

Confidential**Email**

25 March 2022

Mr Curt Schatz and Ms Annabelle Efstathis
Mullins Lawyers
aefstathis@mullinslawyers.com.au

Dear Curt and Annabelle

**Logan City Council lease to Australian Golf Management Corporation Pty Limited
Meadowbrook Golf Course
Consents**

We refer to your email dated 14 January 2022 and the enclosed documents.

Our client is evaluating the request for consent and requires further information to assess whether Meadowbrook Country Golf Club Inc is financial, respectable, responsible and competent to continue to use the premises for the purposes for which they are let.

Financial information

Noting that the Prosperity Adviser's report indicates that Meadowbrook Country Golf Club Inc will have limited finances at the commencement of the lease and will be relying upon funding from Australian Golf Management Corporation Limited and the rent concession, our client requests the following further information to assess the financial standing of the proposed new tenant:

1. the fully audited financial statement of the Meadowbrook Golf Club for the last 3 years, for both Australian Golf Management Corporation Limited and Meadowbrook Golf Club Pty Ltd;
2. clarification whether the 5 year projection figures are based on no COVID-19 restrictions to hospitality venues;
3. the 5 year projection figures in Excel spreadsheet format so that Council may undertake some scenario testing to understand the main drivers being the 61% growth over 5 years forecast in the provided projection; and
4. clarification whether all 50 gaming machines will be purchased at once and if all 50 machines are anticipated to be in operation from the beginning of the projections.

Gaming Machine Policy

We **attach** Council's Gaming Machine Policy (**Policy**).

The premises is located on land owned by Council and accordingly, Council will require compliance with this Policy. Can you please arrange for Meadowbrook Country Golf Club Inc provide a statement which addresses criteria 1-5 as required in item 4 of the Policy and return it to us, for our client's consideration.

We are instructed that assessing the criteria upfront will assist Council to expedite any referral process to Council by OLGR.

Addition information

Our client also requests:

1. a copy of the Development Funds Agreement;
2. clarification whether the reference to the 'annex' is a reference to the 'lounge' which was approved under the Stage 1 Works;
3. clarification whether any further works are proposed to be carried out to carry out the proposed use in addition to the approved Stage 1 Works (other than building works associated with the installation of the gaming machines); and
4. clarification whether Meadowbrook Country Golf Club Inc will operate TAB / Keno from the premises as the Prosperity Advisers report (identified in the benchmark estimated performance) included these as earnings.

Section 342 of the Gaming Machine Act 1991

Our client is still considering its position in respect of the proposed sublease terms and the operation of the *Gaming Machine Act 1991*. We will revert in due course.

Council's capacity

We take this opportunity to remind your client that Council is acting in its capacity as landlord in assessing these requests and any action taken or consent provided by Council is in its capacity as landlord and is not to be construed as consent by Council in its capacity as a local government.

We reserve our client's right to require further information to assist in its evaluation upon receipt of the above requested items.

Yours sincerely



per
Scott Sharry, Partner
+61 7 3292 7542
ssharry@claytonutz.com

Paula Noble, Partner
+61 7 3292 7532
pnoble@claytonutz.com

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