

NOTICE TO HOMEBUYERS WITH WORK IN PROGRESS

7 June 2015

Dear Sir / Madam

Capital Works Constructions Pty Ltd (Administrators Appointed) ACN 118 889 133
Formerly trading as Freelif Home and Visionaire Homes
("CWC")

We are pleased to advise the Administrators reached an agreement with Central Systems Pty Ltd (Centrals) to acquire the WIP contracts and associated records.

Pre-appointment dealings

You may be aware that CWC had entered into a contract of sale with Centrals for the WIP contracts and records prior to the appointment of the Administrators.

You may also be aware that we wrote to homebuyers advising that in our view:

- The contract between CWC and Centrals had not been completed; and
- Performance of the contract was not in the best interests of creditors of CWC.

As a consequence of the above, Centrals was invited to submit an Expression of Interest (EOI) to acquire the assets of CWC as part of the sale process undertaken by the Administrators.

We wish to make it clear that it is based on the EOI submitted by Centrals that the Administrators have agreed to sell the WIP contracts and records to Centrals.

Overview of sale process

We set out below a brief overview of the sale process undertaken by the Administrators:

- EOIs to purchase the assets of CWC were sought from interested parties which were due on 15 May 2015. 18 EOIs were received
- Further and better particulars were sought from those parties that had submitted an EOI which were due on 18 May 2015. 10 further and better particulars were received.
- The Administrators shortlisted preferred parties based on the strength of their offer, the interested parties' ability to complete the transaction (including timing and capacity), the interested parties' ability to re-contract with WIP homebuyers and any other factors the Administrators considered relevant
- The Administrators then contacted short-listed parties to determine their ability to improve their offers in order to identify a preferred party.

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Basis for selecting Centrals

We set out below our basis for selecting Centrals as the preferred party to purchase the WIP contracts and records:

- Centrals have a home indemnity insurance policy with QBE
- Centrals have indicated a willingness to re-engage with existing subcontractors to complete your home which will reduce costs and timeframes
- Centrals have demonstrated their ability to re-contract with WIP homebuyers
- Centrals' offer to purchase carried the lowest amount of risk for the Administrators.

Based on the above, we believe that the agreement with Centrals will maximise the value realised for the WIP contracts and records, will likely reduce the overall creditor pool in the administration and ultimately is in the best interests of all creditors of CWC.

Impact to WIP homebuyers

As a result of the agreement reached with Centrals, the Administrators hereby give notice that your building contract with CWC is terminated effective immediately which in turn will allow you to re-contract with Centrals.

The Administrators have provided to Centrals the records which Centrals can use to quote on and undertake the completion of your home. Accordingly, we recommend you contact Nicole Robinson at Centrals as soon as possible to discuss the completion of your home.

We wish to reiterate that WIP homebuyers are not obligated to re-contract with Centrals and that homebuyers can engage with a builder of their choice. However, as Centrals are now in possession of your design plans, they are best placed to quote on and complete the construction of your home in the most timely and cost-effective manner.

WIP Homebuyer queries

If you have queries about this announcement or about the administration generally, 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.

If you wish to contact Centrals to discuss re-contracting with Centrals to complete your home, please contact Nicole Robinson on (08) 9443 2928 or email residential@centralsystems.com.au

If you have a query with respect to home indemnity insurance, please use any one of the following contact details:

Phone: 1300 790 723
Postal: GPO Box 4323, Melbourne VIC 3000
Email: builderswarrantyclaims@qbe.com

Thank you for your cooperation during the process and we wish you well with respect to the completion of your home.

Yours faithfully



Jason Tracy
Joint and Several Administrator