

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### CUDGEN LEAGUES CLUB LIMITED

ABN 18 001 518 574

**NOTICE IS GIVEN** that an Extraordinary General Meeting of Cudgen Leagues Club Limited ABN 18 001 518 574 (**CLC**) will be held at:

**Location:** 3 Wommin Bay Road, Kingscliff NSW 2487

**Day and date:** Saturday, 11 December 2021

**Time:** 9:00am

### BUSINESS

- A. Apologies.
- B. To consider and, if thought fit, pass the First Ordinary Resolution to approve in principle the amalgamation of Cudgen Leagues Club Limited with Twin Towns Services Club Limited ACN 61 001 042 833 (**Twin Towns**), pursuant to section 17AEB(d) of the *Registered Clubs Act 1976* (NSW) (**Registered Clubs Act**).
- C. If the First Ordinary Resolution is passed, to consider, and if thought fit, pass the Second Ordinary Resolution for the purposes of rule 47(l) of CLC's Constitution and to authorise the transfer of CLC's land and licence of Ned Byrne Field to Twin Towns on completion of the amalgamation.

### FIRST ORDINARY RESOLUTION

*"That pursuant to section 17AEB(d) of the Registered Clubs Act 1976 (NSW), subject to the passing of the Second Ordinary Resolution, the members hereby:*

1. *approve in principle the amalgamation of Cudgen Leagues Club Limited ACN 18 001 518 574 (CLC) with Twin Towns Services Club Limited ABN 61 001 042 833 (Twin Towns), such an amalgamation to be effected by:*
    - (a) the continuation of Twin Towns (as the amalgamated club) and the dissolution of CLC; and*
    - (b) the transfer of the assets and club licence of CLC to Twin Towns;*
- and*
2. *approve in principle the making of an application to the Independent Liquor and Gaming Authority for the transfer of the club licence of CLC to Twin Towns for the purposes of such an amalgamation."*

#### Explanatory message regarding the First Ordinary Resolution

##### General

- 1 The Extraordinary General Meeting (**EGM**) has been called to consider the First Ordinary Resolution approving the proposed amalgamation of CLC with Twin Towns.
- 2 Both CLC and Twin Towns are registered clubs holding club licences under the *Liquor Act 2007* (NSW) (**Liquor Act**). Any amalgamation of two registered clubs must be effected pursuant to the *Registered Clubs Act 1976* (NSW) (**Registered Clubs Act**).
- 3 The transfer of the club licence of CLC to Twin Towns is subject to approval by the Independent Liquor and Gaming Authority (**Authority**). Under section 17AEB(d) of the Registered Clubs Act, the Authority may not approve the transfer unless it is satisfied that the proposed amalgamation has been approved in principle at separate extraordinary general meetings of the ordinary

members of both clubs proposing to amalgamate (being in each case an approval supported by a majority of the votes cast at the meeting).

4 This means that the First Ordinary Resolution must be passed before the Authority will approve the transfer of the club licence of CLC to Twin Towns and for the amalgamation to proceed.

5 If the amalgamation is approved by both clubs and the Authority, Twin Towns will continue as the amalgamated club (**Amalgamated Club**) and CLC will be dissolved.

6 If the First Ordinary Resolution is passed, the members will be authorising the making of the application to the Authority for approval of the amalgamation.

7 Twin Towns will be holding its own Extraordinary General Meeting to approve the amalgamation in principle.

*Background and reasons for amalgamation*

8 CLC's clubhouse was destroyed by fire in May 2020. It has been unable to trade pending reconstruction of the clubhouse.

9 CLC has retained its club licence (including gaming machine entitlements attached to the club licence).

10 Since the closure of the clubhouse, Twin Towns has called for expressions of interest for amalgamation with another registered club. CLC expressed an interest in an amalgamation with Twin Towns and after discussions between them and a subsequent proposal from Twin Towns to CLC, the two clubs finalised the terms of the amalgamation. Pursuant to those discussions, the two Clubs signed a memorandum of understanding on 9 October 2021 (**MOU**), subject to approvals of each club's members and of the Authority. The MOU is currently published on CLC's website at [www.cudgenleagues.com.au](http://www.cudgenleagues.com.au)

11 Twin Towns is a large and successful registered club, operating:

- (a) its main registered club premises known as "Twin Town Services Club" at Wharf Street, Tweed Heads;
- (b) registered club premises known as "Club Banora" at Leisure Drive, Banora Point;
- (c) registered club premises known as "Twin Towns Juniors" corner of Leisure & Fraser Drive, Tweed Heads South; and
- (d) 4.5 star accommodation hotel known as "Mantra Resort Twin Towns" at Wharf Street, Tweed Heads.

