

Schedule 1



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agreement to lease rural property

NOTE: The Agent warrants (and will confirm upon request) that the Agent is at this date a member of REIWA, failing which the Vendor (and any signatory for the Vendor) is released by the Agent from any obligation to pay any Professional Fees.

THIS AGREEMENT IS MADE THE 23RD DAY OF JUNE 20 15

1. LESSOR
 FULL NAME YORK RACING INC.
 ADDRESS SPENCERS BROOK ROAD YORK WA 6032
 OCCUPATION TELEPHONE:HOME FAX
 EMAIL:

HEREINAFTER CALLED THE "LESSOR".

2. LESSEE
 FULL NAME YORK RODEO PTY LTD (to be incorporated)
 ADDRESS OF YORK GENERAL STORE, YORK MILL, 10 HENRIETTA ST YORK 6032
 OCCUPATION TELEPHONE:HOME 0429990241 FAX
 EMAIL: greg@fielddisplay.com.au

HEREINAFTER CALLED THE "LESSEE".

3. THE LAND
 THE PROPERTY SITUATED AT SPENCERS BROOK ROAD YORK WA 6032
 AND IS RATED BY THE SHIRE/S OF YORK
 COMPRISING A TOTAL AREA OF 8.14 HECTARES OR THEREABOUTS,
 TOGETHER WITH THE BUILDINGS AND IMPROVEMENTS THEREON, AND OF THAT AREA:

Hectares are Freehold title 8.14 Hectares are Leasehold (leased from another) /
 Hectares are Conditional Purchase / Hectares are Perpetual Lease /

3.1 LOCATION NAME AND NUMBERS
LOTS 91 and 98 on PLAN 223250 CONTAINED IN VOL 1998 FOL 296.

3.2 Registered at the Department of Land Administration (DOLA) in the name of
YORK
 Certificate of Title Volume/Folios: VOLUME 1998 FOLIO 296.
 or see attached.

4. RENTAL (Rent is exclusive of GST, see clause 30) shall be \$ 100/acre per annum payable as follows: MONTHLY IN ADVANCE
 The Lessee shall pay to the Lessor's agents 10% of the total annual rental price, being \$
 on the signing hereof and the balance as set out above, but in any event the Lessors' agent shall not be liable for collection or disbursement of subsequent payments.

5. PERIOD OF LEASE 24 MONTHS, commencing on 1 JULY 2015 and expiring on 1 JULY 2017.

6. OPTION TO RENEW LEASE
(5 YEARS PLUS 5 YEARS PLUS 5 YEARS)
 The Lessee is to have the option of renewing the lease for a further term of 5+5+5 YEARS at a rental of \$
 per annum or market rental on the same terms and conditions as herein contained save and except this Option of Renewal subject to it being exercised one (three) months prior to the expiry date of the initial term of the lease. If the Lessor /Lessee is unable to agree on the market rental figures, the rent is to be determined by independent valuation with costs borne equally by the Lessor and Lessee. The valuer shall be a valuer appointed by the President of the Australian Property Institute (Inc) WA Division at the request of either party.
 *Delete as appropriate

7. OPTION TO PURCHASE
 At any time during the term hereof but not less than 90 days prior to the expiry date of the initial terms or any extension thereof the Lessee shall have the option of purchasing the subject land at the price of \$ VALUATION on the terms and conditions agreed upon in the contract by Offer and Acceptance attached hereto. OR

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At any time during the term hereof or any extension thereof the Lessee shall have the option of purchasing the subject land at a price in the period arrived at by:

At a price of
Valuation: To be completed by AN INDEPENDENT VALUER AS AGREED BETWEEN THE PARTIES
Market Appraisal: To be completed by
A price determined by an independent valuation appointed by

8. NOTICE OF INTENTION BY LESSEE

A Notice of Intention by the Lessee:-

- 8.1 to exercise an option of renewal of the lease, or
- 8.2 to exercise an option of purchase of the Property

shall be forwarded by certified mail to the Lessor's Agent at the address shown on Page 1 of this document

