

COPY

Dated this

27

day of

DECEMBER

2008

Memorandum
Of
Understanding

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MEMORANDUM OF UNDERSTANDING ECCO

AGREEMENT made this 8th day of DECEMBER 2008

BETWEEN: EUMUNDI COMBINED COMMUNITY ORGANISATION LTD
c/o P.O. BOX 482 Eumundi Queensland, 4562 'ECCO'

AND: SUNSHINE COAST REGIONAL COUNCIL
c/o Locked Bag 72, SCMC, Nambour, Queensland 4560 'SCRC'

INTRODUCTION:

- A: SCRC formerly operated two carparks in Eumundi ("the Carparks") on Wednesday and Saturday of each week to assist in the car parking requirements for markets held regularly in Eumundi.
- B: A consortium of Eumundi community organisations has formed a Public Company Limited by Guarantee named Eumundi Combined Community Organisation Ltd ("ECCO") to take over the running of the Carparks on terms acceptable to SCRC.
- C: To further assist these purposes SCRC and ECCO have entered into a lease for the Carparks for an initial period of 10 years.
- D: The parties now wish to record their intentions to work together in mutual cooperation to determine the community projects upon which the balance of the revenue raised from the Carparks will be spent.
- E: The parties wish to enter into this Memorandum of Understanding to record the basis upon which such mutual cooperation will occur.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 In this Agreement unless the context otherwise requires:

- (a) reference to a person includes any other entity recognised by law and vice versa;
- (b) words importing the singular number includes the plural number and vice versa;
- (c) words importing one gender include every gender;

- (d) any reference to any of the parties by their defined terms includes that party's executors, administrators or permitted assigns or, being a Company, its successors or permitted assigns;
- (e) every agreement or undertaking expressed or implied by which more than one person agrees or undertakes any obligation or derives any benefit binds or enures for the benefit of those persons jointly and each of them severally;
- (f) clause headings are for reference purposes only;
- (g) reference to a clause is a reference to a clause in this Agreement;
- (h) reference to the Schedule is a reference to a Schedule, if any, in this Agreement;
- (i) reference to a statute includes all regulations under, and amendments to, that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated.

2. LEASE

- 2.1 SCRC has granted a 10 year lease to ECCO on agreed terms and conditions for the land upon which both Carparks are operated being Lot 28 SP124814 and Part Lot 207 CP817354.

3. BUSINESS PLAN

- 3.1 ECCO has formulated a Business Plan satisfactory to SCRC detailing the manner in which it intends to operate the Carparks, collect revenue for so doing, pay outgoings and account for the balance of revenue.

4. BALANCE OF REVENUE

- 4.1 SCRC and ECCO have agreed that the surplus funds generated after payment of all agreed lease costs, outgoings and running expenses shall form the budget for community projects to further the objects for which ECCO was established and as are more particularly set out in the Constitution of ECCO, namely:

- (a) To support projects that benefit the town of Eumundi and its surrounding areas, including but not limited to, projects that enhance:
 - Community spirit and enjoyment
 - Community amenities
 - Community wellbeing and sustainability
 - Charitable purposes
 - Cultural purposes, and
 - Historical purposes.
- (b) to promote and encourage tourism and business opportunities that enhance the town of Eumundi and its surrounding areas, and

(c) to acquire and operate communal activities, including but not limited to community market carparks for the general benefit of the town of Eumundi and its surrounding areas.

5. CONSULTATION WITH SCRC

- 5.1 Representatives of SCRC require to be consulted from time to time as required and no less than annually with regard to the proposed community projects to which the surplus funds will be directed in each successive financial year.
- 5.2 ECCO agrees to such annual consultation and such other consultations as are from time to time required, and
- 5.3 the parties hereby agree to work together in mutual cooperation to produce a list of the proposed community projects assembled by ECCO from its annually published criteria to community groups, such list to be available for consultation with SCRC no later than 30th April in each year.

6. USE OF COMPLETE FUND SURPLUS

- 6.1 SCRC acknowledges that ECCO is able to apply to use the entire surplus of funds generated from the Carparks for the various community projects referred to in Clause 5 subject to ECCO:
- (j) producing a list of proposed community projects acceptable to SCRC;
 - (ii) demonstrating that it has the ability to efficiently, successfully and commercially implement such projects; and
 - (iii) providing an annual acquittal of the community projects for the prior year detailing the actual cost, completion date and outcome of the project.

