UNDERWRITING AGREEMENT

November 5, 2004

Golf Town Income Fund
3625 Highway 7 East
Unit 2
Markham, Ontario
L3R 3P9

Attention: Stephen Bebis

Golf Town Operating Trust
3625 Highway 7 East
Unit 2
Markham, Ontario
L3R 3P9

Attention: Stephen Bebis

Golf Town Limited Partnership
3625 Highway 7 East
Unit 2
Markham, Ontario
L3R 3P9

Attention: Stephen Bebis

Golf Town GP Inc.
3625 Highway 7 East
Unit 2
Markham, Ontario
L3R 3P9

Attention: Stephen Bebis

Golf Town Canada Inc.
3625 Highway 7 East
Unit 2
Markham, Ontario
L3R 3P9

Attention: Stephen Bebis

Golf Town Acquisition Limited
3625 Highway 7 East
Unit 2
Markham, Ontario
L3R 3P9

Attention: Stephen Bebis

Manulife International Capital Corporation Limited
200 Bloor Street East
North Tower 6
Toronto, Ontario
M4W 1E5

Attention: Vipon Ghai

Stephen Bebis
c/o Golf Town Income Fund
3625 Highway 7 East
Unit 2
Markham, Ontario
L3R 3P9

Dear Sirs/Mesdames:

We understand that Golf Town Income Fund (the "**Fund**") proposes to create, issue and sell to the Underwriters (as defined below) 10,228,052 previously unissued trust units of the Fund (the "**Initial Units**"), and to grant to the Underwriters an over-allotment option (the "**Over-Allotment Option**") to purchase up to an additional 1,022,805 trust units (the "**Over-Allotment Units**" and collectively, with the Initial Units, the "**Purchased Units**"), having the material attributes described herein, and that the Fund has prepared and filed a preliminary prospectus with respect to the Purchased Units in each of the Qualifying Jurisdictions (as defined below). We also understand that Manulife International Capital Corporation Limited ("**Manulife**") has signed the Preliminary Prospectus as the promoter of the Fund. Upon and subject to the terms and conditions contained in this Agreement, BMO Nesbitt Burns Inc. ("**BMO**"), CIBC World Markets Inc., Canaccord Capital Corporation and Scotia Capital Inc. (collectively, the "**Underwriters**" and individually, an "**Underwriter**") hereby severally offer to purchase from the Fund in the respective percentages set out in Section 21 of this Agreement, and the Fund hereby agrees to sell to the Underwriters, all but not less than all of the Initial Units, at the purchase price of $10.00 per Initial Unit, being an aggregate purchase price of $102,280,520.

In consideration of the Underwriters' agreement to purchase the Initial Units and to offer such Initial Units to the public pursuant to the Prospectus (as defined below) and Rule 144A (as defined below), the Fund hereby grants to the Underwriters the Over-Allotment Option, exercisable in whole or in part by notice given by the Lead Manager (as defined below) at any one time on or prior to the 30th day following the Closing Date (as defined below), to purchase from the Fund the Over-Allotment Units at the Over-Allotment Closing Time (as defined below) at a purchase price of $10.00 per Over-Allotment Unit. The notice exercising the Over-Allotment Option must be delivered to the Fund as provided herein and must specify the number of Over-Allotment Units to be purchased. Upon the furnishing of such notice, the Underwriters will be obliged, severally and not jointly, to purchase the number of Over-Allotment Units specified in such notice in the respective percentages set forth in Section 21 of this Agreement, and the Fund will be obligated to sell such Over-Allotment Units, all in accordance with the provisions hereof.

Terms and Conditions

The following are additional terms and conditions of this Agreement:

1. Definitions.

1.1 Where used in this Agreement, or in any amendment hereto, the following terms have the following meanings, respectively:

"**Acquireco**" means Golf Town Acquisition Limited, a corporation incorporated under the laws of Canada;

"**Acquisition Agreement**" means the acquisition agreement to be entered into on Closing between the Fund, the Trust, the Partnership, Golf Town GP, Golf Town and the shareholders of Golf Town including, for greater certainty, the disclosure letter delivered pursuant thereto;

"**Administration Agreement**" means the administration agreement between the Fund, the Trust, the Partnership, Golf Town GP and the Company whereby the Company has agreed to provide administrative services to the other parties thereto;

"**affiliate**" has the meaning ascribed thereto in the *Securities Act* (Ontario) if the word "company" was changed to "person" (as defined below);

"**Agreement**", "**hereto**", "**herein**", "**hereby**", "**hereunder**", "**hereof**" and similar expressions refer to this Underwriting Agreement and not to any particular section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

