



15 June 2017

The Manager
ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

RSL Care RDNS Limited

Level 3, 44 Musk Avenue
Kelvin Grove QLD 4059

Phone (07) 3251 6200

Fax 1300 536 099

www.rslcare.com.au

ABN 90 010 488 454

By Facsimile: 1300 135 638

Dear Sir or Madam

Notice of Initial Substantial Holder for Estia Health Limited (EHE)

Please find enclosed a copy of the above notice. The Notice has also been provided to the Company.

Yours Faithfully

Susan Stewart
Company Secretary

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Estia Health Limited

ACN/ARSN 160 986 201

1. Details of substantial holder (1)

Name RSL Care RDNS Limited (**RSL Care RDNS**)

ACN/ARSN (if applicable) ACN 010 488 454

The holder became a substantial holder on 13/06/2017

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully Paid Ordinary Shares (ORD)	14,000,000	14,000,000	5.372%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Sentinel Investment Management Limited ACN 137 565 149 as trustee of Sentinel Health Trust (Sentinel)	Holder of fully paid ordinary shares	14,000,000 ORD

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Sentinel	Sentinel	Sentinel	14,000,000 ORD

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
See Annexure A		Cash	Non-cash	

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Sentinel	Sentinel and RSL Care RDNS are associates of each other pursuant to section 12(b) of the Corporations Act. Sentinel and RSL Care RDNS have entered into a heads of agreement dated 23 December 2017 (HOA) with a view to entering into formal documentation regarding a proposed transaction in relation to the control of the affairs of the Company. A copy of the HOA is attached in Annexure B . (Sentinel and RSL Care have agreed to extend the date by which formal documentation must be entered into pursuant to the HOA from 31 January 2017 to the Sunset Date (as defined in the HOA).)

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Sentinel	Level 9, 300 Queen Street, Brisbane 4000
RSL Care RDNS	Level 3, 44 Musk Avenue, Kelvin Grove 4059

Signature

print name **Susan Stewart**

capacity **Company Secretary**

sign here

Susan Stewart

date **15/06/2017**

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE "A"**Estia Health Limited ACN 160 986 201**

This is annexure "A" of 3 pages referred to in "ASIC Form 603 Notice of initial substantial shareholder", executed by and on behalf of RSL Care RDNS Limited ACN 010 488 454:



.....
Company Secretary

Date: 15 June 2017

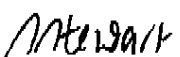
Holder of Relevant Interest	Date of Acquisition	Consideration (9)		Class and number of securities	
		Total	Price per security	Number	Class
Sentinel	14-Feb-17	\$ 121,635	\$ 2.80	43,441	Ordinary
Sentinel	14-Feb-17	\$ 2,706	\$ 2.80	968	Ordinary
Sentinel	15-Feb-17	\$ 1,042,611	\$ 2.80	372,361	Ordinary
Sentinel	15-Feb-17	\$ 539	\$ 2.80	193	Ordinary
Sentinel	16-Feb-17	\$ 120,814	\$ 2.80	43,148	Ordinary
Sentinel	17-Feb-17	\$ 98,000	\$ 2.80	35,000	Ordinary
Sentinel	21-Feb-17	\$ 158,178	\$ 2.80	56,492	Ordinary
Sentinel	21-Feb-17	\$ 8,542	\$ 2.80	3,056	Ordinary
Sentinel	24-Feb-16	\$ 112,812	\$ 3.10	36,391	Ordinary
Sentinel	24-Feb-16	\$ 98,582	\$ 3.08	32,007	Ordinary
Sentinel	24-Feb-16	\$ 56,164	\$ 3.09	18,176	Ordinary
Sentinel	24-Feb-16	\$ 15,475	\$ 3.10	5,000	Ordinary
Sentinel	28-Feb-17	\$ 600,789	\$ 3.09	194,430	Ordinary
Sentinel	28-Feb-17	\$ 288,520	\$ 3.10	93,071	Ordinary
Sentinel	28-Feb-17	\$ 140,174	\$ 3.08	45,511	Ordinary
Sentinel	28-Feb-17	\$ 80,460	\$ 3.09	26,081	Ordinary
Sentinel	28-Feb-17	\$ 74,664	\$ 3.08	24,281	Ordinary
Sentinel	28-Feb-17	\$ 66,419	\$ 3.10	21,460	Ordinary
Sentinel	28-Feb-17	\$ 17,947	\$ 3.07	5,846	Ordinary
Sentinel	01-Mar-17	\$ 119,719	\$ 3.09	38,744	Ordinary
Sentinel	01-Mar-17	\$ 101,460	\$ 3.10	32,729	Ordinary
Sentinel	01-Mar-17	\$ 61,900	\$ 3.10	20,000	Ordinary
Sentinel	01-Mar-17	\$ 34,376	\$ 3.10	11,089	Ordinary
Sentinel	02-Mar-17	\$ 632,775	\$ 3.10	204,121	Ordinary
Sentinel	02-Mar-17	\$ 99,303	\$ 3.09	32,137	Ordinary
Sentinel	02-Mar-17	\$ 92,400	\$ 3.08	30,000	Ordinary
Sentinel	02-Mar-17	\$ 34,342	\$ 3.10	11,096	Ordinary
Sentinel	03-Mar-17	\$ 464,138	\$ 3.10	149,722	Ordinary
Sentinel	03-Mar-17	\$ 68,814	\$ 3.09	22,270	Ordinary
Sentinel	03-Mar-17	\$ 19,273	\$ 3.10	6,227	Ordinary
Sentinel	06-Mar-17	\$ 503,282	\$ 3.10	162,349	Ordinary
Sentinel	06-Mar-17	\$ 189,559	\$ 3.10	61,247	Ordinary
Sentinel	06-Mar-17	\$ 50,095	\$ 3.09	16,212	Ordinary
Sentinel	07-Mar-17	\$ 129,264	\$ 3.10	41,698	Ordinary
Sentinel	07-Mar-17	\$ 3,665	\$ 3.09	1,186	Ordinary

