



LAKESIDE GREENS GOLF & COUNTRY CLUB

MEMBERSHIP AGREEMENT

MADE AS OF THE 30TH DAY OF JUNE, 1995

Last update October 10, 2019

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LAKESIDE GREENS GOLF & COUNTRY CLUB
MEMBERSHIP AGREEMENT

This Agreement made as of the 30th day of June, 1995

BETWEEN:

LAKESIDE GREENS GOLF & COUNTRY CLUB, a society, incorporated under the laws of the Province of Alberta, (the “Club”)

AND

645622 ALBERTA LTD., as **General Partner of L.G. GOLF LIMITED PARTNERSHIP**, a limited partnership, under the laws of the Province of Alberta, (the “Limited Partnership”)

WHEREAS:

- A. the Club is a society incorporated for the purpose, *inter alia*, of carrying on and conducting a golf and country club on certain lands which the Limited Partnership is entitled to become the owner of, located in the Town of Chestermere in the Province of Alberta;
- B. the Limited Partnership has agreed to provide certain exclusive privileges to the Club and its Members.

NOW THEREFORE the parties hereto have agreed as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Agreement including the recitals and schedules hereto the following words and phrases shall have the meanings set forth below.

- a. “Act” shall mean the *Societies Act, R.S.A_ 1980 c. S-18*, as amended from time to time.
- b. “Application for Incorporation” shall mean the Application for Incorporation of the Club dated the 16th day of March, 1990 and filed with the Registrar of Corporations for the Province of Alberta pursuant to. the terms of the Act on the 7th day of May, 1990, as amended from time to time as permitted herein.

- c. **“Board of Directors”** shall mean the Board of Directors of the Club as duly constituted under the By-Laws from time to time.
- d. **“By-Laws”** shall mean the By-Laws of the Club dated the 16th day of March, 1990 and as filed with the Registrar of Corporations for the Province of Alberta pursuant to the terms of the Act on the 7th day of May, 1990, as amended from time to time as permitted herein.
- e. **“Facilities”** shall mean the Golf Course, pro shop, clubhouse and related facilities, restaurants, dining lounges, beverage rooms and bars, driving range, putting greens, access roadways, parking lots, cart pathways, racquet courts, and all other facilities, improvements and fixtures of every nature and kind whatsoever as may from time to time during the term of this Agreement be constructed or located on the Lands.
- f. **“Golf Course”** shall mean the 18-hole golf course located on the Lands.
- g. **“Lands”** shall mean that portion of Section 15, Township 24, Range 28, West of the Fourth Meridian upon which the Golf Course is located and more particularly described in Schedule “E”.
- h. **“Members of the Club”** or “Members” shall mean those persons who are Members of the Club as referred to in section 2.01 of the By-Laws, the corporate designees entitled to enjoy the rights of membership attributable to a Membership in the Club held by a corporation or a partnership and the Associate Members of the Club from time to time as referred to in section 2.05 of the By-Laws.
- i. **“month”** shall mean a calendar month.
- j. **“Private Cart”** shall mean a golf cart acquired by a Member for use on the Lands.
- k. **“year”** shall mean a calendar year.

1.2 Singular and Plural

In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender or neuter and vice versa.

1.3 Headings

The headings used throughout this Agreement are for convenience of reference only and shall not be relied upon in the interpretation hereof.

1.4 Clause, Etc.

The terms “clause”, “subclause”, “section” and “Schedule” followed by a number and/or a letter refer to the specified clause, subclause, section or Schedule of this Agreement and “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and not to any particular clause, subclause, section or Schedule hereof.

1.5 Supersedes Prior Agreement

This Agreement supersedes and replaces the agreements between the Club and Lakeside Greens Inc. and entitled “Lakeside Greens Golf & Country Club Management and Development Agreement” dated the 1st day of June, 1990 and “Lakeside Greens Golf & Country Club Amended Management and Development Agreement” dated the 31st day of July, 1990.

ARTICLE 2 - DEVELOPMENT OF THE GOLF COURSE AND FACILITIES

2.1 Construction

The Limited Partnership shall construct and develop the Facilities as defined in **Clause 1.1**, on the Lands. The clubhouse shall be designed and constructed substantially as described in **Schedule “A”** to this Agreement. Construction of the clubhouse shall be completed on or before 1 May, 1996 provided that the Limited Partnership shall not be responsible for any delays resulting from the refusal of any bona fide applications for any development permits or building permits required with the construction of the Facilities.

2.2 Payment for the Construction of the Facilities

The Limited Partnership will be responsible for the costs to construct the Facilities, and, subject to the terms of this Agreement, will be entitled to complete the construction in such fashion as it deems appropriate.

2.3 Construction Standards

All of the construction and development referred to in this Agreement shall be conducted in accordance with usually accepted construction standards in the Province of Alberta.

2.4 Capital Maintenance Provision

The Limited Partnership shall allocate at least 12% of the net operating profit (determined to be profit before distributions) each year towards the next year’s capital improvements. It is acknowledged that at least 25% of this provision shall be allocated to Golf Course improvement including such things as trees and cart paths and the balance shall be allocated to replace equipment and provide ongoing maintenance as required.

2.5 Debt

The Limited Partnership shall not use the Facilities and Lands as collateral for any financing in an amount exceeding 50% of the then current market value of the Facilities and Lands. The Limited Partnership shall notify the Board of Directors in writing of any business transactions that secure the Facilities and Lands as collateral.

2.6 Cure Default

In the event the Limited Partnership shall be in default in the performance of its covenants or obligations under any financing secured against the Lands, and that default has resulted in the

commencement of foreclosure proceedings against the Lands, then the Club may, but shall not be obligated to, perform such covenants or obligations on behalf of the Limited Partnership and immediately exercise its option to purchase as provided in **Schedule “B”**.

2.7 Development of a First-Class Golf and Country Club

The parties hereto shall cooperate in every possible way to the end that the Lands and all of the Facilities thereon shall be developed with all reasonable dispatch into a first-class golf and country club. The Club shall not be obligated to contribute to the cost of such efforts except as provided or required by this Agreement.

