

LETTER OF INTENT

30 September 2019

Graham Withers
CEO
Withers Holdings
335 Powder Works Road
Ingleside, NSW, 2101

Dear Graham,

The purpose of this letter (the "Letter") is to set forth certain non-binding understandings and certain binding agreements between Premium Elite Office Services, an Australia-based proprietary limited company or its affiliate ("Prospective Buyer) and Withers Holdings Pty Ltd (referred to herein as "Prospective Seller" with respect to the possible acquisition of all the outstanding shares of Greenspace Pty Ltd (trading as Greenspace Plant Leasing), an Australia-based plant leasing business ("Greenspace" or the "Company"), which is owned beneficially and of record by the Prospective Seller, on the terms set forth below.

1. Basic transaction: Prospective Buyer will acquire all of the outstanding shares of the Company (the "Shares"), all of which are owned beneficially and of record by the Prospective Seller.
2. Purchase price: Subject to the Prospective Buyer's further due diligence and based on the Prospective Seller's projected and adjusted EBITDA for the twelve months ended 30 June 2019 of approximately \$800,000, we would value the company at 4x EDITBA, or \$3.2 million, on a total enterprise debt-free, cash-free, and tax-liability-free basis. The purchase price (the "Purchase Price") will be \$3,200,000, assuming that an appropriate level of working capital shall be included with the business at closing.
3. Form of payment:
 - a. \$2,400,000 of the Purchase Price shall be paid in cash at closing.
 - b. \$800,000 shall be paid in the form of a Note (the "Note"). The Note will bear interest at the rate of 5% per year, with interest payable annually in arrears. The principal of the Note will be paid in full at the end of its five-year term. The Note will be subordinated to senior indebtedness of the Prospective Buyer. The terms of the Note shall be subject to acceptance by the Prospective Buyer's senior lenders.
4. Proposed escrow agreement: After the closing, the Prospective Buyer and the Prospective Seller would enter into an agreement that would contain provisions to adjust the principal of the Note described in 3(b) above to secure the Prospective Buyer against any undisclosed liabilities, misrepresentations, and breaches of warranties, covenants, and agreements by the Prospective Seller.
5. Purchase agreement and closing date: The Prospective Buyer and the Prospective Seller shall seek to negotiate a definitive purchase agreement (the "Purchase Agreement") with the intention of closing the transaction by 31 December 2019.
6. Conditions: The closing of the transactions contemplated hereby shall be subject to fulfilment, among other things, of the following conditions:
 - a. Completion of a due-diligence review by the Prospective Buyer of the Prospective Seller and its business, affairs, condition (financial, commercial, legal, and otherwise) and prospects, and any related matters, the results of which are satisfactory in the sole discretion of the Prospective Buyer.
 - b. Execution of a Purchase Agreement that is satisfactory to the Prospective Buyer and includes standard warranties with respect to the business and financial condition of the Company.

- c. The Prospective Buyer shall have entered into a non-competition agreement with the Prospective Seller satisfactory to the Prospective Buyer.
- d. The Prospective Seller shall have operated the Company until the closing in the ordinary course and consistent with prior practices, and no material adverse change shall have occurred. The Prospective Seller shall not engage in extraordinary transactions without the Prospective Buyer's approval, including but not limited to:
- Disposal of assets
 - Materially increasing the annual level of compensation of any employee, or increasing, terminating, amending, or otherwise modifying any plan for the benefit of employees
 - Issuing any equity securities or options, warrants, rights, or convertible securities
 - Paying any dividends, redeeming any securities, or otherwise causing assets of the Company to be distributed to any of its shareholders
 - Borrowing any funds, under existing credit lines or otherwise
- e. All required consents of governmental authorities and other third parties shall have been obtained.
- f. The Buyer being satisfied that the Prospective Seller is in compliance with all applicable environmental laws and that its facilities are free from environmental liabilities.
7. Expenses: The Prospective Seller and the Buyer shall each bear the respective costs and expenses of all legal representative, accountants, and advisors retained by or representing them in connection with this transaction.
8. Inspection and access to information: The Prospective Seller will permit full access to, and will make available to the Prospective Buyer's representatives for inspection and review, all properties, books, records, accounts, and documents of or relating to the Company as may be reasonably requested from time to time. The Prospective Seller will also make the employees, accountants, legal representatives, and other advisors of the Company and Prospective Seller available for consultation and permit access to other third parties for confirmation of any information so obtained.
9. Nondisclosure: Without the prior approval of the Prospective Buyer, the Prospective Seller will not disclose or discuss this letter of intent, its existence, or its terms and conditions, to or with any persons other than their legal representative, accountants, financial advisors, and such of the Prospective Seller's executives as may be required to know the same in implementing the provisions of this letter of intent ("Insiders"). The Prospective Seller shall use best efforts to prevent the insiders from disclosing or discussing this letter of intent, its existence, or its terms and conditions to or with any person that is not an Insider.
10. Competing offers: From the date of signing this exclusivity agreement until 31 December, 2019 (the "Exclusive Period"), the Company, the Prospective Seller, and their representatives and agents shall not, directly or indirectly,
- a. Solicit any competing offers for the purchase of the Company (whether through a sale of shares, a merger, or otherwise) or its assets or
- b. Negotiate or otherwise respond to any unsolicited offer or indication of interest with respect to any such purchase; provided, however, the Prospective Seller shall be free to respond to other buyers by explaining the terms of this letter. If the Company, the Prospective Seller, or their representatives and agents receive any such offer or indication of interest, the Prospective Seller will immediately forward a copy to the Prospective Buyer. The Exclusive Period shall expire unless extended by mutual agreement of the Prospective Buyer and the Prospective Seller.

By signing this letter of intent, the parties agree to be legally bound only by paragraphs 5, 7, 8, and 9. The other provisions of this letter of intent are intended as a statement of intent only, and no party shall be legally bound to proceed with the transaction contemplated hereby unless and until a definitive Purchase Agreement has been negotiated and signed by such party, and then only upon the terms and conditions set forth in such definitive Purchase Agreement.

If the foregoing terms and conditions are acceptable, so indicate by signing and dating both of the enclosed copies of this letter of intent, and then returning one to the undersigned. This letter of intent shall expire if not accepted by you by 5pm on Friday 11 October, 2019.

Sincerely,

Susan Hamilton
CEO
Premium Elite Office Services Pty Ltd