



December 4, 2024

Dear Fellow Member:

Attached with this letter is your statement for the month ending November 30, 2024, which includes the first installment of your annual fees for fiscal 2025.

In the determination of fees, both annual and entrance, the Board is governed by the following principles:

- the continued delivery of high levels of service to which members have grown accustomed;
- the continued improvement of our courts and courses;
- the continued development of the functionality and appearance of the clubhouse and dining areas; and
- the continued focus on the Club's strong financial foundation in order to provide for members' enjoyment well into the future.

Based on a considered analysis by the Finance Committee and the support of Management, the Board has approved a 4.0% fee increase for 2025.

At the end of fiscal year 2024, all member categories are at quota with extensive Restricted Play Lists and Waiting Lists for Gold Golf and Annual Tennis. The increase in membership over the past 5 years has provided capital funding for upgrading both our golf courses and our tennis facilities, replacement of the Clubhouse roof, refurbishment of the Clubhouse exterior, and allowed us to retire the long-term debt of the Club. A full membership has also produced the added benefit of predictable annual fees to fund our operating budget. The budget has been developed taking into account inflation of input costs experienced in the past year, including wage costs, food ingredients and course maintenance supplies. Additionally, tight labour markets in the GTA have generated turnover of staff with a resulting increase in the wages required to attract replacements. Management is employing a number of tactics to offset these cost increases.

The Board, ably supported by Management and the Finance Committee, continues its historic focus on the efficiency of the Club's cost structure, without comprising the level of service required to meet member expectations of a premium private club experience.

For member reference, the annual fees for fiscal 2025 have increased 4% over 2024 as follows:

Member Category	2025 Membership Annual
Gold Golf/Gold Hybrid	\$8,725
Silver Golf	\$6,930
Bronze Golf	\$5,910
Valley Golf	\$3,480
Annual Tennis	\$3,465
Clubhouse	\$1,850
Intermediate Golf (graduated)	\$3,500-\$8,725
Gold Golf Junior	\$2,485
Silver Golf Junior (Valley	\$1,545
Bronze Golf Junior (Valley	\$735

Members' annual fixed service charge has increased from \$280 to \$300. Food and Beverage Minimums will remain at \$550 per semi-annual period ending January 31 and July 31, 2025, or \$1,100 annually ending October 31, 2025, as detailed on your monthly statement.

A review of a sample of competitive private golf clubs in the Greater Toronto Area indicates the approved annual Gold Golf fees at Lambton are competitive with the peer group, supporting the Club's "premium product at a competitive price" value proposition.

Lambton is a not-for-profit organization and consequently operates on a "breakeven basis" over its normal business cycle. Preliminary fiscal 2024 results indicate we achieved a net surplus only slightly above breakeven, and we have again budgeted for a small surplus of revenues less expenses in fiscal 2025. Based on a 4% fee increase in fiscal 2025, achieving a breakeven result will require careful monitoring of operating costs by Management and the Board throughout the year.

Our Budget assumptions for 2025 are conservative and include the following:

- Guest green fees for the Championship Course will increase from \$175 to \$220 per guest round and up to 6 discounted fees, increased to \$150 per guest round, may be purchased until May 31st.
- Guest green fees for the Valley Course will increase from \$45 to \$50 per guest round and up to 4 discounted fees, unchanged at \$35 per guest round, may be purchased until May 31st.
- Tennis guest fees will remain at \$30 during the winter and the summer seasons.
- Large Locker Fees have been held at \$125.
- Power cart fees will remain unchanged from 2024 and are expected to generate revenue of \$130K.
- EK storage will drop from \$350 to \$200 for those members who take their batteries and remotes home. Current EK members will have the option to keep their batteries and remotes storage at the Club for \$350. Personal cart storage will remain at \$200 to be in line with EK storage.
- Food and beverage operations are budgeted to experience an operating investment of approximately \$674K for the fiscal 2025 year, based upon expected levels of non-member events and increased staffing costs.
- \$25 will continue to be charged to all Senior and Intermediates in preparation for the Club's 125th Anniversary.
- The service charge for private events will remain at 20%.
- Staff wage inflationary increases are forecasted to be 4%.
- Budgeted capital spending in 2025 is allocated primarily to maintenance of our courses and existing Clubhouse facilities.
- The annual Capital Improvement Fund levy is intended to provide the necessary capital for the maintenance, upkeep or replacement of existing Club assets. Based on expected maintenance requirements in 2025 and beyond, the annual Capital Improvement Fund levy has increased from 12.5% to 15%, the maximum amount provided for in the Lambton Club Bylaws.

The annual fees that are included in the attached statement are payable by December 31st. Upon further discussion and review by the Board, as was the case last year, your annual fee will be billed in three installments as follows:

- 1) The first installment of your annual fee payments will include one third of your annual fees plus all other fees such as your capital improvement fund, fixed service charge, lockers, etc. This payment is due by December 31, 2024;
- 2) The second installment will be billed on your January statement for one third of your annual fees and is due by February 28, 2025; and
- 3) The third installment will be billed on your February statement for the final third of your annual fees and is due by March 31, 2025.

For members who wish to pay their annual fee in one payment, please contact Ginger Burke at gburke@lambtongolf.com and your account will be adjusted accordingly.

Please note the deadline for golf or social members to make membership changes is January 31, 2025. Please contact Ginger Burke if you have any questions.

In closing please do not hesitate to contact David Main, General Manager/COO, at dmain@lambtongolf.com if you have any questions.

On behalf of the Board, I would like to take this opportunity to wish you and your families the best of the holiday season with warm wishes for good health and much happiness in the New Year.

Respectfully,

A handwritten signature in blue ink, appearing to read "Greg", with a stylized flourish at the end.

Greg Nordal
President