ARTICLE 3 - MANAGEMENT OF THE CLUB AND THE FACILITIES

3.1 Golf Course Management

The Limited Partnership shall be responsible to manage and maintain the Facilities in a manner consistent with the operation of a first-class golf and country club.

3.2 Club Management

The Club shall be responsible to manage and direct every aspect of its business affairs, functions, operations and activities and shall assist the Limited Partnership in enforcing all policies, rules and regulations of the Golf Course in effect from time to time.

3.3 Annual Membership Dues

The Limited Partnership shall determine the amounts of annual membership dues to be paid from time to time by the Members and the Club shall assess such annual membership dues against the Members in accordance with **Section 2.14 of the By-Laws**. The annual dues shall not change by more than the greater of the Consumer Price Index or the average of the increase of annual dues at the Cottonwood, Wintergreen and Elbow Springs golf courses. Payment of the annual dues shall entitle the Member to complete use of the Facilities excluding the health club and racquet area. No other charges shall be levied by the Limited Partnership against a Member for the use of or access to the Facilities.

The annual dues for the 1996 golf season will be:

MEMBER CATEGORY	ANNUAL DUES TO BE PAID BY MARCH 31, 1996	IF PAID BY DEC 31,1996	IF PAID BY JAN 31, 1996	IF PAID BY FEB 28, 1996
Principal	\$1,500.00	\$1,350.00	\$1,400.00	\$1,450.00
Spouse	750.00	675.00	697.50	727.50
Intermediate	510.00	459.00	474.30	494.70
Junior	280.00	252.00	260.40	271.60
Juvenile	230.00	207.00	213.90	223.10

The annual dues for Intermediate, Junior and Juvenile Members shall include club storage.

Future discounts, if any, for early payment of annual dues shall be determined by the Limited Partnership.

3.4 Consultation with the Club

In fulfilling its functions and responsibilities under this Agreement, the Limited Partnership shall, whenever possible, attempt to consult with and accommodate the wishes of the Board of Directors.

3.5 Disputes and Membership Agreement Changes

Notwithstanding the provisions of **Clause 3.4** above, in the event of any dispute between the Board of Directors or the Members, or any of them, on the one hand, and the Limited Partnership, on the other hand, in connection with any aspect of the management functions and responsibilities of the Limited Partnership as provided hereunder, the decision of the Limited Partnership on the matter shall be decisive and shall be final and binding on the Board of Directors or the Members or any of them, as the case may be, except to the extent that such decision may conflict with the terms of this Agreement.

Changes to this Agreement, of any nature, shall require the prior written consent of both the Limited Partnership and the Club. It is acknowledged that the Club's consent will only be given upon the Member's approval of the change by way of a special resolution.

3.6 Costs of Operations/Staff

The Limited Partnership shall provide the services of a Head Golf Professional, Greens Superintendent, Food & Beverage Manager and Administrative Manager. Further, the Limited Partnership shall be responsible for all of the other costs and expenses whatsoever incurred from time-to-time hereafter in operating and maintaining the Facilities and the activities conducted on the Lands.

The job descriptions and responsibilities for the Head Professional, Greens Superintendent, Food & Beverage Manager and Administrative Manager are detailed in **Schedule "C"**. Any conflicts or problems based on non-performance of the outlined duties will require corrective action by the individuals holding those positions within 6 months of receipt of written notice of such non-performance from the Board of Directors. Failing which, the Club, by way of a special resolution, may require the Limited Partnership to terminate the employment of that individual.

3.7 Indemnity

Neither the Limited Partnership nor any of its partners or agents, or any of them, shall be liable to the Club or to any Member for any loss or damage incurred by either the Club or any Member relative to the fulfilment by the Limited Partnership of any of its functions and responsibilities as the manager of the Club, except that the Limited Partnership shall be liable for any loss or damage when such loss or damage is caused by the Limited Partnership's gross negligence or

willful misconduct, but no act or omission of the Limited Partnership, its partners or agents shall of itself be deemed to be gross negligence or willful misconduct if it is done or omitted at the instruction of or with the concurrence of either the President of the Club or a majority of the Board of Directors.

3.8 Financial Statements

The Limited Partnership shall provide the Board of Directors with year-end financial statements relating to the operation of the Facilities. The Board of Directors shall treat the information received as strictly confidential.

3.9 Sale of Memberships

The Limited Partnership and the Club mutually agree to limit the total number of memberships in the Club to 232. All such memberships shall be the sole property of the Club and administered according to the By-Laws. The Limited Partnership shall determine the selling price and payment terms of all future membership sales. The Limited Partnership shall administer membership sales on behalf of the Club and will provide the Club with all information relating to each future membership transaction. All proceeds from the sale of new memberships shall go to the Limited Partnership. The minimum price for the sale of new memberships shall not be less than \$6,000.00, after deducting the value of any bonuses, additional consideration or credit items offered in connection with the sale of memberships.

3.10 Transfer of Annual Playing Privileges

Providing annual dues and any other charges have been paid in full, a Member may assign once annually the current year's playing privileges to another person. Such annual assignment may be performed as many times as desired by a Member. However, a person receiving an assignment can only do so once. A \$100.00 fee is payable to the Limited Partnership for each such assignment.

3.11 Redemption of Memberships

Subject to the provisions and procedures outlined in section 3.01 of the By-Laws, the Limited Partnership will administer the redemption and reissue of memberships on behalf of the Club. The \$100.00 fee shall be payable to the Limited Partnership.

Further, Members shall be entitled to redeem their memberships for \$7,500.00 by providing notice in writing to the Limited Partnership of their intent to do so prior to 31 October, 1998. Payment of the \$7,500.00, without interest, will be made by the Limited Partnership to the Member for each redeemed membership on 30 November, 1998. The Limited Partnership shall be entitled to reissue the redeemed memberships after 30 November, 1998 in the manner described in **Clause 3.9** hereof.

