Newcastle 500
Civil Works Tripartite Agreement

DESTINATION NSW
ABN 52 890 768 976

NEWCASTLE CITY COUNCIL
ABN 25 242 068 129

V8 SUPERCARS AUSTRALIA PTY LTD
ABN 94 077 053 484
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NEWCASTLE 500 - CIVIL WORKS TRIPARTITE AGREEMENT

DATE: ____ MAY 2017

PARTIES

1 Destination NSW (ABN 52 890 768 976) of Level 2, 88 Cumberland Street, The Rocks, NSW 2000 (Destination NSW);

2 Newcastle City Council (ABN 25 242 068 129) of 282 King Street, Newcastle, NSW 2300 (Council or NCC); and

3 V8 Supercars Australia Pty Ltd (ABN 94 077 053 484) as trustee for Avesco Unit Trust ABN 21 767 230 845 of 45 Nerang Street, Southport, QLD 4215 (V8SC).

RECITALS

A V8SC organises, promotes and manages Supercar motor racing events at various locations in Australia and internationally.

B V8SC has agreed with Destination NSW that V8SC will organise, promote, manage, conduct and underwrite the Event in each of the Event Years in accordance with the Motor Racing Act.

C The NSW Government has agreed to provide an investment for Event Works in accordance with this Agreement. Destination NSW is the NSW Government lead agency for the investment.

D Council is the local government authority responsible for the Civil Works Area. Council wishes for certain NCC Works to be carried out, and Council and V8SC agree that it will be beneficial and efficient for the NCC Works to be carried out in parallel with the Event Works.

E The parties wish to enter into this Agreement to record the terms on which:

(i) Council will pay the NCC Works Funding to Destination NSW;
(ii) V8SC will carry out the NCC Works and Destination NSW will pay V8SC the NCC Works Funding on the terms set out in this Agreement;
(iii) V8SC will carry out the Event Works and Destination NSW will pay V8SC the Event Works Funding on the terms set out in this Agreement;
(iv) there will be a process for notifying and coordinating any variations required to the NCC Works, and funding the costs of any such variations.

OPERATIVE PROVISIONS

1 Interpretation

1.1 Definitions

The following definitions apply in this Agreement:

Approval means any licence, permit, consent, approval (including Confederation of Australian Motor Sport approval), determination, certificate, authorisation or permission from any Authority or under any Law or any requirement made under any Law (including for the
avoidance of doubt under the Motor Racing Act) which must be obtained, satisfied or complied with (as the case may be):

(a) to perform the Civil Works; or
(b) for the use or occupation of the Civil Works Area.

Artefact means any fossils, bones, artefacts, coins, articles of antiquity, structures or other remains or things of scientific, geological, historical, archaeological or Aboriginal interest or any other object otherwise of value.

Associates means:

(a) in relation to V8SC, any related body corporate of V8SC and any officer, employee or agent of V8SC or that related body corporate; and
(b) in relation to Council, any officer, employee or agent of Council, and person engaged or authorised by NCC in relation to the Civil Works.

Authority means any NSW Government Agency or other administrative, government or judicial agency, body, department, commission, corporation, instrumentality, person or tribunal, or any other person, having jurisdiction or power to impose a requirement, restriction or condition, or whose consent is required, in connection with the Event, the obligations in this Agreement or the Civil Works.

Business Day means a day that is not a Saturday, Sunday or public holiday in Sydney, New South Wales.

Civil Works means the Event Works and the NCC Works.

Civil Works Area means the areas where Civil Works will take place, as outlined in Annexure 2.

Claim includes any claim, action, demand or proceeding:

(a) under, arising out of, or in any way in relation to this Agreement;
(b) under, arising out of, or in any way in relation to the Event, the Civil Works or a party's conduct prior to the date of this Agreement; or
(c) otherwise at Law or in equity.

Contamination means the presence in, on or under the Civil Works Area or its surrounds (including both surface and ground water) of a substance (whether a solid, liquid or gas) at a concentration above the concentration at which the substance is normally or naturally present in, on or under that land (including both surface and ground water) or land in the same locality, being a presence that under law presents a risk of harm to human health or any other aspect of the Environment, to the extent that it:

(a) is uncovered or disturbed by V8SC in carrying out the Civil Works; or
(b) otherwise occurs or arise out of or in connection with V8SC carrying out the Civil Works.
**Date for Completion** means the date by which the Civil Works must be practically complete (excepting minor defects or omissions which do not affect the fitness of the works for the purposes of the Event), being the commencement of the 2017 Event.

**Environment** means all components of the earth, including:

(a) land, air and water;
(b) any layer of the atmosphere;
(c) any organic or inorganic matter;
(d) any living organism; and
(e) natural or human made or modified features or structures;
(f) and includes ecosystems and all elements of the biosphere.

**Event** means, for the purposes of this Agreement, the motor race for Event Year 2017 as authorised by Destination NSW (or other Authority) under the Motor Racing Act, and such other associated and ancillary events or functions as may be agreed with Destination NSW, including podium ceremonies, support category races and related entertainment activities. The Event:

(a) will be a minimum of three (3) racing days in duration;

(b) includes the grand finale motor racing event of the ‘Series’ (being the annual Supercar Championship named, as at the date of this Agreement, the "Virgin Australia Supercars Championship") in the class of eligible motor racing vehicles known as Supercars which will have not less than equal points and standing in comparison with equivalent motor vehicle racing events in the Series; and

(c) will be held over the motor racing period (as defined in the Motor Racing Act) comprising a minimum of:

(i) one (1) practice and one (1) qualifying round per competitive motor vehicle race referred to in (ii) below; and

(ii) two (2) competitive rounds of motor vehicle racing (to be held over two (2) days on a Saturday and Sunday only) in which at least 24 Supercars participate and which such race distance is a minimum of 250 kilometres (for the avoidance of doubt the minimum race distance may comprise two (2) races on the day of 125 kilometres or more or any other combination as long as the minimum distance raced collectively is 250 kilometres);

(d) will include at least three (3) support categories (one of which must be the ‘Dunlop Super2 Series’);

(e) will include support elements such as live entertainment (e.g. concerts), merchandise alley, auto show and kids zones; or

(f) may be staged in such other format as may be agreed between the parties which does not diminish the value of the Event to the NSW Government.
Event Works means those items of work which require the authorisation of Destination NSW (or other Authority) under the Motor Racing Act, or which are required to be undertaken in accordance with a condition of any Approval, including the work outlined as civil works required for the Event as outlined in Annexure 2, but excluding the NCC Works.

