

# Memorandum of Understanding

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Cabramatta Rugby League Club Ltd ACN 000 650 206  
("Cabramatta Leagues Club")

Hungarian (Magyar) Social Club Ltd ACN 001 507 777  
("Hungarian Club")

This Memorandum of Understanding is made on 15<sup>TH</sup> December 2021.

**BETWEEN:** Cabramatta Rugby League Club Ltd ACN 000 650 206 of 24-26 Sussex Street,  
Cabramatta NSW 2166 ("Cabramatta Leagues Club")

**AND** Hungarian (Magyar) Social Club Ltd ACN 001 507 777 of 706-708 Smithfield Road,  
Edensor Park NSW 2176 ("Hungarian Club")

#### RECITALS

- (A) Cabramatta Leagues Club and Hungarian Club are both registered clubs under the Registered Clubs Act.
- (B) On 7 December 2021 Cabramatta Leagues Club called for expressions of interest to amalgamate from any other clubs.
- (C) Hungarian Club submitted an expression of interest to Cabramatta Leagues Club on 12 December 2021 indicating an interest in amalgamating with Hungarian Club.
- (D) Cabramatta Leagues Club accepted the expression of interest from Hungarian Club referred to in Recital (C) and Cabramatta Leagues Club and Hungarian Club have agreed to amalgamate in accordance with the terms set out in this Memorandum of Understanding.
- (E) The amalgamation between Cabramatta Leagues Club and Hungarian Club is also subject to the approval of both Clubs' members and the Authority as required by the Registered Clubs Act.
- (F) The Amalgamation is always subject to compliance with the requirements of the Registered Clubs Act, the Registered Clubs Regulation 2015 the Liquor Act and the Corporations Act.
- (G) This Memorandum of Understanding satisfies the requirement of the Registered Clubs Regulations in that it deals with and legally binds Cabramatta Leagues Club and Hungarian Club to all matters relating to the Amalgamation as required by Regulation 7 of the Registered Clubs Regulations.

#### OPERATIVE PROVISIONS

##### 1. DEFINITIONS AND INTERPRETATIONS

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1.1 In this Memorandum of Understanding unless the context otherwise requires:

**"Amalgamated Club"** means the amalgamated registered club of Cabramatta Leagues Club and Hungarian Club, the continuing corporate vehicle of which will be Cabramatta Leagues Club;

**"Amalgamation"** means the amalgamation of the Clubs in accordance with this Memorandum of Understanding;

**“Amalgamation Application”** means the application, or applications as the context may require, for the transfer of the Club Licence of Hungarian Club to Cabramatta Leagues Club (including an application for provisional transfer) pursuant to Sections 60(6) and (7) of the Liquor Act;

**“Assets”** means all of the assets of Hungarian Club as at Completion including without limitation the Land and those other assets listed in Schedule 1;

**“Authority”** means the Independent Liquor and Gaming Authority constituted under the Gaming and Liquor Administration Act 2007 (NSW);

**“Board and Board of Directors”** means the board of directors of Cabramatta Leagues Club, or, the Amalgamated Club after Completion (as the context may require);

**“Business”** means the business of Hungarian Club or Cabramatta Leagues Club (as the context may require);

**“Business Day”** means a day that is not a Saturday, Sunday or public holiday or a bank holiday in New South Wales;

**“Business Records”** means all records relating exclusively to the Assets or the Business and, whether in paper or electronic form, other than those records which the Hungarian Club is required by law to keep;

**“Claim”** means any claim, cost, damages, debt, expense, Tax, Liability, loss, allegation, suit, action, demand, cause of action or proceeding of any kind irrespective of:

- (i) how or when it arises;
- (ii) whether it is actual or contingent;
- (iii) whether or not it is in respect of legal or other costs, damages, expenses, fees or losses;
- (iv) whether or not it is in respect of a breach of trust or of a fiduciary or other duty or obligation; and
- (v) whether or not it arises at law or in any other way.

**“Clubs”** means both Cabramatta Leagues Club and Hungarian Club;

**“Club Licence”** means a club licence held under section 10 of the Liquor Act;

**“Club Premises”** means a licensed premises owned or controlled by Hungarian Club or Cabramatta Leagues Club (as the context may require).

**“Completion”** means the day on which:

- (i) the Assets and Hungarian Club’s Club Licence are transferred to Cabramatta Leagues Club as referred to in clause 18; and

- (ii) Cabramatta Leagues Club takes over responsibility for the management, business and affairs of the Hungarian Club's Club Premises.

**"Conditions Precedent"** means the conditions precedent to Completion as set out in Clause 17 of this Memorandum of Understanding.

**"Confidential Information"** means all trade secrets and all financial, marketing and technical information, ideas, concepts, know-how, technology, business plans, strategic plans, member lists, gaming machine information, processes and knowledge which is confidential or of a sensitive nature, but excludes that which is in the public domain.

**"Consideration"** for the purposes of clause 20 of this Memorandum of Understanding has the meaning given to that term by the GST law;

**"Corporations Act"** means the *Corporations Act 2001 (Commonwealth)* and the regulations made thereunder;

**"Encumbrance"** means any:

- (a) security granted for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or (2) of the *Personal Property Securities Act 2009 (Cth)*; or
- (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or
- (c) right that a person (other than the owner) has to remove something from land (known as a profit a prendre), easement, public right of way, restrictive or positive covenant, lease or licence to use or occupy; or
- (d) third party right or interest or any right arising as a consequence of the enforcement of a judgment;
- (e) or any agreement to create any of them or allow them to exist.

**"Employee Entitlements"** means all entitlements to salary or wages, annual leave, long service leave and other entitlements (including paid personal/carer's leave) under any industrial instrument or agreement between Hungarian Club and an employee of Hungarian Club;

**"Final Approval"** means the final order pursuant to Section 60(8) of the *Liquor Act* by the Authority whereby Hungarian Club's Club Licence will be transferred to Cabramatta Leagues Club;

**"Gaming Machines Act"** means the *Gaming Machines Act 2001 (NSW)* and the regulations made thereunder;

**"GME"** means a gaming machine entitlement;

**"Government Agency"** means:

- (a) a government, whether foreign, federal, state, territorial or local;
- (b) a department, office or minister of a government acting in that capacity; or
- (c) a commission, the Authority, delegate, instrumentality, agency, board, or other governmental, semi-governmental, judicial, administrative, monetary or fiscal authority, whether statutory or not.

"GST" means the goods and services tax as imposed by the GST Law.

"GST Act" means A New Tax System (Goods and Services Tax) Act 1999 or, if that Act does not exist for any reason, means any Act imposing or relating to the imposition of a goods and services tax in Australia.

"GST Amount" means in relation to a Taxable Supply the amount of GST for which the maker of the Taxable Supply ("**Supplier**") is liable in respect of the Taxable Supply.

"GST-Free" has the meaning given to that term by the GST Law.

"GST Group" has the meaning given to that term by the GST Law.

"GST Law" has the meaning given to that term in the GST Act.

"**Hungarian Club CEO**" means the individual who fulfils the Secretary role at Hungarian Club;

"**Hungarian Club Premises**" means the approved licensed premises of Hungarian Club known as Hungarian (Magyar) Social Club in respect of Club Licence LIQC324005367 as at the date of this Memorandum situated at 706-708 Smithfield Rd, Edensor Park, NSW 2176 and as otherwise approved by the Authority from time to time and includes any future approved licensed premises on the Land (as the context may require);

"**Insolvency Event**" means the occurrence of any of the following events in relation to a party to this Memorandum of Understanding:

- (a) 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;
- (b) the party is wound up, dissolved or declared bankrupt or proposes its winding up or dissolution;
- (c) the party becomes an insolvent under administration as defined in the Corporations Act;
- (d) 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;
- (e) the party enters into or becomes subject to:
  - (i) 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

- (ii) 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;
- (f) the party is taken, under section 459F(1) of the Corporations Act, to have failed to comply with a statutory demand;
- (g) 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;
- (h) 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.
- (i) anything analogous or having substantially similar effects to any event specified in this definition happens under the law of any applicable jurisdiction;

**“Land”** means all land which Hungarian Club owns, has an interest in or contractual entitlement to, as at Completion, and must include, without limitation Lot 26 in DP12380 .

