

Important information about Binna Burra Sky Lodges

Community Titles Scheme

1. General

One of Australia's longest-established nature-based resorts, Binna Burra Mountain Lodge was founded in 1933 by Arthur Groom and Romeo Lahey. These two pioneering conservationists shared a vision to create a place where people can stay and experience the beauty of the Lamington National Park rainforest. Through interpretive walks and educational programs, they believed more people would become committed to preserving this natural wilderness for future generations.

In the early 1930s, they purchased the last freehold titles on the boundary of Lamington National Park and formed a public company to fund the establishment of what was to become Binna Burra Lodge Limited ("BBL") which currently owns the resort and the land being developed.

As part of this ongoing commitment, the current board of BBL has decided to construct 18 new apartments in 4 lodges on the ridge directly to the east of the Resort. The site for this development is a unique lot of 5367m² (Lot 1 on RP 124596) currently owned by BBL.

The new Binna Burra Sky Lodges will all be facing north enjoying one of Australia's most spectacular views. They are now offered for purchase by those wishing to enjoy the mountain experience.

2. What you are buying

By signing the Contract, you are offering to buy a Lot in the Binna Burra Sky Lodges Community Titles Scheme.

When a person becomes the owner of the Lot, that person also becomes a member of the Body Corporate for the Scheme, which represents Owners and holds the Common Property and other Body Corporate assets for the Owners.

As Owner of a Lot in the Scheme, a person will have a right to vote at Body Corporate meetings and you will be required to pay Body Corporate Levies.

The Body Corporate will have a Caretakers Agreement with BBL, to provide the external maintenance of the buildings and common property, provide bushfire prevention management and arrange building and public liability insurance,

The Body Corporate will have a Utilities Agreement with BBL for management of the provision of utilities including electricity, gas, water, waste water reticulation, rubbish removal and data services.

In purchasing a Lot you acknowledge there is a Lease in place in favour of BBSL which will make available the lot for use by BBL as part of its Tourist Resort and facilities. Income from the letting out of the Lots to resort guests by BBSL will be shared equally between BBSL and the owners

3. Access/Parking

Binna Burra Sky Lodges CTS has direct access to Binna Burra Road. However for security and administration reasons vehicular access to Binna Burra Sky Lodges will be via the resort owned by BBL. This access from the road, existing carpark and "energen" track, is to be recognised by a formal easement registered on the title of the BBL land.

Parking for guests of the Sky Lodges is provided in the shared parking space along the access road within the lot.

4. Community Title

To facilitate the creation of these new apartments (Lots), land owned by BBL will be subdivided by Building Format Plan under the Provisions of the Body Corporate and Community Management Act and the Land Title Act.

Once completed it is intended that the new Lots will be part of a "Binna Burra Sky Lodges Community Titles Scheme (CTS)" consisting of the 18 apartments, 1 Managers Commercial lot in the ownership of BBL; and Common Property including recreation facilities, pathways and car parking. The number of lots and configuration may vary.

Each owner or occupier of a lot in the Scheme will have full access to the Binna Burra Lodge grounds and facilities. These rights are contained in the Facilities Licence Agreement.

The Scheme will blend seamlessly with Binna Burra Mountain Lodge resort and facilities. Accordingly all owners and occupiers must comply with the requirements of the Mountain Lodge Resort and its management.

5. Lease

The construction and sale of Binna Burra Sky Lodges is part of the strategy of BBL to give additional choice of accommodation to persons desiring the Binna Burra experience.

Each apartment offered for sale by BBL is subject to a lease to Binna Burra Sky Lodges Pty Ltd ("BBSL") for 5 years with four options of 5 years each. The Lease provides for management and rental of the Lots to visitors of the Resort.

Subject to the Lease each owner at their discretion will have exclusive use of their apartment for a maximum period of 28 days per annum.

The Lease provides for the Pooling of the income generated from the sub-letting of the apartments (lots) to resort guests by BBL.

Income from the letting out of the Lots to resort guests will be shared equally between BBSL and the owners. The collective owners income will be pooled and distributed in accordance with the Lease in the "Owner's Proportion".

Owners Proportions are based on the proportion of an apartments purchase price to the total price of all 18 apartments.

Under the Lease management of the resort activities, bookings and promotion, cleaning, laundry and housekeeping will be undertaken by BBL.

