

NOTICE TO CREDITORS AND SUBCONTRACTORS

8 May 2015
Our Ref: JT/CK/TL/AS s11

Dear Sir / Madam

Capital Works Constructions Pty Ltd (Administrators Appointed) ACN 118 889 133
Formerly Trading as Freelifelife Homes and Visionaire Homes
Capital Construction Hire Pty Ltd (Administrators Appointed) ACN 163 111 608
(Collectively “the Group”)

Gary Doran and I were appointed Joint and Several Administrators of the Group on 7 May 2015 pursuant to Section 436A of the *Corporations Act 2001*.

I have taken control of the operations and the Group is currently not trading. We have requested the directors of the Group to prepare a statement of assets and liabilities of the Group as at the date of our appointment.

If you are a supplier or subcontractor and have plant and equipment and/or materials located at a Group construction site, we request that you do not attempt to collect it unless authorised to do so by the Administrators. Please notify the Administrators of any plant and equipment and/or materials that you assert ownership of located at a Group construction site in writing to freelife@deloitte.com.au. Please ensure that you provide details of your registered security interest in support of your claim.

The effect of our appointment is to place a moratorium on the payment of unsecured creditors' accounts in relation to trading and other debts incurred up to the date of my appointment, until creditors make a decision about the Group's future. That decision will be made at a second meeting of creditors, to be held within 25 business days following our appointment. Creditors will receive notice of that meeting in due course.

Creditors with security interests including retention of title creditors will have their entitlements determined in accordance with relevant processes under the applicable law. We request that you prepare and submit details of your registered security interests in support of your claim in writing to freelife@deloitte.com.au.

I am required to convene a first meeting of creditors within 8 business days following my appointment. In this regard, I enclose the following:

1. Notice of Meeting of Creditors to be held on Tuesday, 19 May 2015 at 3pm at The Boulevard Centre, 99 The Boulevard, Floreat, WA 6014 (the "first meeting").
2. Informal Proof of Debt for Voting Purposes.
3. Instrument of Proxy.
4. A Declaration of Independence / Indemnities & Relevant Relationships for the purposes of Section 436DA of the Act.
5. ASIC/ARITA Information Sheet.
6. Remuneration Proposal.

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Member of Deloitte Touche Tohmatsu Limited

Proxies and Informal Proofs to be used at the meeting should be lodged with the Chairperson, C/- Deloitte Touche Tohmatsu, Woodside Plaza, Level 14, 240 St Georges Terrace, PERTH WA 6000, no later than 4.00pm on the day preceding the meeting.

Queries

In the first instance, we ask that you visit www.deloitte.com/au/freelife-homes where updates will be provided.

If the updates do not specifically address your query, please email freelife@deloitte.com.au and we will respond to your query as soon as possible. Alternatively, please contact our dedicated hotline on (08) 9365 7045.

We do anticipate a high volume of enquiries and we ask for your patience whilst we respond to your query.

Yours faithfully



Jason Tracy
Joint and Several Administrator

Encl.

CORPORATIONS ACT 2001
Section 436E

NOTICE OF CONCURRENT FIRST MEETING OF
CREDITORS OF COMPANIES UNDER ADMINISTRATION

CAPITAL WORKS CONSTRUCTIONS PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 118 889 133
PREVIOUSLY TRADING AS "FREELIFE HOMES" AND "VISIONAIRE HOMES"

CAPITAL CONSTRUCTION HIRE PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 163 111 608

1. On 7 May 2015 the companies under section 436A appointed Jason Mark Tracy and Gary Peter Doran of Deloitte Touche Tohmatsu, Woodside Plaza, Level 14, 240 St Georges Terrace, PERTH WA 6000 as the Joint and Several Administrators of the companies.
2. Notice is now given that concurrent meetings of the creditors of the companies will be held at The Boulevard Centre, 99 The Boulevard, Floreat, WA 6014 on Tuesday, 19 May 2015 at 3:00PM.
3. The purpose of the meeting is to determine:
 - a. whether to appoint a committee of creditors; and
 - b. if so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - a. remove the Joint Administrators from office; and
 - b. appoint someone else as Administrator of the company.
5. Attendance at this meeting is not compulsory. Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy must be made in accordance with Form 532.