12 The audited financial reports of Twin Towns for the financial year ending 31 December 2020 show the following

- (a) total revenue of \$47,970,157;
- (b) net profit of \$1,128,690; and
- (c) net assets of \$172,423,782.

13 As at the date of this notice, Twin Towns has approximately 65,000 members. Its facilities include:

- (a) registered club premises located at Tweed Heads and Banora Point;
- (b) functions facilities;
- (c) accommodation hotel and resort facility;

- (d) bars, dining and café facilities;
- (e) gaming and Keno; and
- (f) various internal clubs.

14 The amalgamation with Twin Towns will:

- (a) facilitate reconstruction of CLC's clubhouse with Twin Towns providing direct funding anticipated to be in the order of up to \$2.5 million, being funding in addition to insurance proceeds from CLC's insurer (and to the extent that the rebuilding costs are not covered by the insurance proceeds), plus the services of consultants and specialists. Pending amalgamation completion, funding provided by Twin Towns will be by way of secured loan (secured over CLC's assets) to CLC, but the loan will merge and be discharged on completion of the amalgamation, meaning Twin Towns will just absorb the funding and will not be repaid any money by CLC on completion of the amalgamation;
- (b) provide CLC's members the use of all Twin Towns facilities, including the proposed new clubhouse premises to be constructed at the CLC premises;
- (c) promote the game of rugby league in the local community;
- (d) promote the game of lawn bowls at the CLC premises;
- (e) see to a continuation of trade from CLC's premises indefinitely for the foreseeable future and in any event for a minimum period of up to 10 years after completion of the amalgamation. During the first 5 years after completion of the amalgamation, the CLC premises will not be required to meet any financial viability requirements for the Amalgamated Club to keep the premises trading. After the first 5 years and up to 10 years after completion of the amalgamation, the CLC premises will need to achieve a net cash profit of at least \$300,000 for any 12 month period as bona fide determined by the Amalgamated Club; and

15 The Board of CLC believes that the Amalgamated Club will be a financially viable entity.

*Terms of the amalgamation – General*

16 The terms of the proposed amalgamation are set out in the MOU. A Deed of Amalgamation (**Deed**) will need to be finalised between Twin Towns and CLC. The Deed will deal with commercial and other matters connected to the amalgamation, which do not need to be included in the MOU. The Deed will be consistent with the terms of the MOU but will supplement it concerning the mechanics and procedure for finalising the amalgamation.

17 In addition to the signing of the Deed, completion of the amalgamation will be conditional on the following conditions (collectively referred to as "**Conditions Precedent**"), as will be set out in the Deed:

- (a) approval of the members of Twin Towns and CLC of the amalgamation in principle (in the case of CLC, this approval is sought in the First Ordinary Resolution);
- (b) approval of the Authority;
- (c) admission of CLC members to membership of Twin Towns as the amalgamated club on completion of the amalgamation;
- (d) the signing of:
  - (i) a relationship agreement between Twin Towns and Cudgen Hornets Rugby League Football Club Inc. (ABN 96 129 462 518) (**Senior Football Club**) – in the form that has been proposed by Twin Towns, if they wish; and
  - (ii) a relationship agreement between Twin Towns and Cudgen Headland Junior Rugby League Club Inc. (**Junior Football Club**) – in the form that has been

proposed by Twin Towns, if they wish,

which are consistent with the requirements set out in Part 4 of the MOU and which will be conditional only on completion of the amalgamation between CLC and Twin Towns;

- (e) consent of Tweed Shire Council to transfer the Council's licence granted to CLC to use the Ned Byrne Field at Wommin Bay Road, Kingscliff which expires 2 February 2022;
  - (f) ownership by CLC of its material and substantial assets as at the date of the Deed and those assets being transferred to Twin Towns on amalgamation completion;
  - (g) CLC's total liabilities not exceeding \$100,000 at amalgamation completion (or such higher amount agreed by Twin Towns);
  - (h) novation by CLC to the Amalgamated Club/Twin Towns of CLC's insurances for the amounts specified in the MOU and Deed;
  - (i) novation by CLC to the Amalgamated Club/Twin Towns of CLC's construction contracts regarding the clubhouse reconstruction;
  - (j) depending on construction timing and the required by CLC to avoid construction delays, CLC entering into a secured loan facility with Twin Towns for up to \$2.5 million, being additional funding of reconstruction of the CLC premises pending amalgamation completion.
- 18 The finalisation and signing of the Deed by both clubs is an essential first step before the parties can progress any of the Conditions Precedent. In essence, there is no binding agreement between CLC and Twin Towns until the Deed is signed. However, despite the signing of the Deed by both clubs, completion of the amalgamation will still be subject to the satisfaction of the Conditions Precedent. Satisfaction of all the above Conditions Precedent is to take place by 31 March 2022, or such later date as the clubs both might agree in writing.

