

OFFERING DOCUMENT



THE
THIRD
AUGUSTA
SYNDICATE
– GERMANY GMBH



The Third Augusta Syndicate – Germany GmbH

THE BERLIN MEDICAL CENTRE

Offering Document

Any transaction is subject to contract and a contract will not exist until formal documentation has been signed and consideration passed. Whilst The Third Augusta Syndicate - Germany GmbH, (the "Company") has taken all reasonable care to ensure all statements of fact or opinion contained herein are true and accurate in all material respects and that there are no material facts the omission of which would make misleading any statement herein, neither the Company or its agents, employers, officers or advisers make any representation or warranty or give any undertaking as to the accuracy and completeness of any such information. Investors should seek independent professional advice. Attention is drawn to the Risks outlined on page 7 and key assumptions on page 11.

This document is being issued in the Republic of Ireland only.

CONTENTS

FOREWORD

Executive Summary	1
Directors, Management Team and Advisors	3

SECTION A

FEATURES OF THE INVESTMENT

Key Features of German Property Market	4
The Property	5
Advantages of Investing into the Company	6
Risks	7
Exit Mechanism	8
Taxation Issues	9
Illustrative Financial Returns	11

SECTION B

MANAGEMENT FEES AND CHARGES

Directors' Remuneration	12
Incentive	12

SECTION C

GENERAL INFORMATION

Share Capital and Structure	12
Material Contracts	12
Reports to Investors	12

SECTION D

APPLICATION PROCEDURE

Procedure and Conditions for Application	13
Application Form	14

FOREWORD

EXECUTIVE SUMMARY

This document is issued by The Third Augusta Syndicate - Germany GmbH.

The Company has been established to raise approximately €2.35 million to finance, with the assistance of bank borrowings, the purchase of a medical centre in Weissensee, Berlin, Germany (the "Property")¹.

Investment into the Company will be by way of the purchase of units (the "Units") in the Company (the "Placing"). These Units will be issued in denominations of €10,000 and will be structured so as to ensure increased flexibility with regard to the return to investors of their initial investment. As a result, the units are comprised of a mixture of equity and loan notes. As the minimum investment level is €50,000 per investor, each investor will hold a minimum of 5 Units. Thereafter, additional single Units of €10,000 may be purchased.

The Units will be held on behalf of the investors by a nominee company called Augusta Nominees Three Limited (the "Nominee"), pursuant to a Nominee Agreement to be entered into between each of the investors and the Nominee.

The proceeds of the Placing will be utilised, together with bank borrowings, to purchase the Property. The Property will be held in the Company for approximately 5 years, after which time, either the Property or the Company will be disposed of on behalf of the investors.

Investment in the Company affords investors the opportunity to participate in an asset backed investment involving a property which is already fully let and which is positioned in a mature market sector in the largest economy in Europe.

Potential Rate of Return

If the assumptions on page 11 of this document are achieved, investors could achieve a return of 15.9% per annum compound on their original investment in approximately 5 years time. However, investment into property has risks, the market can go down as well as up. Reference should therefore be made to the Risks outlined on page 7.

Management

Mr. Declan Kennedy and Mr. Philipp Graf von Matuschka, who collectively have considerable experience in developing and managing property funds and syndicates, as well as significant experience of investing in the German property market, have established the Company. The directors and the management company (APS Augusta Property Services Limited) also have a close relationship with Colliers, a worldwide estate agency, who will advise the Company during the property purchase process.

The Market

The German property market has recently shown signs of a recovery along with the German economy as a whole. According to the OECD, the current political and industrial reforms underway in Germany should allow for further economic growth which, in turn, should lead to a stimulation of growth in the property sector.

¹ The Property is currently undergoing due diligence following the exchange of a letter of intent. In the unlikely event of the acquisition not taking place, another property of similar quality will be purchased.

Germany, which is the third largest economy in the world and the largest in Europe, has over 82 million inhabitants, the average age of which is 42.6 years. This is compared to an EU average of 35 years. This higher average age, should, in the opinion of the directors, lead to a greater demand for medical care into the future which, in turn, should lead to a greater demand for health care facilities. As such, the purchase of the Property should ideally position the Company to avail of any uplift in the property sector.