**“Land Purchase Contracts”** means the contracts for sale of unencumbered title to all Land including without limitation with respect to the titles detailed in the definition of Land above;

**“Liabilities”** means all liabilities (actual or contingent), losses, damages, debts, outgoings, costs and expenses of Hungarian Club (whatever description) as set out in Annexure C or incurred between the date of this MOU and Completion in accordance with clause 16.1 and 16.2;

**“Liquor Act”** means the *Liquor Act 2007 (NSW)* and the regulations made thereunder;

**“Material Adverse Event”** means any event, condition or change which:

- (a) materially and adversely affects; or
- (b) could reasonably be expected to affect materially and adversely;

the Business or Club Premises of a Party excluding:

- (c) any event, condition or change resulting directly or indirectly from circumstances or events which affect the Registered Clubs Industry generally either locally, or more broadly across New South Wales, including without limitation the issuing of Public Health Orders or prevailing and changing economic conditions; and
- (d) any event, condition or change which has an adverse quantifiable financial impact on the affected Party of less than \$1M per annum or \$2M in total aggregate;

**“Material Adverse Regulatory Event”** means any ruling or decision by the Authority:

- (i) in which the Authority absolutely refuses under any circumstances to give the Final Approval, or rejects any application for which approval would be, required in order to effect Completion; or

(ii) grants, or indicates that it will only grant, a Final Approval on conditions which are inconsistent with the rights and obligations of a party under this Memorandum of Understanding.

**"Member"** means a member of either Cabramatta Leagues Club or Hungarian Club (as the case may be) as shown on the relevant club's register of members at the relevant time;

**"Memorandum of Understanding" "Memorandum" or "MOU"** means this Memorandum of Understanding and it includes any attachments or annexures to it;

**"Cabramatta Leagues Club CEO"** means the individual who fulfils the Secretary role at Cabramatta Leagues Club;

**"Party"** means Hungarian Club and Cabramatta Leagues Club;

**"Payment"** means any amount payable under or in connection with this Memorandum of Understanding including any amount payable by way of indemnity, reimbursement or otherwise (other than a GST Amount) and includes the provision of any non-monetary consideration;

**"Plant and Equipment"** means all plant, equipment, furniture, fixtures and fittings, tools and other maintenance items, appliances, freehold or other improvements, and information technology items owned by Hungarian Club;

**"Recipient"** for the purposes of clause 20 of this Memorandum of Understanding, has the meaning given to that term by the GST Law;

**"Records"** means all originals and copies in machine readable or printed form of all books, registers, files, accounts, records, reports, correspondence, files, manuals and other documents and information and materials created by, owned by, or under the control of each Club;

**"RCA or Registered Clubs Act"** means the *Registered Clubs Act 1976 (NSW)*; and

**"Registered"** for the purposes of clause 20 of this Memorandum of Understanding, has the meaning given to that term by the GST Law;

**"RCR or Registered Club Regulations"** means the regulations to the Registered Clubs Act.

**"Stock"** means all food and beverage stock and any other trading stock and consumables.

**"Tax"** means a tax, levy, charge, impost, deduction, withholding or duty of any nature (including stamp and transaction duty and goods and services, (value added) or similar tax) at any time:

- (a) imposed or levied by any Government Agency; or
- (b) required to be remitted to, or collected, withheld or assessed by, any Government Agency; and

any related interest, expense, fine, penalty or other charge on those amounts;

**"Tax Invoice"** has the meaning given to that term by the GST Law.

"Taxable Supply" has the meaning given to that term by the GST Law.

**1.1 Business days**

If the day on which any act is to be done under this document is a day other than a Business Day, that act must be done on the immediately following Business Day except where this document expressly specifies otherwise.

**1.2 Construction**

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;
- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) "includes" means includes without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it;
- (f) a reference to:
  - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
  - (ii) a person includes the person's legal personal representatives, successors, assigns and persons substituted by novation;
  - (iii) any legislation includes subordinate legislation under it and includes that legislation and subordinate legislation as modified or replaced;
  - (iv) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation;
  - (v) a right includes a benefit, remedy, discretion or power;
  - (vi) time is to local time in Sydney, New South Wales;
  - (vii) "\$" or "dollars" is a reference to Australian currency;
  - (viii) this or any other document includes the document as novated, varied or replaced and despite any change in the identity of the parties;
  - (ix) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes fax transmissions;
  - (x) this document includes all schedules and annexures to it; and
  - (xi) a clause, schedule or annexure is a reference to a clause, schedule or annexure, as the case may be, of this document;
- (g) a reference to legislation is to be construed as a reference to that legislation and any regulation made under it, any subordinate legislation under it and any regulation made under that subordinate legislation, and that legislation and regulations and subordinate legislation and regulations as amended, re-enacted or replaced for the time being;



- (h) if the date on or by which any act must be done under this document is not a Business Day, the act must be done on or by the next Business Day; and
- (i) where time is to be calculated by reference to a day or event, that day or the day of that event is excluded.

### **1.3 Headings**

Headings do not affect the interpretation of this document.

## **2. AMALGAMATION**

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- 2.1 Cabramatta Leagues Club and Hungarian Club agree to amalgamate in accordance with this Memorandum of Understanding, the RCA, the RCR, the Liquor Act and the Corporations Act.
- 2.2 The Amalgamation will be effected by the continuation of Cabramatta Leagues Club and the dissolution of Hungarian Club.
- 2.3 The Amalgamation is intended to:
  - (i) preserve the existing facilities and amenities of Cabramatta Leagues Club and preserve, upgrade or redevelop the existing facilities and amenities of the Hungarian Club Premises in the manner set out in this Memorandum of Understanding;
  - (ii) preserve the social facilities of Hungarian Club in the manner set out in this Memorandum of Understanding; and
  - (iii) preserve the promotion of Hungarian heritage in the manner set out in this Memorandum of Understanding.

## **3. THE AGREED STEPS TO ACHIEVE AMALGAMATION OF THE CLUBS**

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- 3.1 The steps that will be undertaken to achieve Completion of the Amalgamation will be as follows:
  - (i) The Clubs entering this Memorandum of Understanding which addresses both:
    - (A) The matters required to be addressed between the Clubs by Regulation 7(2) of the Registered Clubs Regulation in a memorandum of understanding stating each club's position on certain matters relating to the amalgamation; and
    - (B) The due diligence process, member approval processes, Authority approval process and the processes and condition precedents including those related to the transfer of Assets, and the transfer of Land, to complete the Amalgamation.

- (ii) Cabramatta Leagues Club, at its own expense, undertaking a due diligence review of Hungarian Club's Assets, liabilities, Land, and business operations and to give effect to this Hungarian Club will immediately and up and until the sooner of Completion or termination of this Memorandum of Understanding:
  - (A) make available to Cabramatta Leagues Club its Records in any reasonably required format;s
  - (B) provide further information, responses to queries and additional assistance to allow Cabramatta Leagues Club to complete its due diligence properly to its satisfaction and
  - (C) provide access to the Hungarian Clubs' Club Premises, the Land and any other premises of Hungarian Club, as required to view Records, conduct inspections and due diligence, view Assets and/or review business operations.
- (iii) In accordance with clause 14, the Board of Hungarian Club will call and hold at least one but no more than two separate general meetings of the ordinary members of Hungarian Club to approve the following:
  - (A) In principle, the Amalgamation (which includes without limitation the transfer of all Assets, Liabilities and Land to Cabramatta Leagues Club);
  - (B) Hungarian Club and Cabramatta Leagues Club making the Amalgamation Application; and
  - (C) Any other matters requiring approval.
- (iv) In accordance with clause 14, the Board of Cabramatta Leagues Club will call and hold a separate general meeting of the ordinary members of Cabramatta Leagues Club to approve all of the following:
  - (A) In principle, the Amalgamation;
  - (B) Hungarian Club and Cabramatta Leagues Club making the Amalgamation Application;
  - (C) Amendments to the Cabramatta Leagues Club's constitution required to accommodate the transfer of members from Hungarian Club to Cabramatta Leagues Club in the manner set out in this Memorandum; and
  - (D) Any other matters requiring approval.
- (v) In accordance with clause 15, after the necessary member approvals as set out in paragraphs (iii) to (iv) above have been obtained, the Amalgamation Application will then be made by Cabramatta Leagues Club. The Amalgamation Application will be made in the manner provided for in clause 15 below.

