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QUANTITY SURVEYORS

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Preliminary Cost Plan

Project Contact: Steven Way
Associate Director Responsible: Pedro Cardoso
Direct Contact Number: (02) 9241 6477

Client:	Mr Anthony Kosseris
Property Address:	Crown Street, WOLLONGONG, NSW 2500
Date:	October 10, 2007

Property Depreciation and Construction Cost Consultants

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BMT & ASSOC provide an Australian wide Service with offices in Sydney, Melbourne, Brisbane, Newcastle, Canberra, Adelaide and Perth.

Wednesday, 10 October 2007

Mr Anthony Kosseris
Belmorgan Property Development Pty Ltd
PO Box 498
WARRAWONG, NSW 2502

RE - Crown Street, WOLLONGONG, NSW 2500

Dear Anthony,

Please find attached our Preliminary Cost Plan for the above-mentioned development.

BMT & ASSOC Pty Ltd note that in accordance with the definition of Capital Investment Value, our estimated development cost includes for the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment.

Please refer to the attached indicative elemental trade breakup for an indication of the respective costs of the projects elements. Please note the following indicative elemental trade breakup has been derived from the total project costs, and only illustrates a very broad indication of the percentage of the total cost that can be allocated to the projects trade elements.

These figures have been derived from previous project of similar nature and do not necessarily reflect this project directly and as such can only be treated as a very broad indication.

We draw your attention to the lists of “Exclusions” and "Finishes" appended.

Yours Sincerely,

BMT & ASSOC Pty Ltd

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Preliminary Cost Plan
For
Crown Street, WOLLONGONG, NSW 2500

Prepared for: Mr Anthony Kosseris

Prepared by:

BMT & ASSOC Pty Ltd

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1.0 Financial Summary

Based on our professional opinion and the material provided to BMT & ASSOC Pty Ltd, we believe the attached development cost summary reflects a fair and competitive indication of the cost to complete the development.

The BMT & ASSOC Pty Ltd Preliminary Cost Plan for construction cost totals $143,500,000 exclusive of GST or $157,850,000 inclusive of GST, with a further $9,000,000 payable in consultants fees.

When a contingency allowance of $7,175,000 is factored in the total development cost totals $159,675,000 exclusive of GST or $175,642,500 inclusive of GST.

BMT & ASSOC Pty Ltd note that our estimated development cost includes for the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment.

Item	Total Cost GST Exclusive	Total Cost GST Inclusive
BMT Estimate		
Construction Cost		
Stage 1 - Gravity	$69,000,000	$75,900,000
Stage 2 - Hotel	$24,500,000	$26,950,000
Stage 3 - Oxford Site	$50,000,000	$55,000,000
Council / Authority Fees	EXCL	EXCL
Consultants Fees	$9,000,000	$9,900,000
Development Contingency	$7,175,000	$7,892,500
Total Development Cost	***$159,675,000***	***$175,642,500***

The development consists of a total gross floor area (fully enclosed and unenclosed covered area) of 135,073 square metres.

2.0 Descriptive Summary

The development involves the construction of a Mixed Use development consisting of three stages. Stage one involves the construction of a retail complex, stage two, a hotel situated directly above stage one, and stage 3, ground floor Tavern / Retail, upper levels being for office and residential use.

An appropriate quality level of finishes has been allocated to the development.

Please refer to attached Schedule of Finishes which have been allowed for within our estimate.

The development cost per square metre of gross floor area (fully enclosed covered area and unenclosed covered area) is $1,182 exclusive of GST or $1,300 inclusive of GST.