9. DOCUMENTS

~~The Lessee agrees to sign a formal lease to be prepared by the Lessor's solicitors at the cost of the Lessee containing the agreements herein contained and any other terms, provisos and conditions such solicitors shall reasonably include therein to protect the Lessor.~~

In the event the parties to this Agreement mutually agree between them and either elect not to have formal lease documents prepared or alternatively neglect to do so, then this Agreement shall be stamped at the Lessee's expense and become the Lease. No liability whatsoever for events subsequent to the execution of this Agreement shall be incurred by the agents after the date on which the Lease commences.

10. LIVESTOCK RESTRICTIONS

10.1 The Lessee during the lease period shall not depasture on the Property at any one time more than,

- 10.1.1 Head of Sheep and their Lambs
- 10.1.2 N/A Head of Cattle and their Calves
- 10.1.3 Others

10.2 Where no stocking limit is specified the Lessee shall not depasture on the Property during the last six months of the lease any more than,

- 10.2.1 Head of Sheep and the Lambs
- 10.2.2 N/A Head of Cattle and their Calves
- 10.2.3 Others

11. CROPPING

11.1 The Lessee shall be entitled to carry out cropping each year as follows:

- 11.1.1 Wheat up to hectares per annum
- 11.1.2 Oats up to hectares per annum
- 11.1.3 Barley up to hectares per annum
- 11.1.4 Other crops up to 20 hectares per annum

12. FERTILISER

12.1 The Lessee shall use superphosphate on the Property at the rate per hectare per annum of:

- 12.1.1 For topdressing per cleared and pastured hectare
- 12.1.2 For cropping N/A per hectare
- 12.1.3 Other provisions

Copies of documents relating to the spreading of fertilisers to be supplied to the Lessors annually, immediately following normal district applications. N/A.

13. PASTURES

It shall be the responsibility of the Lessees following cropping, to reinstate the pastures on the area cropped.

14. FIREBREAKS

To the specifications of the district Fire Control Office and Shire firebreaks shall be installed in accordance with practices approved by the Lessor prior to the gazetted date on each year of the term and shall be the responsibility of the Lessee.

15. RATES & TAXES

Rates and Taxes shall be paid by the LESSEE

16. INSURANCE

16.1 General Insurance

Premiums on fixed improvements insured at the discretion of the Lessor, to be paid by the *Lessee/Lessor N/A.

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16.2 Public Liability

The Lessee shall effect suitable Public Liability insurance cover with a reputable firm, and will at all times during the term indemnify the Lessor from all claims arising from the use of the land.

17. EXCESS WATER, ELECTRICITY USAGE, AND SERVICE CHARGES

Excess water, electricity usage and service charges incurred by the Lessee during the term of the lease or any extension thereof shall be borne by the Lessee.

18. MAINTENANCE OF CLEARING AND ERADICATION OF VERMIN

The Lessee shall cultivate and keep clean and free from seedlings and undergrowth all such parts of the land as are or shall be ploughed and brought under cultivation and shall properly cultivate and care for all orchards on the land and keep all partly cleared land free from suckers, seedlings and undergrowth and shall generally manage the said land and premises so as to keep the same up to its present value, and also take all necessary measures to exterminate rabbits and other vermin and to prevent the spread of infestation of noxious weeds on the land taking into consideration the land as at the term of commencement of the Lease.

19. MAINTENANCE PROPERTY

The Lessee shall at all times maintain the Property in the same condition as existing on the date of occupancy except in respect of fair wear and tear, and shall farm/utilise the Property consistent with normal farm management practices. *The purpose for*

20. STRUCTURAL IMPROVEMENTS

No structural alterations shall be made without written consent of the Lessor or the Agent representing the Lessor and such consent shall state clearly whether or not rehabilitation of the said land to its original state shall be necessary, ~~or whether such alterations remain the Lessor's Property at the expiration of the agreed term or extension thereof.~~

21. MINISTER'S CONSENT TO LEASE (Required when the land is not held as freehold)

IF IT IS ESTABLISHED THAT

The Agreement to Lease and the option to purchase (if any) is subject to the Minister's consent if such consent is required; the Lessor confirms that consent to arrange the Lease:

~~SHALL BE~~
Has been applied for
Has been obtained

SHALL BE APPLIED FOR.

