A once in a lifetime opportunity to own a town

21-Apr-16

‘The Mount Burrell Township Precinct’
Mount Burrell, New South Wales

Rainmaker Eco Investments Pty Ltd
‘The Mount Burrell Township Precinct’

Mount Burrell, New South Wales

Location

3220 Kyogle Road Mount Burrell, New South Wales, 2484;

Approx 30km from Murwillumbah in the Tweed Valley catchment

Approx 10km from Nimbin

Established in 1979 – this is the first time it has ever been listed for sale – deceased estate.

Introduction

This Commercial precinct is being acquired by Mount Burrell Commercial Pty Ltd, a company established by developers Rainmaker Eco Investments Pty Ltd. It complements their other property investments in the region moving forward. The founders of these entities have recently purchased (June 2015) the surrounding 650 acre farm, whereby they are currently establishing an Intentional Community known as Bhula Bhula.

The general surrounding area is earmarked for up to a further 400 (plus) home sites (current DA approval) within 3km of this commercial location and potentially many more planned, which is also being purchased by a further subsidiary company of Rainmaker Eco Investments Pty Ltd.

The site is on the extremely well known and well-traversed Kyogle Road tourist trail, with many thousands of cars passing through the centre of town each weekend on the pilgrimage to Nimbin and Kyogle.
Site Includes

- Caravan Park - 25 Sites (+ 10 acres of vacant usable land – possible rezone and sell off as residential blocks in future)
- General Store and Bottle Shop, (currently leased)
- Two Vacant Shops with new Tenants (ready to lease both),
- Petrol Station, (old pumps and in need of re-fit)
- The Sphinx Rock Licensed Café and Restaurant (leased).

It is essentially the entire township of Mount Burrell.

The Owner

Mount Burrell Commercial Pty Ltd
ACN 609 290 173
Corporate Address; Suite 38, Level 4, 46 Cavill Avenue,
Surfers Paradise, Queensland, 4217

<table>
<thead>
<tr>
<th>The Director</th>
<th>Cherie Frances Stokes</th>
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<tbody>
<tr>
<td>Purchase Price</td>
<td>$930,000</td>
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<tr>
<td>The Investment Sought</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>Balance of Settlement Funds</td>
<td>Will come from purchaser’s cash and or superannuation SMSF contributions</td>
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Note: Currently there is over $1.1 million pledged to date for this site’s acquisition from SMSFs and cash investors.

The additional funds sought are (but not limited to) to carry out renovations to the Café, General Store and Vegetable shop areas, new signage, fencing, and a total revamp of the Caravan Park.
The Incoming Lessee for Caravan Park

Mt Burrell Caravan Park Pty Ltd

ACN 611 343 992

Director: Adrian Brennock

This company will be a JV management / marketing agreement between Mt Burrell Caravan Park Pty Ltd and Sustainable Park Solutions that involves an executed valid commercial lease, but with generous landlord incentives, in the first instance, to establish the Park as a long-term viable business for them all.

The Management Group; Sustainable Park Solutions is extremely keen to consummate this opportunity, as the area was and still is earmarked by them as a growth corridor for Eco Caravan Parks and no others are being offered for sale that are comparable to this one’s size, opportunity and expansion possibilities.

The lease is to include an option (first right of refusal) for them to buy the caravan park management rights, at true market value at some stage in the future.
Brief Summary of Site Assets

The Caravan Park

Council approval for 25 powered Cabin/Caravan sites plus approval for camping on expansive camp grounds.

‘Burrelela Caravan Park’ is set on 17 lush level acres, with Tweed River Frontage meandering along the north-western boundary.

The park currently has one on-site caravan and three small cabins with three of them currently leased.

Improvements include a $300,000 sewage treatment system to treat the effluent and sprinkle the treated water approximately 500m away, an older toilet block (men’s/ladies’/laundry) behind the General Store and another newer toilet block (men’s/ladies’/laundry and disbaled facilities) built in 2007 in the north-eastern corner of the park (at a cost of $150,000).
There is also a flat field on the North side of the newer toilet block suitable for camping. This Caravan Park has all the amenities in place for the park to function at full capacity; it just needs new on-site cabins/caravans to discover its full potential.

