

30<sup>th</sup> April 2014

Mr Ken Diehm

CEO City of Greater Geraldton

PO Box 101

GERALDTON 6531

Dear Ken,

**RE: TOWN TOWERS, 25 CATHEDRAL AVE, GERALDTON**

Further to our recent discussions, we can confirm that we have now completed plans for the proposed new Apartment Hotel at the above address. These will be lodged for a revised DA over the next few days.

Finance is close to finalisation (subject to a satisfactory valuation) and the construction is being costed at this time.

In order to proceed with the next phase, we require a Valuation to provide to the Bank. As part of this process, the Valuer will require the project costs and the ongoing running costs.

With this in mind, we now need to finalise the Council's agreed contributions, before the Valuer can complete his valuation.

As discussed previously, this project is marginal and to proceed, we require all of the following:

- Council will not charge any rates or taxes on the building for the first five years of operation.
- Council will provide assistance wherever possible to facilitate this project in a timely and efficient manner.
- Council will not charge any DA or Building License fees in relation to this building
- Council will cede title of the "overhang land" (subject of recent negotiations) and at no cost
- It has come to our attention that a large portion of the 'demolition costs' (to get the building ready for refurbishment) is the 'tipping fees'. We request that Council reduce these (preferably to nil ) to assist in reducing the overall demolition cost.

Whilst we accept that Council is unable to commit to finding a tenant for one, or more, of our ground floor tenancies, we will appreciate Council considering this matter on our behalf.

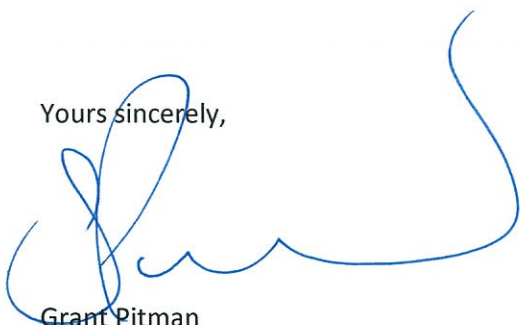
Ken, you will note that we have done everything that we said we would to push this project forward. We are committed to completing the project and will do so with Council's assistance.

You will note that we have attached a proposed Project Timeline for your information.

Unfortunately, we cannot do much more until we have Council's written commitment, so your feedback in the near future will be greatly appreciated.

Please contact myself, or David Henry from my office, should you have any queries. His number is 0424 160 797.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Grant Pitman', with a large, sweeping flourish extending to the right.

Grant Pitman

(On behalf of Makesum Investments WA Pty Ltd

C/- Property Matrix Pty Ltd

Unit 4, 136 Stirling Hwy

North Fremantle, 6160)

CC: Mick Foulds