22. MORTGAGEE'S/UNPAID VENDOR'S CONSENT

The terms of this Agreement to Lease including the option of renewal are subject to the consent of any Mortgagee or Registered Proprietor of the land not being a party to this Agreement to Lease being obtained within a period of 28 days from the execution hereof and the Lessor covenants to use his/her best endeavours to obtain consent.

23. DEFAULT CLAUSE

If the Lessee shall at any time fail or neglect to punctually perform or shall commit or allow any neglect or breach of any covenant, condition or agreement herein contained, or if the rent or any part thereof shall at any time be in arrears or unpaid for ~~fourteen (14) days~~ after the same shall have become due whether demanded or not, then it shall be lawful for the Lessor or any person authorised by the Lessor to determine this Agreement to lease and the term hereby granted and thereupon the Lessor may re-enter upon the said land and take and hold possession as if the Agreement to Lease had not been made WITHOUT prejudice to any right of action or remedy of the Lessor in respect of any breach of any of the covenants by the Lessee contained herein.

24. CHATTELS

The Lessor's chattels described below shall be included in the Agreement.

25. ACCESS TO PREMISES

The Lessee shall permit the Lessor, or their agent, their consultants or contractors to have access to the land at all reasonable times.

26. ASSIGNMENT AND SUBLETTING

The Lessee shall not assign, underlet or part with the possession of the said Land unless with the prior written approval of the Lessor or his Agent and the provisions of Sections 80 and 82 of the Property Law Act 1969 (as amended) shall not apply to this Agreement to Lease.

27. QUIET ENJOYMENT

Provided always that all terms and conditions of the agreement have been complied with, the Lessee shall be entitled to enjoy the peaceful occupancy of the Land.

28. GENERAL CONDITIONS

If the option to purchase in clause 7 is exercised then in addition to the conditions and special conditions (if any) in this document the most recently approved by the Real Estate Institute of WA Joint Form of General Conditions for the Sale of Land, a copy of which is attached (herein referred to as "the general conditions"), shall be deemed to be incorporated herein and shall apply to the sale so far as they are not varied by or inconsistent with the express terms hereof.

29. In the event of the Lessee continuing in occupation at the expiration of the term then the Lessee shall be deemed to be holding over as a monthly tenant with the rental payable calendar monthly in advance; such rental to be calculated on a monthly basis equivalent to the rental payable in the immediately preceding period plus the addition of 10 percent.

30. GST

- (a) In this clause the term "GST" means any goods and services tax imposed under A New Tax System (Goods and Services) Act 1999 ("the GST Act") and its transitional and amending acts and regulations which is or may be levied or assessed or becomes payable in respect of rent, outgoings or in connection with the supply of the leased premises or any goods, services, facilities or other things by the Lessor to the Lessee under this contract or any extension, renewal or holding over.
(b) The Lessee shall pay to the Lessor any GST payable by the Lessor in accordance with the requirements of the GST Act. Such payments are to be made by the Lessee prior to the date for payment of the GST by the Lessor or on the dates for the payment of rent, whichever is the earlier. The Lessee hereby indemnifies the Lessor in relation to the payment of any GST.
(c) Any rent or other payment obligation stated or referred to in this contract does not include GST unless it is expressly included and GST must be paid in addition to that rent or payment obligation. Unless GST is expressly included, the consideration for any supply by the Lessor to the Lessee is increased by an amount equal to the amount of that consideration multiplied by the rate at which GST is imposed in respect of that supply.
(d) The Lessor must provide to the Lessee a GST tax invoice as required by the GST Act."