- (vi) In accordance with clause 16, the Clubs warrant certain matters and Hungarian Club agrees to conduct its Business in a particular manner and subject to specific restrictions until Completion.
- (vii) In accordance with clause 18, after the Amalgamation Application is granted and the Conditions Precedent of Completion have either been achieved or waived as permitted by clause 17 then Completion will occur on that day in accordance with the terms and conditions of clauses 18 and 19 of this Memorandum of Understanding
- (viii) At the time or immediately after the Amalgamation Application is granted, but subject to prior or concurrent satisfaction of the Condition Precedents:
  - (A) The Assets will be transferred to Cabramatta Leagues Club;
  - (B) The Liabilities will be transferred to Cabramatta Leagues Club; and
  - (C) The premises of Hungarian Club including without limitation the Hungarian Club Premises, will become the additional licensed premises of Cabramatta Leagues Club and be available to all members of the Amalgamated Club; and
  - (D) All financial members of Hungarian Club will be invited to become ordinary members of Cabramatta Leagues Club and will for the purposes of section 17AC(2) of the Registered Clubs Act all be identified in the separate class of membership called "Hungarian Club Members".
- (ix) After Completion:
  - (A) Cabramatta Leagues Club will continue as the body corporate of the Amalgamated Club; and
  - (B) Hungarian Club will be wound up in accordance with the law and the requirement of clause 18.5.

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

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**4.1 Premises and Facilities**

- (i) The Hungarian Club Premises and associated facilities will become additional premises of Cabramatta Leagues Club.
- (ii) Cabramatta Leagues Club will take over responsibility and control of all Hungarian Club Premises from Completion.
- (iii) The cash balance of Hungarian Club will be transferred to Cabramatta Leagues Club on Completion and will be allocated to the cash balance of the

Amalgamated Club.

- (iv) After Completion, the Club Premises of Cabramatta Leagues Club and the Club Premises of Hungarian Club will be made available for the use of all members of the Amalgamated Club (subject to their rights and restrictions under its constitution and by-laws).

**4.2 Name and Branding**

- (i) The Hungarian Club Premises will remain named and trade as "Hungarian (Magyar) Social Club" but the logo incorporating the name will be altered to utilise the Cabramatta Leagues Club logo branding mechanisms.

**4.3 Management**

- (i) The Cabramatta Leagues Club's CEO will be the Secretary and Chief Executive Officer of the Amalgamated Club.
- (ii) The Board of the Amalgamated Club will be the Board of Cabramatta Leagues Club consistent with Cabramatta Leagues Club being the continuing club upon Amalgamation.

**4.4 Loan**

- (i) Cabramatta Leagues Club will, from the signing of this MOU, loan to the Hungarian Club working capital each month as reasonably required to maintain continuity of business operations capped at an amount of \$10,000 per month unless otherwise agreed in writing by Cabramatta Leagues Club. .

**4.5 Hungarian (Magyar) Sub Club**

- (i) On Completion the Amalgamated Club will establish a "sub-club" under rule 29.10 of its constitution to be known as "Hungarian (Magyar) Sub Club".
- (ii) The rules of the Hungarian (Magyar) Sub Club will be as approved by the Board and will be generally in Cabramatta Leagues Club standard format for sub clubs of this kind.
- (iii) The rules of the Hungarian (Magyar) Sub Club will include without limitation the following membership classes with the specified eligibility criteria:

<b>Sub Club Membership Class</b>	<b>Eligibility Criteria</b>
Ordinary	<ul style="list-style-type: none"><li>• A person who was a member of Hungarian Club on Completion and who transfers to Parent Club under the terms of this MOU.</li><li>• Any member of the Amalgamated</li></ul>

	Club who joins the Hungarian (Magyar) Sub Club after Completion.
Life	<ul style="list-style-type: none"> <li>A person who was a Life Member of Hungarian Club on Completion and who transfers to Cabramatta Leagues Club under the terms of this MOU.</li> </ul>

- (iv) The committee of the Hungarian (Magyar) Sub Club will initially consist of two (2) members of Hungarian Club as nominated by the board of the Hungarian Club immediately prior to Completion. The committee will consist at all times of two (2) members.
- (v) Subject to any necessary member approvals first being obtained, the Amalgamated Club will reimburse certain reasonable and properly incurred expenses of the committee members of the Hungarian Club Sub Club being limited to only meal and drink expenses (when associated with committee meetings) and annual uniform expenses (with uniforms to be as agreed with Cabramatta Leagues Club) with all such expenses reimbursement subject to an annual aggregated budget as pre-approved by the Board of the Amalgamated Club.

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

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**5.1 Traditions, Amenities and Community Support**

- (i) The Amalgamated Club will during the continued operation of the Amalgamated Club from the Hungarian Club Premises:
- (A) maintain the traditions and memorabilia of Hungarian Club as set out in Schedule 2; and
- (B) continue the same, or provide a greater amount, of support and sponsorship to community groups in the local community of Hungarian Club Premises.

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

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**6.1 Site Plan**

- (i) The future direction of the Amalgamated Club will be subject to the overall strategic plan of the Amalgamated Club and its finances as determined by its Board of Directors.

- (ii) The Board of Directors of the Amalgamated Club intend to be financially prudent at all times to ensure continuity of the Amalgamated Club and all decisions are subject to available finances on an ongoing basis.
- (iii) Cabramatta Leagues Club's intention is that it will continue to trade from the Hungarian Club Premises subject to an operational review to ensure the offer to members of the Amalgamated Club is appropriate and that the Hungarian Club Premises can operate profitably going forward.
- (iv) Cabramatta Leagues Club will develop for the Hungarian Club Premises an effective social media and marketing strategy managed by Cabramatta Leagues Club in relation to continuing operations of the Hungarian Club Premises.
- (v) Cabramatta Leagues Club's will undertake the following in relation to the Hungarian Club Premises:
  - (A) replacement of furniture;
  - (B) replacement of carpet;
  - (C) immediately review, repair and maintain plant & equipment;
  - (D) immediately review, repair and maintain premises; and
  - (E) replace gaming machines.
- (vi) Cabramatta Leagues Club will work to consider alternative uses for parts of the Land (including the Hungarian Club Premises) to generate additional sources of income to improve the profitability of the Hungarian Club Premises.
- (vii) Cabramatta Leagues Clubs' intention is that it will work to evaluate the opportunity to redevelopment of the Land in a manner that incorporates into any redevelopment a new and modern club premises.

**6.2 Club Operations**

- (i) Subject to any COVID-19 restrictions, the Amalgamated Club will, subject to this Memorandum of Understanding carry on the business of a licensed registered club at Hungarian Club Premises with all the facilities and amenities of a registered club.

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

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- 7.1 Prior to Completion, Cabramatta Leagues Club will offer employment to all of Hungarian Club's employees on terms no less favourable than existing terms of employment.
- 7.2 Any employee of Hungarian Club who accepts in writing the offer of employment with Cabramatta Leagues Club will receive continuity of employment with Cabramatta

Leagues Club and their accrued entitlements as employees of Hungarian Club will be honoured by Cabramatta Leagues Club.

- 7.3 Any employee of Hungarian Club who does not accept the offer of employment with Cabramatta Leagues Club will be paid their full Employee Entitlements by Hungarian Club on Completion when their employment with Hungarian Club comes to an end.

**8. INTENTIONS REGARDING THE FOLLOWING ASSETS OF HUNGARIAN CLUB:**

- 1. ANY CORE PROPERTY OF HUNGARIAN CLUB;**
  - 2. ANY CASH OR INVESTMENTS HELD BY HUNGARIAN CLUB;**
  - 3. ANY GAMING MACHINE ENTITLEMENTS HELD BY HUNGARIAN CLUB [REGULATIONS – CLAUSE 7(2) (E)]**
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**Core Property**

- 8.1 For the purposes of the Registered Clubs Act, the Land (including the Hungarian Club Premises) is currently “core property” of Hungarian Club.
- 8.2 The intention is that Land (including the Hungarian Club Premises) will remain core property.
- 8.3 Should redevelopment occur then the Hungarian Club Premises following redevelopment will be core property.

