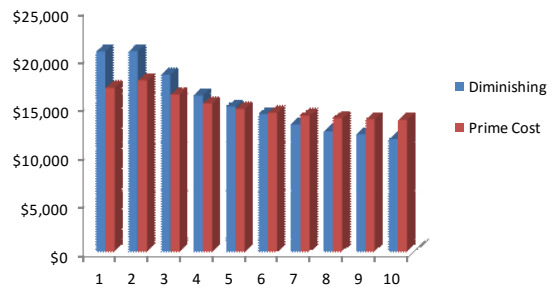
**Estimated Depreciable Claims
Unit Type H**

Coast Broadwater - South Tower, 378 Marine Parade, Labrador, Qld

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$10,656	\$10,012	\$20,668
2	\$10,698	\$10,012	\$20,710
3	\$8,254	\$10,012	\$18,266
4	\$6,107	\$10,012	\$16,119
5	\$4,962	\$10,012	\$14,974
6	\$4,185	\$10,012	\$14,197
7	\$3,125	\$10,012	\$13,137
8	\$2,403	\$10,012	\$12,415
9	\$2,093	\$10,012	\$12,105
10	\$1,635	\$10,012	\$11,647
11 +	\$12,473	\$297,626	\$310,099
Total	\$66,591	\$397,746	\$464,337

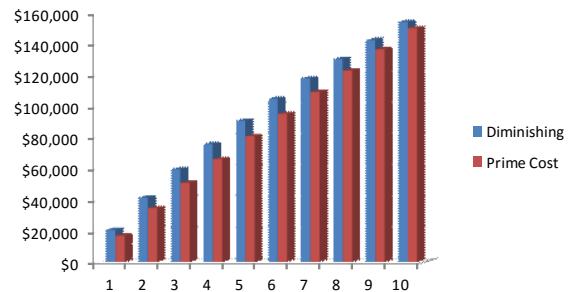
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$6,892	\$10,012	\$16,904
2	\$7,670	\$10,012	\$17,682
3	\$6,205	\$10,012	\$16,217
4	\$5,289	\$10,012	\$15,301
5	\$4,717	\$10,012	\$14,729
6	\$4,321	\$10,012	\$14,333
7	\$4,032	\$10,012	\$14,044
8	\$3,754	\$10,012	\$13,766
9	\$3,667	\$10,012	\$13,679
10	\$3,606	\$10,012	\$13,618
11 +	\$16,440	\$297,626	\$314,066
Total	\$66,593	\$397,746	\$464,339

Cumulative Yr 1-10



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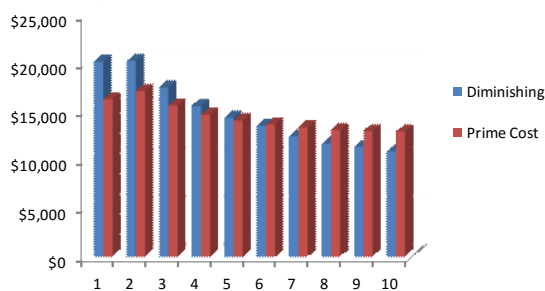
**Estimated Depreciable Claims
Unit Type J**

Coast Broadwater - South Tower, 378 Marine Parade, Labrador, Qld

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$10,950	\$9,191	\$20,141
2	\$11,022	\$9,191	\$20,213
3	\$8,274	\$9,191	\$17,465
4	\$6,354	\$9,191	\$15,545
5	\$5,148	\$9,191	\$14,339
6	\$4,312	\$9,191	\$13,503
7	\$3,209	\$9,191	\$12,400
8	\$2,459	\$9,191	\$11,650
9	\$2,140	\$9,191	\$11,331
10	\$1,665	\$9,191	\$10,856
11 +	\$12,441	\$273,255	\$285,696
Total	\$67,974	\$365,165	\$433,139

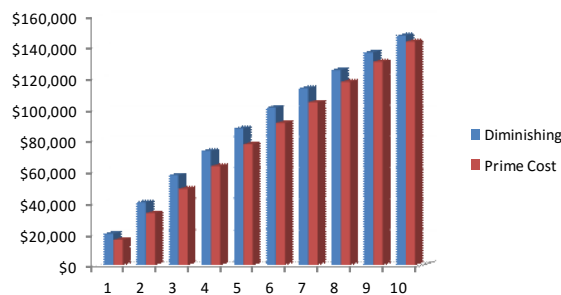
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$7,077	\$9,191	\$16,268
2	\$7,919	\$9,191	\$17,110
3	\$6,402	\$9,191	\$15,593
4	\$5,454	\$9,191	\$14,645
5	\$4,859	\$9,191	\$14,050
6	\$4,451	\$9,191	\$13,642
7	\$4,147	\$9,191	\$13,338
8	\$3,862	\$9,191	\$13,053
9	\$3,772	\$9,191	\$12,963
10	\$3,711	\$9,191	\$12,902
11 +	\$16,319	\$273,255	\$289,574
Total	\$67,973	\$365,165	\$433,138