A specific proxy can be lodged showing approval or rejection of each resolution. Proxy forms or facsimiles thereof must be lodged with our office **by 4.00pm on the day prior to the meeting**. Where a facsimile copy of a proxy is sent, the original must be lodged with my office within 72 hours after receipt of the facsimile. An attorney of the creditor must show the instrument by which he or she is appointed to the Chairman of the meeting, prior to the commencement of the meeting.

Telephone conference facilities will not be available at the meeting.

DATED this 8th day of May 2015.



JASON MARK TRACY
JOINT AND SEVERAL ADMINISTRATOR

Deloitte Touche Tohmatsu
Woodside Plaza,
Level 14
240 St Georges Terrace
PERTH WA 6000

Telephone: (08) 9365 7045

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

**CAPITAL WORKS CONSTRUCTIONS PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 118 889 133**

Name of creditor:

Address of creditor:
.....

ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$.....)

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

.....
.....
.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....
.....
.....

Other information:

.....
.....

.....
Signature of Creditor
(or person authorised by creditor)

.....
Dated

Notes:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- a. his or her claim has been admitted, wholly or in part, by the Joint Administrators; or
- b. he or she has lodged with the Joint Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security.

Proxies must be made available to the Joint Administrators.

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

**CAPITAL CONSTRUCTION HIRE PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 163 111 608**

Name of creditor:

Address of creditor:

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ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$.....)

Consideration for debt (i.e, the nature of goods or services supplied and the period during which they were supplied):

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.....

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Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

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Other information:

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Signature of Creditor
(or person authorised by creditor)

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Dated

Notes:

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- a. his or her claim has been admitted, wholly or in part, by the Joint Administrators; or
- b. he or she has lodged with the Joint Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security.

Proxies must be made available to the Joint Administrators.

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY
CREDITORS MEETING

**CAPITAL CONSTRUCTION HIRE PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 163 111 608**

*I/*We (1)
of
a creditor of Capital Construction Hire Pty Ltd, appoint (2)
.....
or in his or her absence
as *my/our *general/special proxy to vote at the meeting of creditors to be held on , or at any adjournment of that
meeting.(3)

DATED this day of 2015.

Signature

CERTIFICATE OF WITNESS

This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

* Strike out if inapplicable

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.
- (3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY
CREDITORS MEETING

**CAPITAL WORKS CONSTRUCTIONS PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 118 889 133**

*I/*We (1)
of
a creditor of Capital Works Constructions Pty Ltd, appoint (2)
.....
or in his or her absence
as *my/our *general/special proxy to vote at the meeting of creditors to be held on , or at any adjournment of that
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- (2) Insert the name, address and description of the person appointed.
- (3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.

Declaration of Independence, Relevant Relationships and Indemnities

Capital Construction Hire Pty Ltd (the Company) ACN 163 111 608

This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - (i) the circumstances of the appointment;
 - (ii) any relationships with the company and others within the previous 24 months;
 - (iii) any prior professional services for the company within the previous 24 months;
 - (iv) that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our partners and Deloitte Touche Tohmatsu (Deloitte).

A. Independence

We, Jason M Tracy and Gary P Doran of Deloitte have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as administrator of the Company in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. Declaration of Relationships

i. Circumstances of appointment

We were introduced by one of the Company's suppliers to the Company's director, Joshua Coffey, who had concerns about the financial status of the Company.

As a result of that introduction, we had the following three meetings:

- On 2 May 2015 Gary Doran and a member of his staff met with Joshua Coffey
- On 4 May 2015 Jason Tracy and Gary Doran attended a meeting with the Joshua Coffey and representatives from NAB who is the secured creditor of Capital Works Construction Pty Ltd ACN 118 881 133 (CWC), a director related company. We have also been appointed administrator of CWC.

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Member of Deloitte Touche Tohmatsu Limited

- On 6 May 2015 Jason Tracy and members of his staff attended a meeting with Joshua Coffey.

