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MEMORANDUM OF UNDERSTANDING

DATED: 12/10/2023

PARTIES:

MAROUBRA SEALS SPORTS & COMMUNITY CLUB LIMITED
(ACN 000 396 663)

AND

RED ROCK BOWLING & RECREATION CLUB LTD
(ACN 001 073 276)

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This Memorandum of Understanding is made on.

BETWEEN

MAROUBRA SEALS SPORTS & COMMUNITY CLUB LIMITED (ACN 000 396 663) of 212 Marine Parade, Maroubra NSW 2035 (**Maroubra Seals Club**).

and

RED ROCK BOWLING & RECREATION CLUB LTD (ACN 001 073 276) of 19 Red Rock Road, Red Rock NSW 2456 (**Red Rock Bowling Club**).

BACKGROUND

- (A) The Maroubra Seals Club operates as a registered club in Maroubra, NSW.
- (B) Red Rock Bowling & Recreation Club operates as a registered clubs in Red Rock, NSW.
- (C) The Maroubra Seals Club called for expressions of interest in amalgamation from other registered clubs.
- (D) Red Rock Bowling & Recreation Club submitted an expression of interest to the Maroubra Seals Club.
- (E) The Maroubra Seals Club has accepted the expression of interest from Red Rock Bowling & Recreation Club and, following further negotiation, the Maroubra Seals Club and Red Rock Bowling & Recreation Club have agreed to the terms set out in this Memorandum.
- (F) The Maroubra Seals Club and Red Rock Bowling & Recreation 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.

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Memorandum unless the context otherwise requires:

- (a) “**Advisory Committee**” means the Advisory Committee referred to in clause 5.5.
 - (b) “**Amalgamated Club**” mean the registered club from the amalgamation of the Maroubra Seals Club and Red Rock Bowling & Recreation Club, the corporate vehicle of which will be the Maroubra Seals Club.
 - (c) “**Amalgamation**” means the amalgamation of the Clubs in accordance with this Memorandum.
 - (d) “**Amalgamation Application**” means the application by the Clubs for the transfer of the Red Rock Bowling & Recreation Club’s Liquor Licence to the Maroubra Seals Club pursuant to Sections 60(6) and (7) of the Liquor Act.
 - (e) “**Assets**” means all of the goodwill, Real Property, buildings, personal property, equipment, stock, intellectual property, gaming machine entitlements, gaming machines, contracts, agreements and all other property, tangible or intangible belonging to Red Rock Bowling & Recreation Club as at the Completion of the Amalgamation.
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- (f) **“Authority”** means the Independent Liquor and Gaming Authority.
- (g) **“Claim”** means any claim, notice, demand, debt, account, action, expense, cost, lien, liability proceeding, litigation, investigation or judgement of any nature, whether known or unknown.
- (h) **“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.
- (i) **“Clubhouse”** means the clubhouse building located at Red Rock Bowling & Recreation Club Premises.
- (j) **“Clubs”** means the Maroubra Seals Club and Red Rock Bowling & Recreation Club.
- (k) **“Completion of the Amalgamation”** means the day on which the Final Order is granted.
- (l) **“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.
- (m) **“Corporations Act”** means the Corporations Act 2001 and its associated regulations.
- (n) **“Debts”** means the accumulated debts of Red Rock Bowling & Recreation Club at the time of Completion of the Amalgamation.
- (o) **“EBITDARD”** means Earnings Before Interest, Taxes, Depreciation, Amortisation, Rent and Donations.
- (p) **“Final Order”** means the final order pursuant to Section 60(8) of the Liquor Act by the Authority whereby Red Rock Bowling & Recreation Club’s Liquor Licence is transferred to the Maroubra Seals Club.
- (q) **“Force majeure event”** means an event which is beyond the reasonable control of a party and includes but is not limited to:
 - (i) an act of God;
 - (ii) a breakdown or destruction of plant and equipment;
 - (iii) a shortage of or inability to secure fuel, power, material or labour;
 - (iv) a flood, earthquake, rockfall or landslide;
 - (v) a government act or regulation including but not limited to, exchange control by government having jurisdiction over the parties effected;
 - (vi) a blockade, riot, civil insurgency, act of terrorism or war;
 - (vii) lightning, fire or explosion; or
 - (viii) epidemic or quarantine restriction.

- (r) **“GST”** means Goods and Services Tax under A New Tax System (Goods and Services Tax) Act 1999.
- (s) **“Insolvency Event”** means the occurrence of any of the following events in relation to a party to this Memorandum:
 - (i) the party becomes insolvent as defined in the Corporations Act, states that it is insolvent or is presumed to be insolvent under an applicable law;
 - (ii) the party is wound up, dissolved or declared bankrupt or proposes its winding up or dissolution;
 - (iii) the party becomes insolvent under administration as defined in the Corporations Act;
 - (iv) a liquidator, provisional liquidator, controller, administrator, trustee for creditors, trustee in bankruptcy or other similar person is appointed to, or takes possession or control of, any or all of the party’s assets or undertaking;
 - (v) the party enters into or becomes subject to:
 - (1) any arrangement or composition with one or more of its creditors or any assignment for the benefit of one or more of its creditors; or
 - (2) it enters into or proposes to enter into any re-organisation, moratorium, deed of company arrangement or other administration involving one or more of its creditors;
 - (vi) the party is taken, under section 459F(1) of the Corporations Act, to have failed to comply with a statutory demand;
 - (vii) the person suspends payment of its debts, ceases or threatens to cease to carry on all or a material part of its business (otherwise than in compliance with any order made by a Government Agency) or becomes unable to pay its debts when they fall due; or
 - (viii) the party is insolvent as disclosed in its accounts or otherwise states that it is insolvent, or it is presumed to be insolvent under an applicable law.
- (t) **“Liabilities”** means all liabilities, losses, damages, outgoings, costs and expenses of Red Rock Bowling & Recreation Club (whatever description) as at Completion of the Amalgamation.
- (u) **“Liquor Act”** means the Liquor Act 2007 (NSW) and its associated regulations.
- (v) **“Maroubra Seals Club’s CEO”** means the individual who fulfils the Chief Executive Officer role at the Maroubra Seals Club.
- (w) **“Maroubra Seals Club Premises”** means the Maroubra Seals Club’s premises located at 212 Marine Parade, Maroubra NSW 2035.
- (x) **“Memorandum”** means this Memorandum of Understanding.
- (y) **“Order”** means the provisional approval of the Amalgamation Application by the Authority pursuant to Section 60(7) of the Liquor Act.
- (z) **“Party”** includes the management and Board of Directors of Red Rock Bowling & Recreation Club and the Maroubra Seals Club respectively.

