

PIGOTTSTINSON

LAWYERS SINCE 1863

OVER **150** YEARS OF SERVICE

MEMORANDUM OF UNDERSTANDING

DATED: *3RD November 2025*

PARTIES:

TAREE AQUATIC CLUB LIMITED ACN 001 050 586

TAREE LEAGUES SPORTS CLUB LIMITED ACN 001 031 894

PIGOTT STINSON

Tel +61 2 8251 7777
Email partners@pigott.com.au
Web www.pigott.com.au

Level 3, 10 Barrack St
Sydney NSW 2000

GPO Box 3380
Sydney NSW 2001

Liability limited by a scheme approved
under Professional Standards Legislation
ABN 82 680 297 642

Associated Firm - Melbourne McKean Park

DATE: This Memorandum of Understanding is made on

PARTIES: **TAREE AQUATIC CLUB LIMITED ACN 001 050 586** of 1 Macquarie Street,
Taree NSW 2430 (**Aquatic Club**)

AND: **TAREE LEAGUES SPORTS CLUB LIMITED ACN 001 031 894** of 43
Cowper Street, Taree NSW 2430 (**Leagues Club**)

BACKGROUND

- (A) The Aquatic Club and the Leagues Club both operate registered clubs in New South Wales.
- (B) The Leagues Club called for expressions of interest in amalgamation from clubs interested in amalgamating with the Leagues Club.
- (C) The Aquatic Club submitted an expression of interest to the Leagues Club.
- (D) The Leagues Club accepted the expression of interest from the Aquatic Club and, following further negotiation, the Aquatic Club and the Leagues Club have agreed to the terms set out in this Memorandum.
- (E) The Aquatic Club and the Leagues Club propose to amalgamate the two clubs (subject to the approval of the Authority and subject to the terms of this Memorandum) in accordance with the provisions of this Memorandum, the RCA, the Regulations, the Liquor Act and the Corporations Act.
- (F) The Regulations require clubs which are proposing to amalgamate to enter into a Memorandum of Understanding.
- (G) The Regulations require the Memorandum of Understanding to deal with or include the matters contained in clauses 2 to 11 inclusive below. However, there are other matters of importance to the clubs that are included in this Memorandum.

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Memorandum unless the context otherwise requires:

- (a) **"Amalgamated Club"** means the amalgamated registered club of the Aquatic Club and the Leagues Club, the corporate vehicle of which will be the Aquatic Club;
- (b) **"Amalgamation"** means the amalgamation of the Clubs in accordance with this Memorandum;
- (c) **"Amalgamation Application"** means the application for the transfer of the Leagues Club's Liquor Licence to the Aquatic Club pursuant to Sections 60(6) and (7) of the Liquor Act by the Aquatic Club and the Leagues Club;
- (d) **"Aquatic Club's Premises"** means the Aquatic Club Club's premises at 1 Macquarie Street Taree NSW 2430;
- (e) **"Assets"** means all of the goodwill, land, personal property, equipment, stock, intellectual property, gaming machine entitlements, poker machines, cash, cash equivalents, bank accounts and all other property, tangible or intangible

belonging to the Leagues Club at the time of Completion of the Amalgamation;

- (f) **“Authority”** means the Independent Liquor and Gaming Authority;
- (g) **“the Aquatic Club CEO”** means the individual who fulfils the Secretary or Secretary Manager’s role at the Aquatic Club for the purposes of the Corporations Act and RCA;
- (h) **“Board”** means the group of directors constituting the governing body of a Party for the purposes of the RCA and the Corporations Act;
- (i) **“Claim”** means any claim, notice, demand, debt, account, action, expense, cost, lien, liability proceeding, litigation, investigation or judgment of any nature, whether known or unknown;
- (j) **“ClubGRANTS”** means the ClubGRANTS scheme established under the Gaming Machine Tax Act 2001 for the granting of a rebate of gaming machine tax levied on registered clubs for expenditure on community development and support;
- (k) **“Clubs”** means both the Aquatic Club and the Leagues Club;
- (l) **“Completion of the Amalgamation”** means the day on which:
 - (i) the Final Order is granted and the Leagues Club’s Liquor Licence is transferred to the Aquatic Club; and
 - (ii) the Assets, Debts and Liabilities of the Leagues Club are transferred to the Aquatic Club, as referred to in clause 16;
 - (iii) the Leagues Club’s members become members of the Aquatic Club and all members become members of the Amalgamated Club;
 - (iv) the Aquatic Club takes over responsibility, management and control of the Leagues Club Premises.
- (m) **“Confidential Information”** means all information relating to a party, its business, employees or suppliers which is or might reasonably be considered by the other party to be confidential and which is not in the public domain, including all financial data and information relating to a party, business plans, unpublished financial accounts, data and reports, supply lists and information relating to the business of a party’s suppliers;
- (n) **“Corporations Act”** means the Corporations Act 2001 (Commonwealth), and the Regulations made thereunder;
- (o) **“Debts”** means the accumulated debts of the Leagues Club at the time of Completion of the Amalgamation;
- (p) **“EBITDA”** means earnings before interest, taxes, depreciation and amortisation;
- (q) **“Final Order”** means the final order pursuant to Section 60(8) of the Liquor Act by the Authority whereby the Leagues Club’s Liquor Licence is transferred to the Aquatic Club;

