



CLEARWATER GOLF CLUB LIMITED

Information Memorandum

August 2009

INTRODUCTORY LETTER

August 2009

It is with great pleasure that we are able to offer you the opportunity to become a member of Clearwater Golf Club ("Clearwater Golf") by purchasing a Clearwater Membership Share. Membership Shares are non-voting redeemable preference shares under Clearwater Golf's constitution and carry with them rights to use the Golf Course and the Clubhouse Facilities until 28 March 2101.

Clearwater is an international resort standard, 18-hole golf course with Clubhouse Facilities at Clearwater in Christchurch, New Zealand. It is one of the premier courses in New Zealand.

The Golf Course was designed by Darby Partners in consultation with New Zealand golfing legend Sir Bob Charles, the same design team that produced Millbrook in Arrowtown and Formosa in Auckland.

At 6,526 metres from the professional tees, Clearwater is one of the New Zealand Golf Association's highest rated courses and ranks as one of the longest courses in the country. Clearwater has hosted the New Zealand PGA Championship since 2004 and the Clearwater Classic for the two years preceding that. Five tee positions on each hole ensure that the course is both challenging and enjoyable for players of all levels. It is set amongst extensive lakes and clear flowing streams, native fauna and flora, grassland and native trees.

The Golf Course offers but one of many lifestyle pursuits available at Clearwater – walking, fishing, tennis, and boating are also available. Clearwater Golf Club includes Clubhouse Facilities comprised of tennis courts, changing rooms, the Members' Lounge and a carpark. A public driving range, the Golf Shop and a restaurant and bar are also available.

This information memorandum contains full details of the Membership Shares and the offer.

The attached application forms must be used when making an application for Membership Shares.

If you have any questions about the offer or about the application procedure, please telephone Clearwater Golf on (03) 360 2146 or fax (03) 360 2134.

Yours faithfully



Brian Vieceli
Chairman
Clearwater Golf Club Limited
PO Box 14 069, Christchurch Airport 8544, New Zealand, Tel +64 3 360 2146, Fax +64 3 360 2134

OFFER HIGHLIGHTS

Membership Share entitlements

- Upon payment of the applicable annual subscription fees, Membership Shareholders are entitled to use the following facilities without charge (provided the Clearwater Golf's constitution and club rules do not overrule such rights):
 - the Golf Course;
 - the changing facilities;
 - the exclusive Members' Lounge;
 - the tennis courts; and
 - the carpark.

and use, at concessional rates:

- the private dining room and conference facilities in the Clubhouse Building (by special arrangement with the hotel operator);
- golf carts (if a full round of 18 holes of the Golf Course is played); and
- the driving range (which is also available to the public).

and acquire at concessional prices:

- merchandise for sale at the Golf Shop; and
 - food and beverage in the Members' Lounge and the Lakes Restaurant and food in the Sprig Bar.
- See pages 4 to 6 for further details of Members' entitlements.
 - Full Playing and Accompanying Family Cardholders (not available under this offer), cardholding nominated employees of Corporate Membership Shareholders (not available under this offer), and residents and Board approved nominees of Resort Hotel Membership Shareholders who own a Hotel Villa or 3-Quay Apartment (not available under this offer) have similar rights. Accompanying Family Cardholders must be accompanied by a Full Playing Family Cardholder when playing the Golf Course.
 - Full details of the rights, obligations and restrictions attached to Membership Shares are contained in Clearwater Golf's constitution.

How do I buy a Membership Share?

- a) A total of 50 Individual Membership Shares are available under this offer. A total of 415 Individual Membership Shares are unsold at the date of this Information Memorandum.
- b) Fill in the appropriate application form at the end of this document.
- c) Pay to Clearwater Golf:
 - \$7,500 (including GST) for an Individual Membership Share; and
 - the applicable annual subscription fees for the balance of the year.

Clearwater Golf may offer special promotions from time to time.

What are the annual subscription fees?

Membership Shareholders will collectively meet the operating expenses (excluding depreciation) of the Golf Course and the Clubhouse Facilities and maintain the Capital Development Fund by payment of an annual subscription fee. Revenues from sources such as casual user green fees, guest green fees, tennis court hire and net revenues generated from the Golf Shop retail, driving range and equipment hire business will also be credited towards operating expenses.

