

A stylized sunburst graphic composed of several grey, triangular rays of varying lengths, arranged in a circular pattern in the top left corner.

AUGUSTA

FOURTH
AUGUSTA
SYNDICATE
GERMANY
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OFFERING DOCUMENT

The Fourth Augusta Syndicate – Germany GmbH

Offering Document

Any transaction is subject to contract and a contract will not exist until formal documentation has been signed and consideration exchanged. Whilst The Fourth 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 nor 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 10 and key assumptions on page 15.

This document is issued by The Fourth Augusta Syndicate-Germany GmbH. It is being issued in the Republic of Ireland only and is subject to Irish law.

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EXECUTIVE SUMMARY

The Fourth Augusta Syndicate – Germany GmbH has been established to raise approximately €5 million (“the Placing”) to finance, with the assistance of bank borrowings, the purchase of two nursing homes in the German cities and suburbs of Hanover and Berlin (the “Properties”). These properties are expected to cost a combined €13.985 million.

The investment is made in units of €10,000 (the “Units”). The minimum investment level is €50,000 per investor and in Units of €10,000 thereafter. The investment will be held for approximately 5 years, after which time, either the Properties or the Company will be disposed of on behalf of the investors.

Potential Rate of Return

If the assumptions on page 15 of this document are achieved, investors should achieve a return of 15.2% per annum compound on their original investment in approximately 5 years time. The directors believe that ownership of “grey euro” German property, as a low to medium risk investment, can offer significant rewards for investors over the medium term.

Risks

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 10 in the section entitled “Risks”. You should read this section carefully.

Management

Declan Kennedy and 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 and will manage the Company. The directors of the Company and APS Augusta Property Services Limited (“APS”), the management company, 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 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.

Tax Status of Investment

The directors, with the assistance of Deloitte & Touche, have devised an investment structure which allows investors to pay only 23% tax on distributions from the Company. Further information can be found on page 12 entitled Taxation Issues.

Application

The application form for this investment can be found at the last page of this document.

¹ The Properties are currently undergoing due diligence following the exchange of letters of intent. In the unlikely event that the acquisition does not take place, other properties of similar quality will be purchased.

DIRECTORS, MANAGEMENT TEAM & ADVISORS

Declan Kennedy FCCA.

Declan, an accountant, has spent his professional career developing and marketing capital and tax based financial investment products, initially through the award winning Irish Forestry Funds. The Company is similar to the Forestry Funds and previous Augusta property structures in so far as it offers an asset backed, tax efficient and capital growth investment. Declan believes that ownership of “grey euro” German property, as a low to medium risk investment, could offer significant rewards for investors over the medium term. Declan is a director of the Company.

Philipp Graf von Matuschka B. Sc

Philipp, who was born in Ireland of German parents, speaks native German and has many strategic business contacts in Germany. Philipp 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. Philipp is a director of the Company.

The directors have personally invested in the Company.

Colliers Jackson-Stops, Hambleden House, 19–26 Lower Pembroke Street, Dublin 2, in conjunction with its associated company, Colliers Property Partners in Germany, will assist with the assessment and purchase of any properties purchased by the Company. Colliers Property Partners are part of the Colliers International Group, which has 241 offices in 54 countries.

Deloitte & Touche, Deloitte & Touche House, Earlsfort Terrace, Dublin 2, 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 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 3.25%. 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. The average rent of the over 700 properties on APS's database shows an average yield of between 6.5%-9%.
- **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 expected yield compression in the German property market should additionally increase the capital appreciation of the Properties.

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 professional advisers, brokers, etc thus reducing the high acquisition costs for investors. This approach allows the Company to keep its acquisition costs relatively low thereby increasing the amount of equity actually invested into the Properties.



"With a population of 82 million, Germany represents approximately 1/3 of the economic activity of the Eurozone"

THE “GREY EURO” MARKET

The directors believe, based on their experience in the German property market, that there is a strong demand for retirement homes, nursing homes and medical centres (“Grey Euro” properties). Germany’s unique demographic profile is the main driving force behind this demand. While the average age in Germany now stands at 42.6, compared to an EU average of 35, it is expected that by the year 2020, the average age in Germany will rise to 55, by which time the average age in the EU will be 43.

It is also estimated that by 2020 around 6% of the German population will require placing in health care facilities, compared to 3.5% now. Many investors see this as an opportunity, in fact two recent transactions in “grey euro” German properties saw a Swedish estate agent purchase 9 nursing homes across 3 cities for a total price of €74.3 million and GE Real Estate Germany purchase 6 nursing homes for €44 million.

In Germany over 55% of the population live in rented accommodation. Of the total German population 25% (more than 20 million) are aged 60 and over. According to a Dresdener Bank report, the German population will increasingly require nursing home care over the next decade.