- (r) **"Gaming Machines Act"** means the Gaming Machines Act 2001 (NSW) and the Regulations made thereunder;
- (s) **"GST"** means Goods and Services Tax under A New Tax System (Goods and Services Tax) Act 1999;
- (t) **"Land"** means all of the real property (land) which is owned and occupied by the Leagues Club as at the Completion of the Amalgamation;
- (u) **"Liabilities"** means all liabilities, losses, damages, outgoings, costs and expenses of the Leagues Club (whatever description) at the time of Final Order;
- (v) **"Liquor Act"** means the Liquor Act 2007 (NSW) and the Regulations made thereunder;
- (w) **"Liquor Licence"** means a club licence issued to a registered club under the Liquor Act;
- (x) **"Leagues Club Premises"** means the Leagues Club's premises located at 43 Cowper Street, Taree NSW 2430.
- (y) **"Memorandum"** means this Memorandum of Understanding;
- (z) **"Order"** means the provisional grant of the Amalgamation Application by the Authority pursuant to Section 60(7) of the Liquor Act;
- (aa) **"Party"** means the Leagues Club and the Aquatic Club respectively;
- (bb) **"Records"** means all original and copy records, sales brochures and catalogues, lists of clients, documents, books, files, accounts, plans and correspondence belonging to or used by the Leagues Club in the conduct of the Leagues Club's business including but not limited to corporate accounting and statutory records;
- (cc) **"Regulations"** means the Regulations to the RCA; AND
- (dd) **"RCA"** means the Registered Clubs Act 1976 (NSW) and the Regulations made thereunder.

1.2 In this Memorandum unless the context otherwise requires:

- (a) headings are for convenience only and do not affect interpretation;
- (b) the singular includes the plural and vice versa;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a person, trust, partnership, joint venture, association, corporation, organisation, society, firm, authority or other entity includes any of them;
- (e) a reference to any legislation or provision of legislation includes all amendments, consolidations or replacements and all regulations or instruments issued under it;

- (f) a reference to a Party to a document includes that Party's successors, permitted assigns, administrators and substitutes;
- (g) an agreement on the part of 2 or more persons binds them jointly and severally;
- (h) a reference to a notice from, consent or approval of a Party and agreement between the Parties for the purposes of this Memorandum means a written notice, consent, approval or agreement;
- (i) mentioning anything after 'include', 'includes' or 'including' does not limit what else might be included; and
- (j) a reference to "dollars" or "\$" is to Australian currency.

2. EACH CLUBS POSITION REGARDING THE PROPOSED AMALGAMATION

- 2.1 The Aquatic Club and the Leagues Club agree to amalgamate in accordance with this Memorandum, the RCA, the Regulations, the Liquor Act and the Corporations Act.
- 2.2 The Amalgamation is intended to preserve and where possible enhance the existing facilities and amenities of both Clubs.
- 2.3 The amalgamation will be effected by the continuation of the Aquatic Club and the dissolution of the Leagues Club.
- 2.4 The process for the amalgamation will be as follows:
 - (a) The members of the Leagues Club and the Aquatic Club will be asked to approve the amalgamation at separate general meetings of the ordinary members of each club. These meetings will be called and held in the manner referred to in clause 13 below.
 - (b) Once the approvals in clause 2.4(a) have been obtained, the Amalgamation Application will then be made in the manner referred to in clause 14 below.
 - (c) After the Order has been made is granted (but subject to the Final Order and on Completion of the Amalgamation), the Assets, Debts and Liabilities will be transferred to the Aquatic Club in the manner referred to in clause 16 below.
 - (d) The Aquatic Club will continue as the body corporate of the Amalgamated Club.
 - (e) The Leagues Club Premises will become additional licensed premises of the Aquatic Club and will be available to all members of the Amalgamated Club.
 - (f) The Leagues Club Premises will be operated in the manner set out in clauses 3, 4 and 5.
 - (g) All members of the Leagues Club will, with their consent, be admitted as members of the Aquatic Club and will be identified as a separate class of membership called "Leagues Club members". This will occur in accordance with the procedure set out in clause 13.5 below (which will be inserted into the Aquatic Club's Constitution pursuant to the Special Resolution referred to in that clause).
 - (h) Those employees of the Leagues Club who accept an offer of employment from

the Aquatic Club will become employees of the Amalgamated Club.

- (i) After Completion of the Amalgamation, the Leagues Club will be wound up or liquidated in the manner referred to in clause 16 below.

**3. THE MANNER IN WHICH THE PREMISES AND OTHER FACILITIES OF THE LEAGUES CLUB WILL BE MANAGED AND THE DEGREE OF AUTONOMY THAT WILL BE PERMITTED IN THE MANAGEMENT OF THE LEAGUES CLUB PREMISES AND FACILITIES
[REGULATIONS – CLAUSE 7(2)(A)]**

- 3.1 The Leagues Club premises and facilities will become additional premises and facilities of the Aquatic Club.
- 3.2 The Amalgamated Club will operate from two (2) premises, being:
 - (a) the Aquatic Club Premises; and
 - (b) the Leagues Club Premises.
- 3.3 Subject to the amendments to the Aquatic Club Constitution referred to in clause 13 being made, the Board of the Aquatic Club will be the Board of the Amalgamated Club.
- 3.4 For the purposes of the RCA, the Aquatic Club's CEO will be the Secretary and Chief Executive Officer of the Amalgamated Club and will have overall responsibility for management of the Leagues Club Premises.
- 3.5 The Aquatic Club will take over responsibility, management and control of the Leagues Club Premises with effect from Completion of the Amalgamation.

**4. A LIST OF THE TRADITIONS, AMENITIES AND COMMUNITY SUPPORT THAT WILL BE PRESERVED OR CONTINUED BY THE AMALGAMATED CLUB
[REGULATIONS – CLAUSE 7(2)(B)]**

- 4.1 The traditions, amenities, facilities, activities and bowling and other sporting memorabilia of the Leagues Club will be maintained by the Amalgamated Club.
- 4.2 The honour boards at the Leagues Club Premises will from Completion of the Amalgamation continue to be displayed in their current form and position but may in the future be displayed electronically or in such other manner agreed by the Amalgamated Club.
- 4.3 The Amalgamated Club will explore opportunities to maintain and enhance community support to the local community of the Leagues Club Premises.

