



Taumarunui Cosmopolitan Club Inc.
Cnr Katarina & Miriama Street,
P O Box 11, Taumarunui 3946
Phone 07 895 7151
Fax 07 896 8014
Email: tmn.cossie@xtra.co.nz

Following the 2016 and 2017 Members raised concerns about the Interest rates being applied to the Club Mortgage and Overdraft facilities.

During these discussions 2 or 3 Members asked if the club had considered at any time introducing the Debenture Scheme that had operated with great success, in the club during the 1960's and 1970's.

The prime focus of the scheme would be to save the club these high rates of interest retire the bank debt and free up the security the bank holds over the clubs vast assets.

The Committee have placed this item on its Agenda at various workshops held to discuss the clubs future, its way forward, merging its services and investigating its many unused assets. All of these findings will form part of the 2018 Annual Report of the club. It is to be noted that these investigations and changes will take time and we must have plans in place to allow for the new development ideas to kick in.

The Committee therefore has passed the necessary resolutions to introduce the scheme forthwith with the following objectives.

1. Assist in retiring the club mortgage.
2. Assist in reducing the club overdraft levels.
3. Provide stable cash flow until the new development ideas are achieved.
4. Provide stability for the merger of club services into the top games room bar.
5. Assist in the lowering of interest rates currently imposed on the club.

The principles of the scheme and a copy of the debenture documents form part of this paper.

For more information or further advice on the scheme please feel free to discuss your concerns with the President Dave Hardisty, the Vice President Bruce Scott or the Secretary Bruce Broderson.

Dave Hardisty Acting President

Bruce Scott Acting Vice President

Bruce Broderson Secretary

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The following principles have been placed on the new issue of the 2018 Club Debenture scheme.

1. The Debentures are UNSECURED
2. The Club will retain its large equity position over its Land & Buildings to ensure all Debentures are repaid in full by the due date.
3. The scheme is to run for a maximum of 3 years only.
4. Interest will be at 5% payable in March each year on an annual basis.
5. The Club may repay all Debentures at any time depending on circumstances.
6. Each Debenture Certificate contains the information set out in this Memorandum.
7. There is no limit to the amount of money raised under this scheme.
8. All transactions will be done by electronic online banking facilities.

President:  _____

Date: 20/2/18

Secretary:  _____

Date: 25/2/18

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Taumarunui Cosmopolitan Club (Inc.)

Debenture Certificate No. 349

THIS DEBENTURE is issued to

of

by **THE TAUMARUNUI COSMOPOLITAN CLUB (INC.)** having its registered office at Miriama Street, Taumarunui.

This debenture is for the sum of \$..... () in Class of the following classes and is interest/non interest bearing.

Interim receipt No. has already been issued.

CLASSES OF DEBENTURE

(A) Debentures issued for sums between \$5 and \$50 inclusive are interest bearing or non-interest bearing at the option of the lender, such option to be exercised by the lender at the time of issue. Interest bearing debentures shall bear interest at the rate of 5% per annum calculated at simple interest and interest shall be paid on the last day of March five years after issue and at five yearly intervals thereafter. Debentures may be repaid at any time at the option of the Club. The debentures which are from time to time to be repaid shall be determined by ballot.

(B) Debentures issued for sums in excess of \$50 are interest bearing or non-interest bearing at the option of the lender, such option to be exercised by the lender at the time of issue. Interest bearing debentures shall bear interest at the rate of 5% per annum calculated at simple interest and interest shall be paid on the last day of March 12 months after issue and at twelve monthly intervals thereafter. Debentures may be repaid at any time at the option of the Club. The debentures which are from time to time to be repaid shall be determined by ballot.

Nothing herein contained shall prevent the Club from mortgaging or otherwise changing its fixed assets.

DATED this day of 19.....

THE COMMON SEAL of THE TAUMARUNUI COSMOPOLITAN CLUB (Inc.) was hereunto affixed in the presence of:—

..... Member of Committee.

..... Member of Committee.

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