Opening hours

Weather permitting and other than as set out below, the Golf Course, the Privately Operated Facilities and the Clubhouse Facilities may be open and available for use by Membership Shareholders and their guests on every day of the year, other than when statutory restrictions are imposed, for example, restrictions on serving alcohol. The Golf Course, the Privately Operated Facilities and the Clubhouse Facilities may also not be open and available for use by Membership Shareholders on designated tournament days (club, corporate and other) and on other days needed for the preparation for, holding of, and recovery from, special events.

Standard opening hours for the Golf Course and Clubhouse Facilities may vary depending on seasons and will be determined by either the Board of Clearwater Golf or the Club Committee from time to time. The Golf Course is currently available for play during normal daylight hours. Extended hours of use may be available in respect of the Clubhouse Facilities.

Accompanying Family Membership Cardholders, Membership Shareholders' invited guests, and casual guests are eligible to play the Golf Course at times that fall outside those tee times designated for tournament or club play. Guests, accompanying persons and non-Member players may play in Clearwater Golf Club events only at the discretion of the Club Committee. Nominated employees of holders of Corporate Membership Shares are only permitted to play in major club tournaments, such as Honour Board events, at the discretion of the Club Committee.

What happens on 28 March 2101?

On 28 March 2101, Clearwater Golf will redeem the Membership Shares and effectively cancel them by paying each Membership Shareholder the nominal sum of \$1.00 per Membership Share.

Individual Membership Shares

The holder of an Individual Membership Share must be a person at least 12 years of age (or such other age as the Board of Clearwater Golf from time to time determines) and someone whose membership has been approved by the Board of Clearwater Golf or the Club Committee.

An Individual Membership Shareholder must exercise his or her use and enjoyment rights personally. An Individual Membership Shareholder, who is over 18 years of age, may be accompanied by up to three green fee paying guests when using his or her Membership Card (who must pay green fees).

Family Membership Shares (not available under this offer)

A Family Membership Shareholder is entitled to:

- Full Playing Family Membership Cards for up to 2 immediate family members who are at least 12 years of age (or such other age as the Board of Clearwater Golf from time to time determines); and
- Accompanying Family Membership Cards for up to 2 other immediate family members who are in the 12 years to 25 years age range, or such other age range as the Board of Clearwater Golf from time to time determines.

Family Membership Shareholders who own residential land at Clearwater are entitled to apply for up to two Accompanying Family Membership Cards on payment of the annual subscription fee for Accompanying Family Membership Cards for use by guests provided that no Accompanying Family Membership Cards have been issued to immediate family members. Individual and Family Membership Shareholders who own residential land at Clearwater are also entitled to apply to the Board of Clearwater Golf for a waiver of their annual subscription fee on the basis that they will not use the Golf Course, or the Clubhouse Facilities.

Holders of Accompanying Family Membership Cards may use the Golf Course only when accompanied by a Full Playing Family Membership Cardholder, however they do not need to be accompanied by a Full Playing Family Membership Cardholder when they utilise the Clubhouse Facilities.

Family Membership Shareholders and immediate family members holding Full Playing Family Membership Cards who are over 18 years of age may be accompanied by up to three green fee paying non card carrying guests when using his or her Membership Card.

Corporate Membership Shares (not available under this offer)

Corporate Membership Shareholders must be a corporation, firm, government or local authority or other entity approved by the Board of Clearwater Golf. Corporate Membership Shares will be one of the following four types:

- a one cardholder Corporate Membership Share that entitles the holder to 1 Membership Card;
- a two cardholder Corporate Membership Share that entitles the holder to 2 Membership Cards;
- a three cardholder Corporate Membership Share that entitles the holder to 3 Membership Cards; or
- a four cardholder Corporate Membership Share that entitles the holder to 4 Membership Cards.

Nominated Employees: Holders of Corporate Membership Shares are entitled to nominate one (one cardholder Corporate Membership Share), two (two cardholder), three (three cardholder) or four (four cardholder) employee(s) to use their card(s). All nominated employees of Corporate Membership Shareholders are entitled to exercise the rights of the holder of that share, except they will only be permitted to participate in major club tournaments, such as Honour Board events, at the Club Committee's discretion.

Card Carrying Guests: Where the Corporate Membership Share entitles the holder to more than one Membership Card, the second and subsequent Membership Cards may also be used by guests who are not nominated employees, provided they are accompanied by a nominated employee carrying one of the Membership Cards. Each nominated employee or guest using a Membership Card on this basis is entitled to use the Clubhouse Facilities in accordance with the club rules. Guests using a Membership Card in this way are not required to pay green fees.