Cumulative Yr 1-10



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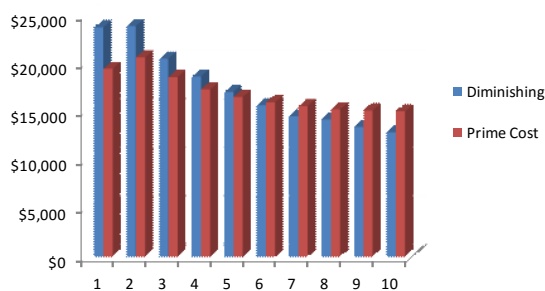
**Estimated Depreciable Claims
Unit Type K**

Coast Broadwater - South Tower, 378 Marine Parade, Labrador, Qld

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$12,801	\$10,879	\$23,680
2	\$12,942	\$10,879	\$23,821
3	\$9,558	\$10,879	\$20,437
4	\$7,720	\$10,879	\$18,599
5	\$6,125	\$10,879	\$17,004
6	\$4,754	\$10,879	\$15,633
7	\$3,603	\$10,879	\$14,482
8	\$3,285	\$10,879	\$14,164
9	\$2,498	\$10,879	\$13,377
10	\$1,960	\$10,879	\$12,839
11 +	\$15,397	\$323,408	\$338,805
Total	\$80,643	\$432,198	\$512,841

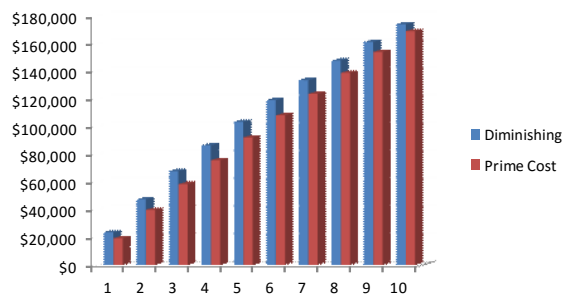
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$8,521	\$10,879	\$19,400
2	\$9,692	\$10,879	\$20,571
3	\$7,662	\$10,879	\$18,541
4	\$6,394	\$10,879	\$17,273
5	\$5,601	\$10,879	\$16,480
6	\$5,057	\$10,879	\$15,936
7	\$4,674	\$10,879	\$15,553
8	\$4,329	\$10,879	\$15,208
9	\$4,208	\$10,879	\$15,087
10	\$4,128	\$10,879	\$15,007
11 +	\$20,377	\$323,408	\$343,785
Total	\$80,643	\$432,198	\$512,841

Cumulative Yr 1-10



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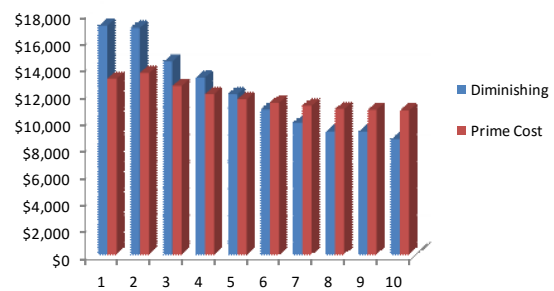
**Estimated Depreciable Claims
Unit Type N**

Coast Broadwater - South Tower, 378 Marine Parade, Labrador, Qld

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$10,056	\$6,972	\$17,028
2	\$9,887	\$6,972	\$16,859
3	\$7,391	\$6,972	\$14,363
4	\$6,191	\$6,972	\$13,163
5	\$4,954	\$6,972	\$11,926
6	\$3,812	\$6,972	\$10,784
7	\$2,836	\$6,972	\$9,808
8	\$2,169	\$6,972	\$9,141
9	\$2,174	\$6,972	\$9,146
10	\$1,610	\$6,972	\$8,582
11 +	\$9,878	\$207,290	\$217,168
Total	\$60,958	\$277,010	\$337,968

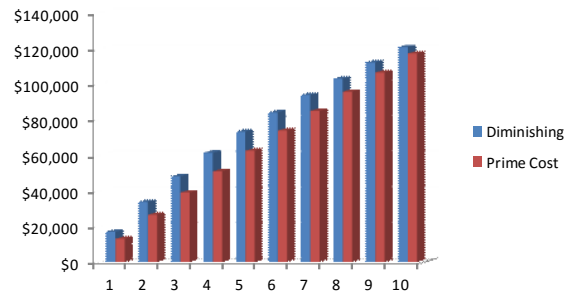
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$6,107	\$6,972	\$13,079
2	\$6,539	\$6,972	\$13,511
3	\$5,568	\$6,972	\$12,540
4	\$4,961	\$6,972	\$11,933
5	\$4,580	\$6,972	\$11,552
6	\$4,314	\$6,972	\$11,286
7	\$4,096	\$6,972	\$11,068
8	\$3,857	\$6,972	\$10,829
9	\$3,799	\$6,972	\$10,771
10	\$3,750	\$6,972	\$10,722
11 +	\$13,387	\$207,290	\$220,677
Total	\$60,958	\$277,010	\$337,968