*Terms of the Amalgamation – Rugby League*

- 19 The requirements of the MOU regarding the relationship agreements with each of Cudgen Hornets Rugby League Football Club Inc. Cudgen Headland Junior Rugby League Club Inc. (**Football Clubs**) are proposed to include:
- (a) the Amalgamated Club making of a one-off donation/grant to each of the Football Clubs of \$50,000 GST free;
  - (b) the Amalgamated Club undertaking the following works up to an aggregate amount of \$300,000 once all required government approvals are obtained after amalgamation completion:
    - (i) replacement of dressing sheds plus additional female dressing sheds;
    - (ii) lighting upgrade for the Ned Byrne Field;
    - (iii) lighting upgrade for the Walter Peate Field;
    - (iv) revamped or relocated canteen including toilets;
    - (v) resurfacing and levelling of the Ned Byrne Field,with the Amalgamated Club lending all reasonable assistance in seeking of the approvals for the above works and reasonable support in support of applications for additional funding through government grants (being on top of the amounts contributed by the Amalgamated Club);
  - (c) full funding for (and organisation of) all appropriate ongoing maintenance in connection with the Ned Byrne Field including maintenance of associated equipment, the maintenance of the fencing and maintenance of the ground itself;

- (d) annual grants of at least \$25,000 (by way of donations) to each of the Football Clubs for each of the 5 completed years after completion of the amalgamation if the cash profit for the particular year exceeds \$500,000;
- (e) each of the Football Clubs submitting their annual budgets to the Amalgamated Club;
- (f) grants paid by the Amalgamated Club are to be expenditure that can qualify as Category 2 grants under the ClubGRANTS scheme (and not for the purposes of professional payments). Category 2 grants are allocated to community development and support activities and projects not covered under category 1, as well as expenditure allocated to a club's core activities. For example, sport.

- 20 The Amalgamated Club will offer to enter into a licence agreement with each of the Football Clubs for their use of the Ned Byrne Field for football purposes for usage similar to their usage of the field in the 2 years prior to completion of the amalgamation. The licence agreements will provide for free use of the field with scheduling of use to be resolved between the Football Clubs, acting reasonably. The Amalgamated Club can use the field for other purposes at other times, but rugby league uses will have priority.
- 21 The Amalgamated Club will use its best endeavours to purchase the freehold of Ned Byrne Field or failing that, to obtain a long-term replacement Crown Lease of Ned Byrne Field, in order to continue making that reserve available for use by the Football Clubs in a similar manner as in recent times.
- 22 The Football Clubs can continue to sell their raffle tickets and conduct raffle drawings at the CLC premises.
- 23 The Amalgamated Club will use its best endeavours to facilitate the continuation of the placement of the recycling "Return & Earn Station" presently at the CLC premises, to be operated by the Junior Football Club with all net revenue going to the Junior Football Club.

*Terms of the Amalgamation – Bowls*

- 24 CLC bowlers will be invited to form and be the first new members of a new sub-club of the Amalgamated Club to be known as "Cudgen Leagues Bowlers".
- 25 The Amalgamated Club will:
- (a) maintain the existing 2 bowling greens at the CLC premises for the foreseeable future and at least for 10 years for so long as the Cudgen Leagues Bowlers sub-club has at least 50 active bowling members. However, if the number of active bowlers of the sub-club falls below 50 members at any time in the first 5 years, then:
    - (i) the Amalgamated Club may cease operating one of the bowling greens; and
    - (ii) must keep the other existing bowling green for at least the first 5 years after completion of the amalgamation unless the majority of the remaining members of active members of the sub-club agree otherwise;
  - (b) immediately when necessary after completion of the amalgamation for the particular works, up to an aggregate amount of \$200,000 (before GST) by direct payments to meet incurred costs for the following works as agreed with Cudgen Leagues Bowlers, subject to all necessary government approvals (with the Amalgamated Club giving all reasonable assistance in relation to seeking the approvals):
    - (i) bowlers at the CLC premises, in the existing large storage shed or otherwise mutually agreed location;
    - (ii) construct and provide suitable shade structure (available for bowlers and family groups) at the CLC premises, between the main premises and the Bowls Office;
    - (iii) construct a Bowls Office, including a meeting facility, kitchenette and storage;

