

ADMINISTRATION OF GAMBLING ON TRACKS LIMITED

**CONDITIONS OF SALE AND BUSINESS FOR THE AUCTION OF
BOOKMAKERS' LIST POSITIONS**

All sales are conducted on behalf of Administration of Gambling on Tracks Limited (AGT) and are subject to the following conditions of sale and business: -

1. DEFINITION

In these conditions of sale and business the following expressions shall have the following meanings: -

- 1.1.1 "Auctioneers" means AGT acting for itself or through its agents. The Auctioneers act as agent for the Seller and any sale will result in a contract made directly between the Seller and the Buyer.
- 1.1.2 "Buyer" means the Licensed Operator who makes the highest bid accepted by the auctioneers.
- 1.1.3 "Hammer Price" means the price at which a Lot is knocked down by the auctioneers to the Buyer and excludes any applicable Value Added Tax or other taxes, any Transfer Administration Fee and any Transfer Registration Fee.
- 1.1.4 "Licensed Operator" means a Licensed Operator as approved by the Gambling Commission.
- 1.1.5 "List Position" means a Licensed Operator's position relative to other Licensed Operators on the bookmakers' list maintained by AGT for a particular betting ring at a racecourse, entitling him to select, in numerical order commencing at number one, a designated pitch at which to stand his joint.
- 1.1.6 "Lot" means the List Position or List Positions offered for auction and described in the auction catalogue by reference to a Lot number. Where a Lot comprises more than one List Position, the List Positions will be sold as one Lot.
- 1.1.7 "Sale Proceeds" means the Hammer Price of the Lot received by the Auctioneers in cleared funds, less any Seller's Commission, less the Transfer Administration fee.
- 1.1.8 "Seller" means the Licensed Operator entering the List Positions in the Auction.
- 1.1.9 "Total Amount Due" means the Hammer Price for the relevant Lot sold, together with any Value Added Tax and other taxes due or payable, together with the Transfer Administration Fee, the Transfer Registration Fee and any interest due.
- 1.1.10 "Transfer Administration Fee" means six percent (6%) of the Hammer Price plus Value Added Tax payable to AGT Ltd.

1.1.11 "Transfer Registration Fee" shall be the fee payable by the Buyer for the registration by AGT of each List Position in any Lot, in accordance with the scale of charges laid out on section 9.2 of these Conditions of Sale.

1.2 In these Conditions of Sale: -

1.2.1 The expression "person" shall include a body corporate and 'he' and 'his' shall include 'she' and 'her'.

2. QUALIFYING LIST POSITIONS FOR SALE

2.1 This auction is restricted to List Positions as detailed on the bookmakers' lists published by AGT at 30 June 2009, as amended by properly-registered subsequent transfers. Any sales which are made in error other than such List Positions will be declared null and void.

2.2 List Positions sold at this auction must be within a current transfer window (i.e. open on 10 March 2011) agreed by the relevant racecourse. Please refer to the AGT website for an up to date list of current transfer windows.

3. EXCLUSION OF LIABILITY

3.1 The Auctioneers give no guarantee or warranties to the Buyer and any implied warranties or conditions are excluded (save in so far as such obligations cannot be excluded by statute).

3.2 Any representations, written or oral and including those in any catalogue report or commentary in relation to a List Position, may be revised prior to the Lot being offered for sale. No employee of the Auctioneers, nor any agent or director shall be liable for any errors or omissions in any such representations.

3.3 Where there is an appeal outstanding in respect of the status of any List Position on a bookmakers' list, it is the responsibility of the Buyer to satisfy himself whether the outcome of any appeal may affect the List Position or any other List Position on the relevant bookmakers' list.

3.4 All List Positions are bought and sold on the basis that Buyers and Sellers are aware of, understand and have taken into account the possible impact of the Gambling Act 2005 on the status of List Positions. Attention is also drawn specifically to the announcement made by the Racecourse Association (RCA) on 14 March 2007, which stated that racecourses would not recognise List Positions after 31 August 2012. All other representations regarding the status of List Positions are hereby excluded.

3.5 The Buyer and Seller both acknowledge and agree that entry of on-course bookmakers to any racecourse is subject to the Special Conditions E in force from time to time which are available at every badge box and are displayed on the AGT website. In particular, any List Position transferred will be subject to the provisions of the Special Conditions E in the section headed 'Positions within Existing Betting Rings'.

