

## MEMORANDUM OF UNDERSTANDING

### Between:

1. **Hagley Park Tennis Club Incorporated** ("HPTC")
2. **The Old Boys Te Kura Tennis Club Incorporated** ("Te Kura")

### Background:

1. HPTC and Te Kura have agreed to work together with a view to merging the two entities into one entity.
2. Until the formal merger is effected the parties wish to record how the two clubs will operate jointly in the interim, bearing in mind that:
  - a. Te Kura needs to remain as a separate legal entity to retain its licence to occupy tennis courts at Christchurch Boys High School (CBHS) site; and
  - b. HPTC needs to remain a separate legal entity to preserve the existing lease of its courts in Hagley Park.
3. For as long as the two separate legal entities remain, the clubs will operate jointly in the manner set out in this Memorandum.

### It is accordingly agreed:

1. HPTC and Te Kura record their intention that when practicable the two clubs will merge into a single legal entity, operating on the HPTC site and for as long as possible on the CBHS site
2. HPTC will amend its constitution (conditional on Te Kura adopting a matching constitution) such that all members of Te Kura will also be considered to be members of HPTC. The constitution will also be modified to make it suitable to obtaining charitable status
3. Te Kura by general meeting will adopt a matching constitution to the new HPTC constitution (replacing its existing constitution). Te Kura shall maintain its charitable status.
4. This arrangement will give effect to a single club operationally with one membership list, one set of subscription costs and no record or classification of member's historic separate association with either club. This will require that there is a common subscription for all members of both clubs.
5. For the purposes of interclub teams and general correspondence the trading name of the new single operational club shall be "Te Kura Hagley Park Tennis Club".
6. The parties will have to address the subject of TCRI levies but anticipate that TCRI will recognise the new operational arrangement as being a single club and that if they fail to do so then one of the two clubs could disaffiliate.
7. As soon as practicable after the constitutional changes, all transactions (receipts and payments) shall be enacted through the current Te Kura bank account. The only payments expected to remain through the HPTC bank account will be the HPTC lease payment and any receipts and payments associated with grants obtained for HPTC.
8. Annual financial statements will be prepared separately for the two legal entities to meet the Incorporated Societies & Charities requirements. Auditor(s) will be advised of

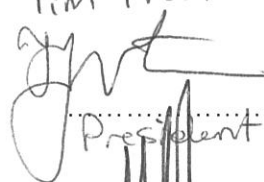
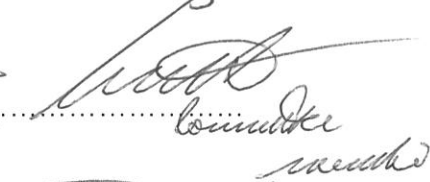
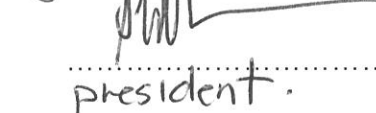

the arrangement and will be asked to carry out an audit of both clubs financial records at one time.

9. Separate balance sheets and existing assets will be retained by each club.
10. HPTC will transfer available cash to Te Kura bank account. Te Kura will transfer cash to HPTC to ensure the club remains financially solvent. These transfers will be recognised as a loan payment between the two clubs.
11. As soon as practicable after the constitutional changes:
  - a. The club committees will begin to meet as a single body and shall agree collectively as to the new role assignments of a single operational committee that is legally governing both legal entities;
  - b. Except where required by law or for other reasons related to individual issues of each club, general meetings shall be held jointly and simultaneously enacting the business of the joint operational club and both legal entities. Notices of meetings and similar formalities will be held as covering both clubs. Separate minutes for each club may be required for Incorporated Society requirements and separate decisions may in some cases be required. Should a member wish to volunteer to be a committee member for only one club this shall be discouraged but allowed with the proviso that such member shall be expected to attend the full duration of committee meetings but shall considered a voting committee member only for matters relating only to that club;
  - c. Signatories on the existing Te Kura bank account shall be as agreed by the joint committee;
12. This Memorandum becomes effective upon execution by the authorised officers of each of HPTC and Te Kura and will remain in effect until both the constitutional amendments have been completed, the joint committee is established and the joint committee determines to so modify this MOU, or the MOU becomes redundant due to a future legal merger being completed.
13. Prior to the constitutional amendments being completed this Agreement may be terminated by either committee upon the giving of not less than two months' notice in writing to the other party. Otherwise this Agreement cannot be terminated other than through constitutional change.
14. The parties hereto will at all times, act in the best of good faith towards each other to ensure that the objects of this Agreement are met and achieved. In the event of dispute mediation assistance shall be obtained through a mutually appointed mediator or failing agreement by a mediator recommended by TCRI.
15. If permitted by future law, the two entities may be formally merged (proposed amendments in the Incorporated Societies legislation may permit this).

Dated this 10 day of Aug

Signed for on behalf of Hagley Park Tennis Club Incorporated

Signed for on behalf of Old Boys Te Kura Tennis Club Incorporated

2017  
Tim Preston      Lindsay North  
        
President      Treasurer  
        
Sarah Schnideman      Charlotte Bryden