

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Western Suburbs Leagues Club Illawarra Limited will be held at the premises of the Club, Hargreaves Street Unanderra, New South Wales on **Sunday, 27th November 2022** at 10.00am.



## Business.

1. To confirm the minutes of the Annual General Meeting held on Sunday, 30th January 2022.
2. Business arising from the aforesaid minutes.
3. To receive and consider the Financial Report of the Company and economic entity for the year ended 30th June 2022 and the reports by Directors and Auditor thereon.

**Please Note:** Members are asked to respectfully submit any questions they may have 7 days in advance of the meeting to the Chief Executive Officer, so informed responses can be provided at the meeting.

4. To consider and, if thought fit, pass an Ordinary Resolution (First Ordinary Resolution set out below) relating to the conferring of training and development expenses and specified benefits on Directors of the Club.
5. To consider and, if thought fit, pass an Ordinary Resolution (Second Ordinary Resolution set out below) relating to the conferring of privileges and benefits on Life members and other members of the Club as specified.
6. To consider and, if thought fit, pass an Ordinary Resolution (Third Ordinary Resolution set out below) declaring part of the Club's Port Kembla Golf Club premises to be "non-core" for the purpose of section 41E of the Registered Clubs Act 1976.
7. General Business: Transact any business of which due notice has been given.

## First Ordinary Resolution.

"(a) That pursuant to Section 10(6A)(b) of the Registered Clubs' Act 1976, the members hereby approve in a sum not exceeding \$75,000 and agree to, the members of the Board and the other persons referred to below, during the period preceding the next Annual General Meeting, receiving the following benefits:

- (i) The reasonable costs of meals and refreshments to be associated with each Board meeting of the Club;
- (ii) The right for Directors to incur reasonable expenses in traveling to and from Directors' meetings or to other constituted meetings as approved by the Board from time to time on the production of invoices, receipts or other proper documentary evidence of such expenditure;
- (iii) The reasonable costs of Directors attending the Clubs NSW, Club Managers' Association and Leagues Club Association conferences and meetings;
- (iv) The reasonable costs of Directors attending seminars, lectures, trade displays and other similar events as may be determined by the Board from time to time;

- (v) The reasonable costs of Directors attending training and development events as may be determined by the Board from time to time;
  - (vi) The reasonable costs of Directors attending venues and participating in study tours on a domestic and international basis for the purpose of viewing and assessing relevant hospitality and associated facilities and the method of operation provided such attendances are approved by the Board as being necessary for the benefit of the Club;
  - (vii) The provision of associated apparel for the use of Club Directors when representing the Club;
  - (viii) The provision of car parking spaces adjacent to the Club for the President and eight Directors from time to time; and
  - (ix) The reasonable costs of Directors and their spouses attending an annual dinner and other industry functions where appropriate and required to represent the Club.
- (b) The members acknowledge that the benefits referred to in this Ordinary Resolution are not available to members generally but only to those members who are elected Directors of the Club and such other persons referred to in the resolution."

## Second Ordinary Resolution.

"(a) That pursuant to Section 10(6A)(b) of the Registered Clubs Act 1976, the members hereby approve and agree to:

- (i) the Board approving of the provision of reasonable discounts to Life Member from time to time during the period preceding the next Annual General Meeting;
- (ii) (i) conferring the benefits providing a benefit of 40% off the Members Price on Food & Beverage purchases (excluding takeaway alcohol) provided to those members of the club who are Life Members; and
- (iii) providing PKGC Life Members a free full playing membership. (This benefit only applies to those persons who were PKGC Life Members on amalgamation). Those PKGC Life Members are:

- |                   |                   |
|-------------------|-------------------|
| • Cliff Harris    | • Lauris Kentwell |
| • Lynton Nicholas | • Denise Walsh    |

(b) The members acknowledge that the benefits referred to in this Second Ordinary Resolution are not available to members generally but only to those members who are Life members of the Club and PKGC Life members."