- (aa) **“Real Property”** means the Red Rock Bowling & Recreation Club Premises, the Water Access Licence and any other real property owned by Red Rock Bowling & Recreation Club Limited.
- (bb) **“Records”** means all originals and copies of documents, records, sales brochures and catalogues, lists of clients, books, files, accounts, plans and correspondence belonging to or used by Red Rock Bowling & Recreation Club in the conduct of Red Rock Bowling & Recreation Club’s business including but not limited to corporate, accounting and statutory records.
- (cc) **“Red Rock Bowling Club’s CEO”** means the individual who fulfils the Secretary or Secretary Manager’s role at Red Rock Bowling & Recreation Club.
- (dd) **“Red Rock Bowling & Recreation Club’s Liquor Licence”** means the club licence (No. LIQC300245284) issued to Red Rock Bowling & Recreation Club under the *Liquor Act*.
- (ee) **“Red Rock Bowling & Recreation Club Premises”** means Red Rock Bowling & Recreation Club’s premises at Lot 167 in Deposited Plan 752820 and known as 19 Red Rock Road, Red Rock, NSW 2456.
- (ff) **“RCA”** means the Registered Clubs Act 1976 and its associated regulations,
- (gg) **“Regulations”** mean the Regulations to the RCA,
- (hh) **“Water Access Licence”** means the water access licence (Folio: WAL38409) held by Red Rock Bowling & Recreation Club Limited.

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 two (2) or more persons bind 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 Deed 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 CLUB’S POSITION REGARDING THE PROPOSED AMALGAMATION

- 2.1 The Maroubra Seals Club and Red Rock Bowling & Recreation 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 Maroubra Seals Club and the dissolution of Red Rock Bowling & Recreation Club.

Process for Amalgamation

- 2.4 The process for the amalgamation will be as follows:
 - (a) The Clubs will enter into this Memorandum.
 - (b) The members of Red Rock Bowling & Recreation Club and the Maroubra Seals 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.
 - (c) The members of the Maroubra Seals Club will be asked to approve (by special resolution) amendments to the Maroubra Seals Club's Constitution in the manner provided for in clause 13.5 below.
 - (d) Once the approvals in paragraphs (b) to (c) inclusive have been obtained, the Amalgamation Application will then be made to the Authority. The Amalgamation Application will be made in the manner referred to in clause 14 below.
 - (e) After the Amalgamation Application is granted and on the date of the Final Order:
 - (i) the Assets, Debts and Liabilities of Red Rock Bowling & Recreation Club will be transferred to the Maroubra Seals Club in the manner referred to in clause 16 below;
 - (ii) all eligible members of Red Rock Bowling & Recreation Club will, with their consent, be admitted as members of the Maroubra Seals Club and will be identified as a separate class of ordinary membership called "Red Rock Bowling Club members." This will occur in accordance with the procedure set out in clause 13.5 below (that is, the category of membership will be inserted into the Maroubra Seals Club's Constitution pursuant to the Special Resolution referred to in that clause);
 - (iii) employees of Red Rock Bowling & Recreation Club who have accepted an offer of employment from the Maroubra Seals Club will become employees of the Amalgamated Club.
 - (f) After Completion of the Amalgamation, the Maroubra Seals Club will continue as the body corporate of the Amalgamated Club.
 - (g) From Completion of the Amalgamation, Red Rock Bowling & Recreation Club Premises will become additional licensed premises of the Maroubra Seals Club and will be available to all members of the Amalgamated Club. Red Rock Bowling & Recreation Club Premises will be operated in the manner set out in clause 3, clause 4 and clause 5 below.
 - (h) After Completion of the Amalgamation, Red Rock Bowling & Recreation Club will be liquidated or otherwise voluntarily deregistered in the manner referred to in clause

16 below.

Due Diligence

- 2.5 Red Rock Bowling & Recreation Club may, at its own expense, undertake a due diligence review of the Maroubra Seals Club's financial position and operations.
- 2.6 The Maroubra Seals Club may, at its own expense, undertake a due diligence review of Red Rock Bowling & Recreation Club's financial position and operations.
- 2.7 Each Club will, if required by the other, provide a list of information (including, but not limited to, details of their Assets, Debts and Liabilities) and assistance to the other Club in order for the other Club to properly carry out and complete the due diligence review.