In addition to card carrying guests, each nominated employee of a Corporate Membership Shareholder over 18 years of age may be accompanied by up to three green fee paying non card carrying guests when using his or her Membership Card.

Resort Hotel Membership Shares (not available under this offer)

This class of Membership Share can only be held by the owner(s) of the Hotel at Clearwater Resort, or the owner(s) or a nominee of the owner(s) of a Hotel Villa or 3-Quay Apartment.

Resort Hotel Membership Shareholders have the same rights, privileges and restrictions as Corporate Membership Shareholders, sub-classified as a one cardholder Corporate Membership Share, with the following exception:

- the nominated cardholder of a Resort Hotel Membership Share may be the resident of the Hotel Villa or 3-Quay Apartment or any other nominated person approved by the Board of Clearwater Golf, only until such time as the shareholder removes them.

Honorary members

Clearwater Golf may at its discretion, appoint a person as an Honorary Member. Honorary Members will have the same rights, privileges and restrictions as Individual Membership Shareholders except they are not required to pay annual subscription fees, they do not hold a Membership Share, and their rights are not transferable.

Clearwater Golf's constitution provides that there will be no more than 15 Honorary Members at any time. At present there are six Honorary Members.

Membership Shareholders' additional entitlements

Membership Shareholders have entitlements in addition to the entitlements to use the Clubhouse Facilities and Privately Operated Facilities described above. They are:

- entitled to bring the number of guests in accordance with their class of Membership Share to use and enjoy the Clubhouse Facilities. Any invited guest of an Individual Membership Shareholder, Family Membership Shareholder or Full Playing Family Membership Cardholder who (in any case) does not own residential land at Clearwater (other than a Hotel Villa or 3-Quay Apartment), or Corporate Membership Shareholder or Resort Hotel Membership Shareholder (or their nominated employees) may visit and use the Golf Course and the Clubhouse Facilities up to a maximum of 12 times in any one year. This restriction is not applicable to Individual and Family Membership Shareholders, and their immediate family members who hold Full Playing Family Membership Cards, who hold residential land at Clearwater (other than a Hotel Villa or 3-Quay Apartment);
- entitled to nominate people to be approved by the Board of Clearwater Golf for admission to the Club Committee;
- not liable for any current or future debt incurred by Clearwater Golf;
- not entitled to either vote at or attend Clearwater Golf's shareholder meetings except at a special meeting to increase the maximum number of Membership Shares, or where shareholders' rights are affected;
- not entitled to take part in the management and operation of Clearwater Golf (except in those circumstances described in this information memorandum); and
- not entitled to participate in any distribution of surplus assets of Clearwater Golf, other than a partial return of the Membership Share purchase price in a liquidation, after payments are made to secured and unsecured creditors.

Membership Shareholders may not mortgage, pledge, or permit the creation of any lien or charge over any Membership Shares other than a lien arising under Clearwater Golf's constitution. Clearwater Golf may encumber the Membership Shares it holds in Clearwater Golf, and Clearwater Golf's other assets for financing its operations and capital expenditure.

Casual users

Depending on utilisation, Clearwater Golf may allow the Golf Course and Clubhouse Facilities to be used by casual users who are not Membership Shareholders, Accompanying Family cardholders or invited guests to enhance the revenues of the club. Casual users will be required to pay higher green fees than other guests do, and may have to be affiliated members of a golf club. These fees and restrictions will be as determined by the Board of Clearwater Golf from time to time.

Approval of members, nominees and guests

Upon application for a Membership Share under this information memorandum applicants must specify two referees as to character and reputation. Clearwater Golf reserves the right to make enquiries to determine whether any applicant is suitable to be a Membership Shareholder. The application form contains an express acknowledgement by applicants for the purposes of the Privacy Act 1993, authorising Clearwater Golf to make enquiries for this purpose and authorising the retention and use of personal information collected for this purpose.

On transfer of a Membership Share, under Clearwater Golf's constitution, the prospective holder of the Membership Share must be approved as a suitable person or organisation by the Board of Clearwater Golf and payment of the appropriate transfer fee must be made.

The decision of the Board of Clearwater Golf will be final and not subject to appeal. Similar provisions apply to the nomination by Corporate Membership Shareholders of their nominated employees.

WHO ARE THE DIRECTORS?

