

12 August 2017

Mr P Martin
The CEO
York Shire Council
Po Box 22
York WA 6302

Re: Lease York racing Inc. & York Rodeo Pty Ltd

Dear Paul,

Thanks for the invitation; I will attend the meeting on Monday at 10am. York Rodeo Pty Ltd ("York Rodeo") supports your diligent approach to understanding and managing the matters being discussed. We welcome the Shire of York having an ongoing involvement in supporting York Rodeo's endeavours to help build York into a vibrant town.

York Rodeo's Position

For the sake of clarity, York Rodeo's position on this matter is that it has a valid lease and has exercised its 5 year option in accordance with Clause 6 of the Agreement to Lease between York Rodeo and York Racing Inc. ("the Lease"). In addition it has written agreement for the increase rental from \$2,000 to \$3,000 per annum.

It should be noted that York Rodeo would be agreeable to entering into a new Lease that reflects the Shire of York's interest in the land, provided that the existing Lease remains in place until a new Lease is executed and that its terms are the same as the existing Lease and any changes are acceptable and agreed by York Rodeo. The costs of drafting a new lease and any other costs that arise from the process and incurred by York Rodeo will need to be paid by York Racing Inc. ("York Racing") and the Shire of York.

Being a company, York Rodeo can move quickly and make decisions without the politics of a club; we look forward to moving through these issues and are committed to developing a mutually beneficial relationship.

Site Development

In 2015 York Rodeo staged an outstandingly successful rodeo and associated events without any complaints from townsfolk or police. It brought large numbers of people to town, was away from the main street and the impact on the town was minimal. Over 4,500 people attended and we believe that the numbers could be over 10,000 with the right approach and support. York Rodeo does not need to prove its capability; it did that on its first event and could have hosted further events if conditions had been more conducive.

York Rodeo has been keen to develop the site and work positively with York Racing and the Shire of York so that larger and more frequent smaller events can be held at the site. These events will bring variety and be incredibly beneficial to York Racing and the town of York. Aside from the normal business development considerations, consistent support from both York Racing and the Shire of York is needed for York Rodeo to have the commercial confidence to pursue its endeavours.

I trust that you can understand that since signing the Lease, York Rodeo has been exposed to both the issues enveloping York Shire as well as those at York Racing and whilst I do not intend to list those issues, I would say they have not been conducive to commercial confidence and led to York Rodeo's cautious approach so far.

However those matters are in the past and we look forward to moving forward and having a solid basis of agreement between the parties involved, is a very good starting point.

Response to Your Email Points 1 and 2:

In 2015, York Rodeo negotiated with York Racing the terms of the Lease and at all times York Racing committee members represented that York Racing was the sole proprietor of the land the subject of the Lease. It further represented that it was the only party that needed to be consulted in the matter of the lease and accordingly signed the Lease as the sole Lessor.

This representation is further reinforced in the Memorandum of Understanding between York Racing and York Racing dated 23 June 2016 ("the MOU") in Clause 2 it states "**York Racing Inc. ... owns and operates the York Racecourse and the land the subject of this agreement and agrees to lease such area to York Rodeo**"

In several meetings with the York Racing sub-committee and at least two meetings with the full committee of York Racing including the unanimous approval given to proceed with the signing of the Lease, at no time was the matter of prior agreement/approval being required from the Shire of York raised with York Rodeo.

In fact to the contrary, on several occasions in those meetings and separately, I was assured during the course of the negotiations and again at the time of signing the lease and in the lead up to the first rodeo event that the Shire of York did not have any interest in the land and had no interest in terms of the Lease. I was actively discouraged by York Racing committee members from discussing the Lease with the Shire.

I also understood that there was no caveat or registration of interest in favour of the Shire of York noted in the land title for the land leased before or at the time of signing.

In multiple meetings with representatives of the Shire of York at around the time of signing the lease and at subsequent meetings when organizing the first rodeo and in later meetings through 2016 and 2017, when I enquired if the Shire of York had an interest in the Lease, I was consistently assured that the Shire of York had no position in respect to the negotiation and operation of the Lease.

In my meetings with Shire of York representatives there has never been any concern raised with the validity of the Lease, in contrast only their support of the Lease and the proposed events. These meetings included the many Shire Presidents and CEO's at the time including Mathew Reid, Graham Simpson and James Best and including you at two meetings. In addition, other executives from planning, building and business development departments at the Shire of York. In these meetings I raised the matter of the Shire's attitude to the Lease and received only words of support for the Lease including the approval to proceed with the first event in 2015 and encouragement to proceed with further events and upgrade to the facilities at the land.

There have been many opportunities for these matters to be raised by executives of York Racing and the Shire of York in the last 28 months both before and after the signing of the Lease but on no occasion have these matters been raised.

In fact, your email of the 9th August 2017 is the very first time any party has questioned the circumstances surrounding the execution of the Lease.