Sentinel	08-Mar-17	\$ 3,085	\$ 3.10	995	Ordinary
Sentinel	09-Mar-17	\$ 1,130,812	\$ 3.10	364,778	Ordinary
Sentinel	09-Mar-17	\$ 37,381	\$ 3.10	12,078	Ordinary
Sentinel	09-Mar-17	\$ 188	\$ 3.09	61	Ordinary
Sentinel	10-Mar-17	\$ 1,466,291	\$ 3.10	472,997	Ordinary
Sentinel	10-Mar-17	\$ 22,968	\$ 3.10	7,421	Ordinary
Sentinel	13-Mar-17	\$ 1,824,263	\$ 3.10	588,472	Ordinary
Sentinel	13-Mar-17	\$ 3	\$ 3.09	1	Ordinary
Sentinel	14-Mar-17	\$ 680,952	\$ 3.10	219,662	Ordinary
Sentinel	14-Mar-17	\$ 6,919	\$ 3.09	2,239	Ordinary
Sentinel	14-Mar-17	\$ 2,504	\$ 3.10	809	Ordinary
Sentinel	18-May-17	\$ 1,113,965	\$ 3.01	370,088	Ordinary
Sentinel	18-May-17	\$ 507,319	\$ 3.02	168,265	Ordinary
Sentinel	18-May-17	\$ 320,250	\$ 3.05	105,000	Ordinary
Sentinel	18-May-17	\$ 152,546	\$ 3.01	50,764	Ordinary
Sentinel	18-May-17	\$ 54,626	\$ 3.02	18,088	Ordinary
Sentinel	18-May-17	\$ 51,680	\$ 3.05	16,972	Ordinary
Sentinel	18-May-17	\$ 50,763	\$ 3.00	16,921	Ordinary
Sentinel	18-May-17	\$ 38,398	\$ 3.04	12,631	Ordinary
Sentinel	18-May-17	\$ 13,702	\$ 3.03	4,522	Ordinary
Sentinel	19-May-17	\$ 39,784	\$ 3.05	13,044	Ordinary
Sentinel	19-May-17	\$ 11,133	\$ 3.05	3,656	Ordinary
Sentinel	19-May-17	\$ 2,234	\$ 3.04	735	Ordinary
Sentinel	23-May-17	\$ 36,499	\$ 3.05	11,967	Ordinary
Sentinel	23-May-17	\$ 3,709	\$ 3.04	1,220	Ordinary
Sentinel	24-May-17	\$ 729,871	\$ 3.05	239,302	Ordinary
Sentinel	24-May-17	\$ 152,000	\$ 3.04	50,000	Ordinary
Sentinel	24-May-17	\$ 97,455	\$ 3.05	32,005	Ordinary
Sentinel	24-May-17	\$ 25,345	\$ 3.04	8,351	Ordinary
Sentinel	26-May-17	\$ 53,422	\$ 3.04	17,573	Ordinary
Sentinel	26-May-17	\$ 44,486	\$ 3.03	14,682	Ordinary
Sentinel	26-May-17	\$ 35,421	\$ 3.04	11,671	Ordinary
Sentinel	26-May-17	\$ 523	\$ 3.03	173	Ordinary
Sentinel	29-May-17	\$ 258,388	\$ 3.04	84,996	Ordinary
Sentinel	29-May-17	\$ 219,527	\$ 3.03	72,451	Ordinary
Sentinel	29-May-17	\$ 191,591	\$ 3.03	63,336	Ordinary
Sentinel	29-May-17	\$ 92,170	\$ 3.04	30,369	Ordinary
Sentinel	29-May-17	\$ 49,877	\$ 3.05	16,380	Ordinary
Sentinel	29-May-17	\$ 32,207	\$ 2.97	10,844	Ordinary
Sentinel	29-May-17	\$ 31,126	\$ 2.98	10,445	Ordinary
Sentinel	29-May-17	\$ 30,091	\$ 3.05	9,866	Ordinary
Sentinel	29-May-17	\$ 13,859	\$ 3.02	4,589	Ordinary
Sentinel	29-May-17	\$ 11,646	\$ 2.99	3,895	Ordinary
Sentinel	29-May-17	\$ 1,797	\$ 2.97	606	Ordinary
Sentinel	29-May-17	\$ 1,731	\$ 2.99	580	Ordinary
Sentinel	30-May-17	\$ 6,192,025	\$ 3.01	2,055,603	Ordinary
Sentinel	31-May-17	\$ 33,422	\$ 3.05	10,976	Ordinary
Sentinel	31-May-17	\$ 22,875	\$ 3.05	7,500	Ordinary
Sentinel	31-May-17	\$ 869	\$ 3.04	286	Ordinary
Sentinel	06-Jun-17	\$ 1,238,992	\$ 3.05	406,227	Ordinary