**Cash and Investments**

- 8.4 The cash and investments (if any) of Hungarian Club will be transferred to the general reserves of the Amalgamated Club.

**Gaming Machine Entitlements**

- 8.5 Hungarian Club has 10 GMEs as recorded on the Hungarian Club licence for the Hungarian Club Premises issued pursuant to the Liquor Act.
- 8.6 The Amalgamated Club intends to retain all Hungarian Club GMEs at the Hungarian Club Premises.

**9. THE RISKS OF NOT MEETING ANY SPECIFIED INTENTIONS REGARDING THE PRESERVATION OF THE CORE PROPERTY OF THE DISSOLVED CLUB AND HOW THOSE RISKS ARE TO BE ADDRESSED IF REALISED [REGULATIONS – CLAUSE 7(2) (E1)]**

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**Risks**

- 9.1 The amalgamation as set out in this Memorandum of Understanding will see the Hungarian Club Premises become premises of a larger Registered Club of financial standing and net asset value.
- 9.2 The “core property” of Hungarian Club as set out in clause 8.1 above will, following Completion, be wholly owned by the Amalgamated Club with mortgagee interest on

title. Other than unlikely risks associated with changes in laws which may affecting Registered Clubs there is no risk that the Amalgamated Club will not be in control of the core property post Completion.

- 9.3 The risks identified in clause 9.2 are set out in order to comply with the requirements of the Registered Club Regulations only. The likelihood that those risks will be realised is low and such risks are mitigated because there are restrictions on disposal of core property of Hungarian Club contained in the Registered Clubs Act.

**10. ANY AGREEMENT UNDER SECTION 17AI (1) OF THE ACT RELATING TO THE PERIOD DURING WHICH THE MAJOR ASSETS OF THE DISSOLVED CLUB MUST NOT BE DISPOSED OF [REGULATIONS – CLAUSE 7(2) (E2)]**

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**Disposal of the Major Assets of the Dissolved Club**

- 10.1 For the purposes of section 17AI of the RCA, the Clubs agree that the major assets of Hungarian Club are the “core property” of Hungarian Club as set out in clause 8.1 above being the Land (including the Hungarian Club Premises).
- 10.2 As set out in clause 6.1(vii) above the Amalgamated Club will consider a potential redevelopment of the Land incorporating a new and modern Hungarian Club Premises. Such renovation or redevelopment may require a disposal of core property or major assets for the purposes of the Registered Clubs Act for the benefit of the Amalgamated Club. If this is the case then the Amalgamated Club will seek the required member approval for any disposal of core property or major assets in accordance with the requirements of the Registered Clubs Act and Registered Clubs Regulation.
- 10.3 The Hungarian Club Premises will continue to trade in accordance with restrictions set out in clauses 11 and 12 of this Memorandum of Understanding.

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

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**Premises**

- 11.1 Cabramatta Leagues Club does not intend to cease trading from the Hungarian Club Premises (other than as may be required for a redevelopment as per clause 6.1 (vii) set out above).
- 11.2 The objects of Cabramatta Leagues Club will become the objects of Hungarian Club with effect from Completion.
- 11.3 Cabramatta Leagues Club intends to operate the Amalgamated Club in the manner referred to in clause 6 of this Memorandum of Understanding.
- 11.4 For the purposes of clause 7(2)(f) of the Regulations, Cabramatta Leagues Club and Hungarian Club have agreed that the Amalgamated Club may cease trading from the Hungarian Club Premises in the following circumstances:



- (i) If it does so in a manner that complies with section 17A1 of the Registered Clubs Act;
- (ii) upon the order of any Court, Government Agency or body with jurisdiction to administer the laws in relation to liquor, gaming and registered clubs which orders the permanent closure of the Hungarian Club Premises;
- (iii) upon the lawful order of any Government Agency to cease trading in the ordinary course of its business from the Club Premises, or revoking any licence, approval or consent necessary for the Amalgamated Club to continue trading in the ordinary course of its business from the Club Premises;
- (iv) if the Hungarian Club Premises are destroyed or partially destroyed, and it is not commercially viable or appropriate to reconstruct or repair the Hungarian Club Premises in the opinion of the Board of the Amalgamated Club;
- (v) if required to avoid an Insolvency Event occurring in respect of the Amalgamated Club in the opinion of the Board of the Amalgamated Club; or
- (vi) after expiry of the period referred to in clause 12.3 if the Board of the Amalgamated Club determines that continued trading from the Hungarian Club Premises is not in the best interests of the Amalgamated Club.

11.5 The time period specified in clause 12.3, and the circumstances in which the Amalgamated Club may cease trading from the Hungarian Club Premises are not an indication that Cabramatta Leagues Club believes that the use of such premises cannot remain financially viable following an operational review and/or renovation and/or site redevelopment.

**12. AN AGREED PERIOD OF TIME BEFORE THE AMALGAMATED CLUB IS PERMITTED TO CEASE TRADING FROM HUNGARIAN CLUB PREMISES OR SUBSTANTIALLY CHANGE THE OBJECTS OF HUNGARIAN CLUB PREMISES [REGULATIONS – CLAUSE 7(2) (G)]**

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- 12.1 Cabramatta Leagues Club does not intend to cease trading from the Hungarian Club Premises (except temporarily during any operational review, renovation or redevelopment). Cabramatta Leagues Club intends to operate the Amalgamated Club in the manner referred to in clause 4 and would only cease to do so in the circumstances referred to in clause 11.
- 12.2 As mentioned above the objects of Cabramatta Leagues Club will become the objects of Hungarian Club Premises, as set out in its constitution, with effect from Completion.
- 12.3 For the purposes of clause 7(2)(g) of the Regulations, Cabramatta Leagues Club and Hungarian Club have agreed that the Amalgamated Club will continue to trade from the Hungarian Club Premises for a minimum period of three (3) years from Completion (except in any of the circumstances referred to in clause 11.4(i) to (vi) inclusive). This clause does not prevent the Amalgamated Club from ceasing to trade from the Hungarian Club Premises temporarily if it is required for the redevelopment of the Land (subject to clause 6.1(vii)) or renovation of the Hungarian Club Premises. It is not the

intention of Cabramatta Leagues Club to cease trading however under all circumstances Cabramatta Leagues Club will continue to progress the traditions of the Hungarian Club as set out in Schedule 2 whether at the Hungarian Club Premises or another premises of the Amalgamated Club.

**13. BINDING EFFECT OF MEMORANDUM OF UNDERSTANDING**

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13.1 Cabramatta Leagues Club and Hungarian Club agree that this Memorandum of Understanding is legally binding on them.

**14. CALLING OF MEETINGS AND ADMISSION OF HUNGARIAN CLUB MEMBERS TO MEMBERSHIP OF CABRAMATTA LEAGUES CLUB**

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14.1 Subject to clause 25.2(c), Hungarian Club must call a general meeting of the ordinary members of Hungarian Club for the purposes of considering and if thought fit passing resolutions:

- (i) Approving in principle the Amalgamation in accordance with section 17AEB(d) of the Registered Clubs Act with such amalgamation to be effected by:
  - (A) The continuation of Cabramatta Leagues Club; and
  - (B) The transfer of the Hungarian Club's Club Licence, Assets, Land and Liabilities to Cabramatta Leagues Club; and
- (ii) The making of a conditional application under section 60 of the Liquor Act to the Authority for the transfer of all Hungarian Club's Club Licence to Cabramatta Leagues Club for the purposes of the Amalgamation.

and if all the resolutions are not passed at such general meeting then Hungarian Club must, following consultations with Cabramatta Leagues Club, call a further general meeting of the ordinary members of Hungarian Club for the purposes of again considering and if thought fit passing the above resolutions.

14.2 The meeting(s) referred to in clause 14.1 must be held as soon as practicable after the date of this Memorandum of Understanding but within six (6) months of the date of this Memorandum of Understanding. For the avoidance of doubt, there is no obligation on Hungarian Club to call and hold more than two (2) general meetings to seek and obtain the approvals referred to in clause 14.1 and both general meetings must be held within six (6) months of the date of this Memorandum.