The names and addresses of the Directors of Clearwater Golf are:

Brian Vieceli
5 Mayfly Lane
Clearwater
Christchurch

Richard Vaughan Smith
22 Mayfly Lane
Clearwater
Christchurch

Michael Godinet
7a Rugby Street
Merivale
Christchurch

Barry Robert Johnston
22 East Stream Lane
Clearwater
Christchurch

John Austin
23 Mayfly Lane
Clearwater
Christchurch

Garry Moore
3 Lewisham Park
St Albans
Christchurch

The directors of Clearwater Golf Club Limited are also the directors and shareholders of the company which holds the ordinary shares in Clearwater Golf Club Limited on trust for Membership Shareholders.

PAYMENT DETAILS

Prices may change

The Directors of Clearwater Golf reserve the right to make private sales and placements of Membership Shares of any class on payment terms different from those set out in this information memorandum, and may from time to time, offer special promotions with reduced deposits, lower interest rates, smaller deferred payment amounts, and/or a time payment period.

Clearwater Golf is entitled under its constitution to re-designate a Membership Share of one class as a Membership Share of another class. This right has been exercised for some sales to date, and therefore the number of shares in existence differs from that which was originally created. The number of Membership Shares available has also been adjusted to anticipate class changes.

The Directors of Clearwater Golf reserve the right to accept or reject any application without giving any reason. Applicants whose applications are not accepted will have any money paid refunded in full, without interest.

The application will be irrevocable for a period of three months after the completed application form has been received by Clearwater Golf. Written notice of acceptance of applications will be sent to the address specified for this purpose in the application form and a Membership Share certificate will be issued as soon as practicable after acceptance.

Default in payment

If any payment is not made by the due date, time being of the essence, then Clearwater Golf may give notice specifying the default in payment and requiring the default to be remedied within a period of seven days after the date of the notice. If the default is not fully remedied within the seven day period, then Clearwater Golf may exercise all remedies (including suing the applicant for specific performance or cancelling the application). Any outstanding balance of the purchase price then unpaid shall, notwithstanding the payment terms above, become immediately due and payable without need for further notice to the applicant. In the event that the application is cancelled, then, without limiting its other remedies, Clearwater Golf may retain for its own benefit all sums paid to it by the applicant on account of the purchase price for the Membership Share and require the Membership Share to be transferred into the name of Clearwater Golf. Clearwater Golf may also sell the Membership Share in such manner and on such terms as Clearwater Golf thinks fit, and retain for Clearwater Golf's own benefit any part of the purchase price paid (including any increase in the purchase price).

Power of attorney in default

Should Clearwater Golf cancel the application following the applicant's default, the equitable interest in the Membership Share shall immediately revert in Clearwater Golf and the applicant hereby irrevocably appoints Clearwater Golf to be the

applicant's true attorney to do all things, including (without limitation) signing any transfer documents, to revest in Clearwater Golf any legal interests in the Membership Share.

Where to make payments

Application forms, purchase price, deposits and any instalments, are to be sent to Clearwater Golf Club Limited, Clearwater Avenue, Clearwater, PO Box 14 069, Christchurch Airport 8544. Cheques accompanying applications need to be made payable to "Clearwater Golf Club Limited", and should be crossed "Not Transferable".

If you would like more details about the offer or the application procedure, then please telephone Clearwater Golf Club on (03) 360 2146.

Oversubscription

If any class of Membership Share is oversubscribed then Clearwater Golf may:

- convert any other Membership Share to shares of the type and price which have been oversubscribed and then accept the application; or
- return the application.

GREEN FEES

Green fees for guests and non-members

The standard casual green fee for non-members is currently set at \$130 (including GST). New Zealand Golf Association affiliated members currently pay \$80 (including GST). Currently green fees for guests accompanying members are \$50 (including GST). Guests staying in the hotel at Clearwater receive concessionary green fees as negotiated with the hotel operator. Upon payment of the applicable fee, there is no restriction on the number of times a registered guest staying in the Hotel can use the Golf Course or the Clubhouse Facilities (excluding the Members' Lounge).

All green fees will be subject to change from time to time.

WHAT ARE MY RISKS?

No return of membership purchase price

The Membership Share purchase prices will not be paid back to applicants. If Membership Shares are redeemed on the Redemption Date, no part of the Membership Share purchase price paid by an applicant will be repayable other than a nominal amount of \$1.00. On the Redemption Date, money received by Membership Shareholders will be less than the amount of the Membership Share purchase price paid to Clearwater Golf.