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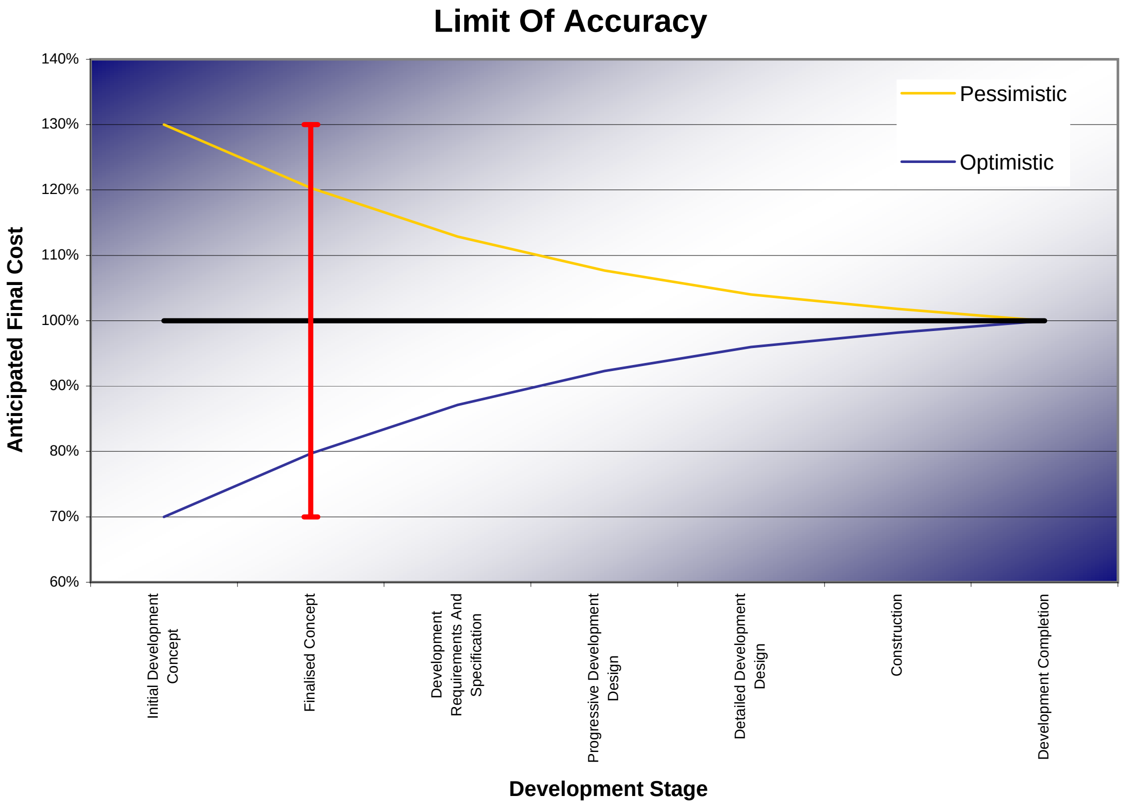
3.0 Limit of Accuracy

As with any development, the limit of accuracy for any level of cost and risk control is dictated by the level, and quality of documentation associated with its construction.

Figure 1. Below illustrates the effect of cost planning on a client's perception of the final cost of the proposed development.



For any given stage, anticipation of actual final cost can only improve as the design itself becomes more refined. Estimates can fall anywhere between the two curves. The vertical red line illustrates the current level of documentation available for the completion of the BMT & ASSOC Pty Ltd budget estimate, and the limit of accuracy that can be achieved given this.

4.0 Cash Flow Analysis

Please refer to the attached cash flow diagram for the development. The forecast cash flow for this development has been derived using the CSIRO - Bromilow 20/20 curve that generates a mean cashflow for developments of this nature.

For a further detailed explanation of the scope of works, please refer to the attached trade break up estimate.

5.0 Disclaimer

BMT & ASSOC Pty Ltd have prepared this report in part on the basis of information supplied in the ordinary course of business by Mr Anthony Kosseris of Belmorgan Property Development Pty Ltd.

Whilst all professional care and skill have been exercised to validate its accuracy and authenticity, BMT & ASSOC Pty Ltd is unable to provide any guarantee in that regard, and will not be liable to any party for any loss arising as a result of any such information subsequently being found to be inaccurate or lacking authenticity.

6.0 Conclusion

Should you have any queries or require any further clarification, please do not hesitate to contact Pedro Cardoso of this office.

