

Forsyths

Chartered Accountants

Tamworth Office

2/12/05
FAXED
11:10am Q

Also, offices in:
Armidale
Coonabarabran
Gunnedah

Facsimile Message

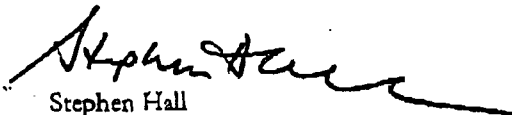
To:	Bruce Atkinson	of:	Watson McNamara & Watt
Fax No.	6772 6676	From:	Stephen Hall
Regarding:	Tattersalls Hotel		
Date:	2 December 2005	Pages:	3

Dear Bruce,

I enclose copy of tender received from Darrell Hendry and confirm that our office is in receipt of an executed contract and a cheque for the sum of \$265,000.00 representing 10% of the purchase price.

Kind regards

Legal Repres.


Stephen Hall
Principal

*Staff Issue
- Staff would like to meet.*

Telephone: (02) 6766 5166
Facsimile: (02) 6766 8538
Email: mail@forsyths.com.au

127 Marius Street
PO Box 758
TAMWORTH NSW 2340

CONFIDENTIALITY NOTICE: The information on this facsimile is intended for the named recipient only. It may contain privileged and confidential information. If you are not the intended recipient, you must not copy, distribute, take any action in reliance on it, or disclose any details of the facsimile to any other person, firm or corporation. If you have received this facsimile in error please notify us immediately by reverse charge call and return the original to us by mail. We will reimburse you for any costs you may incur in notifying us and returning the original to us.

TENDER FORM

TO PURCHASE THE BUSINESS AND ASSETS OF

TATTERSALLS HOTEL, 174 BEARDY STREET, ARMIDALE

Name of Tenderer: DARRELL FREDERICK HENDRY
 Address: ~~██████████~~ STREET BLAKEHURST NSW 2221
 Phone: MOBILE ~~██████████~~ Fax: (02) ~~██████████~~
 Contact Person: DARRELL HENDRY

Tender Price for:

	\$
A. Land and Buildings	_____
B. Unencumbered Plant and Equipment	_____ (1)
C. Stock	_____ (2)
D. Business Name	_____
E. Goodwill	_____
F. Other	_____
TOTAL	<u>\$2,650,000</u>

I/We hereby offer to purchase from you the property as defined in the attached Conditions of tender on the terms as therein mentioned for the sum of

Australian dollars (A\$ _____) and submit herewith duly executed Tender Agreement.

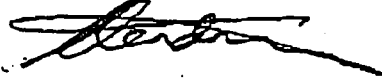
This Tender is made in accordance with the annexed Conditions of Tender and is accompanied by a cheque in favour of the Vendor's Solicitors for the deposit of ten percent (10%) of the purchase price.

- ① Subject to independent valuation undertaken at the cost of the purchaser
- ② Subject to special condition clause 6 but no greater than \$25,000

My/our address for service is: PO BOX 139 BLAKEHORST NSW 2221

Dated this 2nd day of December 2005.

SIGNED by the Tenderer in the presence of:

Jay Weis) 

EXECUTED by the TENDERER in accordance with Section 127 of the Corporations Act.

Signed _____

Signed

Full Name _____

Full Name

Position Held _____

Position Held

NOTE:

- (i) Tender Agreement must be attached and must be completed and executed by the Tenderer.
- (ii) If this Tender Form or the Tender Agreement is executed under Power of Attorney, a certified copy of that Power must accompany the Tender.

D F Hendry B Comm ACA
129A Stuart Street Blakehurst NSW 2221
Telc 0418658334 Fax 02 95471893 Email endry@bigpond .com.au

27 November 2005

MR Stephen Hall
Principal
Forsyths Chartered Accountants
127 Marius Street
Tamworth NSW 2340

Fax 02 6766 8538

Dear Mr Hall

Re TATTERSALLS HOTEL ARMIDALE

I attach a duly completed Tender Form and confirm my continued interest in the property.

Whilst I acknowledge that this Tender is being lodged after the nominated date and time I would like to draw your attention to the following.

I initially spoke to you on Wednesday 16 November 2005 and you indicated in that telephone conversation that I needed to sign a confidentiality agreement.

You also indicated in that conversation that once you had received the signed agreement you would mail me an Information Pack. You will recall that I suggested that you either fax or email me the documents in order that I could receive them as quickly as possible.

The signed Confidentiality Agreement was faxed to your office at approximately 5.30 am on 17 November 2005.

I received the Information pack on Tuesday 22 November 2005.

On the 25 November 2005 I received a further package from you under covering letter dated 22 November 2005.

Notwithstanding the documents were forwarded by Express Post, it is an unfortunate reality that they did not arrive from Tamworth to our Sydney Post Box the day after you posted them.