- (iv) the provision of lockers; and
- (v) replace the existing bowling greens lighting;
- (c) make the restored Bowls Office at the CLC premises, available to the Cudgen Leagues Bowlers;
- (d) use best endeavours and cooperate to maintain the same bowling days and times as are in operation at the date of this MOU;
- (e) organise and fully fund all appropriate ongoing maintenance in connection with both of those bowling greens including the maintenance of associated equipment, the maintenance of fencing and the maintenance of the bowling greens themselves and including resurfacing of the Greens as and when reasonably required to maintain standards;
- (f) facilitating liaison including between the green keeper and the nominated representative of the Cudgen Leagues Bowlers, in relation to maintenance of the bowling greens;
- (g) allow Cudgen Leagues Bowlers members and their guests all of the rights of other members and guests subject only to the usual requirements of the Registered Clubs Act, including full access to the CLC premises and the Amalgamated Club's other premises, including access for morning and afternoon teas and members' pricing and menu options for all players after Pennants games (replicating what is usual in the local district);
- (h) provide the Cudgen Leagues Bowlers sub-club with the same per capita annual support grant as all other sub-clubs (currently \$20 per member);
- (i) provide the Cudgen Leagues Bowlers sub-club with at least the same operational support as all other sub-clubs and any other operational support reasonably required including:
  - (i) marketing planning to support the sport of lawn bowls and the activities of the Cudgen Leagues Bowlers sub-club;
  - (ii) support for fundraising events;
  - (iii) support for major bowling day tournaments and Pennants days,
  - (iv) with appropriate resourcing;
  - (v) computer services;
  - (vi) use of the Bowls Office also for meetings;
  - (vii) dedicated telephone and email in the Bowls Office;
  - (viii) allow the Cudgen Leagues Bowlers sub-club to operate its own separate bank account for club funds under its control;
  - (ix) reasonable access to the management and staff of the Amalgamated Club, for advice, collaboration and support; and
  - (x) a permanent noticeboard at the CLC bowls premises;
- (j) allow the Cudgen Leagues Bowlers sub-club to operate pursuant to a separate sub-club Constitution generally in conformity with other Amalgamated Club sub-club constitutions, with the right to elect its own committees, elect its own sub-club honorary life members (not Life members of the Amalgamated Club) and generally manage its own activities subject to compliance with the Amalgamated Club's Constitution;
- (k) allow the Cudgen Leagues Bowlers sub-club to seek affiliation, and remain affiliated, with NSW Bowls;
- (l) allow the Cudgen Leagues Bowlers sub-club to choose their own uniforms;

- (m) allow the Cudgen Leagues Bowlers sub-club reasonable independence in arranging its own separate sponsorships but in coordination with the Amalgamated Club to avoid conflict or clashes.

*Terms of the Amalgamation – Kingscliff RSL Sub-Branch*

- 26 For so long as there is reasonable demand, the Amalgamated Club will provide:
- (a) ANZAC Day support (including breakfast service immediately after the dawn service), and Remembrance Day support at Twin Towns' main premises;
  - (b) meeting spaces and facilities as reasonably needed, in the CLC premises or any of the Amalgamated Club's other venues; and
  - (c) an introduction to the Tweed Heads and Coolangatta RSL Sub-branch with a view to mutually benefiting from sharing the existing premises and facilities of that sub-branch while still maintaining independent existence and operations.