"**Amalgamation**" means the amalgamation of Golf Town and Acquireco pursuant to the laws of Canada following Closing;

"**Ancillary Agreements**" means all agreements, certificates and other instruments delivered or given pursuant to this Agreement, together with the Fund Declaration of Trust, the Trust Declaration of Trust, the Acquisition Agreement, the Administration Agreement, the Non-Competition/Non-Solicitation Agreements, the agreements delivered or given pursuant to the New Credit Facilities, the Trust Note Indenture, the Exchange Agreement, the Partnership Agreement and the LTIP;

"**associates**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

"**Authorization**" means, with respect to any Person, any order, permit, approval, waiver, licence or similar authorization of any Governmental Body having jurisdiction over the Person;

"**Bebis**" means Stephen Bebis;

"**Beneficiaries**" has the meaning given to that term in Section 15.7;

"**Books and Records**" means all books of account, financial statements, tax records, audit working papers, general ledgers, personnel records, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections and all other documents, files, correspondence, minute books and corporate records and other information (whether in written, printed, electronic or computer printout form) relating to the Business;

"**Bozniak**" means Murray Bozniak;

"**Business**" means the business carried on by the Golf Town Entities immediately prior to and following the Closing Time and the Over-Allotment Closing Time;

"**business day**" means any day except Saturdays, Sundays and statutory holidays in the Province of Ontario;

"**Claim**" has the meaning given to that term in Section 15.1;

"**Class A LP Units**" means Class A limited partnership units of the Partnership;

"**Class B LP Units**" means Class B limited partnership units of the Partnership;

"**Closing**" means the completion of the transactions contemplated by this Agreement and by Article 2 of the Acquisition Agreement;

"**Closing Certificates**" has the meaning given to that term in Section 10.1(i);

"**Closing Date**" or "**Date of Closing**" means November 12, 2004 or any earlier or later date as may be agreed to in writing by the Fund and the Underwriters, each acting reasonably, but will in any event not be later than November 30, 2004;

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date, or any other time on the Closing Date as may be agreed to by the Fund and the Underwriters;

"**Closing Transactions**" has the meaning given to that term in the Acquisition Agreement;

"**Company**" means: (i) prior to the Amalgamation, Golf Town; and (ii) thereafter, Golf Town Amalco, as the context requires

"**Continuing Underwriters**" has the meaning given to that term in Section 21.2;

"**Contracts**" means all contracts, including leases of personal property, leases of motor vehicles, licences, software licenses, undertakings, engagements or commitments of any nature, written or oral, to which any of the Golf Town Entities is entitled or bound;

"**Credit Facilities Liens**" means Liens granted to secure obligations under the New Credit Facilities;

"**Defaulted Units**" has the meaning given to that term in Section 21.2;

"**Disclosure Letter**" means the letter dated the date hereof and delivered pursuant hereto from the Fund, the Trust, the Partnership, Golf Town GP, the Company and Acquireco to the Underwriters in respect of the representations and warranties in form satisfactory to the Underwriters;

"**distribution**" means distribution or distribution to the public, as the case may be, for the purposes of the Securities Laws or any of them;

"**Employee Plan**" means each "employee benefit plan" and each bonus, incentive or deferred compensation, severance, termination, retention, change of control, stock option, stock appreciation, stock purchase, phantom stock or other equity-based, performance or other employee or retiree benefit or compensation plan, program, arrangement, agreement or policy maintained by the Golf Town Entities that provides benefits or compensation in respect of any current or former director, officer, trustee, partner, consultant or employee of any of the Golf Town Entities;

"**Environmental Laws**" means all applicable federal, provincial and local Laws, rules, regulations, codes, ordinances, orders, decrees, directives, permits, licenses and judgments, agreements with Governmental Bodies and all other requirements relating to pollution, contamination, Hazardous Materials or protection of the environment, transportation of dangerous goods or worker health and safety prescribed by any Governmental Body or by any Law and all Authorizations, guidelines and policies issued pursuant to such Laws, agreements or statutory requirements;

"**Environmental Permits**" has the meaning given to that term in Section 9.1(s)(ii);

"**Exchange Agreement**" means the agreement to be entered into among the Fund, the Trust, the Partnership, Golf Town GP, the Retained Interest Investors and any other parties agreeing to be bound by such agreement regarding various exchange rights;

"**Existing Investors**" means, collectively, Manulife and Bebis and "**Existing Investor**" means either one of them;