Sentinel	06-Jun-17	\$ 202,127	\$ 3.05	66,380	Ordinary
Sentinel	06-Jun-17	\$ 26,615	\$ 3.04	8,755	Ordinary
Sentinel	07-Jun-17	\$ 795,768	\$ 3.04	262,197	Ordinary
Sentinel	07-Jun-17	\$ 761,250	\$ 3.05	250,000	Ordinary
Sentinel	07-Jun-17	\$ 493,148	\$ 3.05	161,688	Ordinary
Sentinel	07-Jun-17	\$ 293,877	\$ 3.04	96,670	Ordinary
Sentinel	07-Jun-17	\$ 254,439	\$ 3.03	84,112	Ordinary
Sentinel	07-Jun-17	\$ 242,621	\$ 3.03	80,073	Ordinary
Sentinel	08-Jun-17	\$ 76,250	\$ 3.05	25,000	Ordinary
Sentinel	08-Jun-17	\$ 21,425	\$ 3.05	7,036	Ordinary
Sentinel	09-Jun-17	\$ 244,357	\$ 3.05	80,117	Ordinary
Sentinel	09-Jun-17	\$ 142,138	\$ 3.05	46,679	Ordinary
Sentinel	09-Jun-17	\$ 135,444	\$ 3.04	44,554	Ordinary
Sentinel	09-Jun-17	\$ 30,833	\$ 3.04	10,159	Ordinary
Sentinel	13-Jun-17	\$ 1,296,250	\$ 3.05	425,000	Ordinary
Sentinel	13-Jun-17	\$ 1,265,167	\$ 3.05	415,490	Ordinary
Sentinel	13-Jun-17	\$ 319,200	\$ 3.04	105,000	Ordinary
Sentinel	13-Jun-17	\$ 150,527	\$ 3.04	49,597	Ordinary
Sentinel	13-Jun-17	\$ 10,215	\$ 3.03	3,377	Ordinary
Sentinel	13-Jun-17	\$ 4,654	\$ 3.03	1,536	Ordinary

ANNEXURE "B"**Estia Health Limited ACN 160 986 201**

This is annexure "B" of 10 pages referred to in "**ASIC Form 603 Notice of initial substantial shareholder**", executed by and on behalf of RSL Care RDNS Limited ACN 010 488 454:


