

22nd April, 2009
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MR. STEVE MACRAE
STEVE MACRAE DEVELOPMENT SERVICES
8 Dobell Ave,
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Dear Sirs

RE: RISE – MAJOR PROJECT APPLICATION MP08-0234.
MASTER PLAN COMMUNITY
BILAMBIL HEIGHTS WEST TWEED
INDICATIVE CONSTRUCTION COST ESTIMATE

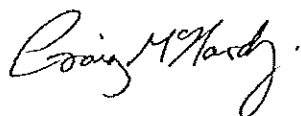
We enclose herewith our Indicative Construction Cost Estimate report in relation to the above major project application MP08-0234.

Due to the preliminary Concept Plan nature of the information provided to us, we advise that our schedule of costs contained in our estimate should be considered as a broad assessment only at this stage of design and that the estimate is based on preliminary master plan design information and on assumptions made on our understanding of the product type and quality in discussions with yourselves. The indicative broad order of costs should be reviewed upon receipt of further design information and monitored throughout design development as the project proceeds over time.

We specifically draw your attention to the Exclusions and Assumptions sections of our report, Sections C and D respectively.

We look forward to discussing this further with you should that be required at this stage.

Yours faithfully,
WT PARTNERSHIP



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DIRECTOR

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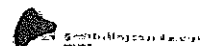
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**RISE MP08-0234 APPLICATION
MASTER PLAN COMMUNITY
BILAMBIL HEIGHTS TWEED HEADS**

FOR

**TERRANORA GROUP MANAGEMENT PTY LTD
C/- STEVE MACRAE DEVELOPMENT SERVICES PTY LTD.**

**INDICATIVE CONSTRUCTION COST
ESTIMATE**

APRIL 2009

**RISE (PACIFIC HIGHLANDS)
MASTER PLAN COMMUNITY – BILAMBIL HEIGHTS
INDICATIVE CONSTRUCTION COST ESTIMATE**

APRIL 2009

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APPENDIX: INDICATIVE CONSTRUCTION COST ESTIMATE SUMMARY

**RISE (PACIFIC HIGHLANDS)
MASTER PLAN COMMUNITY – BILAMBIL HEIGHTS
INDICATIVE CONSTRUCTION COST ESTIMATE**

APRIL 2009

A. INTRODUCTION AND BRIEF DESCRIPTION OF WORKS

WT Partnership has been instructed by Steve MacRae Development Services Pty Ltd (SMDS) on behalf of the land owner Terranora Group Management Pty Ltd (TGM) to prepare an indicative construction cost estimate for the proposed Rise Master Planned Community development at Marana St Bilambil Heights in the Tweed Shire. We understand that the purpose of the estimate is to provide a broad indication of the likely construction costs in order to assist in the preliminary economic assessment of the project. WT Partnership is instructed that the estimate should exclude all residential product (housing, apartments, villas, townhouses and retirement living).

It is understood that the Rise development will cover approximately 110ha of land of the 184.5 hectare total site owned, we are advised by TGM in Bilambil Heights, West Tweed Northern NSW and will eventually include:-

- Hillside, medium and low density housing
- Retirement villages
- Nursing home
- Private school
- Hospitality training school
- Village retail centre/s
- Art Galleries
- Health spa
- Open space and conservation

B. SUMMARY OF INDICATIVE CONSTRUCTION COST ESTIMATE

A summary of the indicative construction cost estimate is provided in the Appendix. We draw your particular attention to the exclusions as listed in Section C of this report, provisions for which should be made in the actual development budget for construction in the future.

Due to the preliminary nature of the information provided to us, being to a Concept Plan standard only, we advise that our estimate of the costs should be considered as broad only at this stage and is based on preliminary draft structure plan information and on assumptions made on our understanding of the product type and quality in discussions with SMDS and TG M. The indicative broad order estimated costs should be reviewed upon receipt of further design information as Development Application designs evolve per Precinct and monitored throughout design development and construction.

**RISE (PACIFIC HIGHLANDS)
MASTER PLAN COMMUNITY – BILAMBIL HEIGHTS
INDICATIVE CONSTRUCTION COST ESTIMATE**

APRIL 2009

C. SCHEDULE OF EXCLUSIONS

The following list of items has been EXCLUDED from this Indicative Construction Cost Estimate:-

- Land Costs;
- Legal Costs;
- Finance Costs, Holding & Interest Charges;
- Unknown Ground Conditions;
- Works associated with the remediation of contaminated ground or other special latent conditions works (we are advised that no such works are anticipated);
- All residential buildings (housing, apartments, hotel apartments, villas, townhouses and retirement living);
- Works outside the Site Boundary except as provided in estimate of Englobo Works;
- Diversion of Existing Services if not included in the Civil Engineers estimate;
- Escalation on-costs after date of Estimate;
- Council Fees, Authority Charges and Headworks;
- Loose Furniture, Fittings & Equipment;
- Commercial Area internal Fitout works;
- Artwork;
- Developer's Contingencies;
- GST;
- Other miscellaneous Development Costs.

D. SCHEDULE OF ASSUMPTIONS

This Indicative Construction Cost Estimate has been based on the following assumptions:-

- The works will be designed, tendered and constructed in stages on a competitive basis. We assume that the various stages will be tendered by a minimum of three selected contractors on a full design package;
- Design will develop in a value management environment.

E. SCHEDULE OF INFORMATION USED

This Indicative Cost Estimate is based upon the following preliminary design information:-

Rise (Pacific Highlands) Project - Preliminary Engineering Advice (cost) report prepared by Cardno (Qld) Pty Ltd dated 29 October 2007 (and as reconfirmed by Cardno to SMDS in early 2009).

Rise (Pacific Highlands) Project – Electrical Services Budget Estimate prepared by EMF Griffiths Engineers Pty Ltd dated 9 July 2007.

Rise (Pacific Highlands) Project – Electrical Services Budget Estimate prepared by EMF Griffiths Engineers Pty Ltd dated 17 March 2009.

Rise – Architecture and Urban Planning Report for MP08-0234 March 2009 – prepared by ML Design Architects.

INDICATIVE CONSTRUCTION COST ESTIMATE

RISE village - Marana St, Bilambil Heights

Terranora Group Management P/L.

INDICATIVE CONSTRUCTION COST ESTIMATE SUMMARY

Item	Cost
Precinct A	15,461,120
Precinct B	1,400,404
Precinct C	n/a
Precinct D	4,380,000
Precinct E	2,052,600
Precinct F	951,000
Precinct G	1,194,309
Precinct H	2,163,000
Precinct I	No Bldg Works
Precinct J	446,000
Precinct K	n/a
Precinct L	13,634,400
Precinct M	1,201,225
Precinct N	3,335,046
Precinct O	1,783,078
Precinct P	Deleted From 3A
Precinct Q	Deleted From 3A
Precinct R	Deleted From 3A
Precinct S	Deleted From 3A
Precinct T	Deleted From 3A
Precinct U	2,033,500
Precinct V	1,804,280
Subtotal	51,839,961
Civil engineering, Roads and Driveways	24,013,870
Subdivisional services & IWCM.	40,000,000
CTS comms, lighting, security and intranet.	9,402,000
Entry Statement	1,100,000
Subtotal	126,355,831
Design fees, Project Management and Development Management fees	8,844,908
Contingency	6,317,892
Total Indicative Estimate	141,518,631