"**Final MRRS Decision Document**" means a decision issued in accordance with the MRRS evidencing the issuance or deemed issuance of a receipt for the Prospectus by each of the Securities Commissions;

"**Financial Information**" means:

(i) the selected historical financial information of the Company under the headings, "Prospectus Summary – Selected Financial Information", "Business of Golf Town - Overview" and "Selected Financial Information";

(ii) the summary of distributable cash under the headings, "Prospectus Summary – Summary of Distributable Cash" and "Summary of Distributable Cash";

(iii) the reconciliation of historical results to EBITDA, under the heading, "Reconciliation of Historical Results to EBITDA";

(iv) the selected historical financial information of the Company under the heading, "Business of Golf Town - Capital Expenditures";

(v) the pro forma capitalization of the Fund under the heading, "Pro Forma Capitalization of the Fund";

(vi) management's discussion and analysis of financial condition and results of operations under the heading, "Management's Discussion and Analysis of Financial Condition and Results of Operations", including the selected annual information of the Company contained therein;

(vii) the audited balance sheet of the Fund;

(viii) the audited financial statements of the Company; and

(ix) the unaudited pro forma consolidated financial statements of the Fund;

in each case, included in the Prospectus, together with the reports of Ernst & Young LLP, Chartered Accountants, on those financial statements and balance sheet, as applicable, and including the notes with respect to those financial statements and balance sheet, as applicable, and other financial information;

"**Fund**" means Golf Town Income Fund, an unincorporated, open-ended, limited purpose trust established under the laws of the Province of Ontario;

"**Fund Declaration of Trust**" means the declaration of trust of the Fund made as of the 1st day of October, 2004, as the same may be amended, modified, supplemented, restated or replaced from time to time;

"**Fund Special Voting Units**" means the trust units of the Fund authorized and issued hereunder to represent voting rights in the Fund that accompany the Class B LP Units;

"**Fund Units**" means the trust units of the Fund other than the Fund Special Voting Units;

"**Golf Town**" means Golf Town Canada Inc., a corporation incorporated under the laws of Canada;

"**Golf Town Amalco**" means the corporation resulting from the Amalgamation;

"**Golf Town Entities**" means collectively, the Fund, the Trust, the Partnership, Golf Town GP, the Company and Acquireco and their respective subsidiaries and affiliates from time to time and "**Golf Town Entity**" means any one of them;

"**Golf Town GP**" means Golf Town GP Inc., a corporation incorporated under the laws of the Province of Ontario

"**Governmental Body**" means any:

(i) multinational, federal, provincial, state, municipal, local or other governmental or public: department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign;

(ii) any subdivision or authority of any of the foregoing;

(iii) any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above; or

(iv) any arbitrator exercising jurisdiction over the affairs of the applicable Person, asset, obligation or other matter;

"**Governmental Charges**" means all taxes, duties, levies, assessments, reassessments and other charges of any kind together with all related penalties, interest and fines, payable in respect of periods ending on or before the Date of Closing to any domestic or foreign government (federal, provincial, state, municipal or otherwise) or to any

Governmental Body, or imposed by any court or any other Law or rule making entity having jurisdiction in the relevant circumstances;

"**Hazardous Materials**" means any substance, material or waste which is prohibited, controlled or regulated pursuant to any Law or other requirement relating to such substance or otherwise relating to the environment or human or worker health or safety, including any substance which is defined as "hazardous waste", "hazardous material", "hazardous substance", "pollutant" or "contaminant" under any provision of Environmental Law, and including any sound, heat, vibration, radiation or other form of energy, petroleum, petroleum products, asbestos, asbestos-containing material, urea formaldehyde and polychlorinated biphenyls;

"**including**" means including, without limitation;

"**Indemnified Parties**" has the meaning given to that term in Section 15.1;

"**Indemnifying Parties**" has the meaning given to that term in Section 15.3;

"**Information Technology**" means all computer hardware, software (including source code and object code, documentation, interfaces and development tools), websites for the Business, databases, telecommunications equipment and facilities and other information technology systems owned, used or held by a Golf Town Entity;

"**Intellectual Property**" means (i) any trade marks, trade names, business names, brand names, service marks, computer software, computer programs, copyrights, including any performing, author or moral rights, designs, inventions, patents, franchises, formulas, processes, know-how, technology and related goodwill, (ii) any applications, registrations, issued patents, continuations in part, divisional applications or analogous rights or licence rights therefor, and (iii) all other intellectual or industrial property;

"**Law**" means any and all laws, including all federal, state, provincial and local statutes, codes, ordinances, guidelines, decrees, rules, regulations and municipal by-laws and all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, directives, decisions, rulings or awards or other requirements of any Governmental Body, binding on or affecting the Person referred to in the context in which the term is used;

