AXIOM PROPERTIES LIMITED

ABN 40 009 063 834

NOTICE OF GENERAL MEETING

PROXY FORM

EXPLANATORY MEMORANDUM

AND

INDEPENDENT EXPERT'S REPORT

The Independent Expert has concluded the proposals the subject of Resolutions 1 and 2 are fair and reasonable to the non-associated Shareholders of the Company.

Date of Meeting
Wednesday, 4 April 2007

Time of Meeting
10 am WDT

Place of Meeting
The Western Australian Club (Inc)
101 St Georges Terrace
PERTH WA 6000

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

AXIOM PROPERTIES LIMITED

ABN 40 009 063 834

NOTICE OF GENERAL MEETING

Notice is hereby given of a General Meeting of Axiom Properties Limited ("**Company**" or "**Axiom**") to be held at the Western Australian Club (Inc) at 101 St Georges Terrace, Perth, Western Australia on Wednesday, 4 April 2007 at 10 am Western Daylight Time, for the purpose of transacting the following business referred to in this Notice of General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice of General Meeting.

AGENDA

BUSINESS

Resolution 1 – Approval of Brighton Transaction

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rule 10.1 and for all other purposes, the Shareholders of the Company:

*(a) agree to the completion of the acquisition of a property opportunity from Pivot Group Pty Ltd ACN 008 459 685 (**"Pivot Group"**) with respect to the development of a childcare centre in Brighton, Western Australia, in consideration for the payment of $1,050,000, pursuant to the Brighton Acquisition Agreement; and*

(b) authorise the directors of the Company to pay $1,050,000 to Pivot Group,

on the terms and conditions as more particularly described in the Explanatory Memorandum accompanying this Notice of Meeting."

The Company will disregard any votes cast on this Resolution 1 by Pivot Group Pty Ltd and any associates of Pivot Group Pty Ltd. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 – Approval of Caboolture Transaction

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with Listing Rules 10.1 and for all other purposes, the Shareholders of the Company:

(a) *agree to the completion of the acquisition of a property opportunity from Pivot Group with respect to the development of a medical centre in Caboolture, Queensland, in consideration for the payment of $1,700,000 pursuant to the Caboolture Acquisition Agreement; and*

(b) *authorise the directors of the Company to pay $1,700,000 to Pivot Group,*

on the terms and conditions as more particularly described in the Explanatory Memorandum accompanying this Notice of Meeting."

The Company will disregard any votes cast on this Resolution 2 by Pivot Group Pty Ltd and any associates of Pivot Group Pty Ltd. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board of Directors

Mr Aaron Gardiner
Company Secretary

28 February 2007

PROXIES

- Votes at the general meeting may be given personally or by proxy, attorney or representative.
- A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.
- A proxy may but need not be a Shareholder of the Company.
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary shares at 5.00pm WDT on Monday, 2 April 2007 will be entitled to attend and vote at the General Meeting.

Corporations

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the meeting.

AXIOM PROPERTIES LIMITED

ABN 40 009 063 834

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting ("**Notice**") of Axiom Properties Limited ("**Company**" or "**Axiom**")

An Independent Expert's Report prepared by PKF Corporate Advisory Services (WA) Pty Ltd (a copy of which is attached as Annexure A to this Explanatory Memorandum) comments on whether the transactions the subject of Resolutions 1 and 2 are fair and reasonable to the non-associated Shareholders of the Company.

Shareholders should note that PKF Corporate Advisory Services (WA) Pty Ltd has concluded that the proposals the subject of Resolutions 1 and 2 are fair and reasonable to the non-associated Shareholders of the Company.

The directors of the Company ("**Directors**") recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Background to the Resolutions

Overview of the Pivot Group Relationship with the Company

As Shareholders are aware, Pivot Group acquired a controlling interest in the Company with the approval of Shareholders on 11 April 2006. At the time of the acquisition Pivot Group advised the Shareholders that it intended to make available to the Company Property Opportunities that Pivot Group had identified and de-risked. Pivot Group is an Australian private company which has been developing shopping centres, bulky goods centres, office buildings, medical centres, theme parks, hotels, resorts and marinas since 1972 and since that time has developed and participated in excess of $1 billion worth of property development opportunities.

The Directors believe that as a result of the Shareholder vote at the General Meeting on 11 April 2006 Shareholders openly endorsed the proposed Pivot Group strategy.

Since obtaining control of the Company, Pivot Group has introduced one such Property Opportunity to the Company, namely the opportunity for the Company to participate in the development of the Century City office tower at 101 St George's Terrace, Perth. This Property Opportunity was made available to the Company for the staged investment of $5,000,000 into the project and without any premium to Pivot Group. The Company anticipates that on completion of the development at 101 St George's Terrace, Perth it will make a significant premium on its investments.

As Shareholders are aware, in September 2006, the Company entered into a Strategic Alliance Agreement with Pivot Group for a term of 3 years. Under the Strategic Alliance Agreement, Pivot Group is obliged to source and acquire land for buildings with development potential, as the case may be, and attend to the initial development process, including the obtaining of planning and rezoning approvals such that construction can commence. Pivot Group must then make available to the Company the Property Opportunity and the Company will have the first right of refusal to acquire the Property Opportunity.

In accordance with the Strategic Alliance Agreement, Pivot Group has presented the Brighton Property Opportunity and the Caboolture Property Opportunity and, while the Company is under no obligation to take on any Property Opportunity proposed by Pivot Group, the Company has chosen to accept both Property Opportunities, subject to Shareholder approval.

Brighton Property Opportunity

Under the Brighton Acquisition Agreement, the Company will purchase vacant land (2,333 sqm) located at 14 Marchwood Boulevard, Brighton, Western Australia, from Pivot Group, for the construction of a purpose built childcare centre. A development approval was granted in August 2006 for the development of a child care centre on the site. Brighton is a part of the fast growing northern corridor region of Western Australia.

Pivot Group has made an offer to lease to DayCare Australia Pty Ltd, which has been accepted by DayCare Australia Pty Ltd, for the lease of the premises as an 80 place child care facility at market rent, with such rent being subject to review at the commencement of the applicable option periods.

Pivot Group proposes to enter into a fixed price, lump sum building contract, subject to a competitive tendering process. A building permit will be applied for and is expected to be granted at the end of March 2007, following which building is expected to commence. Construction time estimated to take approximately 20 weeks. Practical completion is scheduled to be in September 2007.

Caboolture Property Opportunity

Under the Caboolture Acquisition Agreement, the Company will purchase vacant land (2,261 sqm) located at 21 – 25 Bertha Street, Caboolture, Queensland, from Pivot Group for the construction of a purpose built medical centre for an ASX-listed company, Symbion Health Ltd. A development approval was granted in July 2006 for the development of a medical centre and offices on the site.

- Symbion Medical Centre Operations Pty Ltd, a subsidiary of Symbion Health Ltd, has entered into an Agreement to Lease with Pivot Group for a long term lease at market rent, with such rent being subject to review at the commencement of the applicable option periods.

Pivot Group is negotiating a fixed price, lump sum building contract with Bli Bli Nominees Constructions Pty Ltd trading as BBN Constructions. A building permit was granted in November 2006 and building is expected to commence in April 2007. Construction time estimated to take approximately 20 weeks. Practical completion is scheduled to be in October 2007.

Consideration and other fees

The consideration for the acquisition of each of the Brighton Property Opportunity and the Caboolture Property Opportunity is $1,050,000 and $1,700,000, respectively. This consideration for each Property Opportunity is equal to the value of the land on an "as is" basis, based upon independent valuations commissioned by the Company. The parties have agreed that such consideration is payable in cash.

Pivot Group has advised the Company that it wishes to act as the project manager for the Brighton Property Opportunity and the Caboolture Property Opportunity. The Company will pay Pivot Group a fee of 2.5% of the total project costs for each Property Opportunity (excluding consideration payable by Axiom for each Property Opportunity).

Resolutions 1 and 2 – Approval of Brighton and Caboolture Transactions

Resolutions 1 and 2 seek Shareholder approval for completion of the acquisitions of the two Property Opportunities in Brighton and Caboolture, pursuant to the Brighton Acquisition Agreement and the Caboolture Acquisition Agreement respectively, for the abovementioned consideration, which consideration requires approval pursuant to Listing Rules 10.1.

Listing Rule 10.1

Listing Rule 10.1 prohibits a listed company from acquiring a *substantial asset* from, or disposing of a *substantial asset* to, a *substantial shareholder* (ie. a shareholder who is entitled to at least 10% of the voting securities of the company) or a *related party,* without first obtaining shareholder approval.

An asset is substantial if its value or the value of the consideration for it is 5% or more of the sum of the equity interests of the Company.

Pivot Group and its associates currently hold approximately 22.27% of the voting securities of the Company, and accordingly Pivot will be considered a *substantial shareholder* for the purposes of Listing Rule 10.1.

Further, Pivot Group is a *related party* of Axiom because Pivot Group is controlled by Mr Peter Laurance, the father of a director of Axiom, Mr Ben Laurance.

The payment of cash for each of the Brighton Transaction and the Caboolture Transaction constitutes a "substantial asset" of the Company, as that term is defined in Listing Rule 10.2. Accordingly, each payment of cash will be the disposal of a substantial asset to a related party/substantial holder for the purposes of Listing Rule 10.1.

It follows that Shareholder approval in accordance with Listing Rule 10.1 will be required before Axiom can pay cash to Pivot Group under each of the Brighton Acquisition Agreement and the Caboolture Acquisition Agreement.

The Independent Expert's Report prepared by PKF Corporate Advisory Services (WA) Pty Ltd has been prepared in accordance with the requirements of Listing Rule 10.10 and is attached as Annexure A to this Explanatory Memorandum.

Recommendations of the non-associated Directors

Mr Ian Laurance and Mr Michael Blakiston are considered independent for the purposes of Resolutions 1 and 2, as they do not have any personal interest in the outcome of Resolutions 1 and 2.

Mr Michael Blakiston and Mr Ian Laurance are of the opinion that the proposed transactions are in the best interests of the Company and its Shareholders as:

(a) the proposed transactions are consistent with what Pivot Group advised Shareholders prior to Shareholders voting on whether or not to support Pivot Group's proposal for the recapitalisation of the Company;

(b) the price for the two Property Opportunities, is based upon independent valuations of the land on an "as is basis" and the Company will enjoy the benefits of an increase in valuation upon the construction and leasing of the premises which are to be constructed;

(c) on the completion of construction on both properties, the premises have been leased on long term leases and at market rents, and such rents are subject to regular reviews; and

(d) the Property Opportunities are expected to be profitable and to validate the potential for the Company of its being a party to the Strategic Alliance Agreement.

Accordingly the independent Directors recommend Shareholders vote in favour of Resolutions 1 and 2.

Mr Ben Laurance and Mr Umberto Gianotti declined to make a recommendation to Shareholders in respect of Resolutions 1 and 2 as:

(a) in the case of Mr Ben Laurance, he has a material personal interest, via his directorship in Pivot Group and the fact that he is the son of Mr Peter Laurance who owns 80% of the shares in Q-West Pty Ltd which, in turn, owns the majority of shares in Pivot Group; and

(b) in the case of Mr Umberto Gianotti, he is a key consultant to Pivot Group.

No votes can be cast on Resolutions 1 and 2 by Pivot Group or any of its associates.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following meanings unless the context otherwise requires:

Annexure	An Annexure to this Explanatory Memorandum.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (formerly the Australian Stock Exchange Limited and now operating under the name, Australian Securities Exchange).
Board	The board of directors of the Company.
Brighton Acquisition Agreement	The acquisition agreement dated 22 February 2007 between the Company and Pivot Group, which agreement governs the acquisition by the Company of the Brighton Property Opportunity.
Brighton Property Opportunity	The Property Opportunity offered by Pivot Group and accepted by the Company in accordance with the Strategic Alliance Agreement whereby the Company will acquire a property opportunity from Pivot Group with respect to the development of a childcare centre in Brighton, Western Australia.
Brighton Transaction	The transaction whereby the Company will acquire the Brighton Property Opportunity and for which approval is being sought pursuant to Resolution 1.
Caboolture Acquisition Agreement	The acquisition agreement dated 22 February 2007 between the Company and Pivot Group, which agreement governs the acquisition by the Company of the Caboolture Property Opportunity.
Caboolture Property Opportunity	The Property Opportunity offered by Pivot Group and accepted by the Company in accordance with the Strategic Alliance Agreement whereby the Company will acquire a property opportunity from Pivot Group with respect to the development of a medical centre in Caboolture, Queensland.
Caboolture Transaction	The transaction whereby the Company will acquire the Caboolture Property Opportunity and for which approval is being sought pursuant to Resolution 2.
Company or Axiom	Axiom Properties Limited ABN 40 009 063 834
Corporations Act	Corporations Act 2001 (Cth).

Director	A director of the Company.
Independent Expert	PKF Corporate Advisory Services (WA) Pty Ltd
Independent Expert's Report	The report prepared by the Independent Expert dated 16 February 2007and attached as Annexure A.
Listing Rules	The listing rules of the ASX.
Meeting	The General Meeting the subject of the Notice.
Notice	The Notice of General Meeting which accompanies this Explanatory Memorandum.
Pivot Group	Pivot Group Pty Ltd ACN 008 459 685.
Property Opportunity	A project development opportunity which has received planning approval, which Pivot Group or a related body corporate holds a legal or equitable right to. The opportunity may be either wholly owned by Pivot Group or any of its related parties corporate or may be an opportunity in which Pivot Group or its related bodies corporate merely have an interest, including the .
Resolution	A resolution proposed pursuant to the Notice.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A shareholder of the Company.
Strategic Alliance Agreement	The Strategic Alliance Agreement dated 29 September 2006 between the Company and Pivot Group, as amended by Deed of Variation dated 5 October 2006. .

ANNEXURE A

Independent Expert's Report

16 February 2007

The Directors
Axiom Properties Limited
Level 45, Bankwest Tower
108 St Georges Terrace
Perth WA 6000

Dear Sirs,

INDEPENDENT EXPERT'S REPORT

1 INTRODUCTION

You have requested that PKF Corporate Advisory Services (WA) Pty Ltd ("PKF Corporate Advisory") prepare an independent expert's report ("IER" or "the Report") in relation to two separate transactions that will involve Axiom Properties Limited ("Axiom" or "the Company") acquiring property development opportunities in Caboolture, Queensland and in Brighton, Western Australia ("the Proposed Transactions").

We understand that under the Caboolture Acquisition Agreement, Axiom will purchase land from Pivot Group Pty Ltd ("Pivot") for the construction of a purpose built medical centre for an ASX listed company, Symbion Health Ltd, who have agreed to enter into a 10 year lease pre-commitment. The consideration for the purchase of the land is $1,700,000.

We understand that under the Brighton Acquisition Agreement, Axiom will purchase land from Pivot for the construction of a purpose built childcare centre. DayCare Australia Pty Ltd has agreed to enter into a 15 year lease pre-commitment. The consideration for the purchase of land is $1,050,000.

Purpose of the Report

This report is to accompany a Notice of General Meeting ("NGM") and an Explanatory Memorandum ("EM") to be distributed to shareholders of Axiom.

Axiom is required under Chapter 10 of the Australian Stock Exchange ("ASX") Listing Rules to obtain shareholders' approval for the Proposed Transactions. Listing Rule 10.1 prohibits a listed company from acquiring a ***substantial asset*** from, or disposing of a ***substantial asset*** to, a ***substantial shareholder*** (that is a shareholder who is entitled to at least 10% of the voting securities of the company) or a ***related party***, without first obtaining shareholder approval.

An asset is substantial if its value or the value of the consideration for it is 5% or more of the sum of the equity interests of the Company as at the date to which the last audited accounts were prepared. Pivot and its associated entity are currently entitled to 22.27% of the voting securities of the Company, and accordingly are considered a substantial shareholder for the purpose of Listing Rule 10.1.

Further, Pivot is also a related party of Axiom, as Pivot is controlled by Mr Peter Laurance, the father of a director of Axiom, Mr Ben Laurance.

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PO Box Z5066 | St Georges Terrace | Perth | Western Australia 6831

The cash consideration for the Proposed Transactions constitutes a substantial asset of the Company, as defined in Listing Rule 10.2, and will therefore be a disposal of a substantial asset to a related party/substantial shareholder for the purposes of Listing Rule 10.1.

Shareholder approval is required in accordance with Listing Rule 10.1 for the Proposed Transactions.

Our Approach and Basis of Assessment

The Corporations Act does not define the expression "fair and reasonable". However, guidance is provided by ASIC Policy Statements ("PS") and Practice Notes ("PN") which establish certain guidelines in respect of Independent Expert's Reports required under the Corporations Act.

The scope of the IER has been based on ASIC Policy Statement 74 "Acquisitions Agreed to by Shareholders". We have also considered ASIC Policy Statement 75 "Independent Expert Reports to Shareholders" and Practice Note 42 "Independence of Experts' Reports" as a guide to preparing our IER.

Based on the requirements of ASIC Policy Statement 74, our Report compares the offer consideration and the value of assets under offer, as well as other factors including the likely advantages and disadvantages of the Proposed Transactions to the non-associated shareholders of Axiom. This will form the basis of our opinion as to whether or not the Proposed Transactions are fair and reasonable to the non-associated shareholders of Axiom.

Reliance on Information

This Report is based upon financial and other information provided by Axiom. PKF Corporate Advisory has considered and relied upon this information. PKF Corporate Advisory believes the information provided to be reliable, complete and not misleading, and has no reason to believe that any material facts have been withheld. The information provided was evaluated through analysis, inquiry and review for the purpose of forming an opinion as to whether the Proposed Transactions are fair and reasonable.

PKF Corporate Advisory does not warrant that its inquiries have identified or verified all of the matters which an audit, extensive examination or full scope "due diligence" investigation might disclose. In any event, an opinion as to whether a proposed transaction is fair and reasonable is in the nature of an overall opinion rather than an audit or detailed investigation. Preparation of this Report does not imply that PKF Corporate Advisory has audited or in any way verified the financial accounts or other records of Axiom.

It is understood that the accounting information provided to PKF Corporate Advisory was prepared in accordance with generally accepted accounting principles and except where noted, prepared in a manner consistent with the method of accounting used by Axiom in previous accounting periods.

An important part of the information base used in forming an opinion of the kind expressed in this Report is the opinion, judgement and representations of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

PKF Corporate Advisory accepts no responsibility for any claim arising out of misstatements or omissions in any material supplied by Axiom, its directors or employees, on which PKF Corporate Advisory has relied for the purposes of this Report.

Current Market Conditions

Our opinion is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time.

Summary of Opinion

In view of all the factors and our evaluation of the advantages and disadvantages of the Proposed Transactions where the advantages outweigh the disadvantages, in our opinion, the Proposed Transactions are considered to be fair and reasonable to the non-associated shareholders of Axiom.

In forming our opinion we considered the following key issues.

Axiom is a publicly listed property development company currently with a 40% interest in the Port Geographe Joint Venture and a profit participation opportunity associated with the development of an office block at 100 St Georges Terrace Perth.

Pivot is an Australian private development company with over 34 years experience as a developer, project manager and operator of retail, commercial, hotel, resort, marina and theme park developments.

Axiom entered into a Strategic Alliance Agreement with Pivot on 29 September 2006. The Strategic Alliance Agreement will, over the next three years, provide Axiom with the first right to acquire each development project within the Pivot pipeline of projects throughout Australia.

Under the Caboolture Acquisition Agreement, Axiom will purchase land located at Bertha Street, Caboolture, Queensland from Pivot for the construction of a purpose built medical centre for an ASX listed company, Symbion Health Ltd, who have agreed to enter into a 10 year lease pre-commitment. The consideration for the purchase of the land is $1,700,000.

Under the Brighton Acquisition Agreement, Axiom will purchase land located at Marchwood Boulevard, Butler, Western Australia, from Pivot for the construction of a purpose built childcare centre. DayCare Australia Pty Ltd has agreed to enter into a 15 year lease pre-commitment. The consideration for the purchase of land is $1,050,000.

Pivot and its associated entity are currently entitled to approximately 22.27% of the voting securities of the Company, and accordingly are considered a substantial shareholder for the purpose of Listing Rule 10.1. Pivot is also a related party of Axiom, as Pivot is controlled by Mr Peter Laurance, the father of a director of Axiom, Mr Ben Laurance.

Shareholder approval is required in accordance with Listing Rule 10.1 for the Proposed Transactions. The cash consideration for the Proposed Transactions constitutes a substantial asset of the Company, as defined in Listing Rule 10.2, and will therefore be a disposal of a substantial asset to a related party/substantial shareholder for the purposes of Listing Rule 10.1.

The proposed medical centre project located at Caboolture, Queensland, has been the subject of an independent valuation by LandMark White Brisbane Pty Ltd dated 14 November 2006. The Caboolture Property valuation has determined that the "as is" value of the Caboolture Property Site is $1,700,000 exclusive of GST.

The value of the consideration to be paid by Axiom for the Caboolture Property is cash consideration of $1,700,000. Therefore, the value of the consideration being paid is equal to the value of the asset being acquired.

The proposed childcare centre project located at Butler, Western Australia, has been the subject of an independent valuation by Knight Frank Australia Pty Ltd dated 11 January 2007. The Brighton Property valuation has determined that the "as is" value of the Brighton Property Site is $1,050,000 exclusive of GST.

The value of the offer consideration to be paid by Axiom for the Brighton Property is cash consideration of $1,050,000. Therefore, the value of the consideration being paid is equal to the value of the asset being acquired.

2 DETAILS OF THE PROPOSED TRANSACTION

Proposed Medical Centre Site, Caboolture Queensland ("Caboolture Property")

The proposed medical centre is a development opportunity that has been sourced and de-risked by Pivot over the last 12 months. Pivot currently owns the freehold of two sites located at 21 – 25 Bertha Street, Caboolture, Queensland totalling 2,261 square metres.

This opportunity will see Axiom purchase the land from Pivot and then construct a purpose built medical centre for Symbion Health Ltd. A lease pre-commitment has been executed by Symbion Health Ltd for a long term lease at market rent, with such rent being subject to regular reviews.

The property is located in the established centre of Caboolture, approximately 43 kilometres north of the Brisbane City centre and approximately 500 metres North West of the Caboolture Shire Council Headquarters. The property is surrounded by residential houses and is well located to shopping centres and infrastructure.

The Caboolture train station is located some 400 metres from the property and bus services run along nearby major arterials.

The Development

Following the acquisition and subject to shareholder approval, Axiom will develop a single level medical centre that will also comprise areas able to be occupied by associated health providers such as pharmacy, dentist, radiology and pathology.

The building will provide typical medical centre accommodation with 12 consulting rooms, a treatment room, a procedures room, a waiting area, reception, administration room and a staff room.

A fixed price, lump sum contract is being negotiated with Bli Bli Nominees Constructions Pty Ltd trading as BBN Constructions. The construction is estimated to take approximately 20 weeks. A development approval was granted on 11 October 2006 and a Building Permit was issued on 8 November 2006.

The building costs are estimated to be approximately $1.7 million. The Company intends to fund the development with bank debt and are presently reviewing offers of funding from various providers.

Pivot has advised the Company that it wishes to act as the project manager for the development for a fee of 2.5% of the total project costs (excluding the consideration payable by Axiom for the Caboolture Property).

Proposed Childcare Centre, Brighton, Western Australia ("Brighton Property")

The proposed childcare centre is a development opportunity which has been sourced and de-risked by Pivot Group over the last six months. Pivot currently owns the freehold of the site located at 14 Marchwood Boulevard, Butler in Western Australia totalling 2,333 square metres.

A binding letter of offer has been agreed between Pivot and DayCare Australia for a custom built 80 place child care facility. The agreement is for a long term lease at market rent, with such rent being subject to regular reviews.

The Development

A fixed price, lump sum contract will be negotiated with a builder, subject to a competitive tender process. The construction time is estimated to take approximately 20 weeks. Practical completion is scheduled to be in September 2007.

A development approval was granted on 10 August 2006 and a building permit is expected to be granted in March 2007. The Company intends to fund the development with bank debt and are presently reviewing offers of funding from various providers.

Pivot has advised the Company that it wishes to act as the project manager for the development for a fee of 2.5% of the total project costs (excluding the consideration payable by Axiom for the Brighton Property).