.....
Company Secretary

Date: 15 June 2017

Project Honeypot
BINDING HEAD OF AGREEMENT
PRIVATE AND CONFIDENTIAL

Date 23 December 2016

Parties

Sentinel Investment Management Limited ACN 137 565 149 as trustee of Sentinel Health Trust (**Sentinel**)

RSL Care RDNS Limited ACN 010 488 454 (**RSL Care**)

This Heads of Agreement sets out a binding and confidential agreement between Sentinel and RSL Care with respect to the proposed Project

- | | | |
|---|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Definitions | <p>Associated Entity has the meaning given in the Corporations Act</p> <p>Corporations Act means the Corporates Act 2001 (Cth).</p> <p>Operating Business means the operating business of Honeypot (which as at 31 October 2016 comprised 66 aged care facilities, 5914 operation places, a retirement village and development sites)</p> <p>Permitted Nominee means
 RSL Care + RDNS or related PBI</p> <p>Prescribed Consideration has the meaning given in item 4 below</p> <p>Prescribed Transaction means the transaction contemplated in item 3</p> <p>Project has the meaning given in item 2</p> <p>Designated Property means all of the real property on which the business of Honeypot is carried on (which as at 31 October 2016 comprised 66 aged care facilities, a retirement village and development sites)</p> <p>Related Entity has the meaning given in the Corporations Act</p> <p>Relevant Interest has the meaning given in the Corporations Act</p> <p>Specified Liabilities means the refundable</p> |
|---|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- accommodation deposits and independent living unit entry contributions and the employee entitlements of the Honeypot operating business
- Sunset Date** means 30 June 2017
- 2 **Project** The parties are in discussions regarding the Project and Prescribed Transaction
- Project means a corporate transaction or transactions involving
- (a) the acquisition by Sentinel (or a Related Entity, an Associated Entity or nominee) (**Sentinel**) of an interest in an entity referred to by the parties as Honeypot; and
 - (b) RSL Care purchasing the selected Operating Businesses. Pending detailed due diligence this means 60 - 65 sites. Sentinel will have the right to sell or lease the sites that do not fit the accepted criteria of the operating business.
- 3 **Prescribed Transaction** If Sentinel acquired a Relevant Interest in more than 50% of the shares in Honeypot (by number).
- (a) RSL Care is to purchase or procure that a Permitted Nominee purchases the Operating Business for the Prescribed Consideration (**Business Sale Agreement**);
 - (b) RSL Care is to enter into or is to procure that a Permitted Nominee enters into a lease of the Designated Property on the terms contained in the Schedule (**Lease**); and
 - (c) Sentinel is to procure Honeypot to enter into the Business Sale Agreement and Lease
- subject to any applicable laws
- 4 **Consideration** Prescribed Consideration means
- (a) cash amount of \$300 million;
 - (b) the assumption of the Specified Liabilities.
- 5 **Formal documentation** The parties will use their best and all reasonable endeavours to negotiate and enter into formal documentation on reasonable commercial terms in respect of the Project, the Prescribed Transaction (including a Consortium Agreement and a Procurement Agreement relating to the Business Sale Agreement and Lease) (collectively **Transaction Documents**) by no later than 21 days after Sentinel gives notice to RSL, but in any event by 31 January 2017.

		<p>The parties must cooperate in good faith and use all reasonable but commercially prudent endeavours to</p> <ul style="list-style-type: none"> (a) identify the most cost-effective and tax-effective structure for implementing the Prescribed Transaction, and (b) negotiate and execute the Transaction Documents <p>It is the parties' intention that the Transaction Documents will supersede this document</p>
6	Conditions precedent to the Transaction Documents	<p>The entry into Transaction Documents will be subject to the following conditions</p> <ul style="list-style-type: none"> (a) approval of the Boards of RSL Care, the Permitted Nominee (if applicable) and Sentinel to execute the Transaction Documents on terms acceptable to each of them (b) each of RSL Care and Sentinel completing due diligence on Honeypot to their reasonable satisfaction (c) each of RSL Care (or the Permitted Nominee as applicable) and Sentinel obtaining adequate funding for the Prescribed Transaction and the Project (respectively), and (d) Sentinel (or a Related Entity, an Associated Entity or nominee) agreeing to publicly announce a takeover or other control transaction for Honeypot on terms acceptable to RSL Care and Sentinel (e) RSL Care receiving necessary regulatory approvals <p>The parties must use their best endeavours to satisfy the conditions precedent in a timely manner</p> <p>The Transaction Documents will also include conditions precedent, including regulatory conditions</p>
7	Business Sale Agreement	<p>Under the Business Sale Agreement, RSL Care or its Permitted Nominee will acquire all of the assets of Honeypot, other than the Designated Property. The Designated Property will be leased to RSL Care (or its Permitted Nominee, as applicable) pursuant to the Lease</p> <p>The only liabilities to be assumed under the Business Sale Agreement will be the Specified Liabilities</p> <p>RSL Care (or its Permitted Nominee, as applicable) will make offers of employment to all employees of</p>