While all Membership Shares are transferable, the ability of a Membership Shareholder to sell a Membership Share, and the price obtainable, depends on the demand for Membership Shares. Thus a Membership Shareholder wishing to sell a Membership Share may not be able to sell it and/or recover the amount of the purchase price paid by that Membership Shareholder to Clearwater Golf.

Special trade factors and risks

Special trade factors and risks that could materially affect Clearwater Golf are:

- The successful operation of the Golf Course, Clubhouse Facilities, and Privately Operated Facilities, and the Membership Shareholders' ability to use (and to nominate or invite others to use) the Golf Course, Clubhouse Facilities and Privately Operated Facilities will depend upon their proper management plus Clearwater Golf's (or the provider of those Privately Operated Facilities) ability to generate revenue.
- If revenues from annual subscription fees, green fees, tennis court hire, and net operating earnings from the Golf Shop retail, driving range and equipment hire business are not enough to cover the cost of operating and maintaining the Golf Course and Clubhouse Facilities, any shortfall may be bridged by Clearwater Golf reducing maintenance and services to Membership Shareholders and/or by increasing annual subscription fees.
- Membership Shareholders risk not being able to use the Golf Course, the Clubhouse Facilities and the Privately Operated Facilities if Clearwater Golf or the provider of the Privately Operated Facilities goes into liquidation. In the event that Clearwater Golf goes into liquidation, if there is a surplus after payments are made to creditors, Membership Shareholders will have priority ahead of ordinary shareholders. Even so the amount payable to Membership Shareholders might be less than what they have paid to purchase those shares.
- Any widely owned golf course is subject to the risk of overcrowding. Membership Shares are limited to 1,249 Individual Membership Share Equivalents to reduce the possibility that the Golf Course and Clubhouse Facilities at Clearwater become overcrowded. The possibility may arise when the Shares near being fully sold, and, if there is a high hotel guest utilisation when the hotel becomes fully operational, overcrowding may occur at peak times. If it occurs, Clearwater Golf may reduce the availability of the Golf Course to unaccompanied casual green fee players, but that could impact on Clearwater Golf's revenues and increase annual subscription fees.
- The value of a Membership Share will depend on the ability of a Membership Shareholder, who wishes to sell, to attract potential purchasers for his or her Membership.
- The use of the Golf Course, Clubhouse Facilities and Privately Operated Facilities by Membership Shareholders may be affected by weather, flooding, fire, hail, lightning, earthquake, infestation by some weed or other growth and other adverse conditions, by industrial disputes and by other events which are beyond the control of Clearwater Golf. Because the Golf Course is built on a flood plain, if the 1 in 100 year flood protection afforded by flood banks along the Waimaikari River were breached, there could be damage to the Golf Course, the Clubhouse Facilities and/or the Privately Operated Facilities, although the Golf Course has been contoured to assist and not obstruct the passage of any flood water. The Clubhouse Facilities are insured at full replacement value, however the Golf Course is not insured.
- Economic factors will affect the value of the right to use the Golf Course and the Clubhouse Facilities conferred by Membership Shares, and the level of expenses to be covered by annual subscription fees. These factors may include the level of tourism in New Zealand and changes in the health of either the local or wider New Zealand economies or the international economy.
- Membership Shares can be forfeited for non-payment of annual subscription fees or other amounts owing to Clearwater Golf. Membership Shareholders can also be penalised, fined or suspended for breach of the terms of the Membership Share, the club rules, or the constitution by that person, its nominated employee or guest.

Consequences of insolvency

If Clearwater Golf is placed in liquidation prior to the Redemption Date, then under the terms of Clearwater Golf's constitution, Membership Shareholders will be entitled to preferential capital repayment in priority to the rights of ordinary shareholders, after payments are made to secured and unsecured creditors.

If Clearwater Golf was to be liquidated, Membership Shares will be redeemed by Clearwater Golf and Membership Shareholders will be entitled to the partial return of the Membership Share purchase price paid in accordance with the following formula (which is set out in Clearwater Golf's constitution):

The amount of the payment is calculated as follows:

RUA = (UY/99) x Price Movement x Subscription Amount

Where:

RUA = Repayment of unamortised capital;

UY = Number of complete years from the date of redemption until 28 March 2101;

Price Movement = Change in the New Zealand Consumer Price Index (all groups) or the closest approximation thereto measured annually and applied to the Subscription Amount and compounded annually;

Subscription Amount = For each class of Membership Share, the "Stage 2 price per share" as stated in the initial prospectus for the Membership Shares. The subscription amount, in respect of Family Membership Shares purchased by owners of residential land at Clearwater, will be deemed to be the amount paid by holders of Family Membership Shares who do not own residential land at Clearwater.