The Furniture, Fittings and Equipment (FF&E) in each Lot will be maintained and insured (contents insurance, public liability) by BBL in accordance with the lease agreement. A FF&E contribution will be deducted from the gross rental to cover these expenses.

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6. Costs associated with ownership of your lot

Rates and Land Tax

You will be responsible for the payment of local authority rates issued for your Lot. You may also be liable for land tax under applicable legislation. This will depend on your particular circumstances and you should seek advice from your accountant or lawyer with regard to land tax.

Body Corporate Levies

Body Corporate Levies will cover the costs of the Body Corporate Management and the Caretaker Agreement.

The Body Corporate will formulate annual expenditure budgets for the Scheme which are payable by all members of the Scheme in the form of Body Corporate Levies. The Body Corporate will also establish a sinking fund to cover estimated capital costs for the Common Property.

Details of anticipated Body Corporate Levies payable by you as owner of the Lot during the first year of the Scheme are set out in a Disclosure Statement in the contract.

Total estimates of Body Corporate and Sinking Fund levies are summarized in the Investment Analysis.

Utility Charges

Utilities charges will cover the costs associated with the provision of all utilities as per the Utilities Agreement. Total estimates are summarized in the Investment Analysis.

Insurance

Building and external public liability insurance are part of the Body Corporate levies. Apartment contents and internal public liability insurance are part of the FF&E cost paid by BBSL in the Lease.

7. Body Corporate Management

The Body Corporate will engage a professional Body Corporate Management company to manage the Administration, Finance and Audit for the Body Corporate.

8. Caretaker Agreement

The Body Corporate and Binna Burra Lodge Limited ("BBL") will enter into a Caretaker Agreement in respect of Binna Burra Sky Lodges.

Under this Caretaker Agreement, BBL on behalf of the Body Corporate will -

- Maintain the external surfaces of the Binna Burra Sky Lodge buildings and the surrounding lands
- Provide for Bushfire Prevention Management
- Arrange insurance to cover the buildings and public liability claims in respect of the Common Property in the Scheme.

9. Utilities Management Agreement

With the exception of mains power, Binna Burra Mountain Lodge resort has for over 70 years been self sufficient. It has its own private water source and reticulation system and treats all of its waste water on site.

It is intended BBL will be engaged by the Body Corporate to administer, operate, manage and provide utility services and to render accounts to customers of the utility services.

In particular - Power Supply, Water Supply, first response Fire Fighting Services, Gas reticulation and supply, Waste water reticulation and treatment, Waste and Rubbish collection, Telephone, internet and data communications

Such engagement will be in the form of the Utilities Management Agreement.

Consumption of electricity usage for your Lot is intended to be separately metered however the total scheme's electricity consumption will be aggregated and accounts issued (including an administration charge) to each owner in the "owner proportions" contained in the Lease.

Gas reticulation will be supplied by the Utility Contractor in accordance with the terms of the Utility Management Agreement. It is proposed for a single gas tank to be located on common property. Gas consumption will be aggregated and accounts issued (including an administration charge) to each owner in the "owner proportions" contained in the Lease.

Water will be supplied by the Utility Contractor to the boundary of the Scheme Land. The current external supply is gravity fed from the Coomera River in accordance with an agreement between the State Government and BBL. Water usage for your Lot is not intended to be separately metered. A single meter in common property will be read and maintained by the Body Corporate. Water consumption will be aggregated and accounts issued to each owner in the "owner proportions" contained in the Lease.