Accordingly York Rodeo maintains that representations from both York Racing and the Shire of York support the fact that the Lease was entered into validly and is a continuing agreement between the parties.

Point 3:

The view of York Racing at the time of signing was that the Minister's approval was not required and York Rodeo was guided by and relied on that representation.

Point 4:

The Lease was entered into with the intention of incorporating York Rodeo Pty Ltd and the words "To Be Incorporated" clearly noted on the Lease. This is an acceptable and legal means of an entity entering into an agreement pre-incorporation.

The MOU also notes in point 1 that "*... York Rodeo ... is a specific purpose company to be incorporated to "manage and operate the leased land ..."*"

Consistent with the notations, York Rodeo Pty Ltd was subsequently incorporated within approximately one month of the signing of the Lease.

Point 5:

I have attached a copy of the correspondence between York Rodeo and York Racing covering the exercise of the option for a further 5 years as well as the acceptance of the 50% increase in the rental amount from \$2,000 to \$3,000 per annum.

Point 6:

I have read your copy of Graeme Simpson's advice to councillors and can advise that at no time was York Rodeo consulted on these matters by Graeme Simpson or any other member of the executive of the Shire of York or its Councillors.

Each and every point of that advice is materially incorrect as follows:

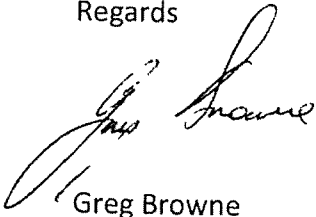
Point 1: There is a formal Lease agreement and it contains several options to extend the term.

Point 2: There was a Lease but it contains no such terms as noted by Mr Simpson.

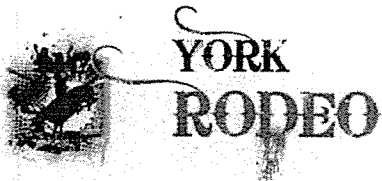
Points 3 & 4: Building licenses were issued for temporary seating and for the permanent construction of the container buildings at site. A formal approval process was undertaken including engineer's drawings and approval in writing granted.

There are other matters relating to the event approval regime and planning matters that also require discussion and agreement which could also be resolved in our discussions.

Regards

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

Greg Browne
Manager



21st March 2017

Mr T Boyle
The Chairman
York Racing Inc.
Spencers Brook Road
York WA 6302

Re: Lease renewal

Dear Tony,

I note that York Rodeo is required to advise the renewal of the lease for the rodeo grounds for a further period of 5 years which this letter should serve for that purpose.

Let me know if there is any other matter you wish to discuss on this.

Regards

Greg Browne
Manager

*Posted in Perth office
with my copy
23/3/17*



25 July, 2017

Mr T Boyle
The Chairman
York Racing Inc.
Spencers Brook Road
York WA 6302

Re: Lease renewal and Lease Rental Amount

Dear Tony,

Thank you for your time on the telephone yesterday and I am pleased that we have resolved the question on the 5 year lease option amicably and in the best interests of the good relationship between the parties.

Further to our discussions, I confirm that in accordance with Point 6 on the first page of the Agreement to Lease dated 23rd June 2015 we have agreed that it would not be necessary to appoint an independent valuer for the purpose of setting the new lease rental amount.

As discussed an increase of 50% from \$2,000 per annum to \$3,000 per annum or \$150 per acre, is well in excess of what we understand the market rate to be in the York area. Please confirm York Racing's acceptance of this increased rental by return email.

While the Agreement to Lease dated 23rd June 2015 is the current lease, you have mentioned that there may be some administrative issues with the York Shire Council in terms of the lease, which I do not properly understand but as you explained these have to do with the Shire taking up an interest in the land that is the subject of the lease.

As you suggested, I have contacted the York Shire CEO Paul Martin and arranged a meeting for the parties with him to clarify these issues. This meeting is scheduled for 2pm on Thursday 27th July at the Shire's office to which you and another representative are invited to attend.

By way of housekeeping, please note that York Rodeo's postal address is PO Box 103 York W.A. 6302. My contact details are gbrowne@protonmail.com and telephone number is 0451932543.

Regards

Greg Browne
Manager



YORK RACING INC.

Oldest Provincial Race Club in Australia Established 1843

ABN: 4894 757 8244

The Manager
York Rodeo Pty Ltd
PO Box 103
YORK WA 6302

Dear Manager

RE: LEASE RENEWAL

York Racing Inc. acknowledges that we have received your renewal notice dated 21st March 2017 for the five year period 1st July 2017 to the 1st July 2022 over York suburban lots S91 and S98 on plan 223250 contained in certificate of title Vol 1998 folio 296.

The Committee of York Racing Inc have unanimously agreed to accept your lease renewal subject to an increase in the rental from \$2000 per annum to \$3000 per annum.

Regards

A.S. (Tony) BOYLE
CHAIRMAN
YORK RACING INC.

28th July 2017

Cc Shire of York

YORK RACING INC
PO BOX 162 YORK WA 6302