

NOTES FROM MEETING WITH SOLICITOR RE GTC LICENCE
TUESDAY 21ST AUGUST, 2007

Attendance: Nigel Ross (Solicitor), Hal, Steve,
Lynne, Anne, Marilyn, Helen Newmark,
Chris Uzelac, Dennis, Maureen

Provision for assignment or sub-letting subject to approval of the Minister/Administrator Crown Land.

In the agreement anything we do/change is subject to the approval of the Minister and is then submitted to Council for approval. We cannot sign this Licence prior to this happening. There is a clause in the Licence Agreement that the Licencee will not do anything contrary to Lease Agreement with Council.

Any work proposing to be done must be notified to Council.

Under our Constitution the Licence decision is the responsibility of the Committee. It does not require the approval of all members.

Steve and Dennis are concerned we are responsible to members in relation to monetary figure in the Licence and that it has not been increased for 10 years. We have since had an offer which is considerably greater than the amount being offered by GTC and are we obliged to take a higher offer, also how do we stand with Council in this regard.

Nigel advised there is nothing in the Objects of the Association that says we have to take up higher offer, we are able to take whichever offer we see fit. Council have an Agreement with us until 2016 and Council cannot put us out with proving there is reasonable basis to do so. The figure in the Licence is not a reasonable basis to terminate our Lease.

Steve advised we have not yet asked for Expressions of Interest to date, Dennis reiterated that the figure of \$60,000 was accepted some 10 years ago. Nigel again pointed out there is nothing in our Lease that requires us to answer to Council about that figure.

We have a Lease with Council for the complexes and then they subsidise it, hence the figure we pay annually.

We can continue as is and due diligence can be exercised by tendering the Licence. However, Nigel said we have to consider "Buyer beware" - if we are not sure that the money figure quoted is there, it would be irresponsible to sign a Licence that does not quote a reasonable figure.

8/11/07

Any increase in player fees is not covered under the licence and requires a request from GTC to the Association which will be discussed at that time.

Restraint of Trade:

Clause 8.1.3

This clause will not be removed, but we agree to change the wording, as under -

8.1.3 To use the courts for Regional, Tennis NSW or Tennis Australia Development Programmes or Events at a time mutually agreeable to you and the Association.

(The remainder of 8.1.3 will remain unchanged).

Our Good Will:


Your comments are noted, however not relevant to the Contract.

Annexure "A" and Plan:

We are in the process of preparing these and will provide to you as soon as possible.

Amended Licence Agreement:

This will be provided to you in accordance with the above changes at an early date.


Maureen Rowe
Secretary



MEETING WITH ASSOCIATION'S SOLICITORS (PENMANS SOLICITORS)

21 August 2007

Solicitor: Nigel Ross

Re: Licence Agreement

TRUST LEASE (Gosford City Council Lease)

Any licence agreement made by the Association is always subject to the Minister's approval (his/her concern would be that nothing in the licence is in breach of the Association's obligations according to the Trust). Nigel also pointed out that any major capital works should be notified to the Minister before being undertaken.

The Trust does not fully prescribe the activities to be carried out by the Association – fairly open. Council can only terminate the lease if it can prove that the Association has breached a clause.

SPECIAL GENERAL MEETING ('Calling Of')

Mainly called if making an amendment to any objective of the articles of the Constitution e.g. Association's name, an amalgamation, etc (articles are not an exhausted list of 'what to do')

LICENCE AGREEMENT

Licence of the facility is in the power of the Association Committee (it does not require a special resolution by the Association members). The agreement should be consistent with the objectives of the articles, subject to the Committee Meeting being properly convened, a quorum, etc.

Question: Where does the Association stand with Council if we accept a much less amount for the licence fee than the highest being offered?

Nigel: There is nothing in the Constitution to say that the committee has to take the highest monetary value on offer. Committee may: 'be cautious'

'take into account the risk' (if there is a risk consider increasing the bond fee)

'consider the existing relationship not purely the monetary value'

Question: If we do not continue to negotiate with GTC, as we have consented with them to do so, could they take litigation against the Association?

Nigel: No -- if a promise or guarantee was made with GTC then they may take legal action.

A Motion passed at a Committee Meeting may be changed thereafter.

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