



17th May 2016

Chris Adams
Chief Executive Officer
City of Karratha
PO Box 219
KARRATHA WA 6714

Dear Chris

I would like to introduce myself and Discovery Holiday Parks Pty Ltd. I am the CEO and Founder of Discovery Holiday Parks (Discovery), the largest owner and operator of Caravan and Accommodation parks, with over 60 locations throughout Australia.

Discovery recently acquired the Aspen Parks portfolio, including two parks in the City of Karratha and one in the Town of Port Hedland. Discovery is excited at the opportunity of being involved in the local area, and we are committed to growing and contributing to the local economy.

Our Business Development Manager, Robyn Sefton, recently met with Karratha City staff, John Verbeek and David Pentz to discuss Discovery's support for the City's application to become recognised as having RV Friendly status. Our team is committed in assisting with this application by way of the below proposal, along with the opportunity to enhance tourism in Karratha. In this proposal we also seek support from the City of Karratha in consideration of a rate review for Balmoral Park and the cancellation of the current lease arrangement for the additional undeveloped adjoining land.

RV Friendly Proposal - Balmoral Park

Discovery propose to utilise Balmoral Park as the designated RV friendly stop over for Karratha.

The RV friendly site to be located within the park boundary, however, partitioned off with fencing from the main park at Discovery's cost (refer to Location Plan attached).

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Discover what matters.

The Balmoral Park site would provide to RV Guests:

- Designated sites for guest parking (many sites with existing slabs)
- Water
- Dump point facility
- Security - on site manager at Balmoral Park
- Defined fenced area for security - Cost to Discovery \$40k
- Access via Balmoral Road
- Reception area at Balmoral Park from 1st May to 31st August (tourist season)
- Promotional material regarding Karratha and surrounds from Reception
- Signage

Usage of the site would be restricted to:

- Self-contained RVs and caravans
- Maximum 2 night stay
- Charged \$10 / night - fees managed by and payable to Discovery Parks
- Optional - site to be open from 1st May to 31st August (tourist season) and closed for off-peak season, as gates can be locked

Proposed change to Balmoral Park Operations

A recent review of our operations of both parks in Karratha, highlighted an opportunity to streamline operations in the off-season. As such we intend to open our Balmoral Park as a tourist park in season only. Therefore, Balmoral would open from 1st May to 31st August each year (minimum) but would be extended pending tourist movements each season. This proposal will assist Discovery to remain viable to operate both parks in Karratha, and a more efficient management plan of our assets.

The Balmoral Park will retain an on-site caretaker throughout the year to ensure security of our assets, however, all administration and bookings will be centralised at Discovery Parks - Karratha (Pilbara Park) during the low tourist season.

Existing long term tenants currently residing at Balmoral, will be offered tenancy at Discovery Parks - Karratha; allowing Balmoral to focus on the requirements of tourist visitors to the region.

This will be advantageous as Discovery can market Balmoral as a destination park for visitors, specifically designing services, facilities and entertainment with a view to extending our guests' length of stay in the region.

Our plan includes improving guest facilities such as BBQ/ Camp Kitchen and conduct 'in park' holiday activities for guests; e.g. promote local tours, park events as BBQ's, pancake mornings, movie nights etc.

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With our Karratha parks becoming operationally optimised, guests will be offered a choice of accommodation and site options across both parks to suit their needs and also assist in efficient booking management. Therefore, both parks will be working as one and not in competition of each other.

I am sure that you agree this will be of benefit to the Karratha community as a whole, and with this in mind Discovery is seeking the following support and assistance from the City of Karratha.

Proposed Assistance

- Consideration by the City of Karratha toward the current yearly rate charge.
As Balmoral will be operating as a commercial business for only 4 months of the year, a reduction to our current monthly rates for the months not utilised by 70%. Rates for the months in operation (May to August inclusive) will remain consistent with current charges;
- Consideration toward the cancellation of the existing lease for the undeveloped land Lot 4210, located next to Balmoral Park and the proposed RV friendly site (refer to Location Plan attached);
- Discovery hold no future plans or desire to develop this land into a workers village. We would therefore, be willing to surrender the current DA for such accommodation.

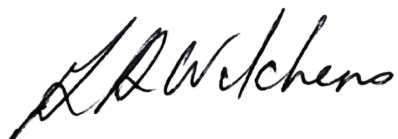
Discovery has made the above proposals to remain pro-active in retaining quality services to Karratha residents and visitors to the area.

We are all keen to finalise the proposal for the RV friendly site with the City, along with the proposed operational changes to Balmoral Park, so would appreciate the City's considerations regarding the above.

Robyn will be in Karratha this week and plans to meet with John and David on Friday, 20th afternoon for further discussions.

Look forward to hearing from you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Grant Wilckens', written in a cursive style.

Grant Wilckens
Chief Executive Officer