



The Glen Iris Valley Recreation Club

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31 December 2015

The Member

As addressed

Dear Member

I refer to my letter dated 29 November 2015 and to the Members' Information Night held at the Club on Monday 14 December 2015.

Thank you to the members who were able to attend and to those members advising us of their apologies.

The purpose of this letter is to inform all members of the progress of the proposed merger with the MCC Tennis Section. The Section is supported by the MCC and MCC Foundation that I'll collectively refer to as the "MCC". At the Members' Information Night on 22 April 2015 and subsequent comments, members gave the Board "in-principle" support to pursue the negotiations with the MCC but to consider the following matters, i.e.

1. Possible "take-over" by MCC.
2. Loss of Club Identity, i.e. colour and logo.
3. Future financial sustainability.
4. Coaching & Junior Development.

Subsequent to the Members Information Night, a meeting was held with the MCC out of which was a joint decision to form sub-committees to look at the above areas. All GIVRC Directors were on one or more of the sub-committees. The most comprehensive review was that of Coach and Junior Development that was expanded to include court availability and teams. Specifically the sub-committee examined:

1. Clubs' current competition teams.
2. Merged Club's Competition Teams.
3. Court availability for both Competition & Social.
4. Coaching Specification.
5. Coaching Expression of Interest.

Both the MCC Tennis Academy and VIDA were invited to submit a proposal in response to the Expression of Interest. At date of this letter, VIDA has been interviewed jointly by

MCC and GIVRC. No decision has been made, at this stage, in relation to the preferred coaching provider should the Merger be approved.

MCC is undertaking a due diligence on GIVRC's occupation at High Street Road. In support, GIVRC has provided the Riversdale Lease together with information relating to:

1. The exercise of the option for the 25 year period from September 2013.
2. The 2013 rent review dispute with Riversdale.
3. The application of the Retail Leases Act 2003 to the Lease option exercised by GIVRC.

Simultaneously, with the development of the coaching specification, MCC prepared a draft Merger Agreement for consideration by GIVRC. Your Board retained Maddocks to advise GIVRC Directors in relation to the draft. The Merger Agreement will be the document that GIVRC Members will ultimately consider and vote on at a future General Meeting. GIVRC provided initial comments on the draft that MCC responded to positively. While there are some issues still requiring resolution the Merger Agreement has the following major clauses:

1. New Name being the **MCC-Glen Iris Valley Tennis Club**.
2. Establishment of Joint Committee.
The Committee comprising 3 representatives from the Club and 3 representatives from the MCC. The Committee would review;
 - (a) The management of the Lease with the Riversdale Golf Club.
 - (b) Membership matters including subscriptions and categories,
 - (c) Implementation of any Site Development Plan.Decisions of the Committee would require a unanimous vote.
3. Assignment of the Riversdale Lease to the MCC Foundation.
MCC Foundation would concurrently grant a sub-lease to the Club on the substantially the same terms and conditions as the Lease.
4. Merger Costs.
MCC Foundation to reimburse GIVRC for reasonable costs associated with it obtaining advice in relation to the Merger Agreement.
5. Licence for the Club to use MCC Name, Initials, & Logo.
6. Operational & Administrative Support.
If requested by the Club, MCC to provide management, operations, maintenance, and administrative support and assistance.
Offer access to Club Members the use of facilities and resources at the MCG for meetings, social events and fund-raising opportunities.
7. Financial Support.
 - (a) In the first 3 years, pay an amount equal to the difference between \$30,000 and the aggregate subscriptions paid by former MCC Tennis Members.
 - (b) Upon signing of the Agreement, a grant of \$75,000 for the purposes of lighting courts 1 to 4 inclusive.
 - (c) Payment to players representing the Club in a grade of competition approved by the MCC.
 - (d) Payment to the Club, the remaining cash assets held by the MCC Tennis Section.

(e) Other payments to the Club determined by the MCC in its discretion.

8. Subscription Rates.

Rates for former members of the MCC Tennis Section being 1st year-\$150, 2nd Year-\$180, and 3rd Year-\$210. The current MCC Tennis Section subscriptions are half that of GIVRC. The “stepped” subscriptions will reach the current GIVRC subscriptions in 3 years and will assist the new Club by transferring as many MCC Tennis Section Members as possible.

9. Proposed Constitution for MCC-Glen Iris Valley Tennis Club.

This is being prepared and will be circulated to members for comment in advance of any formal consideration of the Merger Agreement. GIVRC is currently constituted as a Company limited by Guarantee. The existing Memorandum & Articles of Association (as amended) date back to 1923. An Incorporated Association for the new Club is considered a more appropriate entity for a sporting Club.

10. Tennis & Membership Plan.

This is being prepared and will be circulated to members for comment in advance of any formal consideration of the Merger Agreement. The Plan is the “vision” for the new Club going forward in terms membership, capital expenditure etc.

An emerging issue that has recently arisen for the MCC and been brought to GIVRC’s attention is that MCC Tennis Section’s permissive occupancy at the St Kilda Road Reserve will conclude in January 2016. This has raised an urgent issue for the MCC Tennis Section having access to courts for its members and, more particularly, for its Pennant Teams playing in the 2016 Tennis Victoria Winter Competition. Together with MCC’s due diligence on the High Street Road site referred to earlier, an access period of 6 months to 30 June 2016 is being proposed in the draft Merger Agreement. This would allow the MCC to field Pennant Teams from High Street Road.

A General Meeting of GIVRC Members will consider the Merger Agreement but not before a draft Constitution and Tennis & Membership Plan have been circulated to members for their comments.

I, or the Board members listed below, can be contacted should you require further information or clarification on the merger proposal thus far.

Yours sincerely



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