July 12, 2012

Neil Hiebert
Empire Development Co.
149-99 Scurfield Boulevard
Winnipeg, MB R3Y 1Y1

Enclosed is Environment Act Licence No. 3012 dated July 12, 2012 issued to Empire Development Co. for the modification and operation of the Development, known as the Beaches Golf Course - Beachside Village, being a nine hole golf course located in SW 23-18-7 EPM in the Rural Municipality of Alexander, near Grand Beach Provincial Park, and in accordance with the Proposal filed under The Environment Act, dated September, 2011.

In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

For further information on the administration and application of the Licence, please feel free to contact Elise Dagdick, Environment Officer at (204) 945-8173.

Pursuant to Section 27 of The Environment Act, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M.Sc.
Director
Environment Act

C: Don Labossiere, Director, Environmental Compliance and Enforcement
Public Registries/Public Distribution List (see attached)

NOTE: Confirmation of Receipt of this Licence No. 3012 (by the Licencee only) is required by the Director of Environmental Approvals. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by July 26, 2012.

On behalf of Empire Development Co. Date

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
Public Mailing List – Beaches Golf Course Project

Environment Act Licence No. 3012 - File 5554.00

<table>
<thead>
<tr>
<th>Recipient</th>
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<tbody>
<tr>
<td>Lorne DeJaeger, President</td>
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<tr>
<td>Lester Beach Association Inc.</td>
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<tr>
<td>Karen Skinner</td>
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<td>Rose Recksiedler</td>
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<td>Michèle Smith</td>
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<td>Geri Ganske</td>
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<td>Eric Recksiedler</td>
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<td>Dan Bowman</td>
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<td>Ron Joyce</td>
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</table>
In accordance with The Environment Act (C.C.S.M. c. E125) / Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Sections 11(1) / Conformément au Paragraphes 11(1)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À :

EMPIRE DEVELOPMENT CO.; "the Licencee"

for the modification and operation of the Development, known as the Beaches Golf Course, being a nine hole golf course located in SW 23-18-7 EPM in the Rural Municipality of Alexander, near Grand Beach Provincial Park, and in accordance with the Proposal filed under The Environment Act, dated September, 2011, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence:

“accredited laboratory” means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation and Water Stewardship to be equivalent to the SCC, or be able to demonstrate, upon request, that it has the quality assurance/quality control (QA/QC) procedures in place equivalent to accreditation based on the international standard ISO/IEC 17025, or otherwise approved by the Director;

“Director” means an employee so designated pursuant to The Environment Act;

“Environment Officer” means an employee so designated pursuant to The Environment Act;

“Integrated Pest Management Plan” (IPMP) means a program designed to achieve stated objectives with respect to Pest Management at the Development, and to promote the optimum environmental and physical condition of the landscape, which includes text, drawings or illustrations describing the program;

*A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES*
"record drawings" means engineering drawings complete with all dimensions which indicate all features of the Development as it has actually been built;

"Standard Methods for the Examination of Water and Wastewater" means the most recent edition of Standard Methods for the Examination of Water and Wastewater published jointly by the American Public Health Association, the American Waterworks Association and the Water Environment Federation;

"waterbody" means any body of flowing or standing water, whether naturally or artificially created, and whether the flow or presence of water is continuous, intermittent or occurs only during a flood, including but not limited to a lake, river, creek, stream, slough, marsh, swamp and wetland, including ice on any of them; and

"wetlands" means those areas where the water table is at or above the land surface for a long enough period each year to make the area capable of supporting aquatic or hydrophilic vegetation, and which have soils with characteristics indicative of wet conditions.

**GENERAL TERMS AND CONDITIONS**

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencee shall, in addition to any of the following specifications, limits, terms and conditions specified in this Licence, upon the request of the Director:
   a) sample, monitor, analyse or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, for such duration and at such frequencies as may be specified;
   b) determine the environmental impact associated with the release of any pollutants from the Development; and
   c) provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and analytical procedures being used, bioassay data, flow rate measurements and such other information as may from time to time be requested.

2. The Licencee shall, unless otherwise specified in this Licence:
   a) carry out all preservations and analyses on liquid samples in accordance with the methods prescribed in the most current edition of Standard Methods for the Examination of Water and Wastewater or in accordance with equivalent preservation and analytical methodologies approved by the Director;
b) carry out all sampling of, and preservation and analyses on, soil and air samples in accordance with methodologies approved by the Director;
c) have all analytical determinations undertaken by an accredited laboratory; and
d) report the results to the Director within 60 days of the samples being taken.

3. The Licencee shall submit all information required to be provided to the Director under this Licence, in writing, in such form (including number of copies) and of such content as may be required by the Director, and each submission shall be clearly labeled with the Licence Number and Client File Number associated with this Licence.

4. The Licencee shall, in the event of a release, spill, leak, or discharge of a pollutant or contaminant in an amount or concentration, or at a level or rate of release, that exceeds the limit that is expressly provided under this Act, another Act of the Legislature, or an Act of Parliament, or in a regulation, licence, permit, order, instruction, directive or other approval or authorization issued or made under one of those Acts, immediately report the release, spill, leak, or discharge by calling 204-944-4888. The report shall indicate the nature of the release, leak, or discharge, the time and estimated duration of the event and the reason for the release, spill, leak, or discharge.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting Pre-Construction

5. The Licencee shall, prior to construction, provide a copy of this Licence to the contractor and subcontractor(s) involved in the Development.