*Terms of the Amalgamation – Other matters*

- 27 The Amalgamated Club will look to continue to provide similar levels of assistance and support for other local sporting and community organisations as has historically been provided by CLC.
- 28 The Amalgamated Club will review courtesy transport arrangements with a view to including services taking account of the CLC premises and if demand warrants, also potentially providing a stand-alone courtesy transport service just for the CLC premises.
- 29 The MOU is available on the CLC's notice board and website at [www.cudgenleagues.com.au](http://www.cudgenleagues.com.au).
- 30 The Board of CLC recommends to members that they carefully read the MOU before attending the Extraordinary General Meeting.
- 31 This notice does not set out all matters which are contained in the MOU. However, the following are some key matters for consideration by members:
- (a) CLC will be wound up as the dissolving club in the amalgamation, with Twin Towns being the continuing club as the corporate vehicle for the Amalgamated Club;
  - (b) Each of the Twin Towns premises, including the proposed reconstructed CLC premises will be the premises of the Amalgamated Club (**Amalgamated Club Premises**);
  - (c) The CEO of Twin Towns will be the CEO of the Amalgamated Club and a separate manager will be appointed to manage the reconstructed CLC premises.
  - (d) The Amalgamated Club will operate the CLC premises as a successful and well supported, family-friendly, modestly sized, locally based sporting and community club which is an alternative to the Amalgamated Club's larger regional club and other offerings. The Amalgamated Club will use its strategic marketing expertise and capabilities to assist trading at the CLC premises.
- (a) The Amalgamated Club will use its best endeavours to digitise all of CLC's memorabilia (including the memorabilia of CLC's sub-clubs) and display it for the foreseeable future at the CLC premises. Memorabilia which CLC believes cannot or should not be digitised is to be notified by CLC to Twin Towns prior to amalgamation completion and such physical memorabilia is to be retained at the CLC premises, provided it does not require more than 3 square metres in space.
  - (b) Members of CLC who are not already members of Twin Towns at amalgamation completion will be invited to become members of Twin Towns/the Amalgamated Club. The *Corporations Act 2001* (Cth) requires applications for membership and the Registered Clubs Act prescribes a process for admissions to membership – members cannot simply be "transferred" from one registered club to another registered club.

- (c) CLC currently has one employee as at the date of the MOU. The employee will be offered employment by Twin Towns on similar terms offered by Twin Towns to employees of Twin Towns and on terms no less favourable than the employee's current employment terms. Employment by the Amalgamated Club will commence on amalgamation completion. All accrued entitlements will be carried forward. Employment of Twin Towns employees will not be affected.

*Voting requirements*

- 32 In accordance with section 17AEB(d) of the Registered Clubs Act all Ordinary (and Life) members are entitled to attend the Extraordinary General Meeting and vote on the First Ordinary Resolution.
- 33 To be passed the First Ordinary Resolution requires votes from a simple majority of those members who, being eligible to do so, are present and vote on the Ordinary Resolution at the meeting.

**SECOND ORDINARY RESOLUTION (TO BE PUT TO THE EXTRAORDINARY GENERAL MEETING ONLY IF THE FIRST ORDINARY RESOLUTION IS PASSED)**

*"That the members authorise, for the purposes of rule 47(l) of the Cudgen Leagues Club Ltd's Constitution and completing the amalgamation with Twin Services Club Ltd ACN 61 001 042 833 (Twin Towns):*

- (a) *transfer of ownership to Twin Towns of the real property of Cudgen Leagues Club Limited ACN 18 001 518 574 (CLC) located at 3 Wommin Bay Road, Kingscliff (contained in lot 11 in deposited plan 830660 and lot 3 in deposited plan 591720); and*
- (b) *transfer of the CLC's licence granted to it by Tweed Shire Council to use the Ned Byrne Field (being within Reserve No. 91115 and contained in lot 12 in deposited plan 1143311) for a term of 12 months expiring 2 February 2022 or any such replacement or renewal of the licence which may be granted to CLC following expiry of the licence and pending completion of the amalgamation with Twin Towns,*

*in each case with effect on completion of the amalgamation with Twin Towns, that is being at the same time the Club's licence held under the Liquor Act 2007 (NSW) is transferred to Twin Towns by the Independent Liquor and Gaming Authority".*

**Explanatory message regarding the Second Ordinary Resolution**

- 1 The Second Ordinary Resolution will only be put to the Extraordinary General Meeting if the First Ordinary Resolution is passed.
- 2 Rule 47(l) of the CLC's Constitution requires the sanction of a general meeting of members for the lease, demise, exchange or sale of all or any land and buildings or other property rights to which the Club may be entitled from time to time.
- 3 The Second Ordinary Resolution is put to members for the purposes of compliance with rule 47(l) of CLC's Constitution.
- 4 For the amalgamation with Twin Towns to proceed, the Second Ordinary Resolution will need to be passed, in addition to the First Ordinary Resolution.
- 5 To be passed the Second Ordinary Resolution requires votes from a simple majority of those members who, being eligible to do so, are present and vote on the Ordinary Resolution at the meeting.



**General notes regarding the Ordinary Resolutions**

1. Under the Registered Clubs Act:
  - (a) members who are employees of CLC are not entitled to vote (but note there are currently no employees of CLC); and
  - (b) proxy voting is prohibited.
2. The Board of CLC recommends that members vote in favour of both the First and Second Ordinary Resolutions.

**Peter McConnell**  
**President**

**Dated: 18 November 2021**