If the available funds of Clearwater Golf do not permit the repayment of all preferential capital repayments to be made in full, payments will be made on a pro rata basis.

If Clearwater Golf becomes insolvent, Membership Shareholders will not have any liability to make any payments as a result of that insolvency. Any insolvency money available for distribution to Membership Shareholders in accordance with the above formula will be subject to payment of prior claims on the assets of Clearwater Golf. Prior claims will include all creditors (both secured and unsecured).

Any insolvency redemption payments would also be subject to all legislation applicable at the time. If each of the Membership Shareholders' entitlements is fully met and there are still surplus monies, these will be paid to the ordinary shareholder as a trustee for Membership Shareholders. The entitlement of Membership Shareholders to amounts payable to them in accordance with the above formula will rank equally among Membership Shareholders and ahead of the amounts payable to the ordinary shareholder.

Can the constitution and club rules change?

Membership Shares are issued under the terms of Clearwater Golf's constitution.

Clearwater Golf's constitution allows the rights and obligations attached to Membership Shares to be altered by the passing of a special resolution of each group of Membership Shareholders whose rights are affected (a group comprises Membership Shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way), with the approval of the ordinary shareholder.

The rights and obligations attached to Membership Shares may also be affected by an amendment to the club rules. Clearwater Golf's constitution permits the Board to issue club rules, from time to time, relating to the operation and use of the Golf Course and Clubhouse Facilities and also entitles the Board to amend the club rules from time to time, as the Board thinks fit. The Royal and Ancient Rules apply to Members however Clearwater Golf's constitution permits the Board to issue club rules.

Can I sell my Membership Share?

Membership Shares can be sold to a person who is eligible to hold that class of Membership Share provided certain conditions contained within Clearwater Golf's constitution are followed. These require that all re-sales be subject to the approval of the Board of Clearwater Golf and to the payment of a transfer fee to Clearwater Golf. The transfer fee is subject to change from time to time at the discretion of the Board of Clearwater Golf and is currently set at \$250 (plus GST).

Clearwater Golf has the first right of refusal to purchase any Membership Share being offered for sale at a price determined by Clearwater Golf. If no agreement is reached, the Membership Shareholder may sell the Membership Share

to a third party, but only at least at the price Clearwater Golf offered to buy the Membership Share, unless the Board of Clearwater Golf agrees otherwise.

The Board of Clearwater Golf will not consent to the transfer of a Membership Share unless all obligations attaching to that Membership Share have been fully complied with. For example, if there are any monies owing in respect of a Membership Share to Clearwater Golf (including outstanding purchase price money or annual subscription fees), the Board will not consent to the transfer of that Membership Share until those monies have been paid in full.

Approval

The Board of Clearwater Golf may require evidence that the proposed transferee is respectable, responsible and able to comply with all the obligations (including financial) and restrictions attaching to the relevant Membership Share and the club rules before approving any transfer.

Transfer fee and costs

A transfer fee will not be payable in respect of transfers of Membership Shares to the relevant Membership Shareholder's personal representative on the death of the Membership Shareholder or a beneficiary under the Membership Shareholder's will or letters of administration following the death of the Membership Shareholder.

A direct or indirect change in the effective management or control of a Corporate Membership Shareholder is deemed to be a transfer of the Corporate Membership Share held by that shareholder. The transfer fee is subject to change from time to time by the Board of Clearwater Golf.

Transfer procedure

The transfer procedure requires that Membership Shareholders give written notice to the Board of Clearwater Golf specifying the terms and conditions of the intended sale and the particulars of the proposed transferee required by the Board. Provided all conditions of transfer are met, a Membership Share is transferred by entry of the name of the transferee in Clearwater Golf's share register.

Waiver of transfer requirements in constitution

Under the constitution, the Board of Clearwater Golf may waive any requirements which the constitution imposes on the transferability of Membership Shares.

