

**Australian Securities and Investments Commission
Corporations Act 2001 — Paragraphs 601QA(1)(a), 741(1)(a), 911A(2)(l),
992B(1)(a) and 1020F(1)(a) — Revocation and Exemption**

1. Under paragraphs 601QA(1)(a) and 741(1)(a) of the *Corporations Act 2001* (the "Act"), the Australian Securities and Investments Commission ("ASIC") hereby revokes Class Order [00/215].
2. Under paragraphs 601QA(1)(a), 911A(2)(l), 992B(1)(a) and 1020F(1)(a) of the Act, ASIC hereby exempts the class of persons mentioned in Schedule A from:
 - (a) sections 601ED, 992A and 992AA and Part 7.9 of the Act in the case mentioned in Schedule B on the conditions set out in Schedule C and for as long as they are met; and
 - (b) the requirement to hold an Australian financial services licence for the provision of financial services by the person in relation to Syndicate Interests (as defined in Schedule B) offered on a basis which meets the conditions and requirements in Schedules C and D.
3. Under paragraph 911A(2)(l) and 1020F(1)(a) of the Act, ASIC hereby exempts a person (other than a person in the class of persons mentioned in Schedule A) from:
 - (a) the requirement to hold an Australian financial services licence for the provision of financial services by the person in relation to interests in; and
 - (b) Part 7.9 of the Act in relation to a recommendation that a retail client acquire, and an offer to arrange the issue of an interest in,

a Syndicate that is being offered on a basis which appears to meet the conditions and requirements in Schedules C and D, except where the person is aware, or ought reasonably to be aware, that those conditions and requirements have not been met.

SCHEDULE A

Persons operating a Syndicate or offering to issue or sell or issuing interests in a Syndicate.

SCHEDULE B

The operation of, and offering for issue or sale, recommending to acquire and issuing interests in, a managed investment scheme ("Syndicate") under which each interest that has been offered ("Syndicate Interest") comprises:

- (a) an agreement ("Syndicate Agreement") that complies with Schedule D

between the persons ("Investors") who are to purchase or who hold legally and beneficially a fee simple title to real property or fee simple titles to adjoining real properties ("Syndicate Property");

- (b) any agreement between Investors and a person ("Manager") that the Manager will provide property management services including arranging leases, collecting rent, and arranging repair and maintenance work in relation to the Syndicate Property.

SCHEDULE C

Persons involved in offering for issue or sale a Syndicate Interest in the Syndicate ("offerors"):

- (a) must not issue or sell any Syndicate Interest if that would result in more than 15 Investors (with joint holders and tenants in common being counted separately) holding Syndicate Interests;
- (b) must have no associate (as defined for the purposes of Chapter 7 of the Act) who is in the ordinary business of promoting property syndicates unless none of the offerors and their associates may benefit from the Syndicate other than on the same basis as all the Investors in the Syndicate;
- (c) must hold for the duration of the Syndicate a Syndicate Interest of at least 5% of the total value of the Syndicate Interests;
- (d) if:
 - (i) Investors do not contract to buy the Syndicate Property within 6 months after the date on which an Investor first made an application to purchase a Syndicate Interest; or
 - (ii) the title to the Syndicate Property is not held by the Investors within 9 months after that date,

and the Syndicate Agreement is terminated at the request of an Investor pursuant to the Syndicate Agreement - must return to Investors within 14 days any money paid to an offeror or its associates by Investors in connection with Syndicate Interests (together with any interest that has accrued on that money) less any expenses permitted under the Syndicate Agreement;

- (e) must ensure that any money paid to apply for the Syndicate Interests is immediately deposited by an offeror on trust for the Investors in a separate account with an Australian bank or in units in a cash management trust that is a registered scheme pending the title to the Syndicate Property being held by the Investors and is disbursed only in accordance with the Syndicate Agreement;
- (f) must ensure that no charge, mortgage or other security interest ("mortgage") applies to any part of the Syndicate Property on the Investors being vested with the

property except as specified in the Syndicate Agreement and must not be involved in the creation of any mortgage except in accordance with the Syndicate Agreement;

- (g) must not agree to or be involved in any amendment to the Syndicate Agreement that causes non-compliance with Schedule D; and
- (h) must comply with their obligations under the Syndicate Agreement.

SCHEDULE D

The Syndicate Agreement must contain provisions to the effect of the following:

- (a) identifying the Syndicate Property by its address and particulars of title or, if this is not known when the Syndicate Agreement is entered into, describing the type of property to be purchased by reference to its physical location, its function, the desired annual yield or return and price range;
- (b) if the Syndicate Property is not identified in the Syndicate Agreement, that no Syndicate Property will be purchased without the approval in writing of all Investors to the purchase of that property;
- (c) if the Investors do not contract to buy the Syndicate Property within 6 months after the date on which an Investor first made an application to purchase a Syndicate Interest, or if title to the Syndicate Property is not held by the Investors within 9 months after that date, the Syndicate Agreement will be terminated at the request of any Investor and all money held on behalf of the Investors under the Syndicate Agreement (including any interest that has accrued on that money) must be returned to the Investors (less any expenses incurred by an offeror in paying persons other than its associates permitted under the Syndicate Agreement) in proportion to the value of their Syndicate Interests within 14 days of such a request;
- (d) no mortgage over any part of the Syndicate Property other than any mortgage specified in the Syndicate Agreement may be created unless all Investors who are registered proprietors of that part of the Syndicate Property agree to that mortgage;
- (e) the agreement is to hold and lease the Syndicate Property (if necessary after having purchased it) as an investment and not for any other purpose that is not incidental to the purchase, lease, and holding of the Syndicate Property for gain;
- (f) if for any period of 3 consecutive months after the first acquisition of Syndicate Property, the value of any property to which the Syndicate Agreement relates but which is not real property, exceeds 20% of the value of all the property to which the Syndicate Agreement relates, the Syndicate Agreement will be terminated at the request of any Investor and all money held on behalf of the Investors under the Syndicate Agreement after meeting any expenses payable under the Syndicate Agreement must be paid to Investors in proportion to the value of their Syndicate Interests as soon as practicable;

- (g) if any moneys are paid to an offeror or its associates in relation to Syndicate Interests the moneys will be immediately deposited on trust for the Investors in a separate account with an Australian bank or in units in a cash management trust that is a registered scheme and disbursed only in accordance with the Syndicate Agreement; and
- (h) the Syndicate Agreement may not be amended unless all Investors agree in writing and the amendment does not result in the Syndicate Agreement not complying with this Schedule.

Interpretation

For the purposes of this instrument the value of the Syndicate Interest of an Investor relative to the total value of the Syndicate Interests is to be taken to be the proportion that the amount paid upon application for issue of that Syndicate Interest (regardless of any amount paid on a transfer of the interest) bears to the total of amounts paid upon application for all Syndicate Interests.

Commencement

This instrument takes effect on the commencement of Schedule 1 to the *Financial Services Reform Act 2001*.

Dated the 16th day of February 2002

Signed by Brendan Byrne
as a delegate of the Australian Securities and Investments Commission