7. MUTUAL COOPERATION

- 7.1 The parties confirm that it is their respective intention to run this mutually cooperative project for the benefit of all parties and for the benefit for the town of Eumundi and its surrounding areas for a minimum period of the 10 years of the initial lease between the parties and such further extended term as the parties may from time to time agree.

8. HEIRS SUCCESSORS AND ASSIGNS

- 8.1 This agreement is intended to bind all the parties hereto together with all their legal heirs, successors and assigns.

9. COSTS AND STAMP DUTY

9.1 Each party shall pay their own costs in respect of any advice obtained pursuant to clause 8.1 hereof.

10. VARIATION

10.1 This Agreement shall not be varied or modified except in writing signed by all of the parties to the Agreement.

11. GOVERNING LAW

11.1 The laws of the State of Queensland shall govern this Agreement.

12. NOTICES

12.1 A notice or other communication required or permitted to be given by a party to another shall be in writing and:

- (a) delivered personally;
- (b) by prepaid mail or document exchange, or
- (c) sent by facsimile transmission.

12.2 A notice or other communication shall be deemed to have been given when:

- (a) personally delivered, upon delivery;
- (b) mailed or delivered by document exchange, 48 hours after posting; or
- (c) sent by facsimile communication, when the facsimile machine confirms transmission.

12.3 The address of each party for the purpose of giving notice is the address specified in this Agreement or such other address as is notified in writing to each other party from time to time.

13. SEVERANCE

13.1 In the event that any provision or portion of any provision of this Agreement is held to be unenforceable or invalid by a court of competent jurisdiction, the validity and enforceability of the remaining provisions of this Agreement shall not be adversely affected. The offending provision or part shall be read down to the extent necessary to give it legal effect, or shall be severed if it cannot be read down, and the remaining part and provisions of this Agreement shall remain in full force and effect.

14. WAIVER

14.1 A delay or omission by any party at any time to:

- (a) enforce or require the strict observance of or compliance with any provision of the Agreement; or
- (b) exercise any election or discretion under this Agreement;

will not operate as a waiver of them or the rights of a party, whether express or implied arising under this Agreement.

15. DISPUTE RESOLUTION

15.1 It is the expressed intention of the parties that in the event of a dispute, difference or claim arising out of, or relating to the performance of the terms of this Agreement every endeavor shall be made by the parties to resolve the matter on its merits by negotiation. The parties shall attend at least one meeting to discuss any matters at issue as a condition precedent to commencing any other proceedings in respect of such dispute, including utilising the Alternative Dispute Resolution procedures to assist the settling any disputes prior to any party commencing litigation.

16. INDEPENDENT LEGAL ADVICE

16.1 Each party to this Agreement acknowledges that it has been given the opportunity to obtain its own independent legal advice.

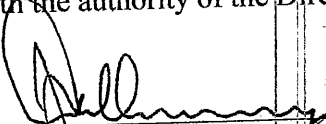
17. SURVIVAL

17.1 The expiration or termination of this Agreement shall not operate to affect the provisions of this Agreement which are intended or expressed to have effect thereafter.

SIGNED as an AGREEMENT


**SIGNED by EUMUNDI COMBINED
COMMUNITY ORGANISATIONS LTD**
(ACN 133 941 278) in accordance
with Section 127 of the Corporations Law
with the authority of the Directors

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DIRECTOR

Robert JOHN McCALLUM
NAME - Please Print



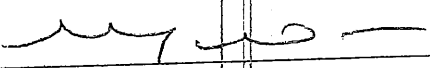
DIRECTOR/SECRETARY

ROBERT IAN WOODROW
NAME - Please Print

SIGNED by

Mayor / Authorised Councillor/
Delegated Officer for and on behalf of the
SUNSHINE COAST REGIONAL COUNCIL
in the presence of

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WITNESS
Solicitor / Justice of the Peace
Elizabeth Marjorie Reynolds
SOLICITOR

GREG LAVERTY
NAME - Please Print