

April 29th 2018

Tamara Brezzi
 Norton Rose Fulbright Australia
 Level 15, RACV Tower,
 485 Bourke Street, Melbourne, Australia

Dear Tamara,

RE: 60-82 JOHNSON STREET, SOUTH MELBOURNE

I refer to the above property and confirm our intention to further develop the site generally in accordance with the current permit. We settled the purchase of the site in March 2017 and immediately after commenced work on site to discharge condition 48- "Contaminated Land". As you are aware this takes considerable time and is the key driver to starting the main construction works as without the environmental audit no works can commence.

To-date Salvo has made a significant investment of over \$2.1 million in developing the scheme, remediating the site, obtaining an environmental audit certificate and commencing initial works onsite. I confirm the Salvo has undertaken the following:

Investment Area	Description	Investment
Detailed Design	<ul style="list-style-type: none"> - Engaged Rothe Lowman to further develop the plans for endorsement. - Engaged Rothe to commence detailed design coordination with consultants as part of s.72 amendment that is to be submitted in the coming week. - Engaged WSP to perform a detailed review and recommendation for the building structure including but not limited to pile design, site retention and documentation of a hydrostatic slab - Engaged Golder Associates to complete a detailed geotechnical investigation of the site to support WSP pile design - Engaged WSP to provide preliminary designs for hydraulic, mechanical, electrical and sustainability including Spacials. - Engaged Mel Consulting to complete a wind report to include with the endorsement set of plans - Engaged Traffix Group to complete a detailed traffic study - Engage du Chateau Chun as the building surveyor. 	\$1,696,000

Investment Area	Description	Investment
Environmental Remediation	<ul style="list-style-type: none"> - Engaged Connolly Environmental to commence the audit process including completing environmental remediation works onsite to support the CUTEP Process - Engaged Delta Construction to complete removal of contaminated soils onsite. - Engaged Australian Environmental Auditors to commence works with Connolly Environmental as part of CUTEP process. 	\$320,000
Construction Contract	<ul style="list-style-type: none"> - Engaged WT to provide pricing and recommendations relating to recommendation of WSP. - Commenced Work on early works contract preparation internally. 	\$20,000
Sales and Marketing	<ul style="list-style-type: none"> - Commenced marketing and sales planning including developing branding concepts, interior finishes and project amenity design. 	\$100,000

We confirm that having sold more than 80% of our Palladium development on City Road, and with the commencement of construction imminent, our development team will be turning our attention to the Johnson Street project. We confirm that our full consultant team has been engaged since we purchased the site last year and once we receive stamped plans from our upcoming submission, we continue more substantial works onsite.

Salvo Property Group has a proven track record of delivering every project that it starts. We are proud of our reputation and therefore intend to continue the momentum we have built up over many years of development.

Should you or the department having any questions regarding our intentions and moreover the works undertaken to-date we invite you to contact us to discuss further.

Yours sincerely,



Colin MacKenzie
Development Director