This of course has placed my opportunity to lodge a competitive bid at an extreme disadvantage to tenderers that might live locally.

Furthermore, the Information pack contains little information that would enable a tenderer to make an informed bid. I would therefore expect that given the very short time

frame in which the sale has been advertised to the Sydney market, your vendor client will not realise full value for the property. 19

I also note that the Information pack does not contain sufficient information for any potential purchaser to carry out adequate due diligence.

There is not for example any information that describes the current condition of the asset being sold.

The financial information contains a single line entry for "Gross Gaming Revenue". It is not clear whether the Data Monitoring Service reports were included for the potential purchaser to better understand the performance of the gaming machines.

However I point out that the reports:

Do not cover the four quarters ended 30 September 2005.

Cannot be reconciled to the gaming numbers for the 2004 year and the nine months ended 30 September 2005 contained in section 11.

The notes to the Trading details also require further and better explanation.

For example Note 1 states in part "in certain instances expenses are based on internal expense allocations, not actual expenses".

There is no indication on the face of the Trading statement as to what expenses are "allocations" and what are "actuals".

As noted at the outset, I remain very interested in the property and as my offer is \$3.5 million, I would require at least a further two to three weeks to carry out adequate due diligence. I would expect this request to apply equally to all other bona fide purchasers.

Accordingly, I request that you formally advise your client that you have received my Tender Form post the lodgement date.

I also ask that you provide a copy of this letter to your principals and to the appropriate executive of the University and seek an extension of the tender process for a further three weeks.

I certainly don't believe that this request would disadvantage any tenderer, but more importantly I suggest it is likely to result in an improved sale price to the vendor.

Yours Faithfully


Darrell Hendry

cc. Watson McNamara & Watt

TENDER FORM

TO PURCHASE THE BUSINESS AND ASSETS OF
TATTERSALLS HOTEL, 174 BEARDY STREET, ARMIDALE

Name of Tenderer: MR. DARREL HENDRY
Address: ~~174 BEARDY STREET~~ BLAKEHURST NSW 2221
P.O. BOX 139 BLAKEHURST NSW 2221
Phone: (02) ~~40811111~~ Fax: (02) ~~40811111~~
Contact Person: MR. D. HENDRY MOBILE ~~0411 111111~~

Tender Price for:

	\$
A. Land and Buildings	_____
B. Uncumbered Plant and Equipment	_____
C. Stock	_____
D. Business Name	_____
E. Goodwill	_____
F. Other	_____
TOTAL	<u>\$3,500,000</u>

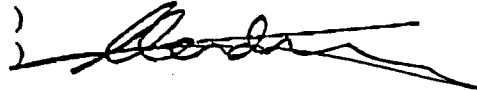
I/We hereby offer to purchase from you the property as defined in the attached Conditions of tender ~~on the terms therein mentioned~~ for the sum of **THREE MILLION FIVE HUNDRED THOUSAND DOLLARS** Australian dollars (A\$ 3,500,000) and submit herewith duly executed Tender Agreement ~~—~~ **SUBJECT TO THE TERMS AND CONDITIONS SET OUT IN ANNEXURE A.**

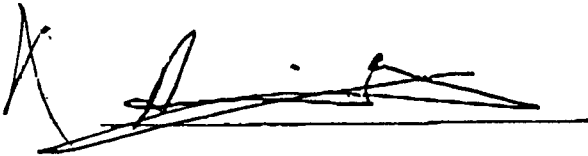
~~This tender is made in accordance with the annexed Conditions of Tender and is accompanied by a cheque in favour of the Vendor's Solicitors for the deposit of ten percent (10%) of the purchase price.~~

My/our address for service is: PO BOX 139 BLAKEHURST NSW 2221

Dated this 27th day of November 2005.

SIGNED by the Tenderer in the presence of:





EXECUTED by the TENDERER in accordance with Section 127 of the Corporations Act.

Signed _____

Signed

Full Name _____

Full Name

Position Held _____

Position Held

NOTE:

- (i) Tender Agreement must be attached and must be completed and executed by the Tenderer.
- (ii) If this Tender Form or the Tender Agreement is executed under Power of Attorney, a certified copy of that Power must accompany the Tender.

NSW ICAC EXHIBIT

TATTERSALLS HOTEL ARMIDALE

ANNEXURE A

TERMS AND CONDITIONS OF OFFER DATED 27 NOVEMBER 2005-11-27

Completion of satisfactory legal due diligence

Satisfactory inspection by a registered building inspector

Satisfactory financial due diligence

Satisfactory meetings with Council officers

Satisfactory inspection for termites and pests

Satisfactory search of liquor licence and transfer to the purchaser.

Consent of the vendor to sell the property to a special purpose company related to the tenderer.