8 Exclusivity

HoneyPot operating business

Until the Sunset Date, RSL Care and Sentinel must not (and must ensure that its Related Entities and Associated Entities do not):

- (a) participate in any negotiations or discussions;
- (b) provide or make available any information (including by way of providing information and access to perform due diligence); or
- (c) communicate any intention to do any of the things described in paragraphs (a) and (b) above

in respect of the Project or the Prescribed Transaction, including in response to any unsolicited approach, expression of interest, offer or proposal by any person in relation to the Project or the Prescribed Transaction.

Until the Sunset Date, RSL Care and Sentinel must not (and must ensure that its Related Entities and Associated Entities do not), directly or indirectly:

- (a) solicit, invite, facilitate, encourage or initiate any enquiries, negotiations or discussions; or
- (b) communicate any intention to do any of the things described in paragraph (a) above with a view to obtaining any approach, expression of interest, offer or proposal from any person in relation to the Project or the Prescribed Transaction.

9 Confidentiality

Obligations of Confidentiality

Subject to the exceptions below, a party:

- (a) must disclose to any person:
 - (1) the existence, contents or terms of this document;
 - (2) the fact that the parties intend to implement the Project and the Prescribed Transaction;
 - (3) the fact that the parties are undertaking negotiations with a view to implementing the Project and the Prescribed Transaction; or
 - (4) any information of the other party (**Confidential Information**); and
- (b) must not use any Confidential Information of any other party other than for the purpose of the Project or the Prescribed Transaction.

Exceptions

The above general obligations of confidentiality do not

apply where

- (a) other party consents in writing to the disclosure or use of the Confidential Information
- (b) disclosure is permitted by the express terms of this document.
- (c) the information is available to the public generally (except as a result of a previous breach of this clause);
- (d) a party is required to make the disclosure by law
- (e) the disclosure is made on a confidential basis to the employees, agents or representatives of that party or their professional advisers or financiers for the purpose of the Project or the Prescribed Transaction; or
- (f) the disclosure is made of information which the disclosing party can prove is lawfully possessed before obtaining it in connection with this document.

Nothing in this provision or this document generally is intended to compromise or fetter the obligations of confidentiality contained in the Confidentiality Deed between amongst others, Sentinel Security Investments Limited ACN 614 308 and RSLC, dated 15 November 2016.

10	Further Assurances	Each party shall sign and execute and do all deeds, acts, documents and things as may reasonably be required by the other party to effectively carry out and give effect to the terms and intentions of this document.
11	Governing Law	This document shall be governed by and construed in accordance with the law from time to time in Queensland. The parties agree to submit to the non-exclusive jurisdiction of the Courts of Queensland and the Courts which hear appeals from those Courts.
12	Costs	Each party shall bear their own legal costs of and incidental to the preparation and negotiation of this document and the Transaction Documents.
13	Severability	If a provision of this document is illegal, invalid, unenforceable or void in a jurisdiction it is severed for that jurisdiction and the remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected.

14	Counterparts	<p>This document may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this document may deliver it to, or exchange it with, another party by:</p> <ul style="list-style-type: none">(a) faxing; or(b) emailing a pdf (portable document format) copy of the executed counterpart to that other party.
15	Whole Agreement	<p>This document:</p> <ul style="list-style-type: none">(a) is the entire agreement and understanding between the parties relating to the subject matter of this document; and(b) supersedes any prior agreement, representation (written or oral) or understanding on anything connected with that subject matter.
16	Variation	<p>An amendment or variation to this document is not effective unless it is in writing and signed by the parties.</p>
17	Termination	<p>This document will terminate on the earlier of</p> <ul style="list-style-type: none">(a) entry into the Transaction Documents;(b) the Sunset Date. <p>unless otherwise extended by agreement in writing between the parties.</p>
18	Status of this document	<p>This document is binding on the parties on execution and it is intended to form the basis of the Transaction Documents to be entered into by the parties.</p>