"**Lead Manager**" means BMO;

"**Leased Real Property**" means those premises used by the Golf Town Entities in the conduct of the Business which are leased, subleased, licensed or otherwise occupied (but not owned) by a Golf Town Entity and their respective interests, if any, in all buildings, structures, fixtures, erections, improvements, easements, rights-of-way and other appurtenances situate on or forming part of each of such premises;

"**Leases**" has the meaning given to that term in Section 9.1(jj)(i);

"**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

"**Lock-Up Agreement**" means an agreement substantially in the form attached hereto as Exhibit "A";

"**LTIP**" has the meaning given to that term under the heading "Executive Compensation – Long-Term Incentive Plan" in the Prospectus;

"**Material Adverse Change**" means a change, event or occurrence with respect to the operations, condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), obligations, capital, cash flow, income, affairs or business operations of the Golf Town Entities or the Business that is or that could reasonably be expected to result in a Material Adverse Effect;

"**Material Adverse Effect**" means any effect that is, or could reasonably be expected to be, material and adverse to (i) the results of operations, condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), obligations, capital, cash flow, income, affairs or business operations of the Golf Town Entities taken as a whole, or the Business, or (ii) the ability of the Golf Town Entities to continue to conduct the Business following the Closing Date or the Over-Allotment Closing Date substantially in the manner as conducted by Golf Town prior to Closing;

"**material change**" means a material change for the purposes of the Securities Laws or any of them or where undefined under the applicable Securities Laws of a jurisdiction means a change in the business, operations or capital of the Fund and its subsidiaries that could reasonably be expected to have a significant effect on the market price or value of any of the Fund's securities and includes a decision to implement such a change made by the trustees of the Fund or by senior management of the Fund who believe that confirmation of the decision by the trustees of the Fund is possible;

"**Material Authorizations**" has the meaning given to that term in Section 9.1(mm);

"**Material Contracts**" means the Contracts which are material to the Business;

"**material fact**" means a material fact for the purposes of the Securities Laws or any of them or where undefined under the applicable Securities Laws of a jurisdiction means a fact that significantly affects, or could reasonably be expected to have a significant effect on, the market price or value of the Fund's securities;

"**misrepresentation**" means a misrepresentation for the purposes of the Securities Laws or any of them or, where undefined under the applicable Securities Laws of a jurisdiction, means (i) an untrue statement of a material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made;

"**MRRS**" means the mutual reliance review system procedures provided for under National Policy 43-201 "Mutual Reliance Review System for Prospectuses and Annual

Information Forms" of the Canadian Securities Administrators and the MRRS MOU as defined therein;

"**New Credit Facilities**" means the senior secured credit facilities described in the Prospectus to be established on Closing pursuant to (i) a revolving credit agreement between General Electric Capital Canada Inc. as lender, the Company as borrower, and the other Persons named therein; and (ii) a term loan agreement between Roynat Inc. as lender, the Partnership and the Company as borrower, and the other Persons named therein;

"**Non-Competition/Non-Solicitation Agreements**" means the non-competition/non-solicitation agreements to be entered into on Closing between each of Manulife, Bebis, Bozniak, Spence and the Fund substantially in the form attached hereto as Exhibit "B";

"**Offering**" means the offering of Purchased Units under the Offering Documents;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, Prospectus and any Supplementary Material;

"**Ordinary Course**" means, with respect to an action taken by a Person, that such action is consistent in all material respects with past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person;

"**Over-Allotment Closing Date**" means the third business day after the notice of exercise of the Over-Allotment Option is delivered to the Fund, subject to postponement in accordance with Section 21;

"**Over-Allotment Closing Time**" means 8:00 a.m. (Toronto time) on the Over-Allotment Closing Date, or such other time on the Over-Allotment Closing Date as may be agreed by the Fund and the Underwriters;

"**Partnership**" means Golf Town Limited Partnership, a limited partnership established under the laws of the Province of Ontario pursuant to the Partnership Agreement;

"**Partnership Agreement**" means the limited partnership agreement of the Partnership made as of the 5th day of October, 2004, as the same may be amended, modified, supplemented, restated or replaced from time to time;