3. **THE MANNER IN WHICH THE PREMISES AND OTHER FACILITIES OF RED ROCK BOWLING & RECREATION CLUB WILL BE MANAGED AND THE DEGREE OF AUTONOMY THAT WILL BE PERMITTED IN THE MANAGEMENT OF RED ROCK BOWLING & RECREATION CLUB PREMISES AND FACILITIES**
[Regulations – Clause 7(2)(a)]

- 3.1 Red Rock Bowling & Recreation Club Premises will become additional premises of the Maroubra Seals Club.
- 3.2 The Amalgamated Club will operate and trade from the Maroubra Seals Club Premises and Red Rock Bowling & Recreation Club Premises.
- 3.3 The Maroubra Seals Club will take over responsibility and control of Red Rock Bowling & Recreation Club Premises with effect from Completion of the Amalgamation.
- 3.4 The Board of the Maroubra Seals Club will be the Board of the Amalgamated Club.
- 3.5 The Maroubra Seals Club's CEO will be the Secretary and Chief Executive Officer of the Amalgamated Club.

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, culture, bowling facilities, bowling activities and memorabilia of Red Rock Bowling & Recreation Club will be maintained by the Amalgamated Club at Red Rock Bowling & Recreation Club Premises. For the avoidance of doubt, the honour boards at Red Rock Bowling & Recreation Club Premises may be displayed in their present form or electronically (or a combination of both).
- 4.2 The Amalgamated Club will continue to support the community organisations that were supported by Red Rock Bowling & Recreation Club (as at the date of this Memorandum), and it will explore opportunities to expand community support.

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, the Maroubra Seals Club will operate the Amalgamated Club and Red Rock Bowling & Recreation Club Premises in accordance with this clause 5.

Amalgamated Club Premises

- 5.2 The Amalgamated Club will operate and trade from the Maroubra Seals Club Premises and Red Rock Bowling & Recreation Club Premises.

Red Rock Bowling & Recreation Club Premises

- 5.3 Red Rock Bowling & Recreation Club Premises will initially trade as and be promoted as "Red Rock Bowling & Recreation Club" and will be promoted as being part of the Maroubra Seals Club corporate brand. The Board of the Amalgamated Club may in its absolute discretion choose to rebrand the Red Rock Bowling & Recreation Club Premises in the future.
- 5.4 Subject to clauses 10 and 11, the Maroubra Seals Club:
- (a) will maintain Red Rock Bowling & Recreation Club Premises and carry on the business of a licensed registered club under the RCA and the Liquor Act at Red Rock Bowling & Recreation Club Premises with the usual facilities and amenities of a registered club;
 - (b) intends to operate Red Rock Bowling & Recreation Club Premises as a successful and well supported local based social, sporting and community club;
 - (c) will, subject to obtaining all appropriate approvals, undertake the following improvements to Red Rock Bowling & Recreation Club Premises and facilities within twelve (12) months of Amalgamation:
 - (i) installing new water tanks and plumbed drinking water; and
 - (ii) upgrade the gaming machine to TITO (ticket in ticket out) system
 - (d) will conduct a review of the Red Rock Bowling & Recreation Club Premises to determine the whether the following items are operationally and financially viable within twelve (12) months of Amalgamation:
 - (i) Courtesy Bus;
 - (ii) Solar storage battery; and
 - (iii) Beverage equipment upgrade including new beer line condenser.
 - (e) will undertake other improvements to the Red Rock Bowling & Recreation Club Premises and facilities (including the Clubhouse and surrounding areas) as and when deemed necessary by the Board of the Amalgamated Club in its absolute discretion. The timeframe, nature and budget for those improvements will be determined by the Board of the Amalgamated Club in its absolute discretion;
 - (f) intends to improve trading at Red Rock Bowling & Recreation Club Premises;
 - (g) will maintain and where possible enhance, the social facilities, services, amenities and activities at Red Rock Bowling & Recreation Club Premises; and
 - (h) will maintain at least one (1) bowling green and ancillary bowling activities and facilities at Red Rock Bowling & Recreation Club Premises.

Advisory Committee

- 5.5 The Board of the Maroubra Seals will create the Advisory Committee in respect of the Red Rock Bowling & Recreation Club Premises and the following shall apply in respect of the Advisory Committee:

- (a) The Advisory Committee will initially be made up of:
 - (i) the Approved Manager of Red Rock Bowling & Recreation Club; and
 - (ii) the existing directors of Red Rock Bowling & Recreation Club who, as at the date of Completion of the Amalgamation, have given written consent to Maroubra Seals to be members of the Advisory Committee;

(First Advisory Committee)
- (b) The First Advisory Committee shall hold office until the first election of the Advisory Committee. The first election of the Advisory Committee will be held on or before the date of Maroubra Seals' Annual General Meeting in 2024. The exact date of the first election of the Advisory Committee will be determined by the Board of the Amalgamated Club.
- (c) With effect from the first election of the Advisory Committee, the Advisory Committee will comprise of five (5) members being:
 - (i) the Approved Manager of Red Rock Bowling & Recreation Club; and
 - (ii) four (4) Red Rock Bowling & Recreation Club members,

elected in accordance with the terms set out in this MOU.
- (d) The Advisory Committee will have its own set of rules governing the roles, responsibilities and operations of the Advisory Committee which will be prepared by the Board of the Amalgamated Club.
- (e) The Advisory Committee will meet at such intervals as may be determined by the Board of the Amalgamated Club from time to time.
- (f) The Advisory Committee may make written recommendations to the Board and/or management of the Amalgamated Club regarding the following matters:
 - (i) the operations of the Red Rock Bowling & Recreation Club Premises; and
 - (ii) ClubGRANTS to be made by the Amalgamated Club that are attributable to the Red Rock Bowling & Recreation Club Premises;
 - (iii) membership matters at the Red Rock Bowling & Recreation Club Premises (including member disciplinary matters);
 - (iv) the operation of the bowling activities at Red Rock Bowling & Recreation Club.
- (g) The Advisory Committee will have such powers in the Amalgamated Club as are specifically delegated to it by authority of the Board of the Amalgamated Club, provided that it shall, at all times be subject to the overall control and direction of the Board and management of the Amalgamated Club.
- (h) The Advisory Committee will be provided regularly with an updated unaudited balance sheet in respect of the Red Rock Bowling & Recreation Club Premises, for use by the Advisory Committee only.
- (i) The Advisory Committee may be required to provide written reports to the Board of the Amalgamated Club.