**5. INTENTIONS REGARDING THE FUTURE DIRECTION OF THE AMALGAMATED CLUB
[REGULATIONS – CLAUSE 7(2)(C)]**

- 5.1 The future direction of the Amalgamated Club will be subject to the overall strategic plan of the Amalgamated Club and its finances. However, it is the intention of the Aquatic Club to operate the Amalgamated Club and the Leagues Club Premises in accordance with this clause 5.

Amalgamated Club Premises

- 5.2 It is the intention of the Aquatic Club to operate the Amalgamated Club from the Aquatic Club's Club Premises and the Leagues Club Club's Premises.

The Leagues Club Premises

- 5.3 After Completion of the Amalgamation, the Amalgamated Club will trade from the Leagues Club Premises under the name of "Taree Sports Club" or "Taree Sporties".
- 5.4 Subject to the remaining terms of this MOU, the Aquatic Club:
- (a) will maintain the Leagues Club Premises and carry on the business of a licensed registered club under the RCA and the Liquor Act as licensed premises with the usual facilities and amenities of a registered club;
 - (b) will undertake necessary upgrades, repairs, replacements, refurbishments and renovations to the Leagues Club Premises and facilities (including the Clubhouse, bowling green and surrounding areas);
 - (c) will endeavour to ensure that the Leagues Club Premises is relevant to its membership and its local community and will maintain operating hours of not less than current as at the date of this Memorandum;
 - (d) intends to improve trading at the Leagues Club Premises;
 - (e) will actively market the Leagues Club Premises;
 - (f) will seek to enhance the social facilities, amenities and activities at the Leagues Club Premises;
 - (g) will maintain and where possible improve, the existing bowling greens and bowling facilities and activities at the Leagues Club Premises;
 - (h) will make improvements to the Clubhouse and surrounds of the Leagues Club Premises in order to provide superior facilities and food offerings;
 - (i) will introduce its existing members benefits programs at the Leagues Club Premises;
 - (j) undertake building works to upgrade and improve the entry to the Leagues Club Premises;
 - (k) include an indoor children's play space at the Leagues Club premises;
 - (l) expand beverage options at the Leagues Club premises;
 - (m) expand the current al fresco dining area at the Leagues Club Premises;
 - (n) operate a courtesy bus for both premises.
- 5.5 In addition to the above, the Amalgamated Club may continue making other necessary improvements to and at the Leagues Club Premises.
- 5.6 The Amalgamated Club must take out and maintain appropriate building insurance for the Leagues Club Premises, if available on reasonable commercial terms, sufficient to

cover reinstatement of the Leagues Club Premises to the same or better standard they were in as at Completion of the Amalgamation.

Bowling Activities and Bowling Sub-Club

- 5.7 The Amalgamated Club will create a bowling sub-club to conduct and administer bowling at the Leagues Club Premises on behalf of the Amalgamated Club.
- 5.8 It is intended that the bowling sub-club will:
- (a) have its own rules, (based on the pro forma sub club constitution applicable to all sub clubs of the Leagues Club), committees and members; and
 - (b) be authorised to operate a bank account;
 - (c) elect its own committees;
 - (d) be eligible to affiliate with such bodies controlling bowls in New South Wales on such terms and conditions (not inconsistent with the Constitution of the Leagues Club or the RCA) as such controlling bodies may from time to time require.
- 5.9 The Amalgamated Club will provide two (2) bowling greens pay for the upkeep or the bowling greens and surrounds, to such standards as exist as at the date of this Memorandum.
- 5.10 The Amalgamated Club will create other sub clubs under it for sub clubs of the Leagues Club which exist as at Completion of the Amalgamation..

Payment of Subscriptions

- 5.11 The Aquatic Club will treat any annual subscriptions which have been paid to the Leagues Club for the subscription period current as at the date of the Completion of the Amalgamation as being annual subscriptions which have been paid to the Amalgamated Club. This will also apply to any multi-year membership subscriptions.

Contracts

- 5.12 Prior to Completion of Amalgamation, the Aquatic Club will review the contracts and commercial arrangements of the Leagues Club to determine which will be novated or assigned to the Amalgamated Club and which will not.

6. THE EXTENT TO WHICH THE EMPLOYEES OF THE AMALGAMATED CLUB WILL BE PROTECTED [REGULATIONS – CLAUSE 7(2)(D)]

Current Employees of the Leagues Club

- 6.1 As part of the Amalgamation, the Leagues Club will be wound up/liquidated and, as part of that winding up/liquidation of the Leagues Club, the employment of the Leagues Club's employees by the Leagues Club will come to an end.
- 6.2 Subject to clause 6.3, the Aquatic Club will offer employment to the employees of the Leagues Club prior to Completion of the Amalgamation. The offers of employment:
- (a) will be made as soon as reasonably practicable after the Order; and

