

22 November 2010

Mr Jim Neale
35 Fox Valley Road
WAHROONGA NSW 2076

ATTENTION: MR JIM NEALE

Dear Sir

**RE: AVON ROAD DEVELOPMENT
CAPITAL INVESTMENT VALUE REPORT**

In reference to the Avon Road Development, we have prepared a Capital Investment Value Report for this project and we advise you that the estimated cost at November 2010 rates is **\$121,695,000** excluding GST as shown in the attached Summary of Costs.

The Capital Investment Value of a development includes all costs necessary to establish and operate the development including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment in accordance with the current definitions of PS 10-008, but excludes GST and land costs.

We refer you to the attached report which includes a summary of costs together with a Schedule of Information Used. We also refer you to page three (3) of the attached which identifies those items which have been excluded from the Capital Investment Value and which, if applicable, should be provided for separately in your feasibility.

The report is based upon the Ancher Mortlock Woolley Architectural Statement dated December 2009. We have been provided with concept drawings and floor areas from Ancher Mortlock Woolley.

We note the following issues which should be considered when assessing the report:-

1. The report is based on Ancher Mortlock Woolley floor plate areas in order to provide Gross Floor Areas (GFA) for calculation of the construction costs.
2. We understand that the site will require landscaping protection and remediation to the riparian zone as indicated and we have made allowances within our estimated cost for the proposed works;
3. We have included an allowance of 11% of construction cost for design and consultant fees.

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and Construction
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International Association

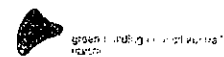
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Trading as WT Partnership

ACN 006 040 768

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JAS-ANZ



We specifically note that this estimate is based on concept documentation and therefore we have had to make a number of assumptions in relation to all aspects of the design. We recommend that prior to finalising feasibility studies and funding arrangements that detailed estimates be prepared from further developed design documentation and client specific brief.

Should you wish to discuss any aspect of the attached please do not hesitate to contact us.

Yours faithfully,
WT PARTNERSHIP

A handwritten signature in black ink, appearing to read 'G. Heaton', with a stylized flourish at the end.

GERBY HEATON

GRAPHICALLY PRESENTED IN THE REPORT

[illegible]

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A. MAIN SUMMARY OF COSTS

| <i>Element</i> | Order Of Cost |
|--|----------------------|
| i) SITE PREPARATION | 1,875,000 |
| ii) BASEMENT CARPARKING | 21,651,000 |
| iii) RESIDENTIAL APARTMENT BLOCKS | 81,694,000 |
| iv) LANDSCAPING & FENCING | 2,901,000 |
| v) INTERNAL ROADWAYS | 502,000 |
| vi) RIPARIAN ZONE PROTECTION (Provisional) | 212,000 |
| vii) EXTERNAL ENGINEERING SERVICES (Provisional) | 800,000 |
| | <hr/> |
| | \$109,635,000 |
| viii) PRELIMINARIES, OVERHEADS & PROFIT | Included |
| ix) ESCALATION | Excluded |
| x) PROFESSIONAL & CONSULTANTS FEES | 12,060,000 |
| xi) GOODS & SERVICES TAX (GST 10%) | Excluded |
| | <hr/> |
| CAPITAL INVESTMENT VALUE AT NOVEMBER 2010 (Excl. GST) | \$121,695,000 |
| | <hr/> |

B. SCHEDULE OF MAIN AREAS

| | GFA m² |
|-------------------------------|----------------------------|
| GFA (Gross Floor Area) | |
| APARTMENTS | 29,715 |
| CIRCULATION | 4,837 |
| SERVICES / PLANT | 821 |
| LIFTS / STAIRS | 1,866 |
| CARPARKING & ASSOCIATED AREAS | 17,983 |
| | <hr/> |
| TOTAL GFA | 55,222m² |
| | <hr/> |

C. SCHEDULE OF INFORMATION USED

The following information has been used in the preparation of this estimate:-

Architectural Concept documentation by Ancher/Mortlock/Woolley:

