



Prepared on behalf of;-
Westpac Banking Corporation
Po Box 183
Strathpine Qld 4500
Attention: Michelle O'Sullivan

Our Ref: 0175691

Valuation Date: 16 February 2012



**Proposed Unit 1/28 Flinders Parade
North Lakes Qld 4509**

**PROPELL NATIONAL VALUERS
PO BOX 150
PADDINGTON QLD 4064**



EXECUTIVE SUMMARY MORTGAGE FINANCE VALUATION

| | |
|--|--|
| Property Address: | Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509 |
| Certificate of Title: | Proposed Lot 1 on unregistered plan replacing Lot 20 on SP 206829, County of Stanley, Parish of Redcliffe. Title Reference - Not currently registered. |
| Registered Owners: | Lilmin Pty Ltd as Trustee under Instrument 711719635 1/2 share and Jabba Enterprises Pty Ltd as Trustee under Instrument 711719635 1/2 share |
| Encumbrances: (Limited to those that affect the use or value of the subject property.) | Rights and interests reserved to the Crown by Deed of Grant No. 10883222 (POR 2V). We assume that there will no onerous easements, encumbrances or interests on title. |
| Last Sale: (Within the last three years.) | Not applicable. |
| Zoning: | North Lakes Locality - Special Development under the Moreton Bay Regional Planning Scheme Under the Precinct and Sector Plan for North Lakes (Precinct Plan 030 - Mixed Industrial Business Area - South |
| Description of the Property "As Is": | The property comprises a modern office/warehouse building situated on 2,160 square metre regular shaped site. We have been advised that the property is to be strata titled into two units which suits the current design of the improvements. |
| Comments: | The property is currently vacant and for lease. The property is situated in a developing mixed use precinct with a large amount of new stock currently vacant or being constructed. |
| Interest Valued: | Unencumbered freehold on a vacant possession basis. We have been asked to complete a hypothetical valuation as if the property is strata titled |
| Valuation Date: | 16 February 2012 |
| Current Market Value "As If Complete": | \$1,165,000 One Million, One Hundred and Sixty Five Thousand Dollars This assessment is GST exclusive |
| Valuer: | PROPELL NATIONAL VALUERS  Jim Webster AAPI Certified Practising Valuer Registration Valuer No: Qld 2120 16 February 2012 |
| Important: | All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation. |
| Our Ref: | 0175691 |



WESTPAC BANKING CORPORATION VALUATION REPORT

Client: Nick De Marco of Livedale.
Loan Ref: VAL-310485-470/0041938.
Address: 28 Flinders Parade, North Lakes Qld 4509.
Brief Description: The property comprises a modern office/warehouse building situated on 2,160 square metre regular shaped site. We have been advised that the property is to be strata titled into two units which suits the current design of the improvements.

1.0 INSTRUCTIONS

Instructing Party: Michelle O'Sullivan – Westpac Bank
Instructions: To assess the market value of the property for Westpac Banking Corporation for mortgage security assessment. The interest to be valued is the unencumbered freehold on a vacant possession basis. We have been asked to complete a hypothetical valuation as if the property is strata titled.
Market Value: Market value is defined as the amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction, after proper marketing, wherein they had acted knowledgeably, prudently and without compulsion.

2.0 VALUATION

'As If Complete'
\$1,165,000
 One Million One Hundred and Sixty Five Thousand Dollars
 Date of Valuation - 16 February 2012
 This assessment is GST exclusive
 No allowance has been made for realisation expenses

Date of Inspection: 17 February 2012
Lending Cautions: No major adverse features identified. Refer to property risk assessment and limitations. Recommend sighting of strata title plan to confirm value of unit.

Risk Assessment Summary:

| Category | Rating | | | | |
|-----------|--------|---------|--------|----------|------|
| | Low | Low/Med | Medium | Med/High | High |
| Market | | | | | |
| Asset | | | | | |
| Cashflow | | | | | |
| Asset MGT | | | | | |
| Overall | | | | | |

Valuer: Jim Webster AAPI
 Certified Practising Valuer
 Registration Valuer No: Qld 2120
 Propell National Valuers

I hereby certify that I inspected the above property on 17 February 2012 and assess the market value of the property as above in accordance with the requirements of Westpac Banking Corporation for their panel valuers and recommend it for an appropriate mortgage advance. The valuation is for the use only of Westpac Banking Corporation and its mortgage insurers for first mortgage purposes and is not to be used for any other purpose. No responsibility is accepted or undertaken to any third parties in relation to this valuation and report. The valuers inspection and report does not constitute a structural survey and is not intended as such.

No conflict of interest: We confirm that we do not have any conflict of interest with the parties involved, or any other matters in relation to this valuation instruction.

Supporting Memorandum: This valuation pro-forma is a concise summary made in accordance with the Australian Property Institute Practice Standard currently in force at the time it is made and Westpac Banking Corporation Standard Instructions for Valuation Reports for Mortgage Security Purposes. Full supporting memoranda are available upon request.

Unless otherwise stated, co-signature of this report by one of our directors signifies that the director has participated in its preparation only to the extent of checking calculations used by the valuer in the course of arriving at the valuation.

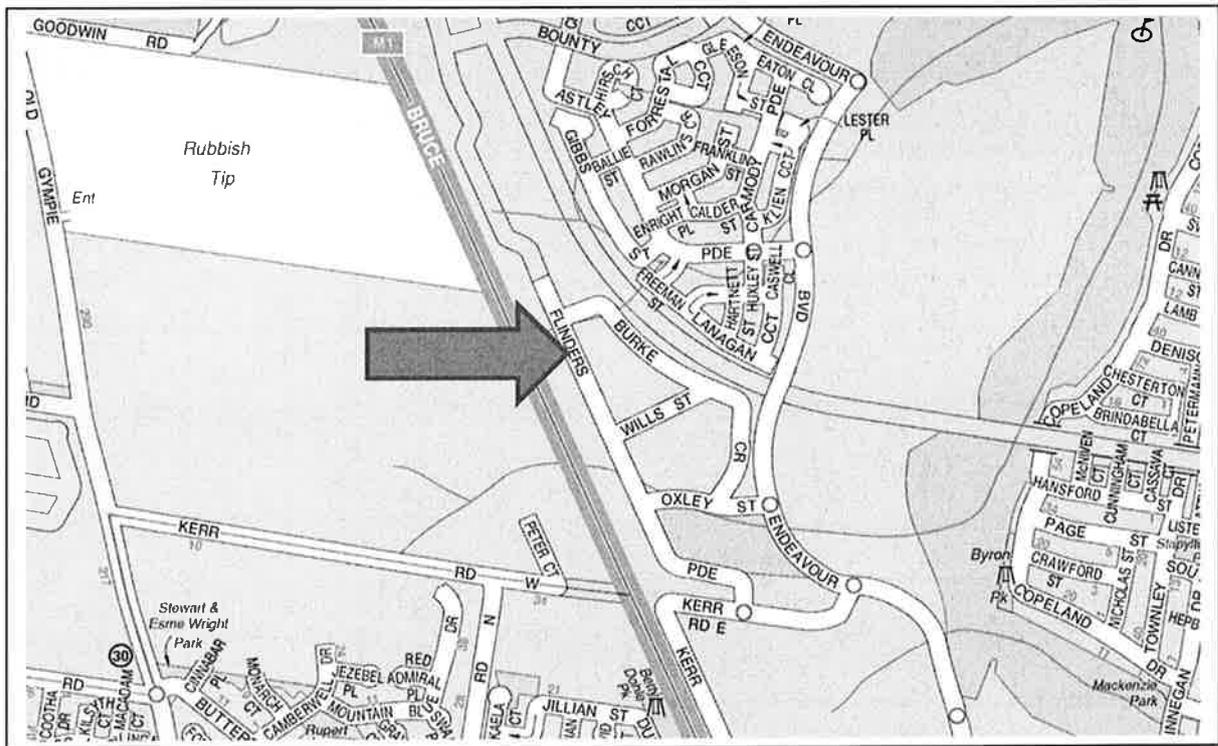
Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