6. The Licencee shall, not less than two weeks prior to beginning construction of the Development, provide notification to the Environment Officer responsible for the administration of this Licence of the intended starting date of construction and the name of the contractor responsible for the construction.

Respecting Construction and Maintenance

7. The Licencee shall establish any fuel storage areas required for the construction and maintenance of the Development:
   a) a minimum distance of 100 metres from any waterbody; and
   b) in compliance with the requirements of Manitoba Regulation 188/2001, or any future amendment thereof, respecting Storage and Handling of Petroleum Products and Allied Products.

8. The Licencee shall, during construction of the Development, operate, maintain and store all materials and equipment in a manner that prevents any deleterious substances (fuel, oil, grease, hydraulic fluids, coolant, etc.) from entering any waterbodies, and have an emergency spill kit for in-water use available on site during construction.
9. The Licensee shall dispose of non-reusable construction debris and solid waste from the construction and maintenance of the Development at a waste disposal ground operating under the authority of a permit issued under *Manitoba Regulation 150/91*, or any future amendment thereof, respecting *Waste Disposal Grounds* or a licence issued pursuant to *The Environment Act*.

10. The Licensee shall, during construction and maintenance of the Development, take all appropriate measures to prevent erosion and the deposition of sediment into any waterbodies.

11. The Licensee shall ensure drainage from the Development is directed to a constructed pond(s) prior to being released to the intermittent creek that bisects the property (Dinner Creek).

12. The Licence shall maintain a minimum of 15 m of natural vegetation from the high water mark of Dinner Creek with the exception of crossings. No more than 25% of the shoreline length within the Development shall be altered for the construction of crossings.

13. The Licensee shall not undertake construction or maintenance activities in connection with the Development in any waterbodies between April 1 and July 15 of any year, or during periods of high streamflow.

14. The Licensee shall not undertake construction or maintenance activities in connection with the Development within Dinner Creek. Construction activities within 15 m of Dinner Creek shall not be undertaken between April 1 and July 15 of any year.

15. The Licensee shall, during construction and maintenance of the Development, adhere to the general recommendations on design, construction, and maintenance of stream crossings as specified in the Manitoba Department of Natural Resources guidelines titled *Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat, May 1996*, and the current versions of applicable federal Department of Fisheries and Oceans Operational Statements.

16. The Licensee shall, during construction and maintenance of the Development, not alter surface drainage patterns on adjacent properties.

17. The Licensee shall restrict the application of fertilizers containing nitrogen or phosphorus on land within the Development, and provide annual Nutrient Management Plans to the Water Stewardship Branch, in accordance with the requirements of *Manitoba Regulation 62/2008*, or any future amendment thereof, respecting *Nutrient Management*.


19. The Licensee shall locate a pesticide storage structure(s):
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a) in an area on the Development property that is not subject to flooding;
b) in a dry, well ventilated separate building enclosed by a security fence;
c) 100 meters from property zoned residential;
d) 100 meters away from single residences; and
e) 100 meters away from waterbodies and wetlands.

20. The Licencee shall construct and maintain the concrete floors and curbs of a pesticide storage structure(s) to prevent spilled liquids from leaking into the soil.

21. The Licencee shall, prior to operation of the Development, obtain an annual Pesticide Use Permit pursuant to Manitoba Regulation 94/88R or any future amendment thereof, for the storage, handling and application of pesticides in conjunction with the golf course operation.

22. The Licencee shall submit an Integrated Pest Management Program (IPMP) Report to the Director prior to operation of the Development. The Report shall propose an IPMP for a 5 year period beginning at the opening date of the Development.

23. The Licencee shall, during the operation of the Development, prohibit the use of Diazinon and any mercury based fungicides or pesticides on the Development.

24. The Licencee shall, during the operation of the Development, prohibit application of pesticides:
   a) within 10 meters of the edge of wetlands, waterbodies and drainage channels; and
   b) between 10 and 20 meters from the edge of wetlands, waterbodies and drainage channels, other than hand spot spraying.

25. The Licencee shall contain and clean up immediately:
   a) any on-site pesticide spill;
   b) waste water generated from any response action due to an on-site release of pesticides; and
   c) contaminated water resulting from the extinguishing of a fire involving pesticides.

26. The Licencee, subject to obtaining approval from an Environment Officer, shall immediately dispose of any contaminated material in accordance with the approval.

Respecting Post-Construction

27. The Licencee shall:
   a) prepare "record drawings" for the Development and shall label the drawings "record drawings"; and
   b) provide to the Director, within six months of the completion of construction of the Development, two sets of "record drawings" of the Development.
Respecting Alterations to the Development

28. The Licencee shall obtain approval from the Director for any proposed alteration to the Development before proceeding with the alteration.

REVIEW AND REVOCATION

A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.

B. If the construction of the Development has not commenced within three years of the date of this Licence, the Licence is revoked.

C. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 11 of The Environment Act.

Tracey Braun, M.Sc.
Director
Environment Act

Client File No: 5554.00