## Third Ordinary Resolution.

That the ordinary members (as defined in section 4 of the Registered Clubs Act 1976) of Western Suburbs Leagues Club Illawarra Limited (Club) declare Part 30 Golf Place, Primbee NSW 2502 comprised in title reference Lot 2 DP 1093756 (being the



area hatched pink and blue and bounded in red in the plan attached at Annexure A) to be “non core” property of the Club for the purpose of section 41E of the Registered Clubs Act 1976.

## Explanatory Message to Members regarding the First Ordinary Resolution.

Section 10(1)(i) of the *Registered Clubs Act 1976* prohibits the Club from offering a benefit to any member unless it is offered equally to all members of the Club. Section 10(6A) of the *Registered Clubs Act 1976* allows a member to receive a benefit if the benefit is not in the form of money and is authorised by an ordinary resolution passed by a general meeting of the members of the Club prior to the benefit being provided.

The First Ordinary Resolution seeks the approval of the members of expenditure by the Club to cover Board members in the execution of their duties as Directors of the Club.

## Explanatory Message to Members regarding the Second Ordinary Resolution.

Section 10(1)(i) of the *Registered Clubs Act 1976* prohibits the Club from offering a benefit to any member unless it is offered equally to all members of the Club. Section 10(6A) of the *Registered Clubs Act 1976* allows a member to receive a benefit if the benefit is not in the form of money and is authorised by an ordinary resolution passed by a general meeting of the members of the Club prior to the benefit being provided.

The Second Ordinary Resolution seeks the approval of the members conferring the benefits provided to members of the Club who are Life Members and PKGC Life members.

The benefits referred to in point 2 are benefits conferred on Life members of the Club and were approved at last year’s AGM. The Board believes that such benefits are fitting for conferral on Life members of the Club.

## Explanatory Message to Members regarding the Third Ordinary Resolution.

### Trading of PKGC since amalgamation

Since amalgamating with PKGC on 29 August 2014, the Club has invested in excess of \$1.7M in capital expenditure on Club house and golf course improvements. Despite this expenditure, the Club has incurred significant financial losses with respect to the PKGC premises and continues to do so.

The accounting losses incurred by PKGC up to 30 June 2022 (since amalgamation) total \$4,206,934, whilst the EBITDA losses total \$1,266,499. The difference between these two amounts is represented by depreciation and interest charges, and the write-down of asset values over time. The total cash invested in the PKGC site is the sum of the EBITDA value and the capital expenditure – which is \$3,028,972. The annual losses have been reducing year on year, as the Board and Management have been implementing various strategies to improve the financial results.

### Proposal to develop Part of the PKGC premises

Having regard to the financial performance and significant losses suffered by the Club as an amalgamated entity since 2014, in April 2022, the Board and Management sought qualified parties to undertake a Manufactured Housing Estate development on the current driving range land at PKGC premises.

Written expressions of interest were invited through a discreet

off-market process conducted by Matt Davidson of Tourism Property - a highly experienced and respected hospitality and tourism property broker.

A range of proposals were reviewed with the Club considering proposals with the following highly preferred criteria: freehold subdivision and sale of PKGC driving range land, lease of the under-utilised portion of PKGC clubhouse area, no on-going or development risk sharing, maintain 18-hole championship golf course.

Following the review of proposals and interviews with each of the parties, an exclusive Due Diligence period was granted to JEL Property Group, and a Heads of Agreement was signed off on 30 September 2022.

The JEL Proposal is to develop a manufactured housing estate which will require the subdivision and sale by the Club to JEL of the land and the construction of a minimum of 80 manufactured housing lots.