- i) Locality / Context Plan [CP -010] – dated 19/11/2009;
- ii) Site Analysis Plan [CP -011] – dated 19/11/2009
- iii) Site Concept Plan [CP-100] – dated 19/11/2009;
- iv) Indicative Carpark Levels 01 – B2 [CP -101] – dated 19/11/2009;
- v) Indicative Carpark Levels B3 – B5 [CP - 102] – dated 19/11/2009;
- vi) Area Calculations [CP -140] – dated 19/11/2009;
- vii) Indicative Elevations – North & West [CP -200] – dated 19/11/2009;
- viii) Indicative Elevations – South & East [CP -201] – dated 19/11/2009;
- ix) Indicative Sections [CP -300] – dated 19/11/2009;
- x) Shadow Diagrams – Summer Solstice [CP -400] – dated 19/11/2009;
- xi) Shadow Diagrams – Winter Solstice [CP -401] – dated 19/11/2009;
- xii) Shadow Diagrams – Equinox [CP -402] – dated 19/11/2009;
- xiii) View Analysis Location Plan [CP -500] – dated 19/11/2009;
- xiv) 3D Perspectives [CP -501] – dated 19/11/2009.

Architectural Stage 1 Concept documentation by Ancher/Mortlock/Woolley:

- xv) B2 Level Carpark & B1 Level Carpark [PA1-100] – dated 1/12/2009;
- xvi) Level 0 Plan & Level 1-3 Plans [PA1-101] – dated 1/12/2009;
- xvii) Level 4 & Level 5 Plan [PA1-102] – dated 1/12/2009;
- xviii) Roof Plan [PA1-103] – dated 1/12/2009;
- xix) Area Calculations [PA1-140] – dated 1/12/2009;
- xx) Elevations – North & West [PA1-200] – dated 1/12/2009;
- xxi) Elevations – South & East [PA1-201] – dated 1/12/2009;
- xxii) Sections [PA1-300] – dated 1/12/2009;
- xxiii) Shadow Diagrams – Summer Solstice [PA1-400] – dated 1/12/2009;
- xxiv) Shadow Diagrams – Winter Solstice [PA1-401] – dated 1/12/2009;
- xxv) Shadow Diagrams – Equinox [PA1-402] – dated 1/12/2009;
- xxvi) 3D Perspectives [PA1-500] – dated 1/12/2009.

Architectural Statement by Ancher/Mortlock/Woolley.

Landscape Master Plan prepared by Taylor Brammer dated 23/04/2010.

D. SCHEDULE OF EXCLUSIONS

The following items have been excluded from these estimated costs:-

- i) Excavation in hard rock and vibration isolation;
- ii) Decontamination or site remediation;
- iii) Removal of hazardous materials;
- iv) Investigation or removal of Indigenous artifacts or archeological items;
- v) Grey water or black water treatment plants;
- vi) Flood mitigations works;
- vii) Public domain works or contributions;
- viii) Public artworks, features or sculptures;
- ix) Land costs, legal fees, interest charges, holding or finance costs;
- x) Marketing suite; agents and selling fees;
- xi) Escalation after stated dates including increases in EBA labour and site allowances;
- xii) Developer's contingency sum;
- xiii) Goods & Services Tax (GST).

8 December 2010

Mr Jim Neale
35 Fox Valley Road
WAHROONGA NSW 2076

ATTENTION: MR JIM NEALE

Dear Sir

**RE: AVON ROAD DEVELOPMENT – STAGE 1
CAPITAL INVESTMENT VALUE REPORT**

In reference to the Avon Road Development, we have prepared a Capital Investment Value Report for Stage 1 of this project and we advise you that the estimated cost at December 2010 rates is **\$18,649,000** excluding GST as shown in the attached Summary of Costs.

The Capital Investment Value of a development includes all costs necessary to establish and operate the development including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment in accordance with the current definitions of PS 10-008, but excludes GST and land costs.

We refer you to the attached report which includes a summary of costs together with a Schedule of Information Used. We also refer you to page two (2) of the attached which identifies those items which have been excluded from the Capital Investment Value and which, if applicable, should be provided for separately in your feasibility.

The report is based upon the Ancher Mortlock Woolley Architectural Statement dated December 2009. We have been provided with concept drawings and floor areas from Ancher Mortlock Woolley.

