

To: Geneva Squash Club Members
Cc: Geneva Squash Club Committee

Red Whale Swim School Proposal for the Geneva Squash Club - Information for members

This is to invite you to vote on whether the Geneva Squash Club (GSC) accepts / or not the Red Whale Swim School proposal to lease space within the GSC building with the purpose of teaching aquatic activities. This is an important long-term decision for the club and this document is intended to provide members with the information needed to take an informed decision.

Background / Basis for project: The Red Whale Swim School is proposing to rent the large under-used room at the entry to the club and transform this space into a heated pool hall. The above ground pool will be 60 m² and the room will be water and airtight. The plan of the pool manager is to offer approx. 100 lessons per week primarily mornings, afternoons, and weekends. Lessons will be for 3 to 4 children per lesson, with 3 lessons maximum at a time. The facility will have new triple glazed energy efficient windows and an air handling system for ventilation, dehumidification and air heating. In addition, common areas of the club will be refurbished: exterior façade refreshed, new entrance that leads directly to the reception/bar, open plan and fully modernised bar area, in addition to a functioning reception, viewing deck overlooking pool, additional space for tables and chairs (for functions and/or dining).

Red Whale will invest between 250-300K CHF in this project. Red Whale will operate it as a tenant (similar to Geneva Fitness) for an initial 10-year lease, renewable on similar terms if both parties are agreeable. All utilities (electricity, gas, water) would be separated and all fit out costs borne by Red Whale. Any new fittings (fridges / dishwashers etc.) would be at the club's cost and it is the club's decision to use existing or buy new ones. Apart from this there is no cost to the GSC.

Who is Red Whale? Michael Elliott grew up in Brisbane, Australia. He moved to Switzerland in 2003 when he was transferred from London to Switzerland for work. He met his lovely Belgian wife at a pub in Geneva and now live a settled life with their 3 kids - James (7), Archie (3) and Louise (22 months) HE lived in Basel in 2008 for work before returning to Geneva in 2013. He is 41, and a Swiss C permit holder.

Michael was a co-founder of Stratpharma in 2008, a startup Medical Device company in Basel. The company has grown from sales of 400K chf in 2009 to 50m chf in 2017. He recently sold his stake to credit Swiss. In Nov 2015, Michael co-founded an online florist with his wife and remains a director and 50% stakeholder. 89 Petals is growing rapidly and expanding from its launch market in the UK to France and Germany in May 2018. Michael will combine this proven track record in launching and growing successful business, with his passion for teaching children to swim to create another successful venture, albeit with a social mission.

Time-line: The building application was deposited on the 26th February and a response is awaited from the Geneva cantonal authorities. This application does not commit the club to the project. On approval of the planning application, local residents have a 30-day period to raise objections. Following this, the project is expected to take 6 to 8 weeks to complete and the new facilities (bar, reception etc.) should then be operational. More information on the proposal is available at the Website (<https://www.redwhale.ch/squashclub>).

Key benefits to the club:

1. Refurbishment of following club facilities at the expense of the investor. This project will provide an upgrade to the GSC's facilities, appearance and image at limited cost to us. The GSC has limited financial resources to undertake considerable upgrades itself at the moment.
2. Increased appeal for new/existing members, which will help the club to grow and ensure its future in the longer term. The Club has 150 members. The current state of the facility could be a reason why new members do not join. Improved appeal of the club might help attract both a new base of people and the increased footfall in a better-looking place might attract potential new sponsors.
3. Additional income – rental / increased revenue from the bar. Under the proposal the club will receive rental income of approx. 1'800 to 2000 CHF / month once the pool is operational. Once

Red Whale achieves its revenue target, the club might also receive a percentage of the swim school's revenue, depending of the contractual agreement. In addition, the club will receive an increase in bar turnover. Improved facilities and footfall could be a source of new members. The pool provides another reason for people to come to the club. Kids bring parents and kids/parents may pick up a squash racket. The new kitchen could also be rented.

4. Members can use pool facility at allotted, supervised times. Members will be eligible for discounted swimming lessons for their children and discounted aqua gym/aqua bike lessons for adults.

Potential Disadvantages / Concerns of members:

1. Parking. The proposal does not encompass additional parking and some members have concerns that this will result in inadequate parking spaces. Red Whale expects to need a maximum of 25 parking spaces at peak hours (Saturday, Wednesday afternoon). The pool and squash peak hours are not expected to coincide. Children's swimming lessons will be held outside the busy periods for the GSC - in the mornings between 9-11:30, in the afternoons from 13:30 to 18pm. Children's swimming lessons are the primary activity. However, once the swim school is established, adult aquatic activities may be held at lunch times and in the evening. If parking does become constrained, the club does have the option to recover the car lot at the entrance. This is owned by the club and is rented out as a car lot to another company. A rental agreement would need to be discussed with the Red Whale Company to cover the financial loss.
2. Disruption to the existing club. There are some concerns amongst members that a children's pool will disrupt our club, e.g. the facility will be overrun with children. The Red Whale Company plan is based on running a maximum of 3 lessons with 4 children per lesson in the pool at any one time. The children and parents will have their own changing-room facilities within the pool hall, which will be constructed at Red Whale's expense.
3. What if the Red Whale Business plan is not successful – what are the consequences for the club? In the worst case the pool would need to be removed. We have received a cost estimate for this and this money will be held on a secure account during the life of the tenancy agreement to protect the club against this risk. And the other facility upgrades would remain in place. During construction, funds will also be held in a holding account that would allow the club to revert back to a usable space at any point.
4. Any risk to club facilities e.g. humidity / subsidence from weight of pool / smell of chlorine. Red Whale has employed a qualified Architect, Civil Engineer and Construction Manager. We have been offered open access to their reports. The facility will be audited against the Swiss building codes. Pool chemicals brought onto site will be stored in a lockable outside area with restricted access. The pool hall will be insulated with humidity and temperature control. The swim school plans to use an ozone filtration system that used approximately 1/5th the amount of chlorine as a regular pool, so the smell of chlorine is expected to be unnoticeable.
5. Will there be disruption to the club during the implementation phase? The club will be closed for one week during demolition / heavy construction activities to avoid any safety risks and to reduce construction time. There will be restricted access to the parking area until 5pm for several weeks to allow for heavy goods vehicle deliveries to the site. Before 5pm, parking will be available in the gravel area (<https://www.redwhale.ch/squashclub>) and after 5pm, there will be no parking restrictions. A temporary entrance (emergency exit between courts 2 and 3) will be provided with lighting and fob badge access until the construction phase is complete.

Next Steps:

1. Given this represents a major change and a long-term commitment for the club, the decision will be put to a vote by the club membership. Current members will be eligible to vote with the restriction to Life Members, Ordinary Full Members and Family Members, defined as dependants living at the same address as a Ordinary Full Paying Member. Members will be given 15 calendar days to take the decision from today. The decision will be based on a majority of those voting. Members will be contacted with information about the organisation and timing of the voting process.
2. If members and the Geneva Squash Club Committee approve the project then the club will sign a 10-year lease agreement with Red Whale, pending building approval.
3. It is expected to take approximately 6 to 8 weeks to complete the new facilities from the approval of the Cantonal Planning Authorities / End of the objection period. Work is expected to take place in May and June 2018.