

Glen Ora Estate Pty Ltd

ACN 004 118 674

Incorporated 14 July 1925

Our Reference: RDS/LTM

Lot Owners
11 May 2018

4 CORONATION STREET
WEST BRUNSWICK VIC 3055

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RE: Solomon Heights, North Sunshine

Dear Lot Owner,

There is a court hearing listed for the 22 May 2018. The duration of the court hearing is for 5 days. Mediation has failed.

A number of land owners have recently requested information as to our future plans and intentions in the event that we are successful. The following is the basic framework on how Glen Ora intends to proceed. It is in our financial interest to complete this work as soon as possible.

GENERAL BASIC PRINCIPLES OF GLEN ORA'S PROPOSED OPERATION

- 1 Glen Ora intends to construct along the alignment of the existing roads (except Whitehill Road) road surfaces, associated drainage, footpaths, kerbs, channels, public lighting and other matters ordinarily associated with road construction to the design, standard and specification required and approved by Brimbank Council in accordance with Brimbank Council's applicable standards as at the time of construction.
- 2 The road works will be in the same location as the existing roads.
- 3 Glen Ora:
 - 3.1 will restrict access to the roads only to the lot owners and will not permit unfettered public access to the roads at all times;
 - 3.2 It is intended that a gated remote key entrance be created around the subdivision, with the remotes only being given to the lot owners. No levy or toll will be charged for such access.
- 4 Glen Ora will, at its own cost, install infrastructure (electricity, telecommunications, water, sewerage, gas and public lighting) within the current road reserves.
 - 4.1 Electricity will be supplied to each lot owner at at least 3% below the normal market value that a consumer may pay from any other electrical supplier.

- 5 Prior to undertaking any works in relation to the roads, including the above road works or the infrastructure works (collectively, the **Works**), Glen Ora will:
 - 5.1 obtain the required approvals from all relevant authorities including, but not limited to, the Defendant, Origin Energy, Powercor, VicTrack, Melbourne Water, NBN and City West Water (**Authorities**), including written assurances from the Authorities that they will take over ownership, maintenance and liability for the relevant Infrastructure upon compliance with terms and conditions of the required approvals;
 - 5.2 Glen Ora will not transfer ownership, maintenance and liability for any embedded electrical works to Powercor or to Brimbank Council.
- 6 Glen Ora will obtain any required approvals from the Commonwealth Department of the Environment to undertake the Works within the Solomon Heights Estate Southern Section, including but not limited to clearing any protected native vegetation and the provision of offsets.
- 7 Glen Ora is expected to:
 - 7.1 obtain all approvals required for the Works including the approvals referred to above, by no later than 3 May 2022; and
 - 7.2 commence the Works by no later than 3 May 2025; and
 - 7.3 complete the Works to the satisfaction of all relevant Authorities by no later than 3 May 2026.
- 8 Glen Ora will not be responsible for the provision of garbage collection services to lot owners in the Solomon Height Estate Southern Section.
- 9 Glen Ora proposes to carry out the works in stages. Each road will be a separate stage.

FINANCIAL MATTERS


As you would appreciate, this is a very high risk venture by Glen Ora. We believe that it is necessary that you have a clear understanding of our commercial motives. For the sake of transparency, we set out herein what we believe is the relevant financial information that relates to our proposed works.

- 10 The lot owners are under no obligation to enter into any contracts with Glen Ora for the provision of infrastructure services.
- 11 The lot owners will, however, be obliged to pay to Glen Ora, prior to the connection of electricity, monies based upon the following formula:
- 11.1 Base cost – this is the cost that Glen Ora will incur in the abovementioned road and infrastructure works. This refers to the actual cost in building the roads, drainage, gas, electricity, NBN, and environmental offsets and/or charges imposed by local, State, and Federal governments.
- The data on these costs will be available to any lot owner who wishes to connect to the infrastructure.
- Our current estimates of this cost to each lot is around \$90,000. There are many variables. Clearly, we have to ensure that the work that we do will be attractive for you to enter our proposal.
- 11.2 Profit margin – we believe that a fair and reasonable sum that Glen Ora is entitled to charge above the base cost to cover our risk and to ensure a fair and reasonable return is 30%.
- 11.3 Regarding maintenance of the roads and infrastructure, we would be charging the cost of maintenance, plus 3.5% per annum.
- 12 Ideally, there should be an owners' corporation set up to manage the infrastructure. This is our preference. It is a matter that is open to discussions at a later date.
- 13 You are clearly free to sell your land with or without a connection. This proposal creates no legal restriction upon your rights to do so.

We will contact you after the court case has been heard and advise you on the outcome. If we are unsuccessful, Glen Ora will be liable to pay to Brimbank Council the cost of the court case. We have no clear picture on what happens to the land in the event we are unsuccessful.

Please feel free to call us at any time.

Yours Faithfully,



R D Silverstein
Director, Glen Ora Estate Pty Ltd