3.0 PROPERTY DETAILS

- Title Details:** Proposed Lot 1 on unregistered plan replacing Lot 20 on SP 206829, County of Stanley, Parish of Redcliffe.
Title Reference No. Not currently registered.
- Registered Owner:** Lilmin Pty Ltd as Trustee under Instrument 711719635 ½ share and Jabba Enterprises Pty Ltd as Trustee under Instrument 71179635 ½ share.
- Easements, Encumbrances & Interests:** Rights and interests reserved to the Crown by Deed of Grant No. 10883222 (POR 2V).
We assume that there will no onerous easements, encumbrances or interests on title.
- Site Identification:** The property has been positively identified.
- Parent Allotment:** 2160 square metres – parent parcel.
- Local Authority:** Moreton Bay Regional Council.
- Area Classification:** North Lakes Locality - Special Development under the Moreton Bay Regional Planning Scheme Under the Precinct and Sector Plan for North Lakes (Precinct Plan 030 - Mixed Industrial Business Area - South
Effect: Existing office/warehouse use complies with the area classification.
- Location:** The property is situated in a developing business area of North Lakes which lies approximately 25 kilometres north of the Brisbane GPO. The Bruce Highway is approximately 200 metres west with easy access via a service road. Surrounding development consists of a mixture of vacant industrial/commercial land and recently completed office/warehouse buildings of varying sizes and mixes. Westfield North Lakes shopping centre is approximately 500 metres south.



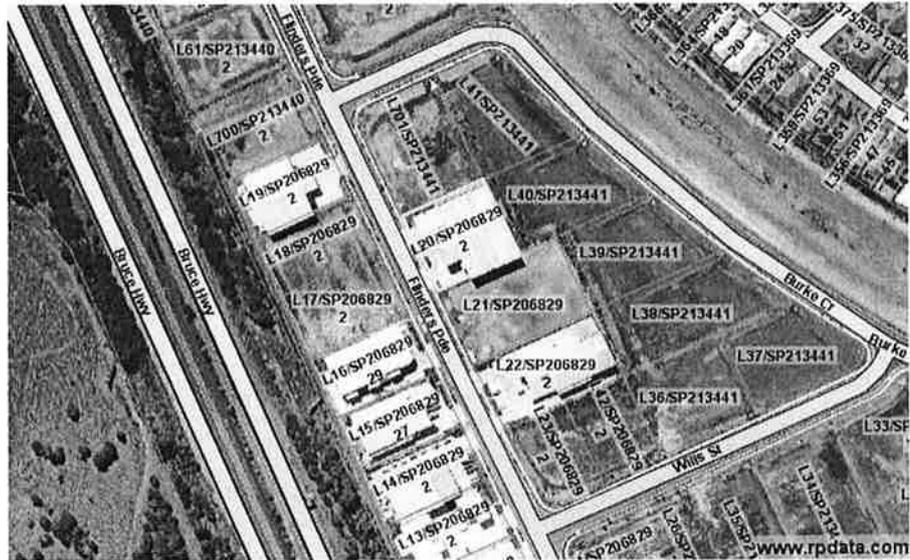
Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



Site Description:

The site is regular in shape and generally level. The site has been cut and filled to provide a level building pad and is now fully developed. Vehicle access is via Flinders Parade.



Services:

Electricity, water, telephone, sealed road, kerb & gutter, footpath, sewerage, cleansing.

Flood Issues:

Flood searches from the local council indicate the subject unit is not subject to flooding.

Environmental Issues:

In 1998 the Environmental Management Register and The Contaminated Land Register was established. Due to time constraints with the current process individual searches are not carried out for Valuation purposes and we would recommend that any intending lender satisfy themselves in this regard.

We consider the current use of the property does not require its registration as a probable site.

At the date of inspection there was no obvious evidence of site contamination, however, while that land appears suitable for existing use, no soil test or environmental studies have been made available to us. Please note therefore, that our Valuation is subject to there being no surface or subject property is within surface soil problems including instability, toxic or hazardous waste, or building material hazards in or on the property that would adversely affect existing or potential use or reduce its marketability. Should any problems be known or arise then the Valuation should be referred back to the Valuer for comment.

This Valuation proceeds on the basis that the site is not contaminated and that no remediation works are required.

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509

**4.0 IMPROVEMENTS****Unit 1/28 Flinders Parade****Style & Presentation:**

Erected on the site is a modern office/warehouse building that has been split into lettable areas. We have instructed by Westpac to complete a hypothetical valuation as if the property has been strata titled. The building is designed to specifically to be two lettable areas which suits strata titling needs. The subject unit has two levels of office and open warehouse accommodation. Good presentation.

Built About:

2009

Floor/Footings:

Reinforced concrete and suspended timber flooring

Main Walls:

Concrete tilt up panels

Windows:

Aluminium framed glazing

Doors:

One roller metal door and aluminium framed access door

Roof:

Insulated metal deck with intermittent translucent sheeting

Floor Coverings:

Carpet and tile

Internal Walls & Ceilings:

Plasterboard, suspended ceiling panels

Air-conditioning:

Ducted air conditioning

Accommodation:

Ground level Entry, general office area, amenities, shower and warehouse accommodation.

Mezzanine level Open office accommodation, kitchenette/lunch room, male and female amenities and balcony.