Signing page

Executed as a Deed by Sentinel Investment
Management Limited ACN 137 555 149 as
trustee of Sentinel Health Trust



Director

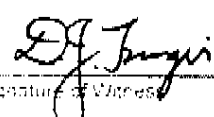


Director/Secretary

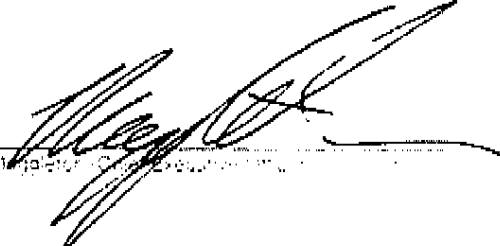
Warren James Ebert
Print full name of Director

Stacey Nicole Ebert
Print full name of Director/Secretary

Signed deals and delivered by Stephen
Muggleton as Chief Executive Officer for and on
behalf of RSL Care RDNS Limited ACN 010
488 454 in the presence of



Signature of Witness



Stephen Muggleton (Chief Executive Officer)

DAMIAN JOHN FINGER
Print full name of Witness

Project Honeypot
Schedule of Lease Terms

Lessor:	Honeypot (or related body corporate of Honeypot which is the owner of the Designated Property)
Lessee:	RSL Care or a Permitted Nominee
Premises:	Designated Property
Lease Term:	24 years.
Option Terms:	Continuous options for further terms of 24 years with the final option term to be 27 years up to a maximum period of 99 years.
Permitted Use:	<p>(a) As aged care facilities and ancillary uses</p> <p>(b) The Lessee must hold all local authority and other relevant governmental approvals for the permitted use and any fitout of the Premises.</p>
Commencing Rent:	<p>Commencing rent (based on 69 sites) to be the greater of</p> <p>(a) \$40 million per annum, and</p> <p>(b) 45% of the EBITDA generated from any business operated on the Designated Property per annum</p> <p>The above Rent is exclusive of GST and is payable monthly in advance on the first day of each month</p>
Rent Reviews:	Industry standard annual rent reviews to be agreed
Outgoings:	<p>(a) The Lessee must pay the cost of all rates and taxes (including land tax on a single holding basis), routine repair and maintenance, insurance, management and other agreed outgoings of the Lessor concerning the Designated Property (but excluding any structural work or repairs except where caused by a default of the Lessee under the leases)</p> <p>(b) Outgoings instalments are payable monthly in advance the same as rent.</p>
Direct Charges:	The Lessee must pay for all water, gas, electricity, air conditioning, cleaning and other services supplied to or assessed directly against the Designated Property
GST:	The recipient of any taxable supply must pay the GST on the consideration for the supply made by the relevant party to the recipient and the lease documents
Costs:	<p>The Lessee must pay all lease duty (if any) and registration and survey fees and expenses concerning the Lease</p> <p>Each party is to pay its own legal costs relating to the lease preparation, negotiation and execution (on the basis the Lessee's solicitors will be responsible for the preparation of the first drafts)</p>

Guarantee:	RSL Care must unconditionally guarantee the performance of the Lessee under the lease documents
Works by Lessor / Lessee:	<ul style="list-style-type: none">(a) Major Works (to be defined) in respect of the Designated Property require the prior approval of the Lessor (not to be unreasonably withheld) will be funded by the Lessor (except where the result is the relevant property will be over rented) and will be carried out by the Lessee(b) Minor Works (to be defined) in respect of the Designated Property require the prior approval of the Lessor (not to be unreasonably withheld) and will be funded and carried out by the Lessee(c) Works that are not Major Works or Minor Works (generally minor work below an agreed monetary threshold) will be funded and carried out by the Lessee but do not require prior Lessor approval(d) The cost of Major Works funded by the Lessor will be rentalised as agreed.
Right of First Refusal	The Lessee (or its nominee) will be granted a right of first refusal to purchase the Designated Property (or any part of it) if the Lessor proceeds with its sale or other disposal.
Option to purchase	The Lessee (or its nominee) will be granted a last right of refusal to purchase the Designated Property (or any part of it) if the Lessor proceeds with its sale or other disposal