3.12 Annual Memberships

The Limited Partnership may issue annual memberships for a fee no less than the then current annual dues charged to Members. Individuals receiving an annual membership shall have the same privileges as a Member with the exception of the right to vote and the ability to play in Club championship tournaments. The number of annual memberships issued in a given season shall not exceed the total number of unsold and inactive memberships. An annual membership may only be issued to a non-member one time. An annual membership will not be available to a non-member who has received an assignment of annual playing privileges. The Limited Partnership agrees that this policy may be changed by the Board of Directors in the future.

ARTICLE 4 - MEMBERS SHALL HAVE PRIORITY

4.1 Public Use of the Facilities

The public shall be permitted from time to time to utilize all or a portion of the Facilities upon payment for such use. During the golf season, approval of the Board of Directors is required to hold any function or activity that would restrict or prevent any Member from having reasonable access to and use of the Facilities. The Limited Partnership agrees that no more than 50% of the Member's Lounge seating space can be used for special functions or non-member tournaments during the golf season without approval of the Board of Directors. The Club acknowledges that no approval will be required for the Lakeside Greens Charity Golf-A-Thon tournament which is held annually and requires the complete use of the Facilities.

The Limited Partnership agrees that during the golf season, the Board of Directors shall have the right to set policies regarding non-member and Member guest access to the Member's Lounge.

4.2 No Green Fees

Each Member shall at all times be entitled to use the Golf Course, when it is available for use, without payment of green fees or any other fee, charge or levy, save as expressly provided herein or in by the By-Laws.

4.3 Reservation of Tee Times by Members (as updated October 10th, 2019)

Members shall have first priority to reserve tee times. Members shall be permitted to book 14 days in advance, 7 days a week, whereas public players will only be permitted to book 7 days in advance.

It is required that tee times be cancelled a minimum of 24 hours in advance. Failure to comply will result in a tiered penalty system. On the 1st offence, a warning is issued. On the 2nd offence, a penalty fee of \$20.00, paid to the society, will be imposed and charged to the Member's account. On the 3rd and subsequent offenses, the member will lose his/her booking privileges for 2 weeks.

Exceptions to the penalty will also be made for the following situations:

- a. Sudden onset of inclement weather;

- b. If the member's tee time is unavoidably pushed later by more than 1 hour due to weather delays;
- c. Medical or health conditions arise; and
- d. Last minute work commitments.

All 24-hour cancellations can be made by calling the Proshop. Any disputes regarding the assessed penalty for failure to cancel a tee time can be appealed in writing to the Board of Directors.

4.4 Tournaments and Public Play (as updated October 10th, 2019)

The following schedule identifies the days and times in that no tournaments may be booked unless approved by the Board of Directors.

Monday	8:00 a.m. to 10:00 a.m.	SENIORS
Monday	4:00 p.m. to 6:00 p.m.	JUNIORS
Tuesday	2:00 p.m. to 6:00 p.m.	LADIES NIGHT
Wednesday	1:00 p.m. to 7:00 p.m.	MEN'S NIGHT
Thursday	none	
Friday	2:00 p.m. to 7:00 p.m.	

The Club will be permitted to hold 4 Friday afternoon shotgun events (limited to max 1 per any given month) upon approval from the board.

Saturday and Sunday The Club is allowed 6 outside tournaments on the same day as Member events.

The Club will be allowed to hold 2 extra shotgun events upon approval from the board and paying a usage fee to the society of \$500.00 per event.

4.5 Member Tournaments (as updated October 10th, 2019)

- Opening Tournament
- Partnership-Member Appreciation
- Stampede Invitational
- Senior Club Championship
- Club Championship Tournament
- Closing Tournament
- Ladies/Men's and Senior League Closing Tournaments
- Charity Event?

Tournament dates will be set by the Club and Club Captain prior to the start of the season.

ARTICLE 5 – MISCELLANEOUS

5.1 Severability

Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

5.2 Amendment of By-Laws

The Club shall not amend its By-Laws or the Application for Incorporation at any time without the prior written consent of the Limited Partnership. Such consent will not be unreasonably withheld.

5.3 Inactive Status

A Member may apply in writing to the Board of Directors to be designated as inactive. The request must be received prior to the final payment date for annual dues. The Board of Directors shall designate a Member to be inactive only on grounds of proven medical or significant hardship cases. Once designated as inactive, a Member shall have no right to use the Facilities. A Member must apply on an annual basis to maintain his inactive status.

In the event this status is granted by the Board of Directors, the Limited Partnership shall charge a fee equal to 30% of the then current annual dues to the Member. Alternatively, the Limited Partnership has the option to issue an annual membership in place of charging the Member the inactive fee.

5.4 Non-Payment of Charges by Members

Subject to sections 3.03 and 3.04 of the By-Laws, the Limited Partnership may suspend a Member's playing and charge privileges due to failure to pay his account. In the event the account remains unpaid for 90 days, the Limited Partnership may apply to the Board of Directors to have the membership of the defaulting Member cancelled. Thereafter, the Limited Partnership shall be entitled to reissue the cancelled membership with all proceeds going to the Limited Partnership.

5.5 Private Carts

Private Carts will be allowed on the Golf Course upon payment of an annual cart tracking fee to the Limited Partnership. The Private Cart tracking fee for the 1996 golf season will be \$350.00 if paid by the end of March and \$385.00 if not. Future discounts, if any, for early payment of tracking fees shall be determined by the Limited Partnership. The tracking fee shall not increase more than the Consumer Price Index from year to year. Use of Private Carts shall be governed by the terms of the Private Cart Policy Statement described in **Schedule "D"**.

5.6 Club Caveat

The Club shall be entitled to register a caveat against the Lands to reflect the terms and provisions of this Agreement and, if registered, shall postpone its interest to any future financing against the

Lands and Facilities, such financing not to exceed 50% of the then current market value of the Lands and Facilities and provided the financier will agree to provide a non-disturbance agreement to the Club to the effect that provided the Club is not in default under this Agreement, and if the financier takes possession of the Lands and the Facilities, the Club can continue to operate in accordance with this Agreement.