In addition, the Property is ideally located, directly opposite a large hospital in Berlin, to receive referrals directly from the hospital for follow up care. This is likely to mean that demand for units within the Property remains high.

Further details of the German property market are set out on page 4.

Tax Status of the Investment

The Nominee, an Irish registered company, will invest the proceeds of the Placing into the Company on behalf of investors. In return, the Nominee will receive a combination of equity and loan notes from the Company. The investor, in turn, will receive a 'Nominee Certificate' from the Nominee indicating the amount of loan notes and equity held by the Nominee on the investor's behalf. The Company, which is tax resident in Germany, will use the proceeds of the Placing (after the payment of reasonable expenses) to purchase the Property.

Investment in the Company by Irish individuals will be regarded as an investment in an "offshore fund" in accordance with Irish tax legislation as there is a reasonable expectation that such individuals may realise the value of their investment within a 7 year period. Arising from this, it is essential that the relevant disclosures are made by investors in their tax returns in (i) the year in which they acquire the shareholding in the Company; (ii) in any year in which they receive a distribution from the Company and (iii) in any year in which they dispose of any of their interest in shares in the Company in order for the investment to be classed as an "offshore fund". The tax returns must be submitted on a timely basis. The implications of this structure are detailed in the Taxation Issues section.

Risk Factors

Investment in property is speculative, as property values can fall as well as rise. There are a number of risk factors particular to the Company and its investment structure.

These risk factors are set out on page 7 in the section entitled "Risks". You should read this section carefully.

Exit

It is intended that the investors' investment and return thereon will be paid to them in approximately 5 years time. The potential investment returns in this document are calculated based on the conservative exit mechanism of selling the Property and then liquidating the Company. However, depending on market conditions at the time, it is the intention of the directors to sell the shares in the Company not the Property, thus providing an enhanced return due to reduced tax liability arising under current legislation. As explained later in this document, the management company, APS Augusta Property Services Ltd. ("APS") is incentivised to achieve the latter exit.

The tax implications of each option are discussed further in the Taxation Issues section.

DIRECTORS, MANAGEMENT TEAM & ADVISORS

Declan Kennedy FCCA.

Mr. Kennedy, an accountant, has spent his professional career developing and marketing capital and tax based financial investment products, initially through the Irish Forestry Funds, for which he won the prestigious Entrepreneur of the Year Award. The Company is similar to the Forestry Funds and previous Augusta property structures in so far as it is an asset backed, tax efficient and capital growth investment. Mr. Kennedy believes that ownership of commercial property, as a low to medium risk investment, can offer significant rewards for investors over the medium term.

Philipp Graf von Matuschka B. Sc

Mr. Matuschka, who was born in Ireland of German parents, speaks fluent German and has many strategic business contacts in Germany. Mr. Matuschka has been a successful businessman for the past 20 years and involved in the incorporation and development of many successful start-up businesses both in Ireland and abroad. In the past 5 years he has been actively involved in the international financial services industry and is an active investor and facilitator in the German property market.

The directors will also invest in the Company themselves.

Colliers Jackson-Stops, 51 Dawson Street, Dublin 2, in conjunction with its associated company, Colliers Property Partners in Germany, will assist with the assessment, management and purchase of any properties purchased by the Company. Colliers Property Partners are part of the Colliers International Group, which has 248 offices in 51 countries.

Deloitte & Touche, will act as auditors and tax advisors to the Company.

O'Donnell Sweeney, One Earlsfort Centre, Earlsfort Terrace, Dublin 2, will act as the Irish Solicitors to the Company.

SECTION A - FEATURES OF THE INVESTMENT

KEY FEATURES OF GERMAN PROPERTY MARKET

The German property market has recently shown signs of a recovery along with the German economy as a whole. According to the OECD, the current political and industrial reforms underway in Germany should allow for further economic growth. This, in turn, should stimulate growth in the property sector. German property in particular offers investors secure, long-term investment opportunities with the potential for high rental yields.

