

Stephen Hall

From: Peter Pardy [ppardy@apjlaw.com.au]
Sent: Tuesday, 18 October 2005 9:22 AM
To: Stephen Hall
Cc: Peter Pardy
Subject: Tattersalls Hotel

Stephen,

Archie Campbell completed his due diligence (including a financial due diligence) last Friday and has considered the matter over the weekend.

Archie instructs that he declines to proceed at the proposed price of \$3,000,000.00.

As you know, the financial information provided by the vendor was unsatisfactory. Reconstructed on a business basis, the financial projections do not justify the price of \$3,000,000.00. This combined with significant deficits to the building and foreshadowed and costly problems which will inevitably arise in relation to any future development applications for the building have caused our clients to withdraw at the above price.

Archie is prepared to enter into a competitive process should the vendor decide to proceed to public auction. Alternatively, I can indicate that Archie has a figure in mind which he suspects is less than the vendor's expectation. Archie is prepared to have a further discussion on this basis, should you wish.

Regards

PETER PARDY

[ppardy@apjlaw.com.au]

Ph. 02 6771 3255 Fax. 02 6771 4866

This email message and any accompanying attachments may contain information that is commercially confidential and/or is subject to legal privilege. If you are not the intended recipient, do not read, use, disseminate, distribute or copy this message or attachments. If you have received this message in error, please notify the sender immediately and delete this message. Before opening any attachments, please check them for viruses and defects.

7/11/2005