THE PROPERTY

Reinickendorf Nursing Home, Berlin, Germany

The property, a nursing home of approx. 3,950M² situated on a 5,269M² plot, contains 154 beds, office space, canteens and visiting areas.

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

Location

According to the most recent census the city of Berlin has a population of over 3.4 million people. The nursing home is located in the Reinickendorf area of Berlin. There are a number of nursing homes and other “grey euro” properties in the area including medical centres and a hospital.

Berlin hosted the FIFA World Cup Final in 2006 and is renowned for hosting many different sports including athletics, tennis and American football. The city is also home to a number of Germany’s most famous buildings including the Brandenburg Gate and the Reichstag, the traditional seat of the German government.

Berlin is home to one third of the world’s fifty largest companies.

Tenure

The Berlin property is freehold.

Tenancy

The Berlin property will be fully let to AWO (Arbeiterwohlfahrt) a nursing home operator, established in 1919, with 145,000 employees in Germany. It is a sale and leaseback transaction, with the current owner / occupier becoming the future tenant. In conjunction with the purchase, a new long-term lease will be entered into with the vendor / tenant. As most rent reviews for commercial leases are linked to changes in the ‘cost of living’ index, the directors believe that rental income derived from the Berlin property should increase over time.

Rental Value

The rental yield on the property is expected to be in excess of 9% reflecting a rental income of €850,000. This equates to a rental value of €215 per M²

“The average age in Germany in 2020 will be approximately 55, significantly greater than the rest of Europe and will lead to a greater need for ‘grey euro’ properties”

THE PROPERTY CONTINUED

Nienhagen Nursing Home, Hanover, Germany

The property, located in Nienhagen, close to the city of Hanover, is a nursing home encompassing assisted living. It was completed in 1995 comprising a mainly single story building of approx. 3,750M² on a plot of almost 13,000M². The surrounding area also contains a number of “grey euro” properties. The directors believe that this should further increase the desirability of the area as a retirement destination for older people.

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

Location

The city of Hanover is the capital of the federal state of Lower Saxony (Niedersachsen) in the north west of Germany. According to a recent census, the city has a population of 515,000. Hanover was extensively damaged during World War Two with over two thirds of the city destroyed. Since the war, the city has undergone extensive rebuilding and now stretches to an area in excess of 200KM². Over the past number of years, Hanover has become renowned for hosting large commercial exhibitions, such as the CeBit trade fair, one of the world’s largest computer fairs. Since the Second World War, Hanover has played host to the Hanover Fair, the world’s leading industrial exhibition.

Tenure

The Hanover property is freehold.

Tenancy

The Hanover property is let to a well-established tenant, Kursana, who according to a report by Dresdner Bank, is one of Germany’s larger retirement home operators, operating 24 nursing homes throughout Germany. Upon completion of the purchase there will be 10 years remaining on this lease together with an option of a five-year extension.

Rental Value

The rent currently being received on the Hanover property is €440,697 per annum. This represents a rental value of €117 per M² and a yield of 9.5%.

“The tenant operates 24 nursing homes throughout Germany ranking it as one of the larger operators according to Dresdner Bank”

ADVANTAGES OF INVESTING INTO THE COMPANY

Investment in German Grey Euro commercial property through the Company 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 ageing 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 already established properties, with pre-existing tenancy arrangements.

5. Tangibility

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

6. Taxation

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

7. 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.

RISKS

The following list of risks is not comprehensive, but is 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.

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

Inherent

Investment in the German 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.

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

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

Properties

The future value of the Company is dependent on the future value of the Properties. 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 Properties purchased by the Company are vacant due to unforeseen circumstances and / or market conditions.

The Properties 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.

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 the 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.

Gearing

The Properties will be purchased using gearing, or bank borrowing. There is a possibility that, in the event of a decline in the Properties' 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.

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.

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 procure the disposal of the Company or that the Company may not be able to dispose of the Properties at the end of the investment period due to market conditions or other unforeseen circumstances in which case the disposal of the Properties 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.

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

EXIT MECHANISM

Following the expiry of the 5-year investment period, it is the intention of the directors to exit the investment by way of a sale of the Company. This should enable the investors to avoid one layer of tax. The management company is incentivised to achieve this exit. The net surplus will then be distributed to the investors.

Although it is the intention of the directors to procure the sale of the Company, the potential investment returns in this document are calculated based on the more conservative exit mechanism of selling the Properties and then liquidating the Company.

TAXATION ISSUES

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 Properties is to be structured as follows:-

The Fourth Augusta Nominees Limited is an Irish registered nominee company. It will act as a vehicle for collectively investing the funds raised from the Irish individuals into The Fourth Augusta Syndicate - Germany GmbH, which is a German tax resident company. The Irish individuals' investment will be structured as 100% equity (i.e. share capital).