Event Works Funding means the funding amount in respect of the Event Works, to be paid by Destination NSW to V8SC under clause 3.1, being no greater than $[Redacted] (exclusive of GST).

Event Works Limitation Amount means $[Redacted] (exclusive of GST).

Event Year means each of the years 2017 to 2021 inclusive.

Government Funding means the aggregate of the Event Works Funding and the NCC Works Funding, as may be increased where the NCC Works Funding is increased in accordance with clauses 4.2 or 4.3.

GST Law means the same as "GST Law" in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

IEDM means Integrated Event Delivery Management Pty Limited ACN 068 147 320, acting as superintendent to project manage the delivery of the Civil Works.

Law means:

(a) Commonwealth, State, local or other government legislation (including the Motor Racing Act) and all regulations, by-laws and other subordinate legislative instruments made under such legislation;

(b) common law; and

(c) any requirements of an Authority (including Approvals and any conditions attached to Approvals);

Limitation Amount means the Event Works Limitation Amount or the NCC Works Limitation Amount, as the context requires.

Loss includes:

(a) any direct cost, expense, loss, damage or liability; and

(b) without being limited by paragraph (a), to the extent permitted by Law, any fine or penalty.

Minister means the Minister responsible for the administration of the Motor Racing Act or person holding this title or portfolio or his/her delegate.

Motor Racing Act means the Motor Racing (Sydney and Newcastle) Act 2008 (NSW), or any relevant legislation that enables the Event in operation from time to time, including any regulations.

NCC Works means the civil works authorised by Destination NSW (or other Authorities) under the Motor Racing Act and subject to any necessary Approvals being given, which NCC has
agreed will be procured by V8SC on behalf of NCC and which are to be carried out in parallel with the Event Works, as outlined in Annexure 2.

**NCC Works Funding** means the funding amount in respect of the NCC Works, to be paid by Council to Destination NSW under clause 4.1, and by Destination NSW to V8SC as part of the Government Funding due under clause 3.1, and which, except where it is increased in accordance with clauses 4.2 and 4.3, will be no greater than $[peculiar amount](exclusive of GST).

**NCC Works Limitation Amount** means $[peculiar amount](exclusive of GST).

**NSW Government Agency** means:

(a) the Crown in the right of New South Wales in any capacity;
(b) a New South Wales government department or other body;
(c) a New South Wales governmental, semi–governmental or judicial person including a statutory or state owned corporation in New South Wales; or
(d) a person (whether autonomous or not) who is charged with the administration of a Law in New South Wales.

Notwithstanding paragraphs (a) to (d) above, for all purposes of this Agreement "NSW Government Agency" does not include Council or any Associate of Council.

**Procurement Strategy** means the document agreed to by V8SC and Destination NSW relating to the procurement of the Civil Works via request for tender or request for quotation procedures.

**Variation** means a change to the NCC Works (from the civil works outlined as NCC Works in Annexure 2), including:

(a) an increase or decrease in the scope of the works, acceleration of the works, modification of the specifications of the works, or a change in levels, lines, positions or dimensions of the works;
(b) a requirement to repair or reinstate damage to property or to remediate contamination (except where such damage or contamination caused by the negligence or breach of this Agreement by V8SC); and
(c) an increase in costs (including the costs of insurance) caused by the circumstances referred to in paragraph (a) or (b) above.

### 1.2 Rules for interpreting this Agreement

(a) Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this Agreement, except where the context makes it clear that a rule is not intended to apply.
(b) A reference to:

(i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

(ii) an agreement (including this Agreement), or a provision of an agreement (including this Agreement), is to that agreement or provision as amended, supplemented, replaced or novated;

(iii) a party to this Agreement or to any other agreement includes a successor in title, permitted substitute or a permitted assign of that party;

(iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in Law of the person; and

(v) anything (including a right, obligation or concept) includes each part of it.

(c) A singular word includes the plural, and vice versa.

(d) A word which suggests one gender includes the other genders.

(e) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.

(f) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.

(g) A reference to information is to information of any kind in any form or medium, whether formal or informal, written or unwritten, for example, computer software or programs, concepts, data, drawings, ideas, knowledge, procedures, source codes or object codes, technology or trade secrets.

(h) The word agreement includes an undertaking or other binding arrangement or understanding, whether or not in writing.

(i) The expression this Agreement includes the agreement, arrangement, understanding or transaction recorded in this Agreement.

(j) The words 'related body corporate' have the meaning given in the Corporations Act 2001 (Cth).

(k) The word includes in any form is not a word of limitation.

(l) A reference to dollars or $ is to an amount in Australian currency.

(m) Words defined in the GST Law have the same meaning in clauses concerning GST unless the context makes it clear that a different meaning is intended. In respect of GST and the GST Law:
(i) if a party (the supplier) is required to pay GST in respect of a supply made under or in connection with (including by reason of a breach of) this Agreement, the recipient of the supply must (in addition to any other payment for, or in connection with, the supply) pay to the supplier an amount equal to such GST (GST gross-up);

(ii) if a GST gross-up is payable, then the supplier must give the recipient a tax invoice for the supply; and

(iii) references to GST extend to any notional liability of a person for GST and to any amount which is treated as GST under the GST Law, and references to an input tax credit extend to any notional input tax credit to which any person is entitled.

