

Addendum to Notice of AGM

Motions on Notice:

1. To consider, and if thought fit, pass a resolution to amend Rule 42 of the Constitution of the Ormond Ski Club to delete the word “five” and replace it with “twenty”. (see Note 1)
2. To approve the general proposed scope of renovations (see Note 2)
3. To approve proposed funding arrangements for the renovations to the Lodge for the 2011/2012 summer. (see Note 3)

Notes:

1. Amendment to Constitution

Rule 42 relates to expenditure by the Committee on behalf of the Club without first requiring sanction from the Club in General Meeting. The sum of \$5000 was chosen when the Club was first registered in 1969 and has not been varied since. This would represent about \$21,000 in today’s terms.

If the amount is not varied, the Committee will need to seek permission from the Club in General Meeting:

- before paying our site rental and service charges;
- before purchasing the non-perishable food for the coming season;
- before undertaking relatively simple (and regular) maintenance activities;
- before paying our gas bill;
- before paying our insurance;
- before making our BAS payments; and
- before undertaking other straightforward regular business on behalf of the Club.

A Special Resolution pursuant to s. 136 of the Corporations Act 2001 is required to vary the Constitution in this way. The vote must be passed by at least 75% of the members entitled to vote at the AGM.

2. Proposed scope of renovations

We will be circulating details of the proposed scope of the renovations prior to the AGM and as soon as these are finalised with the architects.

3. Financing Proposal for Summer of 2011/2012 Lodge Renovations

Required Funds

Target Cost is \$500,000 with a maximum of \$600,000. Aim will be to budget for \$500,000 of work with a maximum of 20% contingency to cover any unplanned cost increases if scope of works increases during design development and construction. Note this cost excludes \$20,000 of design costs covered in the 2011 budget.

Cash Available

Current cash end 2010 - \$221,000

Estimated cash end 2011 - \$280,000

Allowing \$30000 for operating cash

Cash Available for Renovations- \$250,000

Borrowings Required

Assuming all works completed over summer of 2011/12

Need to borrow - \$250,000 to \$350,000

Source of Borrowings

- a. Approach members for volunteers who can supply funds on an unsecured basis at cost and cheaper than bank business loan.
- b. Depending on success of above seek all or remaining required funds via loan from bank secured against a renewed 25 year lodge lease.

Repayments

Bank loan interest rate currently approximately 11%

Initial interest payments per annum approx. \$25,000 to \$35,000, this can be adequately covered for poor snow years or interest rate increases.

Total funds available for repayments approx. \$70,000 in an average year

Repayment duration approximately 4 years for \$250,000 loan and 7 years for \$350,000 loan assuming no increase in funds available for repayments over loan period