The German company will use the funds raised from the Irish investors in conjunction with third party debt to acquire the nursing homes in Germany.

It is intended that the Company's shares will be sold in approximately 5 years time. The net proceeds will be distributed to the investors via the Nominee Company.

Tax on rental income

(i) German Tax Implications

German corporate income tax, currently at a rate of 26.375%, will be payable by the German company on any net rental income. Profit rent for tax purposes is calculated after deducting interest, hedging, other borrowing costs, management fees and German tax depreciation. Tax depreciation is applied at the rate of 3% for commercial property.

Trade Tax

Provided the German resident company is only involved in the administration of the assets and not trading activities, German trade tax should not apply. In principle, the ownership and leasing of two German real estate properties in a company is regarded as asset management activity and not business activity for trade tax purposes. Broadly speaking, the German tax authorities consider a business activity to occur if within a period of 5 years, more than 3 properties have been sold ("three-object test") and also if commercial activities are carried out by the company.

(ii) Irish Tax Implications

No tax should be payable in Ireland on profit rent provided no distributions are made to the investors.

Offshore Fund

The investment in the German company by the Irish individuals will be regarded as investment in an “offshore fund” in accordance with Irish tax legislation as there is a reasonable expectation that they can realise the value of their investment within a seven year period. This is in accordance with Section 743 TCA 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 German company and in any year in which they receive a distribution or dispose of their shares in the German 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 (currently 42% plus levies) will apply to any distributions from the German company or any gains arising on the disposal of shares in the German company.

Distributions received by the Irish investors will be subject to Irish income tax at 20% plus 3% levies. However, we understand that it is the intention for no such payments to be made during the term of the investment.

Tax on Disposal of Investment

The intended exit strategy for disposal of the investment is the sale of shares in the German company.

German Tax

There should be no German tax arising on the sale. However, German withholding tax at a rate of 10% applies to the proceeds received on liquidation. A credit is available for the amount paid against the Irish income tax paid 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 German company.

Inheritance Tax Issues

The transfer of shares in a German company on the death of an investor would be liable to Inheritance Tax in Germany and Capital Acquisition Tax (CAT) in Ireland.

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 in 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.

TAXATION ISSUES CONTINUED

Real Estate Transfer Tax

Real Estate Transfer tax at a rate of 3.5% will be applied to the acquisition cost. In purchase agreements, the tax burden will typically be assumed by the purchaser. However, by law the contracting parties are jointly and severally liable for RETT. Please be aware that there have been recent discussions with regard to increasing RETT to 4.5% in Berlin. This has yet to be concluded upon by the Berlin government.

General

This section has of necessity been written in general form and does not take account of the particular circumstances of each investor. Investors should take separate advice on issues relevant to their own circumstances.

We have outlined the Irish tax implications of the transaction on the understanding that all of the investors are Irish resident individuals. Separate advice should be obtained where this is not the case. We have also based our analysis on the understanding that the German company would not be considered as a close company in accordance with Irish tax legislation, had the company been Irish tax resident.

ILLUSTRATIVE FINANCIAL RETURNS

Key Assumptions

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

- i. The Company receives a total of €5.05 million from the Placing;
- ii. The Properties are purchased for €13.985 million using debt finance as to 75% of the property cost;
- iii. Initial costs comprise of fundraising costs of 3% and professional set up fees & marketing costs 2% of total equity investment;
- iv. Interest rate on borrowings averages at 5.36% for the five year period;
- v. The Properties are fully let for the entire period of investment;
- vi. APS's annual company management charge will be 0.75% of the initial capital cost of the Properties;
- vii. Property purchasing costs of 3.5% for stamp duty (RETT), 3% for broker fees and 1.2% for legal, notary and survey fees;
- viii. Annual owner's maintenance of 0.3% of the cost of the Properties. Property management charge 2.5% of rental income;
- ix. Income tax payable on rents in Germany remains at 26.375%;
- x. Surplus cash is used to pay off bank borrowings as and when practicable;
- xi. The Properties are sold at a targeted exit yield of 6.75%;
- xii. German exit tax, currently at 26.375% is paid on the difference between the sales proceeds and the tax written-down value of the Properties;
- xiii. Where applicable VAT at the prevailing rate will be added to the above charges.

Potential Investment Returns

The below returns are based upon the above assumptions which support a more conservative exit scenario of selling the Properties and liquidating the Company. Should market conditions at the time of the exit not permit the preferred exit strategy, then the directors will instead endeavour to procure the sale of the Properties and the subsequent winding up of the Company. This exit scenario is less tax advantageous than the intended exit mechanism of selling the shares in the company. In this alternative scenario, 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.

