

Glen Ora Estate Pty Ltd

ACN 004 118 674

Incorporated 14 July 1925

Our Reference: RDS/LTM

Lot Owner of Solomon Heights

4 CORONATION STREET
WEST BRUNSWICK VIC 3055

TEL: (03) 9387 9466

MOB: 0411 471 850

EMAIL: liberia@optusnet.com.au

WEB: www.glenoraestate.com.au

BY EMAIL

Monday, 25 June 2018

RE: Your Response and Enquiries to our Letter dated 6 June 2018

Dear Lot Owner,

We have had a number of queries, both by way of telephone and by email, in response to our letter to you dated 6 June 2018. For ease of convenience, we believe that a circular letter should be issued to answer those queries.

Query 1: With regards to a gated community

- a) Being an industrial area, how will the suppliers and customers of businesses that have set up in Solomon Heights be able to access these businesses if there is a remote controlled gate at the entrance?
- b) As there will be trucks delivering to businesses in the estate, will the roads that terminate at Whitehill Ave have facilities for these trucks to turn around (eg: cul de sacs).

Response:

a) Assuming that Glen Ora is successful in the court case, no construction of gates or any other infrastructure works can commence until consent is given to those works by the Commonwealth Minister for the Environment and Energy. Assuming such consent is given, Glen Ora will construct a fence around the perimeter of the land with access given to the lot owners by way of an electronic remote. Once construction of the infrastructure is complete, the gates will be removed.

b) There will be no cul de sacs at the intersection of the private roads and Whitehill Avenue. Trucks will have to do a 3-point turn. The reason for this is because of a requirement by the Commonwealth that there should be little or no disturbance to the spiny rice flowers that are present along the lots to the north of Whitehill Avenue, and hence we are unable to extend the road to create a cul de sac.

Query 2:

Has Brimbank Council permitted Glen Ora to tap into City West Water-approved water connection in Munro Avenue to the east of the railway line?

Response:

Brimbank Council have refused to allow access to that water supply for numerous reasons. A copy of our application to tap the water and Council's response is available on request at no charge.

Query 3: How will the infrastructure occur if Glen Ora does not proceed?

Response:

Council has two possible mechanisms should it decide to proceed with the creation of roads, drainage, and infrastructure.

Mechanism A – Council borrows the necessary funds or uses its own source of funds to build the infrastructure. We estimate that the cost per lot is approximately \$90,000 per lot. There are 230 lots for a total of \$20.7 million.

Mechanism B – Under the *Local Government Act 1989 (Vic)*, there is a provision for what is called a 'special rate'. To assist your understanding in this matter, I enclose the relevant provisions in this letter, being sections 163 and 163B. I draw your attention to section 163B(6). This means that if the majority of ratepayers do not agree to a special rate, Council cannot impose such rates upon the landowners.

Council has never given any indication as to whether it proposes to use either mechanism, or some other scheme, and in particular, when such scheme would be implemented, and what would be the economic impact upon individual landowners.

You may wish to write to Council on this matter. We have no knowledge of Council's plans for the area. We do know that this matter has gone on for many years with many consultant reports, none of which have been able to provide answers to the above.

Query 4:

What alternatives are there to a lot owner who does not wish to participate in the payment of services to Glen Ora?

Response:

The Glen Ora scheme does not impose upon any landowner any legal obligation to contract for the provision of infrastructure services with Glen Ora. In reality, this means that the roads and drainage would be created without any financial obligation upon a landowner to pay for that work. We have already addressed the cost issue in previous correspondence.

Query 5:

What security will Glen Ora obtain from the individual landowners for the provision of infrastructure services other than roads and drainage?

Response:

A registered first mortgage for three years from the date you make the request to connect to infrastructure services (save for roads and drainage). We have already indicated to you that 100% of the finance will be made available to you on a non-recourse basis at 7.5% interest per annum, cumulative. That first mortgage will secure the out-of-pocket expenses that Glen

Ora has necessarily to incur to construct all the infrastructure, plus a 30% profit margin. To avoid any doubt in this matter, you are not obliged to sign any documents with Glen Ora.

Query 6: Is a discount available on the profit if a lotowner enters this scheme at the early stages?

Response:

Yes. We intend to offer a discount to lotowners who enter into this scheme within 3 months of the decision of the case, assuming it is in our favour. We will shortly advise you of the discount.

Query 7: Can I clear my land without the consent from the Commonwealth?

Response:

No. Under the *EPBC Act 1999* section 18(1)(a), there are strict environmental rules that prohibit any lot owner, including Glen Ora, from carrying out any activity which would have a significant impact upon the environment. A copy of this provision is enclosed herein.

However, this area is currently subject to a Strategic Assessment Agreement between the Commonwealth and Glen Ora, a copy of which is on our website. This agreement provides Glen Ora with a mechanism for Glen Ora to clear and develop the land. Glen Ora will carry out all the necessary obligations under this agreement in the shortest possible time period.

In reality, we are trying to finish a matter that started 91 years ago and hopefully provide a market-led solution that would be a benefit to all parties. We believe that what we plan to provide gives you certainty and hopefully, substantial profit.

Please feel free to contact us if you have any further queries.

Yours Faithfully,



R D Silverstein
Director, Glen Ora Estate Pty Ltd