3 AXIOM PROPERTIES LIMITED

Overview of Operations and Background

Axiom is a publicly listed property development company currently with a 40% interest in the Port Geographe Joint Venture and a profit participation opportunity associated with the development of an office block at 100 St Georges Terrace Perth.

Axiom and Pivot entered into a Strategic Alliance Agreement on 29 September 2006. The Strategic Alliance Agreement provides Axiom with the first right to participate in Pivot's property development opportunities at a time when significant risk has been removed from any such opportunities. Details of the Strategic Alliance Agreement are contained in Section 4.

On 5 October 2006, Axiom completed a 15% share placement to raise $13,083,900 via the issue of 43.16 million shares at 30 cents each. The funds raised will be used to take advantage of new development opportunities that are expected to flow from the Strategic Alliance Agreement with Pivot.

Port Geographe Joint Venture

The Port Geographe Project is an integrated residential and waterway development overlooking Geographe Bay, north of Busselton, Western Australia.

Axiom owns a 40% interest in the Port Geographe Joint Venture, the purpose of which is to develop the remaining stage of the Port Geographe Project. The remaining 60% of the project is owned by Macsea Nominees Pty Ltd, which in turn is owned by interests associated with Macquarie Bank Limited and Mr Luke Saraceni.

The first sales of the development occurred in the March quarter of 2006 and resulted in 157 lots being sold for a total of approximately $70 million. Construction has started on the first stages of the development with the first titles expected to be issued in the first half of the 2007/2008 financial year.

Century City – 100 St Georges Terrace Perth Western Australia

On 26 June 2006, Axiom entered into a Development Agreement with Industry Superannuation Property Trust and Pivot to participate in the office component of the development known as "Century City" at 100 St Georges Terrace Perth.

Under the terms of the agreement, Axiom will inject a total of $5 million in four tranches over an eighteen month period in order to earn a 50% profit share in the net profit of the seventeen story office building. The independent valuer, Savills, has assessed the on completion value of the development to be in excess of $200 million.

Outlook

We understand that Axiom is looking to expand their opportunities and growth which was initiated with the execution of the Strategic Alliance Agreement with the Pivot Group.

Board of Directors

Ian Laurance
Executive Chairman

Mr Ian Laurance is a former State Minister for Housing, Tourism and Lands. Until recently, Mr Laurance was Chairman of the Midland Redevelopment Authority and currently sits on the Board of a number of semi-government and not-for-profit organisations.

Ben Laurance
Executive Director

Mr Ben Laurance is an Executive Director of Axiom, and an Executive Director of Axiom's major shareholder, Pivot.

Mr Laurance joined the family business of Pivot in June 2001 after a 10 year career as an investment advisor in Sydney advising domestic and American institutions on Australian equities. His role as Executive Director of all Pivot companies is to oversee and manage the incubation of its development projects, as well as identify and source other unique opportunities around Australia.

Umberto Gianotti
Non-Executive Director

Mr Gianotti is a non executive director of Axiom and is the Property Lawyer for Pivot. He is a former partner of a national law firm and has specialised in property law for 30 years. Mr Gianotti has also supervised the financial audit of major commercial building projects.

Mr Michael Blakiston
Non-Executive Director

Mr Blakiston is a non-executive director of Axiom and is a practicing solicitor with legal experience in the resources sector. Mr Blakiston holds the degrees of Bachelor of Jurisprudence and Bachelor of Laws from the University of Western Australia and is a partner of the corporate and resource law firm, Blakiston & Crabb. Mr Blakiston has been practicing law for over 25 years.

Mr Blakiston has commercial experience both in advisory and directorial capacities having been involved in project assessment, structuring and financing, joint ventures and strategic alliances in the resource industry. In addition, Mr Blakiston has experience in initial public offerings, takeovers and mergers, corporate and project fundraisings, construction, offtake and sales contracts.

Mr Blakiston is also a director of Platinum Australia Ltd, Vulcan Resources Limited, Rox Resources Limited and Aurora Oil & Gas Limited.

Financial Statements

Set out below are summarised historical financial statements for Axiom as at 30 June 2005, 30 June 2006 and 31 December 2006.

Axiom Properties Limited Income Statement	Audited as at 30 June 2005	Audited as at 30 June 2006	Unaudited as at 31 December 2006
Revenue	$	$	$
Sales Revenue	3,410,000	1,124,000	750,000
Other Revenue	255,000	637,000	242,000
Total Revenue	**3,665,000**	**1,761,000**	**992,000**
Cost of Sales Revenue	1,107,000	721,000	-
Depreciation	32,000	27,000	11,000
Rates and Taxes	3,000	10,000	4,000
Rent	32,000	35,000	19,000
Employee Benefits Expense	359,000	478,000	171,000
Site Maintenance	6,000	1,000	-
Borrowing Costs	847,000	915,000	443,000
Other expenses from ordinary activities	201,000	225,000	691,000
Total Expenditure	**2,587,000**	**2,412,000**	**1,339,000**
Operating Profit before tax	**1,078,000**	**(651,000)**	**(347,000)**
Income Tax benefit relating to Ordinary activities	**-**	**3,830,000**	**145,000**
Profit from ordinary activities after related Income Tax	**1,078,000**	**3,179,000**	**(202,000)**

Axiom Properties Limited Balance Sheet	Audited as at 30 June 2005	Audited as at 30 June 2006	Unaudited as at 31 December 2006
Current Assets			
Cash	358,000	2,004,000	15,339,000
Receivables	222,000	250,000	180,000
Inventories	434,000	-	173,000
Other			
Total Current Assets	**1,014,000**	**2,254,000**	**15,692,000**
Non-Current Assets			
Investments accounted for using the equity method	10,448,000	10,448,000	10,432,000
Property, Plant & Equipment	86,000	62,000	51,000
Other Financial Assets	10,000	3,830,000	2,018,000
Deferred tax assets			3,977,000
Total Non-Current Assets	**10,544,000**	**14,340,000**	**16,478,000**
Total Assets	**11,558,000**	**16,594,000**	**32,170,000**

Current Liabilities			
Payables	282,000	369,000	68,000
Interest Bearing Liabilities	9,000	11,000	11,000
Provisions	9,000	12,000	-
Total Current Liabilities	**300,000**	**392,000**	**79,000**
Non-Current Liabilities			
Interest Bearing Liabilities	9,567,000	9,555,000	9,549,000
Total Non-Current Liabilities	**9,567,000**	**9,555,000**	**9,549,000**
Total Liabilities	**9,867,000**	**9,947,000**	**9,628,000**
Net Assets	**1,691,000**	**6,647,000**	**22,542,000**
EQUITY			
Issued Capital	37,650,000	39,427,000	55,148,000
Share based payment reserve			376,000
Accumulated losses	(35,959,000)	(32,780,000)	(32,982,000)
Total Equity	**1,691,000**	**6,647,000**	**22,542,000**

The key assets of the Company are cash and investments. In October 2006, Axiom completed a 15% share placement to raise $13,083,900 via the issue of 43.16 million shares at 30 cents each. We understand this additional cash will assist Axiom to expand its asset base.

Capital Structure and Ownership

As at 29 January 2007, Axiom has on issue 335,370,532 fully paid ordinary shares. The Company also has 159,000,000 unlisted options as at the date of this report.

Details of the shareholding structure are set out below.

Axiom Properties Limited Ordinary Shareholders	No. of shares	%
Pivot Group Pty Ltd	53,000,000	15.80
Startrend Investments Pty Ltd	25,000,000	7.45
Pivot Projects Pty Ltd	21,700,000	6.47
Laurance Super Pty Ltd	20,000,000	5.96
Charter Hall Limited	16,700,000	4.98
National Nominees Limited	14,913,000	4.45
Advent Capital Limited	10,388,000	3.10
Silver Lake Nominees Pty Ltd	7,800,000	2.33
Other minority holders	165,869,532	49.46
Total	**335,370,532**	**100**

The major shareholder is Pivot Group Pty Ltd who currently holds 53,000,000 fully paid ordinary shares in Axiom representing approximately 16% of the total Axiom shares on issue. Pivot Projects Pty Ltd is an associated entity and holds 6.47% of the total Axiom shares on issue. Pivot Group Pty Ltd, Pivot Projects Pty Ltd and Laurance Super Pty Ltd are entities associated with Mr Peter Laurance.

Startrend Investments Pty Ltd is an entity associated with Mr Ben Laurance.

4 PIVOT GROUP PTY LTD

Background and Overview of Operations

Pivot is an Australian private development company with over 34 years experience as a developer, project manager and operator of retail, commercial, hotel, resort, marina and theme park developments. Pivot has created and developed numerous property development opportunities at various stages of planning development.

The first Pivot company was formed in 1972 to develop a shopping centre in Victoria Park, Western Australia. In 1984 Pivot Group purchased the Sea World Theme Park on Queensland's Gold Coast. After floating the Sea World Property Trust for $93 million on the Australian Stock Exchange in 1985, it transformed the property into an international standard tourist attraction, catering for 1.5 million visitors per year.

In 1989, Sea World formed a joint venture with Warner Bros and Village Roadshow Ltd to design, construct and operate Australia's first movie theme park. Mr Peter Laurance was the inaugural Chairman when Warner Bros Movie World opened on the Gold Coast in June, 1991, at a cost of $150 million and employing 1,000 staff. Warner Bros/Village Roadshow purchased all of Pivot's theme park interests in 1993.

Since then, Pivot has specialised in developing high quality office buildings, shopping centres and bulky goods centre throughout Australia.

It has developed three major office buildings in West Perth for SGIO, Conoco-Phillips Petroleum and Sons of Gwalia, all of which were bought by Colonial First State Property Trust for $70 million. Pivot also joint ventured with Multiplex to develop the Ernst & Young headquarters at the Perth Convention and Exhibition Centre, which was acquired for $47 million by the Multiplex Property Trust.

It currently has under construction a 12,000 square metre $50 million office building in Adelaide to be the South Australian headquarters for international accounting firm KPMG, and a $57 million bulky goods centre in Nunawading, Victoria which has been acquired by the Charter Hall Property Trust. Pivot is also involved in a joint venture with Harvey Norman and Charter Hall to develop a $100 million bulky goods centre in the Melbourne suburb of Mentone.

Pivot also has approval to develop a 7,000 square metre office building on a major site it owns in Parliament Place, West Perth. Pivot has also recently completed a neighbourhood shopping centre in Mandurah anchored by Woolworths and ANZ Bank.

Board of Directors

Peter Laurance
Executive Chairman

Mr Peter Laurance founded the first of the Pivot Group of companies in Perth, Western Australia in 1972, which grew into a publicly listed corporation in 1984 with offices and property assets throughout Australia. Pivot has been wholly owned by the Laurance family since it privatised the Group in 1990.

In 1990, Mr Laurance was appointed by the Queensland Government as Chairman of its Queensland Tourist and Travel Corporation, where he directed a team of 300 people in 17 offices worldwide to promote the State as Australia's premier tourist destination.

In 1992, Mr Laurance was invested as an Officer in the Order of Australia (A.O.) in recognition of his services to tourism and helping disadvantaged children. Mr Laurance is a Trustee of the Sydney based Sport and Tourism Youth Foundation, which grants scholarships for the education and training of disadvantaged young Australians.

Ben Laurance
Executive Director

Mr Laurance joined Pivot as a Director in June 2001 after 10 years as an investment advisor with Hartley Poynton, advising Australian and international institutions of Australian investments.

With his experience in the corporate and financial markets, Mr Laurance has provided the guidance, financing and management of a number of successful start-ups, developing these companies from concept to operating businesses.

Mr Laurance has a Bachelor of Economics degree from the University of Western Australia.

Dianne Laurance
Director

Dianne Laurance is involved in the finance area, the selection of staff and her specialised fields of interior design and landscaping. She is also responsible for the Group's Margaret River vineyard investment where she is developing a range of wines to be marketed under the "Laurance of Margaret River" label.

Strategic Alliance Agreement

Axiom entered into a Strategic Alliance Agreement with Pivot on 29 September 2006. The Strategic Alliance Agreement will, over the next three years, provide Axiom with the first right to acquire each development project within the Pivot pipeline of projects throughout Australia.

The agreement requires Pivot to offer to Axiom the right to acquire, at the greater of cost or valuation, each property development opportunity as and when such opportunity is granted all regulatory approvals and therefore is ready for development. Any development which is currently under construction or which Pivot may acquire in circumstances where such development has commenced is excluded from the agreement.

The concept of the agreement is for Pivot to source new projects and to remove from such projects the approval and zoning risks before presenting the project to Axiom for its consideration. During the term of the agreement it is Axiom's intention to develop the executive skills to find its own projects.

5 VALUATION OF THE ASSETS TO BE ACQUIRED

Valuation of the Proposed Medical Centre Site, Caboolture Queensland ("Caboolture Property")

The proposed medical centre project located at 21 – 25 Bertha Street, Caboolture, Queensland, has been the subject of an independent valuation by LandMark White Brisbane Pty Ltd ("LandMark White") dated 14 November 2006. A copy of this valuation is attached at Annexure 1.

The Caboolture Property valuation has been prepared on the basis of an "as is" value with the following assumptions.

- The land has development approval for a medical centre project.
- The developer, Pivot, has secured a 10 year lease pre-commitment with Symbion Health Ltd, which is an ASX listed public company that specialises in the health industry including medical centres, pathology and imaging. The lease will be in the name of Symbion Medical Centre Operations Pty Ltd. There will be a 6 month bank guarantee representing 6 months rent plus GST.

- The land was purchased by Pivot in November 2005 and settled in June 2006. The contract price was $1,350,000 and was subject to the development approval but was not subject to the lease pre-commitment which Pivot secured independently.

- The developer, Pivot, has provided written advice to LandMark White that they have expended costs in the amount of $235,000. This expenditure has been included in the valuation assessment.

The value of the Caboolture Property on an "as is" basis has been considered using a Direct Comparison approach whereby the site has been compared with sales evidence on a capital value per square metre of the site area.

The Caboolture Property valuation has determined that the "as is" value of the Caboolture Property Site is **$1,700,000** exclusive of GST.

Valuation of the Proposed Brighton Childcare Centre, Brighton, Western Australia ("Brighton Property")

The proposed childcare centre project located at 14 Marchwood Boulevard, Butler, Western Australia, has been the subject of an independent valuation by Knight Frank Australia Pty Ltd ("Knight Frank") dated 11 January 2007. A copy of this valuation is attached at Annexure 2.

The Brighton Property valuation has been prepared on the basis of an "as is" value, meaning a valuation that provides the current market value of the property as it currently exists rather than the value of the proposed development. The valuation considers the following assumptions.

- The land has development approval for a childcare centre.

- The land was purchased by Pivot in May 2006. The contract price was $805,000.

- Since the acquisition in May 2006, the developer, Pivot, has secured the Development Approval for a childcare centre. The costs incurred in order to achieve such approval have been included in the valuation assessment.

The value of the Brighton Property on an "as is" basis has been considered using a Direct Comparison approach which involves the analysis of sales evidence, making adjustments for points of difference, with a view to assessing a fair market value for the subject property.

The Brighton Property valuation has determined that the "as is" value of the Brighton Property Site is **$1,050,000** exclusive of GST.

6 COMPARISON OF CONSIDERATION AND ASSETS TO BE ACQUIRED

The value of the consideration for the Caboolture Property is cash consideration of **$1,700,000.**

The value of the asset being acquired, being the property located at 21 – 25 Bertha Street, Caboolture, Queensland with development approval for a medical centre, is **$1,700,000** (based on an independent valuation undertaken by LandMark White).

Therefore, the value of the consideration being paid is **equal to** the value of the asset being acquired.

The value of the offer consideration for the Brighton Property is cash consideration of **$1,050,000.**

The value of the asset being acquired, being the property located at 14 Marchwood Boulevard, Butler with development approval for a childcare centre, is **$1,050,000** (based on an independent valuation undertaken by Knight Frank).

Therefore, the value of the consideration being paid is **equal to** the value of the asset being acquired.

7 OTHER CONSIDERATIONS

Basis of Evaluation

The comparison of the value of the assets to be acquired under the Proposed Transactions and the value of the consideration to be paid, whilst important, is only one element of our assessment.

Having compared the offer consideration with the assets to be acquired, we then evaluated other considerations, including the advantages and disadvantages of the Proposed Transactions before concluding whether the Proposed Transactions on the whole are fair and reasonable.

Advantages of the Proposed Transactions

The following are our considerations of the advantages of approving the Proposed Transactions;

- **Expansion of the Company's property portfolio**
  The Proposed Transactions will enable Axiom to expand and diversify its property portfolio contributing to the Company's future growth. The acquisition of the Caboolture Property and the Brighton Property will add to Axiom's current property investments being the 40% interest in the Port Geographe Joint Venture and the profit participation opportunity associated with the development of an office block at 100 St Georges Terrace Perth.

- **Ability to develop income generating assets**
  The Proposed Transactions may enable Axiom to generate future income once the projects are completed. Both the Caboolture Property and the Brighton Property have been progressed to a point where Development Approvals are in place and long term tenant pre – commitments have been secured. This will assist Axiom to expand its portfolio of income producing assets which have the potential to increase profit yields to the Company.

- **No dilution of shareholders interests**
  Given the consideration for the Proposed Transactions is cash, there will be no dilution in shareholders interests.

Disadvantages of the Proposed Transactions

The following are our considerations of the disadvantages of approving the Proposed Transactions;

- **Development Risk**
  A risk for Axiom in undertaking these development opportunities is that the profit yield may not be as robust as projected in preliminary feasibility studies. During development projects of this nature, there are circumstances that can arise, often beyond the control of the Company, which may result in additional costs being incurred. Additional costs which are the responsibility of the Company will impact directly on the profit yield of the project.

- **Decline in the value of the Property Market**
  Commercial property markets in both Queensland and Western Australia have enjoyed strong demand in recent years. However, the ongoing strength of the property market is influenced by many economic drivers, particularly interest rates and inflation rates. A decline in demand for commercial property may have a negative impact on the value of the properties.

8 OPINION AND CONCLUSION

In view of all the factors and our evaluation of the advantages and disadvantages of the Proposed Transactions where the advantages outweigh the disadvantages, in our opinion, the Proposed Transactions are considered to be fair and reasonable to the non-associated shareholders of Axiom.

In forming our opinion we considered the following key issues.

Axiom is a publicly listed property development company currently with a 40% interest in the Port Geographe Joint Venture and a profit participation opportunity associated with the development of an office block at 100 St Georges Terrace Perth.

Pivot is an Australian private development company with over 34 years experience as a developer, project manager and operator of retail, commercial, hotel, resort, marina and theme park developments.

Axiom entered into a Strategic Alliance Agreement with Pivot on 29 September 2006. The Strategic Alliance Agreement will, over the next three years, provide Axiom with the first right to acquire each development project within the Pivot pipeline of projects throughout Australia.

Under the Caboolture Acquisition Agreement, Axiom will purchase land located at Bertha Street, Caboolture, Queensland, from Pivot for the construction of a purpose built medical centre for an ASX listed company, Symbion Health Ltd, who have agreed to enter into a 10 year lease pre-commitment. The consideration for the purchase of the land is $1,700,000.

Under the Brighton Acquisition Agreement, Axiom will purchase land located at Marchwood Boulevard, Butler, Western Australia, from Pivot for the construction of a purpose built childcare centre. DayCare Australia Pty Ltd has agreed to enter into a 15 year lease pre-commitment. The consideration for the purchase of land is $1,050,000.

Pivot and its associated entity are currently entitled to 22.27% of the voting securities of the Company, and accordingly are considered a substantial shareholder for the purpose of Listing Rule 10.1. Pivot is also a related party of Axiom, as Pivot is controlled by Mr Peter Laurance, the father of a director of Axiom, Mr Ben Laurance.

Shareholder approval is required in accordance with Listing Rule 10.1 for the Proposed Transactions. The cash consideration for the Proposed Transactions constitutes a substantial asset of the Company, as defined in Listing Rule 10.2, and will therefore be a disposal of a substantial asset to a related party/substantial shareholder for the purposes of Listing Rule 10.1.

The proposed medical centre project located at Caboolture, Queensland, has been the subject of an independent valuation by LandMark White Brisbane Pty Ltd dated 14 November 2006. The Caboolture Property valuation has determined that the "as is" value of the Caboolture Property Site is $1,700,000 exclusive of GST.

The value of the consideration to be paid by Axiom for the Caboolture Property is cash consideration of $1,700,000. Therefore, the value of the consideration being paid is equal to the value of the asset being acquired.

The proposed childcare centre project located at 14 Marchwood Boulevard, Butler, Western Australia, has been the subject of an independent valuation by Knight Frank Australia Pty Ltd dated 11 January 2007. The Brighton Property valuation has determined that the "as is" value of the Brighton Property Site is $1,050,000 exclusive of GST.

The value of the offer consideration to be paid by Axiom for the Brighton Property is cash consideration of $1,050,000. Therefore, the value of the consideration being paid is equal to the value of the asset being acquired.

9 SOURCES OF INFORMATION

In preparing this Report we have had access to and have relied upon the following primary sources of information:

- Draft Notice of Meeting and Explanatory Memorandum dated 16 February 2007;
- Annual Report for Axiom for the financial years ended 30 June 2005 and 30 June 2006;
- Unaudited management accounts for Axiom for the period ended 31 December 2006;
- Independent valuation Report for 21 – 25 Bertha Street, Caboolture, Queensland, dated 14 November 2006 and prepared by LandMark White, Brisbane;
- Independent valuation report for 14 Marchwood Boulevard, Butler, Western Australia, dated 11 January 2007 and prepared by Knight Frank;
- Details of Axiom's shareholders and share register of ordinary shares and options as at 29 January 2007;
- ASX Announcements for Axiom;
- Correspondences including electronic mail, telephone conversations and meetings with key personnel at Axiom; and
- Other sources of publicly available information such as IRESS, ASIC, ASX, Internet, Company Websites, newspaper publications etc.

10 QUALIFICATIONS AND DECLARATIONS

Qualifications

PKF Corporate Advisory is a wholly owned Company of PKF Chartered Accountants, Western Australian Partnership ("PKF"). PKF Corporate Advisory has extensive experience in the provision of corporate financial advice, particularly in respect of independent expert's reports and valuations.

The nature of this Report is such that it should be given by an entity that holds an Australian Financial Services Licence under the Financial Services Reform Act 2001. PKF Corporate Advisory holds the appropriate Australian Financial Service Licence (Refer Appendix 3).

The person specifically involved in preparing this Report, Mr Ian Olson, is a Partner of PKF and a Director of PKF Corporate Advisory and has the necessary experience and qualifications appropriate to the advice being offered.

Other PKF Corporate Advisory and PKF staff have been consulted in the preparation of this Report where appropriate.

Independence

PKF Corporate Advisory is not aware of any matter or circumstance that would preclude it from preparing this Report on the grounds of independence either under regulatory or professional requirements. In particular, we have had regard to the provisions of applicable pronouncements and other guidance statements relating to professional independence issued by Australian professional accounting bodies and ASIC Practice Note 42.

Neither PKF Corporate Advisory, PKF nor the signatory of this Report, Mr Ian Olson, has had within the past two years any relationship with the Company.

We have held discussions with the management of Axiom regarding the factual accuracy of the information contained in this Report. We did not change the methodology used in our assessment as a result of these discussions and our independence has not been impinged in any way

Disclaimer

This Report has been prepared at the request of the Directors of Axiom specifically for the non-associated shareholders of Axiom. It is not intended that this Report be used for any other purpose other than to accompany the Notice of General Meeting and Explanatory Statement to be sent to Axiom Shareholders.

In particular it is not intended that this Report should be used for any other purpose than as an expression or our opinion on whether the Proposed Transactions are fair and reasonable to the shareholders of the Company.

Accordingly, this Report and the information contained herein may not be relied upon by anyone other than the non-associated shareholders of Axiom without the written consent of PKF Corporate Advisory.

Neither PKF Corporate Advisory, nor PKF, nor any member or employee thereof undertakes responsibility to any person, other than the non-associated shareholders of Axiom, in respect of this Report, including any error or omissions howsoever caused.

In the preparation of this Report we have considered the information and explanations given to us. We emphasise that we have not carried out an independent confirmation of the information nor have we conducted anything in the nature of an audit or review. We do not imply, nor should it be constructed that our assessment has revealed all the matters which an audit or more detailed examination might disclose.