Gross Lettable Area:

| | | | | |
|-----------------|-----------|------------|----------------------|-------------|
| Ground level | Office | 85 | square metres | 10% |
| Ground level | Warehouse | 585 | square metres | 70% |
| Mezzanine level | Office | 162 | square metres | 19% |
| TOTAL | | 832 | square metres | 100% |

Ancillary Improvements:

Three under cover car spaces, six open car spaces, some boundary fencing, landscaping.

Condition:

At the time of inspection, the improvements appeared to be in good condition.

Asbestos Materials Report:

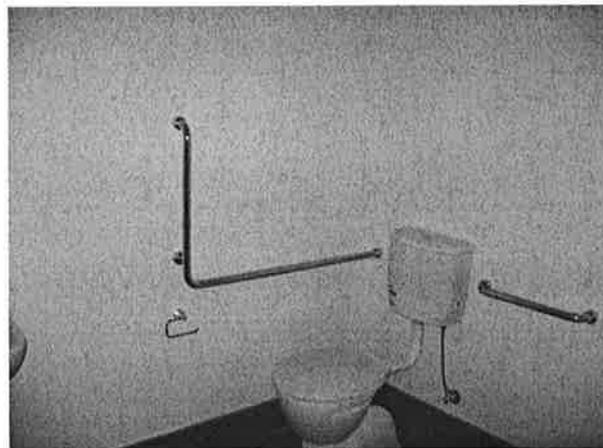
An 'Asbestos Materials Report' has not been undertaken.

Valuation

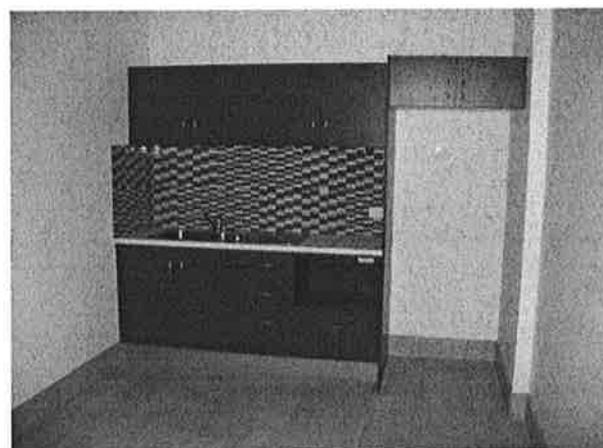
Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



Ground office



Disabled amenities



Mezzanine kitchen

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



5.0 OCCUPANCY DETAILS

At the date of valuation, the subject unit was vacant. From leasing evidence annexed to this Report we have assessed a fair market net rent as follows:

| | Floor Area m ² | Net Income PA | Net Rate \$/ m ² |
|------------------|------------------------------|------------------|--------------------------------|
| Ground office | 85 | \$12,750 | \$150 |
| Warehouse | 585 | \$52,650 | \$90 |
| Mezzanine office | 162 | \$19,440 | \$120 |
| Total | 832 | \$84,840 | \$102 |

The average assessed rental of \$102 (N) per square metre is considered to be within market parameters and deemed achievable and sustainable given the location, size and condition of improvements, fitout, access and exposure characteristics.

For the purpose of this valuation and as per Australian Property Institute standards a notional lease has been assessed for a property of this type. A notional lease has been assessed to reflect a net income with all outgoings recoverable, except land tax, over a 3 + 3 year term. Rent reviews are assumed to be to CPI with a minimum of 3% with a market review at the commencement of every option period thereafter.

As the unit has not yet been strata titled, the outgoings have not been finalised. We have assumed that the outgoings will be within market parameters.

We have adopted a nine month lease up allowance which equates to \$60,000.

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509

**6.0 INVESTMENT AND FINANCIAL ANALYSIS**

Valuation Rationale: The primary method is the Direct Comparison Approach whereby recent sales in the immediate area are compared to the subject on an improved rate basis. ie \$/m².

As a check method the Capitalisation Approach was undertaken whereby the net market rent is assessed then capitalised at a yield rate adopted from recent sales evidence. However, as the property is vacant a suitable lease up allowance with incentives has been deducted.

Valuation Calculations: Direct Comparison – Improved Rate

832 square metres @ \$1,350 - \$1,450 per square metre = \$1,123,200 - \$1,206,400

For Practical Purposes, Adopt \$1,112

65,000

Valuation Calculations: Capitalisation Approach**Valuation & Market/Passing Rent Calculations:**

| | Valuation Calculations at Market Rent – Fully Leased Capitalised @ 8.25% | Valuation Calculations at Market Rent – Fully Leased Capitalised @ 8.75% |
|--|---|---|
| Net Income | \$84,840 | \$84,840 |
| Capitalised Value | \$1,028,364 | \$969,600 |
| Less | | |
| Deduction for Lease-up/ Rent free allowance | \$60,000 | \$60,000 |
| Addressed Value | \$968,364 | \$909,600 |
| For Practical Purposes Adopt | \$940,000 | |

Adopt: \$1,165,000

There is a slight difference between our two methods of valuation. In many cases, the value assessed under the capitalisation approach is lower than assessed under the Direct Comparison Approach and it is a phenomenon that it is increasingly becoming apparent that the market is dominated by owner occupiers who typically purchase property priced at the lower end of the market for their own occupation. In addition to this, the subject unit has been assessed on the vacant possession basis. As such the most appropriate method of valuation is the Direct Comparison Approach. Our adopted market value reflects a rate of approximately \$1,400 per square metre of gross lettable area, which is considered to be within acceptable market parameters.

Contract of Sale: Not applicable

Previous Sale: Not applicable.



7.0 MARKET OVERVIEW/GENERAL COMMENTS

AUSTRALIAN ECONOMIC OVERVIEW

Globally the second half of 2011 has been characterised by a slowing of most economies. In August the USA came to the brink of default over the Debt Ceiling negotiations and the economy is at risk of heading back into recession. European economies, transfixed by the crisis over the Euro and sovereign debt, have slowed, with even the German economy stalling. Asian economies continue to grow, though at a slower pace. As a result, some commodity prices are softening, though they are still at levels that support strong mining activity in Australia. The mining sector continues to grow at a fast pace with \$400 Billion of activity still in the pipeline. This has moved the current trading account into surplus and also produced the highest terms of trade on record. Consumers are reported to be more cautious with their spending, though retail spending continues to exceed 2010 levels in nominal terms, and the outlook for Australia remains better than for most countries.

The future direction of Australian interest rates remains unclear, with the markets pricing in reductions of 1% or more over the next year, while the Reserve Bank seems minded to maintain current rate levels. Either way, interest rates are no longer expected to increase. Reflecting interest rate expectations, the A\$ exchange rate has been falling from the peak of US\$1.10 to around US\$1.00 and market forecasts suggest it will drop further. This has a mixed impact on the economy, being positive for the long-suffering tourism education and manufacturing sectors, while potentially increasing inflation.