14.3 Cabramatta Leagues Club must call a general meeting of the ordinary members of Cabramatta Leagues Club for the purposes of considering and if thought fit passing a resolutions:

- (i) approving in principle the Amalgamation in accordance with section 17AEB (d) of the Registered Clubs Act to be effected by:
  - (A) the continuation of Cabramatta Leagues Club; and

- (B) the transfer of the club licences, Assets, Land and Liabilities of Hungarian Club to Cabramatta Leagues Club; and
  - (ii) The making of a conditional application under section 60 of the Liquor Act to the Authority for the transfer of the club licence of Hungarian Club to Cabramatta Leagues Club.
- 14.4 The meeting referred to in clause 14.3 will be held as soon as reasonably practicable after Hungarian Club passes the resolution referred to in clause 14.1 (or at such prior time as may be determined by Cabramatta Leagues Club in its absolute discretion).
- 14.5 In addition to the resolution referred to in clause 14.3, Cabramatta Leagues Club will, at the meeting referred to in clause 14.3 submit to those members eligible to attend and vote, a special resolution to amend the Constitution of Cabramatta Leagues Club (with effect only from Completion) to the following effect:
  - (i) All financial members of Hungarian Club will be invited to apply for ordinary membership of Cabramatta Leagues Club in the manner referred to in paragraphs (ii) and (vii) inclusive of this clause 14.5;
  - (ii) All transferring members will be ordinary members of Cabramatta Leagues Club;
  - (iii) All transferring members will be subject to the usual restrictions applicable to new Cabramatta Leagues Club members;
  - (iv) For the purposes of section 17AC(2) of the Registered Clubs Act, all transferring members will be identified in Cabramatta Leagues Club membership register as "Hungarian Club Members".
  - (v) All transferring members will be given a credit, on a pro rata basis, a credit for any unexpired portion of their membership subscription amounts paid to Hungarian Club;
  - (vi) Prior to Completion, Cabramatta Leagues Club will forward to each member of Hungarian Club a written invitation to become a Club member or Junior member of Cabramatta Leagues Club;
  - (vii) Any member of Hungarian Club who accepts the invitation to become a Club member agrees to pay the appropriate fees and subscriptions for that class of membership and agrees in writing to be bound by the constitution of Cabramatta Leagues Club will (subject to the name of that person being displayed on the noticeboard of Cabramatta Leagues Club for not less than seven (7) days and a period of not less than fourteen (14) days elapsing after the receipt of the acceptance by Cabramatta Leagues Club) be elected by a resolution of the Board of Cabramatta Leagues Club to membership of Cabramatta Leagues Club.
- 14.6 Notwithstanding anything contained in this Memorandum of Understanding, any member of Hungarian Club who, at Completion, is then:

- (i) refused admission to or has been turned out of the Cabramatta Leagues Club Premises;
- (ii) suspended from Cabramatta Leagues Club; or
- (iii) expelled from Cabramatta Leagues Club;

shall only be entitled to attend at and use the facilities at Hungarian Club Premises, and for the avoidance of doubt, shall not be entitled to attend at or use the facilities at Cabramatta Leagues Club Premises, until such time as:

- (i) The person is again permitted to enter the Cabramatta Leagues Club Premises; or
- (ii) the period of suspension has been served; or
- (iii) The Board of the Amalgamated Club has overturned the person's expulsion from Cabramatta Leagues Club or has readmitted the person to membership of Cabramatta Leagues Club.

14.7 This Memorandum of Understanding is to be:

- (i) made available to the ordinary members of Hungarian Club and Cabramatta Leagues Club at least 21 days before any meeting of the members of each club for the purpose of voting on whether to approve the proposed amalgamation; and
- (ii) made available for inspection on the premises of each club and on the website of each club for at least 21 days before any meeting as referred to in (i) is held.

14.8 Before this Memorandum of Understanding was executed, the parties acknowledge that each Club displayed the notices to members which are required under section 17AE of the Registered Clubs Act and clause 4(5) of the Registered Club Regulations.

## **15. AMALGAMATION APPLICATION TO THE INDEPENDENT LIQUOR AND GAMING AUTHORITY**

15.1 As soon as reasonably practicable after the meetings referred to in clauses 14.1 and 14.3, each Club must forward to the lawyers for Cabramatta Leagues Club the following documents:

- (i) A true copy of the notice of the meeting at which the resolution was passed; and
- (ii) A true copy of the minutes of the meeting which will include the number of members present at the meeting and whether or not the resolution was passed.

15.2 Cabramatta Leagues Club and its lawyers will prepare and file the Amalgamation Application. Cabramatta Leagues Club will provide Hungarian Club with a copy of the Amalgamation Application.

- 15.3 Hungarian Club will co-operate with Cabramatta Leagues Club and the lawyers for Cabramatta Leagues Club and will provide all documents and information reasonably required for the preparation, lodgement and finalisation of the Amalgamation Application and will cause Hungarian Club's CEO to sign the Amalgamation Application if required to do so.
- 15.4 Cabramatta Leagues Club will seek an approval in principle from the Authority of the Amalgamation Application with final transfer of the Hungarian Club's Club Licence to Cabramatta Leagues Club to occur on Completion.
- 15.5 After the Amalgamation Application is granted and the Conditions Precedent have either been achieved or waived as permitted by clause 17 then Completion will occur and:
- (i) Cabramatta Leagues Club will continue as the body corporate of the Amalgamated Club; and
  - (ii) Hungarian Club will be wound up in accordance with the law and the requirements of this Memorandum of Understanding.
- 15.6 This Memorandum of Understanding is to be lodged with any application under section 60 of the Liquor Act 2007 to transfer the club licence held by Hungarian Club to Cabramatta Leagues Club.

## **16. WARRANTIES AND OPERATIONAL ARRANGEMENTS**

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- 16.1 Hungarian Club warrants to Cabramatta Leagues Club that:
- (a) from the date of this Memorandum of Understanding to the date of Completion, Hungarian Club shall not do any of the following without the prior written consent of Cabramatta Leagues Club:
    - (i) Manage and conduct the business other than in its ordinary and usual course including without limitation the payment of all debts as an when they fall due;
    - (ii) Incur liabilities in the aggregate of more than \$10,000 per month;
    - (iii) enter into any commitment which will involve capital expenditure relating to its Business;
    - (iv) other than disposals of Stock in the ordinary course of business, dispose of, create any Encumbrance over, or declare itself trustee of any asset of its Business;
    - (v) hire any new permanent or part time employee, hire any new casual employee, terminate the employment of any employee or vary the terms of employment or engagement of any employee, agent, distributor or independent contractor, or agree to do any of those things except in the ordinary course of business or as required by law;

- (vi) enter into any new contract or vary the term of any existing contract ;
  - (vii) enter into any transaction other than on arm's length terms;
  - (viii) fail to maintain the level of Stock levels appropriate in quality and volume for the ongoing needs of the Business;
  - (ix) fail to maintain, repair and replace the Plant and Equipment in the ordinary course of the business (subject to (iii) and (vi) above);
  - (x) engage in discussions or negotiations with anyone other than Cabramatta Leagues Club concerning a possible amalgamation and/or the sale of all or any part of Hungarian Club's Assets and Hungarian Club must advise Cabramatta Leagues Club of any solicitation by any third party in respect of any such discussion or negotiation;
  - (xi) borrow any money or obtain any draw down or advance from any existing facility; or
  - (xii) reduce any membership or playing fees payable by members or other patrons and
- (b) that Schedule 3 includes all liabilities (actual or contingent), losses, damages, debts, outgoings, costs and expenses of Hungarian Club (whatever description) as at the date of the MOU.
- 16.2 Until completion Hungarian Club must maintain the following insurance policies in respect of the Assets and the Hungarian Club Business:
- (i) public liability insurance in the amount of at least \$20 million for each single occurrence, and unlimited in aggregate;
  - (ii) property damage insurance to the full replacement value of all Assets insurable under such a policy; and
  - (iii) workers compensation insurance as required by law.
- 16.3 Each of Hungarian Club's warranties contained in clause 16.1 remain in full force and effect notwithstanding Completion.
- 16.4 Without limiting its other rights, and notwithstanding any other provision of this Memorandum of Understanding, Cabramatta Leagues Club may terminate this Memorandum of Understanding and the amalgamation at any time prior to Completion if there is any breach of any of Hungarian Club's warranties set out in clause 16.1.
- 16.5 If, before Completion, in relation to either party to this Memorandum of Understanding:
- (i) A Material Adverse Event occurs;

- (ii) A Material Adverse Regulatory Event occurs;
- (iii) An event occurs which makes any warranty, or any of a party's representations or other warranties made or given to the other party untrue or misleading;
- (iv) Any Claim of any nature is threatened or asserted by or against a party; or
- (v) There is any material adverse change in the condition (financial or otherwise) or prospects of a party or of its operations,

then the respective party in relation to which one or more of the events or circumstances set out in (i), (ii), (iii), (iv) or (v) above has occurred or been subject to, as the case maybe, must within a reasonable time on becoming aware of the circumstances, give notice to the other Club fully describing the circumstances.