Further, in the event the Limited Partnership sells the Lands and Facilities the Limited Partnership agrees that it will be a condition of that sale that the purchaser be bound by the terms of this Agreement. The Board of Directors shall be given an opportunity to review the Limited Partnership's agreement with the purchaser to ensure compliance with this **Clause**.

5.7 Use of Name

The Club authorizes the Limited Partnership to use the name Lakeside Greens Golf & Country Club and shall, if necessary, provide its consent to such use.

5.8 Sale of Retrieved Golf Balls

The Limited Partnership shall pay the Club 25% of the proceeds from the sale of golf balls retrieved from water hazards located on the Golf Course. Payment will be made on 30 November of each year.

5.9 Further Assurances

The parties hereto shall do and perform all such acts and things and shall execute all such deeds, documents and writings and shall give all such further assurances as may be necessary to carry out the intent of this Agreement.

5.10 Time

Time shall be of the essence of this Agreement.

5.11 Notices

Any notice, request, demand or other instrument which may be required or permitted to be delivered, given or served upon either party hereto and any payment to be made to any party hereto, shall be sufficiently delivered, given or paid to or served upon the party in question if in writing and if either delivered by hand or mailed by ordinary mail addressed, in the case of the Club, to:

**Lakeside Greens Golf & Country Club
555 Lakeside Greens Drive
Chestermere, AB T1X 1C5**

and in the case of the Limited Partnership, to:

**c/o 645622 Alberta Ltd.
555 Lakeside Greens Drive
Chestermere, AB TIX 1C5**

Any document delivered by hand shall be deemed to have been received on the day of delivery and any document having been mailed shall be deemed to have been received on the fifth day after mailing, excluding Saturdays, Sundays and statutory holidays. Either party hereto may from time to time change its address for service hereunder by notice of the other party. If there is a strike, lock out, threatened strike or lockout or similar disruption in the Canadian postal service at the time of mailing any notice hereunder, or within 5 days either before or after the date of such mailing, then notice hereunder shall be affected by delivery only.

5.12 Future Purchase Option/Right of First Refusal

At 30 November, 2001, the Club shall receive a one-time opportunity to purchase the interest of the Limited Partnership in the Lands and Facilities. This opportunity to purchase shall be exercisable by the Club in accordance with the provisions of Schedule "B".

5.13 Governing Law

This Agreement shall be governed by the laws of the Province of Alberta.

5.14 Successors and Assigns

The Club shall not assign any right or interest whatsoever under the terms of this Agreement to any person or party without the prior written consent of the Limited Partnership. The Limited Partnership, however, is entitled to assign its rights or interests, in whole or in part, at any time. Subject to the foregoing this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

LAKESIDE GREENS GOLF & COUNTRY CLUB

645622 ALBERTA LTD. AS GENERAL PARTNER OF L.G. GOLF LIMITED PARTNERSHIP

Per: Wayne Ulger
Director:

Per: [Signature]

Per: [Signature]
Director:

Per: [Signature] (c/s)

Per: [Signature]
Director:

Per: [Signature]
Director:

Per: [Signature]
Director:

Per: [Signature]
Director:

SCHEDULE "A" - CONSTRUCTION

THIS IS SCHEDULE "A" TO THE MEMBERSHIP AGREEMENT MADE AS OF THE 30th DAY OF JUNE, 1995 BETWEEN LAKESIDE GREENS GOLF & COUNTRY CLUB AND L.G. GOLF LIMITED PARTNERSHIP.

The clubhouse referred to in **Clause 2.1** shall be designed and constructed in such a way as to consist of the following:

1. **Pro Shop:** consisting of a merchandise display area, professional office, change rooms and storage room.
2. **Dining Lounge:** consisting of a main dining area which can be broken up into smaller spaces having a seating capacity of at least 125. The main dining lounge will be designed so as to allow for future expansion.
3. **Foyer/Vestibule:** consisting of a waiting area or lounge, a coat check, storage and telephone area.
4. **Business office:** consisting of a manager's office and a general office.
5. **Kitchen:** to serve the main dining area, the bar and member's lounge.
6. **Member's Lounge:** consisting of a main bar and lounge area with a seating capacity of approximately 90.
7. **Men's Locker Room:** consisting of lockers for all male principal and spousal Members, including shower Facilities and washrooms.
8. **Women's Locker Room:** consisting of lockers for all female principal and spousal Members, including shower Facilities and washrooms.
9. **General:** office space, laundry area, janitor's closet, telephones, etc.
10. **Club Storage, Equipment Cleaning and Repair Area:** to provide golf club storage for all principal and spousal Members, a cleaning service area and repair area for golf club repair.
11. **19th Hole Concession:** consisting of a short order kitchen, seating of approximately 25, storage for food and liquor and public washrooms.
12. **Mechanical Equipment Room.**
13. **Dead Storage Area.**
14. **Club Room(s):** to be set up in a boardroom style.
15. **Racquet Courts:** to include two (2) racquet courts.
16. **Health Club:** to include space available for weight equipment and stationary aerobic equipment and exercise.
17. **Public Washrooms:** to provide washrooms for public use in the food and beverage area and close access to the pro shop and 19th hole concession.

The above descriptions, and in particular the floor areas, are subject to final construction drawings and specifications and such other changes and alterations as the designer and the Limited Partnership may determine.

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SCHEDULE “B” – PURCHASE OPTION

THIS IS SCHEDULE “B” TO THE MEMBERSHIP AGREEMENT MADE AS OF THE 30th DAY OF JUNE, 1995 BETWEEN LAKESIDE GREENS GOLF & COUNTRY CLUB AND L.G. GOLF LIMITED PARTNERSHIP.