"**Permitted Encumbrances**" means (i) Liens for taxes and other Governmental Charges and assessments not yet due or delinquent or being contested in good faith by appropriate proceedings, (ii) Liens identified in the Disclosure Letter, (iii) Liens imposed by Law and incurred in the Ordinary Course for obligations not yet due or delinquent, (iv) Liens in respect of pledges or deposits under workers' compensation, social security or similar Laws, (v) easements, restrictions and reservations of record, if any, that do not materially detract from the value of or materially impair the use of the property affected, (vi) building and zoning by-laws, Laws, ordinances and regulations that do not materially detract from the value of or materially impair the use of the property affected, (vii) Liens securing indebtedness reflected in the Financial Information and pursuant to the New Credit Facilities, and (viii) other Liens or imperfections on property which are not material in amount and do not materially detract from the value of or materially impair the existing use of the property affected by such Lien or imperfections;

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"**Preliminary Prospectus**" means the preliminary prospectus of the Fund (in both the English and French languages unless the context requires otherwise) dated October 14, 2004 relating to the qualification for distribution of the Purchased Units under the Securities Laws;

"**Prospectus**" means the final prospectus of the Fund (in both the English and French languages), including all exhibits and schedules thereto, dated the date hereof and filed with the Securities Commissions or other regulatory authorities in the Qualifying Jurisdictions in connection with the Offering;

"**Prospectus Amendment**" means any amendment to the Final Prospectus (in both the English and French languages unless the context indicates otherwise);

"**Purchase Notes**" means the promissory notes of the Partnership issued to the Vendors pursuant to the terms of the Acquisition Agreement;

"**Purchased Securities**" has the meaning given to that term in the Acquisition Agreement;

"**Qualifying Jurisdictions**" means, collectively, each of the provinces and territories of Canada;

"**Refusing Underwriter**" has the meaning given to that term in Section 21.2;

"**Release**" shall mean the spilling, spraying, injecting, inoculating, abandoning, seeping, pouring, emptying, throwing, dumping, placing, exhausting, migrating, dispersing, dispensing, leaking, disposing, discharging, emitting, depositing, ejecting, leaching, escaping or any other release or threatened release, however defined, whether intentional or unintentional, of any Hazardous Material;

"**Required Consents**" means the consents listed in the Disclosure Letter;

"**Retained Interest Investors**" means, collectively, the Existing Investors, Covington Fund I Inc., Covington Fund II Inc., Triax Growth Fund Inc., Roynat Capital Inc., Bozniak and Spence and "Retained Interest Investor" means any one of them;

"**Returns**" has the meaning given to that term in Section 9.1(u)(i);

"**Rule 144A**" has the meaning given to that term in Schedule A;

"**Securities Commission**" means the applicable securities commission or other regulatory authority in each of the Qualifying Jurisdictions;

"**Securities Laws**" means, collectively, the applicable securities laws of each of the Qualifying Jurisdictions and the respective regulations and rules made under those securities laws, together with all applicable policy statements, instruments, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by the this Agreement;

"**Separate Shareholder Transfers**" means the transfer of a total of 99,522 common shares of the Company owned by Bozniak and Spence to the Fund in exchange for a total of 91,560 Fund Units;

"**Spence**" means David Spence;

"**Standard Listing Conditions**" has the meaning given to that term in Section 6.3(c);

"**subsidiary**" means a subsidiary entity for purposes of Section 1.2 of Ontario Securities Commission Rule 45-501 "Exempt Distributions";

"**Supplementary Material**" means, collectively, any amendment to the Prospectus, any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Fund under the Securities Laws relating to the qualification for distribution of Initial Units or Over-Allotment Units under the Securities Laws;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

"**to the best of its knowledge, information and belief**" in respect of any of the Golf Town Entities, means the actual knowledge of Bebis, Bozniak or Spence and, in respect of Manulife, means the actual knowledge of William Eeuwes;

"**Trust Company**" means Computershare Trust Company of Canada;

"**Trust Declaration of Trust**" means the declaration of trust of the Trust made as of the 1st day of October, 2004, as the same may be amended, modified, supplemented, restated or replaced from time to time;

"**Trust Note Indenture**" means the note indenture to be dated as of the Closing Date between the Trust and Computershare Trust Company of Canada pursuant to which the Trust will issue the Series 1 Trust Notes and may issue Series 2 Trust Notes, as the same may be amended, modified, supplemented, restated or replaced from time to time;

"**Trust Notes**" means the notes of the Trust issued from time to time in accordance with the Trust Note Indenture, to be designated as Series 1 or Series 2;

"**Trust Unit**" means a trust unit of the Trust;

"**TSX**" means the Toronto Stock Exchange;

"**United States**" means the United States of America and all its territories and possessions;

"**Units**" means all trust units of the Fund;

"**U.S. Securities Act**" has the meaning given to that term in Schedule A; and

"**Vendors**" means, collectively, Covington Fund I Inc., Covington Fund II Inc., Triax Growth Fund Inc., John Edward Steckel, Bebis, Robert J. Foster, Golf Galaxy Inc., Manulife, Marshall A. Cohen, George Hartman, Golf Holdings Inc., Parkhouse Capital Corporation and Roynat Capital Inc.