We have however evaluated information provided to us by Axiom and its advisers, as well as other parties through inquiry, analysis and review and nothing has come to our attention to indicate the information provided was materially misstated or did not afford reasonable grounds upon which to base our opinion. We have no reason to believe that any information relied on by us is incorrect.

The statements and opinions contained in this Report are given in good faith and are based upon PKF Corporate Advisory's consideration and assessment of information provided by the Directors and management of Axiom and are believed to be reliable and accurate. We have no reason to believe that any information has been withheld from us.

Consents

PKF Corporate Advisory hereby consents to this Report accompanying the Notice of General Meeting and Explanatory Statement in the form and content in which it is included. Apart from such use, neither the whole, nor any part of this Report, nor any reference thereto may be included in or with, or attached to any document, circular, resolution, statement or letter without the prior written consent of PKF Corporate Advisory.

Other

PKF Corporate Advisory is entitled to receive a fee based on the time spent in the preparation of this Report, estimated at approximately $25,000 plus GST. PKF Corporate Advisory will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the making of this Report.

Yours faithfully,

Ian Olson
Director
Authorised Representative

APPENDIX 1

VALUATION OF PROPOSED MEDICAL CENTRE PROJECT, CABOOLTURE QLD

LandMark White

valuation report

property Proposed Medical Centre Project
21-25 Bertha Street
Caboolture Qld 4510

prepared for Axiom Properties Limited

reference Mr Ben Laurance

date 14 November 2006

file reference 73448 / 37651

Fraser Bentley

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1.1 executive summary

prepared for & purpose	Axiom Properties Limited for First Mortgage. Reliance on this report for first mortgage security purposes is subject to written approval of the first mortgagee by LandMark White.	
owner / client reference	Mr Ben Laurance.	
interests being valued	Freehold interest	"as if complete" – subject to lease pre-commitment. "as is" with development approval, lease pre-commitment and costs expended to date.
land area	2,261 square metres.	
town planning	"Metropolitan Centre – CZ-9".	
description	A single level medical centre project that will provide medical centre accommodation plus areas including but not limited to designations for a pharmacy, pathology, imaging and dentistry. On-site parking will be provided for 40 vehicles.	
net lettable area	796 square metres.	
tenancy profile	occupancy: 100%.	lease expiry: 10 years.
proposed commencement/market income	base: $320,000.	net (after est. Land Tax):$312,875.
indicated returns – "as if complete"	market yield: 7.28% discount rate: 9.00%	initial yield: 7.28% irr 10 year: 9.18%
indicated returns – "as is"	development profit: $615,769	development margin: 17.01%
major issues	• The developer has secured a 10-year lease pre-commitment to Symbion Health, which is an ASX 100 listed public company that specialises in the health industry including medical centres, pathology and imaging. The lease is in the name of Symbion Medical Centre Operations Pty Limited. There is a 6 month bank guarantee. • The land has development approval for a medical centre project. • The developer, Pivot Group has provided written advice that they have expended costs in the order of $235,000. This expenditure adds to the "as is" value and is reflected in the assessment. • The land was purchased in November 2005 and settled in June 2006. The contract price was $1,350,000 and was subject to the development approval but was not subject to the lease pre-commitment which the Pivot Group secured independently and was prior to the expenditure to date referred to in the point above.	
date of valuation	14 November 2006.	
market value – as if complete subject to the lease pre-commitment	$4,300,000 Exclusive of GST.	$5,402/m^2 of NLA
market value – as is with development approval and subject to the lease pre-commitment and costs expended to date	$1,700,000 Exclusive of GST.	752/m^2 of site area
valuer	Fraser Bentley AAPI **Certified Practising Valuer** **DIRECTOR** **Registered Valuer No. 2388 Qld**	

This valuation is subject to the qualifications and assumptions set out in this report and the whole of the report should be read before any reliance is placed upon this valuation.

This report has been prepared in accordance with commercial valuation standards.

1.2 performance summary

market performance

- Interest rates remain at reasonably low levels however the increase in the official interest rates of 25 basis points by the RBA on 7 November 2006 means that rates have risen 75 base points in 2006. It is too early to assess the impact of the recent interest rate rise on the yield climate. However, it is reasonable to contend that this rate rise and the prospect of possible rising interest rates early next year may slow the market down. Up until this point, the low interest rate environment has continued to fuel much of the activity across all commercial, retail and industrial sectors as prospective investors continually seek to benefit from the lower cost of funds. Further, the weight of money continues to provide a strong impetus for the market.
- In my opinion, yields for commercial property are considered to be at their lowest point and are unlikely to firm further. Several market participants/commentators have indicated otherwise expressing the view that some further firming is likely, largely due to 'weight of funds'. This argument however, ignores the relationship between the risk-free rate and property yields.
- Investment market conditions at present are particularly strong with agents reporting unprecedented levels of inquiry for purchasing commercial and retail property assets. Opportunities to enter the market are relatively scarce. Demand for commercial property assets, particularly those with strong lease covenants remains very strong.
- A feature of recent and current market activity in purchasing commercial and retail property has been the prevalence of private high net worth investors. This added investor profile has increasingly been competing with the usual syndicates, property trusts and institutions (mainly wholesale funds).

asset/development performance

- The subject property on an "as if complete" basis is expected to present well and have a good level of utility for its proposed use as a medical centre and associated allied health occupants.
- The property will have ample on-site parking with 40 spaces indicated on the site plan.
- The property has Development Approval for the proposed scheme.
- The property has a lease pre-commitment, which is referred to in greater detail in the subsection below, which considerably reduces the development risk.
- The development margin at the assessed land value is 17.01%.
- I consider that the exposure level is relatively low on the basis that neither Bertha Street nor George Street appears to carry high volumes of traffic. However other nearby streets which have more commercial development also have relatively low traffic volumes. The immediate area is an emerging precinct that has been designated for commercial uses as part of the Caboolture Shire Plan effected in December 2005.

cash flow performance

- The property has been leased on an "as if complete" basis to Symbion Health. Symbion Health Limited is an ASX 100 listed public company that specialises in the health industry including medical centres, pathology and imaging. The lease is in the name of Symbion Medical Centre Operations Pty Limited. There is a 6 month bank guarantee.
- The commencement rent is to be $320,000 per annum net, which equates to approximately $402 per square metre net. From this amount Land Tax is deducted as per the net income assessment in the body of the report. Land Tax is non-recoverable from lessees in the State of Queensland.
- The lease rental growth is strong with fixed 4.5% annual reviews during the term. At commencement of the option (if exercised) the review is to market with a ratchet clause and a maximum increase of 7.5% over the previous year.

management performance

- There may not be a need for professional management on an "as if complete" basis, due to it being a single tenant property. However I recommend that management be engaged to ensure the longer term performance of the asset is not diminished. Management is especially advisable for absent and passive investors.

introduction

2.1 instructions

instructions					
instructing party	Axiom Properties Limited.				
contact	Ben Laurance.				
prepared for	Axiom Properties Limited.				
purpose of valuation	First Mortgage. Reliance upon this report by an intending mortgagee is subject to an assignment of the report to the nominated mortgagee.				
interest being valued	Freehold interest.	"as if complete" – subject to lease pre-commitment.			
		"as is" with development approval, lease pre-commitment and costs expended to date.			
date of valuation	14 November 2006.				
date of inspection	14 November 2006.				
report compliance	Standard Bank Instructions	✓	Yes		No
	Australian Property Institute	✓	Yes		No

2.2 critical assumptions

This valuation is subject to the qualifications and assumptions set out in this report and the whole of the report should be read before any reliance is placed upon this valuation. The conditions, qualifications and recommendations contained within this report should be noted and acted upon where appropriate. This valuation has been prepared based on the following assumptions:

2.2.1 verifiable assumptions

Verifiable assumptions primarily relate to matters of fact being generally detailed throughout this report and summarised as follows:

- While all reasonable endeavours have been made to clarify the accuracy of the information provided, it is assumed that the information provided by Axiom Properties and the Pivot Group with respect to tenancy details, lettable areas, outgoings and proposed development costs, consists of a full and frank disclosure of all information that is relevant.
- In undertaking the valuation I have relied upon various financial and other information submitted by Axiom Properties and the Pivot Group. Where possible, within the scope of the retainer and limited to the expertise as a valuer, I have reviewed this information including by analysis against industry standards. Based upon that review, LandMark White has no reason to believe that the information is not fair and reasonable or that material facts have been withheld. However, LandMark White's enquiries are necessarily limited by the nature of its role and LandMark White does not warrant that they have identified or verified all of the matters which a full audit, extensive examination or "due diligence" investigation might disclose. For the purpose of our valuation assessment, we have assumed that this information is correct.

- With respect to lease details, I note that the agreement for lease including a copy of the draft lease as an annexure to it, has been sighted. Should there be any variation, I reserve the right to review my valuation.
- I have relied upon the lettable areas indicated on the floor plan provided. Should any subsequent survey indicate a variation to the area adopted within, the matter should be referred to me for review of the valuation as deemed appropriate.
- **Verifiable assumptions** relate to environmental issues, structural integrity of the improvements, condition of building services, zoning and encroachments, and can be confirmed by obtaining appropriate documentation relating to each.
- As the site is presently awaiting development of the project described herein, this valuation assumes that on an "as if complete" basis, detailed reports in respect of the structure and service installations of the property would not reveal any defects requiring significant expenditure. Additionally, in the absence of a Building Certificate issued by Council, I have assumed that the property on an "as if complete" basis complies with all relevant statutory requirements in respect of such matters as health, building and fire safety regulations.
- The development is completed in accordance with the plans and details provided and that on completion the property will fully comply with all statutory building regulations, the Building Code of Australia, Council's conditions of consent and that the building will provide the general accommodation and construction details as described herein.
- I have adopted the construction cost estimate provided by the developer and have assumed the amount to be adequate although this should be verified by a suitably qualified Quantity Surveyor.
- I have assessed the "as is" value reflective of the costs expended to date, in accordance with the advice by the developer. The figure is subject to the accuracy and correctness of the advice provided by the developer.

2.2.2 assumptions requiring further consultancy

Verifiable assumptions listed above, should be investigated and confirmed prior to the lender relying on this valuation assessment.

If any of these assumptions cannot be confirmed I reserve the right to recast my valuation.

2.2.3 assumptions based on opinion

Assumptions based on opinion are detailed in Sections 5 to 9 of this report.

2.3 definition of market value

"Market Value is the estimated 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 the parties had each acted knowledgeably, prudently and without compulsion."

land particulars

3.1 title details

registered owner	lot & registered plan	encumbrances & interests
Pivot Group Pty Ltd.	Lots 1 to 3 on RP13947, Parish of Canning, County of Aubigny, as detailed on Title Reference Numbers. 16058067 and 115404066.	Rights and interests reserved to the Crown by Deed of Grant Nos. 10139130.

A copy of the current title searches are enclosed (Annexure 3) which details all encumbrances and interests noted on title.

Overall, there are considered to be no encumbrances or interests reported on title which are considered to adversely affect the value, marketability and continued utility of the property. If there are any encumbrances, encroachments, restrictions, leases or covenants which are not noted in this report, they may affect the assessment of value. If any such matters are known or discovered, I should be advised and asked as to whether they affect my assessment of value.

Details of the proposed lease is noted under Section 6.1 "Lease Structure ".

3.2 statutory assessment of land value

address	value	effective date	rate/m²
21 Bertha Street	$185,000	30 June 2005	$123
25 Bertha Street	$128,000		$170
total	$313,000		$138

This valuation is made for rating and taxation assessments and is quoted here for information purposes only.

3.3 land description, dimensions and area

land description	
identification	The land has been identified by reference to the street numbers, Registered Plan and Site Plan and is situated on the north-eastern corner of Bertha Street and George Street, being on the northern side of Bertha Street and eastern side of George Street.
topography	Level.
flood status	Not officially searched, but it is typically standard for Council Development Approvals to prescribe habitable finished floor levels to be developed above Q100 level. Hence it is assumed that the land and the finished floor slab level of the proposed building is not flood liable.

Due to timing constraints a full flood search from Caboolture Shire Council was not possible. Should the information prove incorrect in any material respect, the matter should be referred to me for review of the valuation as deemed appropriate.

dimensions & area	
Bertha Street frontage	56 metres approximately.
George Street frontage	40 metres approximately.
Northern boundary	57 metres approximately.
Eastern boundary	40 metres approximately.
21 Bertha Street site area	1,507 square metres.
25 Bertha Street site area	754 square metres.
total site area	**2,261 square metres.**

A copy of the Registered Plan is attached to this report – Annexure 4.

3.4 planning

planning	
planning scheme	Caboolture Shire Plan.
town planning	Metropolitan Centre – CZ-9.
permissible uses	Medical Centre is code assessable. Office is also code assessable.
approximate existing FSR	Nil.
development approvals / applications	Material Change of Use – Development Permit: Medical Centre and Shop (Pharmacy). Approval date: 11 July 2006. There are no non-standard conditions of consent apparent. Refer to the Development Approval at Annexure 5.
other matters	Nil apparent.

The planning information noted has been obtained from Caboolture Shire Council Planning Scheme and a copy of the Development Approval. This information has been relied upon in my assessment of value and no responsibility is accepted for the accuracy of the planning information provided. Should the information prove incorrect in any significant respect, the matter should be referred to me for review of the valuation as deemed appropriate.

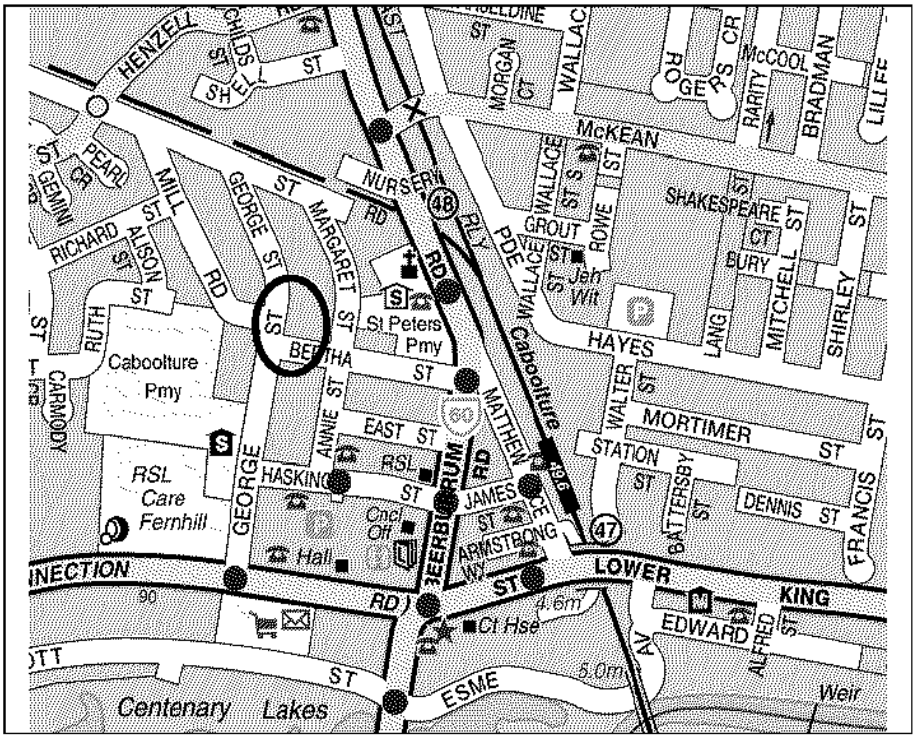
3.5 environmental issues

issues	
current use and commencement	Vacant land since recent demolition of two residential dwellings.
surrounding properties	Residential dwellings.
level of risk	Low.
issues upon inspection	Nil apparent.
environmental report provided	A CLR & EMR search has been conducted. The site is **not** included on the Environmental Management Register and **not** included on the Contaminated Land Register.
other matters	Nil apparent.

No soil tests or environmental studies have been made available for my perusal. Therefore, it should be noted that my valuation is subject to there being no surface or sub-surface soil problems including instability, toxic or hazardous wastes, toxic mould, asbestos or building material hazards in or on the property that would adversely affect its existing or potential use or reduce its marketability. Should any problems be known or arise than the valuation should be referred to me for comment and review of the valuation as deemed appropriate.

3.6 locality and surrounding development

- The subject property is located in the established centre of Caboolture, approximately 43 radial kilometres north of the Brisbane City centre.
- The subject property is approximately 500 metres north-west of the Caboolture Shire Council headquarters and shopping and civic heart which is centred around King Street.
- Immediately surrounding development comprises residential dwellings. Two schools are located in close proximity, namely St Peters Primary and Caboolture Primary Schools.
- The general area has a predominance of residential dwellings. Commercial accommodation is focussed to the south-east centred around Annie Street, East Street and Hasking Street. This node is located immediately to the north of the Council headquarters and is within close proximity of the subject land.



UBD Australian City Streets 2006.

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3.7 road system, access and exposure

- The subject property has frontage to Bertha Street and George Street.
- Bertha Street generally has an east-west orientation connecting George Street at its western end with Beerburrum Road at its eastern end. It is bitumen sealed and has a single lane in each direction. It has a concrete footpath along the subject's frontage. It appears to carry low to medium volumes of traffic. I would envisage it carries medium volumes predominantly around school drop off and pick up times.
- George Street has a north-south orientation. It connects with King Street opposite the main vehicular entry to the Caboolture Park sub-regional shopping centre. It has a concrete footpath along the subject's frontage. It appears to carry low to medium volumes of traffic. I would envisage it also carries medium volumes predominantly around school drop off and pick up times.
- Under the Council Development Permit and the approved site plan, access will be permitted from George Street. Egress from the site will be via Bertha Street.
- I consider that the exposure level is relatively low on the basis that neither Bertha Street nor George Street appears to carry high volumes of traffic. However other nearby streets which have more commercial development also have relatively low traffic volumes. The immediate area is an emerging precinct that has been designated for commercial uses as part of the Caboolture Shire Plan effected in December 2005.
- It should be noted a Department of Main Roads search has not been sighted. This valuation is based on the critical condition that there are no Government Authority requirements for the land. It is recommended that any party relying on this valuation undertake its own searches in this regard.

3.8 services and amenities

- Electricity, reticulated water, sewerage, and telephone services are connected to the property, given the two individual properties had been previously used as residential dwellings. The services will need new connections to facilitate the proposed use and scale of development.
- There are two schools within close proximity as previously mentioned under *locality and surrounding development.*
- The Caboolture Park Shopping Centre is located at King Street some 400 metres south of the subject property and it is a sub-regional shopping centre that is anchored by a Coles supermarket and has a Target Discount Department Store and a substantial number of specialty shops.
- The Caboolture Train Station is located at Matthew Terrace approximately 400 metres east of the subject property. Bus services run along King Street and Beerburrum Road.

proposed improvements

4.1 general

The subject property is to be developed with a single level medical centre that will also comprise areas able to be occupied by allied health providers such as a pharmacy, dentist, radiology and pathology.

4.2 construction

item	construction
footings	Reinforced concrete.
floors	Reinforced concrete slab on ground.
external walls	Rendered over masonry.
internal walls	Envisaged that it will be timber or aluminium framed plasterboard partitioning and potentially a masonry inter-tenancy wall between the main medical centre and the pharmacy.
ceilings	Suspended ceiling tiles.
window frames	Aluminium.
roof	Metal deck.

4.3 lettable areas

The site plan attached to the Agreement for Lease indicates a floor area of 796 square metres. It is listed as being a Net GFA. GFA generally stands for Gross Floor Area. Hence the Architect's category of Net GFA, appears to be a contradiction in terms. The plan states that the Net GFA excludes walls, services or plant equipment areas.

The valuation is based on the lettable area being 796 square metres. A lease survey should be conducted at the completion of the building. Should a subsequent survey indicate a variation to the area adopted within, the matter should be referred to me for review of the valuation as deemed appropriate.

4.4 accommodation

- The building will provide typical medical centre accommodation. The floor plan indicates there will be 12 consulting rooms, a treatment room, a procedure room, waiting area, reception, administration room, nurses' room and staff room.
- Additionally there are to be two sets of male and female amenities.
- The medical centre will be able to be accessed from the entry adjacent to the car park on the northern side of the building or alternatively from an entry on the southern face of the building fronting Bertha Street.
- The pharmacy is to be located in the south-western section of the building at the front corner of the property with frontage to both Bertha Street and George Street.
- A dentist's area is shown on the floor plan at the western end of the building.
- Also at the north-western section of the building there are areas allocated to diagnostic imaging, pathology and a small area for podiatry.
- A copy of the site plan and floor plan are attached to this report.

4.5 on-site parking

unit type	no.
Tenant*	3
Visitors*	34
Disabled Visitors	3
Total	**40**

* Denotes that the allocation is based on the site plan (copy is attached to this report) referencing. It would not be unusual if more than three car parks were in all practicality allocated to Doctors and other consultants working from the premises.

4.6 building services

It is envisaged that the following services will be provided to the building:

- Ducted air conditioning.
- Fire protection and detection services.
- Automatic sliding doors at entry to the medical centre.

4.7 presentation, condition & utility

It is envisaged that the property on an "as if complete" basis will have a high level of utility for its medical centre use and that it will be in good condition and present to a high standard.

This valuation report does not purport to be a site survey nor is a structural survey of the improvements presently possible given the subject property is to be developed with the herein described improvements. Overall, I have assumed that on an "as if complete" basis that detailed reports with respect to the structure and service installations of the improvements would not reveal any defects or inadequacies requiring significant capital expenditure.

4.8 other improvements

- Driveways.
- Bin enclosure.
- Landscaping.
- Fencing.

4.9 replacement value of improvements

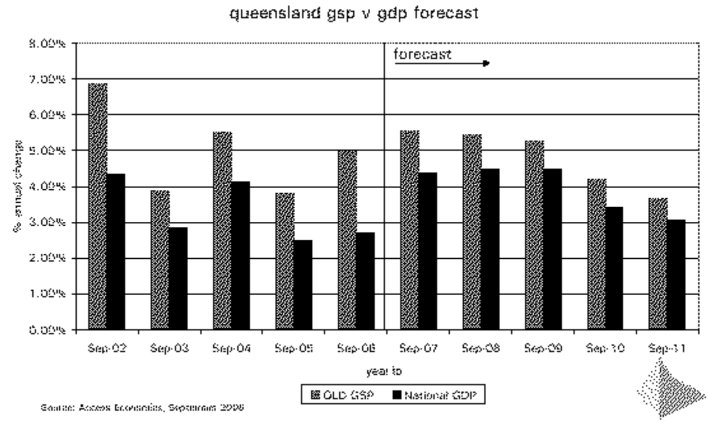
The replacement and reinstatement value of the improvements for insurance purposes, including removal of debris, Council and professional fees, and likely escalation in costs during the development and insurance period, is considered to be $1,900,000. This assessment does not include an allowance for emergency accommodation.

The assessment of replacement value of improvements is provided as indicative advice only and, should an accurate assessment be required, advice should be obtained from a quantity surveyor.

5.1 general

ueensland economic indicators	trend	comment
inflation	⇧	CPI increased 0.9% in the September quarter, taking the annual rate to 3.9% (compared with 1.6% in the June quarter). This result places the CPI above the Reserve Bank's target range of inflation. The major contributor to the increase was the sustained rise in fruit prices; contributing 0.3% to the quarterly figure. Other contributors include increased costs in property rates and charges, water and sewerage and insurance services.
consumer sentiment	⇩	The Westpac Melbourne Institute Index of Consumer Sentiment fell substantially to 95.0 in November from 105.2 in October. This is mainly due to recent interest rises in May August and November 2006.
unemployment	⇩	The seasonally adjusted unemployment rate fell by 0.8% to 4.0% for the month of October, the lowest level ever recorded in Queensland. The participation rate increased by 90 basis points from the previous month of 67.7% (September 2006) to 66.6% (October 2006).
retail trade	⇩	During September 2006 retail turnover in Queensland decreased 0.57% from the August result. The seasonally adjusted figure from department stores of a 7.73% decline came after another decrease of 8.00% in August. Sectors to report an increase in sales were recreational good retailing, reporting a seasonally adjusted increase of 3.22% while other retailing had a 0.80% rise from the previous month. Household good retailing reported a slight increase in turnover whilst all other sectors softened during the month.
housing finance	⇔	The seasonally adjusted total value of owner occupied dwelling finance commitments in Queensland increased by 1.11% from August to September 2006 after a fall of 2.55% in the previous month. At a national level, total value of dwelling finance commitments fell 3.3% while investment housing commitments decreased by 5.5% seasonally adjusted.
interest rates	⇧	At its meeting on 7 November, the Reserve Bank Board increased the cash rate target by 0.25% to 6.25%. The previous movement in the rate was an increase of 0.25% in August 2006.
economic growth	⇧	The Gross State Product recorded growth of 1.27% in the September quarter from the previous quarter. The historical 5 year average has trended at 5.00% and Access forecast over the next 5 years the economy will grow at a rate of 4.82% on average. The key drivers for growth in Queensland are coal and the commodity boom Australia is currently enjoying.
business confidence	⇩	The NAB Business Survey for the September 2006 quarter shows confidence is lowering with the Index down six points to +2, although the economy is still performing reasonably well, despite clear differences across sectors. Business confidence continues to weaken due to recent interest rate increases. NSW & Victoria are struggling to lift consumer confidence, while Queensland and WA remain buoyant. NAB forecast global growth has peaked in 2006 and will slow down heading into 2007. Business continues to the future with some scepticism – and according to the NAB business confidence and conditions will weaken in late 2006 onwards.

