

**Kimberley Golf Club**  
**Extraordinary General Meeting of Members**  
**At**  
**Kimberley Golf Club**  
**415 302 Avenue**  
**Kimberley, British Columbia**  
**On**  
**13 June, 2019**  
**6:00pm (Mountain time)**

**Call to order**

Ron Christensen called the meeting to order at 6:02pm

**Purpose of the Meeting:**

To discuss and seek formal approval for, as a special resolution of members of the Club pursuant to section 92(1) of the Societies Act, the ratification of the Option to Purchase Agreement (the "Option") dated as of January 8, 2019 entered into between the Club and Purcell International Education Limited ("Purcell"), granting Purcell an option to purchase substantially all of the Club's assets for a purchase price of \$200,000 and assumption of certain of the Club's obligations as set out in more detail in the Option.

**Approval of the Agenda:**

The Agenda was presented.

Malcom Smith **moved** to approve the agenda. Seconded by Jim Scott. Carried.

**Confirmation of Quorum:**

With 106 members present we have a quorum.

**Presentation of Agreement Structure and Details**

**Transaction Structure**

- **Option** Agreement (Effective Date 08 January 2019 – expires 01 February 2020)
- Non-refundable Deposit of \$200,000
- Initiate preparations for Sales Agreement ● **Sales Agreement** (Must be exercised by 01 February 2020)
- Transfers all property and operations to PIE
- Employees transfer to PIE
- Assumption of all outstanding liabilities by PIE
- PIE commits \$175,000 to purchase of new/replacement equipment within 3 months of sale closing date;
- PIE commits to start building replacement holes within 18 months of sale

closing date (maintaining minimum par 71 course);

- KGC operates under **Service Agreement** with PIE
- **Vendor Option** in effect for 10 years after sale:
- Provides for return of golf course property upon any default by PIE;
- KGC listed on title with preference over any financial charges;
- KGC permitted to place liens on golf course equipment.

### **Transaction Details - Purchase**

PIE to acquire all current property of KGC, including:

- Lands including lands currently used for golf course;
- Buildings and fixtures;
- Equipment including course maintenance and golf carts;
- Inventories

PIE to transition all current personnel and maintain similar or improved terms as described in current employment agreements;

### **Transaction Details - Liabilities**

PIE assumes all liabilities or provides funds for discharge of liabilities prior to sale, including: ● RBC Mortgage (to be discharged by KGC after receipt of non-refundable deposit) ● Cart Lease (RBC Leasing); ● Equipment Lease (GolfLease); ● Current and short-term liabilities; ● Transaction costs (appraisal, legal and accounting services); ● All taxes, transfer fees and assessments resulting from the transaction including sales taxes, property transfer fees, capital gains taxes, property taxes

### **Transaction Details**

#### **- Future Investments**

PIE to commit to investments in the following:

- Replacement of all golf holes located on property identified for location of campus facilities prior to beginning construction of campus;
- Investment in golf course maintenance equipment, facilities and buildings;
- Provide for golf clubhouse, restaurant/lounge, cart storage and offices once constructed on current KGC lands as part of campus development;

### **Transaction Details**

#### **– Advisory Board**

PIE and KGC to form joint advisory committee to address:

- Ongoing operation of golf course and access by members;
- Standards for course maintenance and conditions;

## **Transaction Details**

### **– Ongoing Operations**

PIE and KGC Annual Planning:

- Renewal of membership rates (10 year agreement plus 5 year renewal intervals)
- Existing members – 2019 membership rates with future increases limited to CPI;
- PIE establishes membership rates for all members after 2019 season;
- KGC to maintain 130 to 300 members;
- Annual operating budget prepared by KGC Society and presented to PIE for approval;
- KGC to collect all membership fees and provide to PIE, less agreed upon operating budget;
- KGC to plan and operate all club tournaments, events and social activities and establish schedule of events with PIE.

### **Transaction Details – Next Steps**

KGC to commit to the following: ● Obtain approval from membership for sale of as described above; ● Removal of existing covenants on KGC lands, including:

- Discharge of RBC mortgage;
- City of Kimberley right of first refusal (based on 2019 Tax Exemption agreement); ● Arrange for transfer or termination of existing leases, agreements and permits including:
  - Cart Lease (RBC Leasing);
  - Equipment Lease (GolfLease);
  - Existing Vendor & Supplier Agreements;
  - Transfer of all licences and permits to PIE ● Support PIE in sub-dividing campus property from golf course and assist with changes to OCP and re-zoning;

### **Presentation by Duncan McLeod (Purcell International Education Ltd.**

Duncan McLeod presented the Background (what has been done so far) and explained the plans for the future. With the geopolitical situation there has been a need to have a new fundraising strategy, a new construction approach, a new timeline for development milestones, a new date for school opening and a look at new possibilities.

Why vote? So we can proceed.

### **Question and Answer Session**

Duncan answered questions from the floor.

### **Declare Vote:**

Ron Christensen explained the voting procedure.

**Motion:**

Lorne McIntosh **moved** “To ratify the Option to Purchase Agreement (the “Option”) dated as of January 8, 2019 entered into by Kimberley Golf Club (KGC) and Purcell International Education Limited (PIE), granting Purcell an option to purchase substantially all of the Club’s assets for a purchase price of \$200,000 and assumption of certain of the Club’s obligations as set out in more detail in the Option Agreement.”

Seconded by Rick Kavanagh.

**Results of Vote:**

**Opposed: 3**

**Abstention: 1**

**In Favour: 101** (one voting member left before the vote).

Ron Christensen declared the motion carried.

**Motion to Adjourn:**

Bill McLelland **moved** to adjourn the meeting. Seconded by Jeff Ablett. Carried.