The key terms of the JEL Proposal are:

- JEL is to purchase a freehold portion of the PKGC land, subject to achieving development consent from Wollongong City Council (WCC) for a Manufactured Housing Estate (minimum 80 lots) and subdivision of the required land
- If Exclusive Due Diligence (EDD) is completed and accepted by JEL, contracts and associated documents including a Commercial Lease will be drawn up and a Call Option Deed will be entered into
- Within the EDD period, JEL will assist the Club to achieve “Member Approval” for the classifying of the land to be “non-core”, giving the Club the right to make a deal / sell the land (Section 41E Approval)
- A Call Option Deed will be entered into for 18 months and remains subject to achieving WCC development consent as described above
  - (a) The Call Option period can be extended by mutual agreement in writing where WCC have not yet provided development consent and the Seller is satisfied that the Buyer continues to work diligently toward the same
  - (b) The Call Option fee of \$50,000 is non-refundable and payable at the commencement of the Call Option. This fee forms part of the deposit
- Purchase price for the property is \$75,000 per DA approved lot.
- A Commercial Lease over part of the PKGC clubhouse will be for the duration of the Manufactured Housing Estate
  - (a) An initial Lease term and a series of Lease Options will be utilised
  - (b) Commencement rental rate is \$100 per square metre
- An 18 hole, Par 72 golf course is to be maintained
  - (a) The EDD process has determined that existing hole 1 will be required for compensatory storage – rendering it unusable for golf
  - (b) JEL has allocated a \$300,000 budget for / towards course realignment for the loss of existing hole 1
  - (c) JEL will rebate 50% of any saving from that \$300,000 budget
  - (d) JEL and the Club are currently in the process of assessing course re-design options
- JEL agrees that all Intellectual Property (IP) and materials

including reports, plans and documents created in the EDD period will pass to the Club if JEL elects not to enter a Call Option Deed

- Exchange of contracts will be 14 days following WCC development consent
- Settlement will be 6 weeks from exchange of contracts.

### Section 41E Approval

Section 41E of the Registered Clubs Act and clause 19 of the Registered Clubs Regulation 2009 (NSW) (**Registered Clubs Regulation**) restrict the ability of a registered club to "dispose" of real property owned by the club without members' approval if the real property concerned is "core property".

"Dispose" of property, for the purposes of section 41E of the Registered Clubs Act, means to sell, lease or licence or otherwise deal with the property in such a manner as may be prescribed by the Registered Clubs Regulation. Under the JEL Proposal, the subject land will be subdivided from the remainder of the PKGC land and sold to JEL at the purchase price specified above calculated by reference to the number of lots approved in a Development Consent (which must be a minimum of 80).

Under section 41E(1), "core property" of a registered club means any real property owned or occupied by the club that comprises:

- (a) the premises of the club, or
- (b) any facility provided by the club for the use of its members and their guests, or
- (c) any other property declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, to be core property of the club,

but does not include any property referred to in paragraphs (a)–(c) that is declared, by a resolution passed by a majority of the members present at a general meeting of the ordinary members of the club, not to be core property of the club (ie is declared to be "non core" property).

Section 41E(1) of the Registered Clubs Act requires that a Club must not dispose of any core property of the Club unless:

- (a) the property has been valued by a qualified valuer, and
- (b) the disposal has been approved at a general meeting of the ordinary members of the club at which a majority of the votes cast supported the approval, and
- (c) any sale is by way of public auction or open tender conducted by an independent real estate agent or auctioneer.

The Board can advise that it has obtained a valuation of the part of the land the subject of the JEL Proposal as required by section 41E(1)(a) of the Registered Clubs Act. However, the content of the valuation must remain confidential to the Board to ensure the integrity of the JEL Proposal and any subsequent proposal should the JEL Proposal not proceed for any reason.

To enable the Club to pursue the JEL Proposal, the Board recommends that members pass the Ordinary Resolution.

### Procedural Matters in Relation to the proposed Ordinary Resolution

The Ordinary Resolution is proposed in accordance with section 41E of the Registered Clubs Act 1976.