Yours Sincerely,

BMT & ASSOC

BMT & ASSOC Pty Ltd

Project Information

Project Number	72554
Project Description	Mixed Use Development
Project Address	Crown Street, WOLLONGONG, NSW 2500
Version Number	1
Version Description	Preliminary Cost Plan
Rates Current	October 10, 2007
Gross Floor Area	135,073m2
Total Cost (GST Exclusive)	**$159,675,000**
Cost/m2 (GST Exclusive)	**$1,182**
Total Cost (GST Inclusive)	$175,642,500
Cost/m2 (GST Inclusive)	$1,300

Schedule of Exclusions

- All authority fees
- Rise and fall
- Holding costs and interest charges
- Unknown ground conditions allowance
- Goods and services tax (GST)
- Marketing costs
- Finance costs
- All fitout and finishes to retail areas
- All fitout and finishes to restaurant areas
- All fitout and finishes to food court areas
- All fitout and finishes to Mini Major tenancies
- Works outside Lessors scope in available design specifications
- Any proposed road works
- Staging, phasing or delay costs
- Cost increases beyond September 2007

Schedule of Information

Following is a schedule of information used in the preparation of the Preliminary Cost Plan.

- Conceptual development design documentation dated May 2007, as provided by Belmorgan Property Development Pty Ltd
- Architectural Drawings: Project No: 165303; Drawing No's: A-DA-201 A to A-DA-213 A, Dated April 2007; A-DA-208 Mezz A, Dated April 2007; A-DA-A301 A to A-DA-303 A, Dated April 2007 as prepared by DBI Design

Schedule of Finishes

Following is a schedule of assumed finishes used in the preparation of the Preliminary Cost Plan.

- Ceramic tiles to wet areas
- Stone tiling to public areas
- Commercial grade carpet to areas other than tiled
- Medium quality amenity fixtures

Schedule of Areas

The costs within this report are calculated based on a Gross Floor Area (GFA) rate. Typically GFA can be determined as the sum of the Fully Enclosed Covered Floor Area (FECA) and the Unenclosed Covered Floor Area (UCA) of the building at all floor levels, measured in a square metre rate.

Fully Enclosed Covered Areas Include

- Basements
- Attics
- Garages
- Penthouses
- Lift Shafts
- Staircases
- Columns and Piers
- Equipment rooms

Unenclosed Covered Areas Include

- Roofed Balconies
- Open Verandahs
- Porches and Porticos
- Attached Covered Walkways
- Useable Space Under Buildings

Preliminary Cost Plan

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Indicative Trade Summary

Crown Street, WOLLONGONG, NSW 2500

Trade	$/sqm	%	Total Cost (Excl GST)	Total Cost (Incl GST)
Preliminaries	120	11.3%	$16,145,665	$17,760,231
Demolition	8	0.8%	$1,080,584	$1,188,642
Excavation	60	5.6%	$8,104,380	$8,914,818
Substructure	74	7.0%	$9,992,938	$10,992,232
Columns	32	3.0%	$4,263,653	$4,690,019
Upper Floors	190	17.9%	$25,663,870	$28,230,257
Staircases	6	0.6%	$799,435	$879,379
Roof	26	2.4%	$3,464,218	$3,810,640
External Walls	12	1.1%	$1,598,870	$1,758,757
Windows & Glazing	105	9.9%	$14,182,665	$15,600,932
Internal Walls	52	4.9%	$7,023,796	$7,726,176
External Doors	1	0.1%	$133,239	$146,563
Internal Doors	9	0.8%	$1,199,153	$1,319,068
Wall Finishes	3	0.3%	$399,718	$439,689
Floor Finishes	29	2.7%	$3,863,936	$4,250,330
Ceiling Finishes	24	2.2%	$3,197,740	$3,517,514
Fixtures (PC Items)	8	0.8%	$1,080,584	$1,188,642
Fitments	29	2.7%	$3,865,348	$4,251,883
Electrical Services	64	6.0%	$8,660,546	$9,526,601
Hydraulic Services	13	1.2%	$1,732,109	$1,905,320
Mechanical Services	93	8.7%	$12,524,482	$13,776,930
Fire Services	40	3.8%	$5,462,806	$6,009,087
Transportation Services	33	3.1%	$4,396,893	$4,836,582
Site Works	26	2.4%	$3,464,218	$3,810,640
External Services	9	0.8%	$1,199,153	$1,319,068
Sub Total	**1,062**	**100%**	**$143,500,000**	**$157,850,000**
Contingency Allowance	53	4.5%	$7,175,000	$7,892,500
Consultants Fees	67	5.6%	$9,000,000	$9,900,000
Council Fees	-	-	-	-
Total	**1,182**		**$159,675,000**	**$175,642,500**

Please note the above trade costs have been derived from previous project of similar nature and do not necessarily reflect this project directly and as such can only be treated as a very broad indication.