- (b) will be conditional upon and be effective from the Completion of the Amalgamation;
 - (c) will be on the same terms and conditions presently offered by the Aquatic Club to employees of the Aquatic Club in similar roles provided that it does not result in any employee of the Leagues Club receiving lesser benefits than they presently receive from the Leagues Club.
- 6.3 Prior to Completion of the Amalgamation, the Aquatic Club will conduct a review of administrative position at the Leagues Club and determine which roles will be required by the Amalgamated Club. If the Aquatic determines that a position will not be required, the person or persons filling that position will be paid their full entitlements by the Leagues Club when their employment with the Leagues Club comes to an end
- 6.4 Any employee of the Leagues Club who accepts the offer of employment with the Aquatic Club will receive continuity of employment and their entitlements (if any having regard to the fact that all the employees of the Leagues Club are casual employees) will be honoured by the Aquatic Club.
- 6.5 Any employee of the Leagues Club who does not accept the offer of employment with the Aquatic Club will be paid their full entitlements by the Leagues Club when their employment with the Leagues Club comes to an end.
7. **INTENTIONS REGARDING THE FOLLOWING ASSETS OF THE LEAGUES CLUB:**
- 1. **ANY CORE PROPERTY;**
 - 2. **ANY CASH OR INVESTMENTS;**
 - 3. **ANY GAMING MACHINE ENTITLEMENTS**
- [REGULATIONS – CLAUSE 7(2)(E)]**
-

Core Property

- 7.1 For the purposes of the RCA, the Land (including without limitation the Leagues Club Premises) is "core property" of the Leagues Club.
- 7.2 As at the Completion of the Amalgamation, the Land shall be core property of the Amalgamated Club for the purposes of section 41E of the RCA.

Cash and Investments

- 7.3 The cash and investments (if any) of the Leagues Club will be transferred (in accordance with clause 16) to the general reserves of the Amalgamated Club.

Gaming Machine Entitlements

- 7.4 As at the date of this Memorandum, the Leagues Club has 38 gaming machine entitlements attached to its Liquor Licence.
- 7.5 The Amalgamated Club will retain all current gaming machine entitlements at the Leagues Club Premises whilst ever a registered club facility is operating from the Leagues Club premises and may increase this number.

8. **RISKS OF NOT PRESERVING THE LEAGUES CLUB'S CORE PROPERTY AND HOW THOSE RISKS ARE TO BE ADDRESSED**
[REGULATIONS – CLAUSE 7(2)(E1)]
-

- 8.1 Subject to clauses 9, 10 and 11, the Amalgamated Club will not dispose of the core property of the Leagues Club during the ten (10) years after Completion of the Amalgamation.
- 8.2 The risks of the Amalgamated Club not meeting the intentions of the parties in preserving the core property of the Leagues Club are those set out in clause 10.4.
- 8.3 If the risks (or any of them) in clause 10.4 are realised after the five (5) years after Completion of the Amalgamation, the Amalgamated Club will endeavour to find ways to address those risks so that the disposal of core property will be considered only after all other ways of addressing those risks have been exhausted and provided the disposal is in accordance with the RCA.

**9. DISPOSAL OF THE LEAGUES CLUB'S MAJOR ASSETS
[REGULATIONS – CLAUSE 7(2)(E2)]**

- 9.1 For the purposes of the RCA, the Land is the “core property” and a major asset of the Leagues Club.
- 9.2 Subject to clauses 9, 10 and 11 of this Memorandum, the Amalgamated Club will not dispose of the major assets of the Leagues Club during the first five (5) years after Completion of the Amalgamation.
- 9.3 If any of the circumstances referred to in clause 10.4 occur at any time after the first three (3) years after Completion of the Amalgamation, the Amalgamated Club may dispose of the major assets of the Leagues Club.

**10. THE CIRCUMSTANCES THAT WOULD PERMIT THE AMALGAMATED CLUB TO
CEASE TRADING ON THE PREMISES OF THE LEAGUES CLUB OR TO
SUBSTANTIALLY CHANGE THE OBJECTS OF THE LEAGUES CLUB
[REGULATIONS – CLAUSE 7(2)(F)]**

- 10.1 The Aquatic Club does not intend to cease trading from the Leagues Club Premises.
- 10.2 The objects of the Aquatic Club will be the objects of Amalgamated Club.
- 10.3 The Aquatic Club intends to operate the Amalgamated Club in the manner referred to in clause 5.
- 10.4 For the purposes of Clause 7(2)(f) of the Regulations, the Aquatic Club and the Leagues Club have agreed that the Amalgamated Club may cease trading from the Leagues Club Premises:
- (a) after the fifth anniversary after the Completion of the Amalgamation if after that date the Leagues Club premises are not financially viable;
 - (b) upon the order of any Court or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs; or
 - (c) upon the lawful order of any government authority to permanently cease trading from the Leagues Club Premises, or revoking any licence, approval or consent necessary for the Amalgamated Club to continue trading from the Leagues Club Premises and it is not reasonably possible (which shall be determined by the Amalgamated Club) for the relevant licences, approvals or consents to be re-instated or new/replacement licences, approvals or consents to be obtained; or

- (d) if the Leagues Club premises are destroyed or partially destroyed by fire, flood, storm or other similar event and any resulting insurance claim is not sufficient to re-instate or re-build the Premises to at least the same level and standard that the Premises was at the Completion of the Amalgamation.
- 10.5 For the purposes of clause 10.4(a), the Leagues Club Premises will not be financially viable if, after the third anniversary of the Completion of the Amalgamation, the Leagues Club Premises fails to achieve an EBITDA (earnings before interest, taxes, depreciation and amortisation) percentage greater than 10% in each of two (2) successive years.
11. **AN AGREED PERIOD OF TIME BEFORE THE AMALGAMATED CLUB WILL CEASE TRADING FROM THE LEAGUES PREMISES OR SUBSTANTIALLY CHANGE THE OBJECTS OF LEAGUES [REGULATIONS – CLAUSE 7(2)(G)]**
-
- 11.1 The Aquatic Club:
- (a) does not intend to cease trading from the Leagues Club Premises; and
 - (b) intends to operate the Amalgamated Club in the manner referred to in clause 5; and
 - (c) would only cease to do so in the circumstances referred to in clause 10.4.
- 11.2 The objects of the Aquatic Club will be the objects of the Amalgamated Club with effect from Completion of the Amalgamation. There is presently no intention to change the Aquatic Club's objects.
- 11.3 Notwithstanding clause 11.1 but subject to clause 10.4, for the purposes of Clause 7(2)(g) of the Regulations, the Aquatic Club and the Leagues Club have agreed that the Amalgamated Club will continue to trade from the Leagues Club Premises for at least five (5) years from the date of Completion of the Amalgamation.

