



QUEENSLAND
RACING

February 4, 2010

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Mr Andrew Eggleston
Chairman
Gold Coast Turf Club
PO Box 5070
GCMC QLD 9726

Dear Andrew

Reference is made to the attached email dated February 1, 2010, in relation to the Gold Coast Turf Club (GCTC) requesting assistance from Queensland Racing Limited (QRL) to fund the repair of a portion of the sand track.

As you are aware, a significant upgrade of the GCTC facility at Bundall has been flagged. To date, we have met briefly with Mr Brian Fletcher and exchanged correspondence in relation to the proposal.

In my recent correspondence of January 27, 2010, I raised the need for QRL and the GCTC to agree on several key principles to enable further discussions to occur. One of those key principles resides around the GCTC and QRL taking equity in a Trust or company in accordance with the assets that each entity contributes. It is understood that the Board of the GCTC may hold the view that the potential equity contributed by the club is somewhere between \$300 and \$500 million, a figure that has been mooted as the commercial value of Bundall. This is an unrealistic and unproven value no matter what the economic conditions now or in the foreseeable future. The document to which you refer was compiled by a promoter/developer with a vested interest to engage the then Directors of the GCTC.

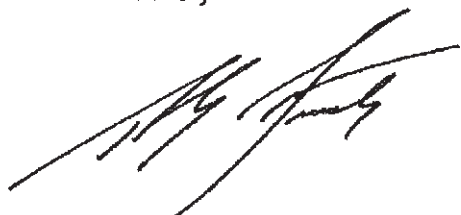
QRL is of the view that given Bundall is currently a racecourse, and is to be retained as a racecourse, the value of the facility must be determined on that basis. Nevertheless, this is a matter that requires further discussion and the questions raised in your email will be answered satisfactorily once the basis for investment in the GCTC facility has been established. Until that time, QRL will not consider an application from the GCTC for funding to repair the sand track.

You will be aware that the GCTC receives \$918,000 per annum by way of administration subsidy and approximately \$276,000 as a training track subsidy. It is

QRL's expectation that this funding be directed towards repairs and maintenance of the racing facility at Bundall given the existing administrative/management structure in place. You are also reminded of your obligation to ensure a safe working environment.

Your Chief Executive Officer, Mr Grant Sheather, can anticipate being contacted in the not too distant future with a view to arranging a meeting with your Board.

Yours sincerely



R. G. BENTLEY
Chairman

Cc. Hon. Peter Lawlor MP (emailed)
Minister for Tourism and Fair Trading, Queensland Government

Cc. Mr Mike Kelly (emailed)
Executive Director, Office of Racing

Cc. Mr Grant Sheather (emailed)
Advisor, GCTC

Cc. Mr Brian Fletcher (emailed)
Chief Executive Officer, GCTC

Malcolm Tuttle

From: Grant Sheather [GrantS@goldcoastturf.com.au]
Sent: Monday, 1 February 2010 4:28 PM
To: Malcolm Tuttle
Cc: Steve Andrews
Subject: Gold Coast Turf Club - Sand Track upgrade

Malcolm,

The Gold Coast Turf Club (GCTC) has been monitoring the condition of the sand track and has become aware that the base is deteriorating and breaking up due to heavy use.

The base of the sand track from the 200m to the 1400m (400m in length) was renovated several years ago, however the remainder is in need of urgent repair (1200m in length).

Mr. Warren Williams inspected the sand track prior to the Magic Millions carnival at the request of the Club's Racecourse Manager Mr. Steve Andrews.

The GCTC is requesting assistance from Queensland Racing (QR) to fund the repair of the remainder of the sand track. I have attached a quote that outlines two (2) options;

1. Replace the existing sub-grade material with 150mm Cement Treated Base – cost \$337,450 (excluding GST)
2. Overlay existing sub-grade material with 125mm Cement Treated Base- cost \$243,080 (excluding GST)

The Club will source two (2) more quotes as per Club policy, and subject to receipt of those quotes will provide final estimates to QR.

The Club's Racecourse Manager, Steve Andrews can be contacted to discuss operational and timing issues surrounding the project.

Mobile 0417874532
Email Stevea@goldcoastturf.com.au

I look forward to your earliest response.

Regards

Grant Sheather
Chief Executive Officer
Gold Coast Turf Club

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