- (j) The Advisory Committee will be elected biennially on such date or dates as may be determined by the Board of the Amalgamated Club in consultation with the Advisory Committee.
- (k) The Advisory Committee will be elected by Red Rock Bowling & Recreation Club members of the Amalgamated Club.
- (l) The Advisory Committee shall be in force and effect for such period as the Amalgamated Club consider it necessary but in any case, no less than five (5) years from Completion of the Amalgamation.
- (m) Maroubra Seals' CEO (or his delegate) shall be entitled to attend and participate in all meetings of the Advisory Committee.
- (n) The Board of Maroubra Seals will adopt By-laws which give effect to the matters set out in this clause.

Sub Club Activities

- 5.6 Maroubra Seals intends for the Amalgamated Club to create a men's bowling sub-club and a women's bowling sub-club to conduct and administer bowling at the Red Rock Bowling & Recreation Club Premises on behalf of the Amalgamated Club.
- 5.7 Maroubra Seals acknowledges the existence of the Red Rock Bowling & Recreation Club Fishing Sub-Club and that sub-club will continue to exist provided all members of those sub clubs become members of Maroubra Seals.
- 5.8 If, at the date of this Memorandum, there are any sub-clubs at Red Rock Bowling & Recreation Club (other than the bowls and fishing sub-clubs referred to above), the Board of the Amalgamated Club will allow those sub-clubs to continue to exist provided all members of those sub clubs become members of Maroubra Seals.
- 5.9 It is intended that the Red Rock Bowling & Recreation Club sub-clubs will:
 - (a) have their own rules, committees and members; and
 - (b) be authorised to operate a bank account;
 - (c) continue using their existing names and insignia;
 - (d) elect their own committees;
 - (e) be eligible to affiliate with such bodies controlling the activity in which they engage on such terms and conditions (not inconsistent with the Constitution of the Maroubra Seals or the RCA) as such controlling bodies may from time to time require; and
 - (f) be responsible for all relevant costs of conducting the sub-club including obtaining the necessary insurances.
- 5.10 The Amalgamated Club will allocate funds to each sub-club in such amount as determined by the Board of the Amalgamated Club acting reasonably subject to the relevant sub-club providing an annual budget to the Board of the Amalgamated Club.
- 5.11 In addition to clause 5.9, the Amalgamated Club will also allocate an annual budget in relation to the bowling green and bowling activities at the Red Rock Bowling & Recreation Club Premises. The annual budget will be determined by the Board of the Amalgamated Club after discussions with the bowling sub-clubs and the Advisory Committee. The annual

budget will cover:

- (a) all relevant insurances applicable to the bowling sub-clubs and their activities; and
- (b) all relevant trophies, prizes and prize money for bowling competitions and events and the recoupment of competition fees;
- (c) all relevant costs for the maintenance and repair of the bowling green.

6. THE EXTENT TO WHICH THE EMPLOYEES OF THE AMALGAMATED CLUB WILL BE PROTECTED
[Regulations – Clause 7(2) (d)]

- 6.1 As part of the Amalgamation, Red Rock Bowling & Recreation Club will be wound up/liquidated. As part of the winding up/liquidation of Red Rock Bowling & Recreation Club and but for the following paragraphs of this clause 6, the employment of all Red Rock Bowling & Recreation Club's employees by Red Rock Bowling & Recreation Club would otherwise come to an end.
- 6.2 Prior to the Completion of the Amalgamation, the Maroubra Seals Club will offer employment to each of Red Rock Bowling & Recreation Club's employees.
- 6.3 Each offer of employment, if accepted, will be effective from the Completion of the Amalgamation and will be on the same terms and conditions presently offered by the Maroubra Seals Club to employees of the Maroubra Seals Club in the same role provided that it does not result in any employee of Red Rock Bowling & Recreation Club receiving lesser benefits than they presently receive from Red Rock Bowling & Recreation Club.
- 6.4 Any employee of Red Rock Bowling & Recreation Club who accepts an offer of employment with the Maroubra Seals Club will receive continuity of employment and their accrued entitlements as employees of Red Rock Bowling & Recreation Club will be carried over and be honoured by the Maroubra Seals Club.
- 6.5 Any employee of Red Rock Bowling & Recreation Club who does not accept an offer of employment with the Maroubra Seals Club will be paid their full entitlements by Red Rock Bowling & Recreation Club when their employment with Red Rock Bowling & Recreation Club comes to an end.
- 6.6 Each employee of the Maroubra Seals Club will continue to be employed by the Amalgamated Club after the Completion of the Amalgamation, subject to the terms and conditions of employment between each of those employees and the Maroubra Seals Club.