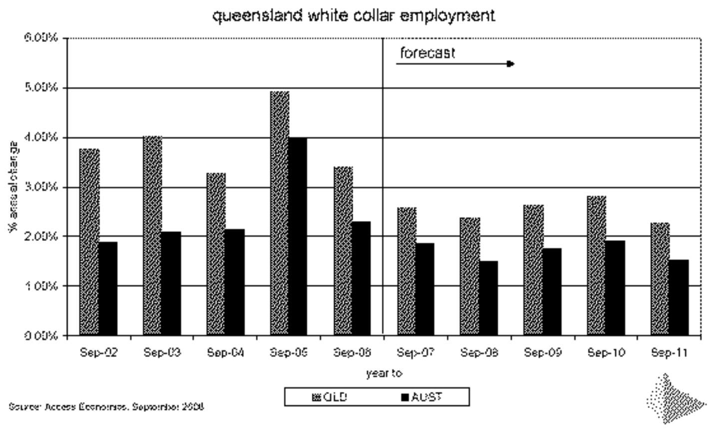
Queensland office market economic indicator



gross domestic product

The economic performance of Queensland, currently growing at 4.99%, is expected to retain growth above 5.25% through to 2009 before slowing. The key driver responsible for Queensland's strong performance in a cooling residential property market is the commodity boom which has seen coal enjoy the largest price gains of any major commodity. Queensland's sector diversity has helped maintain population growth and job growth above the national rate.

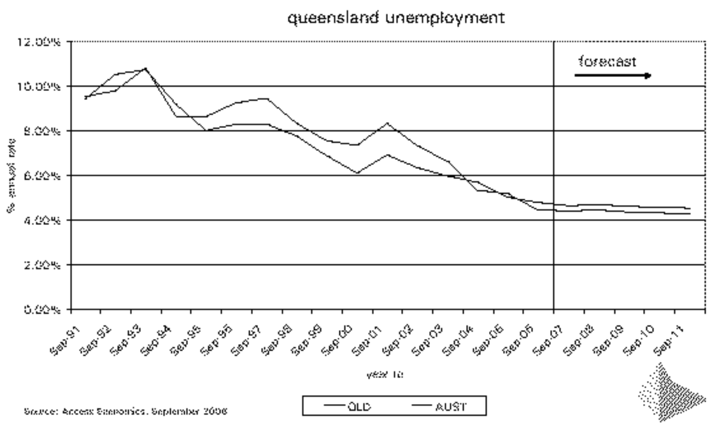
A positive sign for Queensland is how GSP continues to trend above GDP over the next 5 years given figures are expected to slow down in comparison to past economic growth in Queensland.



white collar employment

White collar employment growth reduced both nationally and within Queensland during the 12 months to September 2006, which resulted in growth of 3.40%, following the highest level of growth of 4.91% from the previous year. This positive growth can be attributed to a booming commodity market, in particular the performance of coal and above national growth in population.

Access Economics forecast growth slowing down to 2.36% at September 2008, with Queensland's future 5 year projections likely at 2.53%, more than 80 points above the national projection. Queensland has come off a historical period of high growth in white collar employment with a long term 10 year average growth rate of 3.20%.

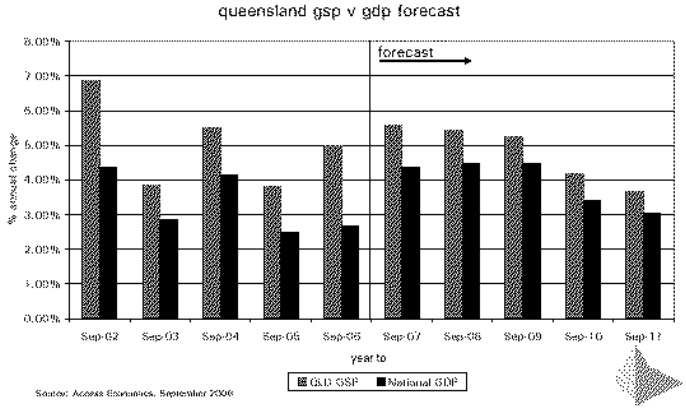


unemployment

Over the past decade the unemployment rate has steadily declined in Queensland to 4.46% and nationally 4.80%. Historically Queensland has trended in line with the national unemployment rate and Access Economics forecast this trend will continue with state and national rates within +/-0.5% range of each other.

Unemployment is expected to remain at a steady level over the next 5 years averaging 4.38% and 4.63% for Queensland and Australia respectively. The unemployment rate has continually fallen due to the assistance of a growing Queensland economy with strong fundamentals.

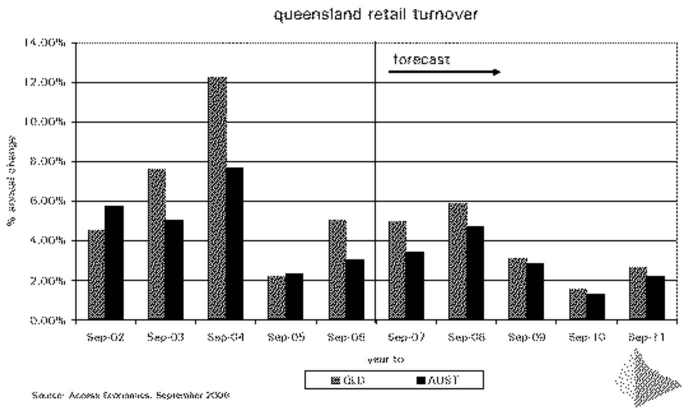
Queensland retail market economic indicator



gross domestic product

The economic performance of Queensland, currently growing at 4.99%, is expected to retain growth above 5.25% through to 2009 before slowing. The key driver responsible for Queensland's strong performance in a cooling residential property market is the commodity boom which has seen coal enjoy the largest price gains of any major commodity. Queensland's sector diversity has helped maintain population growth and job growth above the national rate.

A positive sign for Queensland is how GSP continues to trend above GDP over the next 5 years given figures are expected to slow down in comparison to past economic growth in Queensland.

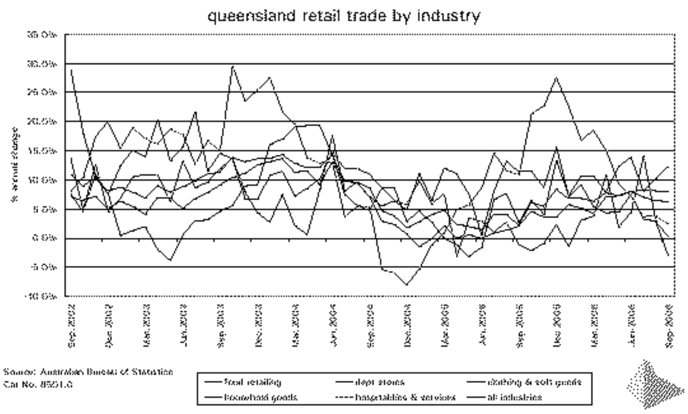


retail turnover

Retail turnover growth over the 12 months to September 2006 rose by 5.02% continuing the upward trend in Queensland. With interest rate increases there has been a decrease in discretionary spending and consumers have tightened their spending habits during this period.

The forecast by Access Economics shows growth improving slightly to peak in September 2008 at 5.85% before declining over the following period. Despite this hopeful increase over the next few years, the forecast 5 year average is 3.61%, trending well behind the historical average of 5.85%.

Most notable is the high correlation between forecast state and national spending growth, a trend not seen consistently in the past five years.



retail turnover by industry

Retail spending within Queensland has gone through much turmoil since the introduction of GST in 2000. More recently with interest rate increases and the drop in the residential market, discretionary spending has fallen considerably. The seasonally adjusted figure from department stores of a 7.73% decline came after another decrease of 8.00% in August. Sectors to report an increase in sales were recreational good retailing, reporting a seasonally adjusted increase of 3.22% while other retailing had a 0.80% rise from the previous month. Household good retailing reported a slight increase in turnover whilst all other sectors softened during the month.

6.1 lease structures

The property has been pre-committed to a single tenant under the terms and conditions noted below. I have sighted a copy of the lease which will need to be registered on title upon completion of the project.

lessor	Pivot Group Pty Ltd.
lessee	Symbion Medical Centre Operations Pty Limited.
demised premises	The whole of the land, the building and the lessor's property being known as 21-25 Bertha Street, Caboolture, Queensland.
commencement date	Lease: not recorded. Agreement for Lease: Anticipated to be 30 June 2007.
term	10 years.
options	Two periods of 5 years.
commencing rental	$320,000 per annum net (Based on the site plan recording a proposed lettable area of 796 square metres, this equates to $402.01 per square metre net).
rental review	Fixed 4.5% per annum during the term and options (if exercised). At commencement of the options (if exercised) there is to be a market review with a ratchet clause and a maximum increase of 7.5% over the previous year's rent.
outgoings	Lessee to pay 100% of the outgoings. (I note the lease states all taxes including Land Tax [unless recovery of the same is prohibited by law]. In the State of Queensland, the recovery of Land Tax is prohibited by law).
permitted use	Medical centre and/or pharmacy and any other use permitted by law.
gst	Recoverable from the lessee.
other matters	• Assignment to a related company is permissible subject to the assignee providing a bank guarantee in accordance with the relevant clause under the lease, the lessee may at any time during the term of this lease assign, transfer or demise its estate and interest under this lease to any person or body corporate to which it is related within the meaning of the Corporations Act 2001 (Cth).
bank guarantee	Not less than 6 months' rent plus GST.

I have been provided with correspondence between Pivot Group and the Legal Counsel Property for Symbion Health Limited confirming that the lessee entity is a wholly owned subsidiary of the ASX listed Symbion Health parent and that the parent will stand behind the lease.

6.2 GST issues

I have examined the lease documentation for the potential impact of GST and note that it contains a GST recovery clause. Should subsequent investigations prove otherwise, I reserve the right to review my valuation. It should also be noted that even where the lease appears to address the issue of GST, I express no view as to whether the provisions of the lease entitle the lessor to pass on the GST to the lessee, as to do so would be expressing a legal expert opinion.

6.3 outgoings

In the absence of being provided with an outgoings budget for the centre's first year of operation, I have tabulated an estimate of the statutory and operating expenses for the subject property as follows:

item		rate /m2
Municipal Rates	$5,223	$6.56
Water & Sewerage Rates	$1,000	$1.26
Land Tax	$7,125	$8.95
statutory outgoings	**$13,348**	$16.77
Insurance Premiums	$5,000	$6.28
Air Conditioning / Ventilation	$2,000	$2.51
Pest Control	$400	$0.50
Repairs & Maintenance	$2,000	$2.51
Security	$1,500	$1.88
Rubbish Removal	$1,500	$1.88
Gardening	$1,500	$1.88
Management Fees	$4,500	$5.65
operating expenses	**$18,400**	**$23.12**
total outgoings	**$31,748**	**$39.88**
outgoings (ex land tax)	**$24,623**	**$30.93**

- The total adopted outgoings above equate to approximately $40/m² of lettable area.
- The estimate of outgoings sits within the level normally witnessed for this type of property.
- Land Tax is an estimate that is levied against a conservative proportion of my assessed land value and then revised downwards to reflect the presently low Unimproved Value as detailed earlier in the report. The Land Tax and General Rates assessment may vary dependent on the Unimproved Value that is assessed by the Department of Natural Resources' Valuers in the future.
- The lease structure is net, thereby protecting the landlord's net cash flow if there is a variance in recoverable outgoings from those listed above (excluding Land Tax). However stringent management and control of outgoings expenses is always advisable to assist in the affordability of the occupancy cost to a tenant. This generally would enhance renewal probability at the time of lease expiry.

6.4 rental evidence

In order to determine how the proposed commencement rental compares to fair market rates, I have undertaken an investigation of leasing activity in the medical centre market. The more relevant transactions are noted below:

Medical Centres

no.	address	tenant	lease date	area m²	rate $/m²
1	*328 Gympie Road Strathpine*	*Independent Practitioner Network*	*10/06 ^*	*600*	*$380 n**
A medical centre tenancy in a proposed shopping centre that is planned to be open by April 2007. The centre will have good exposure to Gympie Road, a major thoroughfare through Strathpine. ^ Denotes that this is the month the deal was struck and the lease should commence upon completion of the centre in April 2007. It is a 10+5+5 year lease term, with 4% annual rent reviews with a market review at commencement of the options (if exercised). * It is estimated that recoverable outgoings in this centre will be $48 per square metre. Hence the gross income will equate to circa $428 per square metre.					
2	*421 Brunswick Street Fortitude Valley*	*Central Brunswick Medical Centre*	*1/06*	*209*	*$478 g*
Modern mixed use complex in the heart of the Valley, completed in 1997. Good exposure to Brunswick Street. Includes six carparks. The convenience centre is predominantly a two level development with retail at ground and office above.					
3	*Allsports Shopping Centre 19 Kooringal Drive Jindalee*	*Sinnamon Road Medical Centre*	*12/05*	*236*	*$500 n*
A medical centre tenancy located within an established strip retail convenience centre. Recoverable outgoings are in the order of $80 per square metre of lettable area.					
4	*1311 Gympie Road Aspley*	*Independent Practitioner Network*	*7/05 ^*	*750*	*$382 n**
A purpose built medical centre building that was built in the mid-1980s and subsequently refurbished during its life. It has high exposure to a major arterial road and is located some 12 kilometres north of the Brisbane City centre. ^ Denotes that it was leased by some individual doctors and assigned to Independent Practitioner Network some 6 months later. It is head leased to the above organisation for the Doctors' surgery and subleased to a pharmacy etc. The head lease is for 5+5+5 years. The lease is subject to a market review with a ratchet clause at the start of year 3 of the current term and start of the options. The annual review is CPI during the subsequent years of the lease term and during options (if exercised). It is not known what the level of outgoings would be in this property, but it is likely to be in the order of $45 to $50 per square metre.					
5	*138 Gympie Road Kedron*	*Kedron Park 24 Hour Medical Centre*	*1/04 ^*	*679*	*$406 n**
A purpose built medical centre building that was built in 1988 and subsequently refurbished and extended in 1996. It has high exposure to a major arterial road and is located some 6 kilometres north of the Brisbane City centre. ^ Denotes that this date represents the renewal of a 5-year option. The lease was subject to a market review at commencement of the option. The annual review is CPI, minimum 5% during the subsequent years of the lease term and during options (if exercised). * Outgoings are presently in the order of $72 per square metre and I have made a judgement that at the date of commencement, the outgoings would have been at a rate of approximately $55 per square metre due to lower statutory costs affecting the level of General Rates applicable for the property. Hence the gross rent at the commencement date would have been in the order of $460 per square metre gross.					

n = net; g = gross

Smaller allied health tenancies

no.	address	tenant	lease date	area m²	rate $/m²
1	***75-79 Bailey Road Deception Bay***	***QDI (Queensland Diagnostic Imaging)***	***5/06***	***66***	***$345 n***
A diagnostic imaging tenancy located within an established medical centre property. The lease is for a 2 year term reviewed at 3%. At commencement of the 3 year option (if exercised) there is to be a market review with a ratchet clause. QDI is part of the Symbion Health Group.					
2	***257 Gympie Road Kedron***	***QML (Queensland Medical Laboratories)***	***12/05***	***93***	***$385 g***
A medical pathology tenancies located within a refurbished commercial and retail complex with exposure to Gympie Road. Secondary quality tenancy. QML is part of the Symbion Health Group.					
3	***76 Enoggera Road Newmarket***	***QDI Dentist***	***10/05 10/05***	***84 64***	***$460 g $494 g***
Various medical tenants within a medical centre located along Enoggera Road. The lease terms range from three to five years. The centre has good exposure to Enoggera Road. QDI is part of the Symbion Health Group.					
4	***Aspley Village Shopping Centre Robinson Road East Aspley***	***Aspley Village Pharmacy***	***6/05***	***115***	***$500 g***
Lease of a pharmacy within the Aspley Village Shopping Centre. The lease was struck on a gross basis with 5% reviews.					

n = net; g = gross

6.5 net income assessment – rental analysis

The "as if complete" net annual passing and market income have been calculated as follows. It should be noted that the rental is exclusive of GST and I have therefore assumed that any income generated upon leasing/re-leasing the property is protected by GST under the terms of any proposed leases.

	proposed/passing "as if complete" pa	$/sq.m	market "as if complete" pa	$/sq.m	% var
rental/s	$320,000	$402.01	$320,000	$402.01	*0.00%*
sundry income	$0		$0		
total rental	$320,000	$402.01	$320,000	$402.01	*0.00%*
plus: recoveries	$24,623		$24,623		
total gross income	**$344,623**	$432.94	**$344,623**	$432.94	
less: outgoings	*$31,748*	$39.88	*$31,748*	$39.88	
net income	**$312,875**	$393.06	**$312,875**	$393.06	*0.00%*

7.1 sales evidence

In order to assist in determining appropriate value benchmark and return parameters for the subject property, I have examined recent market activity in the general locality in the wider area.

Medical Centres

no	address	sale date	sale price	bldg m² ($/m²)	yield
1	***Deception Bay Medical Centre 75-79 Bailey Road Deception Bay***	***6/06***	***$3,150,000***	***1,006 ($3,131)***	***AMY=8.00% IY=8.64% IRR=9.17%***

A reasonably modern style masonry block centre built over two-stories constructed circa 1994. The building features full height glass shop fronts and comprises five tenancies including a pharmacy, radiologist, pathologist, lifeline and a 600 m² medical centre. The tenants are all on staggered long term leases.

no	address	sale date	sale price	bldg m² ($/m²)	yield
2	***1173 Logan Road Holland Park***	***3/06***	***$2,410,000***	***808 ($2,983)***	***IY=6.86%***

The sale is a relatively modern single level brick and tile roof medical centre leased to Foundation Medical Centre for 7 years. The property has off street parking for 38 cars and direct exposure to Logan Road. The centre comprises five tenancies including a Pathologist, Pharmacy, Podiatrist, Physiotherapist and X-Ray.

no	address	sale date	sale price	bldg m² ($/m²)	yield
3	***Newmarket Medical Centre 76 Enoggera Road Newmarket***	***10/05***	***$4,950,000***	***1,076 ($4,600)***	***IY=7.64% AMY=7.44%***

The property is an established medical centre with good exposure to Enoggera Road. The property was sold fully let to 7 tenancies. Tenants include the medical centre (private doctors lease expiring in 2010), Pharmacy, Queensland Diagnostic Imaging, Pathology, Dentist and a Physiotherapist.

Retail Centres

no	address	sale date	sale price	bldg m² ($/m²)	yield
4	***Cnr Gympie & Bells Pocket Roads Strathpine***	***5/06***	***$8,300,000***	***3,459 ($2,400)***	***IY=7.10% AMY=7.50% RY=8.04%***

Strathpine Plaza Shopping Centre is a convenience centre anchored by a small FoodWorks supermarket, together with 19 specialty retail and 4 commercial tenancies. Included in the sale was an adjoining residential property. It has a 1.288 hectare site and provides car parking for approximately 185 vehicles. It is zoned Central Business. Average gross specialty rent was $315/m². Located within the main retail pitch of Strathpine and marketed as a redevelopment opportunity.

1. *IY = Initial Yield - Passing Income / Purchase Price.*
2. *AMY = Analysed Market Yield - Assessed Market Rental / Purchase Price adjusted for short term risk issues (vacancies, capital expenditure, etc).*
3. *IRR = Internal Rate of Return - is an accepted method of calculating return on investment, which estimates the net income and capital return of buying, holding and selling a property over an adopted 10 year investment horizon in the context of an adopted value/sale price.*

7.2 sales reconciliation

The medical centre sales evidence reveals a range of yields from 6.86% to 8.64%. While each of the sales is considered to offer good comparability to the subject, they also reflect the broad divergence of yields achieved for medical centres. *Sale number one* is considered inferior to the subject in terms of it being a two-story building of circa 12 years of age and also in relation to its lease covenants, given that the medical centre is a private doctor's lease. Some of the other leases in the sale property were considered reasonably strong whilst others were relatively weak and there was a vacancy in the centre. Additionally, the sale property's rents were in some instances above market and in other instances were below market. This coupled with the need for a permanent vacancy factor given its multi-tenanted configuration, resulted in a market yield 64 basis points below its initial yield.

Sale number two is leased to a public company, Foundation Health (part of the Independent Practitioner Network Limited company) for 7 years. It is generally considered superior in terms of its metropolitan Brisbane location and its Logan Road exposure. However the lease term is for a shorter time-frame than the proposed lease over the subject centre. The sale property is considered slightly inferior in terms of it not being new, however this is only a marginal point as a well maintained centre can provide good utility to the medical uses and it is considered that this centre appears to present reasonably well.

Sale number three is considered superior in terms of its location. However is considered inferior in respect of the improvements not being new, although this centre appears to present reasonably well. The sale is somewhat dated and the market has strengthened marginally since that date.

I have also provided a single retail sale on the north side of Brisbane in Strathpine to add some further evidence for contemplation of yield selection for the subject property. This retail sale showed an initial yield of 7.10% and an analysed market yield of 7.50%. Whilst it is not especially comparable to the subject property, it does provide some relevance in terms of investment parameters witnessed in a sizable investment to the north of Brisbane.

In assessing an appropriate yield range and pro rata range for the subject, I have had regard to many factors that influence the value of the property. They include but are not limited to the following:

- The lease covenant and the length of the lease term at 10 years;
- The cash flow of the property going forward with the abovementioned lease term with above average rental growth of fixed 4.5% per annum reviews and a market review at commencement of the option with a ratchet clause and a cap of 7.5% (applicable if the tenant exercises the first option);
- The location of the subject, where although the exposure levels are not considered to be high, it is in a precinct that was relatively recently designated as commercial;
- The proposed quality and configuration of the accommodation;
- The quantum of dollar range into which the subject falls.

Based upon the above market evidence and the general characteristics of the property, I consider that an appropriate capitalisation rate range is 7.00% to 7.50%, adopting a midpoint at 7.25%. I have adopted a 10 year Discount Rate of 9.00%.

"as if complete" - rationale

8.1 general

The property has been valued through reconciliation of the Capitalisation and Discounted Cash Flow approaches. The resultant value has been subsequently reconciled with the sales evidence through comparison on the basis of its value per square metre of lettable area.

8.2 sales history

	price	date
transfer – 21 Bertha Street	$1,135,000	Contract date: November 2005; Settlement date: June 2006.
transfer – 25 Bertha Street	$215,000	
transfer - total	**$1,350,000**	

The above transfers were the acquisition of the two dwellings that have since been demolished and the land collectively forms the development site.

8.3 capitalisation method

Under this approach, the net market income generated by the property is capitalised at an appropriate market yield to establish the property's current market value fully leased. Appropriate capital adjustments are then made to reflect the specific cash flow profile and general characteristics of the property. It should be noted that the methodology adopted under this method of valuation is consistent with the approach used within our sales analysis.