1. The Limited Partnership hereby grants to the Club the exclusive and irrevocable option to purchase, within the time limited for exercise (the “Option”), the Lands and Facilities (collectively called the “Property”) free and clear of all encumbrances, liens, estates and interests whatsoever except for any subsisting reservations or exceptions, including royalties contained in the original grant of the land from the Crown and also excepting the encumbrances, liens, estates and interests set out at the end of this schedule as the “Permitted Encumbrances” on and subject to the terms and conditions set out below.
2. The Option may only be exercised on the 30th day of November, 2001 (the “Option Exercise Date”) and shall be exercised by delivering to the Limited Partnership at the address specified, a notice in writing of such exercise together with a certified cheque or bank draft payable to the Limited Partnership in the amount of \$10,000.00. If the Club fails to exercise the Option in the manner required by the Option Exercise Date the Option shall immediately lapse and expire and be of no further force and effect and the Club shall have no further interest in the Property under the Option. In such event the Club shall immediately discharge any caveat or interest registered against the title to the Lands by virtue of this Option.
3. If the Option is exercised within the time and in the manner stated in **Clause 2** above, the parties hereto agree that the Limited Partnership shall be bound to sell and the Club shall be bound to purchase the Property on the terms and conditions set out below, namely:
 - a. The purchase price for the Property will be the then current fair market value thereof on the Option Exercise Date as agreed to by the parties. If the parties are not able to agree on such current fair market value, it shall be determined through an arbitration conducted in accordance with the Alberta Arbitration Act, using the services of three arbitrators to be agreed upon by the parties (or appointed by the Court in the absence of such agreement). The Club shall be given 120 days from the date the current fair market value is finally determined within which to arrange financing for the purchase, and if unable to arrange such financing the Club shall no longer be obliged to purchase the Property and shall be entitled to a refund of the \$10,000.00 payment referred to in **Clause 2** above. All costs related to any financing shall be paid by the Club.
 - b. Subject to **Clause 13** hereof, the closing date shall be 120 days following the date that the then current fair market value is established (the “Closing Date”).
 - c. all expenses and adjustable items with respect to the Property including without limitation all taxes, local improvement charges and assessments, expenses, prepaid items, utilities and any recoveries as defined in **Clause 5** below, shall be adjusted and paid between the parties as of the Closing Date.
4. On or before the Closing Date:
 - a. Subject to performance of the Club’s obligations hereunder, the Limited Partnership covenants to deliver to the Club’s solicitors:

term, covenant or condition to a party or circumstance other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, covenant or condition of this Option shall be valid and enforceable to the full extent permitted by law.

15. The Limited Partnership and Club agree that this Option contains all the terms, conditions, provisions and agreements relative to the purchase and sale of the Property and that there are no additional or collateral warranties, representations, agreements, terms, conditions or provisions whatsoever, including without limitation any relating to land use or the development of the Lands, except as expressly contained herein.
16. If the Club exercises the Option and subsequently fails to complete the purchase of the Property, for any reason, subject to **Clause 3a.**, the Limited Partnership shall be entitled, at its option, to terminate the Option by notice in writing to the Club and retain the consideration set out in **Clause 2.**
17. If the Limited Partnership is prepared to accept the payment of the purchase price subsequent to the Closing Date, which the Limited Partnership has no obligation to do, interest shall be payable on such sum at a rate per annum equal to 10% per annum calculated from the Closing Date to the date of payment and unconditional release of the purchase price to the Limited Partnership's solicitors. The obligation to pay interest on the purchase price, if the Limited Partnership is prepared to accept payment subsequent to the Closing Date, shall not be a waiver of time being of the essence of this agreement.
18. The Club agrees with the Limited Partnership that the Club shall not be entitled to assign this Option in whole or in part and that its agreement to observe this covenant shall be a complete and absolute prohibition against any such assignment. The Club further acknowledges and represents that its covenant to not assign this Option has induced the Limited Partnership to enter into this Option in the absence of which the Limited Partnership would not have done so, and in any action brought by the Club, the Club's covenant herein may be raised and pleaded as estoppel against it.
19. The Limited Partnership covenants and agrees not to sell, assign or in any way transfer its interest in the Property or any part thereof to any person other than the Club except by sale, assignment or transfer to a party with whom the Limited Partnership deals at arm's length, for a price payable in Canadian dollars and then not until the Property, or any part thereof, is first offered for sale to the Club upon the same terms and conditions. Upon receipt of written notice of a sale by the Limited Partnership of the Property or any part thereof, to an arm's length third party the Club shall have 60 days to exercise this right of first refusal by delivery of written notice to the Limited Partnership of its intent to purchase the Property or any part thereof upon the same terms and conditions as contained in the third-party sale. In the event the Club elects not to exercise the right of first refusal and the sale is not completed, the right of first refusal shall continue and apply to future transactions. In the event the sale is completed, the Limited Partnership shall ensure that the purchaser will be bound by the terms of the Membership Agreement with the exception of **Clause 5.12.**

Permitted Encumbrances

- Certificate of Title No. 931 206 530 +63

<u>Registration Number</u>	<u>Particulars</u>
911 059 349	Caveat by The Summer Village of Chestermere Lake re: Agreement under <i>Planning Act</i>
931 206 346	Caveat by Town of Chestermere

- Certificate of Title No. 931 206 530 +64

<u>Registration Number</u>	<u>Particulars</u>
7420 IT	Utility Right of Way to Calgary Power Ltd.
791 190 568	Surface Rights Board Order in favour of Calgary Power Ltd.
901 128 706	Caveat by The Summer Village of Chestermere Lake
901 211 950	Caveat by The Summer Village of Chestermere Lake re: Development Agreement
901 212 351	Utility Right of Way to The Summer Village of Chestermere Lake
901 229 427	Utility Right of Way to The Summer Village of Chestermere Lake
901 232 603	Utility Right of Way to Canadian Western Natural Gas Company Limited
911 059 349	Caveat by The Summer Village of Chestermere Lake re: Agreement Under <i>Planning Act</i>
911234 291	Caveat by The Summer Village of Chestermere Lake
921 160 490	Caveat by The Summer Village of Chestermere Lake
931 066 099	Utility Right of Way to The Summer Village of Chestermere Lake
931 086 597	Utility Right of Way to TransAlta Utilities Corporation

931 206 346

Caveat by Town of Chestermere

931 206 533

Utility Right of Way to Town of Chestermere

931 206 571

Caveat by The Calgary Regional Planning
Commission re: Deferred Reserve

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SCHEDULE “C” – JOB DESCRIPTIONS

THIS IS SCHEDULE “C” TO THE MEMBERSHIP AGREEMENT MADE AS OF THE 30th DAY OF JUNE, 1995 BETWEEN LAKESIDE GREENS GOLF & COUNTRY CLUB AND L.G. GOLF LIMITED PARTNERSHIP.

