



CLAREMONT YACHT CLUB INC.



SPECIAL GENERAL MEETING

7PM THURSDAY 13 SEPTEMBER 2018

BAYVIEW ROOM

MINUTES

1. REGISTRATION OF FINANCIAL VOTING MEMBERS

Members completed the attendance register prior to the opening of the meeting

2. MEETING OPENED

The Commodore welcomed Members and advised that a quorum had been achieved. The meeting was opened at 7.05 pm. The Commodore briefly spoke to the purpose of the Special General Meeting being that Claremont Yacht Club had been approached by a developer; who had presented to the General Committee; and the General Committee had sought to gain approval of Members to pursue the viability of the proposal. The Commodore declared the developer to be Peet Limited (Peet), who would present to the membership prior to Member discussion and voting on Notices of Motion.

3. ATTENDANCE

Chair

David Bovell

Commodore

Committee Members

Bill MacLeod

Vice Commodore

Rob Boykett

Rear Commodore Sail

Peter Wilkinson

Rear Commodore Power

Walter Reeves

Rear Commodore Dinghy

John Olsen

Treasurer

Peter Stanley

General Committee

Darren Chatfield

General Committee

Justin Congdon

General Committee

Claremont Yacht Club Members Attending as per Attendance Register Attached

4. APOLOGIES

Anthony O'Mahony*	Chris Mews*
Brenton Field*	Jenny Appleby*
Geoff Wedgewood*	Tony Bovell*
Nigel Paul*	Darren Culley*
James Donnelly	Ron Strickland*
Chas Strickland*	Ralph Jeffs*
Mike della Posta*	Matt Saunders
Rob Depiazzi*	Matt Pearce
Kim Heaton*	David Dye
Richard Boykett*	Bryan Greatrex
Adam Waterworth*	Max Brown
Peter Stratham	Fraser Stewart
Peter Deer	Phil Deer
Arthur Dixon	Peter Webb
Richard Regan	

“*” denotes absentee

vote submitted

5. APPOINTMENT OF SCRUTINEERS

5.1 The Commodore sought Members to act as scrutineers for the meeting, however, it was resolved to delay this component until after the presentation.

6. Peet presentation

6.1 Paul Lakey from Peet started his presentation by acknowledging the importance of the decision in question and thanked the Club for making time the meeting. He began by outlining how a development such as Peet's would benefit the area. He spoke to his presentation saying that the essence of the development is to revamp the site to have better access to the grounds, improved Club facilities, better parking and an overall improvement to the whole area. Paul Lakey reiterated that tonight's meeting was solely to decide whether the next phase, called the Discovery Phase, should go ahead. This phase was described as simply a step forward to see if the development can go ahead and whether approvals sought were likely to be approved. He estimated that this could take up to two years.

Paul Lakey spoke about Peet, stating that they are a well-established development company with a large number of ongoing projects and strong track record. The company is listed on the Australian Stock Exchange and was established over 120 years ago. He then went on to show the audience a number of projects that Peet is working on at the moment. Paul Lakey then handed over to Deon White who reiterated what Paul Lakey had spoken about earlier and stated that their philosophy is to work with the community as a whole. He stated that Claremont Yacht Club would be front and centre in this decision making process if the project went ahead.

Deon White then handed over to James Thompson from MJA Studios, the proposed architects for the project. James Thompson stated that MJA Studios focus on eco development and working to form something that would uniquely integrate and complement the Claremont Yacht Club. He stated that the design and development were aimed at creating a lifestyle which was both liveable and usable through functional and well-thought out design aspects that consider the location and potential environmental impacts.

Dane O'Callaghan then spoke to the presentation, outlining the opportunities and potential constraints that may come with the project if it were to go ahead. He spoke to the importance of the Club retaining facilities and services throughout the development phase and that post development there would be improvements made to visibility, access, parking, lawn and better utilisation of the land.

How would it work and indicative deal structure

Dane O’Callaghan stated that the land value of Claremont Yacht Club would be matched by Peet for the construction and that there would be no out of pocket costs for the Club if the project went ahead. The Claremont Yacht Club would remain land owners and Peet would be funding the entire project themselves. The site would need to be rezoned and redeveloped; the air above the Club would be sold and used to build residential apartment blocks, which would eventually be sold to retail purchasers. New Club facilities would be built and there would be a profit share based upon the ratio of Claremont Yacht Club land value versus construction and development costs for Peet.