16.6 Title to, property in and risk of Hungarian Club's Assets remain solely with Hungarian Club until such time as they are passed to the Amalgamated Club in accordance with clause 18.

16.7 Each party represents and warrants that:

- (i) It has full power and authority to enter into and perform its obligations under this Memorandum of Understanding;
- (ii) The accounts given to the other party contain all information necessary to give a true and fair view of its financial situation and state of affairs and are prepared in accordance with any applicable Accounting Standard;
- (iii) It has complied with all laws relating to payment of Taxes and Employee Entitlements;
- (iv) Each of the representations and warranties it has made in this Memorandum of Understanding are correct; and
- (v) All information that it has provided to the other party is true and correct in all respects and is not misleading by omission of information.

## **17. CONDITION PRECEDENTS TO COMPLETION OF THE AMALGAMATION**

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17.1 Completion of this Memorandum of Understanding is subject to and conditional upon the following:

- (i) Hungarian Club making available the Records for review and copying by Cabramatta Leagues Club for due diligence purposes;
- (ii) Cabramatta Leagues Club's due diligence being satisfactory to Cabramatta Leagues Club in relation to Hungarian Club Premises, Business, Liabilities ;
- (iii) All Assets (including the Land) on Completion being transferred to Cabramatta

- Leagues Club free of any and all Encumbrances with, subject to clause 18.1, any necessary releases being provided on Completion to Cabramatta Leagues Club;
- (iv) Hungarian Club passing the resolutions set out in clause 14.1 of this Memorandum of Understanding;
  - (v) Cabramatta Leagues Club passing the resolutions set out in clause 14.2 and 14.4 of this Memorandum of Understanding;
  - (vi) The Final Approval being issued by the Authority to transfer Hungarian Club's Club Licence to Cabramatta Leagues Club;
  - (vii) Hungarian Club's Club Licence when transferred to Cabramatta Leagues Club having ten (10) GMEs; and
  - (viii) The completion of all Land Purchase Contracts between Hungarian Club and Cabramatta Leagues Club with respect to all Land and the transfer of such Land to Cabramatta Leagues Club free from any and all Encumbrances; and
  - (ix) All loan facilities have been paid out in full by Hungarian Club other than monies owned to Cabramatta Leagues Club.
- 17.2 Hungarian Club and Cabramatta Leagues Club will use all reasonable endeavours to ensure the satisfaction of the conditions set out in clause 17.1 above as far as they lie within their respective powers to do so.
- 17.3 If any of the above conditions in clauses 17.1 are not satisfied or waived by Cabramatta Leagues Club, either partially or fully, on or before the date which is 24 months from the date of this Memorandum of Understanding then Cabramatta Leagues Club may from that date terminate this Memorandum of Understanding by providing Hungarian Club written notice of the same and neither party shall be entitled to make a claim against the other party in connection with this Memorandum of Understanding.

**18. DISSOLUTION OF HUNGARIAN CLUB, TRANSFER OF ASSETS AND LIABILITIES POSITION UNDER THIS AMALGAMATION**

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- 18.1 On Completion Hungarian Club must transfer to Cabramatta Leagues Club the Assets and Land free from all Encumbrances (less an amount sufficient for the purposes of liquidating Hungarian Club in the manner referred to in clause 18.5 and for directors' and officers' liability insurance pending deregistration).
- 18.2 Subject to clause 18.3(ii), Cabramatta Leagues Club will honour and accept the novation or assignment of all contracts between Hungarian Club and third parties for the remainder of their existing term provided that such contracts have been available for inspection by Cabramatta Leagues Club during its due diligence process, and are specified in Schedule 4, or they have been entered into with the prior written consent of Cabramatta Leagues Club after the date of this Memorandum of Understanding.
- 18.3 Cabramatta Leagues Club will be responsible for and pay when due all debt and liabilities



of Hungarian Club which:

- (i) have not been paid or otherwise discharged in full by Hungarian Club as at Completion, such debts being amounts as set out in Schedule 3 or incurred in accordance with clauses 16.1 and 16.2;
- (ii) arise from Cabramatta Leagues Club not accepting the assignment or novation of any contracts as required by clause 18.2.

18.4 As soon as practicable after Completion, Hungarian Club must ensure Hungarian Club is wound up.

## **19. COMPLETION**

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19.1 Subject to the satisfaction, or valid waiver, of the Conditions Precedent set out in clause 17.1, Completion will take place on the date which Final Approval is issued by the Authority at a time, location and in the manner as specified by Cabramatta Leagues Club (acting reasonably and after consultation with Hungarian Club).

19.2 Hungarian Club must on Completion:

- (i) (Assets) deliver to Cabramatta Leagues Club duly signed transfer and similar forms in respect of all Assets that require such forms for their transfer;
- (ii) (business name) deliver to Cabramatta Leagues Club the online transfer key to transfer each Business name to Cabramatta Leagues Club;
- (iii) (Intellectual Property rights) assign and transfer absolutely all its rights, title and interest in all intellectual property rights by delivering to Cabramatta Leagues Club deeds of assignment or transfers of such Assets all in form and substance reasonably required by Cabramatta Leagues Club;
- (iv) (delivery) deliver to Cabramatta Leagues Club those Assets, including plant and equipment, capable of transfer by leaving those Assets in situ on the Land;
- (v) (possession) permit Cabramatta Leagues Club to take possession of all those Assets which are not on the Land, at the location where they are usually retained;
- (vi) (Records) deliver to Cabramatta Leagues Club the Records;
- (vii) (IT Asset licences) deliver to Cabramatta Leagues Club executed transfers or assignments in favour of Cabramatta Leagues Club of all information technology Asset licences;
- (viii) (deeds of assignment or novation) deliver to Cabramatta Leagues Club duly executed deeds of assignment or novation, all in form and substance as reasonably required by Cabramatta Leagues Club in respect of all contracts agreed to be honoured by Cabramatta Leagues Club;