The directors believe that an investment into German property is currently attractive for the following reasons:

- **Size of the Economy.** Germany is the largest economy in Europe making up almost 1/3 of the entire Euro Zone economy, and is the third largest economy in the world. Its position at the centre of an expanding Europe should, in the opinion of the Directors, further boost economic growth.
- **Interest Rates.** Interest rates in the Eurozone, at the date of this document, stand at 2.75%. German rental leases typically include inflation indexation; thereby providing a hedge against any possible interest rate rises.
- **Rental Yields.** Due mainly to a mature rental market German property enjoys strong rental yields of between 5% and 10%. According to the Investment Property Databank, 2005 saw an average yield of 6% across all property types in Germany.
- **The Euro.** As Germany is a member of the single European currency there is no current threat of currency fluctuation to investors from Ireland.
- **Capital Appreciation.** As property values are typically linked to rental income, any increase in rental income should have the effect of increasing the capital value of the property. The directors believe that yield compression in the German property market should additionally increase the capital appreciation of the Property.

Acquisition costs incurred in purchasing German property can be high for the private investor. In some cases costs can amount to 12% or more of the purchase price of the property. However, the Company has negotiated improved rates with various financial institutions, brokers, etc. thus reducing the high acquisition costs for investors. This approach allows the Company to keep its acquisition costs relatively low thereby maximising the amount of equity actually invested into the Property.

THE PROPERTY

The Medical Centre, Weissensee, Berlin, Germany

The Property

The Property, a medical centre constructed in 2002, comprises an area of in excess of 4,000 M². It is a mainly commercial development split into twenty-five units of varying sizes. It has an mixed tenancy of doctors, dentists, consultants' clinics and other medical professionals as well as a large pharmacy and three residential apartment units.

The Property is currently undergoing due diligence. In the unlikely event that the acquisition of the Property does not take place, another property or properties of similar quality will be purchased by the Company.

Location

The Property is located directly opposite the Weissensee Hospital, a large hospital in Berlin. Berlin is the capital city of Germany and a single state within the Federal Republic of Germany. Based upon a census carried out in 2004, it has a population of over 3.38 million people.

The demographics of Germany show an aging population, with an average age of 42.6 years, compared to an EU average age of 35 years. The existence of an 'aged' population generally lends itself to a greater demand for medical care.

The proximity of the Property to the Weissensee Hospital together with the potentially increasing requirements for medical care should ensure a high demand from medical professionals for occupation of the Property.

Tenure

The Property is freehold.

Tenancy

The Property is leased to a number of tenants in the medical profession as well as residential tenants. As rent reviews for the commercial leases are linked to changes in the rate of the 'cost of living' index, the directors believe, based on the historical performance of the index, that rental income derived from the Property should increase. Furthermore, the Company will have the opportunity to negotiate the terms of tenants' leases during the anticipated holding period.

Financial Strategy

A fundamental part of the Company's investment strategy is to repay, on an ongoing basis, any finance debt where possible, thus reducing the amount of money owed to the bank in terms of principle amounts and potential interest repayments.

Rental Value

The average rent currently being received from the commercial units within the Property is €135.29M² per annum. Prior to the collapse of the Berlin wall in 1989, the area in which the medical centre is located was an already popular part of East Berlin. The surrounding area is now in the process of being upgraded as part of the urban renewal in place in Berlin. This should further increase the desirability of the area and as such further increase rental demands.

ADVANTAGES OF INVESTING INTO THE COMPANY

Investment in German commercial property through a syndicate structure has a number of advantages, including:

1. Access to German Property Market

By investing in a syndicated property company, investors can share in the substantial economies of scale associated with the acquisition, establishment and management of property, ultimately enhancing investment returns available to them in the long run.

2. Sector

The demographics of Germany show an aging population, with average age of 42.6 years, compared to an EU average age of 35 years. The existence of an aged population should lend itself to a greater demand for medical services; and in turn, to a greater demand for medical care facilities.

3. Rate of Return

The German property market has, since German reunification, been underperforming relative to other European property markets. There is evidence to show that this downturn has reversed and that the property market is strengthening. This compares to Ireland, where yields are at an unattractively low level. Purchasing property at the lower end of this value cycle in an up-turning market, due to potential capital appreciation, could offer substantially enhanced returns for Investors.

4. Lower risk

Investors will beneficially hold shares in a company that will borrow money, on a non recourse basis to investors, to purchase an already established property, with pre-existing tenants.

5. Tangibility

Property is tangible. This tangibility provides sufficient security to financial institutions which will enable the Company to raise bank finance to part finance the purchase of the Property.

