

Hollander-Govett Building  
90 New South Head Road  
EDGECLIFF, N.S.W.

July 4th, 1960.

G.J.Dusseldorp, Esq.  
SYDNEY, N.S.W.

Dear Mr Dusseldorp:

Since our talk last Tuesday night, I have been re-analysing our series of discussions and our relative needs, so as to discover the most mutually satisfactory basis on which we could agree to co-operate.

You require a many-sided series of services in research, analysis, planning and development promotion which would open up for you the most suitable and profitable development opportunities. My partners and I, on the other hand, would be glad of an opportunity to show what we can do on behalf of a group of companies with such high standards and aspirations as yours.

On mature consideration, it seems evident that neither our first written proposal, based on your informal statements at our talk on June 13th, nor your counter-proposal of last Tuesday night, provide mutually acceptable solutions to our joint organisational needs. Therefore my partners and I went back to first principles and listed what we felt your needs and wishes to be, namely:-

- (1) You require a constant availability of essential technical and professional services;
- (2) You would benefit from the services of an independent and respected professional group whose effectiveness in working on your behalf would be enhanced because of the group's known independence, and because of its contacts and experience with other clients and authorities;
- (3) You need to be able to rid yourself of the three of us if we do not live up to your standards and satisfy your requirements; while you remain satisfied, you need to be able to exercise a measure of supervision over our

activities;

(4) If, after an initial trial period, the venture is operating and producing work to your satisfaction, you will wish it to continue and to expand at an optimum rate in order to serve your increasing demands for specialised services of high quality;

(5) You will also then wish to ensure the lasting strength and vitality of the new organisation through a wide measure of delegation of responsibility and of recognition to key personnel and through a profits-sharing arrangement; You will wish to supervise and perhaps to retain the power of veto over future key personnel and shareholders.;

(6) If the venture grows and diversifies in these ways, then you must receive a substantial share of all resulting profits.

You have pointed out to us in discussion that the quality and durability of performance of men like ourselves rests most heavily upon notions of independence, self-respect and a belief in the worth-whileness of the work we are doing. This is true, not only of ourselves personally, of course, but also of those first-class men among our colleagues whom we may wish to draw into an extended partnership at a later date. Therefore you will understand that we must retain our present at least nominal independence in the business and professional practice which we have long been preparing for.

My partners and I recognise also, as you yourself have pointed out, that you will always possess the most real and effective power of control over us for as long as you are content that we should carry out work on your behalf.

Bearing your and our needs in mind, we have designed an organisational structure which we feel satisfies all of them in the simplest possible way. The structure we now propose is a modest one, but provides a sensible and flexible basis for expansion after what amounts to a "trial" period.

We have been at pains to minimise your risk of losing money by not proposing to start on too grand a scale, and by pledging all the assets and contracts of the proposed company against loss of any part of your initial guarantee. Furthermore, we are well aware of just how few properly trained and experienced people are available for the type of work proposed, and

we do not wish to court disaster by over-hasty expansion. The building up and welding together of a first-class group will be a longer rather than a shorter process.

Briefly, the proposal attached to this letter envisages a company established with only one class of shares at the outset. We have been unable to see the virtue or necessity for any more complex arrangement, although we have given the idea of two separate classes of shares every possible consideration. In effect, the proposal allows a trial period of fifteen months in which you may decide whether to withdraw your support and reclaim your investment, or whether to continue to support the company.

The attached proposal is submitted for your approval in principle.

I remain,

Yours faithfully,

W.G.Clarke for Clarke, Gazzard and Yeomans

July 4th, 1960.

**PROPOSED JOINT VENTURE IN REAL ESTATE RESEARCH, CITY PLANNING  
AND URBAN DESIGN.**

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1. It is proposed to form a proprietry company to own and conduct the venture. The company will have an authorised capi-  
capital of, say, £5,000, divided into 5,000 £1 ordinary  
shares, each having equal voting and dividend rights.  
Initially, it is proposed to have a paid-up and issued  
capital of a more or less nominal sum of, say, £100 only,  
which would be contributed equally by four persons, namely,  
your nominee, together with Clarke, Gazzard and Yeomans.  
Each of these four would be allotted twenty five shares  
each. The first directors of the company would be the  
four first shareholders. Your nominee would be Chairman  
of Directors and have a second or casting vote.

2. It is proposed that the new company enter into a formal  
Agreement with you or with your nominees, to the effect that:-

(a) the new company will always accept and carry out such  
work as you or your nominee shall require, <sup>to the limit of the</sup> ~~provided that~~ the  
company's staff and other resources, provided that the company  
is paid fees equivalent to those normally charged by the  
company for work of a similar nature or equivalent to the  
scale of minimum fees set down by the Australian Planning  
Institute, whichever may be the <sup>lower</sup> ~~higher~~ at any time. ?

(b) such work as the company receives from you or your  
nominees shall be carried out in a proper and efficient manner  
to the highest professional standards as expeditiously as  
possible, and shall be given priority over other work which  
the company is requested to do on behalf of others.

(c) during the continuance of this Agreement, you or your nominee shall provide to the company's Bank (the Bank of New South Wales) a suitable guarantee or security which would enable the Company to operate its account on an overdraft limit of say, £20,000 maximum. This amount may be released in stages, for example, £2,000 during the first month and £1,200 per month thereafter until the limit of £20,000 is reached. The company would be primarily liable to the Bank for repayment of the overdraft and for the interest and bank charges thereon.

(d) at any time after the expiration of twelve months from the commencement of this Agreement, you or your nominee shall be entitled, at your sole discretion and by three months notice in writing, to cancel the Agreement, whereupon the company shall be liable to the Bank for refunding of the overdraft.

3. Parallel with this Agreement, it is proposed that the company enter into a service contract with the professional architectural and town planning partnership of Clarke, Gazzard and Yeomans, providing that:-

(a) the partnership shall devote its full time and attention to the business of the company;

(b) all moneys due consequent to the partnership's work shall be paid directly to the company's bank account;

(c) the partnership be financed for the first fifteen months according to the budget set down.

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