The Australian economy grew by 1.2% in the June 2011 quarter, after falling a revised 0.9% in the March quarter, to show 1.4% growth over the past year, which was considerably lower than the past forecast of 3.0% by the Federal Government Treasurer. The June growth figure includes a contribution from Queensland in flood recovery expenditure. The economy is generally expected to remain with slow growth in 2H11, improving in 2012.

IMF global economic forecasts were updated in September, with reduced estimates of future growth for the world of 4.0% in 2011, and for Australia 1.8% in 2011 and 3.3% in 2012. Forecasts by the banks for Australian growth in 2012 range from 2.5% to 4.0%.

The unemployment rate had been stable at 4.9% till June, but it has increased in July and August now standing at 5.3%, with expectations of increased unemployment as the traditional employment sectors gives way to mining. Set against this, consumer spending rose 1% in the June quarter in the first increase in some time, and the accounts lodged by retailers suggest that the retail shopping sector is in better health than previous headlines might have suggested.

The construction sector posted another month of contraction in June with the Australian Industry Group Australian Performance of Construction Index falling 4% to 32.1. The index has not been positive since May 2010, and the outlook for construction activity remains negative.

The growth is split into a two-tier economy, with resource-related industries experiencing high growth, while all other industries, especially tourism and education, struggle to cope with higher prices and a high A\$ exchange rate. The expected growth figure for 2012 is forecast by the Federal Treasury to increase, from 2.5 per cent to 4.0 per cent during 2012, but it is made up of extremely high growth in the resource sector combined with low or no growth in other sectors, making for a complicated economy. These projections are now looking optimistic in the wake of a new-found expectation of slower global growth.

The Reserve Bank of Australia issued its outlook statement in September 2011, in which it again left interest rates on hold after increasing them in November 2010 by 0.25 per cent to 4.75 per cent, the first increase since May, six months previous.

In the statement the Board painted a mixed picture of inflation drivers, acknowledged the August turmoil in international markets, but nevertheless resisted market pressures for a cut in interest rates, by leaving them unchanged, with no expectation of any change in interest rates in the near future. So if interest rates are no longer expected to increase, the outlook is for stable interest rates with a downward bias.

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



House values, after being static during 2010, have been falling in most markets.

The RP Data-Rismark Home Value Index declined by 2.9 per cent (seasonally adjusted) for the year to July 2011, seasonally adjusted. The largest falls were recorded in Perth (-6.3%) and Brisbane (-6.6%), with values increasing marginally in Canberra (+1.5%), Sydney (+0.5%) and Darwin (+0.6%).

New dwelling unit approvals increased by 1.0 per cent in July (s.a.) compared with June, though still down 15.0 per cent on last year.

Market expectations for interest rates are fluctuating considerably at present. As at 14 September, 1 year swaps# were priced at 4.01 per cent, while 3 year swaps were priced at 4.09 per cent and 5 year swaps at 4.46 per cent, lower by 25bp since a fortnight previous. The markets are pricing in expectations of a reduction in interest rates of 1.0% or more over the next year. However, this is at odds with the Reserve Bank which is promoting stable interest rates.

The Australian economy, as a whole, is performing better than most other economies. While the statistics are positive, there are domestic issues including the two-tier economy, the decline of non-mining industries, and the increase in unemployment, that are causing concern. Set against this, the mining and resource industries continue to grow rapidly, and expectations are for a fall in interest rates in the next year. However, it is not so much the statistics that is of concern as the level of confidence. Worries about global issues including the outlook for the US economy, a decline in Europe and the potential of significant European sovereign and bank defaults, are evident. They are causing confidence to be lower than it should be, even if these risks do not eventuate. Confidence is a necessary precursor to future investment, and if these issues get addressed, then it will be positive for the Australian economy.

Source: BankWest



QUEENSLAND ECONOMIC OVERVIEW

Queensland growth slowed after the Global Financial Crisis and was low or negative in 2009 and 2010. However, growth has rebounded in the June 2011 quarter led by flood and cyclone reconstruction work, and growth in the mining sector. Taking out the reconstruction work, trend growth is still close to 3% p.a. and suggests that the Queensland economy will be stronger in the next year.

| Real State Growth | | |
|-------------------|------|-------|
| Year to: | AUS | QLD |
| Jun 08 | 3.0% | 5.2% |
| Jun 09 | 0.9% | -4.3% |
| Jun 10 | 3.1% | 1.5% |
| Jun 11 | 1.4% | 5.7% |
| Last Qtr | 1.2% | 3.5% |

| Retail Turnover | | |
|-----------------|-------|-------|
| Year to: | AUS | QLD |
| Jul 08 | 4.1% | 5.5% |
| Jul 09 | 4.8% | 3.6% |
| Jul 10 | 4.0% | 2.1% |
| Jul 11 | 1.4% | 1.7% |
| Last Qtr | -0.2% | -0.1% |

| Unemployment | | |
|--------------|------|------|
| Year to: | AUS | QLD |
| Aug 08 | 4.0% | 3.3% |
| Aug 09 | 6.0% | 5.5% |
| Aug 10 | 5.1% | 5.3% |
| Aug 11 | 5.4% | 6.2% |

| Wages | | |
|----------|------|------|
| Year to: | AUS | QLD |
| May 08 | 4.2% | 5.3% |
| May 09 | 5.4% | 5.7% |
| May 10 | 5.3% | 6.2% |
| May 11 | 4.4% | 4.8% |

| Population growth | | |
|-------------------|------|------|
| Year to: | AUS | QLD |
| Dec 07 | 1.9% | 2.6% |
| Dec 08 | 2.2% | 2.9% |
| Dec 09 | 1.9% | 2.4% |
| Dec 10 | 1.5% | 1.7% |

| CPI Change | | |
|------------|------|------|
| Year to: | AUS | QLD |
| Jun 08 | 4.5% | 5.1% |
| Jun 09 | 1.5% | 2.0% |
| Jun 10 | 3.1% | 3.2% |
| Jun 11 | 3.6% | 3.8% |

| Housing Finance | | |
|-----------------|--------|--------|
| Qtr to: | AUS | QLD |
| Oct 10 | -2.4% | -1.0% |
| Jan 11 | -20.2% | -31.8% |
| Apr 11 | 18.6% | 26.1% |
| Jul 11 | 10.2% | 9.6% |

| Housing Finance | | |
|-----------------|--------|--------|
| Year to: | AUS | QLD |
| Jul 08 | -15.0% | -26.0% |
| Jul 09 | 35.1% | 37.1% |
| Jul 10 | -21.7% | -29.2% |
| Jul 11 | 1.7% | -6.7% |

The flood reconstruction work has been offset by lower consumer spending, so that retail spending has overall been flat in 2011, in line with the national trend.