6. Taxation

The gain on the disposal of the shares will be subject to Irish income tax at 23%. This is in accordance with S743 TCA 1997. This is the only tax payable by Irish investors under current legislation.

RISKS

The following list of risks is not comprehensive, but intended to give an outline of the risks which intending investors need to consider. Independent advice should be sought and satisfaction should be obtained as to the suitability of investment into the Company prior to proceeding with same.

Inherent

Investment in the Germany property market, like any other market, is speculative and involves a degree of financial and commercial risk.

Historical facts, information gained from historic experience, present facts, circumstances and information, and assumptions from all or any of these are not a guide to the future. Aims, projections, forecasts, plans and intentions referred to herein are no more than that and do not imply or predict actual returns.

Property

The future value of the Company is dependent on the future value of the Property. Property values are influenced by several factors, including, but not limited to, the level of rent a property will command, rental yield and the quality of the lease entered into in respect of the property.

As with all leased properties, there may be periods during which some of the Property purchased by the Company is vacant due to unforeseen circumstances and/or market conditions.

There is no guarantee that investors will recoup the full amount of their original investment upon the completion of the investment term.

Additional costs may be incurred in the purchase, sale and/or the maintenance of the Property.

The Property described in this document may not be purchased. If another property is purchased, it may not present precisely the same advantages.

Any downturn in Germany's economy could affect the demand for property with a resultant adverse impact on the German property market.

Interest rate increases could have an adverse impact on the property market.

There is no guarantee that the Company will be able to secure suitable borrowing facilities. In addition, where the Company obtains borrowings, there can be no guarantee that circumstances would not arise whereby the Company would be unable to meet its repayment obligations, leading to foreclosure by the relevant lender.

Unforeseen circumstances may result in delays in the Company's activities or in it incurring additional costs with regards to the acquisition, disposal and/or the maintenance of properties.

Property and property related assets are inherently difficult to value. As a result, valuations are subject to some uncertainty. While valuations will be obtained for disposal purposes, there is no assurance that the estimates resulting from the valuation process will be reflected in the actual sales price even where such sales occur shortly after the valuation date.

Tax law and/or practice in Ireland or Germany may change with consequent adverse effects on the taxation aspects of this proposal.

Gearing

The Property will be purchased using gearing, or bank borrowing. There is a possibility that, in the event of a decline in the Property's valuation, the value of investors' interests in the Company might be less than the sum of their investment into it. While gearing by its nature increases the risks, and rewards associated with investing, it should be noted that the debt will be provided on non-recourse terms to the Investors.

Liquidity

It should be noted that the proposed investment is structured as a medium term investment of approximately five years, therefore, it may not be possible to encash or realise the investment prior to its maturity. It may also be the case that the management company may not be able to dispose of the Company or the Company may not be able to dispose of the Property at the end of the investment period due to market conditions or other unforeseen circumstances in which case the disposal of the Property could be delayed.

Interest Rates

Interest rates may rise resulting in increased interest payments on borrowings taken out by the Company. This being said, in accordance with conservative financial policy, the directors anticipate entering into appropriate hedging arrangements to minimise interest rate risks.

The projected returns herein may be affected where an investor fails to make appropriate disclosures to Revenue or fails to file appropriate tax returns.

If Investors are in any doubt about the contents of this document, they should consult a qualified professional.

EXIT MECHANISM

Following the expiry of the 5 year investment period, one of two potential exit mechanisms will be available to the investors namely (i) the sale of the Property and the subsequent winding up of the Company or (ii) the sale of the Company. The decision as to which exit mechanism is used will be determined by the directors.

Where the Property is sold, the proceeds of sale will be used to discharge any outstanding bank borrowings and ancillary costs. Any remaining surplus will then be distributed to the investors.

Alternatively, depending on market conditions at the time, the entire issued share capital of the Company may be sold. This should enable the investors to avoid one layer of tax. The management company is incentivised to achieve this latter exit. The net surplus will then be distributed to the investors.

TAXATION ISSUES

Taxation

The information contained herein is based on our understanding of tax legislation and the current interpretation thereof and is subject to change without notice. It is intended as a guide only and is not a substitute for professional advice. You should consult your tax advisor about the rules that apply in your individual circumstances. It is possible that any legislative changes may have a retrospective effect, thus the tax treatment for an investor may be subject to variation.

