

POLLOK GOLF CLUB

Course Purchase

Over the years various Captains of the Club, along with their committees, have wrestled with the possible purchase of the golf course. Back in 1981 James Lumsden of Pollok and Corrou Limited, the Landlords, wrote to the then Captain of the Club, David Reid, suggesting an appropriate price for the Course would be £300,000. Nothing appeared to come from this and it was not until 1987 when serious negotiations were commenced for the purchase of the Course.

The Golf Course forms part of the Pollok Estate and the title to the Course is subject to the terms and conditions of an Agreement between Nether Pollok Limited (and their successors) and The National Trust for Scotland dated 26th April, 1939 ("Conservation Agreement"). The National Trust for Scotland has always been determined to prevent the Club from acquiring the Course. They believe that the whole of Pollok Estate including the golf courses should remain under one ownership under their control so that the woodlands can be positively managed.

The Landlords and The National Trust for Scotland have therefore a very considerable interest in the future of Pollok Estate and it is with both these parties that negotiations for the purchase of the Course would take place.

One very important aspect of any negotiations is that the title to the Pollok Estate contains a right of pre-emption in favour of Glasgow District Council which means that on receipt of any offers for the purchase of any part of their Estate our Landlords require in the first instance to offer to sell such part to the District Council on the same terms and only if the District Council do not take up their right of pre-emption can our Landlords proceed to accept the original offer.

Any offer by Pollok Golf Club to purchase the Course must therefore contain among other conditions the following two important conditions :-

- 1 The seller (our Landlords) must obtain written confirmation from the District Council that they would not exercise their right of pre-emption.
- 2 Any contract concluded must be subject to the approval of the Members of Pollok Golf Club obtained at a Special General Meeting.

As mentioned above serious negotiations commenced in 1988 for the purchase of the Course. These negotiations resulted in a Missive being agreed with Pollok and Corrou Limited subject to the issue of a final acceptance for the purchase of the Course (145.15 Acres) in the sum of £325,000 together with the purchase of additional land (63.51 Acres - of which 45.5 Acres is field and 18.01 Acres is woodland, curling pond, etc.) in the sum of £35,000.

The offer had to be withdrawn as it transpired that the District Council intended to exercise their right of pre-emption as referred to above. While the District Council did not have sufficient available funds for the purchase they were being financed in a back to back finance arrangement with the National Trust for Scotland.

When considering the purchase of the Course one must bear in mind the details of the current lease of the Course. The ground that the Clubhouse and the two cottages are situated on is not included in the area leased to the Club.

POLLOK GOLF CLUB (cont.)

Course Purchase (cont.)

Back in 1977 the Club had a lease due to expire in 25 years time in November,2002. At that time negotiations were held with the Landlords and a new lease was entered into for a period of 125 years from 11th November,1977 expiring on 11th November,2102 with rent reviews every 5 years to 11th November,2002 and every 3 years thereafter. The rental payable from 11th November,1977 was £600 per annum rising to £2000 per annum by equal instalments for the year 11th November,1981 to 11th November,1982. Following reviews in 1987,1992, 1997 and 2002 the current rental is £37,555 per annum with an outstanding review not yet agreed due in 11th November,2005.

This new lease incorporated a new clause giving the Club a right of pre-emption which means that should Glasgow District Council not exercise their right of pre-emption following receipt of an offer for the Course by a third party the Club would be given the opportunity to purchase the Course on the same terms.

The form of financing the purchase of the Course will obviously depend on the circumstances at the time. Contributions from the Members of the Club together with bank borrowings and/or the creation of debentures are all things to be considered. The cost of repaying any borrowings must be compared to the annual rental payable under the existing lease which from the above has increased substantially over the last 25 years. Back in 1989 an approach was made to Michael Bonallack the then Secretary of the Royal and Ancient Golf Club of St. Andrews for financial assistance towards the cost of the purchase of the additional land referred to above. The use of the land was to increase the area of the practice ground and also create a small par 3 golf course. They asked for information relating to the purchase and financing of the Course and the additional land. They were prepared to grant the Club a loan but negotiations fell through before anything was finalised when the offer to purchase had to be withdrawn. An approach to the Royal and Ancient should be made if and when Course purchase rears its head again in the future.

While we have a lease with just under a 100 years left to run this should not prevent the current or any future committees from considering the purchase of the Course and the additional land on an annual basis.

7th August 2006