7. INTENTIONS REGARDING THE FOLLOWING ASSETS OF RED ROCK BOWLING & RECREATION 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, Red Rock Bowling & Recreation Club Premises is the "core property" of Red Rock Bowling & Recreation Club.
- 7.2 Subject to this Memorandum, the Maroubra Seals Club will retain the core property of Red Rock Bowling & Recreation Club and operate the Amalgamated Club in the manner referred to in clause 5.

Cash and Investments

- 7.3 The cash and investments (if any) of Red Rock Bowling & Recreation Club will be transferred (in accordance with clause 16) to the general reserves of the Amalgamated Club.
- 7.4 It is agreed that Maroubra Seals will be entitled to dispose of the shares owned by Red Rock Bowling & Recreation Club at any time after Completion.

Gaming Machine Entitlements

- 7.5 Red Rock Bowling & Recreation Club has eleven (11) gaming machine entitlements at Red Rock Bowling & Recreation Club Premises and they must be retained at Red Rock Bowling & Recreation Club Premises for as long as the Amalgamated Club trades from those premises.
- 7.6 The ownership of the gaming machine entitlements will be transferred to the Maroubra Seals Club with effect from the Completion of the Amalgamation.
- 7.7 The Amalgamated Club must operate at least eleven (11) gaming machines at Red Rock Bowling & Recreation Club Premises for as long as the Amalgamated Club trades from those premises.

8. RISKS OF NOT PRESERVING RED ROCK BOWLING & RECREATION 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 and the RCA, the Amalgamated Club will not dispose of the core property of Red Rock Bowling & Recreation Club during the first five (5) 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 Red Rock Bowling & Recreation Club are those set out in clause 10.4.
- 8.3 If the risks (or any of them) in clause 10.4 are realised during the first five (5) years after the Completion of the Amalgamation, clause 8.1 and section 17A1 of the RCA will prevent the Amalgamated Club from disposing the core property.
- 8.4 If the risks (or any of them) in clause 10.4 are realised after the first five (5) years after Completion of the Amalgamation, the Amalgamated Club will use its best endeavours to find ways to address those risks so that the disposal of core property will be considered only after all other ways have been exhausted and provided the disposal is in accordance with the RCA.

9. DISPOSAL OF RED ROCK BOWLING & RECREATION CLUB'S MAJOR ASSETS [Regulations – Clause 7(2) (E2)]

- 9.1 For the purposes of the RCA, Red Rock Bowling & Recreation Club Premises are the "core property" and "major assets" of Red Rock Bowling & Recreation Club.
- 9.2 Subject to clauses 9, 10 and 11 of this Memorandum, the Amalgamated Club will not dispose of the major assets of Red Rock Bowling & Recreation Club during the first five (5) years after Completion of the Amalgamation.

10. THE CIRCUMSTANCES THAT WOULD PERMIT THE AMALGAMATED CLUB TO CEASE TRADING ON THE PREMISES OF RED ROCK BOWLING & RECREATION CLUB OR TO SUBSTANTIALLY CHANGE THE OBJECTS OF RED ROCK BOWLING & RECREATION CLUB
[Regulations – Clause 7(2)(F)]

10.1 The Maroubra Seals Club does not intend to:

- (a) cease trading from Red Rock Bowling & Recreation Club Premises; or
- (b) cease the bowling activities conducted at Red Rock Bowling & Recreation Club Premises.

However, the objects of Red Rock Bowling & Recreation Club will, in effect from Completion of the Amalgamation, be subsumed by and will become objects of the Maroubra Seals Club.

10.2 The Maroubra Seals Club intends to operate the Amalgamated Club in the manner referred to in clause 5.

10.3 However, for the purposes of clause 7(2)(f) of the Regulations, the Maroubra Seals Club and Red Rock Bowling & Recreation Club are required to agree to the matters set out in clause 10.4.

10.4 For the purposes of clause 7(2)(f) of the Regulations, the Maroubra Seals Club and Red Rock Bowling & Recreation Club have agreed that the Amalgamated Club would either cease trading from or cease the bowling activities at Red Rock Bowling & Recreation Club Premises in the following circumstances:

- (a) if, after the first five (5) years after Completion of the Amalgamation, it is not financially viable (as set out in clause 10.5) for the Amalgamated Club to continue to trade from or continue the bowling activities at Red Rock Bowling & Recreation Club Premises;
- (b) upon the order of any Court or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs which orders the permanent closure of Red Rock Bowling & Recreation Club Premises;
- (c) upon the lawful order of any government authority to permanently cease trading from Red Rock Bowling & Recreation Club Premises, or revoking any licence, approval or consent necessary for the Amalgamated Club to continue trading from Red Rock Bowling & Recreation Club Premises and it is not possible for the relevant licences, approvals or consents to be re-instated or new/replacement licences, approvals or consents to be obtained;
- (d) if the premises were destroyed or partially destroyed by fire, floods, storms or a Force Majeure event, except where appropriate insurance cover is available to reinstate the Bowling Club Premises or where, in the opinion of the Board of the Amalgamated Club following consultation with the Advisory Committee, it is otherwise economically viable to do so;
- (e) If there is a change in law which materially and adversely affects, or could reasonably be expected to affect materially and adversely, the business or Red Rock Bowling & Recreation Club Premises; or
- (f) If required to avoid an Insolvency Event occurring in respect of the Amalgamated Club in the opinion of the Board of the Amalgamated Club.