The value of the property on a capitalisation basis is therefore assessed as follows:

assessed net market annual income	**$312,875**
capitalisation rate	7.25%
core investment value as calculated [1]	$4,315,517
adopt	**$4,300,000**

Explanatory notes:

1. *The "Core Investment Value as calculated" should be referenced to the capitalisation method, year 1, dated 30 November 2007, within the Cougar "Summary Valuation Report". Refer Annexure 7.*

8.4 discounted cash flow analysis

A discounted cash flow (DCF) analysis has been carried out over an investment horizon of 10 years. The discounted cash flow technique focuses on the overall cost consequences of an investment, considering the amount and timing of inflows and outflows and the envisaged rate of return. The property's current market value is derived from discounting the net cash flow over the investment horizon to a present value at a rate reflecting the desired return, or overall yield, commensurate with the quality of the property and the stature of the lease covenants.

Summarised below are the various inputs factored into the DCF analysis (Cougar software) and the rationale for adopting these inputs.

8.4.1 discount rate

Analysis of comparable sales has been used in order to determine an appropriate discount rate for the subject. Having regard to the sales evidence and general characteristics of the property, I consider a discount rate of 9.0% is appropriate (refer Section 7 – Sales Evidence).

This rate in my view reflects a commercially achievable rate in line with market expectations of a potential purchaser, whilst at the same time the adoption of this rate recognises that any projections within the cash flow may be subject to change from external factors that are not currently evident.

It should be noted that asset related risk issues that are explicitly reflected in the cashflow stream, have not been implicitly reflected in the adopted discount rate.

8.4.2 terminal yield

I have assumed that the property is sold at the beginning of the 11th year at a market yield of 8.0%. This reflects a 0.75% margin over the current yield and has regard to refurbishment/upgrade works assumed at the end of the cash flow horizon and also has general regard to functional utility and obsolescence issues and anticipated market conditions at the assumed sale date. The terminal yield also has regard to the fact that the terminal value accounts for potential leasing allowances on vacant space for 8 months from the date of sale (blended with the renewal probability factor detailed overleaf) and associated leasing fees and assumed capital expenditure.

8.4.3 capital expenditure

The following capital expenditure has been adopted across the investment horizon.

timing	assumed capex
year 10 upgrade/refurb allowance	$100,000.

8.4.4 acquisition and disposal costs

acquisition costs	disposal costs
5.0%	1.5%

8.4.5 re-letting up period/incentive allowance

re-letting up period allowance	incentive	renewal prob.	renewal term	leasing fees
8 months.	7%.	70%	5 years	15% (new) 7.5% (renewal)

8.4.6 rental growth and forecast cpi

The cash flow is based upon the lease review mechanism during the 10 year term and the terminal capitalisation method is based on the market rent which in turn is influenced by the current market rent and market rent growth in the interim (compounded monthly) across the cash flow term as follows. In all circumstances, I consider a prudent buyer making a decision to purchase the subject property would base their forecasts of rental growth, on realistic rather than pessimistic or over optimistic assumptions.

rental growth per annum and average growth										
year end	30 Nov 2007	30 Nov 2008	30 Nov 2009	30 Nov 2010	30 Nov 2011	30 Nov 2012	30 Nov 2013	30 Nov 2014	30 Nov 2015	30 Nov 2016
market rental	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
passing rental	4.50%	4.50%	4.50%	4.50%	4.50%	0.80%	4.50%	4.50%	4.50%	4.50%
expenses	2.63%	2.54%	2.48%	2.07%	2.19%	2.42%	2.30%	2.19%	2.35%	2.35%

CPI Growth is based upon Access Economics forecasts.

8.4.7 net present value

Based upon the above mentioned variables and at my target internal rate of return of 9.0%, the net present value of the cash flow over the investment horizon equates to $4,349,891, or say $4,350,000.

A copy of my analysis is attached to this report – Annexure 7.

8.5 direct comparison approach

This approach identifies comparable sales on a dollar rate per square metre of net lettable area basis and compares the equivalent rates to the subject to establish the property's current market value. This approach is somewhat subjective given the fact that specific items of income and expenditure are difficult to directly reflect and compare when adopting a rate per metre.

The sales evidence is scheduled in Section 7.1, with the more relevant sales being the medical centres in the first table reflecting between $2,983 and $4,600 per square metre of lettable area. The resultant capital values as derived under the primary approaches reflect $5,402 per square metre of lettable area for the capitalisation approach and $5,465 per square metre of lettable area for the discounted cash flow approach. The pro rata value is heavily tied to the average rental rate in a property. This combined with the fact that the subject property has a strong lease covenant with a 10-year lease term to Symbion Health, thereby worthy of a 7.25% market yield, results in a pro rata value range above that shown in the sales evidence. The leases in the sales properties are in numerous instances below current market levels and in other instances have tenants that justify relatively low market rents. Hence given the newness of the subject property and recognising the commencement rental level, which is considered to be at market and the other listed factors, including the strong review mechanism, it is not surprising to see a pro rata value range as per that which has been reflected by the primary approaches. Having regard to the general characteristics of the property, I consider this range to be appropriate.

8.6 reconciliation of approaches and adopted value

The resultant values under each of the valuation approaches are as follows:

capitalisation approach	discounted cash flow approach	direct comparison approach
$4,300,000	$4,350,000	$5,402 to $5,465/m^2 NLA

Based upon the analysis, I have adopted a current market value "as if complete" of $4,300,000. An analysis of the adopted value is noted below.

- Market Yield 7.28%
- Initial yield 7.28%
- Discount Rate of Return 9.00%
- Internal Rate of Return 9.18%
- Rate $/m^2 of NLA $5,402

8.7 selling & letting up periods

In the event the subject became vacant, I would envisage a letting up period of six to eight months. My "Cougar" valuation model assumes an 8-month re-letting up period blended with a renewal probability as discussed in the previous sub-section/s of this report.

Should the property be marketed for sale, I would envisage a selling period of approximately 6 months under reasonable market conditions assuming a proper marketing campaign and adequate advertising. Under current market conditions and with the benefit of the full 10-year lease term, the selling period may be in the order of 4 to 6 months.

8.8 gst implications "as if complete"

Under the GST R2001-5 (going concern) ruling, the sale of the property on an "as if complete" basis would be classified as a going concern and thereby be GST free.

The value noted herein is exclusive of GST and therefore, any proposed contract for sale of the property should include a clause allowing the vendor to recover GST in addition to the value noted herein if applicable under the "ordinary method" or "margin scheme".

9.1 valuation methodology and approach

The value of the property "as is" has been approached from two perspectives. Initially it has been valued utilising the Direct Comparison approach whereby the sites have been compared with sales evidence on a capital value per square metre of site area.

Secondly, a residual cash flow analysis has been undertaken. The value of the property on an "as if complete" basis as previously assessed and the other inputs including the development costs are the cornerstones of the feasibility. Significant weighting has been placed on this approach, as a feasibility especially with the benefit of the lease pre-commitment, development approval and a program whereby the majority of planning and consultants' professional costs have been expended, is crucial in assessing an appropriate "as is" value.

9.2 sales evidence

no.	address	sale date	sale price	site area (m^2)	$/$m^2$ site area
1	***22 George Street Caboolture***	***1/06****	***$725,000***	***1,158***	***$626***
A commercially designated site in George Street several properties south of Bertha Street on the western side of Bertha Street. It is located adjacent to the Caboolture Primary School. It is presently improved with a residential dwelling. It has been reportedly purchased by a developer with a view to amalgamating it to land immediately to its south. It is a different vendor to that property. ** A local agent advises that it was contracted on a long contract period some 18 months prior to settlement, which would be a contract date of approximately July 2004.*					
2	***20 George Street Caboolture***	***1/06****	***$1,100,000***	***2,322***	***$474***
Located immediately to the south of the property detailed above. See comments box above. It is a different vendor to that property. ** A local agent advises that it was contracted on a long contract period some 18 months prior to settlement, which would be a contract date of approximately July 2004.*					
3	***6 Bertha Street Caboolture***	***7/05***	***$445,000***	***809***	***$550***
A commercially designated site in Bertha Street several properties west of Beerburrum Road and opposite a Catholic Primary School. It is presently improved with an older-style residential dwelling. It has been reportedly purchased by a developer with a view to amalgamating it to land already owned by other developer parties to which this buyer has a relationship and may form a joint venture development site at some point in the future.					
4	***31 Station Road Logan Central***	***9/06 U/C***	***$740,000***	***1,012***	***$731***
A rectangular shaped inside allotment improved with a single level older-style brick and metal deck roof building let to a Pawnbroker. The property has 14 on site car parks. It is let on a monthly tenancy agreement at $40,000 per annum inclusive of GST and on a gross basis equating to an initial yield of 3.50%. The site is considered to be a development site. It previously sold for $700,000 in June 2006.					
5	***Subject property***	***11/05 (U/C); 6/06 (S)***	***$1,350,000#***	***2,261***	***$597***
The sale of the subject property. Two individual contracts off the same vendor on the same date. ** denotes that the contract date (referenced as U/C for Under Contract) was November 2005. Settlement date (referenced as S in the data above) occurred in June 2006.* *# Denotes that it was purchased subject to Development Approval.*					

9.3 direct comparison

The sales evidence displays a range in prices per square metre of site area from $474 to $731. I consider the date of sale to be a relevant point for consideration of the local sales, being *sale numbers one to three,* as well as *sale number five (the sale of the subject property).* It is apparent that the pro rata prices have been increasing over the local land with the passage of time. This is assisted with the re-designation of the local land from Residential A to Metropolitan Centre under the Caboolture Shire Plan which came into effect in December 2005.

Sale number four is located in Logan Central within Logan Shire, which is approximately 20 kilometres south of the Brisbane City centre. It reflects a higher rate of $731 per square metre of site area. In my view, Logan Central has a demographic profile that is slightly inferior to that of Caboolture.

The subject property was purchased subject to a Development Approval, which as detailed herein has been secured. Additionally the 10 year lease pre-commitment to Symbion Health has been secured which in my view adds considerable value to the land as it reduces the required development margin from that which would be required for a speculated commercial or medical centre development as the risk is considerably less.

Further, Pivot Group advises that the following costs have been expended to date:

item	amount (excl GST)
consultants	$154,854
planning	$40,000
fees and permits	$7,306
quantity surveyor	$12,000
lease legals	$14,000
project management (Dec 2005-2006)	$8,400
total	**$236,560**

The above total of costs expended to date adds to the value of the land, subject to the current proposed scheme and its associated lease pre-commitment. These costs equate to approximately $105 per square metre of site area.

Based on the above evidence, and taking into account the Lease Pre-commitment, the Development Approval and Costs expended to date, I consider the following assessment is appropriate at this point in time:

site area (m^2)		2,261	
assessed pro rata range ($\$/m^2$)	$725	to	$775
value range	$1,639,225	to	$1,752,275
adopt		**$1,700,000**	

The above calculation at the adopted value results in a pro rata value analysis of $752 per square metre of site area. This result is considered appropriate in light of the factors detailed herein.

9.4 residual cashflow analysis

9.4.1 development costs and other inputs

The cash flow analysis has been prepared on the following data:

"as if complete" value	$4,300,000 exclusive of GST.
selling costs of project	1.5% of sales revenue.
acquisition costs of site	4.66% of the assessed value of the land.
construction costs	$1,494,543 excluding GST (equates to $1,643,997 including GST). The Pivot Group advise they are in the process of securing a fixed price contract at this price. On an excluding GST basis, this equates to $1,878 per square metre of lettable area, which is considered reasonable for a project of this nature.
contingency	$100,000 including GST, equates to 6.10% of construction costs.
development period	8 months. (plus hypothetical sale in the ninth month).
professional fees	$84,330 including GST *(represents costs outstanding as per Pivot Group advice).*
finance costs	8.25% for land and construction finance on a 100% debt funded basis. Loan establishment fee estimated at $11,550.
contributions and charges	$744 *(represents costs outstanding as per Pivot Group advice).*
miscellaneous costs	$7,700 including GST.
gst	$173,601 for GST Input Credits will be reclaimed.
gst on sales	Nil.

Regarding construction costs, please note that I am not an expert in this field and have relied upon this advice to assist in determining the site value on an "as is" basis. Prior to reliance on this report the reader and the subsequent intending first mortgagee, should seek verification of the building contract and verify the accuracy of the costing by engaging a suitably qualified Quantity Surveyor. Should there be any variation in the above costs, this may affect the site value on an "as is" basis and should be referred back to me for comment.

9.4.2 profitability and returns

At an indicated land value "as is" with the benefit of the development approval, lease pre-commitment and costs expended to date of $1,700,000, the feasibility shows the following result:

Profit after interest	$615,769
Development margin after interest	17.01%

The development margin is a key indicator of viability for this type of development. In this case the development margin indicates the viability of the project is well within typical parameters.

9.5 sensitivities

The annexed residual cash flow analysis sensitises the affect on the project's profit, and development margins as summarised below:

sensitivity	profit (after interest)	development margin (after interest)
gross realisation +5%	$827,837	22.87%
gross realisation -5%	$403,701	11.15%
construction costs -5%	$697,317	19.71%
construction costs +5%	$534,223	14.43%

The sensitivity analysis indicates moderate sensitivity to a change in construction costs however, a similar percentage change in the gross realisation has a greater impact on profitability.

Subject to the qualifications and assumptions contained within the body of this report, I assess the Market Value of the fee simple interest in possession of the property, exclusive of GST, as at 14 November 2006, to be:

AS IF COMPLETE – SUBJECT TO THE LEASE PRE-COMMITMENT
$4,300,000
(FOUR MILLION THREE HUNDRED THOUSAND DOLLARS)

AS IS – WITH DEVELOPMENT APPROVAL AND THE LEASE PRE-COMMITMENT AND COSTS EXPENDED TO DATE
$1,700,000
(ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS)

This valuation is for the private and confidential use only of Axiom Properties Limited and for the specific purpose for which it has been requested. No third party is entitled to use or rely upon this report in any way and neither the valuer nor LandMark White Brisbane Pty Ltd shall have any liability to any third party who does.

Only a signed original of this valuation should be relied upon and no responsibility will be accepted for photocopies of the report or signatures to the report.

No part of this valuation or any reference to it may be included in any other document or reproduced or published in any way without written approval of the form and context in which it is to appear.

Neither the valuer nor LandMark White Brisbane Pty Ltd has any pecuniary interest giving rise to a conflict of interest in valuing the property.

This valuation is current 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 or damage arising from such subsequent changes in value including consequential or economic loss. 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 three months from the date of the valuation, or such earlier date if you become aware of any factors that have any affect on the valuation.

This valuation is prepared on the assumption that the Lender as referred to in the valuation report, if any, (and no other) may rely on the valuation for mortgage finance purposes and the lender has complied with its own lending guidelines as well as prudent finance lending practices, and has considered all prudent aspects of credit risk for any potential borrower, including the borrower's ability to service and repay any mortgage loan. Further, the valuation is prepared on the assumption that the lender is providing mortgage financing at a conservative and prudent loan to value ratio of not more than 70%.

The opinion of value expressed in this report is that of the valuer who is the prime signatory to the report. The countersignatory verifies that the report is genuine and authorised by LandMark White Brisbane Pty Ltd.

Fraser Bentley AAPI
Certified Practising Valuer
DIRECTOR
Registered Valuer No. 2388 Qld

Christopher Andrew AAPI F.Fin
DIRECTOR

annexures

1. photographs of subject property
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3. title searches
4. registered plan
5. development approval
6. floor plans
7. cougar summary valuation report
8. estate master – development cash flow

APPENDIX 2

VALUATION OF 14 MARCHWOOD BOULEVARD, BUTLER

Valuation Report

14 (Lot 1172) Marchwood Boulevard
Butler

11 January 2007

Reference: V629/2006 od0309

Knight Frank

Executive Summary

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Appendices

Certificate of Title
Memorial H840645
Restrictive Covenant J778241
Offer and Acceptance Contract
Development Approval

Knight Frank

Executive Summary

Mortgage Finance Valuation

Property Address:	14 (Lot 1172) Marchwood Boulevard, Butler
Certificate of Title:	Volume 2626 Folio 608
Registered Owner:	Pivot Group Pty Ltd
Encumbrances:	Not Applicable
Last Sale:	$805,000 (GST exclusive) in May 2006
Zoning:	"Urban Development/R60"
Description of the Property "As Is":	A slightly irregular shaped vacant land parcel having a land area of 2,333 sqm, situated within the modern and developing residential locality of Butler (Brighton Beach Estate) in Perth's northern suburbs. The subject site effectively has four (4) street frontages, is in close proximity to the modern shopping centre and has good frontage to Marmion Avenue. We have been provided with a Development Approval for the subject property, approving the use of a child care centre. The current zoning of the land also permits medium density residential development.
Comments:	The recent Development Approval granted to the subject site is considered to add value to the land, however, additional medium density residential uses are also considered to be attractive for the land holding.
Interest Valued:	Freehold
Valuation Date:	11 January 2007
Current Market Value "As Is":	**$1,050,000 (GST Exclusive)**

Knight Frank

Current Market Value "As If Complete": Not Applicable

Assumptions, Conditions and Limitations:

1. Section 2.3 – the property is free from mortgages, charges and other financial liens.
2. Section 2.6 – the property is free of environmental hazards.
3. Section 2.7 – there are no current or pending Native Title claims affecting the property.
4. Section 3.2 – all structural improvements are constructed within the title boundaries.
5. Section 8.4 – Mortgage Recommendation.
8. 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.
9. This valuation relies on the information supplied by the client, and has regard for the Development Approval, which has been granted by the City of Wanneroo over the subject lot. We reserve the right to review this assessment should any of the supplied information be subject to change.

Valuer:

OSCAR D'SOUZA AAPI
Certified Practising Valuer
Licensed Valuer No. 44058

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.

This Valuation Summary forms a part of and should not be used or read independently from the complete report. Particular attention is drawn to the Qualifications and Disclaimers included in this report.

Knight Frank

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1 Introduction

1.1 Instructions

We refer to instructions received from Mr Ben Laurance, Director - Axiom Properties Ltd, requesting Knight Frank Australia Pty Ltd to assess the Market Value of the within described property.

Our valuation may be relied upon for first mortgage security purposes, only with the express written authority of Knight Frank Australia Pty Ltd.

Basis of Valuation

We advise that we have carried out an inspection of the subject property and have undertaken market research with respect to the available sales and rental evidence, prepared our calculations and report formally herein. The valuation has been prepared in conformity with the Code of Professional Ethics and Conduct laid down by the Australian Property Institute.

In line with our instructions, our valuation assessment herein only has regard for a "vacant land" assessment.

1.2 Date of Inspection

11 January 2007.

1.3 Date of Valuation

11 January 2007.

1.4 Interest Valued

Freehold

1.5 Market Value Definition

Market Value means the estimated 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 the parties had each acted knowledgably, prudently and without compulsion.

1.6 Qualifications

1. This report is prepared for the private and confidential use of our client and should not be reproduced in whole or part, or relied upon by any other party for any use without the express written authority of Knight Frank Australia Pty Ltd.
2. In accordance with our standard practice, limitations on the advancement of first mortgage loan funds in relation to our valuations are not stated in our reports in the belief and understanding that if and when the mortgage security limit is exceeded, such is the commercial decision and prerogative of the intending mortgagee giving due consideration to the financial credibility of the intending mortgagor, the state of the general economy, the period of the loan and any comments relating to the property herein.
3. This valuation represents the valuer's opinion of value at the date of valuation. It must be recognised that the real estate market fluctuates with internal and external influences and the risk that the property's value may change under varying market conditions is a fact that the parties should understand and accept. It is advisable that the valuation be reviewed at regular intervals.
4. We draw your attention to the various qualifications contained within relevant sections of this report. These qualifications are an integral part of this report and can be identified by the "italics" print within each relevant section of this report.

1.7 Definitions

1. "as if complete" valuation means a valuation that assumes the proposed development to be in a completed state as at the date of valuation and reflects current market conditions at the date of valuation;
2. "as is" valuation means a valuation that provides the current market value of the property as it currently exists rather than a value of the proposed development;
3. "proposed development" means any planned development or redevelopment of a property, including building improvements or modifications, which are proposed, approved or under construction on the property (but does not include a planned development or redevelopment of a single dwelling residential property for residential use) where the value of the proposed or planned development will be $50,000 or more when complete.

2 Property Search Details

2.1 Registered Owner

Pivot Group Pty Ltd

2.2 Real Property Description

Lot 1172 on Deposited Plan 48289 and being the whole of the land contained in Certificate of Title Volume 2626 Folio 608.

A copy of the Title Search is attached to this report.

2.3 Easements and Encumbrances

The above Title Search dated 13 December 2006 reveals various notations are recorded on the Certificate of Title, including:

- Except and reserving metals, minerals, gems and mineral oils specified in Transfer 7033/1940.
- Memorial H840645 Town Planning and Development Act 1928. Registered 15 August 2001.
- Notification J778240 Town Planning and Development Act 1928. Registered 8 June 2006.
- Restrictive Covenant J778241 to the City of Wanneroo, see Deposited Plan for 8289. Registered 8 June 2006.

None of the above notations are considered to adversely impact on the marketability of the subject property.

Please note, our valuation is made on the basis that the property is free from mortgages, charges and other financial liens.

2.4 Local Authority

City of Waneroo.

2.5 Town Planning

The land is zoned "Urban Development/R60" by the City of Wanneroo under District Planning Scheme No. 2.

We have been supplied with a Development Approval for a Childcare Centre on the subject site. The approval is conditional upon a number of items, none of which appear unusual or highly restrictive of the proposed development of the site. The Development Approval is appended to this report.

The land is also zoned "Urban" the Metropolitan Region Scheme.

2.6 Environmental Considerations

Site Contamination

To our knowledge, the subject property has previously remained in its virgin land state and used as an artillery range for some considerable time and the current use of the property is not considered to be environmentally hazardous. Please refer to Memorial H840645 appended for further information.

By the Commencement of the Contaminated Sites Act 2003, a Public Register is now kept in Western Australia of land that has been classified as being either contaminated – remediation required; contaminated – restricted use or remediated for restricted use. The Contaminated Sites Act 2003 defines a 'contaminated site' as:

'in relation to land, water or a site, having a substance present in or on that site at above background concentrations that presents, or has the potential risk of harm to human health, the environment or any environment value':

In arriving at any assessment of the value of the land, a basic search of that register has been undertaken which discloses that the land is not classified. We do not accept any responsibility or liability whatsoever for the accuracy of the information contained in the search of the Contaminated Sites Register.

Our inspection of the site did not reveal any obvious signs of contamination, however, we are not experts in identifying environmental hazards and should you wish to confirm that the site is not contaminated we would recommend that you retain the services of an environmental consultant. Should subsequent investigations show the site to be contaminated, the matter should be referred immediately to the valuer for consideration and review of the valuation if appropriate.

2.7 Native Title Claims

In undertaking this valuation assessment, we have not commissioned a search of the Register of Native Title Claims which is administered by the National Native Title Tribunal. This valuation assumes that there are no current or pending claims which will affect the subject property.

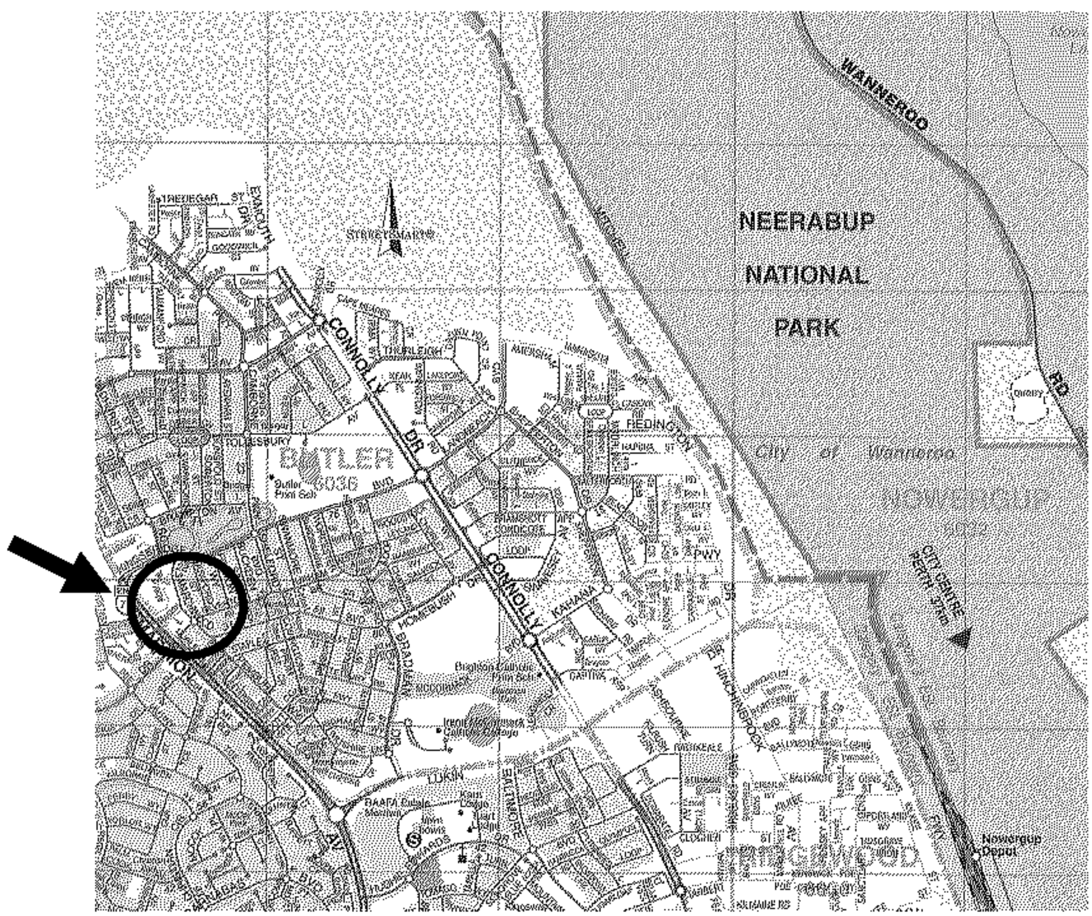
3 Land and Locality

3.1 Location

The subject property is located within the modern, developing residential locality of Butler, situated approximately 37 kms north of the Perth CBD.