2 Acceptance of Risk, Limitation of Liability

2.1 Acknowledgements and Warranties

(a) Except as otherwise expressly stated in this Agreement, V8SC acknowledges that Destination NSW does not accept any risks arising out of or in relation to the Civil Works nor the obligations of V8SC or Council under this Agreement (including but not limited to private and public property damage).

(b) V8SC acknowledges and agrees that neither Destination NSW nor any NSW Government Agency has made any representation or given any warranty in relation to the Civil Works or Civil Works Area, including in respect of:

(i) the condition and/or suitability or fitness for purpose of the Civil Works Area or its surrounds, including any structure or other thing on, above or adjacent to, or under the surface of the Civil Works Area or its surrounds;

(ii) any structure or other thing on, above or adjacent to, or under the surface of the Civil Works Area and its surrounds;

(iii) the existence, location, condition or availability of services in respect of the Civil Works Area and its surrounds.

(iv) the staging, organisation, promotion, management, conduct or prospects of success or otherwise of the Event;

(v) the exercise or non-exercise of any discretion, power or function of Destination NSW or any NSW Government Agency; or

(vi) the imposition or non-imposition of any condition on any Approval.

(c) V8SC acknowledges and agrees that neither Destination NSW nor any NSW Government Agency:

(i) is responsible for, or assumes the risk of any Loss or delay arising out of or in connection with, the physical conditions and characteristics of the Civil Works Area or its surrounds including:
(A) the suitability or otherwise of any material on the Civil Works Area or its surroundings for use in connection with the Event; and

(B) water, atmospheric and sub surface conditions or characteristics;

(ii) is responsible for, or assumes the risk of any Loss or delay arising out of or in connection with, the existence, location, condition or availability of services in respect of the Civil Works Area or its surrounds; and

(iii) is responsible for, or assumes the risk of any Loss or delay arising out of or in connection with any Contamination.

(d) V8SC acknowledges and agrees that:

(i) it has sole responsibility for engaging contractors, suppliers and providers required in connection with the Event and the Civil Works; and

(ii) no review of, comments upon or failure to review or comment upon any tender, or the giving or withholding of any approval by Destination NSW will relieve V8SC from, or alter or affect, V8SC’s liabilities or responsibilities whether under this Agreement or otherwise according to Law.

(e) In respect of any Contamination, V8SC must (at its cost in respect of the Event Works and at Council’s cost in respect of the NCC Works (including as provided for in Variations undertaken under clause 4)), if and to the extent required by Law:

(i) dispose of, or otherwise deal with, any Contamination; and

(ii) remediate the Civil Works Area, however V8SC’s obligation to remediate is limited to returning the Environment as far as reasonably practicable to the condition it was before the uncovering or disturbance of the Contamination.

(f) Subject to Law, all Artefacts discovered on or under the surface of the Civil Works Area will as between V8SC and Destination NSW, be the property of Destination NSW. If and to the extent required by Law, V8SC must:

(i) permit and allow Destination NSW or any person authorised by Destination NSW to watch or examine any excavation in the vicinity of an Artefact;

(ii) at the reasonable expense of V8SC in respect of the Event Works and the reasonable expense of Council in respect of the NCC Works, take every precaution to prevent Artefacts being removed or damaged; and

(iii) immediately upon discovery of any Artefact notify Destination NSW of its discovery and comply (at V8SC’s expense in respect of the Event Works and Council’s expense in respect of the NCC Works) with any lawful directions or orders imposed by a relevant Authority upon V8SC or Destination NSW in respect of that Artefact.
(g) Council acknowledges that Destination NSW does not accept any risks arising out of or in relation to the Civil Works nor does it accept any liability to Council in respect of the Civil Works, save for its obligations to make payment to V8SC in accordance with clause 3.1.

(h) Council warrants to Destination NSW and V8SC that Council has the necessary power and authority to enter into this Agreement and to perform all of its obligations under this Agreement, pursuant to section 55(3)(b) of the Local Government Act 1993.

2.2 Indemnity

(a) V8SC indemnifies Destination NSW and each NSW Government Agency from and against any Claim or Loss whatsoever brought against, suffered or incurred by Destination NSW or any NSW Government Agency arising out of, or in relation to:

(i) V8SC’s breach of a term of this Agreement or any warranty being untrue;

(ii) any injury to, or death of a natural person and any loss of, or damage to, the real or personal property of Destination NSW, any NSW Government Agency or any other person (excepting Council) arising out of or in relation to the Event Works;

(iii) to the extent not indemnified under paragraphs (i) and (ii), any third party Claim or Loss whatsoever brought against Destination NSW or any NSW Government Agency arising out of, or in relation to the Event Works,

but the indemnity shall be reduced proportionally to the extent that any Claim or Loss is caused by or contributed to by a breach of this Agreement by Destination NSW or Council, or by the negligence or wilful default of Destination NSW, Council or any NSW Government Agency.

(b) Council indemnifies Destination NSW and each NSW Government Agency from and against any Claim or Loss whatsoever brought against, suffered or incurred by Destination NSW or any NSW Government Agency arising out of, or in relation to:

(i) Council’s breach of a term of this Agreement or any warranty being untrue;

(ii) V8SC’s procurement of the Civil Works;

(iii) the performance of the Civil Works and the final delivery of the Civil Works;

(iv) any injury to, or death of a natural person and any loss of, or damage to, the real or personal property of Destination NSW, any NSW Government Agency or any other person (excepting Council) arising out of or in relation to the NCC Works;

(v) to the extent not indemnified under paragraphs (i) and (ii), any third party Claim or Loss whatsoever brought against Destination NSW or any NSW Government Agency arising out of, or in relation to the NCC Works,

but the indemnity shall be reduced proportionally to the extent that any Claim or Loss is caused by or contributed to by a breach of this Agreement by Destination
NSW or V8SC, or by the negligence or wilful default of Destination NSW, V8SC or any NSW Government Agency.

