

[Insert purchaser's letterhead]

June 2019

To: Each registered proprietor of Lots 1 to 22 in Strata Plan 85425 (1-22/84-86 Albert Avenue, Chatswood)

By mail

Dear Owners

Offer to purchase

Property: 1-22/84-86 Albert Avenue, Chatswood

Vendors: The registered proprietors of each of the Properties

Purchaser: MPGAU Pty Limited

We are the property developer which owns the neighbouring apartment block located at 3 Ellis Street, Chatswood being Strata Plan 2715. We are the owner of each of the apartments in that apartment building.

Purpose of Letter

The purpose of this letter is to make an offer on the terms set out in this letter for the purchase of each of the properties within lots 1 to 22 in Strata Plan 85425.

Background to this offer

As you would appreciate, this area is undergoing change. The site itself is zoned R4 - High Density Residential under the Willoughby Local Environmental Plan 2012.

The alternative if we are unable to purchase the Property is that our client will need to continue with its planning proposal (and development application in the future) which includes concept plans for a 15 level residential flat building, with 14 levels of residential units and the ground level containing vehicle access and services, at 3 Ellis Street.

As demonstrated by our client's planning proposal (Planning Proposal 2018/0010), this design is feasible without the inclusion of the Property in our development site. However, we would like to include 1-22/84-86 Albert Avenue into a further planning proposal and subsequent development application if agreement can be reached.

In our view, this opportunity and the below terms provide owners with a fair and reasonable process to reach an agreed purchase price, and if agreements are reached will also provide for an optimum planning solution so the two sites can be developed together.

Offer to purchase

Against the above background, we offer on the terms set out in this letter to purchase each of the properties within lots 1 to 22 in Strata Plan 85425.

1.	Purchase price	The total purchase price is \$ [insert total amount] exclusive of GST (if any). The price payable for each Property is calculated in accordance with the unit entitlement applicable to that Property on the registered strata plan as depicted in the
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		<p>schedule of unit entitlements on the common property title search of Strata Plan 85425. The amounts are calculated and set out in the attached table.</p>
2.	Exclusive Due Diligence	<p>The Vendors grant the Purchaser a 60 day period commencing from the date on which all of the Vendors have signed this letter and ending 60 days after that date (Exclusivity Period) during which the Vendors must deal with the Purchaser exclusively and not offer or solicit any negotiations, discussions or arrangements or proposals in relation to the Properties and must keep strictly private and confidential the existence and content of the negotiations and this document. The Vendors may disclose information, in confidence, as required by law or to its solicitor or accountant in strict confidence and, in all other cases, with the prior written consent of the Purchaser. During the Exclusivity Period, the Vendors:</p> <ul style="list-style-type: none"> (a) must provide and/or make available to the Purchaser all relevant information, records, planning permission, search reports, approvals, correspondence and such other documents which the Purchaser requires for the purpose of conducting and completing a due diligence exercise on the Property which are in the Vendors' possession or control and a financial feasibility study on the development of the Properties; and (b) must, and must cause its other related companies, associates, employees, officers, agents or advisers to, not approach, solicit enquiries from, or discuss, correspond or transact in relation to, any option, the sale, transfer, lease or encumbrance of, or any other transaction or arrangement to develop or otherwise deal with any of the Properties with any person except the Purchaser.
3.	Contract negotiation	<p>The parties must use reasonable endeavours to negotiate and agree on the contract sale documentation during the Exclusivity Period, so that those documents contain the terms set out in this letter and not introduce any material commercial terms in negotiating the documentation that depart from the terms set out in this letter (for example, an increase to the purchase price or option fee that is not set out in this letter).</p> <p>The Vendors agree that the obligations in clauses 2, 3 and 7 of this letter are binding on them and agree that each of their executors, administrators and assigns are also bound to those clauses in this letter, and that the contract sale documentation will be binding on them once/if entered into. However, despite anything else in this agreement, the Vendors are not bound to sell the Properties (and Purchaser not bound to purchase the Properties) until such time as (and if) formal contracts are exchanged between the parties.</p> <p>The Purchaser agrees to instruct their solicitor at their cost to prepare the contract sale documentation and issue a draft Contract to the Vendor's solicitor as soon as reasonably practicable <u>within 10 business days after receipt of a copy of this letter signed by all of the Vendors</u> (save for any prescribed documents which have been ordered but are still to be returned by the relevant authority).</p>
4.	Deposit	<p>The Deposit payable under the Contract is the amount equal</p>