The tax implications of the sale of Properties and liquidating the Company are:

German Tax

German Tax at a rate of 26.375% will be payable by the German company on the difference between the market value and the tax written down value of the properties.

Irish Tax

There is no Irish tax payable on the disposal of the German properties by the German company.

Once the properties are sold the German company can be liquidated and the proceeds of the liquidation can be distributed to the Irish investors. German withholding tax at a rate of 10% applies to the proceeds received on liquidation. A credit is available for the amount paid against the Irish income tax paid on the same gain.

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

ILLUSTRATIVE FINANCIAL RETURNS CONTINUED

Unaudited illustrative projected returns

Scenario 1: Sale of the Properties

Initial Investment	€50,000	€100,000	€150,000	€250,000	€500,000
Projected Distribution in Year 5	€101,640	€203,279	€304,919	€508,199	€1,016,397

Scenario 2: Sale of the Company

As described in this document, it is the intention of the directors, if possible, to sell the Company rather than the Properties that are held by the Company. In this scenario, assumption xii above is not applicable, but an incentive payment, representing 15% of the tax saving achieved for investors, taking into account any reduction in the sales price arising from the latent gain in the company, will be payable to APS. In this scenario the following enhanced returns are projected.

Unaudited illustrative projected returns:

Initial Investment	€50,000	€100,000	€150,000	€250,000	€500,000
Projected Distribution in Year 5	€118,157	€236,315	€354,472	€590,787	€1,181,573

SECTION B - FEES AND CHARGES

MANAGEMENT COMPANY FEES AND CHARGES

No remuneration will be paid to the directors of the Company, in their capacity as such. There are common directorships between the Company and APS. The fundraising costs, professional set up fees and marketing costs are paid to APS in order to discharge third party costs. Where these costs exceed the stated amounts APS will absorb the difference, however where the costs are less APS will retain the difference. APS will receive one third of the broker fees. APS will receive the full benefit of the annual management charge. See assumptions iii, vi and vii on previous page.

Banks sometimes choose to compensate for work done in supporting the arrangement of loans. Should APS receive any such offer of compensation, it will only be accepted where it is made on an arm's length basis and the loan terms are agreed at standard commercial terms.

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 index, and are therefore outside the control of the management company, it will not, other than in the event of the sale of the Company rather than the Properties, charge an incentive fee based upon any increase in the after tax return to investors.

The intended sale of the shares in the Company, and not the Properties within the Company, would result in a substantially increased return for investors, by reducing tax payable. However, a significant amount of additional work will need to be preformed by APS to achieve this. As such, APS have agreed with the Company that where a share sale of the Company takes place, APS will receive a payment of 15% of the tax saved.

SECTION C - GENERAL INFORMATION

SHARE CAPITAL AND STRUCTURE

The Issued and Authorised Share Capital of the Company is €25,000. Investment into the Company will be by way of the purchase of Units. These Units will be issued in denominations of €10,000. The minimum investment is €50,000 and further units of €10,000 may also be purchased.

For corporate governance reasons, the Company may 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, The Fourth Augusta Nominees Limited (the "Nominee"), has been established to facilitate investment into the Company. The investors' Units will be issued to the Nominee. The Nominee will hold Units 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.

DIRECTORS' INTEREST

The directors, in their personal capacity, have provided the seed capital for the Company and, as such, will benefit from any increase in value, along with other investors, upon the final distribution.

REPORTS TO INVESTORS

Investors will receive an annual report comprising a review of the 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

Contact Details

The Fourth Augusta Syndicate – Germany GmbH
c/o The Fourth Augusta Nominees Limited
Longford House
Longford Place
Monkstown
Co. Dublin.
Email info@augusta.ie
Phone 01 2300858
Fax: 01 2300868

SECTION D - APPLICATION PROCEDURE

PROCEDURE AND CONDITIONS FOR APPLICATION

To participate in the Company, completed application forms must reach the Company by the closing date. The applications list will close on 30 November 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 €1,500,000 has been received. In this circumstance, only one property may be purchased. 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 investor 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 Units to be allotted.

The directors may, at their absolute discretion, without assigning any reason, decline to accept an application for Units 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 The Fourth Augusta Nominees Limited. Please ensure cheques are crossed and marked "A/C Payee, Not Negotiable".

Send to:

The Fourth Augusta Syndicate – Germany GmbH
c/o The Fourth Augusta Nominees Limited
Longford House, Longford Place
Monkstown, Co. Dublin.

So as to be received no later than 6.00 p.m. on 30 November 2006.
Please use the prepaid envelope provided.

APPLICATION FORM

The Fourth Augusta Syndicate - Germany GmbH
c/o NSL Consulting GmbH
Charlottenstrasse 57
D - 10117 Berlin
Germany

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**

AUGUSTA

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