The Queensland unemployment rate (seasonally adjusted) rose sharply to 6.2% in August 2011, the highest in Australia and well above the national average of 5.4%.

Wage level growth is still strong at 4.8% in the year to May 2011, though this mostly reflects wages growth in late 2010. Currently growth is running at 0.7% quarterly and declining, suggesting wages growth below 3% for 2012. Inflation, at 3.8% for the year to June 2011, is slightly above the Australian average of 3.6%.

Queensland's population growth was reportedly lower at 1.7% in the year to December 2010, slightly above the Australian average of 1.5%, which itself is down 0.4% compared to the previous year.

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



In the year to July 2011, Queensland house prices fell by 6.6%, with many local markets experiencing falls well in excess of this. This was the largest recorded fall of any State. While prices are still in decline, they may stabilize by early 2012, particularly if interest rates fall and employment levels increase.

The level of housing finance was down 6.7% (original series) in the year to July 2011, as compared with the national average of +1.7%. However, the annual figure is a reflection of large declines in late 2010. Demand for housing finance increased in 2011, by 26.1% in the April quarter and 9.6% in the July quarter, despite, or perhaps because of, the recovery from the floods and cyclone. It does indicate a rise in demand, consistent with the projected stabilisation of house prices.

The Comsec "State of the States" July 2011 report described Queensland as rating weakest of all States, though on a par with NSW, a turnaround from its previous ranking. It is described as being due to soft tourism demand, lower population growth, and a slower resumption of mining projects. However, if the momentum of the July quarter is maintained, the outlook for the Queensland economy is improving.

The Australian economy, as a whole, is performing better than most other economies. While the statistics are positive, there are domestic issues including the two-tier economy, the decline of non-mining industries, and the increase in unemployment, that are causing concern. Set against this, the mining and resource industries continue to grow rapidly, and expectations are for a fall in interest rates in the next year. However, it is not so much the statistics that is of concern as the level of confidence. Worries about global issues including the outlook for the US economy, a decline in Europe and the potential of significant European sovereign and bank defaults, are evident. They are causing confidence to be lower than it should be, even if these risks do not eventuate. Confidence is a necessary precursor to future investment, and if these issues get addressed, then it will be positive for the Australian economy.

As the flood recovery work passes through the economy, and the traditional tourism and education sectors continue to underperform, Queensland will be looking to growth in the mining sector to sustain the economy,

Note:

Percentages are quoted in per annum terms unless stated otherwise.
Statistics are quoted for the latest date available in each case.

BRISBANE INDUSTRIAL MARKET OVERVIEW

In common with the rest of Australia, the Queensland economy slowed during 2008/2011 due to the global financial crisis. However, the slowdown was more pronounced in Queensland, as short term reversals in tourism and mining also impacted.

The prospects for Queensland towards 2012 should be brighter than for 2011, led by expected expansion in capital expenditure in the resources area, though partially offset by continuing weakness in the tourism sector. The market is still expected to remain volatile.

The gap between prime and secondary property represents, in part, the different credit market conditions, where debt for purchases is available, but preference is given to borrowers with a strong credit history, strong tenant covenant and quality buildings, all characteristics more easily found in the prime market. The ability to service loans from rental income is a key factor in current sales; properties with limited servicing capacity due to being under rented, vacant, or with a short term lease expiry, have experienced less buyer interest. Secondary properties are taking longer to sell, which is consistent with the higher yields, but present yields are attractive enough to encourage interest from investors.

Yields on sales had blown out by around 1.5% since the market peak in 2007, but have been steady in the past year, with a tendency to firming yields in the case of good prime property.

At the lower end of the market, strata units were in oversupply during 2008/09, and as a result rents fell by 10% or more, and capital values by up to 25%, compared with the 2007 peak.

The leasing market has been mixed during 2011. Tenant demand is directed more towards prime property for lease, or design-and-construct projects. Lower leasing demand in the secondary market means that incentive levels are continuing at anywhere from 5% to 20%.

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509

**GENERAL COMMENTS**

The subject property is located in a developing area that is situated close to a major retail/commercial hub and the Bruce Highway which are considered as positive features. This area has been identified by both State and Local Councils and is expected to grow significantly over the next five to ten years. However, as with most developing area, the market volatility is above average and is expected to continue until the area has fully developed.

The subject property is above average in size for an office/warehouse unit and this will make it difficult to sell or lease.

8.0 LIMITATIONS

We consider the property is suitable for mortgage security at normal lending margins and would sell at the valuation figure within a reasonable period. No Requisitions.

Neither the whole nor any part of this report or any reference thereto may be included in any document, circular or statement without our written approval of the form and the context in which it will appear. Finally and in accordance with our standard practice we must state that this report is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

We have not searched the records of the Body Corporate and have carried out our valuation on the basis that all Sinking and Administration Funds are fully paid for the subject property and that an adequate insurance policy is in place. Further to this we assume the reserve in the Sinking Fund is at a sufficient level for a property of this type, age and current condition and that there are no special levies proposed or any outstanding orders. If any variations to this are discovered then it should be referred back to the Valuer for further comment or reassessment of the valuation.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of 3 months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



9.0 RISK ASSESSMENT

Market

(i) Investment

- Anticipated fair investor demand for the property. Estimated selling period of up to six months (combined with a professional marketing campaign).
- Likely buyer profile comprises owner occupiers/investors.
- Positive attributes include:
 - Located within a sought after growing commercial/industrial precinct.
 - Reasonable exposure and access characteristics.
 - Ample car parking provisions.
- Negative attributes include:
 - Significant amount of product on the market within the precinct could increase the market volatility.
 - Softening marketing conditions.
 - Above average in size.

(ii) Tenant

- Moderate tenant demand for industrial accommodation within the subject locality.
- Anticipated total lease-up/incentive allowance equivalent to nine months loss of potential gross rental for office/warehouse accommodation.

Asset

- Modern strata titled industrial unit of concrete tilt up construction as yet to be strata titled.
- The building is of average presentation and provides an average standard of office/warehouse accommodation.
- Reasonable exposure and access characteristics.
- Established office/warehouse precinct.
- Regular shaped parcel that is fully developed.
- The building appears to be in a good state of repair.
- Highest and Best Use is considered to be for office/warehouse purposes.

Cash Flow Profile

- The property is currently vacant.
- Estimated market indicates net annual income is assessed at \$84,840 per annum (or \$102 per square metre).

Asset Management

- Currently capably owner-managed.

Note: *Our observations within the Property Risk Assessment of this report provide our opinion of the property as at the date of valuation. Refer to Limitations.*

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509

**10.0 INSURANCE ASSESSMENT**

Total estimated replacement cost for insurance purposes is the responsibility of the Body Corporate.