		to 10% of the purchase price and payable into the trust account of the Vendors' solicitor and held pending completion.
5.	Settlement period, interdependency and nomination	Settlement of the sale contracts is to take place 90 days after the date of exchange of Contracts. Each of the Contracts will be interdependent with each other, with the intent that the Purchaser is granted rights over the entire strata plan consisting of all of the Properties. In the event that there is a breach or right to terminate or rescind any of the Sale Contracts, the, Purchaser may exercise its rights in relation to the breach, terminate or rescind the other Sale Contracts (as applicable). Settlement of the Contracts must take place simultaneously. This condition is for the benefit of the Purchaser and protects its legitimate interests.
6.	Insurance	The Vendors are responsible for insuring the Properties until settlement.
7.	Access	The Vendors will provide the Purchaser and/or their agents and representatives access to the Properties in order to undertake investigative works during the Exclusivity Period. The Purchaser must make an appointment with the Vendors for access which the Vendors must grant within 2 business days (or such later time required to comply with the minimum notice periods to obtain access under the Residential Tenancies Act 2010) after a request and act expeditiously and practically and exercise its rights under any residential tenancy agreements in relation to such access. The Purchaser during access must hold a public liability insurance policy in respect of its business and provide a certificate of currency of that insurance to the Vendors' solicitor before it accesses the Properties. The Purchaser accesses the Properties at its own risk and indemnifies the Vendors in relation to loss, damage, injury or death suffered as a result of the Purchaser (or its agents or representatives) accessing or using the Properties. Up until completion of the Contract, the Purchaser is entitled to access on similar terms.
8.	Consents to Applications	The Vendors must sign an appropriate consent letter to enable the Purchaser to lodge a planning proposal, development and construction certificate applications and negotiate the terms of a planning agreement at any time required throughout the term of the Contract until settlement. The Vendors will not object to any of those applications lodged by the Purchaser or the entry by the Purchaser itself of a planning agreement. The Vendors will allow a sign to be erected in relation to the applications and proposed developments.

If you accept the above terms, please sign against the description of your property on page 5 and return this to MPGAU Pty Limited at the address indicated on the first page of this letter.

A draft version of the Contract will be issued within 10 business days of receiving the signed execution page from all Vendors as set out in clause 3.

Signed by

under s.127(1) of the
Corporations Act
2001

sign

sign

office (director)

office (director or secretary)

full name

full name

Address	Owner	Unit Entitlement	Title Reference	Total Payment (GST-exclusive)	Signature/s	Date
1/84-86 Albert Avenue, Chatswood			1/SP85425			
2/84-86 Albert Avenue, Chatswood			2/SP85425			
3/84-86 Albert Avenue, Chatswood			3/SP85425			
4/84-86 Albert Avenue, Chatswood			4/SP85425			
5/84-86 Albert Avenue, Chatswood			5/SP85425			
6/84-86 Albert Avenue, Chatswood			6/SP85425			
7/84-86 Albert Avenue, Chatswood			7/SP85425			
8/84-86 Albert Avenue, Chatswood			8/SP85425			
9/84-86 Albert Avenue, Chatswood			9/SP85425			
10/84-86 Albert Avenue, Chatswood			10/SP85425			
11/84-86 Albert Avenue, Chatswood			11/SP85425			
12/84-86 Albert Avenue, Chatswood			12/SP85425			
13/84-86 Albert Avenue, Chatswood			13/SP85425			
14/84-86 Albert Avenue, Chatswood			14/SP85425			

Address	Owner	Unit Entitlement	Title Reference	Total Payment (GST-exclusive)	Signature/s	Date
15/84-86 Albert Avenue, Chatswood			15/SP85425			
16/84-86 Albert Avenue, Chatswood			16/SP85425			
17/84-86 Albert Avenue, Chatswood			17/SP85425			
18/84-86 Albert Avenue, Chatswood			18/SP85425			
19/84-86 Albert Avenue, Chatswood			19/SP85425			
20/84-86 Albert Avenue, Chatswood			20/SP85425			
21/84-86 Albert Avenue, Chatswood			21/SP85425			
22/84-86 Albert Avenue, Chatswood			22/SP85425			
	Totals					