

MEMBERSHIP DUES
ARE PRO-RATED BY 10%
AS OF MAY 1ST



CHILLIWACK GOLF CLUB

**JOIN NOW AND RECEIVE A \$500
CLUB ACCOUNT CREDIT!**

- Purchase a Full Play Membership
- Club shares and entrance fee required
- Offer valid through May 31, 2024
- Must be a new member or 5+ years inactive
- Monthly finance options available



FOR MORE DETAILS

604-823-4544 ext. 221
membership@chilliwackgolf.com

CHILLIWACK GOLF CLUB

NEW MEMBER SHARE PURCHASE

CLASS A SHARE: \$300

Required to be a member of Chilliwack GC.
Must be sold back at resignation.

CLASS B SHARES: \$1,000ea

Minimum purchase is four.

Required to receive reduced annual membership dues.

Shares earn dividends (prime less 2%, floor of 2%) and can be sold after five years.

Payment plans available, please inquire.

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Chilliwack Golf Club is a member owned equity share golf club. As an owner you have a say in how the club operates.

www.chilliwackgolf.com





Revised: April 15, 2024

In March 2024, the shareholders of the Chilliwack Golf and Country Club Holdings Ltd. voted to create and implement the sale of Class B shares. The sale of Class B shares was created to generate the capital funding required to finance the down payment for a new, much needed, irrigation system. Installation of the new irrigation system, including permanent water source, has begun and is expected to be completed early summer 2025.

The club determined that selling equity Class B shares was the preferred method of generating the capital needed (as opposed to a straight assessment) to complete the irrigation project. Class B shares are designed to retain equity and earn dividends (prime less 2%, floor of 2%). In addition to earning dividends (payable after a minimum of 5 years and upon termination of membership); Class B shareholders will receive reduced rates for annual membership dues. Members are not required to purchase Class B shares; however, if a member does not own a minimum of four Class B shares they will not be eligible to receive the reduced price on annual membership dues.

New members joining Chilliwack Golf Club have the option to purchase Class B shares to receive the equity shareholder benefits. The following information has been created to answer questions pertaining to the purchase of Class B shares.

Questions & Answers:

What is the Difference Between Class A Shares and Class B Shares?

Class A Share:

- Class A shares are considered common voting shares and have a fixed value of \$300.
- All members of Chilliwack Golf Club must own a Class A share.
- Should a member resign or leave, they are required to sell their Class A share back to the club.

Class B Share:

- Class B shares are non-voting shares and have a fixed value of \$1,000 ea.
- Members must own a **minimum of four shares** to receive the benefits of being a Class B shareholder.
- New members who join Chilliwack Golf and Country Club may, but they are not obligated to, purchase Class B shares. However, in order to qualify for the benefits that owning a Class B share provides (see below) a minimum of four Class B share must be purchased.

What Steps were Required by Shareholders to Create the New Class B Share?

- The common shareholders of the Chilliwack Golf and County Club Holdings Ltd. passed a special resolution (85% approval) to approve the creation of a new class of preferred shares to be called Class B Preferred shares.



- At the same time the name of the current common shares was changed to Class A Shares.
- Class B shares are non-voting shares, with the exception that they can vote on “material transactions.”
- “Material Transaction” are outlined in the company’s articles and include:
 - o Declaring or paying dividends to Class A Shareholders.
 - o Any borrowing by the company where total secured and unsecured indebtedness will exceed 60% of the appraised value of the golf course land and buildings.
 - o The sale of the golf course lands and buildings in a situation where the holders of the Class B Shares would not get repaid in full.
 - o Any change in Club policy that reduces or eliminates the Class B Shareholders right to receive not less than a 25% discount (compared to a member who does hold Class B shares) in Club membership dues.

What is the Cost to Purchase a Class B Share?

- Class B shares have a fixed value of \$1,000 per share.
- Shareholders that agree to buy Class B Shares must purchase a minimum of four shares (\$4,000)
- Shares may be purchased in single denominations after the initial four share purchase.
- Shareholders are encouraged to purchase multiple Class B shares in excess of four shares.

Are Class B Purchase Financing Options Available?

