

## **2008 UNSECURED DEBENTURE ISSUE WAVERLEY BRIDGE CLUB**

As part of the financing for the new premises in Electra Avenue, Waverley Bridge Club (“WBC”) is proposing to issue Debentures to its Members. A Debenture is a financial device whereby a person lends a principal sum to an organization on the basis that the sum will be repaid within a defined period, with interest payable at an agreed rate on any amount of the debenture outstanding at times as prescribed.

**Members must appreciate that these Debentures are not secured on any property and repayment will be dependent on the continuing solvency of WBC. WBC makes no representations as to their suitability as an investment. Repayment will be financed through the expected operating surplus of WBC.**

The terms and conditions of the Debentures are as indicated in the following Clauses.:

1. Each Debenture will be in the form of a \$100 Unit.
2. To be eligible to acquire a Debenture, a person must be a paid-up Member of WBC. Debentures are not transferable.
3. For the first period ending the 31<sup>st</sup> March 2009, an interest payment of 7/12 percent of the capital value of the Debentures will be made for each complete month the Debenture has been held.  
For example, if a Debenture was purchased in mid October 2008, this would mean 5 complete months. i.e an interest payment of  $7/12 * 5$  [2.9167%] of the capital value would be paid for the period ending 31<sup>st</sup> March 2009.  
  
If requested by the member, this interest payment can be waived.
4. Thereafter, interest at a rate of 7% per annum will be paid annually, or pro rata if a shorter period applies for any reason, for each year ending 31<sup>st</sup> March.
5. Interest payments will be paid within the ten working days of when they are due. Payments will be by electronic transfer or such other means as agreed with the lender.
6. It is the intention of the Committee of WBC (“the Committee”) that each year starting 2010 Debentures whose total value equates to approximately 1/7 or more of the original total value of all Debentures will be repaid. This repayment will be included with the last interest payment for a given year and will be made within ten working days of 31<sup>st</sup> March. This should give an effective maximum term for the Debentures of eight years.

7. The Debenture holders to be repaid in a given year will be selected by drawing lots. Notwithstanding this provision, the Committee reserves the right to determine which Debentures will be repaid in any given year. In particular, in determining the schedule of repayments for a given year, the Committee will be mindful of any individual case of hardship.
  
8. The Committee reserves the right to delay the repayment of Debentures and interest if this would reduce total WBC bank and Cash Management Trust net available cash, allowing for available loan limits, to below \$20,000.

It is the view of the Committee that at the time of issue of these Debentures, the finances and future revenue expectations of WBC will enable the Debentures and interest to be repaid in an orderly fashion as described above.

By order of the Committee:

President .....

Treasurer .....