2.3  **Limitation of Liability**

(a)  To the extent permitted by Law and subject to this clause 2.3:

(i)  the total liability of V8SC to Destination NSW, whether in contract, equity, tort (including negligence) or otherwise, is limited to the Event Works Limitation Amount;

(ii) the total liability of V8SC to Council, whether in contract, equity, tort (including negligence) or otherwise, is limited to the NCC Works Limitation Amount; and

(iii) the total liability of Council to Destination NSW, whether in contract, equity, tort (including negligence) or otherwise, is limited to the NCC Works Limitation Amount.

(b)  The limitations in clauses 2.3(a)(i) and (ii) do not apply to a liability:

(i)  covered under a policy of insurance effected for the benefit of V8SC, to the extent that the amount covered (after the application of any policy excess, deductible or waiting period) exceeds the applicable Limitation Amount;

(ii) arising out of any gross negligence, unlawful conduct, illegal acts, wilful default, fraud or dishonesty on the part of V8SC or its Associates;

(iii) arising from a material breach by V8SC of this Agreement;

(iv) in respect of Loss relating to any public or private real property; or

(v) in respect of personal injury or death of any person arising out of the Civil Works.

(c)  The limitation in clause 2.3(a)(iii) do not apply to a liability:

(i)  covered under a policy of insurance effected for the benefit of Council, to the extent that the amount covered (after the application of any policy excess, deductible or waiting period) exceeds the applicable Limitation Amount;

(ii) arising out of any gross negligence, unlawful conduct, illegal acts, wilful default, fraud or dishonesty on the part of Council or its Associates;

(iii) arising from a material breach by Council of this Agreement;

(iv) in respect of Loss relating to any public or private real property; or

(v) in respect of personal injury or death of any person arising out of the Civil Works.
For the purposes of clauses 2.3(b)(i) and 2.3(c)(i) an amount is covered under a policy of insurance to the extent a claim made under an insurance policy required under clause 5 is covered and paid under the terms of such policy or would have been covered and paid had V8SC or Council (as relevant) complied with its obligations under clause 5.

The limitation of liability in clause 2.3(a) will not apply to limit the liability of V8SC or Council (as relevant) to the extent (but not otherwise) that an insurer under an insurance policy is entitled to refuse a claim made in respect of a liability of V8SC or Council (as relevant) solely by reason of the inclusion of clause 2.3(a), and in fact refuses to pay the claim on that basis.

3 Civil Works and Government Funding

3.1 Government Funding

(a) Subject to clause 3.1(d), Destination NSW will pay the Government Funding to V8SC for the Civil Works, by:

(i) making the cash payment for May as set out in Annexure 1 by no later than the last Business Day of May, provided that:

(A) V8SC will provide Destination NSW with a drawdown notice in agreed form for such cash payment; and

(B) Destination NSW is satisfied that the service provider(s) undertaking the Civil Works have been appointed in accordance with the Procurement Strategy;

(ii) making the cash payments for June, July, August and September as set out in Annexure 1 by no later than the last Business Day of each of those months respectively, provided that V8SC will provide Destination NSW with a drawdown notice in agreed form for each such cash payment no later than 30 days prior to the date that each such cash payment is due and iEDM will provide Destination NSW with the Reporting (as defined below) for the relevant month; and

(iii) making the cash payment for October as set out in Annexure 1 by no later than the last Business Day of October, provided that V8SC will provide Destination NSW with a drawdown notice in agreed form for such cash payment no later than 30 days prior to the date such cash payment is due and an end of project report for the Civil Works warranting that the Civil Works have been completed according to relevant Laws and Approvals, and iEDM will provide Destination NSW with the Reporting for that month.

(b) V8SC will procure that iEDM provides Destination NSW with (A) monthly reporting on the general status of the Civil Works, (B) written confirmation that monthly reporting on the NCC Works is being provided to Council, and (C) written confirmation that there are no matters that would preclude payment of any
Government Funding amount in accordance with the payment schedule set out in clause 3.1(a)(ii) and (iii) (together, the Reporting).

(c) A Variation approved under clause 4.2 or implemented under clause 4.3 will:

(i) represent an increase in NCC Works Funding; and

(ii) a corresponding increase in the Government Funding,

and will be payable by NCC to Destination NSW under clause 4.1, and by Destination NSW to V8SC under this clause 3.1, in the month in which the Variation is approved (under clause 4.2) or commenced (under clause 4.3), as reflected in the amended Annexure 1 provided under clause 4.2(b)(vi) or clause 4.3(b)(i)(E) (respectively) which will replace the Annexure 1 existing immediately prior to the Variation.

(d) Destination NSW’s obligation to pay the NCC Works Funding portion of the Government Funding is subject to Destination NSW having received payment of the corresponding NCC Works Funding amount from Council in accordance with clause 4.1.

(e) V8SC acknowledges and agrees that it does not have any rights whatsoever against Destination NSW in respect of Council’s breach of clause 4.1. For the avoidance of doubt, no action can be taken by V8SC against Destination NSW in respect of Destination NSW’s failure to make full payment of the Government Funding in accordance with clause 3.1, solely to the extent that such failure is due to Council failing to meet its obligations to pay the NCC Works Funding under clause 3.1.

3.2 No obligation to contribute additional Government Funding

(a) For the avoidance of doubt, if the costs of the Civil Works are higher than the Government Funding the Event must nonetheless be put on by V8SC in each Event Year.

(b) V8SC acknowledges and agrees that:

(i) Destination NSW has no obligation to pay any amount to V8SC for the Civil Works in excess of the Government Funding;

(ii) the Civil Works must be completed by the commencement of the Event in 2017 and any Event Works Funding (but not NCC Works Funding) not expended by that date is retained by Destination NSW. For the avoidance of doubt, after the commencement of the Event in 2017, Destination NSW’s obligation to provide any remaining Event Funding ends;

(iii) when the limit of Event Works Funding is reached, Destination NSW will have no further liability or obligation whatsoever to make any further payment to V8SC in relation to the Event Works;

(iv) when the limit of NCC Works Funding is reached, Destination NSW will have no further liability or obligation whatsoever to make any further payment to V8SC in relation to the NCC Works, except in situations arising
from a Variation approved under clause 4.2 or implemented under clause 4.3.