In addition, we have had a number of telephone discussions with Joshua Coffey regarding the financial position of the Company and the insolvency process.

The purpose of the abovementioned meetings and telephone discussions were:

- For us to obtain sufficient information about the Company for us to agree to accept the appointment, including the assets and liabilities of the Company, the key stakeholders likely to be impacted by the appointment, the key risks associated with the appointment;
- To clarify and explain the nature and consequences of insolvency for the Company; and
- For us to provide a consent to act.

These meetings were in the nature of a pre-appointment discussion and were limited to the financial position of the Company. During these meetings advice was limited to verbal discussions of the potential options available. It is our opinion that these meetings do not present a conflict or impediment as we do not consider ourselves to be bound to provide services to the Company in relation to this matter or in any way obligated to deliver a favourable outcome to any party, nor will the advice provided be subject to review and challenge during the course of the voluntary administration. The Courts and the ARITA's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment.

We have provided no other information or advice to the company, the directors and its advisors prior to our appointment beyond that outlined in this DIRRI.

ii. Relevant Relationships (excluding Professional Services to the Company)

Neither we, nor our firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a charge on the whole or substantially whole of the Company's property.

iii. Prior Professional services to the Company

Neither we, nor our firm, have provided any professional services to the Company in the previous 24 months.

iv. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over the whole or substantially whole of the Company's property that should be disclosed.

C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated: 8 May 2015



signed, Jason M Tracy



signed, Gary P Doran

Declaration of Independence, Relevant Relationships and Indemnities

Capital Works Constructions Pty Ltd (the Company) ACN 118 881 133

This document requires the Practitioners appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - (i) the circumstances of the appointment;
 - (ii) any relationships with the company and others within the previous 24 months;
 - (iii) any prior professional services for the company within the previous 24 months;
 - (iv) that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of ourselves, our partners and Deloitte Touche Tohmatsu (Deloitte).

A. Independence

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i. Circumstances of appointment

We were introduced by one of the Company's suppliers to the Company's director, Joshua Coffey, who had concerns about the financial status of the Company.

As a result of that introduction, we had the following three meetings:

- On 2 May 2015 Gary Doran and a member of his staff met with Joshua Coffey
- On 4 May 2015 Jason Tracy and Gary Doran attended a meeting with Joshua Coffey and representatives from NAB who is the Company's secured creditor
- On 6 May 2015 Jason Tracy and members of his staff attended a meeting with the Joshua Coffey.

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The purpose of the abovementioned meetings and telephone discussions were:

- For us to obtain sufficient information about the Company for us to agree to accept the appointment, including the assets and liabilities of the Company, the key stakeholders likely to be impacted by the appointment, the key risks associated with the appointment;
- To clarify and explain the nature and consequences of insolvency for the Company; and
- For us to provide a consent to act.

These meetings were in the nature of a pre-appointment discussion and were limited to the financial position of the Company. During these meetings advice was limited to verbal discussions of the potential options available. It is our opinion that these meetings do not present a conflict or impediment as we do not consider ourselves to be bound to provide services to the Company in relation to this matter or in any way obligated to deliver a favourable outcome to any party, nor will the advice provided be subject to review and challenge during the course of the voluntary administration. The Courts and the ARITA's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment.

We have provided no other information or advice to the company, the directors and its advisors prior to our appointment beyond that outlined in this DIRRI.

ii. Relevant Relationships (excluding Professional Services to the Company)

We, or a member of our firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons why not an impediment or conflict
National Australia Bank Limited (NAB)	<p>NAB holds a registered security interest over the whole/substantially the whole of the property of the Company.</p> <p>We have undertaken a number of formal insolvency and advisory engagements for NAB in the usual course of business.</p> <p>Deloitte has provided and continues to provide Accounting, Advisory,</p>	<p>We have never undertaken any work for NAB in respect of the Company.</p> <p>We do not consider previous formal insolvency and advisory engagements accepted for NAB to present a conflict as there is no connection between these engagements and the Company.</p> <p>The provision of Accounting, Advisory, Consulting, Data Analytics, Forensic, Risk Services and Tax services to NAB brings about a commercial relationship that in our opinion does not present a conflict or impediment as it does not impact upon the position of the Company.</p>

