

**BALLINA BOWLING AND RECREATION CLUB LTD TRADING AS CHERRY STREET
SPORTS
ABN 30 000 984 412**

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of Ballina Bowling and Recreation Club Ltd trading as Cherry Street Sports (**Cherry Street Sports**) will be held on **Sunday 13th February 2022 at 9am** at Cherry Street Sports' premises at 68 Cherry Street, Ballina NSW 2478.

BUSINESS TO BE CONDUCTED

- A. To consider and, if thought fit, pass the Ordinary Resolution to approve in principle the amalgamation of Cherry Street Sports with Lennox Head Community Sports & Recreation Club Ltd ABN 29 163 771 382 (**Club Lennox**).
- B. If the Ordinary Resolution is passed, to consider and, if thought fit, pass the Special Resolutions to amend the Constitution of Cherry Street Sports in accordance with the amalgamation provisions of the *Registered Clubs Act 1976* (NSW) (**Registered Clubs Act**).

ORDINARY RESOLUTION

"That the members hereby:

- 1. *approve in principle the amalgamation of Lennox Head Community Sports & Recreation Club Ltd ABN 29 163 771 382 (**Club Lennox**) located at 10 Stewart Street, Lennox Head with Ballina Bowling and Recreation Club Ltd trading as Cherry Street Sports ABN 30 000 984 412 (**Cherry Street Sports**), such an amalgamation to be effected by:*
 - (a) *the continuation of Cherry Street Sports (as the amalgamated club) and the dissolution of Club Lennox;*
 - (b) *the transfer of Club Lennox's assets to Cherry Street Sports, including a transfer of the existing lease of the premises of Club Lennox (unless a replacement lease is granted to Cherry Street Sports); and*
 - (c) *the transfer of the club licence of Club Lennox to Cherry Street Sports;*
- 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 Club Lennox to Cherry Street Sports for the purposes of such an amalgamation."*

Explanatory message regarding the Ordinary Resolution

General

- 1 The Extraordinary General Meeting has been called to consider a resolution approving the proposed amalgamation of Cherry Street Sports with Club Lennox.
- 2 The amalgamation of two registered clubs must be effected pursuant to the provisions of Division 1A of Part 2 of the Registered Clubs Act.
- 3 Both Cherry Street Sports and Club Lennox hold club licences under the *Liquor Act 2007* (NSW) (**Liquor Act**). Under section 17AB of the Registered Clubs Act, an amalgamation

occurs when the club licence of one club is transferred to the other club, under section 60 of the Liquor Act.

- 4 The transfer of the club licence of Club Lennox to Cherry Street Sports is subject to approval by the Independent Liquor and Gaming Authority (**Authority**). Under section 17AEB 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).
- 5 This means that the Ordinary Resolution must be passed before the Authority will approve the transfer of the club licence of Club Lennox to Cherry Street Sports and for the amalgamation to proceed.
- 6 A general meeting of members of Club Lennox was held on 28 November 2021. At that meeting, members of Club Lennox voted in favour of the Amalgamation.
- 7 If the amalgamation is approved by both clubs and the Authority, Cherry Street Sports will continue as the Amalgamated Club and Club Lennox will be dissolved.
- 8 If the Ordinary Resolution is approved, the members will be authorising the making of the application to the Authority for approval of the amalgamation.

Terms of the amalgamation

- 9 The terms of the amalgamation are set out in a Memorandum of Understanding (**MOU**) which have been entered into between Cherry Street Sports and Club Lennox.
- 10 A copy of the MOU may be obtained from the Cherry Street Sports reception upon request.
- 11 A copy of the MOU is also available on the Cherry Street Sports webpage at www.cherrystreet.com.au.
- 12 The Board of Cherry Street Sports recommends to members that they carefully read the MOU before attending the Extraordinary General Meeting.
- 13 In summary, under the MOU:
 - (a) Club Lennox will be wound up as the dissolving club in the amalgamation, with Cherry Street Sports being the continuing club as the corporate vehicle for the Amalgamated Club;
 - (b) The Club Lennox premises at 10 Stewart Street, Lennox Head (**Club Lennox Premises**) will become the additional trading premises of the Amalgamated Club. Those premises are leased from Ballina Shire Council;
 - (c) The Amalgamated Club will:
 - (i) maintain the traditions of the Club Lennox (subject to the continued operation of the Amalgamated Club from the Club Lennox Premises);
 - (ii) maintain the Lennox Head Men's Bowling Sub-Club and Lennox Head Women's Bowling Club;
 - (i) recognise and celebrate Club Lennox's centenary anniversary in 2023;
 - (ii) continue to maintain the bowling greens situated on the Club Lennox Premises; and
 - (iii) affiliated clubs of Club Lennox can seek ClubGRANTS funding from Cherry Street Sports, subject to eligibility.