JOB DESCRIPTIONS

Administrative Manager

Will report to the General Partner of the Limited Partnership, and work with the various Club committees whenever possible.

The Administrative Manager will be responsible for all Administration, including:

1. Booking and scheduling of tournaments and other functions.
2. Preparing the annual operating budget.
3. Instituting proper accounting procedures.
4. Maintaining and keeping current the accounts receivable and payable.
5. Maintaining a current membership list.
6. Preparing monthly and year-end financial statements.
7. Providing the day-to-day operations of a front office.

The Administrative Manager shall:

1. Devote all necessary time to the Limited Partnership and the Club in the performance of his duties.
2. Manage, supervise and oversee the operation of the administrative offices.
3. Identify for the approval of the Limited Partnership, strategies, policies and decisions which effect the operation of the Golf Course.
4. Develop and implement all marketing and advertising programs designed to further the financial position and image of the Limited Partnership.
5. Act as a liaison and public relations person between the area homeowners, the Members, the Board of Directors and the Limited Partnership.
6. Maintain effective communication (including the printing of a newsletter) with the Members and administer the Board of Directors’ policies fairly and consistently with all Members.
7. Hire, train and provide adequate staff to properly service the administrative requirements of the Limited Partnership.
8. Work closely with the Superintendent, Head Golf Professional and Food & Beverage Manager to ensure that the Facilities are sufficient to service the needs of the Members and public.

Head Golf Professional (Professional)

Will report to the General Partner of the Limited Partnership, and will act as a liaison with the Club committees.

The Professional will be responsible for all golf operations, including:

1. The operation of a pro shop, maintaining inventory and retail sales.
2. The staff required for the pro shop.
3. The range and all staff requirements relating to the range.
4. The backshop and all staff requirements relating to the backshop.
5. All rental equipment and staff requirements relating to the rental equipment.
6. To operate within the budget requirements set out by the Limited Partnership.

The Professional shall:

1. Devote all necessary time to the Limited Partnership and the Club in the performance of his duties.
2. Conduct all Club golf tournaments and initiate and promote golf activities for Members and guests.
3. Hire, train and maintain a full staff of employees including assistant professionals to assure adequate service to Members and guests.
4. Offer advice and professional assistance to all Club committees such as Golf, Greens, House, Handicap and cooperate with the chairman of all committees.
5. Provide lessons to Members and provide Assistant Professionals with the training required to teach lessons.
6. Be responsible for the registration of power carts, collection of green fees and the booking of all tee times.
7. 7 Play with as many different Members as is possible throughout the golf season.
8. Represent the Limited Partnership and the Club in all professional events and participate in as many tournaments as is possible.
9. Act as a liaison and public relations person between the Members, the Board of Directors and the Limited Partnership.

Greens Superintendent

Will report to the General Partner of the Limited Partnership and will work with the various Club committees whenever necessary.

The Greens Superintendent shall:

1. Supervise the regular mowing, fertilizing, watering, seeding, reseeding, sodding and maintenance of all greens, tee boxes, fairways and rough on the Golf Course, including street boulevards that border the course, as well as snow removal when required.
2. Supervise all construction projects that the Limited Partnership requests.
3. Supervise the planting, watering, pruning and maintenance of all trees, shrubs and flowers on and around the Golf Course.
4. When planted, maintain one or more nurseries for trees, shrubs, flowers and sod.
5. Install and maintain fountains in various ponds as determined by the Limited Partnership and maintain the water quality of the ponds to standards determined by the Limited Partnership and set forth in the budget.
6. Maintain the general cleanliness of the Golf Course including the parking lot, trash collection Facilities and maintenance building.
7. Ensure that all machinery and equipment used in maintenance of the Golf Course and nursery is maintained and that regular servicing and repair is completed.
8. Provide accurate maintenance and capital budgets and do all things reasonable to maintain the Golf Course and Facilities within the budget and to provide assistance to the office in accounting for all maintenance expenses.
9. Select, hire and terminate the services of employees necessary to assist in the care an' maintenance of the Facilities as well as supervise and train them to properly carry their positions.

SCHEDULE “D” – PRIVATE CART POLICY STATEMENT

THIS IS SCHEDULE “D” TO THE MEMBERSHIP AGREEMENT MADE AS OF THE 30th DAY OF JUNE, 1995 BETWEEN LAKESIDE GREENS GOLF & COUNTRY CLUB AND L.G. GOLF LIMITED PARTNERSHIP.

