

21 April 2010

MEMBERS UPDATE FROM THE CHAIRMAN

Dear Member,

As you are aware, in 2007 Queensland Racing Limited and the Sunshine Coast Turf Club formed the Sunshine Coast Racing Unit Trust to purchase the freehold land of Corbould Park from the Caloundra City Council. Since that time Queensland Racing, through the Trust, has invested a considerable amount of money in facility upgrades such as: Cushion Track, Lighting for Course Proper and Cushion Track as well as No.2 Grass for training purposes and are currently constructing a 256 box Stabling Complex on site. Total investment by Queensland Racing Limited over this period is in excess of \$30m.

For a number of months the Board of the Sunshine Coast Turf Club Inc. and Queensland Racing Limited have been negotiating on the best possible outcome for the Club, its members and the industry and today completes a milestone in the advancement of racing on the Sunshine Coast with Queensland Racing Limited and the Sunshine Coast Turf Club Inc. poised to operate a new business model from 1st May 2010. The new partnership will see Queensland Racing Limited manage and fund training, racing and stable facilities. This means Queensland Racing Limited will now employ track staff and raceday associated staff such as starter, assistant starter, judge, clerks of the course, ambulance co-ordination etc. Training will also come under the Queensland Racing Limited umbrella and therefore trainers will be licensed by Queensland Racing Limited and training fees will be paid to Queensland Racing Limited.

(a) What is the current situation?

At present the whole of the complex is owned by Sunshine Coast Racing Unit Trust of which Queensland Racing has ownership of 84.6% of units and the Club owns 15.4% of those units.

This arrangement has been in place since the formation of the Sunshine Coast Racing Unit Trust and was the vehicle or mechanism used to purchase the property from the former Caloundra City Council.

That ownership of the real property has not changed.

..../2

(b) What has changed?

The Club will now have a defined area, namely 4.55 hectares of land over which it will have a lease until the year 31 October, 2086. This will enable the Club to be totally responsible for this area which incorporates the members' facilities and all of the improvements associated with operating the Turf Club so far as it relates to conducting a race meeting.

The lease enables us to be responsible for our area and will allow us in due course to not only improve the facility but to erect improvements within the leased area given the length of the lease. It is planned to ensure that members and public facilities are upgraded and that we ultimately get to a situation where we generate other income (seven days per week) from the leased area as against simply using it to conduct race meetings.

There is much planning to be done but this is the first step in ensuring our defined area so that we can concentrate on this area and improve it over time.

This is a great outcome for our Club. Three years ago we had no ownership of Corbould Park, and an uncertain future as the lease was due to expire in 2012. We now share ownership with Queensland Racing Limited (QRL 84.6% and SCTC 15.4%) with a lease expiring in 2086 on the members and public facilities. The future of our Club is now very much assured, and we are entering exciting times that will see Corbould Park become one of the leading thoroughbred racing precincts in Australia.

Obviously during the period of upgrade there will be some inconvenience to members but in the long run we will be the envy of other racing precincts throughout Australasia.

If you have queries please do not hesitate to contact myself or Chief Executive, Mick Sullivan on 5491 6788.



D S (Don) Jackson
Chairman