We have employed a ‘sustainable park’ consultancy firm that has sourced an existing and well-respected Caravan Park operator to sign a lease for the site once the new owners acquire it. (Contemporaneous execution).

This new lease is on the basis of 10 + 10 + 10 year terms and the initial term value of this initial lease is circa $1 million as a prescribed asset. Their current online booking system and marketing budget will only assist in increasing the Park’s occupancy once the site is acquired and the cash-flow increase will be almost immediate with the addition of their Safari Tents to the site and as per the improvement plan. (See attachment).

The Caravan Park currently has a building entitlement on the land it owns across the road should we wish to build a Manager's Residence or other building, and the incoming purchasers are currently negotiating with its neighbours with regards to our parcels of land, and the possible future acquisition of those as well.

Once achieved, this would see us owning every parcel of land on both sides of this commercial precinct and thoroughfare, thus monopolising the town and its cash flow.
General Store / Service Station and Bottle Shop

Income is currently generated from four shops that are leased within the Park, which caters to the locals and tourists that come into town.

The Shop and Service Station are in average to fair condition – with tanks just being passed for another 24 months – The whole site is in need of an upgrade and re-fit, and this is in the short-term budget.

There are existing plans for a Bio-Diesel Plant and pump to be added to this Service station immediately after acquisition, as well as solar powered electric car charging points. The environmental $$$ and alternative fuel demand is very high in this eco area, and is not currently catered for from a retail perspective.

The General Store and Service Station will receive immediate ‘cosmetic upgrades’ with a longer term re-fit planned medium-term.
The Sphinx Rock Licensed Café

Fully leased and an iconic landmark and meeting point in the local area. It has a very steady trade during the weekdays and John and Sharon are exceptionally busy on weekends with live music most Sundays; a great draw card to attract guests to the Caravan Park to stay a few days in the area. The idea is that the café will supply an ideal option of local fresh and organic meals to the Caravan Park and its residents and a joint marketing plan has been agreed to and will be implemented once the site is acquired.

Its staff and their warm service, its location on the Tweed River and its amazing food make it the biggest draw card to the site at present.

The Iconic Sphinx Rock Café

Stream besides café

Café dining area
Mount Burrell Fruit Shop, and a Small Clothes Store

(Both currently closed – new tenants ready and waiting).
The previous tenant - Fruit and Vegie shop operator has expressed a desire to come out of ‘retirement’ and release the site he once operated.

He has in principle agreed to return to the shop and increase the size of his previous tenancy to take over the old ‘dress shop’ as his previous tenancy was too small for the huge demand for his products.

All other proprietors are extremely encouraged and excited by his imminent return, as anecdotally, they have both told the incoming purchasers that their ‘turnover halved’ after his departure some years ago. In any event, the applications to lease the site for the purpose of a Fruit and Vegie proprietor are numerous and are still being received ongoing.

Company Shareholding

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<thead>
<tr>
<th>Company</th>
<th>Shares (Class)</th>
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<tbody>
<tr>
<td>Rainmaker Eco Investments Pty Ltd</td>
<td>190,000 (‘A’ Class Shares)</td>
</tr>
<tr>
<td>Various Investors (less than 18 in total)</td>
<td>1,800,000 (‘B’ Class Shares)</td>
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<tr>
<td>Total Shares</td>
<td>1,990,000</td>
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<tr>
<td>Turnover (current approximately)</td>
<td>$85,000</td>
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<tr>
<td>Turnover (projected after capital improvements)</td>
<td>$170,000</td>
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*Please Note: These figures are purely speculative, and based upon our own research, experience, and that of Sustainable Park Solutions.*
Click on the Websites below for More Information

Sphinx Rock Café (Click Here)
Their site, introduces the Lessees and the Café

Local Real Estate Agents (Click Here)
This has 19 site related pictures and information on it that will help regarding geography and location.

Bhula Bhula (Click Here)
This is the surrounding land owned partially by these three investors in conjunction with others.

Attachments

Landscape Masterplan Report

Sphinx Rock Caravan Park Forecasts