Forfeiture by Membership Shareholders in breach

Breaches of Clearwater Golf's constitution by Membership Shareholders may result in the forfeiture of their Membership Shares. A breach of the club rules and non-payment of any money owing to Clearwater Golf may also result in Membership Shares being forfeited. There will be other situations (for instance where a Membership Shareholder has been convicted of a criminal offence) where Clearwater Golf has the discretion to forfeit a Membership Shareholder's share.

The holder of a Membership Share which has been forfeited, ceases to be a shareholder in respect of the forfeited Share but remains liable to Clearwater Golf for all money payable in respect of the forfeited Membership Share.

In the event that Clearwater Golf forfeits a Membership Share, Clearwater Golf's constitution provides that Clearwater Golf may resell the forfeited Membership Share. Upon any resale, after payment of any monies owed on the forfeited Membership Share to Clearwater Golf (due to Clearwater Golf's first lien on Membership Shares), Clearwater Golf will be entitled as a lien on the proceeds of the sale to retain an amount equivalent to the cost of any expenses incurred in the sale (including any sale commissions) together with any money owing or outstanding to Clearwater Golf in respect of that Membership Share (for example unpaid annual subscription fees). If there is any remaining surplus then the surplus will be paid to the Membership Shareholder whose Membership Share has been forfeited.

What other information can I obtain about this decision?

Other information about Clearwater Golf is contained in the financial statements of Clearwater Golf. A copy of the financial statements of Clearwater Golf is available free of charge upon request by telephone or in person from Clearwater Golf Club, Clearwater Avenue, Clearwater, PO Box 14 069, Christchurch Airport 8544 or by telephoning 03 360 2146.

A copy of Clearwater Golf's financial statements, the constitution and other documents are filed on the public register with the Companies Office of the Ministry of Economic Development and are available for public inspection on the electronic register on www.companies.govt.nz on payment of any relevant fee.

Who do I contact with enquiries about my membership?

Enquires about the Membership Shares shall be made to:

General Manager
Clearwater Golf Club Limited
Clearwater Avenue
Harewood
PO Box 14 069
Christchurch Airport 8544

Telephone: (03) 360 2146

Fax: (03) 360 2134

GLOSSARY OF TERMS AND DEFINITIONS

Capital Development Fund means the cash reserves to be maintained by Clearwater Golf in a separate bank account for the purpose of funding the replacement or upgrade of course maintenance equipment, and significant upgrades or additions to the Golf Course or Clubhouse Facilities in the future.

Clearwater Golf means Clearwater Golf Club Limited, a New Zealand company having its registered office at Clearwater, Clearwater Avenue, Clearwater, Christchurch.

Clearwater Golf Club means the golf club operated for the benefit of members and the management of the Golf Course at Clearwater.

Clubhouse Building means the architecturally designed building that houses the restaurant, bar, private dining room, conference facilities, and Members' Library at Clearwater.

Clubhouse Facilities means the tennis courts, changing rooms, the Members' Lounge and carpark.

Golf Course means the 18 hole golf course at Clearwater in Christchurch, New Zealand.

Membership Card means the card issued to holders of Individual Membership Shares, Family Membership Shares, Corporate Membership Shares and Resort Hotel Membership Shares as evidence of their holding.

Membership Shares means the non-voting redeemable preference shares in Clearwater Golf, issued for a fixed term, expiring on 28 March 2101. Membership Shares include Individual Membership Shares, Family Membership Shares, Corporate Membership Shares and Resort Hotel Membership Shares.

Membership Shareholders means the existing or future holders of Membership Shares.

Privately Operated Facilities means the restaurant, bar, private dining room, conference facilities, and the Members' Library at Clearwater.

Redemption Date means the date on which the Membership Shares expire, being 28 March 2101. On this date Clearwater Golf will redeem the Membership Shares and effectively cancel them by paying each Membership Shareholder the nominal sum of \$1.00.

INSTRUCTIONS TO APPLICANTS

1. Form of Application

Applications must be made on the attached application form.

2. Price and Payment

The application form sets out the price for the share. Cheques accompanying applications should be made payable to "Clearwater Golf Club Limited" and crossed "Not transferable".

3. Offer is Irrevocable

Applications will be irrevocable for a period of three months after the completed application form has been received by Clearwater Golf Club Limited ("Clearwater Golf").