(c) Subject to clause 3.2(d), V8SC releases and forever discharges Destination NSW and each NSW Government Agency (for the avoidance of doubt, excluding Council) from any Claim in respect of:

(i) increases in the costs of the Civil Works;

(ii) acceleration costs in connection with the Civil Works;

(iii) changes to the scope or requirements of the Civil Works or assets that may be required in undertaking the Civil Works;

(iv) delays or disruptions to Civil Works;

(v) any carbon trading or other environmental scheme;

(vi) any error or incorrect assumption of V8SC in relation to the Civil Works,

in each case, to the extent that the Claim increases the cost of the Civil Works above the limit of the Government Funding,

(d) The release in clause 3.2(c) will not (and does not) extend to a Claim by V8SC for breach of this Agreement by Destination NSW, including, without limitation, late payment by Destination NSW of the Event Works Funding amounts due to V8SC under this clause 3.1.

3.3 Civil Works

(a) V8SC is responsible for all procurement and contracting of the Civil Works (subject to complying with the Procurement Strategy), and for obtaining all Approvals.

(b) V8SC must:

(i) ensure that expenditure incurred by it in connection with the Civil Works is efficient, economic and achieves value for money;

(ii) engage contractors, suppliers and service providers on commercial terms negotiated on an arm's length basis;

(iii) ensure that appropriate first aid, traffic control and security services are provided;

(iv) procure all Civil Works and thereafter execute the Civil Works in a prompt and diligent manner in accordance with all Approvals;

(v) not engage any contractors, suppliers or service providers which are Associates of V8SC in connection with the procurement and execution of the Civil Works; and

(vi) not in any respect of any contractor, supplier or service provider engaged in connection with the procurement and execution of the Civil Works
receive or agree to receive any commission, payment or any in-kind good
or service (whether disclosed, secret or otherwise undisclosed) as an
inducement for, a condition of or otherwise in consideration for or relating
to any contract in respect of the Civil Works.

(c) Subject to the terms of this Agreement, V8SC must use its reasonable endeavours
to engage contractors, suppliers or providers of service to undertake the Civil Works
and to provide any other work, or goods and services in relation to the Event or the
Civil Works, which have their primary place of business located in NSW.

V8SC’s reasonable endeavours does not include V8SC changing its:

(i) current professional advisors (such as V8SC’s current auditors or
accountants); or

(ii) current marketing, engineering, project management, public relations or
advertising or land survey service providers.

As at the date of this Agreement, or where based upon the skill, experience and cost
in providing goods or services it is reasonable to engage a person who does not
have their primary place of business located in NSW over a person having their
primary place of business in NSW in relation to those goods or services.

The parties agree that V8SC will appoint iEDM as superintendent to project manage
the delivery of the Civil Works.

(d) Destination NSW acknowledges that V8SC retains the right to engage
subcontractors without complying with the procedures or guidelines set out in the
NSW Government’s codes of practice for procurement (as implemented from time
to time).

3.4 Safety and Access

At all times V8SC must ensure that:

(a) the Civil Works are carried out safely;

(b) any representative of Destination NSW or Council, and any person authorised or
accredited by Destination NSW or Council, has safe and sufficient access to:

(i) the Civil Works Area; and

(ii) any other place where any part of the Civil Works is being designed,
prepared, tested, fabricated or stored,

provided that each such person must comply with safety directives, policies and practices
issued, implemented or adopted by V8SC or its contractors in connection with the Civil Works.
4 NCC Works and NCC Works Funding

4.1 Payment of the NCC Works Funding by Council to Destination NSW

Council will pay the NCC Works Funding to Destination NSW by making the cash payments set out in Annexure 1 by no later than the 3rd Business Day of the month in which it is shown as being paid in Annexure 1. The parties acknowledge and agree that failure by Council to make payment of the NCC Works Funding on the terms of this clause 4.1 will constitute a material breach of this Agreement.

Annexure 1 may be amended as provided for in clause 3.1.

V8SC will procure that iEDM provide Council with monthly reporting on the status of the NCC Works.

Notwithstanding any other clause of this Agreement, by making each payment of the NCC Works Funding to Destination NSW pursuant to this clause 4.1, Council:

(a) irrevocably agrees to Destination NSW making payment of the Government Funding to V8SC in accordance with clause 3.1, regardless of (among other things) any dispute between Council and V8SC as to the performance of the NCC Works;

(b) subject to (c) below, acknowledges and agrees that it does not have any rights whatsoever against Destination NSW in respect of the Civil Works, including (without limitation) any rights against Destination NSW in respect of Destination NSW complying with its obligations under clause 3.1; and

(c) agrees that its only right against Destination NSW is to require Destination NSW to meet its obligations under clause 3.1.

4.2 Variations to the NCC Works proposed by Council

(a) Subject to and without limiting clauses 4.3, 4.4 or 4.5, Council may propose Variations to the NCC Works only where the Variation was unforeseen as at the date that the scope split between the Event Works and NCC Works (as shown in Annexure 2) was initially delineated between the parties, and is necessary:

(i) to comply with Law;

(ii) to achieve the Date for Completion; or

(iii) so that the NCC Works will be fit for the purpose of carrying out the Event.

(b) Without limitation, circumstances that may arise making a Variation necessary for the purposes of this clause 4.2 include:

(i) changes to the scope and work breakdown of the NCC Works as outlined in Annexure 2, as a result of design developments occurring in the ordinary course of carrying out works of the nature of the NCC Works;

(ii) requirements or conditions of consent specified in an Approval which is received after the date of this Agreement;
(iii) physical conditions within the Civil Works Area which differ materially from the physical conditions which V8SC and its contractors reasonably expected;

(iv) physical damage to or loss occurring to or in respect of the NCC Works;

(v) hazards to health or safety or the environment, or injury to persons, affecting the progress of (or other aspects of) the NCC Works.