- The Club has set up a financing option for the purchase of four Class B Shares, the following conditions apply:
 - o A signed financing agreement must be signed.
 - o A \$1,000 non-refundable deposit is required at the time of joining.
 - o Class B shares will be issued following final payment.
- There are **three** financing options available:
 - o **Option #1: Twelve (12) Month Term**
 - Twelve equal payments of \$275 (Pre-Authorized Debit required)
 - Borrowing cost \$300
 - o **Options #2: Thirty-Six (36) Month Term**
 - Thirty-Six equal payments of \$100 (Pre-Authorized Debit required)
 - Borrowing cost \$600
 - o **Options #3: Sixty (60) Month Term**
 - Sixty equal payments of \$65 (Pre-Authorized Debit required)
 - Borrowing cost \$900

What Assurances Do I Have That My Investment is Safe?

- A \$500,000 managed investment fund is being professionally managed to ensure that sufficient funds are available to repurchase/redeem Class B shares in the future.
- Chilliwack Golf Club has engaged the services of Paul Donaldson of Odium Brown to manage this fund.



- This fund will grow in value annually and be maintained to ensure funds are always available to repurchase/redeem Class B shares when they are eligible to be repurchased/redeemed.
- None of the funds raised by sale of Class B shares will be spent until all required funds (\$1,200,000) are raised and the bank financing has been received. If for any reason sufficient funds are not raised to complete the project, you will be entitled to having your money returned to you.
- 100% of Class B share sale proceeds will be dedicated to the irrigation project.

What Affect Does This Have for PAYG (Pay As You Go) Members?

- PAYG members are encouraged to purchase Class B shares and will receive the same percentage discount (25%) on future PAYG membership dues.
- In 2025 (and beyond), PAYG members will have 2 options to consider:
 - o Option 1: They can stay as PAYG members. There will be a new price structure for PAYG members, similar structure to our “regular/FP” members. A PAYG member who is also a Class B share holder will save 25% on their 2025 PAYG membership dues.
 - o Option 2: They can convert to a FP membership. However, they would be required to pay the entrance fee and purchase a “common share” to become FP members. Current entrance fee is \$750 individual or \$1,125 for a spousal couple and the share is \$300 individual/couple.
- PAYG members who do not purchase a Class B will be paying higher dues than a PAYG member with Class B shares.

What Benefits Do I Receive for Being a Class B Shareholder?

- Contributing to the long-term success of Chilliwack Golf Club.
- Allowing members of the Chilliwack Golf and County Club “Society” to maintain controlling interest in the Chilliwack Golf Club (we dictate how our club is managed).
- Earning dividends on your investment. See below under “How Much will my Class B Share be Worth After 5 Years?”
- Class B shareholders will benefit by saving a **minimum of 25%** on annual membership dues with the purchase of 4 or more Class B shares.

In 2025 and Beyond, How Much will a Class B Member be Paying for Annual Membership Dues Versus a Non-Class B Member?

- We are forecasting that a Class B Full Play member will be paying \$3,888 in 2025 and a non-Class B Full Play member will be paying \$4,964, a difference of \$1,076 = 28% reduction or discount.



Chilliwack Golf Club 2025 Forecasted Membership Dues				
This table outlines the projected membership dues, effective January 2025. Forecasted dues include increase to offset additional bank financing costs (Principal and Interest) for the new irrigation system as well as inflationary costs of 3%.				
	Effective Jan 1, 2025			2025 Forecast Membership Dues Cost
	2024 Membership Dues Cost	2025 Inflationary Increase (3%)	2025 Bank Finance Increase	
Members With Preferred Shares				
Full Play	\$3,350	\$101	\$437	\$3,888
Spousal Full Play	\$6,365	\$191	\$831	\$7,387
Weekday/Weekend	\$3,200	\$96	\$413	\$3,709
Spousal Weekday/Weekend	\$6,080	\$182	\$785	\$7,047
Social	\$925	\$28	\$125	\$1,078
Intermediate I	\$2,150	\$65	\$285	\$2,500
Intermediate II	\$2,850	\$86	\$374	\$3,310
PAYG 19-24	\$2,000	\$60	\$260	\$2,320
PAYG 25-29	\$2,360	\$71	\$307	\$2,738
PAYG 30-39	\$2,720	\$82	\$354	\$3,155
PAYG 40-49	\$3,080	\$92	\$400	\$3,573
PAYG 75-79	\$2,960	\$89	\$385	\$3,434
PAYG 80-84	\$2,480	\$74	\$322	\$2,877
PAYG 85+	\$2,000	\$60	\$260	\$2,320
Members Without Preferred Shares				
Full Play	\$3,350	\$101	\$1,513	\$4,964
Spousal Full Play	\$6,365	\$191	\$2,876	\$9,432
Weekday/Weekend	\$3,200	\$96	\$1,429	\$4,725
Spousal Weekday/Weekend	\$6,080	\$182	\$2,715	\$8,977
Social	\$925	\$28	\$432	\$1,385
Intermediate I	\$2,150	\$65	\$985	\$3,200
Intermediate II	\$2,850	\$86	\$1,295	\$4,231
PAYG 19-24	\$2,000	\$60	\$840	\$2,900
PAYG 25-29	\$2,360	\$71	\$992	\$3,422
PAYG 30-39	\$2,720	\$82	\$1,142	\$3,943
PAYG 40-49	\$3,080	\$92	\$1,294	\$4,467
PAYG 75-79	\$2,960	\$89	\$1,244	\$4,292
PAYG 80-84	\$2,480	\$74	\$1,042	\$3,597
PAYG 85+	\$2,000	\$60	\$840	\$2,900

