

I am not asking that. At the time you first went to see Mr. Murphy, had the auction been cancelled then?---Yes, it had.

Had you been to the council to find out their position in respect of the supplier of water and sewerage to the area where the Woodleigh Heights Estate is?---I saw council during the visit, I am not sure I was at the council before I saw Mr. Murphy or not.

Mr. Murphy will say that you, after the phone conversation, came and you had a meeting with him face to face in his office at Kyneton, that you left that meeting then went down to the Shire council and then came back and continued the meeting with him. Does that help you recall?---That could be so, I am sorry, I can't remember it that exactly.

It was at that meeting that he put to you a proposition which would involve your company financing a transfer of the land to Woodleigh Heights Resort Developments Pty. Ltd. and releasing Thompson as the guarantor, is that correct?---May I refer to the file, there is a specific note from Mr. Murphy there?

We will come to that. Was it that meeting that he put that offer to you?---It was during the first visit, that's correct.

That is the visit to his office?

HIS HONOUR: This is an offer which would involve Murphy's company buying at the mortgagee's sale?---No, the offer was made as an aside. That was the impression I gained, offering to settle for a sum of \$180,000. In other words, purchase it from us as mortgagee possession.

It would become the purchaser?---Correct.

Therefore, the result would be that it would get the property at about half what it had contracted to buy it for. You knew, did you not, that it was under contract?---Yes, we did.

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