3.6 All List Positions are bought and sold on the basis that Buyers and Sellers are aware of, understand and have taken into account the possible impact of the

Special Conditions E on the status of List Positions and other operating requirements.

- 3.7 Both the Buyer and Seller agree that they have no recourse against the RCA, individual racecourses or AGT in respect of any loss or damage arising in connection with the transactions that take place as a result of this auction.
- 3.8 A List Position transfer shall not be effective on any bookmakers' list until the transfer has been duly registered by AGT (i.e. all documents have been signed by both the Buyer and the Seller and lodged at the office, and all fees paid and cleared). It is recommended that all monies (including the cost of the List Position) are paid to AGT. No liability can be accepted by AGT for any loss sustained as a result of direct payments made between bookmakers.

4. CONDUCT OF SALE

- 4.1 The Seller may, prior to the publication of the auction catalogue, notify the Auctioneers in writing of any reserve price for the relevant Lot. No Lot will be sold at less than the reserve price without the permission of the vendor. If a Lot fails to sell, the Auctioneers will announce that the Lot is unsold.
- 4.2 The Auctioneers reserve the right, without giving any reason, to reject any oral bids or to withdraw any Lot before or during any sale. The order of the sale shall be determined by the Auctioneers.
- 4.3 If the Auctioneers, in their sole discretion, determine that a dispute has arisen between two or more bidders, any disputed Lot may immediately be offered for sale again and resold.
- 4.4 The Auctioneers may withdraw a Lot from the sale without any liability if they reasonably believe that there is any dispute as to the relevant List Position.
- 4.5 The person who makes the highest bid accepted by the Auctioneers (or the person disclosed as principal, if applicable) shall be the Buyer, provided always that the highest bid exceeds or matches any reserve price. The striking of the Auctioneer's hammer marks the acceptance of the highest bid and identifies the Hammer Price at which the Lot is knocked down by the Auctioneers to the Buyer and marks the conclusion of a contract of sale between the Seller and the Buyer. If the reserve price is not bid, the person who makes the highest bid accepted by the auctioneers below the reserve price will be deemed to be the last underbidder.
- 4.6 The Auctioneers will commence and advance the bidding in levels as published from time to time, having regard to the value of the Lot under auction, and of competing bids.
- 4.7 The Auctioneers have absolute discretion at any time during the course of the auction to: -
 - 4.7.1 withdraw any Lot;
 - 4.7.2 re-offer a Lot for sale if the Auctioneers reasonably believe that there is an error or dispute; and/or

4.7.3 take such other action as they reasonably think fit in the circumstances.

4.8 The Auctioneers reserve the right to publicise the results of the auction.

5. BUYER'S OBLIGATIONS

5.1 It is the Buyer's responsibility to undertake all investigations, enquiries and searches to satisfy himself that the List Positions offered in any Lot are as described and, in the event of any outstanding appeal affecting a List Position comprising all or part of any Lot, or in the event of any appeal affecting the bookmakers' list on which any List Position in which a prospective Buyer is interested remains outstanding. Any prospective Buyer must rely on his own judgement, enquiries and searches as to the effect of any outstanding appeal upon any List Position(s) contained in any Lot in which he is interested. The Buyer will be deemed to have knowledge of all matters which he could reasonably have been expected to find out given his knowledge as a Licensed Operator and the exercise of due diligence.

6. BUYERS

6.1 Buyers should note that the racecourse determines the Bookmaker Number for each Betting Ring at each meeting. Bookmaker Numbers may increase or decrease at the racecourse's discretion. Racecourses are entitled to open new betting areas in accordance with their premises licence conditions.

6.2 Only Licensed Operators may bid for List Positions. Any Licensed Operator intending to make a bid must produce evidence of his authorisation by the Gambling Commission upon demand.

6.3 The Auctioneers reserve the right, at their absolute discretion, to refuse to allow any person to participate in the auctions and to refuse admission to the auction room to any person.

6.4 Any person who bids at an auction is deemed to do so as principal and will be held personally and solely liable for that bid unless it has been previously agreed in writing that the bidder does so on behalf of an identified third party acceptable to the Auctioneers. In the circumstances so agreed, both the bidding agent and the third party will be jointly and severally liable for all obligations arising from the bid and the third party shall be bound by the conditions of sale by the bidding of his agent in the same way as if he were bidding personally.