(c) A Variation proposed by Council in accordance with this clause 4.2 must be by notice in writing to the other parties, which notice must include:

(i) reasonable details of the proposed Variation and a copy of the contract that V8SC entered with the relevant contractor performing the NCC Works;

(ii) why it is necessary;

(iii) an assessment of the effect (if any) of the proposed Variation on the NCC Works (as varied) being fit for the purpose of carrying out the Event and achieving the Date for Completion;

(iv) whether the service provider(s) who are undertaking the Civil Works as at the time of the Variation notice can also undertake the Variation works;

(v) the cost of the proposed Variation (providing reasonable details of the build-up of the estimate);

(vi) where the cost of the proposed Variation will result in net additional cost to complete the NCC Works (as varied), a commitment by Council to pay the additional costs to Destination NSW (as an in increase in the NCC Works Funding) under and in accordance with clause 4.1 and a draft Annexure 1 that will come into effect pursuant to the final paragraph of clause 3.1 if the Variation is approved under clause 4.2(d); and

(vii) a signed confirmation from iEDM verifying the information provided by Council under clauses 4.2(c)(i)-(vi).

(d) A Variation proposed by Council under clause 4.2(c) must be approved by the Minister.

(e) The Minister will consider a notice provided by Council under clause 4.2(c) and will within 5 Business Days (or such longer period, to be no longer than 10 Business Days or as reasonably required by the Minister due to other commitments) of receipt of the notice notify the other parties whether the proposed Variation is approved.

(f) Where a proposed Variation is approved under clause 4.2(e), V8SC will carry out the NCC Works as varied, and Destination NSW will pay V8SC the Government Funding as varied (that is, for the increased NCC Works Funding committed to by Council under clause 4.2(c)(vi)), under and in accordance with clause 3.1. For the avoidance of doubt, if a new service provider(s) is required to be appointed to undertake the Variation works, that service provider(s) must be appointed in accordance with the Procurement Strategy.
4.3 Variations that V8SC may carry out

(a) If the need for a Variation arises (which satisfies a criterion listed in clause 4.2(a)), and the need to carry out the Variation is urgent for reasons of health or safety or for protection of the environment or in the case of an emergency, then V8SC may have the Variation carried out without obtaining the prior approval of the other parties.

(b) Where V8SC carries out a Variation under clause 4.3(a):

(i) V8SC will as soon as practicable provide a notice in writing to the other parties, which notice must include:

(A) reasonable details of the Variation and a copy of the contract that V8SC entered with the relevant contractor performing the NCC Works;

(B) why it is necessary;

(C) an assessment of the effect (if any) of the Variation on the NCC Works (as varied) being fit for the purpose of carrying out the Event and achieving the Date for Completion;

(D) the cost of the proposed Variation (providing reasonable details of the build-up of the cost);

(E) where the cost of the Variation will result in net additional cost to complete the NCC Works (as varied), the increased NCC Works Funding and a new Annexure 1 that will replace the existing Annexure 1 pursuant to the final paragraph of clause 3.1; and

(F) a signed confirmation from IEDM verifying the information provided by V8SC under clauses 4.3(b)(i)(A)-(E);

(ii) Council will pay the increased NCC Works Funding (as notified under clause 4.3(b)(i)) to Destination NSW under and in accordance with clause 4.1; and

(iii) Destination NSW will pay V8SC the Government Funding as varied by the increased NCC Works Funding notified under clause 4.3(b)(i), under and in accordance with clause 3.1.

4.4 Allocation

Where the reason for a Variation is not wholly due to circumstances affecting the NCC Works, and is partly due to circumstances (of the type referred to in clauses 4.2 or 4.3) which arise as a result of the Event Works, IEDM must, by determination issued in writing, allocate a proportion of the cost of the applicable Variation to the Event Works (to be paid out of the Event Works Funding), such allocation to be proportionate to the extent to which the circumstances which gave rise to the Variation arose as a result of the Event Works.
The parties authorise iEDM to make the allocation and determination provided for in this clause and will be bound by any such allocation made while iEDM acts as project manager for delivery of the Civil Works.

4.5 **Other works**

Nothing in clauses 4.2 or 4.3 limits Council's rights or powers to carry out other works in the Civil Works Area, provided that Council will ensure that any such works do not adversely impact on the cost, functionality or progress of the Civil Works.

5 **Insurance**

(a) Without limiting clause 4.3, V8SC warrants that it has adequate levels of product and public liability insurance in relation to the Civil Works and its obligations under this Agreement.

(b) Council warrants that it has adequate levels of product and public liability insurance in relation to the NCC Works, the Civil Works Area and its obligations under this Agreement.

(c) For the avoidance of doubt, the parties agree that an adequate level of insurance for the Event Works and the NCC Works is the responsibility of V8SC and Council respectively, and that Destination NSW has no obligation to hold insurance in respect of the Civil Works.

6 **Dispute resolution**

6.1 **Claims**

If a party wishes to make a Claim under this Agreement, the Claim must be in writing delivered to the other party (or parties, as the case may be) and must:

(a) identify the respondent or respondents to the Claim;

(b) adequately identify and provide details of the Claim;

(c) detail the party's position regarding the Claim, outlining reasons why it is the correct position.

6.2 **Notice of dispute**

A party or parties (as the case may be with respect to the Claim) receiving a Claim in accordance with clause 6.1 must, within 10 Business Days of receipt of the Claim either:

(a) accept the Claim; or

(b) dispute the Claim (for the purposes of this clause 6, a Dispute) by giving notice (Notice of Dispute) to the party making the Claim, which notice must:

(l) adequately identify and provide details of the Dispute;
(ii) provide particulars of the disputing party's reasons for being dissatisfied; and

(iii) detailing the disputing party's position regarding the Dispute outlining reasons why it is the correct position and/or the reasons why the other party's (or parties') reasons are incorrect.

Notwithstanding the issuance of a Notice of Dispute, the parties must continue performing their obligations under this Agreement.