Corporate Investment Structure

The acquisition of the Property is to be structured as follows:

Augusta Nominees Three Limited, an Irish registered company, will act as a vehicle for collectively investing the proceeds of the Placing into The Third Augusta Syndicate – Germany GmbH.

The Placing will raise cash from the Irish investors through the issue of loan notes and equity in the Company on the terms set out above. The Company will use the funds raised from the Irish investors, in conjunction with third party debt, to acquire the medical centre in Berlin.

The Property or the Company's shares (depending on market conditions) will be sold in approximately 5 years time. In either event, the net proceeds will be distributed to the investors via the Nominee Company.

The analysis below is based on the assumption that the Company is German tax resident and not Irish tax resident. It is also based on the understanding that the Company, if it were in fact Irish tax resident, would not be considered as a close company in accordance with Irish tax legislation.

Tax on rental income

(a) German Tax

German corporate income tax, currently at a rate of 26.375%, will be payable by the Company on any profit rent. Profit rent for tax purposes is calculated after interest, hedging and other borrowing costs, management fees and German tax depreciation. No tax should be payable in Ireland on profit rent provided no distributions are made to investors.

Provided the German resident company is only involved in the administration of the asset and not trading activities, German trade tax should not apply. In principle, the ownership and leasing of a single German real estate property in a company is regarded as asset management activity and not business activity for trade tax purposes. Therefore as a general rule, rental income derived from an investment asset will not be liable to trade tax in Germany.

(b) Irish Tax

The investment in the Company by the investors should be regarded as an investment in an "off-shore fund" in accordance with Irish tax legislation as there is a reasonable expectation that such individuals may realise the value of their investment within a 7 year period. This is in accordance with Section 743 Taxes Consolidation Act 1997. It is also essential that the relevant disclosures are made in the investors' tax returns in the year they acquire the shareholding in the Company and in any year in which they dispose of their shares in the Company in order for the investment to be classed as an "offshore fund". The tax returns must be submitted on a timely basis.

If the details are not correctly included in the tax return, marginal rates of income tax for that investor (currently 42% plus levies) will apply to any distributions from the German Company or any gains arising on a disposal of shares in the Company.

Repayments of loan notes from the Company to the Irish investors will be tax neutral in Ireland and Germany.

Tax on disposal of investment

There are two possible exit strategies for disposal of the particular property acquired being a sale of the property by the Company or a sale of shares in the Company.

(a) Sale of property by the Company

German Tax

German tax at a rate of 26.375% will be payable by the Company on the difference between the market value and the tax written-down value of the property.

Irish Tax

There is no Irish tax payable on the disposal of the German property by the Company.

Once the property is sold, the Company can be liquidated and the proceeds of the liquidation can be distributed to Irish investors.

The Irish investors should be liable to Irish income tax at a rate of 23% on the gain arising on the liquidation of the Company.

(b) Sale of shares in the German company by the Irish investors

German Tax

There should be no German tax arising on the sale. However, German withholding tax will apply at a rate of 10% on the liquidation proceeds. A credit is available for this amount against Irish income tax payable on the same gain.

Irish Tax

The Irish investors should be liable to Irish income tax at a rate of 23% on the gain arising on the sale of the shares in the Company.

Capital Duty

There is no capital duty arising on the issue of shares in the Company.

Inheritance Tax

The transfer of assets located in Germany on the death of an investor would be liable to inheritance tax in Germany and capital acquisitions tax in Ireland.

(a) German Tax

On the death of an investor, the transfer of shares in the Company could give rise to German Inheritance tax in certain circumstances. If the deceased shareholder holds 10% or more of the share capital, German Inheritance tax is applied.

German Inheritance tax arises at progressive rates between 7% and 50% depending on the value of the shares transferred. The amount of tax payable is also dependent on the relationship of the beneficiary to the shareholder.

(b) Irish Tax

CAT would also apply in Ireland at a rate of 20%. Transfers to spouses are exempt from CAT and gifts or inheritances to children can be exempt up to a maximum of €478,155.

There is currently no double taxation agreement between Ireland and Germany dealing with inheritance tax. Therefore, the Irish Revenue will give unilateral relief for the German Inheritance tax imposed on the Property. This relief is given as a credit against the Irish CAT arising on the transfer.

