

3 August, 2010

Mr Mark Watson
EGC Custodian Services
L14, 345 George St
SYDNEY NSW 2000

Dear Mark,

As per your recent request, I have checked back through my diary notes etc as far as possible regarding the communications which have taken place with the owner Mrs Angelina Rando and family at 255 & 257 Lane Cove Road North Ryde.

Please find attached a brief report in chronological order which is correct as far as memory and notes will allow. I hope this is of assistance.

Kind Regards
Ray White North Ryde

Christine Gallagher
Sales Director

2003

In early 2003, as a result of their property purchases in the area, I became aware of EGC Custodian Services and their interest in the North Ryde location.

At the time I entered into discussions with Mark Watson of EGC, who explained the group's aspirations for increasing residential density close to the new rail station nodes, which were to be built as part of the proposed Epping to Chatswood Rail Link.

Under the instruction of Mark Watson I began to assist EGC by approaching the owners of properties in strategic locations i.e Epping Road, Lane Cove Road, Allengrove Crescent, Morshead St and Ryrie St.

This arrangement with EGC resulted in the purchase of a total of seven local properties for the year. The home owners were keen to take advantage of the direct purchase approach and seemed to be pleased at the prospect of moving from the main road locations.

2004

I spoke with Mr Joe Rando regarding his own property at 122A Epping Road which resulted in a direct sale to EGC. This interaction marked the beginning of EGC's attempts to purchase Mr. Rando's mother's house at 255/257 Lane Cove Rd.

The initial response was that, whilst it may be a wise financial decision in light of future plans for the area, the sons were afraid to upset their elderly mother through recommending that she should sell the family home. Two of the sons were keen to sell and commented that when this house was built, Lane Cove Rd was just a normal narrow road. A third son (Jim), in his late 40's who resided in the property with his mother was less keen.

As the mother was found to be in her late 80's EGC elected to leave the offer to purchase 'on the table,' and leave it to the sons to broach the matter in their own time with their own mother.

2005

During the following year of 2005 further homes were purchased by EGC in the Lane Cove Rd/Epping Rd location, bringing the total to 13. At that time there appeared to be some form of connection between the Rando family and one of the properties purchased (3 Allengrove).

This provided an opportunity to once again put forward the possibility of the purchase of the Rando property at 255/257 Lane Cove Rd.

At the time I called by the property and had a casual meeting with both Jimmy & his mother Angelino Rando. The meeting went well and a friendly relationship was established.

Ray White

North Ryde

I was however informed that, regardless of the ever increasing traffic noise and road pollution coupled with all the talk of above market-value offers..... Mrs Rondo was not interested in moving from the property.'

Again it was decided by EGC that a 'gently-gently' approach was in order and that the sons were the best people to deal with their own mother's wishes.

Staying in periodic contact, by occasional/casual meetings and phone calls, mostly through Joe Rando, I continued to maintain the family's awareness of the EGC offer to purchase their property (above market offer).

2006

EGC purchased a further three 3 properties in this particular location for a total of 16 contiguous properties. The only remaining property in this land consolidation was the Rando's home at 255 and their adjoining empty block at 257 Lane Cove Road.

2008

This situation continued until 2008 when at the request of EGC I again organised a meeting, with Joe Rando. At this meeting Mark Watson of EGC explained that his group had acquired all the surrounding properties and it was their plan to redevelop the site. He also expressed that it was a difficult situation because his group certainly do not want to be forcing their elderly mother out of her home etc. Mark went on to convey that his group felt that they had reached a point of critical mass and could justify a redevelopment on the consolidation that had already been achieved. But that in the interest of amicable dealing they would still be prepared to offer an above market price for their mother's home.

At the time Joe Rando expressed frustration because he believed it represented a very good financial outcome for the family. He explained that both he and one of his brothers, Mr Peter Rando understood and were receptive to the offer. Their hands were, however, tied by the unfortunate situation with Mother and brother Jimmy who, whilst owning other properties, were not prepared to move.

At that particular meeting it was agreed that a further meeting between all three brothers was appropriate.

This meeting was held at the offices of Ray White North Ryde during the Queens Birthday weekend in June 2008. The office was closed, providing the privacy that the brothers required.

A verbal offer of \$1.2 m exclusive of any further costs was made. At the time this was above market value. Again we were told by Jimmy Rando that his Mother was not interested in moving. 2010

In July Mark Watson reactivated his groups attempts to treat with the Rando family and their property at 255/257 Lane Cove Rd, North Ryde by issuing a formal letter of offer at an above market value of \$1.45m.

Ray White

North Ryde