ANNEXURES

1. Leasing Evidence
2. Sales Evidence
3. Additional Photographs
4. Title Search
5. Building Plan
6. Copy of Letter of Instruction

Valuation

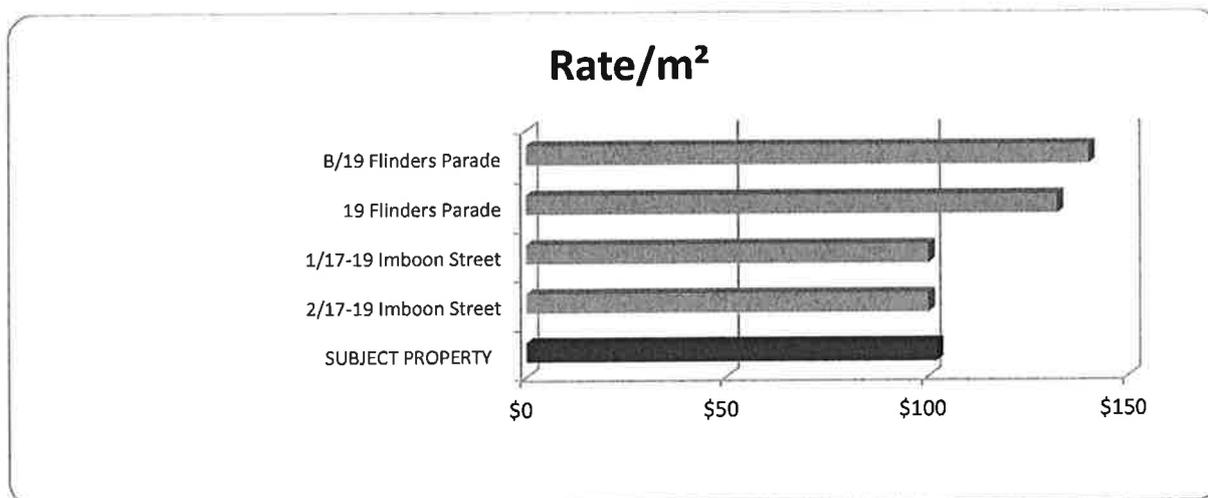
Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



LEASING EVIDENCE

| No. | Property | Income | Rate/m ² | Area m ² | Term |
|---|--|---------------|---------------------|---------------------|-------------------------|
| 1. | 2/17-19 Imboon Street Deception bay | \$133,000 (n) | \$100 | 1330 | 3 from 1/12/2011 |
| Modern industrial unit with 1330m ² of floor space which comprises 170 square metres of office and 1160 square metres of warehouse area. | | | | | |
| 2. | 1/17-19 Imboon Street Deception bay | \$66,500 (n) | \$100 | 665 | from 1/12/2011 |
| Modern industrial unit which comprises 665m ² of floor space. Comprises 65 square metres of office space and 600 square metres of warehouse space. | | | | | |
| 3. | 19 Flinders Parade North lakes | \$80,000 (n) | \$132 | 606 | 5 + 5 from 1/12/2011 |
| Modern industrial unit of concrete tilt slab construction which comprises 606m ² of floor space. | | | | | |
| 4. | B/19 Flinders Parade North lakes | \$57,120 (n) | \$140 | 408 | 5 + 5 from 1/02/2012 |
| Modern industrial unit of concrete tilt slab construction with 408m ² of floor space. Leased to an international bakery equipment company. | | | | | |

Leasing Rationale



The attached leasing evidence displays leasing rates that similar properties are achieving for a comparable standard of industrial/commercial accommodation and ranges between \$100 and \$140 per square metre.

We have assessed the subject property at \$102 (N) per square metre which is considered to be within market parameters and deemed achievable and sustainable given the standard of improvements, internal fitout, access and exposure characteristics when compared to the available evidence.

In the process of our valuation, we have carried out an analysis of the current market to determine the property's net rental value. There is limited leasing evidence in the general area however the above evidence provides a guide for what industrial accommodation is achieving in the general area.

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509

**SALES EVIDENCE**

| No. | Address | Sale Price | Sale Date | Yield % | Building Area m ² | Rate/m ² |
|-----|---------|------------|-----------|---------|------------------------------|---------------------|
|-----|---------|------------|-----------|---------|------------------------------|---------------------|

| | | | | | | |
|----|---------------------------------------|-----------|------------|---|-----|---------|
| 1. | 1/701 Flinders Parade, North lakes | \$600,000 | 27/04/2011 | - | 340 | \$1,765 |
|----|---------------------------------------|-----------|------------|---|-----|---------|

Modern industrial unit which comprises 340m² of floor space. Includes 54 square metres of office space and 286 square metres of warehouse accommodation.

Comparison: Smaller unit, close proximity.

| | | | | | | |
|----|---------------------------------------|-----------|-----------|---|-----|---------|
| 2. | 8/11 Business Drive, Deception bay | \$305,000 | 3/08/2011 | - | 200 | \$1,525 |
|----|---------------------------------------|-----------|-----------|---|-----|---------|

Modern industrial unit which comprises 200m² of warehouse space.

Comparison: Inferior fitout, smaller unit.

| | | | | | | |
|----|------------------------------------|-----------|------------|---|-----|---------|
| 3. | 6/2 Flinders Parade North Lakes | \$530,000 | 21/10/2011 | - | 246 | \$2,154 |
|----|------------------------------------|-----------|------------|---|-----|---------|

Modern strata titled industrial unit with mezzanine office, situated at the front of the complex. Concrete tilt slab construction.

Comparison: Smaller unit, inferior.

| | | | | | | |
|----|--|-----------|------------|---|-----|---------|
| 4. | 13/9-11 Redcliffe Gardens Drive, Clontarf | \$515,000 | 25/07/2011 | - | 346 | \$1,488 |
|----|--|-----------|------------|---|-----|---------|

Modern industrial unit of concrete tilt panel walls and metal deck roof construction situated in the Industry zoned complex known as Hayes Place, a 13 unit complex built approximately 2007. Unit 13 comprises 346m² of office/warehouse floor space and is located toward the street frontage with exposure to Redcliffe Gardens Drive and average access. Sold vacant possession.

Comparison: Inferior position.

| | | | | | | |
|----|------------------------------------|-----------|------------|---|-----|---------|
| 5. | 1/12 Robart Court Deception Bay | \$576,000 | 10/08/2011 | - | 455 | \$1,265 |
|----|------------------------------------|-----------|------------|---|-----|---------|

Rabart Court Business Centre' is a modern industrial unit of concrete tilt panel construction situated in a complex of 13 units. Unit 1 is located at the front of the complex and provides 384m² of warehouse space which includes a small front office area plus amenities tot the ground level and 71m² office mezzanine space. Allocated car parking areas. Establishing industrial estate. Complex provides secondary exposure. Convenient access to Bruce Motorway. Receiver sale.