6.3 Meeting of representatives

If a Notice of Dispute is issued under clause 6.2, the Chief Executive Officer (or equivalent) of each party (or his or her nominee) must meet and attempt to resolve the dispute within 5 Business Days of the Notice of Dispute being issued, before resorting to direction from the NSW Premier or the Minister.

6.4 Arbitration

If the senior representatives of the parties do not resolve the Dispute within 7 Business Days of the Notice of Dispute being issued, then either party to the Dispute may, by written notice, refer the Dispute to arbitration in accordance with this clause. Where a Dispute is referred to arbitration then:

(a) the place of the arbitration and all preliminary conferences and hearings with respect to the arbitration will be Sydney, New South Wales, Australia;

(b) the law, both substantive and procedural, will be the law in force in New South Wales;

(c) the parties to the arbitration are entitled to legal representation;

(d) a single arbitrator will be mutually agreed by the parties or if the parties are not able to agree on the appointment of an arbitrator within 10 Business Days of the date of the notice referring the Dispute to arbitration, either party may request the Chief Executive Officer of the Sydney Chapter of the Resolution Institute to appoint a single arbitrator;

(e) the language of the arbitration will be English;

(f) the rules of evidence apply to the arbitration;

(g) the arbitrator must hand down an award within 20 Business Days, or such longer period agreed by the parties, of the conclusion of any hearing;

(h) except as required by law, all arbitration proceedings and related documents and communications shall be private and confidential as between the parties to the arbitration;

(i) the Commercial Arbitration Act 2010 (NSW) applies to the arbitration;

(j) the arbitration must be conducted in accordance with the Resolution Institute Arbitration Rules 2016;
(k) the cost of the reference to arbitration and award are at the discretion of the arbitrator; and

(l) any payment of money under an award will be in Australian dollars.

6.5 *Injunctive relief*

Nothing in this clause 6 prevents a party issuing proceedings where the only relief sought is urgent injunctive or urgent declaratory relief.

7  **Term and Termination**

7.1 **Term**

Subject to clause 7.3 (including in respect of Government Funding that is due), and unless terminated earlier in accordance with clause 7.2, this Agreement ends on completion of the Civil Works and Destination NSW's obligation to accept drawdown notices for Event Works Funding ends at this time.

7.2 **Termination**

A party may terminate this Agreement by notice in writing to the other parties if:

(a) another party commits a material breach of this Agreement and the breach is not capable of remedy or, if capable of remedy, the defaulting party does not remedy the breach within 14 days of receipt of a written notice from a non-defaulting party (copied to the other non-defaulting party) specifying the breach and requiring the breach to be remedied; or

(b) another party is insolvent or ceases or threatens to cease carrying on business or is unable to pay its debts when they fall due or an application for its winding up or dissolution is passed or a receiver, administrator or liquidator or provisional liquidator is appointed to such party.

7.3 **Accrued rights**

Rights or entitlements of a party that have accrued before the time that this Agreement is terminated in accordance with its terms, will survive termination.

8  **Consents, Approvals and Authorities**

8.1 **Consents and Approvals**

In respect of the Civil Works, V8SC must (at its cost in respect of the Event Works and at Council's cost in respect of the NCC Works):

(a) expeditiously apply for and obtain all Approvals (excepting only any Approvals that can only be applied for by Council or other Authority);

(b) fulfil all conditions and requirements of all Approvals (excepting only any Approvals that can only be applied for by Council or other Authority); and
comply with all applicable Laws.

V8SC must not take an action in connection with the Civil Works, until it has obtained all necessary Approvals relevant to that action, and must upon request provide a copy of such Approvals to Destination NSW.

V8SC must (at its cost in respect of the Event Works and at Council's cost in respect of the NCC Works), comply with any other relevant standards or codes that apply to the Civil Works.

8.2 Other Authorities

V8SC acknowledges and agrees that:

(a) there are Authorities (other than Destination NSW) with jurisdiction in respect of the Civil Works and the Civil Works Area;

(b) such Authorities may from time to time exercise their statutory functions and powers in such a way as to disrupt, interfere with or otherwise affect the Civil Works or the Civil Works Area; and

(c) (without limiting the Government Funding) V8SC bears the full risk of all occurrences of the kind referred to in this clause and releases Destination NSW and all NSW Government Agencies from all Claims or Loss suffered or incurred arising out of or in any way in relation to such occurrences.

9 General

9.1 Maintenance of Accounts

V8SC must:

(a) keep proper financial records (as defined in the Corporations Act) prepare proper financial statements as defined in the Corporations Act) relating to the Civil Works and its financial affairs;

(b) have its accounts audited annually; and

(c) ensure that all of its financial statements and records related to the Civil Works are available to Destination NSW at all reasonable times for examination, audit, inspection, transcription and copying. Destination NSW may request, at Destination NSW's cost, that an audit take place by an independent auditor nominated by Destination NSW. V8SC will be given no less than seven (7) days' notice of any audit if Destination NSW elects to take up this audit option.

9.2 Confidentiality

(a) The parties acknowledge the importance in all aspects of their respective operations surrounding this Agreement and agree to keep all confidential information in absolute confidence and not disclose any confidential information of another party to any third person without the prior written consent of the disclosing party.
(b) Confidential information includes any information relating to this Agreement (economic, strategic, marketing, trade and industry, negotiations, proposed financial offers, financial terms etc.), whether disclosed before or after its commencement, that is by its nature confidential, is designated as confidential or which the receiving party ought to have known to be confidential.

(c) Where a party to this Agreement elects to provide confidential information to any other party, the receiving party undertakes:

(i) to treat the information as confidential and not to disclose the confidential information to any person without the prior written consent of the disclosing party (except its employees, contractors, agents and professional advisers and then only to such extent as is necessary, or unless required by Law); and

(ii) to use the confidential information only for purposes permitted or required under this Agreement.

9.3 Assignment

No party may assign or otherwise deal with its rights under this Agreement, except with the prior written consent of the other parties, such consent not to be unreasonably withheld.