- 10.5 For the purposes of clauses 10 and 11 and subject to clause 10.6 below, Red Rock Bowling & Recreation Club Premises will not be financially viable if, in any year (commencing after the five (5) year period referred to in clause 10.4), the EBITDARD percentage for Red Rock Bowling & Recreation Club Premises is less than ten per cent (10%) in that year with such EBITDARD percentage to be determined by an independent company auditor (**the Minimum EBITDARD**).
- 10.6 For the purposes of clauses 10.4(a), Maroubra Seals Club must not knowingly or wilfully do anything or omit doing anything which adversely impacts upon the ability of Red Rock Bowling & Recreation Club Premises to achieve the Minimum EBITDARD.
- 10.7 For the purposes of clause 10.4(d), the Amalgamated Club must take out and maintain appropriate building insurance for Red Rock Bowling & Recreation Club Premises which is sufficient to cover reinstatement of Red Rock Bowling & Recreation Club Premises to the same or better standard that they were in as at Completion of the Amalgamation
11. **AN AGREED PERIOD OF TIME BEFORE THE AMALGAMATED CLUB WILL CEASE TRADING FROM RED ROCK BOWLING & RECREATION CLUB PREMISES OR SUBSTANTIALLY CHANGE THE OBJECTS OF RED ROCK BOWLING & RECREATION CLUB PREMISES**
[Regulations – Clause 7(2)(G)]
-

- 11.1 The Maroubra Seals Club does not intend to cease trading from Red Rock Bowling & Recreation Club Premises, and intends to operate the Amalgamated Club in the manner referred to in clause 5 and would only cease to do so in the circumstances referred to in clause 10.
- 11.2 The objects of the Maroubra Seals Club will become the objects of Red Rock Bowling & Recreation Club with effect from Completion of the Amalgamation.
- 11.3 However, for the purposes of clause 7(2)(g) of the Regulations, the Maroubra Seals Club and Red Rock Bowling & Recreation Club are required to agree to the matters set out in clause 11.4.
- 11.4 For the purposes of clause 7(2)(g) of the Regulations, the Maroubra Seals Club and Red Rock Bowling & Recreation Club have agreed that the Amalgamated Club will continue:
- (a) to trade from Red Rock Bowling & Recreation Club Premises; and
 - (b) to continue the activities at Red Rock Bowling & Recreation Club Premises (including bowling activities),
- for at least five (5) years, (except in the circumstances referred to in clauses 10.4(b) to (d) inclusive).

12. **BINDING EFFECT OF MEMORANDUM**

- 12.1 The Maroubra Seals Club and Red Rock Bowling & Recreation 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 RED ROCK BOWLING CLUB MEMBERS TO MEMBERSHIP OF THE MAROUBRA SEALS CLUB**

- 13.1 Red Rock Bowling & Recreation Club will call a general meeting of the ordinary members of Red Rock Bowling & Recreation 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 but in any event within three (3) months of the date.
- 13.3 The Maroubra Seals Club will call a general meeting of the ordinary members of the Maroubra Seals 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 date of this Memorandum.
- 13.5 In addition to the resolution referred to in clause 13.4, the Maroubra Seals Club will, at the meeting referred to in clause 13.3, submit to those members eligible to attend and vote on a special resolution to amend the Constitution of the Maroubra Seals Club to give effect to the following:
- (a) Any member of Red Rock Bowling & Recreation Club who, at Completion of the Amalgamation, has been:
 - (i) refused admission to or been turned out of Maroubra Seals Club; or
 - (ii) suspended from the Maroubra Seals Club;
 - (iii) expelled from the Maroubra Seals Club,shall not be eligible to apply for and/or be admitted to membership of the Maroubra Seals Club.
 - (b) All eligible members of Red Rock Bowling & Recreation Club who apply to become members of the Maroubra Seals Club will, subject to the Amalgamated Club's Constitution, be admitted to membership of the Maroubra Seals Club.
 - (c) All eligible members of Red Rock Bowling & Recreation Club will be able to apply for membership of the Maroubra Seals Club in the manner referred to in paragraphs (d) to (h) inclusive of this clause 13.5.
 - (d) A member of Red Rock Bowling & Recreation Club will not be required to be proposed or seconded for membership of the Maroubra Seals Club.
 - (e) As soon as practicable after the Order, the Maroubra Seals Club will forward to each member of Red Rock Bowling & Recreation Club, who is not already a member of the Maroubra Seals Club, a written invitation to become a member of the Maroubra Seals Club.
 - (f) Any member of Red Rock Bowling & Recreation Club who accepts the invitation and agrees in writing to be bound by the Constitution of the Maroubra Seals 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 Maroubra Seals Club to membership of the Maroubra Seals Club with effect from the date of Completion of the Amalgamation.
 - (g) Red Rock Bowling & Recreation Club's members who are admitted to membership of the Maroubra Seals Club will be identified as a separate class called the "Red Rock Bowling Club Members" but may transfer to any other class of membership of the Maroubra Seals Club for which they are eligible to join. Red Rock Bowling Club Members will have the same membership rights as Club members under the Maroubra Seals Club's Constitution. For the purposes of any qualifying periods and exercising rights and entitlements of membership in Maroubra Seals Club's Constitution, membership of Red Rock Bowling Club shall be deemed to constitute

membership of the Maroubra Seals Club.

- (h) Any person who, at Completion of the Amalgamation, is a Life member of Red Rock Bowling & Recreation Club will:
 - (i) not become a Life member of the Amalgamated Club; and
 - (ii) continue to be recognised as a Life member of Red Rock Bowling & Recreation Club but only in respect of Red Rock Bowling & Recreation Club Premises;
 - (iii) not be required to pay an annual subscription to the Amalgamated Club (unless the RCA requires such a subscription to be paid).