12. **BINDING EFFECT OF MEMORANDUM**

The Aquatic Club and the Leagues Club agree that this Memorandum is binding on them and for that purpose is executed as a Deed.

13. **CALLING OF MEETINGS AND ADMISSION OF THE LEAGUES CLUB'S MEMBERS TO MEMBERSHIP OF THE AQUATIC CLUB**

- 13.1 The Leagues Club will call a general meeting of the ordinary members of the Leagues Club for the purposes of considering and if thought fit passing a resolution approving in principle the Amalgamation in accordance with section 17AEB(d) of the RCA.
- 13.2 The meeting referred to in clause 13.1 must be held as soon as reasonably practicable after the date of this Memorandum and the Leagues Club's notice of general meeting must be approved by the Aquatic Club before it is sent by the Leagues Club to the Leagues Club's members.
- 13.3 Subject to the Leagues Club passing the resolution referred to in clause 13.1, the Aquatic Club will call a general meeting of the ordinary members of the Aquatic Club for the purposes of considering and if thought fit passing a resolution approving in principle the Amalgamation in accordance with section 17AEB(d) of the RCA.

- 13.4 The meeting referred to in clause 13.3 will be held as soon as reasonably practicable after the meeting referred to in clause 13.1.
- 13.5 In addition to the resolution referred to in clause 13.3, the Aquatic Club will, at the meeting referred to in clause 13.3, submit to those members eligible to attend and vote, a special resolution to amend the Constitution of the Aquatic Club (which if passed will take effect from Completion of the Amalgamation) to the following effect:
- (a) Any member of the Leagues Club who, at Completion of the Amalgamation, has been refused admission to or being turned out of one or more of the Aquatic Club's existing premises, suspended from or expelled from the Aquatic Club shall not be eligible to apply for and/or be admitted to membership of the Aquatic Club.
 - (b) All eligible members of the Leagues Club who apply to become members of the Aquatic Club will, subject to the Amalgamated Club's Constitution, be admitted to membership of the Aquatic Club.
 - (c) All eligible members of the Leagues Club will be able to apply for membership of the Aquatic Club in the manner referred to in paragraphs (d) to (f) inclusive of this clause 13.5.
 - (d) A member of the Leagues Club will not be required to be proposed or seconded for membership of the Aquatic Club.
 - (e) As soon as practicable after the Order, the Aquatic Club will forward to each member of the Leagues Club, who is not already a member of the Aquatic Club, a written invitation to become a member of the Aquatic Club.
 - (f) Any member of the Leagues Club who accepts the invitation and agrees in writing to be bound by the Constitution of the Aquatic Club will, subject to the Amalgamated Club's Constitution and the requirements of the RCA being satisfied, be elected by a resolution of the Board of the Aquatic Club to membership of the Aquatic Club with effect from the date of Completion of the Amalgamation.
 - (g) The Leagues Club's members who are admitted to membership of the Aquatic Club will be identified as a separate class called the "the Leagues Club Members" but may transfer to any other class of membership of the Aquatic Club for which they are eligible to join.
 - (h) The Leagues Club Members will have the same membership rights as members under the Aquatic Club's Constitution..
 - (i) Any person who, at Completion of the Amalgamation, is a Life member of the Leagues Club and is admitted to membership of the Amalgamated Club be admitted to Life membership of the Aquatic Club.
 - (j) From Completion of the Amalgamation until the elections of the Board held in 2028, the number of directors of the Aquatic Club will be increased from seven (7) to nine (9), with the additional two (2) directors of the Aquatic Club being members who were directors of the Leagues Club as at the Completion of the Amalgamation and appointed by the Board of the Aquatic Club.

14. AMALGAMATION APPLICATION TO THE INDEPENDENT LIQUOR AND GAMING AUTHORITY

- 14.1 The Aquatic Club will prepare and file the Amalgamation Application.
- 14.2 The Leagues Club will co-operate with the Aquatic Club and will provide all documents and information reasonably required for the preparation, lodgement and finalisation of the Amalgamation Application.

15. WARRANTIES AND OPERATIONAL ARRANGEMENTS

- 15.1 The Leagues Club warrants to the Aquatic Club that from the date of this Memorandum to the date of Completion of the Amalgamation, the Leagues Club will:
- (a) carry on its business in the usual ordinary course and in a diligent manner (including the payment of debts and liabilities as and when they fall due) and will not incur any single debt or liability (including, but not limited to, the purchase of any capital equipment) over the sum of \$2,000.00 plus GST without the prior approval of the Aquatic Club's CEO or his delegate with such approval not to be unreasonably withheld or delayed; and
 - (b) attend to the payment of any existing debts and liabilities using its cash reserves (provided that it will not be in breach of this warranty if its cash reserves are insufficient to pay out all of its existing debts and liabilities);
 - (c) maintain the Assets of the Leagues Club in the same state of repair as they are at the date of the Memorandum subject to reasonable wear and tear and keep the Assets of the Leagues Club insured in amounts representing their full replacement or reinstatement value against fire and other risks normally insured;
 - (d) carry on its operations with normal and prudent practice using best endeavours to reduce losses and increase profitability and use best endeavours to maintain and increase the value of the Assets;
 - (e) provide the Aquatic Club's CEO each week (or at such other times as requested) any details or documents relating to the operation and financial position of the Leagues Club;
 - (f) not do anything which may damage the goodwill of its business or that of the Aquatic Club;
 - (g) notify the Aquatic Club of any of the circumstances referred to clause 15.4 within a reasonable time of becoming aware of the relevant circumstances;
 - (h) not without the prior written consent of the Aquatic Club:
 - (i) enter into, terminate or alter any term of any material contract, arrangement or understanding including any lease, licence or easement in relation to its operations or otherwise;
 - (ii) incur any actual or contingent liabilities whether in relation to the Leagues Club's operations or otherwise;
 - (iii) dispose of, encumber or grant an option over, or grant any interest in

any of the Leagues Club's Assets;