Please clarify spousal member options relating to Class B shares.

- Spousal members have the option to “share or piggy back” Class B shares, or they may each purchase their own Class B share. Either way, as long as they both have the same membership type (IE Full Play), they will continue to receive the 25%+ Class B shareholder discount as well as their spousal discount (an additional 5%).

When Can Class B Shares be Redeemed?

- Class B share redemption requests can be made any time following the 5th anniversary of the date on which the shares were originally purchased.
- The redemption price is the \$1,000 paid for each Class B share plus any accrued but unpaid dividends.



- Redemption requests will be paid out no later than 90 days following the end of the fiscal year in which the redemption request was received.
- The company shall not be obligated to redeem more than \$100,000 worth of Class B shares in any fiscal year. This \$100,00 amount includes accrued and unpaid dividends. Prior to redeeming any shares, the company must meet all bank requirements.
- At the end of Year 5, up to \$100,000 per annum can be used to pay back members who have left the club, who no longer wish to be members of the club going forward, or, alternatively, they wish to continue to be members of the club but simply want some or all of their Class B Shares repurchased. If a member however owns less than four Class B shares they do not qualify for the 25%+ discount on membership dues.
- In the case of the death of a Class B Shareholder the Class B Shares can be transferred to beneficiaries of the estate until they are redeemed/repurchased to avoid delaying estate closures.
- Class B shares can be transferred/sold by the Class B shareholder provided they provide notice of the proposed transfer, and the Board of Directors approves of the transfer.
- If you own Class B shares when you leave the Club, you cannot demand that the Club repurchase/redeem.

How Much will my Class B Share be Worth After 5 Years?

- Class B shares will earn dividends.
- Dividends are compounded annually based on the Royal Bank of Canada prime rate, minus two (2) percent per annum, with a minimum rate of 2% per annum.
- The dividend rate will be adjusted semi-annually each year (nearest business day to Jan 15 and Jul 15) to reflect changes in the Royal Bank of Canada prime rate.
- While the Board of Directors has discretion to pay these dividends out periodically, the current plan is that the dividends will accrue and be paid out at the time of redemption/repurchase of the Class B Shares.
- T-Slips will be issued upon redemption of Class B shares in the amount of the dividend income paid out on redemption.

In the Unlikely Event the Golf Club is Sold How Will My Investment be Repaid?

- In the unlikely event that the golf club lands and buildings are sold, the sale proceeds will be paid out in the following order of priority:
 - o Firstly – to the Bank
 - o Secondly – to other creditors
 - o Thirdly – to the Class B Shareholders, the \$1,000 redemption price for each share plus all accrued and unpaid dividends
 - o Fourthly – the rest will be divided equally amongst the holders of the Class A Shares

How Can I Purchase a Class B Share?

- Shares can be purchased through the club's Administration Office or online.



- Each shareholder will be required to complete a Subscription Agreement and to qualify under certain Securities Act requirements (please see office staff for details).
- Purchase of Class B shares can be made by cash, debit, cheque, e-transfer, online or payment/financing plan.
- Credit card payments will be subject to a 3% transaction fee.
- Class B shares will not be issued until payment is received in full.

How Can I Find More Information on the Purchase of Class B Shares?

- This document is intended to provide a summary of the Chilliwack Golf and Country Club Holdings Ltd. offering pertaining to the purchase of Class B shares.
- The Board of Directors of Chilliwack Golf Club encourages you to review the Holdings Ltd. articles for more information.
- The Chilliwack Golf and Country Club Holdings Ltd. draft articles supersedes this summary document.