

FISHERMAN'S BAY MANAGEMENT PTY LTD

A.B.N. 64 009 806 258 A.C.N. 007 754 172

PROPERTY MANAGERS

TRUSTEE FOR FISHERMAN'S BAY PROPRIETORS

ALL CORRESPONDENCE TO:-
THE SECRETARY
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OFFICE HOURS: TUES. & THURS. 9AM to 3PM

12 August 2021

Dear Licensee/s

RE: Freeholding Update

We would like to thank all the Licensees that contacted our office since our last letter in June to ensure that their sales contracts were up to date in preparation for settlements, if you are still uncertain, please make contact with your Conveyancer.

In the last few weeks there has been a significant push to contact Licensees that have outstanding fire safety issues. As mentioned in our last communication, for those properties that are not fire compliant when the various stages of settlements commence, the properties that are not compliant will not be able to freehold their site. Fortunately, most Licensees are in the process of remediating their site, allowing boundary changes where necessary or demolishing their shack.

Regarding demolition, we had hoped that the State Commission Assessment Panel (SCAP) would have accepted a Licensee's statutory declaration committing to demolish a shack as sufficient to allow a title to be issued but unfortunately SCAP has recently advised that it will only do so once the shack is demolished.

If your property is not compliant and/or you intend to demolish your shack to meet the fire safety requirements, please contact our office as soon as possible.

FBM has formulated a staging plan that will determine the parcels of land that will be settled at various times over the coming months. Due to the complexity of the project and consideration that is required for the various construction phases for all the required infrastructure, the staging plan and roll out of various sections are not set in concrete. We can confirm our first six stages and they are as follows:

Stage 1	Lots 1 – Lot 22
Stage 2	Lots 23 – Lot 44
Stage 3	Lots 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 447, 79, 80, 81, 82,83
Stage 4	Lots 45, 46, 408, 47, 410, 48, 412, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64
Stage 5	Lots 152, 153, 154, 242, 243, 456, 244, 245, 246, 247, 231, 232, 233, 234, 217, 218, 219, 220, 221, 222, 223, 224, 225
Stage 6	Lots 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 272, 273, 274, 275, 276, 282, 283, 284, 285, 286, 287, 296, 297, 298, 299, 300, 301, 302, 303, 304

We know that many of you have been waiting for settlements to occur for many years now, and we do appreciate your patience. We request your understanding that our staging plan has been determined in a particular sequence relevant to the construction of the infrastructure. Requests for changes in the planned sequence will not be considered.

Instructions have been given to our surveyors to commence pegging, and this process will be occurring at different times as the stages of settlement progress.

The process to issue titles is relatively complex and requires the following steps:

- Prior to lodging the Plans of Division, Barunga West Council (BWC) and the State Commission Assessment Panel (SCAP) must indicate whether they are satisfied for each stage that the prescribed conditions have been satisfied.
- Once this has been done and SCAP is satisfied that any remaining conditions have been addressed, SCAP will issue a certificate under section 138 of the PDI Act for the relevant stage.
- When FBM is issued with a section 138 certificate the first stage of the Plan of Division can be lodged with the Lands Title Office (LTO) for settlement to occur.

FBM anticipates that these steps will occur over the next few weeks and expects to lodge the first Plans of Division approximately mid-September 2021. FBM is unable to confirm the duration of time between lodgement of the Plan of Division and settlements; we therefore suggest that you discuss this with your Conveyancer. Due to the process each deposit of plan requires we are unable to predict the period between plan deposits and duration of the entire settlement period, but currently our timeline indicates that it could possibly take six months plus.

FBM has engaged Kovich & Co, Legal Commercial Taxation Lawyer to make an application to the Commissioner of State Taxation seeking an ex-gratia relief in relation to stamp duty applicable to the Fisherman Bay shack area Freeholding project. The ex gratia relief, **if approved** by the Commissioner, will assist all Licensees at time of land settlement in the assessment of stamp duty applicable to their allotment. As it currently stands, stamp duty will be required to be paid based on the value of the land and the shack that occupies that land. A large percentage of Licensees have already paid stamp duty when they purchased their shack, and therefore we feel it is unfair that it should be paid again.

The application has been lodged with the Commissioner, but we are still waiting on the determination of the application. Should the application be successful your Conveyancer/Legal representative will be able to refer to the ex-gratia approval when assessing stamp duty on your purchase.

Unfortunately, if the application for ex-gratia relief is not successful, stamp duty will be required to be paid on the consideration/value of the land and the shack. Each purchaser may seek an individual assessment relating to their own circumstances and should discuss stamp duty with their Conveyancer/Legal representative.

Further, Four Points Conveyancing will notify Conveyancers that are dealing with Licensees who have been selected in the first 6 stages to prepare for the upcoming settlements. Notification will also be issued to those Conveyancers when FBM is in a position to lodge the Plans of Division with the LTO.

Any questions regarding your sales contract or requirements for settlement are to be directed to your Conveyancer.

Licence Fees

2021

Those Licensees who have entered into sales contracts, at the time settlement occurs, the Company will credit a part of the licence fee proportionate to the number of complete weeks remaining from Settlement until the end of the Term.

2022

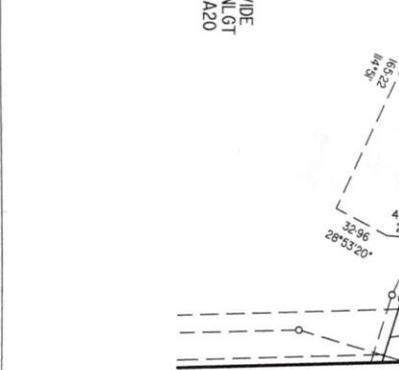
Due to the timing and sequencing of the land settlements expected to commence over the coming months, requiring us to keep the licence agreements in place until settlements occur on each allotment, we will still be required to invoice for licence fees commencing 1 January 2022.

In consideration of this we will provide an option for the licence fees to be paid in four instalments and again those licensees who have entered into sales contracts, at the time settlement occurs, the Company will credit part of the licence fee proportionate to the number of complete weeks paid up to.

Kind Regards,

Delegated Directors

FISHERMAN'S BAY MANAGEMENT PTY LTD



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ENLARGEMENT B9
 SCALE
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SHEET 9 OF 21
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