Stamp Duty

Stamp duty, presently at the rate of 3.5% of the purchase price, will be payable by the Company on the purchase of any property in Germany.

Illustrative Financial Returns

Illustrative financial returns have been calculated using the following key assumptions:

- i. The Company receives a total of €2.35 million from the Placing.
- ii. The Property is purchased for €6,500,000 using debt finance as to 75% of the property cost;
- iii. Initial costs comprise Commission (3%), and professional fees & marketing costs (2%) of total equity investment;
- iv. Interest rate averages at 4.725% for the five year period;
- v. The Property is fully let for the entire period of investment;
- vi. Rental growth averages 2% per annum.
- vii. APS's annual company management charge will be 0.75% of the initial capital cost of the Property;
- viii. Property purchasing costs: Stamp Duty (3.5%); Brokers fees (3.48%); Notary (0.9%); Legal fees (0.3%) and Survey costs (0.15%);
- ix. Annual Owners maintenance 0.3% on the Property cost. Property management charge 3.5% of rental income.
- x. Income Tax payable on rents in Germany remains at 26.375%;
- xi. Surplus cash is used to pay off bank borrowings as and when practicable;
- xii. The Property is sold at a targeted exit yield of 6.25%
- xiii. German Exit Tax, currently at 26.375% is paid on the difference between the Sales Proceeds and the Tax Written Down value of the Property.
- xiv. Initial working capital requirement of €66,000

Potential Investment Returns

The below returns are based upon the above assumptions.

Unaudited illustrative Projected Returns

Scenario 1: Sale of the Property

Initial Investment	€50,000	€100,000	€150,000	€250,000	€500,000
Projected Distribution in Year 5	€104,517	€209,035	€313,552	€522,587	€1,045,174

Scenario 2: Sale of the Company

It may be possible to sell the Company rather than the Property which is held by the Company. In this scenario, assumption xiii above is not applicable, but an incentive payment, representing 15% of the tax saving achieved for investors (taking into account any reduction in sale price arising from the latent gain in the Company) will be payable to APS. In this scenario the following returns are projected.

Potential Investment Returns

Initial Investment	€50,000	€100,000	€150,000	€250,000	€500,000
Projected Distribution in Year 5	€129,252	€258,504	€387,757	€646,261	€1,292,522

SECTION B - GENERAL INFORMATION

MANAGEMENT FEES AND CHARGES

Directors' Remuneration

No remuneration will be paid to the directors of the Company, in their capacity as such. There are common directors between the Company and APS which has agreed to source the Property for which it will receive a once off payment of 1% of the price of the Property together with an annual management fee of 0.75% of the initial Property cost.

Incentive

Generally, fund managers tend to receive incentive payments based upon rental increases achieved during an investment period. However, as rent reviews in Germany are a function of the cost of living are similar indices, and are therefore outside the control of the management company, it will not, other than in the event of the sale of the Company, charge an incentive fee based upon any increase in the after tax return to Investors.

The directors, in their personal capacity, will also be Investors in the Company and, as such, will benefit from any increase in value, along with other Investors, upon the final distribution.

However, if the shares in the Company, and not the Property within the Company, is sold a significant amount of additional work will need to be preformed, above and beyond the normal contract work undertaken by APS in structures of this type. As such, APS have agreed with the Company that if a share sale of the Company takes place, APS will receive an additional payment as described below.

In the case of a sale of the Company, 15% of the investors tax saving, will be paid to APS.

SECTION C - GENERAL INFORMATION

SHARE CAPITAL AND STRUCTURE

The Authorised Share Capital of the Company will be €100,000. The minimum investment is €50,000. Investment into the Company will be by way of the purchase of Units. These Units will be issued in denominations of €10,000 and will consist of a combination of loan notes and equity in the Company. Further units of €10,000 may also be purchased. These additional Units will also comprise of a combination of loan notes and equity. This combination ensures that repayment of the initial investment to investors, up to the value of their loan notes, should be tax neutral in Ireland and Germany.