More particularly, the site is situated on the eastern alignment of Marmion Avenue, nearing it's intersection with Kingsbridge Boulevard. The subject allotment has four street frontage to Marchwood Boulevard, Aberdar Lane, Neston Lane and Marmion Avenue.

Butler is one of the Perth metropolitan area's most recent and modern residential localities, situated on the fringe of the existing northern coastal metropolitan region. The locale, in conjunction with immediately adjoined subdivisions, has experienced high levels of growth and expansion over the most recent 2 – 3 year period, in line with the Western Australian housing boom and urban sprawl.



3.2 Site Area and Physical Description

The subject property has a total site area of 2,333 square metres. The land is slightly irregular in shape, and has the following main boundaries:

- Marmion Avenue Frontage	44.270 metres
- Neston Lane Frontage	62.995 metres
- Marchwood Boulevard Frontage	20.500 metres (Total)
- Aberdar Lane Frontage	45.635 metres

The typography of the site appears relatively level, and the land has been cleared of all natural vegetation. Soils appear sandy and adequately drained.

We advise that we have not carried out a detailed site survey and we have, of necessity, assumed for the purposes of this valuation, that all structural improvements have been erected within the Title boundaries.

3.3 Road Systems and Access

Marchwood Boulevard is an internal thoroughfare through the recently established residential locality of Butler. The subject site also has significant frontage to Marmion Avenue, which is a major arterial thoroughfare extending through many of Perth's northern coastal suburbs.

Access to the Perth CBD is most easily obtainable by Marmion Avenue, Hodges Drive and the Mitchell Freeway. Alternatively, a coastal route along Marmion Avenue is also an option.

In particular, access to the subject allotment is not available from Marmion Avenue and most likely will be from both Neston and Aberdar Lane's.

3.4 Services and Amenities

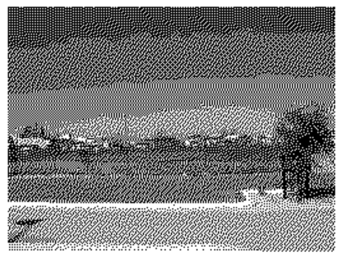
All public utilities are likely to be available to the property including electricity, water, gas, deep sewerage and telephone.

4 Improvements

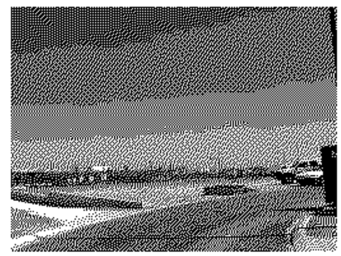
4.1 General Description

The subject property comprises a vacant land parcel having a land area of 2,333 sqm, situated in close proximity to the recently established Brighton Shopping Centre. Other than low lying limestone retaining walls, the subject land is unimproved of any significant improvements.

Aspect from Marmion Avenue



Aspect from Marchwood Blvd



Aspect from Neston Lane

Adjoining Shopping Centre

5 Financial Summary

5.1 Tenancy Details

To our knowledge, the subject site is not the subject of any formal Lease Agreements, and on this basis, our valuation herewith is conducted on a vacant possession basis.

5.2 GST Implications

Goods and Services Tax ("GST")

The GST became law on 8 July 1999 and commenced operation 1 July 2000 at which time rental payments for commercial leases are generally subject to GST except where deferred under transitional provisions which expire on 1 July 2005 at which time all rental payments will incur GST.

The sale of property may also be affected depending on its "going concern" status, the availability of input tax credits and the operation of the margin scheme. It is now evident that such sales contracts are exclusive of any possible GST and sometimes incorporate a separate GST recovery clause from the purchaser.

This valuation has been carried out on a net of GST basis, and presumes a sale of the whole property as a 'going concern' which is the most likely method of sale.

6 Market Overview

6.1 General Economy

Economic Overview – January 2007

Recent statistics show that Western Australia continues to have one of the strongest State economies in the country. According to the Western Australian Treasury, State Final Demand grew by approximately 11.1% in the 12 months to September 2006, which is in line with the estimated national State Final Demand. National demand grew by 4.1% over the same 12 month period. Queensland was above average at 7.3%. NSW and South Australia were modest at 1.6% and 1.8% respectively with Victoria growing by 2.7% over the 12 month period. Tasmania recorded the lowest growth with by 0.5%.

The Western Australian Consumer Price Indexes Growth was significantly higher than the nation at 4.8% for the 12 months to September 2006, driven mostly by housing growth and related products. The national figure *(ABS: 8 Cities)* showed growth of 3.9%.

There is no disputing that the rebound in the global resources sector (off the back of China's industrialisation) has been the catalyst to the recovery of the Western Australian economy over the last 2 years. This has improved business and consumer confidence, translating into a broad based economic recovery. According to the Western Australia Department of Treasury and Finance, China accounts for 20.3% of Western Australia's merchandise exports, second only to Japan.

Iron ore exports have strengthened as a result of demand from China and Japan. The 3 months to July 2006 resulted in demand for iron ore up 5.9 percentage points of the 24.2% total increase in exports. This was a result of both increased price and increased production volume. Japan has recently become our largest export destination, with China now the second.

However, exports of rural produce including wheat and wool experienced a further fall in comparison to the corresponding point in 2005, which declined significantly in 2004. Demand for these items is prevailing – although the fall is believed to be the result of natural causes such as drought in rural areas. It is believed that this will correct itself when 'good luck' returns.

Most Western Australian economic indicators are exceeding national benchmarks as highlighted in the following table, particularly the unemployment rate which is close to historical lows.

Key Economic Statistics – Quarter 3, 2006

	WA Yr Ch %	Australia Yr Ch %
GDP	5.80%	4.40%
CPI	4.80%	3.90%
Wages Growth	4.40%	4.00%
Retail Spending	8.50%	5.30%
Residential App.	-0.30%	0.50%
Exports	32.50%	18.70%
Population	1.70%	1.20%
Unemployment	**3.80%**	**5.00%**
Growth in Exports	**Annual Change (Jul 05 - Jul 06)**	
Gold	13.50%	
Iron Ore	21.70%	
Nickel	52.20%	
Petroleum	-8.60%	

Western Australia's domestic economy continued its recent acceleration of growth in the June quarter 2006. The outlook for the economy in the next few years remains positive, with the recent growth of the US and Japanese economies, and the continuing growth of the Chinese economy all having profound impacts on Western Australia. High global commodity prices can be expected to provide a favourable environment for continued export growth to the Western Australian economy.

Western Australian Economic Statistics

	2004-05 Actual	2005-06 Estimated Actual	2006-07 Budget Estimate	2007-08 Forward Estimate	2008-09 Forward Estimate
Gross State Product (GSP)	2.7%	4.75	5.25	3.75	4.5
Employment Growth	4.2%	4.5	2.0	2.25	2.25
Unemployment Rate	4.7%	4.25	4.25	4.75	4.75
Wages Growth[a]	4.3%	4.5	4.25	3.5	3.25
CPI	3.2%	4.0	3.0	2.5	2.5

Source: WA Department of Treasury & Finance – 2006-07 Government Financial Projections Statement

Major New Projects

BHP have committed to the development of the Ravensthorpe Nickel Project. The $1.8 billion plant is predicted to come on line in mid 2009. BHP have also committed to the Pilbara Rapid Growth iron ore Project 3. The $1.7 billion project is forecast to begin production in the 2008/09 fiscal year.

Woodside Energy's project Angel (Carnarvon Offshore Basin) – Gas and Condensate Field is a $1.6 billion development and is expected to be fully operational in the fourth quarter of 2008. These projects should show a notable increase in production for Western Australia in the near future.

Capital Works Program

The 2006-07 Capital works program is estimated at $5.2 billion the largest program on record, and provides for investment in major infrastructure, including:

- $633 million on the state's electricity infrastructure with a focus on the long-term provision of electricity generation, transmission and distribution. Specific projects include; provision of sustainable energy infrastructure for Coral Bay and Hopetoun; Increased distribution capacity for customers, and continuing the underground power project.
- $620 million on water, wastewater and drainage services to ensure a sustainable, high quality water supply for the state. The program provides for the completion of the Perth Seawater Desalination Plant; investigation into alternative water sources for Perth and Country areas. The continued ongoing programs such as Infill Sewerage program, wastewater treatment schemes, and water distribution infrastructure.
- $475 million on road construction and maintenance, including major projects to continue construction of the Karratha-Tom Price Link Road, commence construction of the New Perth-Bunbury Highway, the extension of the Mitchell Freeway to Burns Beach Road.
- $88 million on port facilities, including upgrade of berthing facilities at Geraldton to accommodate iron ore exports, and upgrades to berths at North Quay and the Waterfront project on the western end of Victoria Quay at Fremantle.

(Source: WA State Budget Brief 2006-07, issued by the Property Council of Australia (WA division) 11/05/06)

Employment growth is continuing with the major demand for labour coming from the construction and mining industry, property and business services and also in government administration and defence. Western Australia has the highest participation rates with 66.5% of the working age population in the workforce, compared with 64% nationally.

Economic growth is forecast by the WA Treasury to remain robust over the next few years in the 3.5% and 4.5% per annum range. Treasury expects that exports will replace domestic demand (i.e. retail spending, housing construction, etc) as the main drivers of growth over the next 6 months as many of the new resource projects "come on line".

6.2 General Overview

The commercial and industrial markets remain characterised by a high demand for securely leased properties, with many sales continuing to happen "off market". The availability of stock in the market remains in short supply, with most vendors only selling if they believe they are able to achieve a premium price. However, secondary properties (i.e. not well located or lacking lease covenant security) can be difficult to sell unless well priced.

There is little doubt that the low interest/low inflation rate environment coupled with some insecurity offered by equities has been a driving force in the demand for property investment across the board. Interest rates have been stable for some time and past moderate rises have not greatly affected the market.

Property has become more affordable and most property investments have positive cash flows after allowing for borrowings. This scenario has driven interest from the investment market, particularly in the residential sector.

The general yield range for commercial/industrial properties is now in the order of 7% to 9%, although it is not uncommon for yields above and below this range, particularly in the commercial sector, to be achieved for secondary and prime investments respectively.

Yields have fallen by 1% to 2% over the past 24 to 36 months and over the past 12 months there has been some further re-weighting of yields downward, particularly in the upper end of the commercial and retail markets. However, it would now appear that yields have stabilised and are not subject to any further reductions.

Child care across Australia has seen dramatic changes over the last few years as a consequence of changes to the Government's Child Care Benefit Scheme applying from 1 July 2000. There are a number of different types of care within Australia and these include long day care centres, family day care schemes, pre-schools and kindergartens plus other forms of occasional care and multi-function centres. Typically, long day care centres are the most common form of child care operation and this part of the sector accounts for almost three quarters of children in care, with private long day care centres dominating the industry.

New purpose-built child care facilities are understood to often exceed the minimum regulatory required standards as owners and operators endeavour to obtain maximum revenue and better net operating results by ensuring the highest standards and thereby satisfying the demand for quality facilities from parents.

There has also been a significant increase in competition and consolidation with larger established child care operators and new ventures proposing rapid expansion. At the same time, developers who may have traditionally been involved with residential property have diversified to include child care centre facilities. At the same time, a number of property trusts have been set up to acquire portfolios of child care centres. These companies have been aggressive in the market place to acquire centres and market share.

Whilst the industry has undergone a degree if consolidation, these large listed companies are competing with individually owned child care centres as well as local, community and church affiliated as well as non profit organisation, in-house child care providers, public centres and corporate childcare services.

The childcare industry is predominantly sensitive to changes in the workforce participation rate of women, unemployment levels, government funding, affordability, occupancy rates and registration from the National Child Care Accreditation Council.

In addition, the perceived quality of centres remains critical, with parents attracted by qualifications of staff, low staff turnover, child to staff ratios, the maintenance of the centre facilities plus the aesthetic surroundings. Similarly, location is also a major factor, with ease of access from both the workplace and home, together with adequate car parking and drop-off facilities providing a competitive advantage.

Securely leased properties and auctions of prime investments have resulted in yields remaining firm, notwithstanding any uncertainty surrounding present economic conditions.

7 Valuation Rationale

7.1 Methodology

In line with our instructions, our assessment herein consists of vacant land assessment only for the subject property. In this instance, we consider the most appropriate valuation methodology is that of direct comparison, which is further discussed below.

7.2 Direct Comparison Approach

The Direct Comparison approach to a valuation involves the analysis of sales evidence, making adjustments for points of difference, with a view to assessing a fair market value for the subject property.

The subject property comprises a vacant allotment having a land area of 2,333 sqm and zoned "Urban Development/R60". In addition, we have been provided with a Development Approval which has been granted for the subject site subsequent to its purchase in May 2006. The approval permits the use of the site as a Childcare Centre, however, the zoning also permits the development of the site for medium density group housing.

We are aware the subject property was purchased in May 2006 for $805,000 (GST exclusive). This calculates to a rate of $345sqm of land area.

To determine the current market value of the land in question, we must have regard for the "highest and best use" of the site. We will therefore consider the impact of the existing Development Approval, and also the residential development potential of the land.

"Urban Development – Childcare Centre Site"

As discussed, we are in receipt of an Approval by the City of Wanneroo for a Childcare Centre upon the subject landholding. To determine a fair market value for the site utilising the direct comparison approach, and having regard for the proposed Childcare Centre use, we must compare the subject site with the sales of development sites having similar potential to the subject.

To our knowledge, over the last 12 month period, there have been limited sales of Childcare Centre sites in the Perth metropolitan area. Prior to this period, land having potential for Childcare Centre Development achieved land rates broadly in the range of $150 - $250sqm of site area. However, resulting from an increase for the demand in Childcare Centres throughout Western Australia, and in fact Australia, together with the popularity for this type of business operation amongst business owners and property developers alike, the most recent sales evidence of appropriately zoned land parcels has placed significant upward pressure on land values.

As discussed, the subject property sold in May 2006 for $805,000 (GST exclusive) reflecting a rate of $345sqm. Since this time, we are aware of a sale of a site located at 6 Cockleshell Brace, Jindalee, which is also a recent land subdivision situated on the opposite side of Marmion Avenue. This sale constitutes a site having a land area of 2,024 sqm zoned "Residential R60" with a discretionary use for a Childcare Centre. Our advice indicates that the purchasers of this site intend to develop the land with a Childcare Centre, and not make use of the medium density residential zoning. The site sold for $800,000 towards the end of 2006, equating to a rate of $395sqm of land area.

It is our view that the sale of the site in Jindalee comprises a site with a slightly inferior location to that of the subject property, and in comparison, we would anticipate the subject property achieving a slight premium over the sale of the site in Jindalee.

Since the purchase of the subject property, the site has been granted a Development Approval for a Childcare Centre. In assessing the impact on value the approval has on the subject property, at a minimum, we must have regard for costs incurred in order to achieve such approval. We also acknowledge that an approval such as that granted will only add value to the land if a prospective purchaser is to develop the site with a Childcare Centre (and not make use of the residential zoning).

Based on the factors mentioned, being mindful of these specific attributes of the subject landholding, our assessment of current market value for the site is as follows:

Land	2,333 sqm at $420sqm =	$ 980,000
Plus Costs		
Acquisition (3.5%)		$ 34,300
Consultants		$ 20,000
Approvals		$ 15,000

TOTAL		$1,049,300

ADOPT		**$1,050,000**

We therefore consider the current market value of the subject site, having regard for the existing Development Approval, is $1,050,000 (GST exclusive). This equates to an overall rate of approximately $450sqm of land area.

"Alternative Use – Medium Density Residential"

As discussed, the current zoning of the subject site permits medium density group housing development on the subject site. Specifically, the "R60" zoning will permit a maximum 12 group houses on the subject site, based on the land area of 2,333 sqm.

The most appropriate method of determining the vacant land value of the land in this instance is to conduct a hypothetical feasibility over the subject property, based on the development potential. However, in the absence of a Development Approval, development plans and accurate costings, the direct comparison approach is considered most appropriate.

We have endeavoured to investigate sales evidence of medium density group housing sites throughout the immediate locality and broader Perth metropolitan area. Below are a number of sales which we consider pertinent to our assessment:

Group Housing/Unit Sites

1. ***Lot 34 Kemp Street, Pearsall***

   Sold in March 2006 for $4,200,000 (ex GST)

   This property comprises a rectangular, englobo land parcel having a land area of 2.1497 hectares, improved with a modern brick and tile residence which is the only improvements to the site which is considered to add significant value. The sale was initially negotiated in March 2006, however the option to purchase was exercised in May 2006. Our discussions with the land developer indicate they intend to develop the englobo land parcel into 53 group housing allotments and subdivide the existing residence on a site of 1,228 square metres. In analysis of this sales evidence, we have made an allowance for the existing modern residence estimated at $580,000, however we are also advised of the mandatory construction of gazetted roads with an estimated cost of $890,000. After allowance for the existing residence and the added cost of the gazetted roads, based on the intended 53 lot subdivision, a rate of $85,094 per unit site, or $222 per square metre is derived.

2. ***80 (Lot 436) Elliot Road, Hocking***

   Sold in March 2006 for $1,525,000

   An almost rectangular shaped englobo land parcel having an area of approximately 4,056 square metres, improved with an older style homestead and market garden, not considered to add any value to the land. We are advised the land has been rezoned to "Residential R40", and therefore has development potential for up to 18 group houses. Analysis of this sale indicates a rate of $84,722 per lot based on an average lot size of 225 square metres, or $376 per square metre of englobo land area.

3. ***Lot 625 Straitsman Way, Currambine***

Sold for $500,000 in June 2005.

A 1,281 square metre site zoned "Residential R40". The land is located on the corner of Sussex Way and Connolly Drive and fronts a roundabout. The sale price discloses a rate of $390 per square metre of land area, or $100,000 per unit.

4. ***Lot 466 Hawaii Lane, Clarkson***

Sold for $352,500 in January 2005.

A 1,564 square metre site with 4 street frontages zoned "Residential R60" and located within the "Ocean Keys" residential estate. The sale price reflects a rate of $225 per square metre of land area, or $39,167 per unit.

5. ***Lots 1-4 Nadera Drive, Orenco Loop and Ocean Keys Boulevard, Clarkson***

Sold for $3,350,000 in January 2005.

This property comprises 4 lots each with 3-4 street frontages, located opposite the Clarkson Transit Station within a Town Centre Precinct of "Somerley" residential estate. The lots range from between 3,219 square metres and 4,319 square metres and have a total area of 1.562 hectares. The lots were suitable for commercial/retail/mixed use development with a residential density of R80 applying. The sale price reflects a rate of $214 per square metre of land area, or $27,016 per unit.

6. ***Lot 432 Amazon Lane, Clarkson***

Sold in September 2006 for $719,845.

Vacant land with an area of 1,099 square metres with a density code of R60. The sale discloses a rate of $655 per square metre based on the land area. The R60 zoning will allow up to 6 units, disclosing a rate of $119,974 per unit.

7. ***10 Vincent Avenue, Westminster***

Sold in February 2006 for $630,000.

An older style brick and tile residence constructed in 1965. The accommodation provides 3 bedrooms and 1 bathroom. The site area is 1,181 square metres. The sale discloses a rate of $533 per square metre based on the land area. The site will allow up to 5 units, disclosing a rate of $126,000 per unit.

In assessing an appropriate land rate for the subject site, we are particularly mindful of the site's locational attributes, including its proximity to the shopping centre and coastline, and are also mindful of the size of the land parcel and therefore size of any prospective site redevelopment. Based on the sales evidence summarised above, we consider a rate in the range of $425 - $475sqm of land area is achievable for the subject property. This calculates to a capital value range of $990,000 to $1,110,000. The mid point reflects a capital value of approximately $1,050,000.

8 Risk Analysis

8.1 SWOT Analysis

Key points under the headings Strengths, Weaknesses, Opportunities and Threats are outlined below:

Strengths

- Prime site having close proximity to a recently established shopping centre, and also main road frontage / exposure.
- Development Approval in place for Childcare Centre use, eliminating D.A. Risk.
- Strong performing industry (childcare) benefiting from Federal Government subsidies.

Weaknesses

- None evident.

Opportunities

- Additional medium density residential development options.

Threats

- Any severe economic downturn will adversely impact on the marketability of the subject property.

As indicated in the above SWOT Analysis, the subject property has limited weaknesses and threats and is therefore considered to be a sound commercial investment.

8.2 Selling Period and Disposal Costs

We consider that in an orderly marketing program, a suitable selling period including time to expect settlement would be up to 3 months.

We estimate disposal costs at $25,000 inclusive of agent's commissions and marketing expenses.

8.3 Forced Sale Value

The term *"forced sale value"* does not have a recognised definition in the field of valuation or property law, although we consider it to be, in this instance, the price at which a property might reasonably be expected to be sold at the date of valuation, assuming:

1. that the sale is being negotiated by an anxious vendor or is being offered to the market with the power of sale being exercised by a mortgagee/receiver or manager;
2. the purchaser is fully informed as to the nature of the property and the reason for the sale;
3. the property has been fully exposed to the market during a short, intensive marketing program, which may be less than an appropriate marketing period for a property of this nature in the current market; and
4. no account has been taken of any additional bid by a special purchaser.

In "forced sale" circumstances we consider the market value of the property to be $945,000 (GST exclusive). Our forced sale value has been assessed on the basis of a 10% reduction in the assessed fair market value.

8.4 Mortgage Recommendation

It is considered that the subject property is suitable for first mortgage finance at the assessed valuation and assuming any existing mortgages have been extinguished.

In accordance with our standard practice, limitations on the advancement of first mortgage loan funds in relation to our valuations are not stated in our reports in the belief and understanding that if and when the trust security limit is exceeded such is the commercial decision and prerogative of the intending mortgagee giving due consideration as to the financial credibility of the intending mortgagor, the state of the general economy, the period of the loan and any comments relating to the property therein.

8.5 Assumptions, Conditions and Limitations

1. Section 2.3 – the property is free from mortgages, charges and other financial liens.
2. Section 2.6 – the property is free of environmental hazards.
3. Section 2.7 – there are no current or pending Native Title claims affecting the property.
4. Section 3.2 – all structural improvements are constructed within the title boundaries.
5. Section 8.4 – Mortgage Recommendation.

6. 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.
7. This valuation relies on the information supplied by the client, and has regard for the Development Approval, which has been granted by the City of Wanneroo over the subject lot. We reserve the right to review this assessment should any of the supplied information be subject to change.

9 Valuation Certification

Acting under instructions from Axiom Properties Limited, Knight Frank Australia Pty Ltd has undertaken a valuation of 14 (Lot 1172) Marchwood Boulevard, Butler. We confirm that we have inspected the property as described herein and have prepared this report.

