



An Overview of What We Now Have

Sanctuary Lakes Resort is a unique community in Victoria. It is probably the largest, centrally administered, sports, leisure and residential community in the State.

On completion, it will comprise more than 2,800 lot owners with a population likely to exceed 7,000. This is a community the size of a small country town.

The Resort is managed through two legal entities, Sanctuary Lakes Club Limited (the golf club) and Sanctuary Lakes Resort Services Limited (the residents).

Each house lot is part of an owners corporation. There are 40 owners corporations currently (December 2011) and this number will increase.

Control of both entities was originally with the developer but control is being transferred to residents and golfers in 2011 as the development is being completed.

The ability of the owners corporation structure through Sanctuary Lakes Resort Services Limited to formulate common positions across all owners corporations on the delivery of services is a critical factor in delivering and enhancing the vision that all lot owners bought into for Sanctuary Lakes.

Each of the owners corporations is a member of Sanctuary Lakes Resort Services Limited and all of the active owners corporations are participating.

A small number of owners corporations have not been activated through lack of involvement by their own resident members. Further efforts will be made to establish committees of interested owners at the annual round of owners corporations annual general meetings held each August.

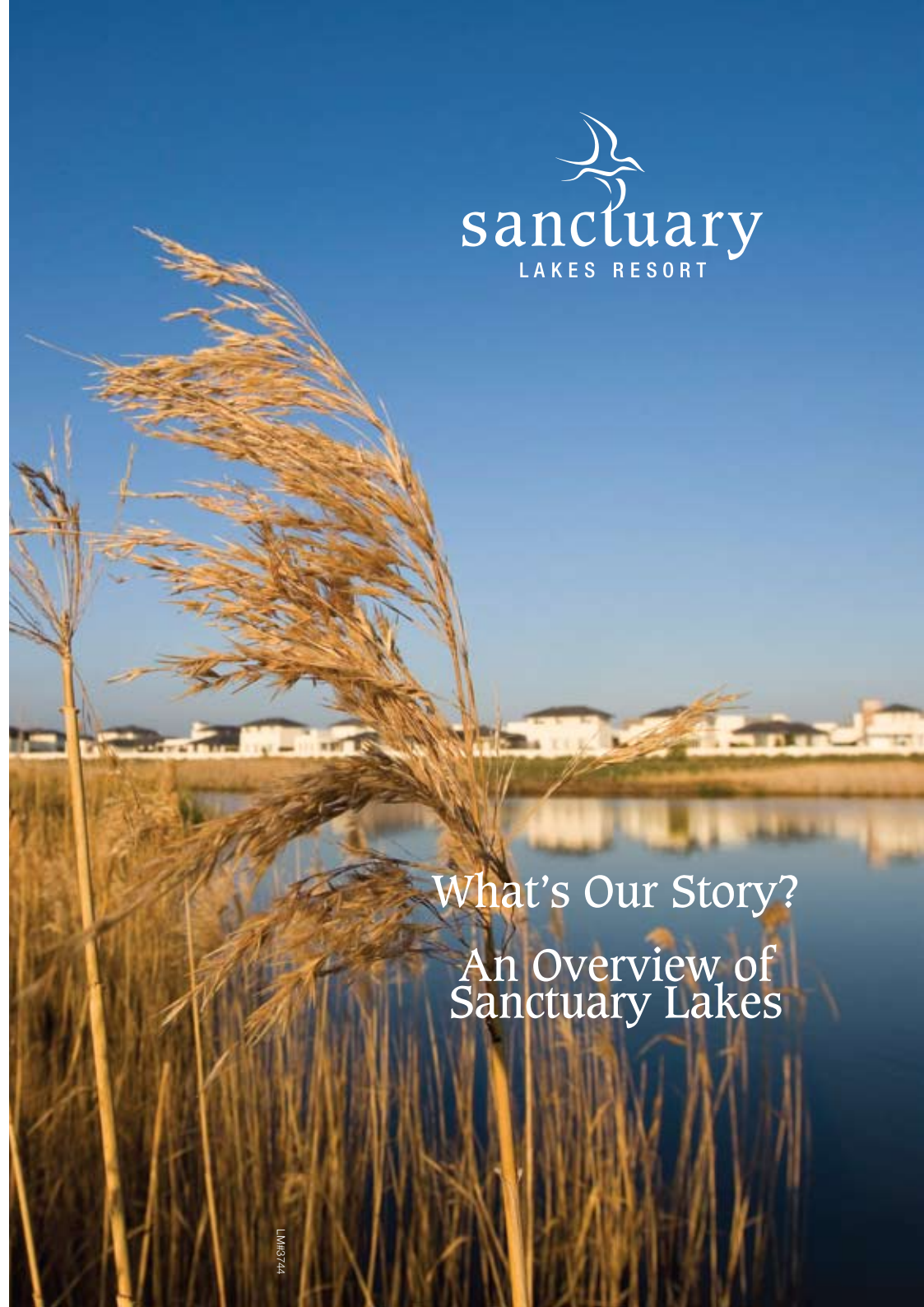


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Disclaimer
Refer to the "Quick Guide to owners Corporations at Sanctuary Lakes Resort" for an outline of how owners corporations operate. This is available as a brochure and is also available on the website:

www.sanctuarylakesresort.com.au

Call 9394 9400 for all enquiries



What's Our Story? An Overview of Sanctuary Lakes



The History of the Land

Sanctuary Lakes Resort is located in the Point Cook area of Melbourne, approximately 20km from the CBD. The development is located on the site of the former Cheetham Salt Works where a large scale industrial production of salt supplied Melbourne and Victoria for nearly 100 years.

