

Glen Ora Estate Pty Ltd

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Incorporated 14 July 1925

Our Reference: RDS/LTM Lot Owner
Solomon Heights
Sunshine North VIC 3020

Wednesday, 2 October 2019

RE: Your property/ies at Sunshine North VIC 3020

BY EMAIL

Dear Lot Owner,

Glen Ora is in the process of having negotiations with CityWest Water to change the sewerage system from gravity sewerage to a high pressure system. If successful, this will result in very substantial cost savings to the lot owners. It is possible that the cost savings could be in the order of between \$10 000- \$15 000 per lot. We would expect negotiations to take another 4-6 weeks. CityWest Water normally desire that a gravity sewerage system be installed instead of a pressure system. Our engineers have advised us that some of the sewerage pipelines would have to be 5 metres deep. In the North Sunshine area it is apparent that there is a very high rock content on or near the subdivision. This can result in a very expensive infrastructure cost.

There are also ongoing negotiations with CityWest Water for the location of an alternative source of supply of water. The current drawings show water to be sourced from Bunnett Street and from a pipeline underneath the railway line. We are trying to avoid drilling underneath the railway line and seeing if it is possible to connect into the subdivision to the east. If this can be achieved this will also result in further cost savings.

Realistically both these matters are expected to take another 4-6 weeks before we have any definite result. Our up-to-date figures on the environmental offset in the south are now currently around \$19 000 per lot, whereas in the north they are now at around \$26 000 per lot. These costs exclude the costs for the infrastructure. We will not be in a position to advise you of the approximate cost until we reach an agreement with CityWest Water on the type of connection for sewerage and the location of the services for water.

We have previously reached an agreement with CityWater for the provision of water and sewerage, however we now believe that we may be able to substantially reduce these costs by entering into a new agreement with CityWest Water.

Glen Ora expects to award the contract for the design of the embedded network on a stage basis within the 3 weeks.

In essence, there are 3 major steps prior to construction.

1. Agreement with CityWest Water for the provision of sewerage and water.
2. Finalisation of the electrical design.
3. Compliance with the Commonwealth in respect of the matters referred to in the Strategic Assessment Agreement.

In respect of the development of the northern area, no progress has been achieved by Glen Ora. We have no idea on council future objectives and planning.

The development of the southern area is not dependent upon the development of the northern area.

Regards,

A handwritten signature in blue ink, appearing to read 'R D Silverstein', with a stylized flourish at the end.

R D Silverstein

Director, Glen Ora Estate Pty Ltd