	Consulting, Data Analytics, Forensic, Risk Services and Tax services to NAB.	We are not paid any commissions, inducements or benefits to undertake any engagements with NAB and do not consider ourselves to be bound or in any way obligated to deliver a favourable outcome to any party. Therefore there is no relationship with NAB which in our view would restrict us from properly exercising our judgment and duties in relation to the appointment.
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iii. Prior Professional services to the Company

Neither we, nor our firm, have provided any professional services to the Company in the previous 24 months.

iv. No other relevant relationships to disclose

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has security over the whole or substantially whole of the Company's property that should be disclosed.

C. Indemnities and up-front payments

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

Dated: 8 May 2015



signed, Jason M Tracy



signed, Gary P Doran



ASIC/ARITA Information sheet for

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Australian Restructuring Insolvency & Turnaround Association (ARITA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 Insolvency: a glossary of terms
- INFO 74 Voluntary administration: a guide for creditors
- INFO 75 Voluntary administration: a guide for employees
- INFO 45 Liquidation: a guide for creditors
- INFO 46 Liquidation: a guide for employees
- INFO 54 Receivership: a guide for creditors
- INFO 55 Receivership: a guide for employees
- INFO 43 Insolvency: a guide for shareholders
- INFO 42 Insolvency: a guide for directors
- INFO 84 Independence of external administrators: a guide for creditors
- INFO 85 Approving fees: a guide for creditors

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the ARITA website at www.arita.com.au. The ARITA website also contains the ARITA's Code of Professional Practice for Insolvency Professionals, which applies to ARITA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

Remuneration Proposal

Remuneration Methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency Practitioner. They are:

- 1. Time based / hourly rates**
This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.
- 2. Fixed Fee**
The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes a Practitioner will finalise an administration for a fixed fee.
- 3. Percentage**
The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.
- 4. Contingency**
The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Method chosen

Given the nature of this administration we propose that our remuneration be calculated on Time based / hourly rates. This is because:

- We will only be paid for work done, subject to sufficient realisations of the Group assets.
- It ensures creditors are only charged for work that is performed. Our time is recorded and charged in six minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- We are required to perform a number of tasks which do not relate to the realisation of assets, e.g. responding to creditor enquiries, reporting to the ASIC, distributing funds in accordance with the provisions of the Corporations Act 2001.
- We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in this administration.

Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage,

Title	Description	Hourly Rate (excl GST)
Appointee	Registered liquidator. Brings his or her specialist skills to the administration or insolvency task.	585
Partner	Registered liquidator. Brings his or her specialist skills to the administration or insolvency task.	585
Director/ Consultant	Typically CA or CPA qualified with in excess of 8 years' experience on insolvency matters with a number of years at manager level. Answerable to the appointee but otherwise responsible for all aspects of an administration. Capable of controlling all aspects of an administration. May be appropriately qualified to take appointments in his/her own right.	485
Manager	Typically CA or CPA qualified with 6 to 8 years' experience working on insolvency matters. Will have experience conducting administrations and directing a number of staff.	420
Senior Analyst	Typically completed or near completion of CA or CPA qualifications with 4 to 6 years insolvency experience. Assists in planning and control of smaller matters as well as performing some more difficult tasks on larger matters.	315
Analyst	Typically studying towards CA or CPA qualification with 2 to 4 years insolvency experience. Workers under supervision of more senior staff in performing day-to-day fieldwork.	210
Graduate	Junior staff member who has completed a university degree with less than one years' experience working on insolvency matters. Works under supervision of more senior staff in performing day-to-day fieldwork.	110
Secretary	Advanced secretarial skills	110

Our best estimate of our remuneration of the cost of the administration for the first 6 weeks is \$25,000 per week, plus GST and disbursements.

Dated this the 8th May 2015



**JASON MARK TRACY
JOINT AND SEVERAL ADMINISTRATOR**