We certify that, in our opinion, the market value of the unencumbered freehold interest in the property based on the available evidence and subject to qualifications and assumptions contained within the body of this report, as at 11 January 2007, exclusive of GST and for first mortgage security purposes, is:

$1,050,000 (GST Exclusive)

(One Million and Fifty Thousand Dollars – GST Exclusive)

This certificate of valuation forms part of, and should not be used or read independently from, the complete report.

The valuer has no pecuniary interest in the said property, past, present or prospective, and the opinion expressed is free of any bias in this regard. The company warrants under the provisions of Section 74 of the Trade Practices Act, to prepare this valuation in accordance with the instructions given, however, the quantum of value cannot form part of the warranty being related to prevailing market conditions and ethical opinion.

OSCAR D'SOUZA AAPI
Certified Practising Valuer
Licensed Valuer No. 44058

KNIGHT FRANK AUSTRALIA PTY LTD

Knight Frank

CERTIFICATE OF TITLE

REGISTER NUMBER	
1172/DP48289	
DUPLICATE EDITION	DATE DUPLICATE ISSUED
2	10/7/2006

WESTERN AUSTRALIA

RECORD OF CERTIFICATE OF TITLE

UNDER THE TRANSFER OF LAND ACT 1893

VOLUME 2626 FOLIO 608

The person described in the first schedule is the registered proprietor of an estate in fee simple in the land described below subject to the reservations, conditions and depth limit contained in the original grant (if a grant issued) and to the limitations, interests, encumbrances and notifications shown in the second schedule.

RG Roberts
REGISTRAR OF TITLES

LAND DESCRIPTION:

LOT 1172 ON DEPOSITED PLAN 48289

REGISTERED PROPRIETOR:
(FIRST SCHEDULE)

PIVOT GROUP PTY LTD OF PO BOX Z 5044, PERTH

(T J815964) REGISTERED 3 JULY 2006

LIMITATIONS, INTERESTS, ENCUMBRANCES AND NOTIFICATIONS:
(SECOND SCHEDULE)

1. EXCEPT AND RESERVING METALS, MINERALS, GEMS AND MINERAL OIL SPECIFIED IN TRANSFER 7033/1940.
2. *H840645 MEMORIAL. TOWN PLANNING AND DEVELOPMENT ACT 1928. REGISTERED 15.8.2001.
3. *J778240 NOTIFICATION. TOWN PLANNING AND DEVELOPMENT ACT 1928 REGISTERED 8.6.2006.
4. J778241 RESTRICTIVE COVENANT TO CITY OF WANNEROO - SEE DEPOSITED PLAN 48289. REGISTERED 8.6.2006.

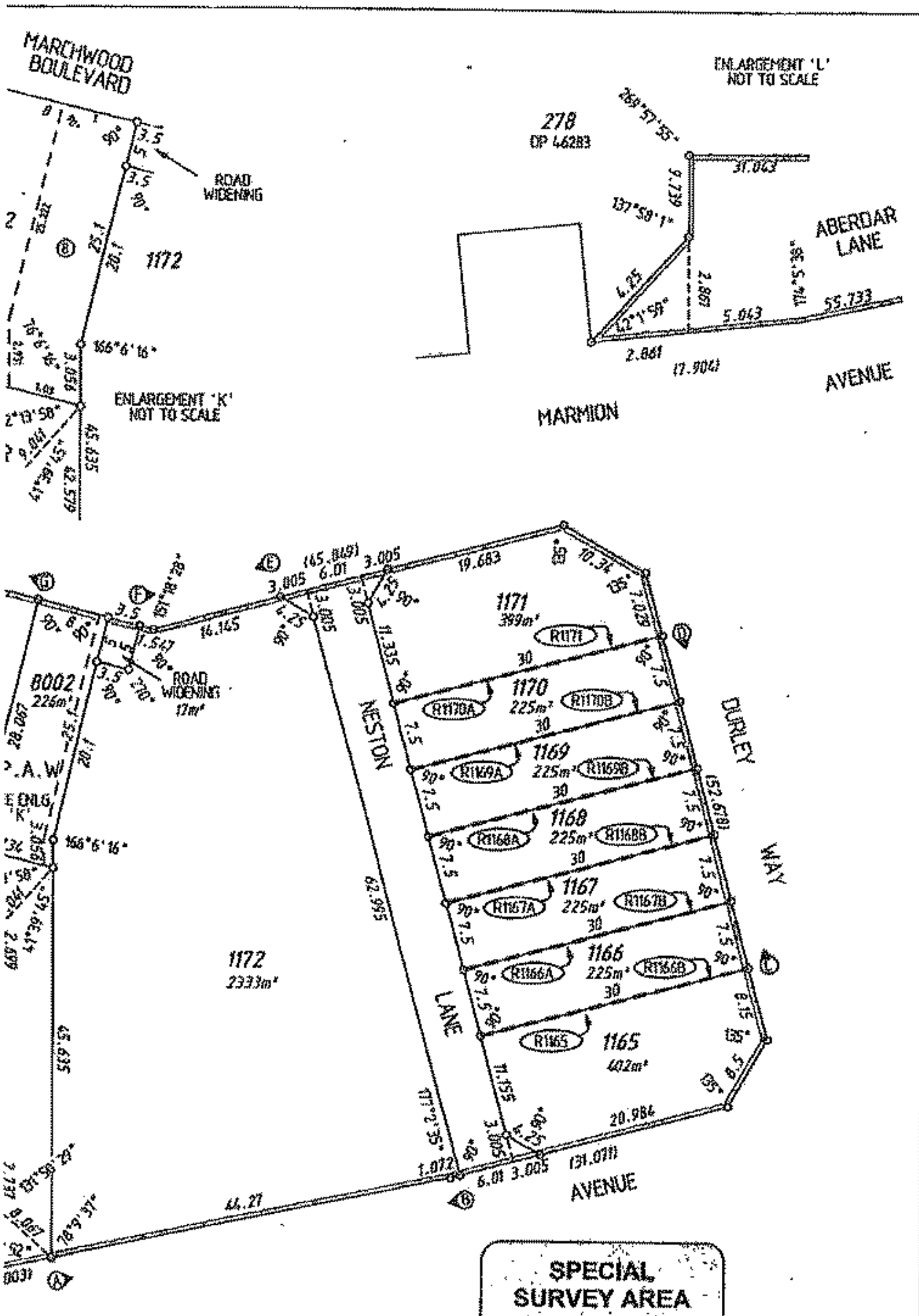
Warning: A current search of the sketch of the land should be obtained where detail of position, dimensions or area of the lot is required.
* Any entries preceded by an asterisk may not appear on the current edition of the duplicate certificate of title.
Lot as described in the land description may be a lot or location.

---END OF CERTIFICATE OF TITLE---

STATEMENTS:

The statements set out below are not intended to be nor should they be relied on as substitutes for inspection of the land and the relevant documents or for local government, legal, surveying or other professional advice.

SKETCH OF LAND:	DP48289.
PREVIOUS TITLE:	2613-298.
PROPERTY STREET ADDRESS:	14 MARCHWOOD BVD, BUTLER.
LOCAL GOVERNMENT AREA:	CITY OF WANNEROO.



SPECIAL SURVEY AREA SUBDIVISION

SURVEY CARRIED OUT UNDER REG 26A SPECIAL SURVEY AREA GUIDELINES

ALL BOUNDARY / CORNER SURVEY MARKS SHOWN ON THIS SHEET ARE INDICATIVE ONLY. USE ONLY THE SURVEY SHEET/S WHEN DETERMINING THE TRUE FINAL POSITION AND TYPE OF ALL SURVEY MARKS PLACED PERTAINING TO THIS PLAN.

FOR INTERESTS AND NOTIFICATIONS SEE SHEET 2

SCALE 1 : 500

ALL DISTANCES ARE IN METRES

TYPE	FREEHOLD
PURPOSE	SUBDIVISION

PLAN OF

LOTS 1165-1181, 8002, ROAD WIDENING, ROADS, EASEMENTS AND RESTRICTIVE COVENANT.

DISTRICT	SWAN	S.S.A. YES
TOWNSITE		

DOLA FILE
LOCALITY BUTLER
LOCAL AUTHORITY CITY OF WANNEROO

FORMER TENURE: LOT 9044 ON DP 46283 CT 2613/298

ON INDEX BG35 (5) 02.07 BG35 (10) 01.04

FIELD BOOK 84702

SURVEYOR'S CERTIFICATE - Reg 54

I, Stuart L. TORODE hereby certify that this plan is a correct representation of the survey and/or calculations from measurements recorded in the field book lodged for the purposes of this plan and that it complies with the relevant written law(s) in relation to which it is lodged.

Stuart L. A. TORODE 2005.11.15 16:05:45 +08'00'

Licensed Surveyor Date

McMULLEN NOLAN SURVEYORS
PO Box 117, South Perth WA 6951 Telephone (08) 9474 1099 Facsimile (08) 9474 1093 Email maps@mapsurvey.com.au

SCALE 1: 500 at A2
ALL DISTANCES ARE IN METRES

MAPS Ref: 92486dp-359h DPLOT9044.csd

LODGED DATE 16-Nov-06 FEE PAID $994.00 ASSESS No. 205279

TYPE OF VALIDATION: FULL AUDIT; CERTIFIED CORRECT; LEGAL COMPONENT RF; I.S.C. 10-2006; DOCKET PLAN 1678-2005; F.S.C. 482-2006

APPROVED BY WESTERN AUSTRALIAN PLANNING COMMISSION FILE 124609

22.05.2006
Delegated under Sec 23 WAPC Act 1985 DATE

IN ORDER FOR DEALINGS

SUBJECT TO

SECs 152, 167, 168(1)(2), 168(3) OF THE P. & D. ACT AND SECs 129 BA, 136C, 136D OF THE T.L.A.

22. 5. 2006

For INSPECTOR OF PLANS & SURVEYS / AUTHORISED LAND OFFICER DATE

APPROVED REG26A (1) (4)

8.06.06

INSPECTOR OF PLANS & SURVEYS / AUTHORISED LAND OFFICER DATE

GOVERNMENT OF WESTERN AUSTRALIA Department of Land Information

DEPOSITED PLAN

48289

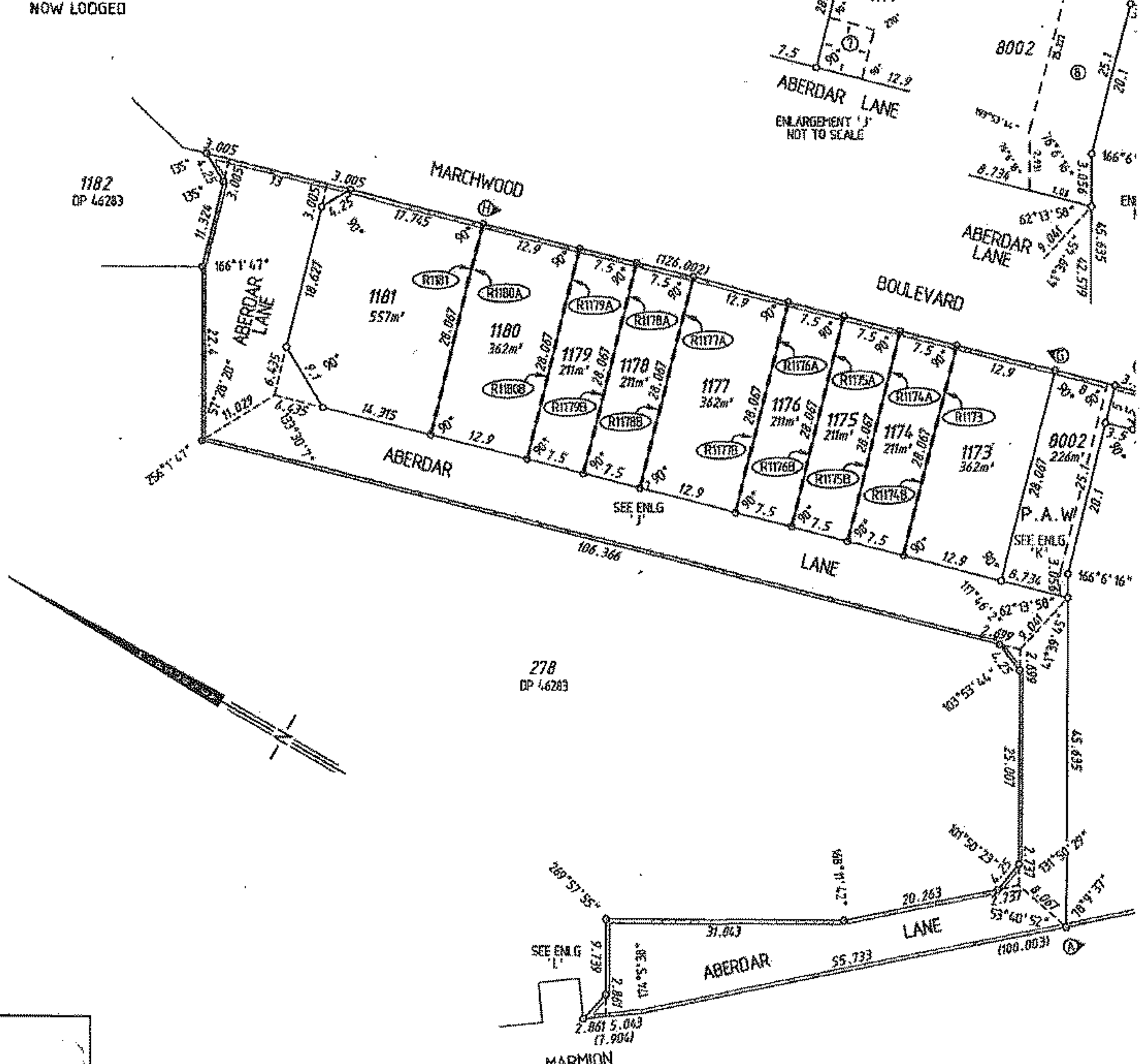
ORIGINAL

SHEET 1 OF ~~2~~ 3 SHEETS

EDITION 2 VERSION ~~1~~ 2

AMENDMENTS TABLE

ED/VER	AMENDMENT	BY	SIGNATURE	DATE
1/2	AMENDED AFTER DLI AUDIT	MAPS		
1/3	AMENDED 129BA RESTRICTIVE COVENANTS	MAPS		
2/1	ADDED PARTY WALL EASEMENTS	MAPS		1/5/2006
2/2	SURVEY SHEET BEING SHEET 3 NOW LODGED			26/9/06



- ALL PARTY WALL EASEMENTS ARE PARALELL 0.125m WIDE

REG 26A(1) - FINAL MARKING DEFERRED
(APPROVAL ID D103-05, DLI FILE 00955-2003/11)

DP 48289 (01)

DP 48289 (02)

SURVEY CARRIED OUT UNDER REG 26A
SPECIAL SURVEY AREA GUIDELINES
ALL BOUNDARY / CORNER SURVEY MARKS
SHOWN ON THIS SHEET ARE INDICATIVE ONLY.
USE ONLY THE SURVEY SHEET/S WHEN DETERMINING
THE TRUE FINAL POSITION AND TYPE OF ALL SURVEY
MARKS PLACED PERTAINING TO THIS PLAN.

FOR HEADING SEE SHEET 1

SCALE: NOT TO SCALE ORIG @ A2 ALL DISTANCES ARE IN METRES	McMULLEN NOLAN MAPS Ref 92486dp-359h DPLOT9044.CSD
Stuart L. A. TORODE 2006.04.20 13:24:04 +08'00' Licensed Surveyor ... Date	Department of Land Information
APPROVED BY WESTERN AUSTRALIAN PLANNING COMMISSION FILE 124609 22-05-2006 Delegated under S16 P&D Act 2005 ... Date	DEPOSITED PLAN 48289 ORIGINAL
SHEET 2 OF ~~2~~ 3 SHEETS EDITION 2 VERSION ~~1~~ 2	

INTERESTS AND NOTIFICATIONS

SUBJECT	PURPOSE	STATUTORY REFERENCE	ORIGIN	LAND BURDENED	BENEFIT TO	COMMENTS
7	EASEMENT (Above Ground Electric)	SEC 27A OF THE TP&D ACT. REG 7	THIS PLAN	LOT 1177	WESTERN POWER CORPORATION	
8	EASEMENT (Underground Electric)	SEC 27A OF THE TP&D ACT. REG 8	THIS PLAN	LOT 8002	WESTERN POWER CORPORATION	
R1181	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1181	LOT 1180	
R1180A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1180	LOT 1181	
R1180B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1180	LOT 1179	
R1179A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1179	LOT 1180	
R1179B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1179	LOT 1178	
R1178A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1178	LOT 1179	
R1178B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1178	LOT 1177	
R1177A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1177	LOT 1178	
R1177B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1177	LOT 1176	
R1176A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1176	LOT 1177	
R1176B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1176	LOT 1175	
R1175A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1175	LOT 1176	
R1175B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1175	LOT 1174	
R1174A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1174	LOT 1175	
R1174B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1174	LOT 1173	
R1173	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1173	LOT 1174	
R1171	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1171	LOT 1170	
R1170A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1170	LOT 1171	
R1170B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1170	LOT 1169	
R1169A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1169	LOT 1170	
R1169B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1169	LOT 1168	
R1168A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1168	LOT 1169	
R1168B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1168	LOT 1167	
R1167A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1167	LOT 1168	
R1167B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1167	LOT 1166	
R1166A	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1166	LOT 1167	
R1166B	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1166	LOT 1165	
R1165	EASEMENT (Party Wall Rights)	SEC 136C T.L.A.	THIS PLAN & ~~DOC~~	LOT 1165	LOT 1166	
A-B C-D E-F G-H	RESTRICTIVE COVENANT	SEC 129BA T.L.A	DOC J 778241	LOT 1172 LOTS 1166-1170 LOT 1172 LOTS 1173-1180	CITY OF WANNEROO	VEHICLE ACCESS RESTRICTION
	RESTRICTIVE COVENANT	SEC 136D T.L.A.	THIS PLAN & DOC J 789171	ALL LOTS EXCEPT 1172 & 8002	ALL LOTS EXCEPT 1172 & 8002	
LOT 8002	PEDESTRIAN ACCESS WAY (P.A.W)	VESTS IN THE CROWN UNDER SEC 20A OF THE TP & D ACT	THIS PLAN	ALL LOTS		

Knight Frank

MEMORIAL H840645

H 840645 MV
15 Aug, 2001 14:33:11 Midland

REG. $ 75.00

MEMORIAL

LODGED BY McMullen Nolan and Partners
Surveyors Pty Ltd
ADDRESS Suite 11, 2nd Floor
2 Hardy Street
SOUTH PERTH WA 6151

PHONE NO. (08) 9474 1099

FAX NO. (08) 9474 1093

REFERENCE NO. 92486

ISSUING BOX NO. 888

PREPARED BY McMullen Nolan and Partners
Surveyors Pty Ltd
ADDRESS Suite 11, 2nd Floor
2 Hardy Street
SOUTH PERTH WA 6151

PHONE NO. 94741099 FAX NO. 94741093

INSTRUCT IF ANY DOCUMENTS ARE TO ISSUE TO OTHER THAN LODGING PARTY

7

I agree to the notification [illegible] on Vested lots.

REGIONAL MANAGER 24/8/01
METROPOLITAN REGION
LAND ADMINISTRATION SERVICES

TITLES, LEASES, DECLARATIONS ETC LODGED HEREWITH

1. ______________ Received Items
2. ______________ Nos.
3. ______________
4. ______________
5. ______________
6. ______________ Receiving Clerk

ENDORSING INSTRUCTIONS

Registered pursuant to the provisions of the TRANSFER OF LAND ACT 1893 as amended on the day and time shown above and particulars entered in the Register Book

EXAMINED

Initials of signing officer

REGISTRAR OF TITLES WESTERN AUSTRALIA

CHIEF EXECUTIVE

LANDGATE COPY OF ORIGINAL NOT TO SCALE Fri Jan 19 11:08:51 2007 JOB 27685783

WESTERN AUSTRALIAN PLANNING COMMISSION

FILE No. 114669

TO REGISTRAR OF TITLES
REGISTRAR OF DEEDS

MEMORIAL

TOWN PLANNING AND DEVELOPMENT ACT 1928

NOTICE IS HEREBY GIVEN THAT THE LAND SET OUT IN THE SCHEDULE HERETO IS LAND TO WHICH SECTION 12A OF THE TOWN PLANNING AND DEVELOPMENT ACT 1928 APPLIES

SCHEDULE

DESCRIPTION OF LAND	EXTENT	VOLUME	FOLIO
ALL LOTS ON DEPOSITED PLAN 27674	PART	2503	443
ALL LOTS ON DEPOSITED PLAN 27675	PART	2503	443
NOW	WHOLE	2506 To 2506	657 703 (inclusive)

REGISTERED PROPRIETOR OF LAND

MINISTRY OF HOUSING OF 99 PLAIN STREET, EAST PERTH, FORMALLY KNOWN AS THE STATE HOUSING COMMISSION.

HAZARDS OR OTHER FACTORS SERIOUSLY AFFECTING THE LAND

THIS LAND HAS PREVIOUSLY BEEN UTILISED AS AN ARTILLERY RANGE AND MAY CONTAIN UNEXPLODED ORDNANCES (UXO). WHILST THE LAND HAS BEEN SEARCHED TO A DEPTH OF 1 METRE NO GUARANTEE CAN BE GIVEN THAT ALL UXO HAVE BEEN LOCATED. ANY ORDNANCE FOUND SHOULD BE TREATED AS DANGEROUS AND IT'S LOCATION REPORTED TO THE POLICE OR DEFENCE ESTABLISHMENT.

Dated this 17 day of July 2001

Public Servant
Ministry for Planning
Perth WA 6000

S Van Voert
For: WESTERN AUSTRALIAN PLANNING COMMISSION

WITNESS
Rosa Nannizzi

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Knight Frank

RESTRICTOVE COVENANT J778241

OFFICE USE ONLY

J778241 RC
08 Jun 2006 15:00:32 Midland

REG $ 80.00

INSTRUCTIONS

1. This form may be used only when a "Box Type" form is not provided or is unsuitable. It may be completed in narrative style.
2. If insufficient space hereon Additional Sheet Form B1 should be used.
3. Additional Sheets shall be numbered consecutively and bound to this document by staples along the left margin prior to execution by the parties.
4. No alteration should be made by erasure. The words rejected should be scored through and those substituted typed or written above them, the alteration being initialled by the persons signing this document and their witnesses.

NOTES

1. Insert document type.
2. A separate attestation is required for every person signing this document. Each signature should be separately witnessed by an Adult Person. The address and occupation of the witness must be stated.

Department of Land Information
Government of Western Australia

LODGED BY

ADDRESS

DEPARTMENT OF HOUSING & WORKS
99 PLAIN STREET
EAST PERTH W.A. 6004
D.O.L.A. BOX 158L
Ph: 9222 4666 Fax: 9222 4892

PHONE No.

FAX No.

REFERENCE No.

ISSUING BOX No.

PREPARED BY McMullennolan

ADDRESS PO Box 117, South Perth

PHONE No. 9474 1099

FAX No. 9474 1093

INSTRUCT IF ANY DOCUMENTS ARE TO ISSUE TO OTHER THAN LODGING PARTY

2047

TITLES, LEASES, DECLARATIONS ETC LODGED HEREWITH

1. ______
2. ______
3. ______
4. ______
5. ______
6. ______

Received Items

Nos.

Receiving Clerk

EXAMINED

Registered pursuant to the provisions of the TRANSFER OF LAND ACT 1893 as amended on the day and time shown above and particulars entered in the Register.

REGISTRAR OF TITLES WESTERN AUSTRALIA

4/2/07

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(d) Lots 1173-1180 (inclusive) on Deposited Plan 48289 and being the whole of the land comprised in certificate of Title Volume Folios and .

EXECUTED as a deed.

The COMMON SEAL of)
THE STATE HOUSING COMMISSION)
was hereunto affixed in the presence of)

THE STATE HOUSING COMMISSION COMMON SEAL

Manager Securities Conveyancing
+ Settlement Services

Executive Director

THE COMMON SEAL of the **CITY OF WANNEROO** was hereunto affixed)
by authority of a resolution of the Council)
in the presence of:)

CITY OF WANNEROO COMMON SEAL

MAYOR

CHIEF EXECUTIVE OFFICER

LANDGATE COPY OF ORIGINAL NOT TO SCALE Fri Jan 19 11:08:51 2007 JOB 27685783

1.1.2. to Durley Way between the points marked "C" and "D" on the Deposited Plan along the boundary of the Burdened Land referred to in Item 3(b) of the Schedule;

1.1.3. to Marchwood Boulevard between the points marked "E" and "F" on the Deposited Plan along the boundary of the Burdened Land referred to in Item 3(c) of the Schedule;

1.1.4. to Marchwood Boulevard between the points marked "G" and "H" on the Deposited Plan along the boundary of the Burdened Land referred to in Item 3(d) of the Schedule.