Dane O’Callaghan spoke about the proposed Heads of Agreement and the fact that this was solely to provide Peet with the capacity to assess the likelihood of the development being approved. It was not to seek approval to commence development. If the Discovery Phase proved that it would most likely be possible to proceed then the Club would need to have a Special General Meeting of Members with a quorum of 50% of eligible Voting Members and an agreement to proceed of 75% of that quorum. At this stage the vote would be to establish a Joint Venture between Peet and Claremont Yacht Club. Dane then discussed the approval process once more, including council approvals that would be required for the development to go ahead.

7. Questions

7.1 The meeting was then opened for questions.

David Millar asked for clarity on proxy votes being allowed for the night’s meeting.

It was answered that proxy votes were not permitted, however, absentee votes were.

Robert Parker questioned the funding including costs involved (specifically in the Discovery Phase) and how it will be paid for.

Paul Lakey from Peet answered that Peet will be funding the entire project from start to finish if it goes ahead. The Club will have no out-of-pocket costs at all.

Bob Grieve asked how much land Claremont Yacht Club has.

It was answered that Claremont Yacht Club land is roughly 3,000sqm.

Wally Giles asked if the land would potentially be at risk in the future.

It was answered that Claremont Yacht Club will own the land and therefore, maintain control and management over the land.

Geoff Congdon queried whether a development as proposed for Claremont Yacht Club has been done before in a successful manner.

Paul Lakey from Peet answered in short that because Claremont Yacht Club land is so unique there are no projects that can be used as a comparison, however, Peet have successfully completed significant numbers of residential developments. He further stated that the proposed redevelopment of Claremont Yacht Club would be a unique project in itself.

Bob Grieve asked if the Peet developers have a rough idea of the height of the apartment buildings.

Paul Lakey from Peet clarified that the next phase will establish details such as this. As land owners, Claremont Yacht Club would have majority control of the management of the foundation and Claremont Yacht Club would have the majority say in what is done moving forward.

Geoff Congdon questioned how things will proceed given that Claremont Yacht Club does not own the parking areas.

Paul Lakey answered that this detail will be established in the next phase and that seeking approvals from Council and other stakeholders will be integral to the process moving forward. He reiterated that there has been no approach to third party bodies to seek approvals and that there are considerable unknowns to be revealed in the Discovery Phase. These details will determine whether the project will be viable or not.

Peter Boykett asked what advantages Peet can offer the Club that would make it worthwhile for Claremont Yacht Club to work with Peet exclusively.

Paul Lakey responded that because the land is unique, there are challenges within that. Peet can

fund the whole project providing Claremont Yacht Club with state of the art Club facilities and that the Club could also profit from the sale of the residential apartments. Paul Lakey stated that Peet is an experienced development group and can offer the expertise to ensure delivery of a successful project.

Dave Andrews questioned the time frame for the process.

It was answered that the Discovery Phase will establish the time frame as it will ascertain challenges and constraints. Once the Discovery Phase has been completed then a rough time frame will be established based on the findings from the investigation process.

Robert Parker asked what the timeframe would be to proceed to the next phase and what that would look like with potential disruptions.

Paul Lakey answered that the Discovery Phase is roughly two years.

Clive Annear questioned the equity benefits as the clubhouse has land. He asked whether the Club will retain ownership and will the marina be added as an asset. In turn, how would that be added to the equity?

Paul Lakey answered that the Discovery Phase will establish details such as the value of the land and this valuation has not as yet been undertaken. He noted that Claremont Yacht Club's land offered a unique opportunity.

Geoff Congdon stated that there are no Clubs on the river with completely new developments.

Dave Miller questioned the land value that the Club puts in and how much would come back.

Paul Lakey answered that the Club would go in 50/50 and Peet funds the whole project. The profit from the sold residential apartments would be split.

Geoff Congdon asked how many apartments would be in the complex and asked how high the development would be.

Paul Lakey stated that this would be unknown until the next phase when viability would be determined. It was clarified that the Club can reject the development if the Club Members change their mind or are unhappy with proceedings.

Ken Craig queried handing over the freehold.