- (iv) employ any employee;
- (v) terminate the employment of any employee;
- (vi) alter the terms of employment (including the terms of remuneration and or superannuation or any other benefit) of any employee;
- (vii) seek to borrow or borrow money from any third party;
- (viii) increase the level of debt of the Leagues Club beyond that existing as at the date of this Memorandum other than any debt incurred in the normal day to day trading of the Leagues Club; or
- (ix) engage in discussions or negotiations with anyone other than the Aquatic Club concerning an amalgamation or the sale or disposal of all or any part of the Assets, and the Leagues Club must advise the Aquatic Club of any solicitation by any third party to participate in any such discussion or negotiation;

15.2 Notwithstanding clause 15.1, each of the Leagues Club's warranties contained in clause 15.1 will remain in full force and effect notwithstanding Completion of the Amalgamation and until the Leagues Club is liquidated or otherwise wound up.

15.3 The Aquatic Club's CEO and the Leagues Club's President will have regular discussions about the management and operations of the Leagues Club with the object of:

- (a) providing for an orderly transfer of the management and operations of the Leagues Club to the Aquatic Club on the date of Completion of the Amalgamation;
- (b) achieving efficiencies and cost savings for the Leagues Club;
- (c) implementing operational changes in preparation for the Completion of the Amalgamation.

15.4 If, before Completion of the Amalgamation, in relation to either of the Clubs (the Subject Club):

- (a) anything is identified by the Subject Club (including without limitation, undisclosed Liabilities or undisclosed agreements with third parties) or anything arises in respect of the Subject Club which has or may have a material adverse effect on the Amalgamated Club;
- (b) an event occurs which has or may have a material effect on the profitability of the premises or value of any of the Assets of the subject Club;
- (c) an event occurs which makes any warranty, or any of the Subject Club's representations or other warranties made or given to the other Club untrue or misleading;
- (d) any Claim of any nature is threatened or asserted by or against the subject Club; or

- (e) there is any material adverse change in the condition (financial or otherwise) or prospects of the Subject Club, its premises or of its operations,

then the Subject Club must within a reasonable time on becoming aware of the circumstances, give notice to the other Club fully describing the circumstances.

- 15.5 Title to, property in and risk of the Assets remain solely with the Leagues Club until such time as they are passed to the Amalgamated Club in accordance with clause 16.
- 15.6 For the avoidance of doubt, it is acknowledged that no liability is accepted or will exist for any breach of a warranty in the absence of actual knowledge by the Leagues Club.

16. DISSOLUTION OF THE LEAGUES CLUB AND TRANSFER OF ITS ASSETS, DEBTS AND LIABILITIES TO THE AQUATIC CLUB

- 16.1 Prior to the Completion of the Amalgamation, the Leagues Club must do all things necessary to enable the Aquatic Club to be the bona fide occupier of the Leagues Club Premises on Completion of Amalgamation.
- 16.2 As soon as practicable after the Order, but subject to the Final Order, the Leagues Club must ensure the Assets, Debts and Liabilities of the Leagues Club are transferred to the Aquatic Club (less an amount sufficient for the purposes of any liquidation of the Leagues Club in the manner referred to in clause 16.7). The parties acknowledge that it is proposed for the transfer of the Assets, Debts and Liabilities referred to in clause 16 to occur on the date of the Final Order wherever possible.
- 16.3 For the purposes of clause 16.2, the Leagues Club must do all things necessary and execute all documents to cause all of the Assets, Debts, Liabilities of the Leagues Club, and any contracts it may have with third-parties, to be transferred, novated, or assigned to the Aquatic Club with effect from the date of Final Order wherever possible. Such transfers, notations and assignments will without limitation be in respect of:
 - (a) all real property; and
 - (b) all contract rights and obligations including without limitation hire purchase agreements;
 - (c) all intellectual property rights (including business names);
 - (d) all physical assets, furniture and fittings and stock in trade,
 - (e) debts and liabilities,owned or entered into by the Leagues Club.
- 16.4 The Aquatic Club will be responsible for and pay when due all debts and liabilities of the Leagues Club which:
 - (a) have not been paid or otherwise discharged in full by the Leagues Club as at the Completion of the Amalgamation;
 - (b) are reasonably incurred by the Leagues Club after Completion of the Amalgamation with the Aquatic Club's prior written consent, including without limitation the costs of directors' and officers' liability insurance pending deregistration of the Leagues Club as a corporate entity;