- (ix) (release of Encumbrances) deliver evidence satisfactory to Cabramatta Leagues Club of the release of all Encumbrances (if any) over its Business and the Assets;
  - (x) (consents and approvals) deliver to Cabramatta Leagues Club signed copies of all required governmental and regulatory approvals or other third-party approvals and consents to the actions required by this Deed;
  - (xi) (utilities) surrender or cause to be surrendered all telephone and related lines, electricity, gas and other utility services as relate to the Land and use its best endeavours to assist the transfer or grant of those services or the grant of similar new services to Cabramatta Leagues Club;
  - (xii) (Rental Assets) deliver to Cabramatta Leagues Club such other documents and material as Cabramatta Leagues Club requires to effect the transfer of any rental assets to Cabramatta Leagues Club;
  - (xiii) (third party items) deliver to Cabramatta Leagues Club a comprehensive list of all items on the Premises owned by a party other than Hungarian Club (not including member personal effects but including any items of memorabilia on display);
  - (xiv) (general) deliver to Cabramatta Leagues Club such other documents and material and do all other things reasonably required to effect the transfer of the business of Hungarian Club and the Assets to Cabramatta Leagues Club on Completion and perform all other obligations to be performed by Hungarian Club on Completion under this Deed.
- 19.3 Where Hungarian Club is required to give any form of transfer, assignment or other documents to effect the transfer or assignment of any property or chose in action to Cabramatta Leagues Club on Completion in a form required by Cabramatta Leagues Club (the 'Transfer Documents'), Cabramatta Leagues Club must, not less than 7 days before the proposed date of Completion, deliver the Transfer Documents to Hungarian Club or its solicitors for execution by Hungarian Club.
- 19.4 Hungarian Club must give Cabramatta Leagues Club or its solicitors all such Transfer Documents within a reasonable period (having regard to when any such Transfer Documents were provided to Hungarian Club or its solicitors) prior to Completion for stamping where necessary. All such documents must be held by Cabramatta Leagues Club or its solicitors in escrow pending Completion.
- 19.5 On winding up of Hungarian Club it must give to Cabramatta Leagues Club the balance of all Records.
- 19.6 Any document or other item specified in clause 19.2 may be delivered to Cabramatta Leagues Club by leaving that document or other item in a safe and appropriate place at which it is located on the date of Completion or otherwise delivered in accordance with Cabramatta Leagues Club's instructions.
- 19.7 For the purposes of clause 18.1, Hungarian Club must do all things necessary and

execute all documents to cause all of the Assets to be transferred to or assigned to the Cabramatta Leagues Club with effect from the date of Final Approval.

- 19.8 The obligations of the parties under this clause 19 are interdependent and must be performed, as nearly as possible, simultaneously. If any obligation specified in clauses 19.2 to 19.4 is not performed on or before Completion then, without limiting any other rights of the parties, Completion is taken not to have occurred and any document delivered, or payment made, under clauses 19.2 to 19.4 must be returned to the party that delivered it or paid it.
- 19.9 Each of the parties warrant to the other it will co-operate with the other and their respective advisors, and provide all documents and information reasonably required, for the preparation, lodgement and finalisation of the matters referred to in this clause 19.

## **20. GST**

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20.1 The parties agree that:

- (a) All Payments, save to the extent provided for otherwise elsewhere in this Memorandum of Understanding, have been calculated without regard to GST;
- (b) If the whole or any part of any Payment, is Consideration for a Taxable Supply, the Recipient of the Taxable Supply must pay to the Supplier an amount additional to the relevant Consideration provided for elsewhere in this Memorandum of Understanding equal to the GST Amount. Unless otherwise agreed in writing, such amount equal to the GST Amount is to be paid within five Business Days of the Supplier issuing to the Recipient a valid Tax Invoice for the Taxable Supply. The amount equal to the GST Amount must be paid in full and without deduction, notwithstanding any entitlement that the Purchaser may have to a credit or offset however arising;
- (c) If either party is required to reimburse to the other any cost or expense or other amount incurred by the other party under or in connection with this Memorandum of Understanding, the amount to be reimbursed must be reduced by any part of that amount for which that other party can claim an Input Tax Credit, partial Input Tax Credit or other like set-off;
- (d) If a party is a member of a GST Group, references to GST for which the party is liable and to Input Tax Credits to which the party is entitled include GST for which the Representative Member of the GST Group is liable and Input Tax Credits to which the Representative Member is entitled; and
- (e) If, in relation to a Taxable Supply, an Adjustment Event occurs that gives rise to an Adjustment then the GST Amount will be adjusted accordingly and where necessary a payment will be made to reflect that adjustment. If a payment is required it will be made within five Business Days of the date on which the Adjustment Note is issued by the Supplier.

## **21. CONFIDENTIALITY**

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- 21.1 Subject to clauses 21.2 and 21.3, each party must not disclose any Confidential Information without the prior written consent of the other party.
- 21.2 A party may disclose matters referred to in clause 21.1:
- (i) To those of its employees, officers, professional or financial advisers and bankers as the party reasonably thinks necessary but only on a strictly confidential basis; and
  - (ii) If required by law, after the form and terms of that disclosure have been notified to the other party and the other party has had a reasonable opportunity to comment on the form and terms.
- 21.3 A party may make announcements or statements at any time in the form and on the terms previously agreed by the parties in writing.
- 21.4 If this Memorandum of Understanding is terminated prior to Completion, each party must:
- (i) return any Confidential Information of the other party in its possession to that other party; and
  - (ii) do everything reasonably required by the other party to reverse any action taken under this Memorandum of Understanding.
- 21.5 This clause 21 will survive the termination of this Memorandum of Understanding.

## **22. RESOLUTION OF DISPUTES ARISING UNDER THIS MEMORANDUM OF UNDERSTANDING**

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- 22.1 If a dispute arises out of or in relation to this Memorandum of Understanding ("Dispute") no party to the Dispute ("Disputant") will start court proceedings (except proceedings seeking interlocutory relief) unless it has complied with this clause 22.
- 22.2 A party claiming that a Dispute has arisen must notify each other Disputant in writing giving details of the Dispute and its proposal for a resolution.
- 22.3 For a 14 day period after a notice is given ("Initial Period") each Disputant must use all reasonable endeavours to resolve the Dispute and the Representative of each Disputant will meet within the first seven days of that period with that aim.
- 22.4 If the Dispute remains unresolved at the end of the Initial Period, it must be referred, by written notice from a Disputant to each other Disputant, to an Expert:
- (i) agreed on by the Disputants; or
  - (ii) if agreement is not reached within seven days of the notice for referral, a person appointed by the President of the Law Society of NSW.

- 22.5 Each Disputant must use all reasonable endeavours to ensure that the Expert is able to be appointed including, but not limited to:
- (i) providing the Expert with all information it requests;
  - (ii) agreeing to the reasonable terms of appointment of the Expert; and
  - (iii) providing the Expert with such fees, indemnities and releases as the Expert may reasonably require.
- 22.6 The Expert will act as an Expert and not as an arbitrator. The decision of the Expert will be final and binding on all parties in the absence of manifest error.
- 22.7 Unless otherwise agreed between the Disputants, the place of the resolution of the Dispute will be in Sydney and the Disputants will be entitled to legal representation. The rules of evidence will apply to the resolution process.
- 22.8 Each Disputant must use all reasonable endeavours to ensure that the Expert is able to make a decision as soon as is practical, including, but not limited to, providing the Expert with all information relevant to the Dispute or that the Expert otherwise requests.
- 22.9 Any information or documents disclosed by a Disputant under this clause must be kept confidential and may not be used except to attempt to resolve the Dispute or the parties agree otherwise.
- 22.10 Each Disputant must bear its own costs of complying with this clause 22 and the Disputants must bear equally the Expert's costs, unless the decision of the Expert states otherwise.
- 22.11 If, in relation to a Dispute, a Disputant breaches any provision of clauses 22.1 to 22.9, each other Disputant need not comply with those clauses in relation to that Dispute.
- 22.12 Despite the existence of a Dispute, each party must continue to perform its obligations under this agreement.

### **23. COSTS**

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- 23.1 Cabramatta Leagues Club will bear all costs, charges and expenses (including but not limited to legal fees reasonably) incurred by itself and the Hungarian Club in connection with the negotiation, preparation and execution of this Memorandum of Understanding and all other deeds, agreements and other documents to be executed under this Memorandum of Understanding.
- 23.2 Cabramatta Leagues Club must bear and is responsible for all filing fees, transaction fees (including PEXA fees), duties, stamp duties or other similar imposts on or in respect of this Memorandum of Understanding and any document or transaction contemplated by this Memorandum of Understanding.