Section 41E requires the declaration of "non-core" property to be by "a resolution passed by a majority of the members present at a general meeting of the ordinary members of the Club"

The words "ordinary members" of the Club is defined in section 4 of the Registered Clubs Act 1976 to mean:

*"ordinary member" of a club means a person who is elected to membership of the club in accordance with the rule of the club referred to in section 30(1)(g)"*

Section 30(1)(g) of the Registered Clubs Act 1976 provides that:

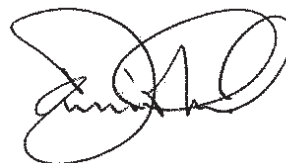
*A person shall not be admitted as a member of the club, other than as a provisional member, honorary member or temporary member, unless the person is elected to membership at a meeting of the full members of the club or at a duly convened meeting of the governing body or election committee of the club, the names of whose members present and voting at that meeting are recorded by the secretary of the club.*

In short, an "ordinary member" as referred to in section 41E and defined in section 4 of the Registered Clubs Act 1976 is any member of the Club who has been properly elected to membership of the Club. The "voting rights" contained in the Club's Constitution do not override the requirements of section 41E. Accordingly, all members of the Club, except provisional, honorary and temporary members of the Club, are permitted to attend the General Meeting and vote on the Ordinary Resolution.

### Notes to Members.

1. All Life Members, financial Leagues Members, PKGC 7 Day Members, PKGC Aged Service 7 Day Members, PKGC 50 Years Length Members and Intermediate 18-30 Members, PKGC 6 Day/Clergy Members, PKGC Aged Service 6 Day Members, PKGC 5 Day Members, PKGC Lifestyle Members and PKGC Social Members (except employees of the Club) are entitled to vote on the Ordinary Resolutions.
2. To be passed, the Ordinary Resolutions must receive votes in their favour from not less than a majority (50%+1) of those members who being eligible to do so, vote in person at the meeting.
3. Members should read the proposed Ordinary Resolutions and the Explanatory Message to Members which explains the nature and effect of each resolution.
4. As a result of the provisions of the Corporations Act 2001, each resolution must be considered as a whole and cannot be altered by motions from the floor of the meeting.
5. Members of the Club, who are employees of the Club, cannot vote at the meeting.
6. Proxy Votes are not allowed under the Registered Clubs Act 1976.
7. Please direct any question or concerns about the Ordinary Resolutions to the Chief Executive Officer of the Club, if possible before the meeting.