- (c) arise from the Aquatic Club not accepting the assignment or novation of any contracts as required by this Memorandum.
- 16.5 The transfers, notations and assignments referred to in clause 16.3 must be executed by the Leagues Club and held in escrow by the Aquatic Club pending Completion of the Amalgamation.
- 16.6 The Leagues Club must ensure that the Assets are transferred to the Aquatic Club free of charges, security interests and encumbrances of any other nature to enable the Aquatic Club to become the absolute and beneficial owner of those Assets free of all encumbrances with effect from Completion of the Amalgamation.
- 16.7 After the Aquatic Club has advised the Leagues Club that it is satisfied that all matters related to the Amalgamation have been completed, the Leagues Club must, as soon as reasonably practicable, ensure the Leagues Club is either voluntarily deregistered or liquidated. If the Leagues Club is liquidated then, in order to facilitate the liquidation, the Leagues Club must as soon as practicable after Completion of the Amalgamation:
 - (a) call a general meeting of its members at which members will consider, and if thought fit, pass all the appropriate resolutions for the liquidation of the Leagues Club; and
 - (b) thereafter liquidate the Leagues Club and after payment of any remaining Debts and Liabilities of the Leagues Club resulting from the liquidation, transfer any remaining Assets of the Leagues Club to the Aquatic Club.
- 16.8 The Aquatic Club agrees that it shall be responsible for the costs of liquidation of the Leagues Club.
- 16.9 Each of the parties warrant to the other it will co-operate with the other and their respective advisors, and provide all documents and information reasonably required, for the preparation, lodgement and finalisation of the matters referred to in this clause 16.

17. ACCESS TO RECORDS

From the date of this Memorandum and on the terms of confidentiality referred to in clause 18, the Leagues Club will provide to the Aquatic Club at all reasonable times access to the Leagues Club Premises, its Records and Assets and other information and material reasonably required by the Aquatic Club.

18. CONFIDENTIALITY

- 18.1 A Party must not without the prior written approval of the other disclose the other party's Confidential Information.
- 18.2 Each party must take all reasonable steps to ensure its employees and agents, subcontractors and consultants do not disclose or make public the other parties Confidential Information.
- 18.3 A party must on demand return to the other any documents and information supplied by the other in connection with this Memorandum.
- 18.4 This clause 18 survives completion of this Memorandum

19. RESOLUTION OF DISPUTES ARISING UNDER THIS MEMORANDUM

- 19.1 A party must not commence any Court or arbitration proceedings relating to a dispute unless it complies with this clause.
- 19.2 A party claiming a dispute has arisen under or in relation to this Memorandum or the amalgamation process must give written notice to the other party specifying the nature of the dispute.
- 19.3 On receipt of that notice by the other party the parties must endeavour in good faith to resolve the dispute expeditiously using informal dispute resolution techniques, such as mediation, expert evaluation or expert determination or other techniques as may be agreed by them.
- 19.4 If the parties do not within seven (7) days of the receipt of the notice referred to in clause 19.2 or any extended period agreed in writing between the parties as to:
- (a) the dispute resolution technique or procedures to be adopted;
 - (b) the timetable for steps in those procedures; and
 - (c) the selection and compensation of an independent person required for such dispute resolution technique or procedures,
- the parties must mediate the dispute in accordance with the mediation rules of the Law Society of New South Wales. The parties must request the President of the Law Society of New South Wales or the President's nominee to select the mediator and determine the mediator's remuneration.
- 19.5 If the dispute is not resolved within twenty eight (28) days after notice is given under clause 19.2 a party which has complied with the provisions of this clause 19 may by written notice to the other terminate any dispute resolution process undertaken pursuant to this clause and may then refer the dispute to arbitration or commence Court proceedings in relation to the dispute.
- 19.6 The parties acknowledge the purpose of any exchange of information or documents or the making of any offer of settlement pursuant to this clause 19 is to settle the dispute concerned. Neither party may use any information or documents obtained through any dispute resolution process undertaken pursuant to this clause for any purpose other than in an attempt to settle the dispute.

20. COSTS

Each party shall pay its own costs in relation to the preparation, execution and completion of this Memorandum.

21. STAMP DUTY

- 21.1 The parties acknowledge that section 65(3) of the *Duties Act (NSW)* provides no duty is chargeable on a transfer of dutiable property to give effect to an amalgamation of two registered clubs provided such information and documents as the Chief Commissioner of the Office of State Revenue requires are provided.
- 21.2 Despite the exemption from duty referred to in clause 21.1 the parties agree that any duty payable by either party to bring into effect the provisions of this Memorandum

shall be paid by the Aquatic Club.

22. GENERAL

- 22.1 This Memorandum constitutes the whole and entire agreement between the parties and any warranty, representation, guarantee or other term or condition of any nature not contained or recorded in this Memorandum is of no force or effect.
- 22.2 No provision of this Memorandum is in any way modified, discharged or prejudiced by reason of any investigation made, or information acquired, by or on behalf of either Club respectively, whether prior to or after the date of this Memorandum.
- 22.3 The rights, powers, remedies and privileges provided in this Memorandum are cumulative, and are not exhaustive of any other rights, powers, remedies and privileges provided by law, except as may be expressly stated otherwise in this Memorandum.
- 22.4 If any provision of this Memorandum is invalid and not enforceable in accordance with its terms, other provisions which are self-sustaining and capable of enforcement continue to be valid and enforceable in accordance with their terms.
- 22.5 Neither party may assign this Memorandum or any benefit under it without the prior written consent of the other which it may refuse in its absolute discretion.
- 22.6 Each party must do, sign and deliver all acts and documents reasonably required of it by notice from the other to effectively carry out and give full effect to this Memorandum.
- 22.7 This Memorandum is governed by and is to be construed in accordance with the law of New South Wales and the parties submit to the non-exclusive jurisdiction of the Courts of New South Wales and any Court hearing appeals from those Courts.