1.2 Capitalized terms used, but not defined, in this Agreement have the meanings given to them in the Prospectus.

1.3 Unless otherwise indicated, all references to monetary amounts in this Agreement are to lawful money of Canada.

1.4 Any reference in this Agreement to a schedule, section, paragraph, subsection, subparagraph, clause or subclause will refer to a schedule, section, paragraph, subsection, subparagraph, clause or subclause of this Agreement.

1.5 All words and personal pronouns relating to those words will be read and construed as the number and gender of the party or parties referred to in each case as required, and the verb will be construed as agreeing with the required word and/or pronoun.

2. Attributes of the Initial Units and the Over-Allotment Units.

2.1 The Initial Units to be issued and sold under this Agreement by the Fund will be duly and validly created and issued by the Fund and, when issued and sold by the Fund, the Initial Units will have the attributes and characteristics set out in the Prospectus, subject to those modifications or changes (if any) prior to the Closing Date as may be agreed to in writing by the Fund and the Underwriters.

2.2 The Over-Allotment Units to be issued and sold under this Agreement by the Fund will, upon proper exercise of the Over-Allotment Option, be duly and validly created and issued by the Fund and, when issued and sold by the Fund, the Over-Allotment Units will have the attributes and characteristics set out in the Prospectus, subject to those modifications or changes (if any) prior to the Over-Allotment Closing Date as may be agreed to in writing by the Fund and the Underwriters.

3. Underwriters' Fee.

In consideration of the agreement of the Underwriters to purchase the Initial Units and, if applicable, the Over-Allotment Units hereunder and to offer them to the public and of the services to be rendered by the Underwriters in connection therewith, the Fund agrees to cause Acquireco to pay to the Underwriters:

(a) at the Closing Time, a fee of $0.60 for each Initial Unit, being an aggregate fee of $6,136,831.20; and

(b) at the Over-Allotment Closing Time, a fee of $0.60 for each Over-Allotment Unit, being an aggregate fee of up to $613,683.

4. Filing of Prospectus.

4.1 The Fund will, as soon as reasonably possible following the execution of this Agreement, prepare and file the Prospectus in each of the Qualifying Jurisdictions with the Securities Commissions under the Securities Laws, and will obtain the Final MRRS Decision Document as soon as reasonably possible after the filing and, in any event, not later than November 5, 2004 or such later date as the Fund and the Underwriters may agree upon in writing and will have taken all other steps and proceedings that may be necessary in order to qualify the Purchased Units for distribution in each of the Qualifying Jurisdictions by the Underwriters and other Persons who are registered in a category permitting them to distribute the Purchased Units under the Securities Laws and who comply with the Securities Laws.

4.2 Until the distribution of the Purchased Units has been completed, the Fund will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under the Securities Laws to continue to qualify the distribution of the Purchased Units in the Qualifying Jurisdictions or, in the event that the Purchased Units have, for any reason, ceased so to qualify, to so qualify again the Purchased Units, as applicable, for distribution in the Qualifying Jurisdictions.

5. Distribution and Certain Obligations of Underwriters.

5.1 During the course of the distribution of the Purchased Units to the public by or through the Underwriters, the Underwriters will offer and sell those Purchased Units to the public only in those jurisdictions where they may be lawfully offered for sale or sold and only at the price per Purchased Unit set out on the cover page of the Prospectus. The Underwriters will comply with the Securities Laws in connection with the distribution of the Purchased Units. The Underwriters will not directly or indirectly solicit offers to purchase or sell the Purchased Units or deliver any Offering Document in any jurisdiction other than the Qualifying Jurisdictions except in a manner which will not require the Fund to comply with the registration, prospectus, filing or other similar requirements with respect to those Purchased Units under the Laws of any jurisdiction, including the United States. Each Underwriter will cause similar undertakings to be contained in any agreements among the members of the banking, selling or other groups formed for the distribution of the Purchased Units and will use their commercially reasonable efforts to cause any member of the banking, selling or other group formed for the distribution of the Purchased Units to comply with applicable Securities Laws. For the purposes of this Section, the Underwriters will be entitled to assume that the Purchased Units are qualified for distribution in any Qualifying Jurisdiction in respect of which a Final MRRS Decision Document evidences that a receipt or similar document for the Prospectus has been obtained from the applicable Securities Commission following the filing of the Prospectus unless the Underwriters receive notice to the contrary from the Fund or the applicable Securities Commission. Any offer or sale of the Purchased Units in the United States will be made in accordance with all applicable Laws and pursuant to the terms set forth in Schedule A attached hereto, amended and restated as needed to respond to changes in the United States requirements by U.S. counsel, and the Underwriters' representations, warranties and covenants contained therein are hereby incorporated by reference herein and made a part hereof.