9.4 Notices

(a) How to give a notice

A notice, consent or other communication under this Agreement is only effective if it is:

(i) in writing, signed by or on behalf of the person giving it;

(ii) addressed to the person to whom it is to be given; and

either:

(iii) sent by pre-paid mail (by airmail, if the addressee is overseas) or delivered to that person’s address; or

(iv) sent by email to the email address for that person.

(b) When a notice is given

A notice, consent or other communication that complies with this clause is regarded as given and received:

(i) if it is delivered by hand:

(A) by 5.00 pm (local time in the place of receipt) on a Business Day – on that day; or
(B) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day – on the next Business Day;

(ii) if it is sent by mail:

(A) within Australia – three (3) Business Days after posting; or

(B) to or from a place outside Australia – seven (7) Business Days after posting.

(iii) if it is sent by email, upon delivery receipt by the person to which it was given.

(c) Address for notices

A person’s mail address and/or email address are those set out below, or as the person notifies the sender:

**Destination NSW**

Address:  
Level 2  
88 Cumberland Street  
The Rocks NSW 2000

Email:  c/o neville.dcosta@dnews.com.au

Attention: Chief Executive Officer

**Newcastle City Council**

Address:  
232 King Street  
Newcastle, New South Wales 2300

Email:  c/o dguest@ncc.nsw.gov.au

Attention: Interim Chief Executive Officer

**V8SC**

Address:  
45 Nerang Street  
Southport, QLD 4215

Email:  c/o ahogarth@supercars.com

Attention: Chief Executive Officer

**9.5 Amendments**

This Agreement can only be amended or replaced by another agreement in writing, executed by the parties.
9.6 Survival

Clauses dealing with confidentiality, liability, Claims, warranties and indemnity survive the expiry or termination of this Agreement.

9.7 Entire agreement

Without limiting the Strategic Investment Agreement entered into between Destination NSW and V8SC and dated 9 March 2017, and excepting those parts of an earlier agreement titled 'Agreement - Civil Works Investment' between Destination NSW and V8SC and dated 30 November 2016 (the 2016 Civil Works Agreement), which those parties have agreed in writing will survive the execution of this Agreement, this document records the entire agreement between the parties as to its subject matter and supersedes all prior negotiations, representations, understandings, arrangements and agreements (including the 2016 Civil Works Agreement, excepting only such parts of that agreement which Destination NSW and V8SC have agreed in writing will survive the execution of this Agreement) between the parties regarding that subject matter.

9.8 Governing law

This document is governed by, and is to be construed in accordance with, the laws of New South Wales.

9.9 Jurisdiction

Each party irrevocably:

(a) submits to the exclusive jurisdiction of the courts of New South Wales, Commonwealth courts having jurisdiction in that State, and any courts that have jurisdiction to hear appeals from any of those courts; and

(b) waives any right to object to proceedings being brought in those courts on the basis that proceedings have been brought in an inconvenient forum.

9.10 Counterparts

This document may be executed in any number of counterparts which together will constitute the one instrument but is not effective until each party has executed at least one counterpart and the counterparts have been exchanged. Each party consents to the exchange of counterparts by email.

9.11 Authority of signatory

Each person who executes this Agreement on behalf of a party (under a power of attorney or otherwise) declares and warrants that he or she is duly authorised to sign this Agreement and that he or she is not aware of any fact or circumstance that might affect his or her authority to do so.

9.12 Nature of relationship

Nothing in this Agreement shall be deemed to create a partnership, joint venture or relationship of agency between any of the parties and/or iEDM.
Executed as an agreement

Signed for DESTINATION NSW
on the day of May 2017
by its duly authorised representative

Chief Executive Officer

in the presence of

Witness

Signed for NEWCASTLE CITY COUNCIL
on the day of May 2017
by its duly authorised representative

Authorised Representative

PETER CHRYSTAL

in the presence of

Witness

DAVID GUEST
Signed for **V8 SUPERCARS AUSTRALIA PTY LTD** as trustee for Avesco Unit Trust on the **day of May 2017**

by its duly authorised representative

**Authorised Representative**

____________________________

**print name**

in the presence of

**Witness**

____________________________
Annexure 2 - Civil Works and Civil Works Area

1 Background

In discussions with V8SC in November and December 2016, NCC expressed a desire to conduct infrastructure upgrades and other works, which were (and are) in existing Council forward plans / budgets, at the same time as V8SC are conducting the Event Works, for the following reasons:

(a) efficient upgrades to Council infrastructure (due to efficiencies in carrying out the respective work scopes in parallel);

(b) creating a legacy benefit resulting from the Event (positive for community relations); and,

(c) minimising disruption to local residents by conducting all of the respective work scopes at one time (rather than Council separately needing to conduct works in the same areas).

NCC and V8SC agreed to an initial scope split, between the Event Works and the NCC Works, and to apportioning the funding required for the work scopes to be carried out at the same time.

2 Scope Split

Drawing number 01-SP-C201 (Attachment A) illustrates the split in scope and was developed based on a scope-split spreadsheet developed by NCC, V8SC and iEDM (Attachment B). In summary, the intent of the split is as follows.

2.1 V8SC Works include:

(a) Localised widening of streets, removal of blisters - Where this work is planned, V8SC is responsible for all demolition, removal of contaminated material, replacement of kerbs, re-surfacing of this area of AC, including sub-base.

(b) All pit building requirements – including footings, removal of mound and joining of car parks, kerbing and stormwater replacement.

(c) Nobbys Beach car park and new shared path – regrading of car park, removal of vegetation; pavement and subgrade for new road.

2.2 NCC Works include:

(a) Asset renewals determined by NCC throughout the precinct where requiring upgrade or repair – AC, footpaths, water mains, sewer, stormwater, lighting, communications.

(b) Landscaping upgrades and Bathers Way connection.

Given that the NCC Works will generally involve more excavation, it is acknowledged by NCC, V8SC and iEDM that there is a greater risk of Variations through latent conditions with these works.
Attachment A – Scope Split Drawing 01-SP-C201
5 Attachment B – Scope Split CoN Spreadsheet