14. AMALGAMATION APPLICATION TO THE INDEPENDENT LIQUOR AND GAMING AUTHORITY

- 14.1 The Maroubra Seals Club and its lawyers will prepare and file the Amalgamation Application.
- 14.2 Red Rock Bowling & Recreation Club will co-operate with the Maroubra Seals Club and its lawyers and will provide all documents and information reasonably required for the preparation, lodgement and finalisation of the Amalgamation Application, including the notices of meeting and the minutes of the meetings referred to in clause 13.1.

15. WARRANTIES AND OPERATIONAL ARRANGEMENTS

- 15.1 Red Rock Bowling & Recreation Club warrants to the Maroubra Seals Club that from the date of this Memorandum to the date of Completion of the Amalgamation, Red Rock Bowling & Recreation Club will:
 - (a) carry on its business in the usual ordinary course and in a diligent manner and unless incurred in the usual and ordinary course of business, will not incur any single debt or liability (including, but not limited to, the purchase of any capital equipment) over the sum of two thousand dollars (\$2,000.00) plus GST without the prior approval of the Maroubra Seals Club's CEO or his delegate;
 - (b) maintain the Assets 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 insured in amounts representing their full replacement or reinstatement value against fire and other risks normally insured;
 - (c) carry on its operations with normal and prudent practice using best endeavours to reduce losses, increase profitability, and endeavour to maintain and increase the value of the Assets;
 - (d) provide the Maroubra Seals Club's CEO each week (or at such other times as requested) any details or documents relating to the operation and financial position of Red Rock Bowling & Recreation Club;
 - (e) not do anything which may damage the goodwill of its business or that of the Maroubra Seals Club;
 - (f) not without the prior written consent of the Maroubra Seals Club:
 - (i) enter into, terminate or alter any term of any contract, arrangement or understanding including any lease, licence or easement in relation to its operations or otherwise;

- (ii) except in the usual and routine conduct of its trading operations in conformity with and in the manner of recent times, incur any actual or contingent liabilities whether in relation to those operations or otherwise;
 - (iii) dispose of, agree to dispose of, encumber or grant an option over, or grant any interest in any of the Assets (including without limitation any gaming machine entitlements);
 - (iv) employ any person;
 - (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 Red Rock Bowling & Recreation Club beyond that existing as at the date of this Memorandum other than any debt incurred in the normal day to day trading of Red Rock Bowling & Recreation Club; or
 - (ix) engage in discussions or negotiations with any club other than the Maroubra Seals Club concerning an amalgamation or the sale or disposal of all or any part of the Assets,
- (g) must advise the Maroubra Seals Club of any solicitation by any third party to participate in any such discussion or negotiation concerning an amalgamation or the sale or disposal of all or any part of the Assets.
- 15.2 Each of Red Rock Bowling & Recreation Club's warranties contained in clause 15.1 remains in full force and effect notwithstanding Completion of the Amalgamation.
- 15.3 The Maroubra Seals Club's CEO and Red Rock Bowling & Recreation Club's CEO will have regular discussions about the management and operations of Red Rock Bowling & Recreation Club with the object of:
- (a) providing for an orderly transfer of the management and operations of Red Rock Bowling & Recreation Club to the Maroubra Seals Club on the date of Completion of the Amalgamation; and
 - (b) achieving efficiencies and cost savings in Red Rock Bowling & Recreation Club;
 - (c) implementing operational changes in preparation for Completion of the Amalgamation.
- 15.4 If, before Completion of the Amalgamation, in relation to either of the Clubs (the subject Club):
- (a) 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;
 - (b) 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;
 - (c) any Claim of any nature is threatened or asserted by or against the subject Club; or
 - (d) there is any material adverse change in the condition (financial or otherwise) or

prospects of the subject Club 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 Red Rock Bowling & Recreation Club's Assets remain solely with Red Rock Bowling & Recreation Club until such time as they are passed to the Amalgamated Club in accordance with clause 16.

16. DISSOLUTION OF RED ROCK BOWLING & RECREATION CLUB AND TRANSFER OF ITS ASSETS, DEBTS AND LIABILITIES TO THE MAROUBRA SEALS CLUB

16.1 Prior to the Completion of the Amalgamation, Red Rock Bowling & Recreation Club must do all things necessary to enable the Maroubra Seals Club to be the bona fide occupier of Red Rock Bowling & Recreation Club Premises on Completion of Amalgamation.

16.2 As soon as practicable after the Order, but subject to the Final Order, Red Rock Bowling & Recreation Club must ensure the Assets, Debts and Liabilities of Red Rock Bowling & Recreation Club are transferred to the Maroubra Seals Club (less an amount sufficient for the purposes of any liquidation of Red Rock Bowling & Recreation Club in the manner referred to in clause 16.5 and for directors' and officers' liability insurance pending deregistration). The parties acknowledge that it is proposed for the transfer of the Assets, Debts and Liabilities referred to in clause 16.1 to occur on or before the date of the Final Order wherever possible.

16.3 For the purposes of clause 16.2, Red Rock Bowling & Recreation Club must do all things necessary and execute all documents to cause all of the Assets to be transferred to or assigned to the Maroubra Seals Club with effect from the date of Final Order wherever possible. Such transfers and assignments will without limitation be in respect of:

- (a) all Real Property of Red Rock Bowling & Recreation Club; and
- (b) all contract rights including without limitation hire purchase agreements and existing service agreements in respect of Red Rock Bowling & Recreation Club Premises (including the agreements with the current greenkeeper (if any));
- (c) all intellectual property rights (including business names);
- (d) all physical assets, furniture and fittings and stock in trade,

owned or entered into by Red Rock Bowling & Recreation Club.