5.2 The Underwriters will deliver one copy of the Prospectus and any Supplementary Material to each purchaser of the Purchased Units and will complete, and will use commercially reasonable efforts to cause members of their selling group, if any, to complete, the distribution of the Initial Units as soon as practicable after the Closing Time and, if applicable, to complete the distribution of the Over-Allotment Units as soon as practicable after the Over-Allotment Closing Time. The Underwriters will notify the Fund and the TSX, in writing, as soon as practicable when, in the Underwriters' opinion, the Underwriters and the members of their selling group, if any, have ceased distribution of the Initial Units and, if applicable, the Over-Allotment Units, and provide the Fund, in writing, with a breakdown of the number of Purchased Units distributed in each of the Qualifying Jurisdictions where that breakdown is required by the Securities Commission of that Qualifying Jurisdiction for the purpose of calculating fees payable to that Securities Commission.

5.3 No Underwriter will be liable to the Fund under this Section 5 with respect to a default by any of the other Underwriters but will be liable to the Fund for its own default.

5.4 The Underwriters shall cause the distribution of the Purchased Units to occur in such a manner that less than 40% of the Purchased Units are purchased by non-residents of Canada and partnerships that are not Canadian partnerships, both within the meaning and for the purposes of the Tax Act, and that the distribution requirements which are necessary in order to enable the Fund to qualify as a mutual fund trust under the Tax Act are satisfied. Following the distribution of the Purchased Units, the Underwriters shall, upon request of the Fund, provide the Fund with a certificate specifying the number of Purchased Units purchased by non-residents of Canada.

5.5 The Underwriters shall cause the distribution of the Purchased Units to occur in such a manner that the minimum distribution requirements for the initial listing and posting for trading of the Fund Units on the TSX are satisfied. Upon request of the Fund, the Underwriters shall provide the TSX with a letter setting forth the anticipated distribution of the Offering based upon subscriptions for the Purchased Units received as of the date of the letter.

5.6 For purposes of the MRRS, the Underwriters represent that at least one of them is registered in each of the Qualifying Jurisdictions.

6. Delivery of Prospectus and Related Matters.

6.1 Subject to obtaining the Final MRRS Decision Document, the Fund will cause to be delivered to the Underwriters, at those delivery points as the Underwriters reasonably request, as soon as possible and in any event no later than 5:00 p.m. (Toronto time) on the second business day after the date of issuance of the Final MRRS Decision Document, and thereafter from time to time during the distribution of the Purchased Units, as many commercial copies of the Prospectus in the English language and French language as the Underwriters may reasonably request. The Fund will similarly cause to be delivered promptly to the Underwriters, at those delivery points as the Underwriters may reasonably request, commercial copies of any Supplementary Material required to be delivered to purchasers or prospective purchasers of the Purchased Units. The Fund has previously delivered to the Underwriters copies of the Preliminary Prospectus, as approved, signed and certified by the Fund and Manulife as required by the Securities Laws. Each delivery of any Offering Document will have constituted or will constitute, as the case may be, consent by the Fund and Manulife to the use by the Underwriters and members of their selling group, if any, of those documents in connection with the distribution of the Purchased Units for sale in all of the Qualifying Jurisdictions, subject to the Securities Laws. The Fund will deliver copies of all ancillary materials filed with the Securities Commissions to the Underwriters contemporaneously with their filing.

6.2 Each delivery of any Offering Document to the Underwriters by the Fund pursuant to Section 6.1 will constitute the representation and warranty of each of the Fund, Manulife and, in the case of Section 6.2(d) only, the Existing Investors, to the Underwriters that, at the respective times of delivery and at the Closing Time:

(a) the information and statements contained in such Offering Document (except information and statements relating solely to the Underwriters and furnished by them in writing expressly for use in such document):

(i) contain no misrepresentation; and

(ii) constitute (together, in the case of any Supplementary Material, with the Preliminary Prospectus or Prospectus, as applicable) full, true and plain disclosure of all material facts relating to the Golf Town Entities, the Business and the Units offered thereby as contemplated under this Agreement;

(b) no material fact has been omitted from the Offering Document that is required to be stated in the Offering Document or is necessary to make the statements therein not misleading in light of the circumstances in which they were made (other than any omissions of information relating solely to the Underwriters);

(c) such Offering Document complies with the applicable Securities Laws; and

(d) each of their respective representations and warranties set forth in Section 9 are true and correct.