7. PAYMENT

7.1 Immediately after the conclusion of the relevant session of the auction in which the Lot was sold, the Buyer to whom the Lot was knocked down shall pay AGT by debit/credit card or cheque drawn on the Buyer's account at a United Kingdom bank or building society, in pounds sterling, the total amount due. Payment will not be deemed to have been made until AGT has been notified by its bank that it is in receipt of cleared funds. No cash will be accepted unless explicitly agreed by AGT staff.

7.2 A Licensed Operator who does not currently hold a List Position within the Bookmaker Number at the relevant racecourse may be required to provide

confirmation from his bank or building society that he has sufficient funds available, at the level required for the List Position or Positions in respect of which he has bid the highest price.

8. TRANSFER OF LIST POSITIONS

- 8.1 Title to the Lot sold will not pass to the Buyer until the receipt of cleared funds and the transfer of the relevant List Positions have been recorded by AGT.
- 8.2 Subsequent to the registration of the List Position transfer, AGT will confirm the transfer to the Buyer and Seller in writing.
- 8.3 Unless otherwise stated in the auction catalogue, all Lots are submitted with immediate permission to trade, subject to the requirements of clause 8.1.
- 8.4 **AGT reserves the right to withhold payments to the Seller if cleared funds are not received from the Buyer. In such cases, AGT will notify the Seller and Buyer that cleared funds have not been received within 14 days of the auction and that Clause 10 of the condition of sale is being evoked.**

9. FEES AND COMMISSIONS

- 9.1 The Seller will pay the entry fee (£15 plus VAT per Lot) and the Transfer Administration Fee to AGT. AGT is authorised to deduct the Transfer Administration Fee from the monies received from the Buyer.
- 9.2 The Buyer shall pay the Transfer Registration Fee of £50 plus VAT for each List Position purchased in any Lot or Lots.

10. REMEDIES FOR FAILURE TO COMPLETE THE TRANSFER OF THE LIST POSITION

If the Buyer fails to pay the total amount due on any Lot in accordance with these Conditions of Sale or is not a Licensed Operator, the Auctioneers may, at their sole discretion and without prejudice to any other rights which the Auctioneers and the Seller may have, be entitled both on their own behalf, and as agent, for the Seller to exercise any one or more of the following rights or remedies: -

- 10.1 commence proceedings for damages of breach of contract;
- 10.2 cancel the sale of the Lot;
- 10.3 apply any payments made as part of the total amount due or otherwise towards any costs or expenses incurred in connection with the resale of the Lot;
- 10.4 arrange and carry out a resale of the Lot by an auction arranged by AGT in mitigation of the debt owed by the Buyer to the Auctioneers and the Seller and the Seller consents and authorises the Auctioneers to arrange and carry out such resale on the conditions of sale applicable at the time of such resale. The level of the reserve relevant to such resale shall be the level set, if any, in the original sale unless

notified otherwise in writing by the Seller to the Auctioneers. The net sale proceeds of such resale will be applied in reduction of a Buyer's debt. Should the resale result in a lower price than the original Hammer Price obtained, then the Seller shall be entitled to claim the balance due from the Buyer, together with any costs and expenses incurred in connection with the failure of the Buyer to complete the original purchase. Should the resale result in a higher price than the original Hammer Price obtained, the surplus shall be paid to the Seller;

10.5 reject at any future auction any bids made by or on behalf of any Buyer who has failed to complete the purchase of any List Position at any future auction;

10.6 charge the Buyer interest at the rate of four percent (4%) per annum above the base lending rate quoted by HSBC from time to time on the total amount due to the extent that it remains unpaid more than five working days after the date of the auction.

11. WITHDRAWAL OF LOTS

11.1 Where a List Position forming the whole or part of any Lot is withdrawn from the sale by the Seller after it has been entered into the sale by completion of the entry form, the fee paid to enter the Lot in any auction will not be refunded.

11.2 The Auctioneers reserve the right to withdraw a Lot or any List Position forming part of a Lot from the sale without any liability to the Seller where the Auctioneers reasonably believe that there is any doubt as to the entitlement to any List Position or;

11.2.1 it is established that any of the Seller's representations in offering any List Position for sale is inaccurate in any way; or

11.2.2 the Seller is in breach of any of the provisions of the Conditions of Sale in any respect; or

11.2.3 the auction at which it was proposed to sell the Lot is postponed for any reason; or

11.2.4 the Auctioneers become aware of any matters which would result in the List Position being offered for sale as a whole or part of any Lot being subject to change as a result of an appeal made by the Seller or by any other Licensed Operator on the relevant bookmakers' list.