Paul Lakey answered that the Club will always be the owner of the freehold and Peet would be working on behalf of the Club.

Mark Robinson stated the purpose of this meeting was to ascertain the Members' appetite to have the development explored further and not to commit to a development. Further he stated that the Club had no financial exposure in this process and that the expertise was being given free of charge.

Jim Wells raised concerns regarding issues with strata developments arising of late.

Peet will assess potential future issues and potential liabilities which will then be presented to the Club to be agreed upon.

Ed Ryan asked whether the Club or Peet has considered a leasehold arrangement. He also spoke to the idea of gaining valuable information from the discovery process on how to utilise the land. The variables will ultimately drive the outcome. He also asked how things would be shared on completion of the project. It was established that it would be a joint venture between Peet and Claremont Yacht Club. The land value versus the construction costs would determine the ratio of the profit share.

Chas Milner spoke to the fact that over time buildings depreciate but land appreciates. Consequently the ratio established at commencement would not be the same in the future and that this would be to the benefit of the developer and not the Club.

Dave Miller asked about buying to resell.

Paul Lakey responded that it is a mixed use project and that would depend upon the setup and controls.

Justin Congdon asked what protection Claremont Yacht Club would have if the project became unsuccessful at any stage in the development process.

Paul Lakey mentioned that there would be an insurance established before commencement but the chance of that happening would be very limited given how much work goes into the project to get it off the ground initially. The next phase will establish foreseeable risks which will help clarify this grey area.

Robert Greave asked if Peet had any rough figures on the likely sale price of the apartments.

Paul Lakey answered that it varies for each project and the next stage will establish this aspect as well (to an extent). Future potential will become clear after the Discovery Phase.

The Commodore thanked Peet and those involved, for their contribution to the presentation and the process and the Peet representatives left the meeting.

8. Motions 1, 2 and 3

8.1 Discussion

The Commodore reminded the meeting that for the Motions to be adopted, a majority of voting Members present must vote in favour of the Motion.

The Commodore sought Members to act as scrutineers for the meeting. Andrew Caddick and Robert Jeffery agreed to be scrutineers.

Alex Salvaris, the Club's solicitor, spoke to the process, highlighting that the three Motions are all linked and will need to be put collectively but will be discussed one at a time. This was done deliberately so that each Motion will lead to the next and can allow each Motion to be passed individually or all together. Alex acknowledged that this raises its own challenges but will hopefully make the process easier. Alex acknowledged a number of key points made by the Peet representatives, clarifying that by voting in favour of the Motions it does not constitute a commitment to development but rather provides approval for the investigation of the potential for the project to be successful. Alex noted that he does not advocate for or against the project. A critical part of the process includes the General Meeting of Members after the investigation process, which would determine whether Claremont Yacht Club land does get redeveloped and that this would require a quorum of 50% of the voting membership of which 75% of those present would be required to vote in favour of the Motion.

Alex also clarified that the Heads of Agreement document specifies the development benefits for the Club and Peet. There was an assumption made that the Heads of Agreement is specifically for the comfort of Peet, however, both Peet and the Club were covered by the agreement.

It was questioned whether pen and pen access facilities were included in the agreement. Alex stated that issues such as this will be included if Members vote, at a future stage, to proceed with development.

8.2 MOTION 1 – That The Claremont Yacht Club (Inc.) (Club) enter into a Heads of Agreement (HOA) with a third party developer (Developer) to investigate the feasibility of redeveloping the Club's freehold property at 4 Victoria Avenue, Claremont (Club's Property), to result in a mixed use development, comprising new clubhouse facilities for the Club and residential apartments. Moved – David Bovell

It was clarified that the Heads of Agreement specifies a third party developer, as Peet was not able to be named at the time and therefore Claremont Yacht Club would be able to enter a similar agreement with any third party developer. Alex Salvaris cautioned that there would be issues to be considered if Claremont Yacht Club was to go through a different developer. It was agreed to assume that the Motion refers specifically to Peet and if the Motion goes ahead then Claremont Yacht Club would be bound to only speak with Peet. It was suggested that a non-binding agreement would be more appealing to Claremont Yacht Club Members.

Some concerns were raised around the involvement of the marina and the obstacles, such as access, that could arise from the development. It was reiterated that the next phase will establish this sort of detail as well as a number of other concerns raised.