16.4 The transfers and assignments referred to in clause 16.3 must be executed by Red Rock Bowling & Recreation Club before Completion of the Amalgamation and be given to and be held in escrow by the Maroubra Seals Club pending Completion of the Amalgamation.

16.5 Red Rock Bowling & Recreation Club must ensure that the Assets are transferred to the Maroubra Seals Club free of charges, security interests and encumbrances of any other nature to enable the Maroubra Seals Club to become the absolute and beneficial owner of those Assets with effect from Completion of the Amalgamation. For the purposes of this clause, Maroubra Seals Club will be deemed to have unencumbered title and ownership of an Asset if Red Rock Bowling & Recreation Club has obtained a written undertaking from the relevant secured party on or before Completion of the Amalgamation which states that the relevant secured party will release their interest in the Asset after Completion of the Amalgamation.

16.6 After the Maroubra Seals Club has advised Red Rock Bowling & Recreation Club that it is satisfied that all matters related to the Amalgamation have been completed, Red Rock

Bowling & Recreation Club must, as soon as reasonably practicable, ensure Red Rock Bowling & Recreation Club is either voluntarily deregistered or liquidated and any surplus Assets (if any) are transferred to the Maroubra Seals Club after such deregistration or liquidation. Any liquidator to be appointed for the purpose of winding up Red Rock Bowling & Recreation Club must first be approved by Maroubra Seals Club.

- 16.7 Each of the parties warrants 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

- 17.1 From the date of this Memorandum, Red Rock Bowling & Recreation Club will provide to the Maroubra Seals Club at all reasonable times access to Red Rock Bowling & Recreation Club Premises, Records and other information and material reasonably required by the Maroubra Seals Club (including for the purpose of any due diligence referred to in clause 2.6).
- 17.2 From the date of this Memorandum, the Maroubra Seals Club will provide to Red Rock Bowling & Recreation Club at all reasonable times access to Records and other information and material reasonably required by Red Rock Bowling & Recreation Club for the purposes of the due diligence referred to in clause 2.5).

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 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

- 20.1 Each party shall pay its own costs of and 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 Maroubra Seals 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.

23. TERMINATION

- 23.1 The Maroubra Seals Club may terminate this Memorandum at any time, without penalty, by giving written notice to Red Rock Bowling & Recreation Club if Red Rock Bowling & Recreation Club breaches any warranty contained in clause 15.1.
- 23.2 The Maroubra Seals Club may terminate this Memorandum before the date of the general meeting referred to in clause 13.3 if the due diligence review undertaken by it on Red Rock Bowling & Recreation Club (as referred to in clause 2.6) is not satisfactory to the Board of the Maroubra Seals Club.
- 23.3 If:
- (a) the members of Red Rock Bowling & Recreation Club have not passed the resolution referred to in clause 13.1 within six (6) months of the date of this Memorandum or such other later date agreed by the parties in writing; or
 - (b) the members of the Maroubra Seals Club have not passed the resolutions referred to in clauses 13.3 and 13.5 within six (6) months of the members of Red Rock Bowling & Recreation Club passing the resolution referred to in clause 13.1 or such other later date agreed by the parties,

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

- 23.4 Notwithstanding anything contained in this Memorandum, if Completion of the Amalgamation has not occurred within twenty four (24) months of the date of this Memorandum (or such later date agreed by the parties), then either party by giving written notice to the other may, without penalty, terminate this Memorandum.
- 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 Maroubra Seals Club, then it must be addressed as follows:
- (a) **Name:** Maroubra Seals Sports & Community Club Limited
 - (b) **Attention:** Matt Harper
 - (c) **Address:** 212 Marine Parade, Maroubra NSW 2035
 - (d) **Email:** matth@maroubraseals.com.au

24.3 If the notice is to Red Rock Bowling & Recreation Club, then it must be addressed as follows:

- (a) **Name:** Red Rock Bowling & Recreation Club Ltd
- (b) **Attention:** Frances Jones
- (c) **Address:** 19 Red Rock Road, Red Rock, NSW 2456
- (d) **Email:** rrbowls@bigpond.net.au

24.4 Notice is sent by the sender and received by the receiver:

- (a) if the notice is hand delivered, upon delivery to the receiving party; or
- (b) if the notice is sent by email, upon the successful completion of the relevant transmission;
- (c) if the notice is sent by post, two (2) business days after the notice is posted.

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 notices to members which are required under section 17AE of the RCA and clause 4(5) of the Regulations.

27.2 This Memorandum is to be:

- (a) made available to the ordinary members of Red Rock Bowling & Recreation Club and the Maroubra Seals Club at least twenty-one (21) days before any meeting of the members of each club for the purpose of voting on whether to approve the proposed amalgamation.
- (b) made available for inspection on the premises of each club and on the website of each club for at least twenty-one (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 Red Rock Bowling & Recreation Club to the Maroubra Seals Club.

Executed by **MAROUBRA SEALS**)
SPORTS & COMMUNITY CLUB)
LIMITED pursuant to Section 127 of
the Corporations Act 2001

WAYNE CHASE

Director

Wayne Chase

Name of Director

ARTHUR COTSIOS

Director

Arthur Cotsios

Name of Director

Executed by **RED ROCK BOWLING &**)
RECREATION CLUB LTD pursuant to)
Section 127 of the Corporations Act)
2001

Carolyn Newman

Director / Secretary

CAROLYN NEWMAN

Name of Director/Secretary

J. Radcliffe

Director / Secretary

Jessica Radcliffe

Name of Director/Secretary