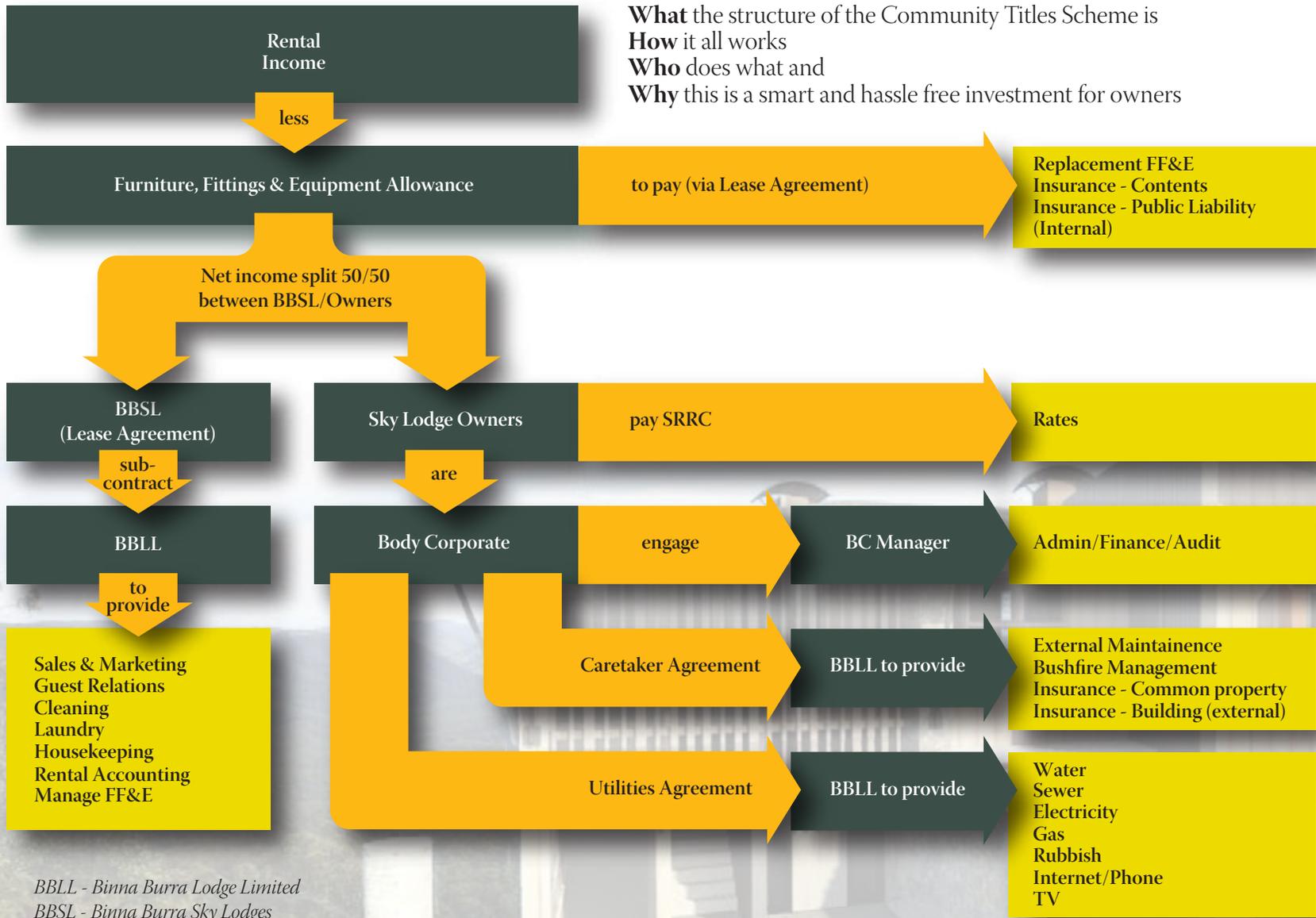
Waste water reticulation and treatment will be supplied by the Utility Contractor in accordance with the terms of the Utilities Management Agreement. The current waste water treatment plant is operated by BBL as part of its operations and will be made available to the Scheme. A Utilities Charge will include an annual waste water connection fee on a per service basis calculated in the "owner proportions" contained in the Lease.

Rubbish Removal will be supplied by the Utility Contractor in accordance with the terms of the Utility Management Agreement. A Utilities Charge will include an rubbish removal fee on a per service basis calculated in the "owner proportions" contained in the Lease.

Various Data services (for internet and TV) will be supplied to each Lot and be managed and maintained by the Body Corporate via the Utilities Management Agreement with BBL. It is not intended to meter usage by each Lot. A Utilities Charge will include a fee to cover the costs of providing Data services to each Lot on a pro rata basis in the "owner proportions" contained in the Lease



CTS Structure



What the structure of the Community Titles Scheme is
How it all works
Who does what and
Why this is a smart and hassle free investment for owners

BBLL - Binna Burra Lodge Limited
 BBSL - Binna Burra Sky Lodges

