



# SHORTLAND WATERS GOLF CLUB LTD.

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9th June 2015

## SWGC BOARD ANNOUNCEMENT

The Board of SWGC has great pleasure in announcing to members of SWGC that contracts between the AVEO Group and the SWGC have been exchanged. As has been previously announced, the contracts provide for (among other things) the purchase by AVEO Group of a parcel of land for a Senior Living Development on satisfaction of a number of completion conditions, including Council approval and subdivision of the development land from the rest of the Club's land. A contract has also been exchanged with Newcastle City Council for the Club to purchase Newcastle City Council's Lorna Street property. This land is required for the reconfiguration of a number of golf holes affected by the development.

The Board wishes to acknowledge the release of the deposit funds to it prior to finalisation of the completion conditions. The funds received are very timely. With the extreme weather event in April and the ongoing aftermath, the Club's financial situation was dire. As a result of the exchange, by month's end, all past and current trade debts should be extinguished. Final cash settlement, enabling the extinguishing of the mortgage to the Greater Building Society over the Club's land, is to occur, subject to satisfaction of the completion conditions, after completion of the subdivision.

The contracts with AVEO were as unanimously voted for by the members of SWGC in June 2010. The contracts provide that on satisfaction of a number of completion conditions and in exchange for the parcel of land sold, the Club will receive replacement infrastructure, including new club house and golf course renovations, and a cash component that will render the Club debt free for the first time since being sold to the members by BHP in 1998.

The Board expects to hold a Member Q & A following the 2015 AGM, expected to be held in the last half of July 2015.

The AVEO Group is an ASX listed top 200 company and is Australia's largest retirement living operator. SWGC is extremely pleased to be selected as an investment opportunity, for what promises to be a unique senior living development.

With its debt burden extinguished, SWGC can look forward to a promising future. As well as providing certainty to the members, the Club can continue to maintain its custodianship of what is a unique community asset.

On behalf of the SWGC Board

Kerry Duggan  
Treasurer and Spokesman.