Comparison: Inferior property.

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509

**SALES EVIDENCE**

| No. | Address | Sale Price | Sale Date | Yield % | Building Area m ² | Rate/m ² |
|-----|---------|------------|-----------|---------|------------------------------|---------------------|
|-----|---------|------------|-----------|---------|------------------------------|---------------------|

| | | | | | | |
|----|--------------------------------|-----------|------------|---|-----|---------|
| 6. | 2/25 Bailey Court, Brendale | \$700,000 | 17/06/2011 | - | 439 | \$1,594 |
|----|--------------------------------|-----------|------------|---|-----|---------|

Modern concrete tilt panel and metal roof industrial warehouse and office unit in General Industry zoned complex known as 25 Bailey Court. The complex is situated in the newly established industrial estate in Brendale. Reasonable exposure and access characteristics.

Comparison: Similar size.

| | | | | | | |
|----|-------------------------------|-----------|------------|---|-----|---------|
| 7. | 2/452 Bilsen Road, Geebung | \$805,000 | 13/07/2011 | - | 620 | \$1,298 |
|----|-------------------------------|-----------|------------|---|-----|---------|

Semi Modern industrial office & warehouse unit of concrete tilt panel and metal deck construction situated in the General Industrial zoned complex of three units known as '452 Bilsen Road'. The property comprises 620m² of floor space and is located in the middle of the complex with Bilsen Road exposure. Exposure is considered average, access is considered secondary. 7 car parks.

Comparison: Slightly smaller; superior position.

| | | | | | | |
|----|----------------------------------|-----------|------------|-------|-----|---------|
| 8. | 2/143 Granite Street, Geebung | \$640,000 | 01/09/2011 | 8.35% | 485 | \$1,319 |
|----|----------------------------------|-----------|------------|-------|-----|---------|

A semi modern strata titled clear span industrial unit of concrete tilt panel construction. The property comprises 485m² of floor space which includes 350m² of warehouse space, 35m² of office space and 100m² of mezzanine space. The analysed market yield of 8.35% reflects a assessed market income of \$53,500 per annum or \$110/m².

Comparison: Superior area, inferior condition.

Valuation

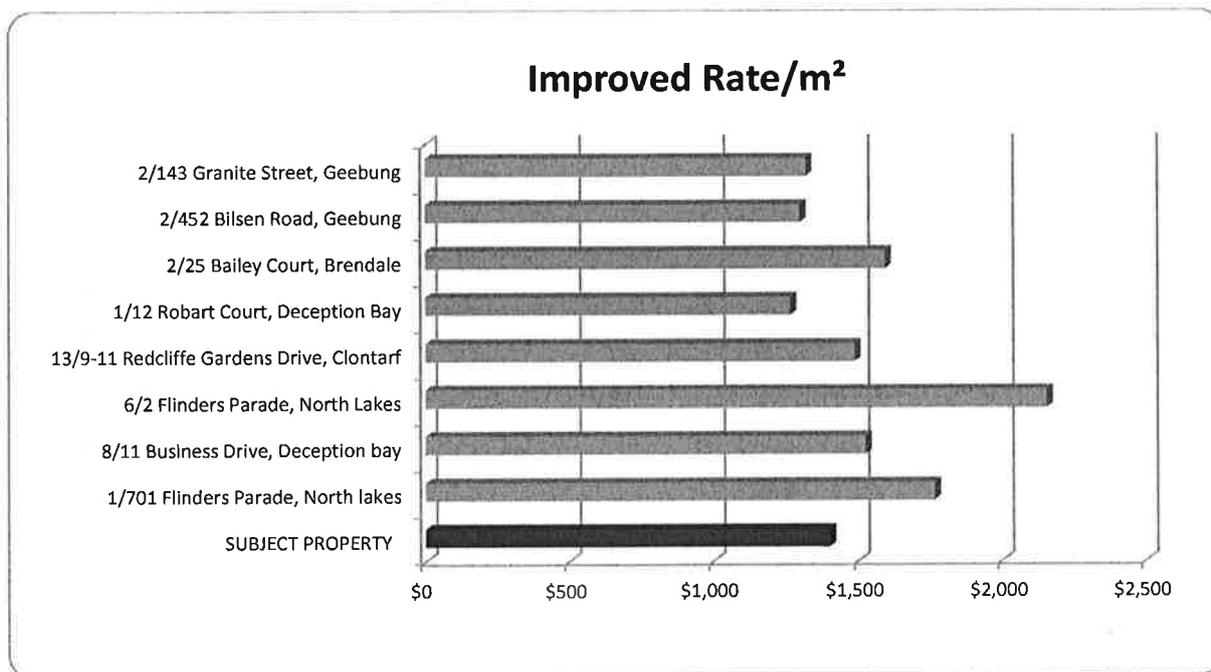
Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



Sales Rationale

This segment of the market has traditionally been dominated by owner occupiers which are reflected by the lack of investment sales within our sales evidence. Those sales which do represent investment yields also demonstrate what an investor would need to accept in a market dominated by owner occupiers, hence the lower than normal yield representation.

We have assessed the subject property between 8.25% and 8.75% given the standard of improvements, fitout, access and exposure characteristics whilst taking into account current economic conditions.



With the Direct Comparison approach being the primary method of valuation, the above sales evidence demonstrated an improved rate range of \$1,143 and \$2,154 per square metre.

With consideration to location characteristics (access and exposure), condition and size of improvements we have assessed an improved rate range of between \$1,350 and \$1,450 per square metre which correlates with the available evidence with emphasis on Sale Nos. 1, 4, and 5 which are considered our best guide.

We have endeavoured to ascertain whether or not the sales evidence listed in this valuation report are inclusive or exclusive of GST as the Land Titles Office in Queensland do not currently differentiate between the two.

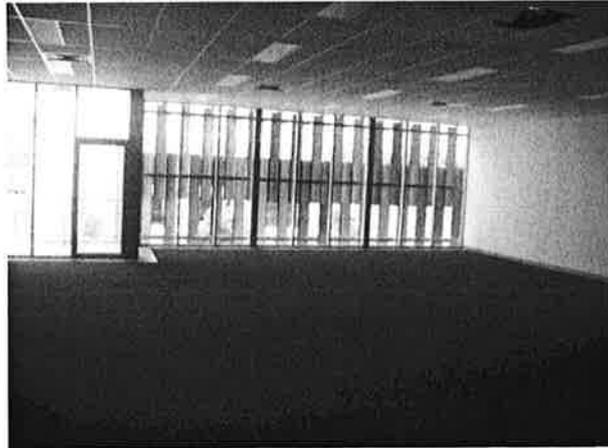
In this instance Sale Nos. 3 and 4 have been inspected by this office with the Contracts of Sales provided and we can confirm that these sales are exclusive of GST.