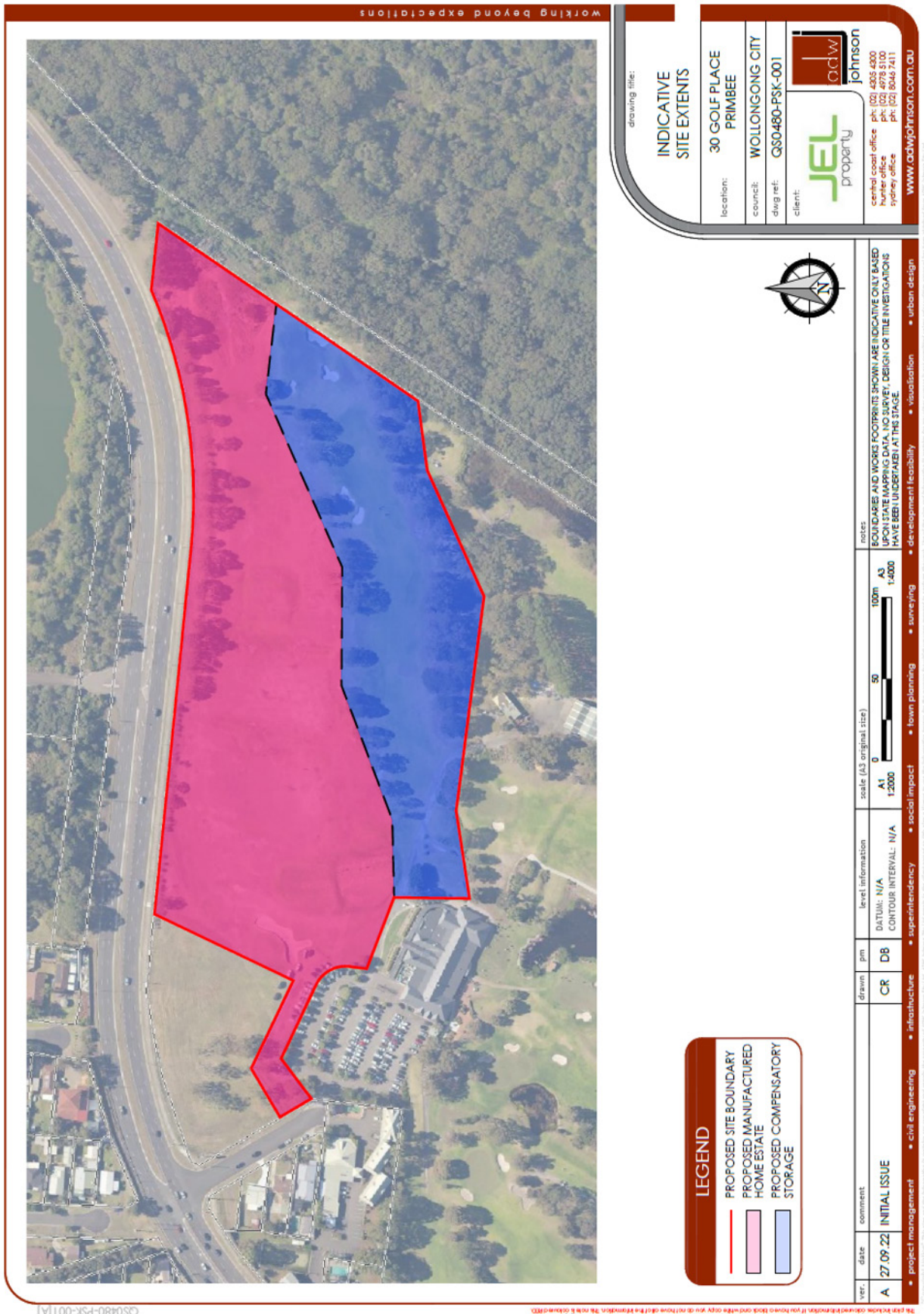
**Dated 14 October 2022 by order of the Board of Directors**



**DANIEL MUNK**  
CHIEF EXECUTIVE OFFICER

Annexure A.

Plan of proposed non-core property



**LEGEND**

- PROPOSED SITE BOUNDARY
- PROPOSED MANUFACTURED HOME ESTATE
- PROPOSED COMPENSATORY STORAGE

ver:	A	date	27.09.22	comment	INITIAL ISSUE	drawn	pm	CR	DB	level information	DATUM: N/A CONTOUR INTERVAL: N/A	scale (A3 original size)	A1 1:2000 A3 1:4000	notes	BOUNDARIES AND WORKS FOOTPRINTS SHOWN ARE INDICATIVE ONLY BASED UPON STATE MAPPING DATA. NO SURVEY, DESIGN OR TITLE INVESTIGATIONS HAVE BEEN UNDERTAKEN AT THIS STAGE.
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Working beyond expectations

drawing title:  
**INDICATIVE SITE EXTENTS**

location: 30 GOLF PLACE PRIMBEE  
council: WOLLONGONG CITY  
dwg ref: Q30480-PSK-001  
client:

central coast office ph: (02) 4353 4300  
america office ph: (02) 8048 2411  
sydney office ph: (02) 8048 2411  
[www.odwjohnson.com.au](http://www.odwjohnson.com.au)

- project management
- civil engineering
- infrastructure
- town planning
- social impact
- surveying
- visualisation
- urban design

Q30480-PSK-001 (A)

The plan shows the proposed works and is not to be used for any other purpose. It is not a contract and does not constitute an offer. It is not to be used for any other purpose. It is not to be used for any other purpose. It is not to be used for any other purpose.



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