1. **Private Cart usage:** Only Members, subject to **Clause 7**, shall be allowed to use a Private Cart on the Lands.
2. **Limited Number of Private Carts:** There shall be no more than 1 Private Cart for any Member.
3. **Model, Type, etc.:** Private Carts must be of the same general appearance as the carts from time to time used by the Limited Partnership in its own fleet, provided however that either electric or gas carts may be used by Members even though they may not be in use by the Limited Partnership. All Private Carts must have no fewer than four wheels.
4. **Mechanical Condition:** It shall be the responsibility of the Member to ensure that their Private Cart is at all times kept in fast class mechanical and operating condition. Failure to meet that standard may result in the Limited Partnership’s refusing to allow that Private Cart to be used on the Lands.
5. **Repair and Maintenance:** It shall be the responsibility of the Member to see to the repair and periodic maintenance of their Private Cart. Services may from time to time be available to Members in that regard from mechanics employed by the Limited Partnership but the availability of such services and the charges therefore will have to be negotiated between the Members and the Limited Partnership as the need may arise.
6. **Annual Permit:** At the outset of each golf season, a Member wishing to use a Private Cart on the Lands shall make the cart available to the designated staff member of the Limited Partnership for inspection and testing. If the cart is found to meet the requirements of this policy, the Member will be issued a permit which will authorize the use of the Private Cart on the Lands during that year, subject always to the overriding conditions of this policy.
7. **Persons Authorized to Use:** Only the Member, their Spouse or Intermediate Member of the Club within the Member’s own immediate family may use their Private Cart on the Lands. No children under the age of 16 may operate a Private Cart anywhere on the Lands. A Private Cart may not be lent, leased, rented or otherwise made available to any other person or party except only a person who actually accompanies the Member or another authorized user of the Private Cart for a round of golf on the Lands.
8. **Restricted Use:** Private Carts may only be operated on the Lands and for only their primary purpose, namely in connection with the game of golf, course conditions permitting.
9. **Parking:** Private Carts when being used in the vicinity of the clubhouse and other related Facilities, must be parked in the area from time to time specifically designated by the Limited Partnership for the parking of Private Carts. Private Carts shall not be parked together with the Limited Partnership’s own fleet of carts. No Private Cart trailers may be parked on the Lands.
10. **Use at Night:** No Private Cart may be used anywhere on the Lands except during daylight hours.

- 11. Overnight Storage:** No Private Cart shall be left overnight anywhere on the Lands. Private Carts shall not be left in the vicinity of the clubhouse overnight. In the case of a breakdown, it shall be the responsibility of the Member to have their Private Cart returned to their property as quickly as reasonably possible.
- 12. Off-Season Storage:** Off season storage shall be the responsibility of the Member and shall be at the expense of the Member. If storage services during the off season are available from the Limited Partnership, the cost thereof shall be negotiated from time to time between the Member and the Limited Partnership.
- 13. Gasoline:** Any gasoline used by a Private Cart must be purchased by the Member and will not be provided by the Limited Partnership.
- 14. Right to Impound:** Any Private Cart which is abandoned at any location on the Lands may be impounded by the Limited Partnership. Similarly, if a Private Cart is found being used on the Lands by persons who are not authorized to do so under the terms of this policy, then the Private Cart may also be impounded by the Limited Partnership. In the event of an impounding of a Private Cart by the Limited Partnership, the Private Cart may be held by the Limited Partnership which shall be deemed to have a valid lien on the cart pending payment of reasonable service and storage fees which shall from time to time be set by the Limited Partnership.
- 15. Rules of General Application:** Members and other authorized users of Private Carts shall at all times comply with all applicable rules and regulations set from time to time by the Limited Partnership with respect to the use and operation of golf carts generally on the Lands. Failure to do so or comply with any other aspect of this policy shall entitle the Limited Partnership to suspend a Member's privilege to utilize the Private Cart on the Lands for a period of time (not exceeding 1 year) as the Limited Partnership may deem appropriate under the circumstances.
- 16. Insurance:** Member's utilizing Private Carts on the Lands shall recognize that neither the Limited Partnership nor the Club shall have any obligation to carry any insurance with respect thereto. The Limited Partnership may from time to time as a condition of its issuing a permit to a Member to authorize the use of a Private Cart on the Lands, require the Member to purchase public liability and public damage insurance with respect to their Private Cart and the use thereof on the Lands, such insurance to have a minimum limit of \$1,000,000.00 per occurrence. All costs in connection with such insurance shall be borne and paid for by the Member. The Member shall deliver a certificate of such insurance to the Limited Partnership upon request.
- 17. Release:** The Member and all other family Members authorized under the terms of this policy to use a Private Cart, shall be conclusively deemed to have released, remised and discharged the Club, the Limited Partnership and their respective officers, directors, Members, employees, servants and agents, together with all other persons and parties who from time to time utilize the Lands, from and in respect of all manner of action or actions, cause or causes of action, suits, debts, dues, bonds, statutory obligations, sums of money, claims and demands whatsoever at law or in equity which may from time to time arise from or in connection with the ownership, use and operation of a Private Cart owned by such Member on the Lands or elsewhere on the Lakeside Greens development.

18. Indemnity: The Member shall be conclusively deemed to have indemnified both the Club and the Limited Partnership and shall be conclusively deemed to have agreed to hold both the Club and the Limited Partnership harmless from and in respect of all manner of action or actions, cause or causes of action, suits, debts, dues, bonds, statutory obligations, sums of money, claims and demands whatsoever at law or in equity which may from time to time arise from or in connection with the ownership, use and operation of a Private Cart owned by such Member on the Lands.

19. An Agreement: All Members who obtain a permit pursuant to the terms of this policy for the use of a Private Cart on the Lands and all family Members authorized to use a Private Cart shall be conclusively deemed to have agreed with the Club and the Limited Partnership to all of the terms and conditions set forth in this policy. Compliance with all such terms and conditions shall be a condition of such permit. No Private Cart may be used at any time on the Lands unless it is the subject of a valid and existing permit issued by the Limited Partnership pursuant to **Clause 6** of this Schedule.

BY ORDER OF THE BOARD OF DIRECTORS

<p>I, _____ hereby agree to the conditions established in this Private Cart Policy Statement. Signed this _____ day of _____, 19____</p> <p style="text-align: right;">_____ Member's Signature</p>
<p>This application is accepted this _____ day of _____, 19____ By Lakeside Greens Golf & Country Club:</p> <p style="text-align: right;">Per: _____ General Manager</p>

SCHEDULE "E" - LEGAL DESCRIPTION OF THE LANDS

THIS IS SCHEDULE "E" TO THE MEMBERSHIP AGREEMENT MADE AS OF THE 30th DAY OF JUNE, 1995 BETWEEN LAKESIDE GREENS GOLF & COUNTRY CLUB AND L.G. GOLF LIMITED PARTNERSHIP.