## **24. GENERAL PROVISIONS**

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- 24.1 This Memorandum of Understanding constitutes the entire agreement between the parties in relation to its subject matter. All prior discussions, undertakings, agreements, representations, warranties and indemnities in relation to that subject matter are replaced by this Memorandum of Understanding and have no further effect.
- 24.2 If this Memorandum of Understanding conflicts with any other document, agreement or arrangement, this Memorandum of Understanding prevails to the extent of the inconsistency.
- 24.3 The provisions of this Memorandum of Understanding will not merge on Completion of any transaction contemplated in this Memorandum of Understanding and, to the extent any provision has not been fulfilled, will remain in force.
- 24.4 Each person who executes this Memorandum of Understanding on behalf of a party under a power of attorney warrants that he or she has no notice of the revocation of that power or of any fact or circumstance that might affect his or her authority to execute this Memorandum of Understanding under that power.
- 24.5 This Memorandum of Understanding may not be amended or varied unless the amendment or variation is in writing signed by all parties.
- 24.6 No party may assign, transfer or otherwise deal with this Memorandum of Understanding or any right or obligation under this Memorandum of Understanding without the prior written consent of each other party.
- 24.7 Part or all of any provision of this Memorandum of Understanding that is illegal or unenforceable will be severed from this Memorandum of Understanding and will not affect the continued operation of the remaining provision or provisions of this Memorandum of Understanding.
- 24.8 Waiver of any power or right under this Memorandum of Understanding:
- (i) must be in writing signed by the party entitled to the benefit of that power or right; and
  - (ii) is effective only to the extent set out in that written waiver.
- 24.9 Any rights and remedies that a person may have under this Memorandum of Understanding are in addition to and do not replace or limit any other rights or remedies that the person may have.
- 24.10 Each party must do or cause to be done all things necessary or reasonably desirable to give full effect to this Memorandum of Understanding and the transactions contemplated by it (including the execution of documents).
- 24.11 This Memorandum of Understanding may be executed in any number of counterparts and all counterparts taken together will constitute one document.

- 24.12 If a party delivers an executed counterpart of this Memorandum of Understanding or any other document executed in connection with it ("**Relevant Document**") by email or other electronic means:
- (i) the delivery will be deemed to be an effective delivery of an originally executed counterpart; and
  - (ii) the party will still be obliged to deliver an originally executed counterpart, but the failure to do so will not affect the validity or effectiveness of the Relevant Document.
- 24.13 This Memorandum of Understanding will be governed by and construed in accordance with the laws in force in the State of New South Wales and each party submits to the exclusive jurisdiction of the courts of that State.

## **25. TERMINATION**

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- 25.1 Cabramatta Leagues Club may terminate this Memorandum of Understanding at any time, without penalty, by giving written notice to Hungarian Club if:
- (i) The ongoing due diligence review undertaken by it on Hungarian Club is not at any time satisfactory to the Board of Cabramatta Leagues Club at any time prior to Completion;
  - (ii) Hungarian Club breaches any warranty contained in clause 16;
  - (iii) The circumstances in clause 16.5 exist in relation to Hungarian Club;
  - (iv) Hungarian Club's members do not pass the resolution referred to in clauses 14.1 at a general meeting within six (6) months of the date of this Memorandum;
  - (v) Cabramatta Leagues Club's members do not pass the resolutions referred to in clauses 14.3 and 14.5 at a general meeting of Cabramatta Leagues Club;
  - (vi) Hungarian Club is in breach of this Memorandum of Understanding and that breach is not capable of rectification or it fails to rectify that breach within 10 Business Days of being given notice to do so;
  - (vii) The Authority does not grant approval of the Final Approval Application for transfer on or by the date which is twelve (12) months after the date the Amalgamation Application for Transfer is lodged with the Authority; or
  - (viii) The Hungarian Club a Material Adverse Event or a Material Adverse Regulatory Event.
- 25.2 Either party may immediately terminate this Memorandum of Understanding at any time, without penalty, by giving written notice to the other if for any reason:
- (i) If Hungarian Club has complied with the requirements of clause 14.1 and 14.2

of this MOU and the members of Hungarian Club have not passed the resolutions referred to in clause 14.1 ; or

- (ii) The members of the Cabramatta Leagues Club do not pass the resolutions referred to in clauses 14.3 and 14.5 within six (6) months of the members of Hungarian Club passing the resolutions referred to in clause 14.1

25.3 Notwithstanding any other provision of this Memorandum of Understanding, if Completion has not occurred within twenty four (24) months of the date of this Memorandum of Understanding then either party by giving written notice to the other may, without penalty, terminate this Memorandum of Understanding on one (1) months written notice.

25.4 Termination of this Memorandum of Understanding does not affect the rights and remedies of any party accrued prior to termination.

## **26. NOTICES**

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26.1 All notices, requests, demands, consents, approvals, offers, agreements or other communications (“**notices**”) given by a party under or in connection with this agreement must be:

- (i) in writing;
- (ii) signed by a person duly authorised by the sender or, where transmitted by e-mail, sent by a person duly authorised by the sender;
- (iii) directed to the recipient's address (as specified in clause 26.3 or as varied by any notice); and
- (iv) hand delivered or sent by prepaid post to that address; or
- (v) transmitted by email to the recipient's nominated email address (as specified in clause 26.3 or as varied by notice).

26.2 A notice given in accordance with this clause is taken as having been given and received:

- (i) if hand delivered at or before 4.30pm on a Business Day, on delivery, otherwise at 9.30am on the next Business Day;
- (ii) if sent by prepaid post:
  - (A) within Australia, on the seventh Business Day after the date of posting;
  - (B) to or from a place outside Australia, on the fourteenth Business Day after the date of posting;
- (iii) if transmitted by e-mail at or before 4.30pm on a Business Day, on transmission, otherwise at 9.30am on the next Business Day.



26.3 Unless varied by notice in accordance with this clause 26, the parties' addresses and other details are:

Party: **Hungarian Club**  
Attention: Mr. John Keresztesi  
Hungarian (Magyar) Social Club  
Address: 706-708 Smithfield Road, Edensor Park NSW 2176  
E-mail: [info@hungariansc.com.au](mailto:info@hungariansc.com.au)

Party: **Cabramatta Leagues Club**  
Attention: Mr Victor Nguyen  
Address: 24-26 Sussex Street, Cabramatta NSW 2166  
E-mail: [victor@cabramattarlc.com.au](mailto:victor@cabramattarlc.com.au)

## **SCHEDULE 1**

### **ASSETS**

All assets which are owned by Hungarian Club at Completion including without limitation:

1. all of the goodwill;
2. all real property including without limitation the Land which includes without limitation Lot 26 in DP12380.
3. all Plant & Equipment;
4. all GMEs;
5. all gaming machines (if any owned by it);
6. all intellectual property rights;
7. all memorabilia;
8. all assets of trade;
9. all business names;
10. all cash on hand, general reserves and investments;
11. the Club Licence for the Hungarian Club Premises;
12. stock in trade;
13. domain names;
14. all other tangible and intangible assets;
15. insurance policies;
16. insurance claims; and
17. debtors.

## **SCHEDULE 2**

### **TRADITIONS AND MEMORABILIA OF HUNGARIAN CLUB**

1. **King St Stephen Yearly Celebration**
2. **Hungarian Festivals – Twice a Year.**
3. **Memorabilia currently at Hungarian Club Premises will be displayed in an appropriate cabinet.**
4. **Provide a venue for social and cultural events, companionship and social interaction for members of the Hungarian community in Sydney.**

**SCHEDULE 3**

**DEBTS AND LIABILITIES OF HUNGARIAN CLUB AS AT DATE OF MOU**

Club Marconi Loan	\$77,000
Outstanding Creditors	\$23,000

**SCHEDULE 4**

**CONTRACTS**

Nil

**EXECUTED as a DEED:**

Executed by **Cabramatta Rugby League** )  
**Club Ltd ACN 000 650 206** pursuant to )  
Section 127 of the Corporations Act 2001 )



\_\_\_\_\_  
Director / Secretary



\_\_\_\_\_  
Director / Secretary

**EDWARD FLAHERTY**

\_\_\_\_\_  
Name of Director/Secretary

(print name)

**VAN VUONG NGUYEN**

\_\_\_\_\_  
Name of Director/Secretary

(print name)

Executed by **Hungarian (Magyar) Social** )  
**Club Ltd ACN 001 507 777** pursuant to )  
Section 127 of the Corporations Act 2001: )



\_\_\_\_\_  
Director / Secretary



\_\_\_\_\_  
Director / Secretary

**JOHN KERESTESI**

\_\_\_\_\_  
Name of Director/Secretary

(print name)

**SLAVICA TOTTH**

\_\_\_\_\_  
Name of Director/Secretary

(print name)