We note the following issues which should be considered when assessing the report:-

1. The report is based on Ancher Mortlock Woolley floor plate areas in order to provide Gross Floor Areas (GFA) for calculation of the construction costs.
2. We understand that the site will require landscaping protection and remediation to the riparian zone as indicated and we have made allowances within our estimated cost for the proposed works;
3. We have included an allowance of 11% of construction cost for design and consultant fees.

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International Association

Brunei – MRBC Partnership

WT Partnership Aust Pty Ltd

Trading as WT Partnership

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MEMBER



We specifically note that this estimate is based on concept documentation and therefore we have had to make a number of assumptions in relation to all aspects of the design. We recommend that prior to finalising feasibility studies and funding arrangements that detailed estimates be prepared from further developed design documentation and client specific brief.

Should you wish to discuss any aspect of the attached please do not hesitate to contact us.

Yours faithfully,
WT PARTNERSHIP



GERRY HEATON

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| D. SCHEDULE OF EXCLUSIONS | 2 |

A. MAIN SUMMARY OF COSTS

| <i>Element</i> | Order Of Cost |
|--|----------------------|
| i) SITE PREPARATION | 263,000 |
| ii) BASEMENT CARPARKING | 4,522,000 |
| iii) RESIDENTIAL APARTMENT BLOCKS | 11,566,000 |
| iv) LANDSCAPING & FENCING | 150,000 |
| v) INTERNAL ROADWAYS | Excluded |
| vi) RIPARIAN ZONE PROTECTION (Provisional) | Excluded |
| vii) EXTERNAL ENGINEERING SERVICES (Provisional) | 300,000 |
| | <hr/> |
| | \$16,801,000 |
| viii) PRELIMINARIES, OVERHEADS & PROFIT | Included |
| ix) ESCALATION | Excluded |
| x) PROFESSIONAL & CONSULTANTS FEES | 1,848,000 |
| xi) GOODS & SERVICES TAX (GST 10%) | Excluded |
| | <hr/> |
| CAPITAL INVESTMENT VALUE AT DECEMBER 2010 (Excl. GST) | \$18,649,000 |
| | <hr/> |

B. SCHEDULE OF MAIN AREAS

| | GFA m² |
|--------------------------------|---------------------------|
| GFA (Gross Floor Area) | |
| APARTMENTS | 4,160 |
| CIRCULATION & ASSOCIATED AREAS | 569 |
| CARPARKING & ASSOCIATED AREAS | 3,712 |
| TOTAL GFA | <hr/> |
| | 8,441m² |
| | <hr/> |

C. SCHEDULE OF INFORMATION USED

The following information has been used in the preparation of this estimate:-

Architectural Stage 1 Concept documentation by Ancher/Mortlock/Woolley:

- i) B2 Level Carpark & B1 Level Carpark [PA1-100] – dated 1/12/2009;
- ii) Level 0 Plan & Level 1-3 Plans [PA1-101] – dated 1/12/2009;
- iii) Level 4 & Level 5 Plan [PA1-102] – dated 1/12/2009;
- iv) Roof Plan [PA1-103] – dated 1/12/2009;
- v) Area Calculations [PA1-140] – dated 1/12/2009;
- vi) Elevations – North & West [PA1-200] – dated 1/12/2009;
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- xi) Shadow Diagrams – Equinox [PA1-402] – dated 1/12/2009;
- xii) 3D Perspectives [PA1-500] – dated 1/12/2009.

Architectural Statement by Ancher/Mortlock/Woolley.

Landscape Master Plan prepared by Taylor Brammer dated 23/04/2010.

D. SCHEDULE OF EXCLUSIONS

The following items have been excluded from these estimated costs:-

- i) Works in conjunction with other zones or stages of the development;
- ii) Excavation in hard rock and vibration isolation;
- iii) Decontamination or site remediation;
- iv) Removal of hazardous materials;
- v) Investigation or removal of Indigenous artifacts or archeological items;
- vi) Grey water or black water treatment plants;
- vii) Flood mitigations works;
- viii) Public domain works or contributions;
- ix) Public artworks, features or sculptures;
- x) Land costs, legal fees, interest charges, holding or finance costs;
- xi) Marketing suite; agents and selling fees;
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