11.3 In the event that any Lot is withdrawn from the auction, the Seller must pay the appropriate withdrawal fee in accordance with the following scale: -

TIME OF WITHDRAWAL	WITHDRAWAL FEE (PER LOT)
Up to 4pm on 4 March 2011	£15 plus VAT
Between 4pm on 4 March 2011 and 1pm on 9 March 2011	£100 plus VAT

11.4 No withdrawals will be accepted after 1pm on 9 March 2011.

- 11.5 All withdrawals must be confirmed in writing by post, by facsimile (01480 499181) or by email to mainoffice@agt-ltd.co.uk

12. BIDDING AT THE AUCTION

- 12.1 A Seller may not bid for any Lot offered by him at the auction. If a Seller is found to have bid for a lot offered by him, the Auctioneers shall have the right to expel the Seller from the auction room. At the Auctioneer's discretion, members of partnerships may be excluded from this clause on written application.
- 12.2 Licensed Operators may bid at the auction by placing an **absentee bid** by post, fax or e-mail to the AGT office. This service is complementary and confidential. Such bids are made at your own risk and AGT cannot accept liability for our failure to receive and/or place any such bids.
- 12.3 All absentee bids made on your behalf will be made at the lowest level possible subject to reserves and other bids made for the lot. Where appropriate, your bids will be rounded down to the nearest amount consistent with the Auctioneer's bidding increments. Please see below for specific conditions relating to the placement of such bids.
- 12.4 Absentee bidding forms can be found on the AGT website and should be completed and returned to the St Ives office. It is in your interest to return the form as soon as possible, as if two or more bidders submit identical bids for a lot, the first bid received takes preference. In any event, all bids should be received at least one working day before the advertised start of the auction. Please check your bidding form carefully before returning it to AGT, fully completed and signed by you. It is your responsibility to check with the AGT office that your bid has been received.

13. LOTS NOT REACHING RESERVE

- 13.1 If any Lot fails to reach the reserve price at auction, the Auctioneers shall be entitled (but not obliged) to negotiate a sale with the last underbidder. This sale will be at a price no lower than that bid by the last underbidder during the auction. **This must take place by 4pm on 14 March 2011 at the latest, otherwise any resultant sale will be treated as a private sale and the appropriate fees for a private sale will apply.**

14. UNSOLD LOTS

- 14.1 The Auctioneers will not directly notify the Seller if any Lot fails to sell at auction. The results of the auction will be posted on the AGT website as soon as possible after the end of the auction.

15. VALUE ADDED TAX

- 15.1 Where these Conditions of Sale refer to an obligation to make any payment by a Buyer or a Seller, the Buyer or Seller (as applicable) shall be liable to pay any Value Added Tax required by law. Where the Conditions of Sale give the Auctioneers a right to receive payment from a Buyer or a Seller, such rights should include the right to receive any Value Added Tax due.

16. WHOLE AGREEMENT

- 16.1 These Conditions of Sale form the whole agreement between the Auctioneers the Buyer and the Seller and no variation shall be valid or binding unless specifically agreed in writing by or on behalf of the Auctioneers.

17. DISPUTES

- 17.1 Any dispute arising out of the sale of any Lot made in accordance with these Conditions of Sale shall be a dispute between the Seller and the Buyer.

18. GOVERNING LAW

- 18.1 These Conditions of Sale and any amendments shall be governed by and construed in accordance with English Law.

19. NOTICES

- 19.1 Any notices required to be served pursuant to these Conditions of Sale to the Auctioneers must be made in writing and sent by first class post, by facsimile or by e-mail to the offices of AGT.
- 19.2 Any notices required to be given by the Auctioneers to a Buyer or a Seller pursuant to these Conditions of Sale shall be sent to the address given on the confirmation of entry or the Memorandum of Purchase Form by first class post or by facsimile.
- 19.3 Any notice given in accordance with this Condition shall be deemed to be received on the second day after posting or, where the notice is sent by hand or by facsimile, on the day of transmission.

20. AMENDMENTS TO THESE CONDITIONS OF SALE

- 20.1 Nothing in these Conditions of Sale shall limit or restrict AGT's ability to make minor changes and to issue supplementary terms, which shall have immediate effect.