

18 June 2010

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Dear Sir / Madam,

I have worked in the Real Estate industry for over 27 years and I have operated as the Principal of my office in excess of 22 years.

On 1 October 2007 I was engaged by Lewisham Estates Pty Ltd for the purpose of acquiring the properties listed below for amalgamation and redevelopment with the site at 78-90 Old Canterbury Road Lewisham.

In regard, I made enquiries to the owner/s of the following properties:

2, 4 & 6 William Street Lewisham
70 Old Canterbury Road Lewisham
66 Old Canterbury Road Lewisham
64 Old Canterbury Road Lewisham
60 Old Canterbury Road Lewisham

I wrote to all parties (copies of letters attached) except for 2,4 & 6 William Street whom I visited in person. 2-6 William Street is occupied by a family owned and operated stone masonry business, and I met with 2 brothers namely Vincent & Joe Calogero.

The Following responses were noted;

- 70 Old Canterbury Road Lewisham

Mrs Tina Barron (Rosina)

After lengthy discussions with Mrs Barron she explained that her youngest child was still completing high school and she had no intention of moving even if offered in excess of the market value.

- 66 Old Canterbury Road Lewisham

Mr Alan Lee

Mr Lee's response was also that he was not interested in selling, however, he would contact me if there was any changes, he stated he was happy with the property as he was using it as an investment. When I explained that the interested party may offer in excess of \$100,000-\$200,000 above market value, he stated he still would not be interested.

- 64 Old Canterbury Road Lewisham

Margaret Mariss Reas (Isabel)

Ms Reas stated she had absolutely no interest in selling even if offered higher than market value. She had recently renovated and was very comfortable.

- 60 Old Canterbury Road Lewisham

Elizabeth Anne Whittaker

Ms Whittaker was not home however responded by telephone to my business card and letter that I had left under her door. She also stated she had no interest in selling even above market value.

- 2, 4 & 6 William Street Lewisham

I visited Vince and Joe at William Street in the workshop at the rear of the property. Vince and Joe said they would think about a price and get back to me. I suggested a price of \$2.5 Million for the properties and they did not appear interested. I asked them to have a think about it and let me know. No further contact was made by either of the brothers.

During May 2009 I revisited the above properties and letters were sent to all parties (copies attached).

- 2, 4 & 6 William Street Lewisham

I was contacted by Vince and Joe Calogero and they wished to meet. A proponent from Lewisham Estates Pty Ltd and myself visited the brothers once again at their William Street factory where they showed us their operation.

When we arrived at the issue of purchase price I once again suggested that \$2.5 Million for the 3 properties was a reasonable figure. However, both parties said no it would have to be a higher figure to entice them to sell.


We then suggested a figure of \$3 million, however, we were again advised that the figure would have to be considerably higher. I requested that the brothers give us an indication of what figure they had in mind and the answer was \$10 Million. We explained to them that this part of the development would realise a total of \$12 Million in sales once completed and it would not be economically viable to purchase their property for \$10 Million. The Calogero brothers reiterated that a purchase price of \$10 million is required to entice them to move.

- 60 Old Canterbury Road Lewisham —Ms Whittaker was adamant she did not want to relocate and did not want to discuss the matter any further.
- 64 Old Canterbury Road Lewisham —Ms Reas' advised that if others were to sell then she would reconsider selling but until that time came Ms Reas requested that we do not contact her.
- 66 Old Canterbury Road Lewisham – Mr Lee was not interested in discussing the sale.
- 70 Old Canterbury Road Lewisham – Mrs Barron communicated that it would have to be a big price or she would not be interested in selling. I suggested a purchase price of \$1 million and I was advised by Mrs Barron that the figure would need to be larger. I explained that comparable properties in the area were selling in the order of \$700,000 and that \$1 million was well in excess of market value. Mrs Barron stated that she was not interested in selling at that price.

After going through the process of writing letters, making telephone calls, attending properties in person and organising personal meetings with the relevant parties, we were unable to negotiate a sale term with any of the parties mentioned above. The resistance from existing owners could not be overcome even with proposed purchase prices that are well in excess of normal market value for the locality.

If you require any further information please do not hesitate to contact me.

Yours faithfully,
ELDES BANKSTOWN



Joseph Mouwad
Managing Director