Cumulative Yr 1-10



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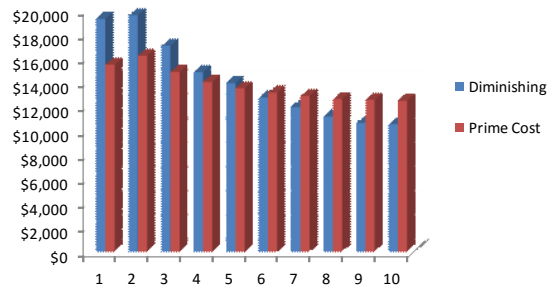
**Estimated Depreciable Claims
Unit Type P**

Coast Broadwater - South Tower, 378 Marine Parade, Labrador, Qld

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$10,399	\$8,840	\$19,239
2	\$10,689	\$8,840	\$19,529
3	\$8,162	\$8,840	\$17,002
4	\$5,978	\$8,840	\$14,818
5	\$5,083	\$8,840	\$13,923
6	\$3,890	\$8,840	\$12,730
7	\$3,107	\$8,840	\$11,947
8	\$2,317	\$8,840	\$11,157
9	\$1,782	\$8,840	\$10,622
10	\$1,686	\$8,840	\$10,526
11 +	\$10,772	\$262,800	\$273,572
Total	\$63,865	\$351,200	\$415,065

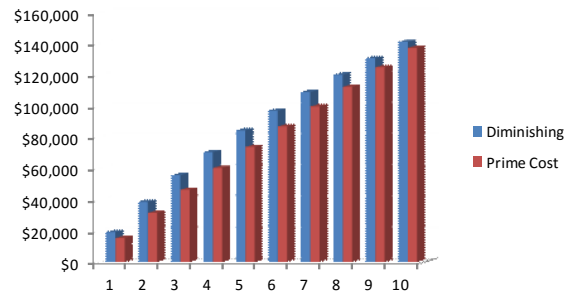
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$6,609	\$8,840	\$15,449
2	\$7,334	\$8,840	\$16,174
3	\$6,005	\$8,840	\$14,845
4	\$5,174	\$8,840	\$14,014
5	\$4,653	\$8,840	\$13,493
6	\$4,295	\$8,840	\$13,135
7	\$4,025	\$8,840	\$12,865
8	\$3,763	\$8,840	\$12,603
9	\$3,684	\$8,840	\$12,524
10	\$3,627	\$8,840	\$12,467
11 +	\$14,695	\$262,800	\$277,495
Total	\$63,864	\$351,200	\$415,064

Cumulative Yr 1-10



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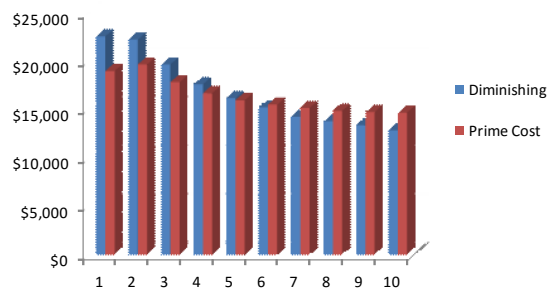
**Estimated Depreciable Claims
Unit Type Q**

Coast Broadwater - South Tower, 378 Marine Parade, Labrador, Qld

Diminishing Value Method

Year	Plant & Equipment	Division 43	Total
1	\$11,381	\$11,164	\$22,545
2	\$11,040	\$11,164	\$22,204
3	\$8,472	\$11,164	\$19,636
4	\$6,430	\$11,164	\$17,594
5	\$4,989	\$11,164	\$16,153
6	\$4,041	\$11,164	\$15,205
7	\$3,075	\$11,164	\$14,239
8	\$2,608	\$11,164	\$13,772
9	\$2,177	\$11,164	\$13,341
10	\$1,677	\$11,164	\$12,841
11 +	\$12,264	\$331,893	\$344,157
Total	\$68,154	\$443,533	\$511,687

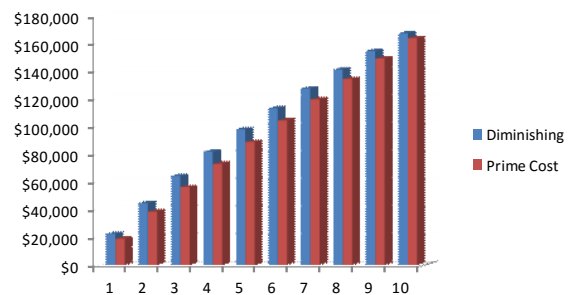
Comparison Yr 1-10



Prime Cost Method

Year	Plant & Equipment	Division 43	Total
1	\$7,800	\$11,164	\$18,964
2	\$8,485	\$11,164	\$19,649
3	\$6,646	\$11,164	\$17,810
4	\$5,496	\$11,164	\$16,660
5	\$4,778	\$11,164	\$15,942
6	\$4,329	\$11,164	\$15,493
7	\$3,981	\$11,164	\$15,145
8	\$3,678	\$11,164	\$14,842
9	\$3,569	\$11,164	\$14,733
10	\$3,500	\$11,164	\$14,664
11 +	\$15,891	\$331,893	\$347,784
Total	\$68,153	\$443,533	\$511,686

Cumulative Yr 1-10



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