For tax and corporate governance reasons, the Company will also issue certain of the largest investors with additional shares in the Company. These shares will afford such investors the right to vote as shareholders of the Company. These shares will not however, in any way, entitle such shareholders to receive any return in excess of their original investment or to have their investment treated in a manner which would be inconsistent with that of other investors. These shareholders may be required to enter into a shareholders agreement.

An Irish registered nominee company, Augusta Nominee Three Limited, has been established to facilitate investment into the Company. The investor shares and loan notes will be issued to the Nominee. The Nominee will hold the loan notes and shares on behalf of the investors pursuant to terms of individual Nominee Agreements and will issue a Nominee Certificate to the investors evidencing same.

Material Contracts

The Company has entered into a Heads of Terms Agreement with APS Augusta Property Services Limited ("APS") in connection with the future management and administration of the Company. APS and the Company have common directors.

Reports to Investors.

Investors will receive an annual report comprising a review of Company's performance during the year, audited accounts, and a valuation of the Company. A regularly updated web site will show the progress of the Company. This website can be found at www.augusta.ie

SECTION D - APPLICATION PROCEDURE

PROCEDURE AND CONDITIONS FOR APPLICATION

To participate in the Company, completed application forms must reach the Branch Office of the Company by the closing date. The applications list will close on 31 July 2006 (the "Closing Date"). The directors reserve the right to reject any application in whole or in part and also to extend the Closing Date. The Company will not proceed unless a minimum investment level of €1,000,000 has been received. Monies will be returned to the applicants, without interest, within 28 days after the Closing Date if the minimum subscription level is not achieved.

The minimum subscription which an investor may make is €50,000. Subscriptions above this minimum level must be made in multiples of €10,000. It is possible to apply for Units on behalf of others and in joint names where required provided that the minimum amount invested by each joint owner is at least €50,000. Any subsequent disposal of Units must not be in amounts of less than €50,000.

Once an investor's application has been accepted by the Company, the investor will be issued with a Nominee Agreement for signature and return. The Nominee Agreement will regulate the relationship between the Nominee and investor; and also provides for the manner in which investor funds are to be held and invested by the Nominee. The investor must return the signed Nominee Agreement to the Company within 21 days of the Closing Date.

Applications to participate in the Company will be considered only on the terms and conditions of this document. A completed application form will be accepted only if it is accompanied by an appropriate subscription payment. If a discrepancy arises between the application form and monies tendered, the amount of monies tendered will be taken to be indicative of the number of shares to be allotted.

The Directors may, at their absolute discretion, without assigning any reason, decline to accept an application for shares in the Company without liability for interest and any resulting loss or damage.

The Directors may, at their absolute discretion, without assigning any reason, alter the investment structure or legal structure outlined herein.

Checklist for application:

- a) Completed application form; and
- b) Cheque / Bank Draft made out to Augusta Nominees Three Limited. Please ensure cheques are crossed and marked "A/C Payee, Not Negotiable".

Send to: **Augusta Nominees Three Limited**
Longford House
Longford Place
Monkstown
Co. Dublin.

So as to be received no later than 6.00 p.m. on 31 July 2006.
Please use the pre-paid envelope provided.

APPLICATION FOR INVESTMENT IN:

The Third Augusta Syndicate - Germany GmbH

Longford House, Longford Place

Monkstown, Co. Dublin.

Tel: (01) 2300 858

Fax: (01) 2300 868

Email: info@augusta.ie

I hereby apply for _____ Units of €10,000 each at a subscription price of €10,000 each and enclose a Cheque / Bank Draft in the amount of €_____*

PLEASE USE IN BLOCK CAPITALS

Please tick: Mr. ☐ Mr. & Mrs. ☐ Ms. ☐ Mrs. ☐ Other _____

Name: _____

Address: _____

Phone: _____

Fax: _____ Email: _____

1. I/we hereby accept that, subject to the compliance by the directors with their duties and obligations, under no circumstances whatever shall I be entitled to hold the directors liable for any default, act or omission by the directors or the failure or loss of any kind by the Company.
2. In the event that I/we do not, within 21 days of the Closing Date, return a signed Nominee Agreement to the Company, at the address set out above, I/we hereby irrevocably appoint either of the directors of the Company as my/our attorney with full power and on my/our behalf to enter into the said Nominee Agreement on my/our behalf.

Signature: _____

*** Note – the Minimum investment level is €50,000 per investor**



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