PARCEL 1:

ALL THAT PORTION OF THE SOUTH WEST QUARTER OF SECTION 15 TOWNSHIP 24 RANGE 28

WEST OF THE FOURTH MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE NORTH WESTERLY LIMIT OF A PUBLIC SURVEYED ROADWAY AS SAID ROADWAY IS ON PLAN IRR86, DISTANT 1928 FEET SOUTH WESTERLY FROM THE EASTERLY LIMIT OF SAID QUARTER SECTION, THENCE SOUTH EASTERLY AND AT RIGHT ANGLES TO LAST MENTIONED COURSE 594 FEET, THENCE SOUTH WESTERLY AND PARALLEL WITH THE SAID NORTH WESTERLY LIMIT OF SAID ROADWAY 247.5 FEET, THENCE NORTH WESTERLY AND AT RIGHT ANGLES TO LAST MENTIONED COURSE 594 FEET MORE OR LESS TO THE NORTH WESTERLY LIMIT OF SAID ROADWAY, THENCE NORTH EASTERLY ALONG SAID NORTHERLY LIMIT OF SAID ROADWAY 247.5 FEET MORE OR LESS TO THE POINT OF COMMENCEMENT, CONTAINING 1.364 HECTARES (3.375 ACRES) MORE OR LESS EXCEPTING THEREOUT:

<u>Plan</u>	<u>Number</u>	<u>Hectares</u>	<u>Acres</u>
Road	IRR86	0.154	0.375
Road	9210632	0.277	0.684
Subdivision	9311609	0.413	1.02

EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE SAME

PARCEL 2:

FIRST: MERIDIAN 4 RANGE 28 TOWNSHIP 24 SECTION 15

ALL THAT PORTION OF THE NORTH EAST QUARTER WHICH LIES SOUTH AND EAST OF ROAD DIVERSION ON PLAN 1620EZ AND WEST OF PARCEL 'A' ON PLAN 7840EU

CONTAINING 7.05 HECTARES (17.41 ACRES) MORE OR LESS ACCEPTING THEREOUT

<u>Plan</u>	<u>Number</u>	<u>Hectares</u>	<u>Acres</u>
Road Widening	1565LK	0.640	1.58
Subdivision	9011561	0.954	2.36
Road	9210632	0.740	1.83

EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE SAME

SECOND: MERIDIAN 4 RANGE 28 TOWNSHIP 24 SECTION 15

ALL THAT PORTION OF THE SOUTH EAST QUARTER WHICH LIES SOUTH EAST OF ROAD DIVERSION ON PLAN 1620EZ AND WEST OF CANAL RIGHT OF WAY ON PLAN IRR86

CONTAINING 53.2 HECTARES (131.47 ACRES) MORE OR LESS ACCEPTING THEREOUT:

<u>Plan</u>	<u>Number</u>	<u>Hectares</u>	<u>Acres</u>
Road Widening	1565LK	0.113	0.28
Subdivision	9011561	8.70	21.5
Subdivision	9011644	1.25	3.09
Subdivision	9112058	5.01	12.4
Road	9210632	0.176	0.43

EXCEPTING THEREOUT ALL MINES AND MINERALS AND THE RIGHT TO WORK THE SAME

THIRD: MERIDIAN 4 RANGE 28 TOWNSHIP 24 SECTION 15

ALL THAT PORTION OF THE SOUTH WEST QUARTER WHICH LIES SOUTH EAST OF THE SOUTH EASTERLY LIMITS OF THE PUBLIC ROADWAYS, ON PLAN IRR86 AND 1620EZ RESPECTIVELY EXCEPTING THEREOUT:

A) ALL THAT PORTION OF THE SOUTH WEST QUARTER DESCRIBED IN TRANSFER REGISTERED AS 8231FC AND CERTIFICATE OF TITLE 59N183, CONTAINING 1.21 HECTARES (3 ACRES) MORE OR LESS

B)

<u>Plan</u>	<u>Number</u>	<u>Hectares</u>	<u>Acres</u>
Road	1565LK	0.470	1.16
Road	9210632	1.883	4.65
Subdivision	9311609	6.037	14.9

EXCEPTING THEREOUT ALL MINES AND MINERALS

ADDENDUM – DEDICATED SENIORS DAY

The following will serve as an Addendum to the Lakeside Greens Golf & C.C. Membership Agreement for the following item:

Dedicated Seniors Day

The Partnership has agreed to a dedicated Time Slot of 8 – 10 am (60 Players) for Mondays (Tuesday on long weekends / Stars / Pro-Am) based on the following conditions:

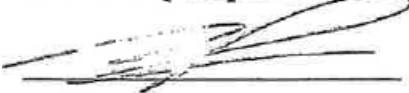
- ◆ 8 – 10 am would be provided when available.
- ◆ Alternately an 8 am Shotgun would be played when necessary to coincide with other Tournament Play.

In return for a dedicated senior’s day, the Partnership will be entitled to revised times currently reserved for Men’s Ladies, & Juniors which is currently (4 to 7 pm Monday through Wednesday) for the 2 hours allocated to Seniors as outlined below:

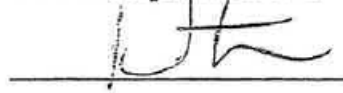
- ◆ Reserved times for Juniors and ladies will now read 4:30 to 6:30 pm.

The Members reserve the right to review the allotted times annually for Senior, Junior, Ladies, and Men to ensure that all categories of Members have ample reserved playing time allotted to them. Any future changes must be to the mutual acceptance of the Members and the Partnership.

Partnership Representative:



Board Representative:



Dated:

July 26, 10

JULY 26, 10