The Commodore sought a seconder for the Motion and Peter Stanley seconded the Motion.

Bob Grieve spoke for the Motion saying that there is an opportunity to engage Peet in a non-financial manner to gain useful information. He suggested that Claremont Yacht Club would benefit from the process of investigating their options through the Heads of Agreement even if the project does not go ahead. Bob suggested that in The Heads of Agreement there should be some certainty included allowing Claremont Yacht Club access to any information that is gathered in the stages of potential development for future consideration.

Steve Scott spoke against the Motion, making the point that he has no criticism of Peet, as a commercial developer and when he refers to the General Committee, he refers to the committee as a collective. Steve also praised the Commodore for his efforts thus far for putting the issue out into the open for debate amongst the Club.

Steve discussed the history of the matter stating that a Club representative had been approached by the developer roughly 10 months ago. Steve raised a concern based on the lack of information flowing to Members regarding this issue. He also noted that the inclusion of Members was far too late, despite confidentiality reasons stated by the General Committee. He summarised that Members should have been informed earlier and there was a breach of proper Club management.

Steve Scott spoke to the Heads of Agreement, stating that the document should have been readily available and complete rather than presented as a draft. He noted that the availability of the Heads of Agreement was restrictive. Steve also mentioned that the content of the Heads of Agreement needs to clarify whether it refers to voting or non-voting Members rather than bearing reference to Club Members as a whole. He spoke to the valuation of the land saying that it will be an expensive procedure as the land is neither normal nor residential. Steve stated that there was a lack of clarity in the document regarding Members exercising their rights. Specifically this related to the reliance upon the Town of Claremont agreeing to rezone the land as mixed residential.

Finally, Steve spoke against the Motion listing a number of reasons why the Club would be losing out in this potential venture. The critical points included:

- loss of Club independence and ability to continue to improve Club facilities,
- only the land is protected,
- parking and parking access is an ongoing issue,
- the Club can afford to improve and maintain its core asset, the land, without external parties becoming involved.

The Commodore mentioned that the agreement isn't overly binding but does tie the Club to Peet for the two year Discovery Phase.

Alex Salvaris spoke to the Heads of Agreement, again clarifying that the next phase will establish finer details and potential future issues. It was also reiterated that this meeting was to find out whether the Club would like to venture into the next phase to find out more about potential opportunities. He noted that the Heads of Agreement is only binding in terms of good faith trading and ultimately, the decision is up to the Members of Claremont Yacht Club.

Chas Milner raised concerns in regards to being locked into a somewhat binding document with one developer for two years. Bill Harding questioned whether a Special General Meeting of Members could be called before the two year time frame is over. Alex Salvaris answered that Peet has the right to cancel the agreement if they believed that the project would not likely proceed. The ownership and rights of information gathered in the next phase was also queried. Alex answered that Claremont Yacht Club would be able to benefit from the information but would not be able to use the same plans as drawn up by Peet owing to this being intellectual property.

It was acknowledged that there are plenty of risks in the potential venture. The waterfall payment structure with an indication that Claremont Yacht Club would be at risk with potentially very little return. The next phase would also clarify this area and the potential success of the project.

Craig Stewart spoke to the legacy of the Club and highlighted the importance of maintaining the legacy and uniqueness of Claremont Yacht Club.

- 8.3 MOTION 2 – That the General Committee of the Club be authorised to take such steps and actions as the Committee deems appropriate to give effect to the matters set out in the HOA, including the appointment of any consultants (whether external or Members of the Club) to provide advice to the General Committee as the General Committee thinks fit.
Moved – David Bovell; Seconded – Clive Annear**

- 8.4 MOTION 3 – That the Club spend up to \$10,000 to obtain a market valuation of the Club’s Property, being the whole of the land in Certificate of Title Volume 1937 Folio 322.
Moved – David Bovell; Seconded Bill Harding**

It was noted that when the proposal is put forward, the land valuation will be booked in and that if Motion 2 is accepted that the Heads of Agreement could be amended by the General Committee. Voting commenced at 9.27pm.

The votes were counted and all three Motions were defeated.

9. Meeting Conclusion

The Commodore thanked all Members for their attendance at the meeting and closed the meeting at 9.44pm.

Minutes taken by Lizzie Craine.