23. TERMINATION

- 23.1 The Aquatic Club may terminate this Memorandum:
 - (a) at any time, without penalty, by giving written notice to the Leagues Club if the Leagues Club breaches any warranty contained in clause 15; and
 - (b) at any time after the date of the Aquatic Club's general meeting referred to in clause 13.3, without penalty, by giving written notice to the Leagues Club if the Leagues Club has not disclosed any or all information and Records which would be reasonably required for the Aquatic Club (as determined by the Aquatic Club acting reasonably) to obtain a true and fair view of the Leagues Club's financial position, its operational and trading position and its state of affairs as part of its due diligence review of the Leagues Club;
 - (c) at any time after the date of the Aquatic Club's general meeting referred to in clause 13.3 without penalty, by giving written notice to the Leagues Club if:
 - (i) the Leagues Club issues a notice to the Aquatic Club in accordance with clause 15.4; and
 - (ii) the Aquatic Club, in its absolute discretion, determines that the circumstance referred to in sub paragraph (i) above will or may result in liability exceeding an amount which is acceptable to the Aquatic Club.

- (d) at any time after the date of the Aquatic Club's general meeting referred to in clause 13.3 without penalty, by giving written notice to the Leagues Club if:
 - (i) the Aquatic Club becomes aware of one or more of the events referred to in clause 15.4 in respect of the Leagues Club (irrespective of whether or not the Leagues Club issues the Aquatic Club a notice under that clause); and
 - (ii) the Aquatic Club, in its absolute discretion, determines that the circumstance referred to in sub paragraph (i) above will or may result in liability exceeding an amount which is acceptable to the Aquatic Club.

23.2 If:

- (a) the members of the Leagues Club have not passed the resolution referred to in clause 13.1 within six (6) months of the date of this Memorandum; or
- (b) the members of the Aquatic Club do not pass the resolutions referred to in clauses 13.3 and 13.5 within six (6) months of the members of the Leagues Club passing the resolution referred to in clause 13.1,

then either party by giving written notice to the other may, without penalty or liability to the other for any Claim, terminate this Memorandum.

23.3 Notwithstanding anything contained in this Memorandum and subject to clause 23.4, if Completion of the Amalgamation has not occurred within twenty four (24) months of the date of this Memorandum or such other longer period agreed by the parties, then either party by giving written notice to the other may, without penalty or liability to the other Party for any Claim terminate this Memorandum.

23.4 A Party may not rely on clause 23.3 to terminate this Memorandum if it is responsible for any delay in Completion of the Amalgamation occurring.

23.5 Any delay or forbearance in giving or withdrawing a notice pursuant to this clause 23 by a party shall not prejudice its rights to subsequently terminate this Memorandum pursuant to this clause 23.

23.6 If this Memorandum is terminated in accordance with this clause 23 the Amalgamation terminates.

24. NOTICES

24.1 A notice, approval, consent or other communication to a person relating to this Memorandum must be in writing and executed by duly authorised persons.

24.2 If the notice is to the Aquatic Club, then it must be addressed as follows:

- (a) **Name:** Taree Aquatic Club Limited
- (b) **Attention:** Peter Hemingway
- (c) **Email:** manager@sailos.com.au

24.3 If the notice is to the Leagues Club, then it must be addressed as follows:

- (a) **Name:** Taree Leagues Sports Club Limited
- (b) **Attention:** John Connell
- (c) **Email:** ceo@tareeleagues.com.au

24.4 Notice is sent by the sender and received by the receiver upon the successful completion of the email.

25. PROCESS FOR THE VARIATION OF THIS MEMORANDUM

No variation or waiver of any provision of this Memorandum is of any force or effect unless it is confirmed in writing and signed by both Parties. The variation or waiver is effective only to the extent for which it is made or given.

26. WAIVER AND THE EXISTENCE OF A POWER OR A RIGHT

No failure, delay, relaxation or indulgence on the part of either Party in exercising any power or right conferred on that Party by this Memorandum operates as a waiver of that power or right. No single or partial exercise of any such power or right will preclude any other or future exercise of it, or the exercise of any other power or right under this Memorandum.

27. NOTES

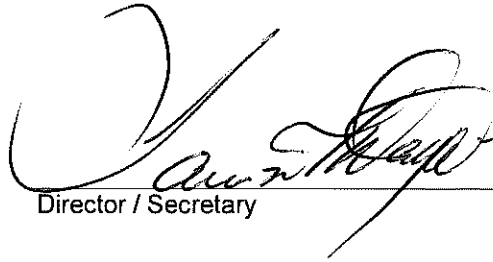
27.1 Before this Memorandum was executed, the Clubs each displayed the notices to members which are required under section 17AE of the RCA and clause 4(5) of the Regulations to the RCA.

27.2 This Memorandum is to be:

- (a) made available to the ordinary members of the Leagues Club and the Aquatic Club at least 21 days before any meeting of the members of each club for the purpose of voting on whether to approve the proposed amalgamation; and
- (b) made available for inspection on the premises of each club and on the website of each club (if the club has a website) for at least 21 days before any meeting as referred to in paragraph (a) of these Notes is held;
- (c) lodged with any application under section 60 of the Liquor Act 2007 to transfer the club licence held by the Leagues Club to the Aquatic Club.

Executed by **TAREE AQUATIC CLUB**)
LIMITED ACN 001 050 586 pursuant to)
Section 127 of the Corporations Act)
2001)

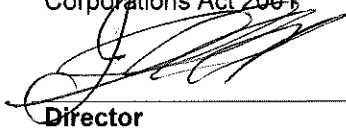

Director / Secretary


Director / Secretary

PETER PHILIP HEMINGTON
Name of Director/Secretary
(print name)

LAWRENCE FREDERICK DECKER
Name of Director/Secretary
(print name)

Executed by TAREE LEAGUES SPORTS)
CLUB LIMITED ACN 001 031 894)
pursuant to Section 127 of the)
Corporations Act 2001)


Director


Director

JOHN RICHARD CONNEW.

MERVYN EMERTON.