For the remainder, the evidence has been obtained from our research database after discussions with reliable agents, information provided by media outlets and government records.

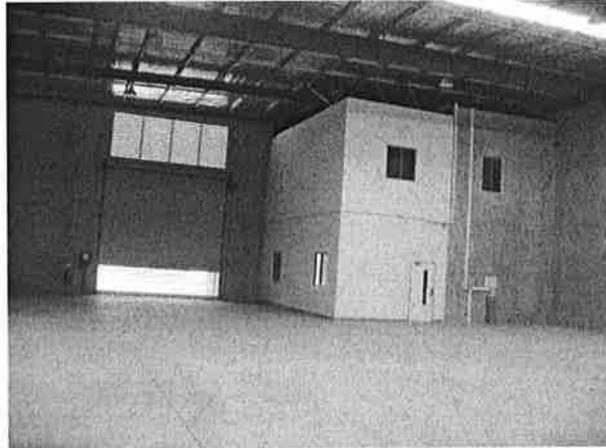
The remaining sales have been analysed and GST deducted where deemed appropriate and correlated with the improved rates of those sales we know are exclusive of GST.

This is considered to be the best practice.

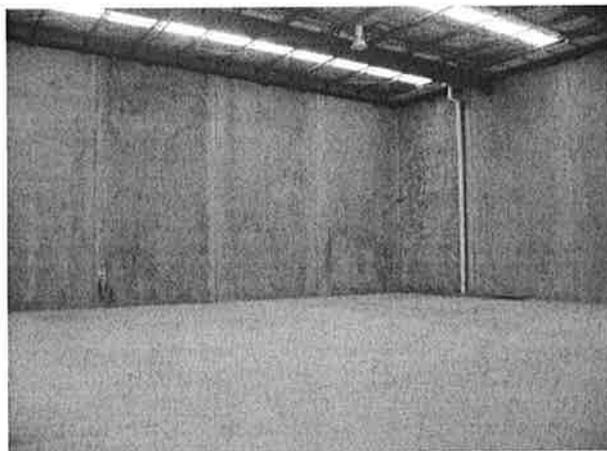
If this is proved to be incorrect we reserve the right to review or alter our valuation accordingly.



Mezzanine office



Warehouse



Warehouse

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



Street frontage

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



CURRENT TITLE SEARCH
ENVIRONMENT AND RESOURCE MANAGEMENT, QUEENSLAND

Request No: 13240246

Search Date: 10/02/2012 09:50

Title Reference: 50713684

Date Created: 07/04/2008

Previous Title: 50705175

REGISTERED OWNER Interest

Dealing No: 711719635 13/06/2008

LILMIN PTY LTD A.C.N. 105 505 833

TRUSTEE

1/2

UNDER INSTRUMENT 711719635

JABBA ENTERPRISES PTY LTD A.C.N. 128 974 881

TRUSTEE

1/2

UNDER INSTRUMENT 711719635

AS TENANTS IN COMMON

ESTATE AND LAND

Estate in Fee Simple

LOT 20

SURVEY PLAN 206829

County of STANLEY

Parish of REDCLIFFE

Local Government: MORETON BAY

COMMUNITY MANAGEMENT STATEMENT 38213

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 10883222 (POR 2V)
2. MORTGAGE No 712131674 24/12/2008 at 09:30
WESTPAC BANKING CORPORATION A.B.N. 33 007 457 141

ADMINISTRATIVE ADVICES - NIL

UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

Caution - Charges do not necessarily appear in order of priority

** End of Current Title Search **

COPYRIGHT THE STATE OF QUEENSLAND (ENVIRONMENT AND RESOURCE MANAGEMENT) [2012]
Requested By: D APPLICATIONS ABR

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



WESTPAC VALUATION SERVICES

VALUATION SERVICES

WESTPAC VALUATION SERVICES

Westpac Banking Corporation ABN 33007 457 141
Also trading as Challenge Bank and Bank of Melbourne ("the bank")

Westpac Australia's First Bank

Centralised Valuations

08/02/2012

Propell National Valuers QLD formerly Alex J
Saunders
107 Milton Road
Milton
QLD 4064
Work Phone: 07-3369 2277
Fax Number: 07-3368 1411

MICHELLE O'SULLIVAN
PO BOX 183
STRATHPINE QLD 4500
Fax Number:
MICHELLEOSULLIVAN@WESTPAC.COM.AU
Mailing BSB number: 034440

Retail/Industry Property Reference Number - VAL 310485-470 / 0041938

Dear Sir/Mdm,

Your company is instructed to undertake a Valuation of a property located at 28 Flinders Pde, North Lakes Q 4509 under instructions from Westpac Banking Corporation on behalf of NICK DE MARCO of LIVEDALE.

The Valuation Report should be in accordance with the Westpac Banking Corporation Valuation Standard which you have agreed to comply with, and must be an achievable market value, given a reasonable time frame (up to 8 months) for Mortgage security purposes.

The interest of the property to be valued is freehold only

The Valuation should specifically address the following issues:

- Other : Val to be ordered on the basis of two strata-titled commercial units (property to be strata-titled).

Brief details are as follows:

| | |
|--|--|
| Registered Proprietor: | LIVEDALE PTY LTD |
| Address: | 28 Flinders Pde, North Lakes Q 4509 |
| Certificate of Title: | NA |
| Land Area: | NA |
| Brief Description: | CURRENT VACANT BUILDING LOOKING TO HAVE TWO STRAT-TITLED COMMERCIAL UNITS (PROPERTY TO BE STRATA-TITLED) |
| Point of Contact for Inspection: | NICK DE MARCO |
| Timing required for the Valuation: | 22/02/2012 |
| Lease details: | NA |
| Information supplied: | NA |
| Further Information available from: | NICK DE MARCO |
| General Comments: | |

A copy of this instruction letter should be included in the Valuation Report.
Two copies of your report should be provided. These reports should be forwarded to the writer of this letter.

Important

Please forward the completed VALUATION REPORT to:
PO BOX 183
STRATHPINE QLD 4500
Fax Number: MICHELLEOSULLIVAN@WESTPAC.COM.AU

Important

Please forward the account to valuations@westpac.com.au.

Fees are as negotiated, being GST inclusive \$STANDARD

Valuation

Proposed Unit 1/28 Flinders Parade North Lakes Qld 4509



If you need further clarification on these instructions, please do not hesitate to contact me on telephone:
0418619743


Yours faithfully,
MICHELLE O'SULLIVAN
Manager STRATHPINE COMMERCIAL