31. SPECIAL CONDITIONS

THE LESSOR GRANTS UNCONDITIONAL APPROVAL TO THE LESSEE TO OPERATE AND DEVELOP THE PROPERTY AND OPERATE EDGING AND RELATED ACTIVITIES AND EVENTS INCLUDING THOSE REFERRED TO IN THE ATTACHED MOU BETWEEN YORK RANGING INC. AND YORK RODEO P/L (TBI) DATED 23 JUNE 2015. AT THE EXPIRATION OF THE LEASE ANY BUILDINGS, FIXTURES AND ALTERATIONS TO THE PROPERTY SHALL BE REMOVED BY THE LESSEE AND THE PROPERTY RETURNED AS AGRICULTURAL LAND

32. ACCEPTANCE

LESSOR/S ACCEPTANCE

[] agree to the foregoing terms and conditions

Signature Lessor, Signature Lessor, Signature Witness, Signature Witness, Date, Date, ACN, ABN

LESSOR/S SOLICITOR

LESSEE/S ACCEPTANCE

1/ We agree to the foregoing terms and conditions

Signature Lessee, Signature Lessee, Signature Witness, Signature Witness, Date, Date, ACN, ABN

LESSEE/S SOLICITOR

ACKNOWLEDGMENT OF RECEIPT

The parties hereto by their signatures below acknowledge having received a true copy of this document and the general conditions.

Signature Lessor, Signature Lessor, Signature Lessee, Signature Lessee, Date

MEMORANDUM OF UNDERSTANDING

BETWEEN

YORK RACING INC.

AND

YORK RODEO PTY LTD (TBI)

WHEREAS

1. York Rodeo Pty Ltd ("York Rodeo") is a specific purpose company to be incorporated to manage and operate the leased area referred to herein, for the purposes of this Memorandum; it is represented by Mr. Greg Browne.
2. York Racing Inc. ("York Racing") owns and operates the York racecourse and the land the subject of this agreement and agrees to lease such area to York Rodeo.

Collectively referred to as "The Parties".

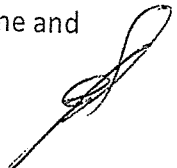
IT IS AGREED BETWEEN THE PARTIES

3. By way of an Agreement to Lease rural property ("the Lease") between the Parties (see attached Schedule 1), York Rodeo shall lease an area of land as described in Article 6, from York Racing at rate of \$100 per acre, per annum, payable monthly in advance over a period of two years (24 months).
4. York Rodeo shall be granted further options to renew the Lease agreement after 24 months for a further five (5) years, with a further option of five (5) years and a final option of a further five (5) years.
5. The rental rate for each of the 5 year option periods shall be based on an agreed commercial rent on the unimproved land value of the area leased. In the event the Parties cannot agree to the amount of such rate, then the Parties shall ask the Real Estate Institute of WA ("REIWA") to appoint an independent valuer to determine the rental rate.
6. The area that will be leased is the Northern area of the Western part of the Mt Bakewell Equine Centre. This is marked out on the attached aerial photograph attached to the Lease (attached as Schedule 1) as the area within the red line. The leased area is identified as titles S91/P223250 (with an area of 4.07 ha) and S98/P223250 (with an area of 4.07 ha).
7. If at any time York racing or such other agent for York Racing offers the Land or part thereof as detailed in the attached Lease Agreement for sale, York Racing grants to York Rodeo a first right of refusal to purchase such land at the same price equal or the same as offered by another party.