1.2. The covenants referred to in clause 1.1 of this deed are made by SHC for its self and its successors in title with the intention of binding the Burdened Land and any subsequent owner of the Burdened Land or any part thereof.

2. **COSTS**

SHC will pay the costs of and incidental to the instructions for and preparation, execution, stamping and registration of this deed and all stamp duty and registration fees thereon.

SCHEDULE

Item 1 - The Land:

Lot 9044 on Deposited Plan 46283 and being the whole of the land comprised in Certificate of Title Volume 2559 Folio 397.

Item 2 - Encumbrances:

Except and reserving metals, minerals, gems and mineral oil specified in Transfer 7033/1940.

Memorial H840645 - Town Planning and Development Act 1928.

Item 3 - Burdened Land

(a) Lot 1172 on Deposited Plan 48289 and being the whole of the land comprised in certificate of Title Volume Folio .

(b) Lots 1166-1170 (inclusive) on Deposited Plan 48289 and being the whole of the land comprised in certificate of Title Volume Folios and .

(c) Lot 1172 on Deposited Plan 48289 and being the whole of the land comprised in certificate of Title Volume Folio .

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THIS RESTRICTIVE COVENANT is made the 12 day of May 2006

BETWEEN:

THE STATE HOUSING COMMISSION of 99 Plain Street, East Perth ("SHC") of the one part;

and

CITY OF WANNEROO of Locked Bag 1, Wanneroo ("the City") of the other part.

BACKGROUND:

A. SHC is the registered proprietor of the land described in Item 1 of the Schedule ("the Land") subject to the encumbrances referred to in Item 2 of the Schedule.

B. The Land is situated within the district of the City.

C. SHC has received approval from the Western Australian Planning Commission to subdivide the Land, and as part of the approval, SHC is required to restrict access from that part of the Land referred to in Item 3 of the Schedule ("the Burdened Land") to the abutting roads shown on Deposited Plan 48289 ("the Deposited Plan") described in clause 1 of this deed.

D. SHC is required to enter into this deed pursuant to Section 129BA of the Transfer of Land Act 1893 to comply with that condition.

OPERATIVE PART:

This deed witnesses as follows:-

1. **SHC**

1.1. SHC covenants with the City pursuant to the provisions of Section 129BA of the Transfer of Land Act 1893, not to use or permit the use of the Burdened Land for vehicular access from the Burdened Land or any part thereof:

1.1.1. to Marmion Avenue between the points marked "A" and "B" on the Deposited Plan along the boundary of the Burdened Land referred to in Item 3(a) of the Schedule;

LANDGATE COPY OF ORIGINAL NOT TO SCALE Fri Jan 19 11:08:51 2007 JOB 27685783

THE STATE HOUSING COMMISSION

and

CITY OF WANNEROO

SECTION 129BA DEED OF RESTRICTIVE COVENANTS BRIGHTON VILLAGE CENTRE, BUTLER DEPOSITED PLAN 48289

IRDI LEGAL
248 Oxford Street
LEEDERVILLE WA 6007

Telephone: 9443 2544
Facsimile: 9444 3808

Ref: RJ:S20051063

LANDGATE COPY OF ORIGINAL NOT TO SCALE Fri Jan 19 11:08:51 2007 JOB 27685783

Department of Treasury and Finance
Office of State Revenue
Government of Western Australia

Certificate of Stamp Duty

Deed - Restrictive Covenant

Stamp Duty - Under Taxation Administration Act 2003 (WA), Section 49

Certificate Number:	1005903099	Certificate Issue Date:	12-05-2006
Document Reference:	3043-213-1	Client Reference:	2005/37706
Instrument Date:	12-05-2006		
Original Stamp Duty:	**$0.00**		
Exemption Type:	Section 119 (100%)		

Land:	Lot 9044, Plan 46283	Volume/Folio:	2613/298

Party names: THE STATE HOUSING COMMISSION

Related Certificate Summary

LANDGATE COPY OF ORIGINAL NOT TO SCALE Fri Jan 19 11:08:51 2007 JOB 27685783

OFFER AND ACCEPTANCE CONTRACT

REIWA
REAL ESTATE IN WA
APPROVED BY
THE REAL ESTATE INSTITUTE
OF WESTERN AUSTRALIA (INC.)
COPYRIGHT © REIWA 2003
FOR USE BY REIWA MEMBERS

CONTRACT FOR SALE OF LAND OR STRATA TITLE BY OFFER AND ACCEPTANCE

TO:

Satterley
Real Estate

REPRESENTATIVE ....

Real Estate Agents
Level 1, 18 Bowman St. South Perth Western Australia 6151
PO Box 410 South Perth Western Australia 6951
TELEPHONE: (08) 9368 9000 - SALES FAX: (08) 9368 9002
Licensee: Satterley Property Group Pty. Ltd. (Inc. in W.A.)
A.C.N. 009 054 979 A.B.N. 38 009 054 979

BRIGHTON ESTATE, BUTLER

As Agent for the Seller

THE BUYER (FULL NAME AND ADDRESS) PIVOT GROUP PTY LTD (ABN 48 008 459 685)
LEVEL 45, BANKWEST TOWER, 108 ST GEORGES TERRACE
PERTH WA 6000

OFFERS TO PURCHASE (as joint tenants/tenants in common specifying the undivided shares) the land described in the Schedule and all improvements ("the Property") with vacant possession unless otherwise provided in the Conditions together with the Chattels (if any) described in the Schedule at the price and on the other terms and conditions set out in the Schedule and the Conditions.

SCHEDULE

(i) **Description of the Property:** The land situated at and known as Lot 1172 Marchwood Boulevard, Butler
.... and being Lot 1172
on Strata / Survey Strata / Deposited / Plan / Diagram 48289
and being the whole/part of the land in Certificate of Title Volume — Folio —

(ii) **Chattels including all fixtures and fittings, plant & equipment, and** N/A VACANT LAND
.... which are included in the Purchase Price

(iii) **Purchase Price:** $ $885,500-00
(If GST is applicable then refer to Condition 4.)

(iv) **Manner of Payment:** A deposit of $ $88,550-00 of which $ $8,855-00 is paid herewith and $ $79,695-00 shall be paid within Seven (7) days of acceptance to be held by Satterley Property Group Pty Ltd ("the Deposit Holder"). The balance of the Purchase Price shall be paid on the Settlement Date.

(v) **Settlement Date:** On or before 19 June 2006 or within 21 days of issue of title whichever is later.

CONDITIONS:

DELETE IF FINANCE APPROVAL IS NOT REQUIRED

DELETED

1. FINANCE

1.1 This Contract is conditional upon Finance Approval being obtained before the Latest Time.

1.2 The Buyer shall:
(a) make an application for Finance Approval to at least one Lender using, if required by the Lender, the Property as security;
(b) use best endeavours to obtain Finance Approval and if required in writing by the Seller or the Seller's Agent provide evidence in writing of the making of an application in good faith for Finance Approval, any loan offer made, and the reasons for the Buyer not accepting any loan offer made;
(c) on receipt of the Finance Approval immediately notify in writing the Seller or the Seller's Agent whereupon the condition in paragraph 1.1 will then be satisfied.

1.3 If on or before the Latest Time:
(a) the Buyer is notified by the Lender that the application for Finance Approval is rejected; or
(b) no Finance Approval is obtained
then the Buyer shall immediately in writing notify the Seller or the Seller's Agent of such rejection or non receipt as the case may be, and provide evidence in writing of the rejection.

1.4 UNLESS the Buyer has waived this condition and communicated such waiver in writing to the Seller or the Seller's Agent prior to the Latest Time, then if:
(a) the condition in paragraph 1.1 is not satisfied; and
(b) the Buyer has complied with paragraphs 1.2(a), 1.2(b) and 1.3

THEN this Contract shall be deemed to have come to an end without the necessity of either party giving to the other notice to that effect. The Deposit and all other monies (if any) paid pursuant to this Contract shall then be refunded to the Buyer (less all bank and government charges) and there shall be no further claim under this Contract by either party in law or in equity against the other.

1.5 If the Buyer fails to notify the Seller or Seller's Agent in accordance with paragraphs 1.2(c) or 1.3 the Buyer shall be in default and the Seller may without prejudice to any other remedies and rights available immediately terminate the Contract by notice in writing to the Buyer.

1.6 This clause shall operate for the benefit of both the Seller and the Buyer except that the Buyer by waiving the Buyer's rights pursuant to this clause at any time before the Latest Time shall be deemed to have received Finance Approval.

DEFINITIONS

1.7 In this Contract the following shall apply:
"Finance Approval" means an offer to lend made by the Lender on reasonable terms and conditions or an approval of a finance application by the Lender to the Buyer, by the Latest Time for a loan of an amount not less than the Amount of Loan shown below. An approval that is subject to the Lender's usual terms and conditions shall be deemed to be Finance Approval.
"Lender" means either the Lender nominated below (if any) or any other Lender acceptable to the Buyer.

Lender: ....

Latest Time: 4.00 pm on the date ....

Amount of Loan: ....

Initials of Buyer(s)

NOTE: IF THIS DOCUMENT IS ON SEPARATE PAGES OR IS TO BE FAXED THEN ALL PARTIES SHOULD SIGN ALL PAGES.

CONTRACT FOR SALE OF LAND OR STRATA TITLE BY OFFER AND ACCEPTANCE

2. Acceptance of this offer shall be sufficiently communicated to the Buyer if verbal or written notification shall be given by the Seller or Seller's Agent to the Buyer that acceptance has been signed by the Seller.
3. The 2002 General Conditions are incorporated into this Contract so far as they are not varied by or inconsistent with the express terms of this Contract.
4. If GST is applicable to this transaction or if the transaction is agreed to be a Going Concern then the relevant GST provision should be outlined in the Special Conditions below or in any attached GST Annexure, which shall form part of this Contract.
5. The Special Conditions printed below this line apply to this Contract.
6. **See Annexure "A" Conditions of Sale are incorporated in this Contract.**
7. **See Annexure "B" Development Conditions and Building Guidelines which are incorporated into this Contract.**
8. **See Annexure "C" Disclosure of Interest by Nigel Frank Satterley in respect of the Brighton Estate.**
9. **The Buyer covenants and agrees with the Seller that so long as the Seller remains registered as the proprietor of any land adjoining the boundary of the land that the Buyer shall not make any claim against the Seller for any contribution to the cost of any dividing fences or walls.**
10. **The Buyer/s acknowledge and agree that the Sellers Agent may from time to time release details of the Buyers name and address to any person who, in the reasonable opinion of the Sellers Agent has bona fide and reasonable cause to make such enquiry of the Sellers Agent.**
11. **The Seller, is registered for GST. The sale price of this contract is inclusive of the Goods and Services Tax (GST) and all sales are made under the margin scheme. (Note: Under GST regulations, acquisition of property under the margin scheme is not considered a creditable acquisition, that is, no input credits can be claimed.)**
12. **That the City of Wanneroo may introduce a special landscape maintenance levy for the area in order to maintain the parkland and entry Statement area within the Estate to the same standard as the developer.**

BUYER [If a corporation, then the Buyer executes this Contract pursuant to its Constitution.]

	Witness	Date
		16 / 05 / 06
		16 / 05 / 06

THE SELLER (FULL NAME AND ADDRESS) **SIGNED BY OCEAN SPRINGS PTY LTD OF C/- 18 BOWMAN STREET, SOUTH PERTH AS AGENTS FOR THE SELLER THE STATE HOUSING COMMISSION**

ACCEPTS the above offer and acknowledges that the agent's selling fee payable to the Seller's Agent is the Seller's responsibility.

[If a corporation, then the Seller executes this Contract pursuant to its Constitution.]

	Witness	Date
		/ /
		/ /

JOINT FORM

A true copy of this document has been received by each of the Parties - together with a copy of the 2002 General Conditions.

STRATA DISCLOSURES

If the Property is or is proposed to be a Strata Lot, then the Buyer acknowledges having received the Form 28 Disclosure Statement and its attachments before signing this Contract as required by the Strata Titles Act and the Strata Regulations.

CONVEYANCER (Legal Practitioner/Settlement Agent)

The Parties nominate their Representative named below to act on their behalf in respect to this transaction and consent to Notices being served to that Representative's facsimile number.

	BUYER'S REPRESENTATIVE	SELLER'S REPRESENTATIVE
Name	**Umberto Gianotti, PO Box Z5044, Perth**	**Dept Housing & Works**
Signature		

COPYRIGHT
The copyright of this Offer and Acceptance is the property of the Real Estate Institute of Western Australia (Inc.) ("REIWA") and neither the form nor any part of it may be used or reproduced by any method whatsoever or incorporated by reference or in any manner whatsoever in any other document without the consent of the REIWA. 08/03

Knight Frank

DEVELOPMENT APPROVAL

Knight Frank Newmark Global

City of Wanneroo

LOCKED BAG 1
WANNEROO WA 6946
TELEPHONE: (08) 9405 5444
FACSIMILE: (08) 9405 5498

File Number : P05/2107V01
Application Number : DA06/0431
Enquiries Officer : Rod Peake
9405 5468

10 August 2006

J ITALIANO
PO BOX Z5044
PERTH WA 6831

RECEIVED
14 AUG 2006

Dear Sir/Madam

Proposed Development:	CHILD CARE CENTRE
Property Details:	14 MARCHWOOD BOULEVARD BUTLER WA 6036
Land Parcel(s) Details:	Lot 1172 DP 48289 Vol 2626 Fol 608
Owner(s) Details:	PIVOT GROUP PTY LTD

I refer to your Application for Planning Approval received by the City of Wanneroo on 12 June 2006.

You are advised that approval has now been **granted** under the provisions of the City of Wanneroo District Planning Scheme No 2 and the Metropolitan Region Scheme. This Approval requires the development to be undertaken in accordance with the submitted application, the enclosed approved plans and is subject to compliance with the following conditions:

1. A maximum of 90 children and 14 staff are permitted within the premises at any one time.
2. Operating hours are to be restricted to 7.00am to 6.00pm Monday to Friday and 9.00am to 5.00pm Saturday and Sunday.
3. The parking bay/s, driveway/s and points of ingress and egress to be designed in accordance with the Australian Standard for off street Carparking (AS2890) unless otherwise specified by this approval. Such areas are to be constructed, drained, marked and thereafter maintained to the satisfaction of the Manager Planning Services prior to the development first being occupied.
4. The width of car bays on the end of isles shall be increased to 2.8 metres and the width of the disabled bay increased to 3.8 metres.
5. The design of the access point to be redesigned to intersect with Aberdare Lane at right angles.
6. A paved pedestrian path with a minimum width of 1.5 metres shall be provided to link the building entry and Aberdar Lane.
7. An onsite stormwater drainage system with the capacity to contain a 1:100 year storm of a 24-hour duration is to be provided prior to the development first being occupied and thereafter maintained to the satisfaction of the Manager Planning

Services. The proposed stormwater drainage system is required to be shown on the Building Licence submission and be approved by the City/Shire prior to the commencement of construction.

8. The design levels of all development shall be to the satisfaction of the Manager Planning Services. In particular, driveways and pedestrian paths shall be designed to coordinate with the design level of the adjoining lanes.
9. The lodging of detailed landscape plans, to the satisfaction of the Manager Planning Services, for the development site and the adjoining road verge(s) with the Building Licence Application. Landscaping and reticulation to be established in accordance with the approved plans prior to the development first being occupied and thereafter maintained to the satisfaction of the Manager Planning Services.
10. The car parking area shall be provided with one shade tree for every four bays prior to the development first being occupied. The trees shall be located within tree wells protected from damage by vehicles and maintained to the satisfaction of the Manager Planning Services.
11. Any roof mounted or freestanding plant or equipment, such as air conditioning units, to be located and/or screened so as not to be visible from beyond the boundaries of the development site.
12. A screened bin enclosure, designed in accordance with the City's specifications, shall be indicated on the plans submitted for a building licence and be constructed to the satisfaction of the Manager Planning Services prior to the development first being occupied.
13. All fencing shall be installed in accordance with the City's Local Laws prior to the occupation of the building. All fencing fronting Marchwood Boulevard, Aberdar Lane/Lot 8002 and Marmion Avenue shall be of a visually permeable design to the satisfaction of the Manager Planning Services.
14. A report prepared by a suitably qualified and experienced acoustic consultant shall be submitted with the building licence application demonstrating that all noise associated with the development is capable of being contained within relevant noise limits prescribed by Noise Regulations or outlining recommended actions that would achieve such compliance. The centre to be designed and/or managed in accordance with the acoustic consultants recommendations to achieve compliance with noise limits.

The City advises:

(a) It does not undertake to ascertain the validity of signatures nor the authority of the person(s) nominated as owner(s).

(b) In particular where the subject land is part of a strata or survey strata scheme, the applicant must ensure that there is authority to apply and to carry out the development (or building work) under the bylaws of the relevant strata company and any other relevant laws.

(c) The issue of a development approval (or building licence) does not cure any defect that may exist in the authority of the owner or applicant.

This decision is valid for a period of two (2) years from the date of this letter. If the subject development is not substantially commenced within the two (2) year period, the approval shall lapse and be of no further effect. Where an approval has so lapsed, no development shall be carried out without the further approval of the City having first been sought and obtained.

Planning approval does not remove the need for approvals, licences, permits, etc, that may be required under other legislation.

Should the applicant be aggrieved by this decision, there is a right to apply for a review under the *Planning and Development Act.* The application for review must be submitted in accordance with the Act and should be lodged within 28 days of the date of this decision to the State Administrative Tribunal, 12 St George's Terrace, Perth WA 6000. It is recommended that you contact the Tribunal for further details on telephone 9219 3111 or the website http://www.sat.justice.wa.gov.au/

Yours faithfully

Rod Peake
MANAGER PLANNING SERVICES
Encs.

APPENDIX 3

Issue date: 16 February 2007

Financial Services Guide

What is a Financial Services Guide?

The purpose of the Financial Services Guide ("FSG") is to assist you in deciding whether to use any of the general financial product advice provided by PKF Corporate Advisory Services (WA) Pty Ltd ("PKFCA") (ABN 68 009 423 152). PKFCA is a holder of an Australian Financial Services Licence ("AFSL") No. 240566. The contents of this FSG include:

- who PKFCA is and how we can be contacted;
- what services PKFCA is authorised to provide under our AFSL;
- how PKFCA (and any other relevant parties) is remunerated in relation to any general financial product advice PKFCA may provide;
- details of any potential conflicts of interest; and
- details of PKFCA's internal and external dispute resolution systems and how you can access them.

Information About Us

We have been engaged by the Directors of Axiom Properties Limited ("the Company") to give general financial product advice in the form of a report to be provided to you in connection with our Independent Expert's Report. A copy of this report is included in the Notice of Meeting prepared by the Company. You are not the party or parties who engaged PKFCA to prepare the report.

PKFCA is the licensed corporate advisory arm of the Western Australian partnership of PKF Chartered Accountants and Business Advisers ("PKF"). The directors of PKFCA may also be partners in the Western Australian partnership of PKF.

The Western Australian partnership of PKF and its related entities provide services primarily in the areas of external audit, internal audit, tax, consulting and corporate advisory services.

The financial product advice in our report is provided by PKFCA and not by the West Australian partnership of PKF or its related entities.

We do not have any formal associations or relationships with any other entities that are issuers or sellers of financial products, other than PKF Financial Services Pty Ltd. However, you should note that PKFCA and the Western Australian partnership of PKF (and its related bodies corporate) may from time to time provide professional services to financial product issuers or sellers in the ordinary course of business.

What financial services are we licensed to provide?

The AFSL that we hold authorises us to provide financial product advice in respect of securities only in the capacity of providing reports, for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues.

Information about the general financial product advice we provide

The financial product advice provided in our report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued or sold by another party, we recommend you obtain and read carefully the relevant offer document provided by the issuer or seller of the financial product. The purpose of the offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

How are we and our employees remunerated?

Our fees are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out of pocket expenses incurred in providing the services.

Fee arrangements are agreed with the party or parties who actually engage us, and we confirm our remuneration in a written letter of engagement to the party or parties who engage us.

Neither PKFCA nor its Directors and officers, nor any related bodies corporate or associates and their Directors and officers, receives any commissions or other benefits, except for the fees for the services rendered to the party or parties who engage us. Our fee is expected to be in the range of $25,000 plus GST. You have a right to request for further information with regards to remuneration received by PKFCA or its representatives.

All of our employees receive a salary. Our employees are eligible for annual salary increases and bonuses based on overall performance but do not receive any commissions or other benefits arising directly from services provided by you. The remuneration paid to our Directors reflects their individual contribution to the company and covers all aspects of performance. Our Directors do not receive any commissions or other benefits in connection with our advice.

We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

Responsibility

The liability of PKFCA is limited to the contents of this FSG and the report referred to in this FSG.

Distribution

PKFCA authorises the distribution of this FSG.

What should you do if you have a complaint?

If you have any concerns regarding this report, you may wish to advise us. Our internal complaints handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

The Complaints Officer
PO Box Z5066 St George's Terrace
PERTH WA 6831

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Industry Complaints Service ("FICS"). FICS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FICS at:

Financial Industry Complaints Service
PO Box 579
Collins Street West
MELBOURNE VIC 8007
Telephone: 1300 780 808
Fax: +61 (03) 9621 2291

If your complaint relates to the professional conduct of a person who is a Chartered Accountant, you may wish to lodge a complaint in writing with the Institute of Chartered Accountants in Australia ("ICAA"). The ICAA is the professional body responsible for setting and upholding the professional, ethical and technical standards of Chartered Accountants and can be contacted at:

The Institute of Chartered Accountants
GPO Box 3921
SYDNEY NSW 2001
Telephone (02) 9290 1344
Fax (02) 9262 1512

Specific contact details for lodging a complaint with the ICAA can be obtained from their website at:

http://www.icaa.org.au/about/index.cfm

The Australian Securities and Investment Commission ("ASIC") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info Line: 1300 300 630
Email: infoline@asic.gov.au
Internet: http://www.asic.gov.au/asic/asic.nsf

Axiom Properties Limited

ABN 40 009 063 834

Proxy Form

All correspondence to:
Axiom Properties Limited
PO Box Z5351 PERTH ST GEORGES TERRACE
WA 6831 Australia
Enquiries (within Australia) 9321 4646
(outside Australia) 61 8 9321 4646
Facsimile 61 8 9321 8122
www.axiompl.com.au

Mark this box with an 'X' if you have made any changes to your address details (see reverse) ☐

000001
000
SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)

I 1234567890 IND

Appointment of Proxy

I/We being a member/s of Axiom Properties Limited and entitled to attend and vote hereby appoint

☐ the Chairman of the Meeting (mark with an 'X') **OR** ☐

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Axiom Properties Limited to be held at Western Australia Club, 101 St Georges Terrace, Perth WA 6000 on 4 April 2007 at 10:00am WST and at any adjournment of that meeting.

Voting directions to your proxy - please mark X to indicate your directions

		For	Against	Abstain*
1.	Approval of Brighton Transaction	☐	☐	☐
1.	Approval of Caboolture Transaction	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointing a second Proxy

I/We wish to appoint a second proxy

☐ Mark with an 'X' if you wish to appoint a second proxy. **AND** ☐ **%** **OR** ☐ State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Individual/Sole Director and Sole Company Secretary	Director	Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name ______ Contact Daytime Telephone ______ Date / /

AXI 1PR

How to complete this Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy.
A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:
(a) indicate that you wish to appoint a second proxy by marking the box.
(b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
(c) return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at **www.computershare.com.**

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 10.00am WST on 2 April 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

IN PERSON	Registered Office - Level 45, Bankwest Tower, 108 St Georges Terrace, PERTH WA 6000
BY MAIL	PO Box Z5351 PERTH ST GEORGES TERRACE WA 6831
BY FAX	61 8 9321 8122
BY EMAIL	axiom@axiompl.com.au