4. Acceptance or Rejection

The directors of Clearwater Golf reserve the right to accept or reject any application without giving a reason. If the application is accepted an unconditional contract for the sale and purchase of the Membership Share arises between Clearwater Golf and the applicant, which includes the terms and conditions contained in this information memorandum. Written notice of acceptance of applications will be sent to the address specified for this purpose in the application form. If an application is not accepted, any application moneys will be refunded to the applicant without interest. The decision of Clearwater Golf to decline any application shall be final.

5. Signing Instructions

Applications must be signed by the applicant(s) personally (unless the applicant is under 19 years of age), or by his or her attorney(s). If signed by an attorney or agent, a copy of the relevant power of attorney or other form of authority must be submitted with the application. A certificate of non-revocation of power of attorney, in the form outlined on the application, must also be completed.

6. Age of Applicant

A person applying for an Individual Membership Share must be at least 12 years of age. Applicants who are not over the age of 18 must have an individual sign the application form who:

- (a) is over the age of 18; and
- (b) is willing to accept responsibility for the applicant's obligations in relation to the Membership Share.

7. Referees

Applicants must specify two referees as to character and reputation. Clearwater Golf reserves the right to make enquiries to determine whether an applicant is suitable for membership.

8. Where must Applications be Sent

Application forms must be sent, together with the application money to Clearwater Golf Club Limited, PO Box 14 069, Christchurch Airport 8544.

APPLICATION FORM: INDIVIDUAL MEMBERSHIP SHARE

Applicant's Details

First Name: _____

Surname: _____

Full Postal Address: _____

E-mail Address: _____

Date of Birth: _____

Telephone (Business): _____

(After Hours): _____

Purchase Price: \$7,500

Two Referees' Particulars

Full Name: _____

Full Postal Address: _____

Telephone (Business): _____

(After Hours): _____

Full Name: _____

Full Postal Address: _____

Telephone (Business): _____

(After Hours): _____

To: **Clearwater Golf Club Limited**

I hereby apply for an Individual Membership Share in Clearwater Golf Club Limited ("Clearwater Golf"). This application is made on the terms set out in the Information Memorandum dated August 2009 and this application form. I agree, subject to this application being accepted by Clearwater Golf, to accept the Individual Membership Share allocated to me and I also agree to be bound by the constitution of Clearwater Golf and by the Clearwater Golf club rules, as amended from time to time.

(tick box, choose only one option)

I am over the age of 18 years, and am applying for membership on my own behalf and not on behalf of any other person, or in any capacity as trustee;

OR

The applicant has not attained the age of 19 years, and I

Full Name

Full Postal Address

Phone Number

being over the age of 18 years am applying for membership on the applicant's behalf and this application shall be enforceable and binding upon me.

I agree that this application will amount to an offer to purchase an Individual Membership Share which remains irrevocable for a period of 3 months after the completed application form has been received by Clearwater Golf.

I enclose with this application: \$7,500

I waive my entitlement to receive annually, a copy of the Annual Report for Clearwater Golf Club Limited

Yes No

Privacy Act 1993

Clearwater Golf may wish to obtain further information in respect of this application in order to decide whether or not the application is to be accepted. In providing referee details, the applicant permits Clearwater Golf to release any of the information in this application to the referees. The applicant also permits the referees to provide Clearwater Golf with any information it might want to make a decision on the financial status and reputation of the applicant. Clearwater Golf collects and holds personal information about applicants. You may request access to any personal information Clearwater Golf holds about you by calling us on (03) 360 2146 or fax (03) 360 2134. You may also request correction of any personal information Clearwater Golf holds about you. Depending on the nature of your request, a charge may be imposed for providing you with or correcting any personal information.

Attorney

Where an attorney signs this application form on behalf of the applicant that person must complete the details set out below and provide a copy of the power of attorney with this application form. An attorney can sign this application form on behalf of the applicant only if he or she holds a power of attorney.

Signed by the applicant or attorney (if applicable) _____
Date

I, _____
Name of attorney

of _____
Address of attorney

Occupation

Hereby certify that:

- By power of attorney dated the _____ day of _____, _____ ("the Donor") of _____ appointed me as his/her attorney on the terms and subject to the conditions set out in the Power of Attorney.
- I have executed the application for Membership Share on the face of this form as attorney under the Power of Attorney and pursuant to the powers hereby conferred upon me.
- At the date of this application I have not received any notice or information of the revocation of the Power of Attorney by the death or winding up of the Donor or otherwise.

SIGNED at _____

this _____ day of _____ 200

Signature of attorney