- (b) The traditions, amenities, culture, bowling facilities, bowling activities and memorabilia of Club Lennox (in digital format) will be maintained by the Amalgamated Club at the Club Lennox Premises.
- (c) The Amalgamated Club will continue to support the community organisations that were supported by Club Lennox (as at the date of this Memorandum) in amounts not less than the average of those provided to the community by Club Lennox over the three years preceding the date of this MOU. The Amalgamated Club will also explore opportunities to expand community support.
- (d) The Amalgamated Club will continue to provide support for Love Lennox, Club Lennox Centenary celebrations and Christmas Carols in the Park.
- (e) The Amalgamated Club will honour all existing sponsorship arrangements of Club Lennox.
- (f) The Amalgamated Club will use its best endeavours to establish funding relationships with all Club Lennox community sports and community groups in line with the Amalgamated Club's current sporting agreements in place.
- (g) The Amalgamated Club will continue to provide meeting rooms free of charge for not-for-profit community organisations for meetings and get togethers supported by Club Lennox in line with the Amalgamated Club's current policies;
- (d) The future direction of the Amalgamated Club will be subject to the overall strategic plan of the Amalgamated Club and its finances. The Amalgamated Club intends to:
 - (i) maintain Club Lennox Premises and carry on the business of a licensed registered club under the Registered Clubs Act and the Liquor Act at the Club Lennox Premises with the usual facilities and amenities of a registered club;
 - (ii) operate Club Lennox Premises as a successful and well supported local based bowling, sporting and community club;
 - (iii) undertake improvements to Club Lennox Premises and facilities (including the Clubhouse, bowling greens and surrounding areas). The timeframe, nature and budget for those improvements will be determined by the Board of the Amalgamated Club in its absolute discretion. The Amalgamated Club will endeavour to make the following improvements within a reasonable period after the Completion of the Amalgamation:
 - (A) upgrade existing air conditioning;
 - (B) internal renovations to suit trade and as funds permit;
 - (C) replacing or upgrading of the gaming machines installed in the Clubhouse;
 - (D) upgrade all IT and Systems to mirror the Amalgamated Club for ease of operations ;
 - (E) upgrading the building and premises to comply with Amalgamated Club standards as funds permit. While a dollar figure is hard to obtain, the Amalgamated Club will commit to facility upgrades to ensure the growth of revenue and compliance with the food safe work practices and council requirements
 - (iv) maintain and promote the Club Lennox Premises for at least 3 years following completion of the amalgamation;
 - (v) improve trading at Club Lennox Premises;

- (vi) maintain and where possible enhance, the social facilities, services, amenities and activities at Club Lennox Premises;
- (vii) upgrade the gaming system to enable Tiered loyalty at Club Lennox Premises; and
- (viii) trade Club Lennox Premises for a minimum of 6 days a week with the aim of trying to operate 7 days a week from 10am;
- (e) Any assets and investments of Club Lennox will become part of the Amalgamated Club. Assets of Club Lennox include 26 gaming machine entitlements, gaming machines and plant and equipment.
- (f) Employees of Club Lennox will be offered employment with Cherry Street Sports. Employees who accept an offer of employment will have continuity of their employment.
- (g) Club Lennox leases its premises from Ballina Shire Council. Completion of the amalgamation is conditional on, among other things, a transfer of the existing lease to Cherry Street Sports or granting of a new lease in favour of Cherry Street Sports, in each case for a term of at least 3 years and on terms acceptable to Cherry Street Sports in its absolute discretion.
- (h) The Amalgamated Club will be governed by the Board of Cherry Street Sports on and from completion of the amalgamation.
- (i) Members of Club Lennox will be invited to become members of Cherry Street Sports. 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.
- (j) The Club Lennox Premises must be preserved for at least 3 years after completion of the Amalgamation, subject to the terms of the lease with Ballina Council as set out in the MOU.