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8. It is acknowledged by the Parties that changes to the Certificates of Title for the site are imminent and that appropriate modifications to the description contained in the Lease Agreement shall be made to reflect the same land area but new title references once they are issued by Landgate.
9. York Rodeo will develop the leased land as a venue to conduct regular western horseman events and other promotional and entertainment activities. Events shall include but not limited to; Campdrafting, Roughriding, saddle bronc, bareback, bull and steer riding, timed Rodeo Events, steer wrestling, rope and tie, ladies barrel racing, jumping, dressage, ladies steer undecorating, team roping, ladies breakaway roping, junior barrel racing, western horsemanship, western pleasure, endurance, disabled riding, cowboy dressage, halter showing, trail riding, reining, horse shows, cattle and horse handling and training seminars and shows.
10. Whenever practical, York Rodeo events shall be hosted on a regular basis and York Racing and York Rodeo will work together to maximise the mutual benefit from events including race meetings and rodeos held in close proximity to one another in order to maximise attendances and financial returns to both businesses (e.g. over the course of a weekend). The Parties shall keep each other informed of planned and actual events
11. York Racing Inc. official race meeting dates shall take precedence over scheduling of any other event at the York Racing venue. In order to avoid any clashes in schedules, the Parties will present dates of the racing events at the beginning of each year; once York Racing has committed to those dates. In the event that additional dates are presented to either party the parties will confer and agree.
12. York Rodeo events will be managed on a commercial basis with appropriate affiliations to industry leaders for running and judging of Rodeo Events. Animal welfare and rider safety guidelines as decreed by the governing bodies of the western and rodeo sports will be enforced at all York Rodeo events.
13. York Rodeo is permitted to carry out any required earthmoving including levelling, creating arena areas, access tracks and the creation of any amphitheatres upon the leased area.
14. York Rodeo will develop semi-permanent infrastructure on leased land for the first twenty four months of occupation; if the York Rodeo business is progressing successfully, appropriate applications shall be made for Shire planning approvals for permanent infrastructure will commence in second year of lease.
15. York Rodeo shall be responsible for the supply and maintenance of its own electrical power source.
16. York Rodeo shall within 60 days of signing the Lease erect a fence around the water bore and electrical services area shown on the attached Schedule 1 as a dotted red line and

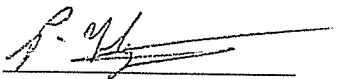
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hatched. This area is not to be used by York Rodeo unless with the written approval of York Racing.

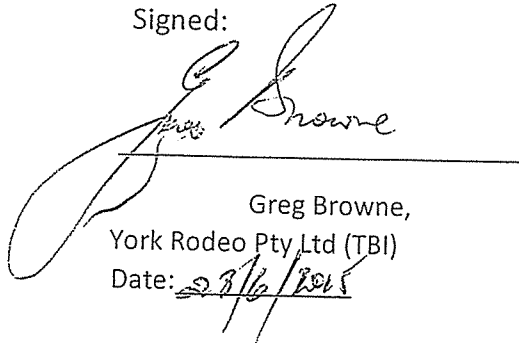
17. Subject to approval by York Racing Inc., York Rodeo may use and hire York Racing Inc. facilities as required on a commercial basis. This may include bar, kitchen, convention rooms, ablution blocks, car parks etc.
18. For sales of alcohol at the York Rodeo site, York Racing and York Rodeo will ensure any arrangement complies with the WA Liquor Licensing Act.
19. In the event the York Racing Inc. bar facilities are contracted to York Rodeo then they shall be operated by York Racing Inc. and the bar takings shared as follows: Gross Revenue less direct costs of liquor and bar staff as well as a 5% allowance on Gross Revenue for indirect overheads, the remaining amount being the net profit shall be apportioned in the ratio of York Racing Inc. 30% and York Rodeo 70%. Monies due to York Rodeo will be remitted within 30 Days of each event without further deductions or offset.
20. York Racing Inc. shall nominate a liaison representative to communicate with York Rodeo and York Rodeo shall nominate a liaison representative to communicate with York Racing.
21. York Rodeo as lessee shall be responsible for the payment of all Rates, Taxes and Insurances levied on the leased land.
22. Each year York Rodeo shall provide to York Racing a copy of its Certificate of Currency for Public Liability.

Signed:



Pat Flynn; Chairman
York Racing Inc.
Date: 23/6/2015

Signed:



Greg Browne,
York Rodeo Pty Ltd (TBI)
Date: 23/6/2015

Signed:



A.S. (Tony) Boyle; Vice Chairman
York Racing Inc
Date: 23/06/2015