

1 November 2011

Jonathan Seward
Head of Properties
Australian Turf Club
Alison Road
Randwick NSW 2031

By Email: jseward@australianurfclub.com.au

Dear Jonathan,

**Warwick Farm Flood Compensatory Storage
Proposed Works Side Deed**

I write with regards to the future provision of flood compensatory storage at Warwick Farm.

The future development plans of both Masters and the Australian Turf Club require the creation of additional flood storage accommodation within the Warwick Farm floodplain.

We note your previous comments regarding the potential synergies from conducting these works jointly and future timing benefits from completing these ahead your future development planning and herein outline the following terms of such an arrangement.

ATC:	Australian Jockey Club Limited ACN 130 406 852
Masters:	Hydrox Nominees Pty Ltd ACN 139 262 123
Subject Area:	Area noted as "Alternate storage pond location" on Figure 4 within the report by FloodMit dated 2 August 2011.
Works Design:	Masters shall prepare civil design plans of the proposed Works necessary for all approvals. The ATC shall provide all existing survey data of the Subject Area.
Works Approval:	Upon completion of the Works Design, Masters shall present the Works Design to the ATC who must promptly provide its consent.
Applications:	Following the Works Approval by the ATC, the ATC when required shall promptly provide its consent to any applications to be made by Masters to seek approval for and to conduct the physical works.
Licence to Enter Land:	The ATC shall grant Masters and its contractors and agents a licence to enter the ATC's lands at Warwick Farm Racecourse necessary to complete the Works. Masters and its contractors and agents shall at all times follow the directions of the ATC acting reasonably.
Works:	The excavation of approximately 11,400 cubic meters of soil by an average depth of 1.5 metres within the Subject Area as per the Works Design and transportation either off site or to a nominated alternate location within the Warwick Farm Racecourse lands.
Additional Works:	Given both parties requirements to provide compensatory storage capacity with consideration to proposed future development, Masters is happy to conduct any further excavation works on behalf of the ATC.

Providing the ATC confirms the volumetric excavation requirements prior to Masters completing the Works Design, Masters will include additional work within its applications and complete the additional works simultaneously with its Works.

Within 14 days following the issue of a Tax Invoice after the completion of all works, the ATC shall pay to Masters its proportion of the additional works costs (measured by proportion of cubic metres excavated).

This amount shall not be entitled to be set off against any amounts owned by Masters to the ATC.

Insurance Masters including its contractors and agents, shall hold \$20 Public Liability insurance noting the interests of the ATC for the duration of the Works.

Indemnity Masters and its contractors and agents shall indemnify the ATC from any claims during the period of the Works except to the extent of any negligence, act or omission by the ATC.

Board Approval: This offer is subject to approval by the Board of Directors of Hydrox Nominees Pty Ltd.

Legal Documents: To be drafted by Masters.

Legal Costs: Each party shall pay their own legal costs and expenses including disbursements.

Confidentiality: The terms of the proposal are to be kept confidential by the parties except to the extent it is necessary to discuss with or present the deed to any authority for the purposes of gaining any approval required.

It is our intention that the terms of this arrangement be formally reflected in a straightforward Side Deed, of which we would prepare.

We look forward to your earliest confirmation and acceptance of the above by signing below and returning a copy.

If you wish to discuss further, please do not hesitate to contact me on (02) 8885 1152.

Yours sincerely,
Hydrox Nominees Pty Ltd



Brad McAndrew
Development Manager

The above terms are hereby accepted by Australian Jockey Club Limited ACN 130 406 852:

Dated _____ / _____ / 2011

Signature of Authorised Representative

Name of Authorised Representative (please print)