Reasons for amalgamation

- 14 Both clubs are registered clubs which have strong similarities in their objects concerning the promotion of bowls and other sporting activities.
- 15 The Club Lennox has debts of about \$550,000 and assets valued at \$2,806,361. If the amalgamation proceeds and is completed, the assets will be transferred to Cherry Street Sports and the debts will be absorbed by Cherry Street Sports.
- 16 The Board of Cherry Street Sports believe that with the management and resources available to Cherry Street Sports and its ability to invest in the Club Lennox premises, those can trade viably following amalgamation completion. .
- 17 The Board of Cherry Street Sports therefore believes that an amalgamation with Club Lennox is in the best interests of Cherry Street Sports and its members.

General notes regarding the Ordinary Resolution

1. In accordance with section 17AEB (d) of the Registered Clubs Act, all ordinary (and life) members of Cherry Street Sports are eligible to attend the Extraordinary General Meeting and vote on the Ordinary Resolution.
2. To be passed the 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.
3. Under the Registered Clubs Act:
 - (a) members who are employees of Cherry Street Sports are not entitled to vote; and
 - (b) proxy voting is prohibited.
4. The Board of Cherry Street Sports recommends that members vote in favour of the Ordinary Resolution.

SPECIAL RESOLUTION

Special Resolution (to be considered only if the Ordinary Resolution is passed)

*"That, on the date on which the Independent Liquor and Gaming Authority transfers the club licence of Lennox Head Community Sports & Recreation Club Ltd ABN 29 163 771 382 ("**Club Lennox**") to Ballina Bowling and Recreation Club Ltd trading as Cherry Street Sports ABN 30 000 984 412 ("**Cherry Street Sports**"), the Constitution of Cherry Street Sports be amended by:*

- **Inserting** a new Rule 18A after rule 18:

*"18A. Those members who were financial full members of Lennox Head Community Sports & Recreation Club Limited ABN 29 163 771 382 (**Club Lennox**) and whose names were entered in the Register of Members of Club Lennox on the date on which the Independent Liquor and Gaming Authority transfers the club licence of Club Lennox to the Club shall, for the purposes of section 17AC (2) of the Registered Clubs Act, be identified in the Club's Register of Members as Club Lennox Members."*

Explanatory message regarding the Special Resolution

- 1 The Special Resolution will only be considered by the Extraordinary General Meeting if the Ordinary Resolution has been passed by the meeting. In order for Cherry Street Sports to proceed with the amalgamation with Club Lennox, the members must approve the Special Resolution.
- 2 Section 17AC(2) of the Registered Clubs Act requires that before registered clubs amalgamate, the parent club (in this case, Cherry Street Sports) must under its rules (the constitution) establish the members of the dissolved club (i.e. Club Lennox) as a separate class of members for the purposes of identification. Accordingly, all persons joining Cherry Street Sports who were formerly members of Club Lennox will be identified as "Club Lennox Members" on Cherry Street Sports's register.
- 3 Under the MOU, any persons who were Life members of Club Lennox will continue to be recognised as a Life member of the Club Lennox Premises. However, they will not be Life Members of the Amalgamated Club.

- 4 All members of the Club Lennox must apply for membership of the Amalgamated Club in order to be admitted to membership of the Amalgamated Club in a class of membership under the Amalgamated Club's constitution (and other constituent documents) for which they are eligible.

General notes regarding the Special Resolution

1. To be passed, the Special Resolution must receive votes in its favour from not less than 75% of those members who being eligible to do so, vote in person at the meeting.
2. The Special Resolution must be considered as a whole and cannot be altered in substance by motions from the floor of the meeting.
3. Pursuant to rule 112 of the Cherry Street Sports' Constitution, the members entitled to vote on the Special Resolution are financial members who are:
 - (a) Honorary Life Members;
 - (b) Financial Bowling Members.
4. Under the Registered Clubs Act:
 - (a) members who are employees of Cherry Street Sports are not entitled to vote; and
 - (b) proxy voting is prohibited.
5. The Board of Cherry Street Sports recommends that members vote in favour of the Special Resolution.

Tere Sheehan
Chief Executive Officer
Dated: 7th January 2022.