



400 – 7th Street NW Mailing address: PO Box 5503 High River, AB T1V 1M6 Tel: 403-652-3644 Fax: 403-652-1316

President's Report

I think you will all have to agree that 2010 was truly a magnificent and sometimes trying year for the Highwood Golf and Country Club.

The poor weather early in the season definitely had an impact on the Club's revenue and on the construction schedule of our new Clubhouse. There is no doubt that we all would have preferred to move into the new building earlier, however, as with any project of this magnitude, there were many factors that had an impact on the construction process. The end result though, is a new Clubhouse that is simply outstanding and one that will serve the needs of our membership for many years to come.

As you may have seen from the notice of the annual meeting, the Board is seeking shareholder approval for a loan of \$250,000. This money will ensure that the Clubhouse project (landscaping, asphaltting, practice green, etc.) is completed and ready for the commencement of the 2011 golf season. The money required to service the loan is included in the 2011 capital budget. The \$250 mortgage fee has not changed. However, fees, on average, have increased by \$150 for 2011. I wish to stress that the bulk of the increase is not a consequence of the new Clubhouse project. The Board is unanimous in its resolve to move the Club to a more sound financial position. Increases in fees are not taken lightly and are only contemplated after the Board is confident that all facets of the operating and capital budgets have been fully scrutinized and justified by the Director of Golf Operations and his department heads.

This past year was indeed a challenge. As mentioned earlier the weather did not cooperate to any great extent; our clubs were stored in a container and our Golf Operations staff were relegated to the basement. A place that not too many years ago was knee deep in sludge. We operated without a practice green and I will easily bet that most of us consumed at least a pound or so of dust in our travels to and from Mountainview # 1.

I wish to thank Doug Robb for his outstanding work in 2010. Under his leadership we made it through a difficult year. His commitment to the Highwood is unparalleled. Doug has recently taken on the additional task of overseeing the day to day activities of our in-house Food and Beverage Operations and, with your support, he is committed to making this challenging part of our business a success.

I'm sure you will agree that the Highwood stands second to none when it comes to the quality of its people. I would like to thank Dan, Patrick, Natasha, Dawn, Edwin, Trigg, Jay, Fran, Sandra and all of the team members from the Turf Care and the Pro Shop departments for their outstanding efforts in 2010. I want to also thank Corliss Robb for the high level of professionalism that she brought to the new Clubhouse project. Her decorating and design skills speak for themselves.

The terms of three directors are coming to an end at the close of the upcoming Annual Meeting.

Dirk Snider, who during his tenure, has served as Chair of the Finance, Services and Greens Committees will not stand for re-election. Dirk has been an outstanding director who brought a much appreciated financial and business acumen to the Board's deliberations.

Craig Snodgrass will stand for re-election for a further term of three years. Craig has served as Chair of the Greens Committee, Secretary and has sat on various committees. He stepped forward to Chair the building Committee and took charge of many aspects of the overall project.

Darlene Gehrke will also stand for re-election. She has chaired the Finance Committee and has sat on various committees. She has been the Club's Treasurer for the past two years. Darlene understands business. More importantly she understands the Highwood's business intimately and knows what it will take to solidify the Club's financial position.

The Club is very fortunate to have quality individuals such as Craig Snodgrass and Darlene Gehrke who are willing to put their names forward as directors for a second term. I applaud their efforts and dedication to the Highwood and hope to welcome them back to the Board on December 19th.

I also want to mention that the Articles Review Committee, of which I am Chairman, comprised of Rod Baceda, Darlene Gehrke, Craig Snodgrass and Dennis Maguire, has been working to work towards amending the Articles of Association of the Club. The goal of the Committee's work is to see the Articles amended such that the capital costs (Clubhouse, new greens, equipment, flood remediation, etc.) are shared equitably among all shareholders whether or not the shareholders are active members of the Club. Other changes are being considered which would give the Club more control over the transfer and sale of the Club's shares with the ultimate aim being to effectively manage membership numbers and to generate additional revenue. The changes being contemplated are not unlike those contained in the articles of association of other successful golf clubs and are not intended to diminish the rights and privileges of our active shareholders.

On behalf of the Board of Directors and the Management team I wish you all a very Merry Christmas and a happy and healthy New Year.



Gerry Feigel
President



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2010 A.G.M. Director of Golf Report;

First of all, I would like to thank the members of the Highwood Golf & Country Club for their patience and understanding as we transitioned through the 2010 golf season. There were many disruptions and of course the continuous construction. But nary a negative word was spoken, so that in itself made for a positive work environment. If all the stars align, 2011 has the potential to be a great year for the facility.

If you play percentages we are in line for a decent weather year. 2008 we had a mini flood by Highwood standards, losing the ability to play on Spitzee for 3 weeks. 2009 was a very marginal year weather wise as there was no fall and very little spring time golf. 2010 was the worst year for golf that I have seen since being in the golf industry! Most clubs in western Canada are down between 20-40 %. The economy has some effect but the main culprit is always incimate weather. A normal year for the Highwood is 60,000 rounds. This year we needed a banner October to get to 52,000. We took an approximate 20% hit in public green fee play, reducing revenue by roughly \$65,000, which we could not recover from.

So where do we go from here? Working with Dan Warwaruk and his team we will be going through all of our programs to find ways to drive more golf through the facility. If you pay attention to the tee sheets you will notice that we really carry the days; by that I mean, the days of closing the place down after 2.00 pm are long gone as most of our tee sheets extent to 5.00 pm and longer in the peak summer period. We will also need to get creative on how we market the club going forward and continue to work with Patrick Legg on how we maximize play on a 27 hole high demand golf course. There will be changes coming as to how we can get the most out of our golf days.

There has been a major change in Food & Beverage which always seems to be a contentious animal at most clubs. What will make this work? Dedicated, capable individuals who know food service; high standard of food quality, realistic pricing of product, and the ability to serve people; extremely tight control on cost of food and labour; fresh food and ideas to keep groups returning to the club. The Food and Beverage team we have assembled are ready for the challenge; let's give them a chance to show you what they can do!

The new clubhouse has been very well received; it will definitely enhance our opportunities to market the Highwood to prospective new shareholders and corporate groups who would like to bring their event to the facility. However, it is the people who make clubs like this work. We have members who are very passionate about the Highwood and a staff that work countless hours to make your experience at the club the best it can be!

On behalf of the Staff and Board Members of the Highwood have a great holiday season!

Doug Robb,
Director of Golf Operations