The facility was closed in the late 1980s by the Cheetham Company leaving the site significantly altered from its natural state and making redevelopment options limited. As a result, the development of Sanctuary Lakes had to address a number of environmental and engineering challenges.

The water management regimes of the salt works caused them to become an important habitat for a wide variety of birds, including rare migratory birds. As part of the development agreement for Sanctuary Lakes Resort, 405ha of wetlands was gifted to the State Government as a nature sanctuary called Cheetham Wetlands which is managed by Parks Victoria. This has ensured its long term protection.

The story of what is now Sanctuary Lakes began when most of the land around Laverton and Point Cook was taken up in an early pastoral run held by William L. Quinlan from 1842-46 and known as Skeleton waterholes. The licence was transferred to William Drayton Taylor in 1849 and then to Alexander Irvine in 1850. In the 1850s the crown land was sold and Thomas Chirside purchased most of the blocks, establishing one of the largest freehold pastoral properties in the Port Phillip area.

By 1867 the Point Cook property had been reserved exclusively for horses, their breeding and racing being the Chirside's' major pleasure.

The Chirside's' connection ended when the property was sold in 1920 to Sydney Dalrymple. At this time the Chirside's' holding was being broken up with much of the estate being purchased by the MMBW for the Sewerage Farm.

The area of the swamp was purchased by A.J. Cunningham on behalf of Cheetham Salt in 1927 with later purchases around 1935 creating a re-subdivision and the present boundaries of the Cheetham land being established.

Richard Cheetham was born in Manchester, England in c.1836 and became a manufacturing chemist with some knowledge of the salt gathering industry in Southern Europe. He migrated to Australia in 1862 for health reasons but quickly saw the possibility of establishing a salt industry on the Victorian coast., starting first at French Island and then for a number of years at Geelong.

Cheetham and his associates in the venture had no surveying instruments or detailed engineering knowledge. Drains were dug and filled with water to obtain levels, and this data enabled wooden-lined channels to be constructed with an even fall of one inch over half a mile. Sluice gates to control the flow of water were designed so that the evaporation ponds were filled by the incoming tide and the salt-water trapped on the ebb-tide.

In 1924 Cheetham Saltworks Pty Ltd bought the northern part of the former Point Cook Pastoral Estate to harvest salt in man-made evaporative lakes. The first harvest was made in 1926 and only raw salt was produced until 1940 when a refinery was erected along with on-site accommodation for the employees and their families.

During the 1970s work at this site continued with only small capital outlays, although some rolling stock was refurbished. This period appears to mark the downturn of the site and the lack of expenditure on maintenance and improvements led to considerable deterioration of the channels and retaining walls of the salt pans.

Late in 1986 the decision was made to discontinue harvesting at Laverton as the salt-pans required extensive repairs. The refinery continued to process salt until about the early 1990s. The eastern part of the site containing the salt pans and the remnants of tramways and pumping station buildings within the City of Hobsons Bay became an extension of the Point Cook Regional Park, as 'Cheetham Wetlands', (managed by Parks Victoria) while the western part (situated within the City of Wyndham) was cleared and became the basis of Sanctuary Lakes Resort.

The History of Sanctuary Lakes Resort

Sanctuary Lakes Resort commenced as a development project in 1995.

Over 1000 acres was acquired and the land was administered and managed by a property development company based in Kuala Lumpur, Malaysia. With the assistance of local consultants, advisors and contractors, the project went full steam ahead and many milestones were completed progressively in the early years including the establishment of Victoria's largest owners corporation structure.

In 2002, the Malaysian developers sought to realise their investment in the project and negotiated an agreement with a syndicate of Australian based investors, Sanctuary Lakes Joint Venture, which comprised Links Living and the Roche family, a team very experienced in residential development, for an exclusive, non-cancellable right to develop the remaining development land and retain any development profits derived.

The new investors acquired a tranche of golf memberships in the Sanctuary Lakes Golf Club on the basis that the original owners would release the Club from a legal obligation to repay more than \$25 million of accumulated loans made to the Club since its creation.

Since 2002 the new investors continued to progressively roll out the remaining residential lots

and ensured that all new lots created were part of the owners corporation structure. This plus a significant annual cash subsidy and various grants provided by the new investors progressively strengthened the financial position of Sanctuary Lakes Resort Services Limited (SLRS). The direct subsidies ceased in June 2008 and SLRS is now fully funded by residents' annual contributions through their owners corporation levies.

Until 2011, the new investors held all board positions on both the board of Sanctuary Lakes Resort Services Limited and Sanctuary Lakes Club Limited. During that time, the new investor made all decisions concerning facilities and services. In 2007, the residents formed Sanctuary Lakes Residents Association Advisory Council (SLRAAC) with a representative from each owners corporation. SLRAAC provided a forum to hear ideas and concerns from residents and negotiate with the new investors on the long term operation of Sanctuary Lakes Resort. Much work was done cooperatively to prepare for the transition from developer control to a board made up of resident representatives. In November 2010, the Board gave the residents a delegation of authority to manage the day-to-day operations of SLRS as we worked together through the final stages of transition processes.