6.3 The Fund will deliver to the Underwriters, without charge, contemporaneously with or prior to the filing of the Prospectus, unless otherwise indicated:

(a) a copy of the Prospectus in the English language and a copy of the Prospectus in the French language, each approved, signed and certified on behalf of the Fund and Manulife, in its capacity as promoter, as required by the Securities Laws;

(b) a copy of any other document required to be filed by the Fund under the Securities Laws in connection with the Offering;

(c) evidence satisfactory to the Underwriters of the approval of the listing and posting for trading on the TSX of the Purchased Units, subject only to satisfaction by the Fund of customary post-closing conditions imposed by the TSX in its letter granting conditional listing approval of the Purchased Units (the "**Standard Listing Conditions**");

(d) a "long form" comfort letter dated the date of the Prospectus, in form and substance satisfactory to the Underwriters, acting reasonably, addressed by the Fund's auditors to the Underwriters, the trustees of the Fund and the directors of Manulife, and based on a review completed not more than two business days prior to the date of the letter, with respect to certain financial and accounting information relating to the Golf Town Entities and the Business in the Prospectus and any Supplementary Material, which letter shall be in addition to the auditors' reports contained in the Prospectus and any auditors' comfort letters addressed to the Securities Commissions;

(e) as soon as possible, but in any event prior to (or contemporaneously with) the filing of the Prospectus with the Securities Commission in the Province of Quebec, an opinion of Quebec counsel to the Fund, addressed to the Underwriters, the trustees of the Fund and Manulife, and their respective counsel, in form and substance satisfactory to the Underwriters, acting reasonably, to the effect that, the French language version of the Prospectus, other than the Financial Information, is in all material respects a complete and proper translation of the English language version and that the English and French language versions are not susceptible of any materially different interpretations with respect to any material matter contained therein; and

(f) as soon as possible, but in any event prior to (or contemporaneously with) the filing of the Prospectus with the Securities Commission in the Province of Quebec, an opinion of the auditors of the Fund addressed to the Underwriters, the trustees of the Fund and Manulife, and their respective counsel, in form and substance satisfactory to the Underwriters, acting reasonably, to the effect that the French translation of the Financial Information is, in all material respects, a complete and proper translation of the English language version.

6.4 Opinions, comfort letters and other documents substantially similar to those referred to in Section 6.3 of this Agreement will be delivered to the Underwriters, the trustees of the Fund and Manulife, and their respective counsel, as applicable, with respect to any Supplementary Material, concurrently with the filing of any Supplementary Material.

6.5 During the period commencing on the date hereof and until completion of the distribution of the Purchased Units, the Fund will, and will cause each of the other Golf Town Entities to, promptly provide to the Underwriters drafts of any press releases of any of the Golf Town Entities relating to any of the Golf Town Entities or the Business for review by the Underwriters and the Underwriters' counsel prior to issuance.

7. Material Change.

7.1 Each of the Golf Town Entities and the Existing Investors will promptly inform the Underwriters in writing during the period from the date of this Agreement until the completion of the distribution of the Purchased Units hereunder of the full particulars of:

(a) any material change (whether actual, anticipated, contemplated, or proposed by, or threatened against, any of the Golf Town Entities or the Vendors) in the operations, condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), obligations, business, affairs, prospects, operations, cash flow, income, capital or senior management of any of the Golf Town Entities;

(b) any material fact which has arisen or has been discovered and would have been required to have been stated in any Offering Document had that fact arisen or been discovered on, or prior to, the date of any of the Offering Documents; or

(c) any change in any material fact contained in any of the Offering Documents or whether any event or state of facts has occurred after the date of this Agreement, which, in any case, is of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents, including as a result of any Offering Document containing an untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make any statement therein not false or misleading in light of the circumstances in which it was made.

7.2 The Fund will comply with Section 57 of the *Securities Act* (Ontario) and with the comparable provisions of the other Securities Laws, and the Fund will prepare and file promptly at the request of the Underwriters any Supplementary Material which, in the opinion of the Underwriters, acting reasonably, may be necessary or advisable, and will otherwise comply with all legal requirements necessary to continue to qualify the Purchased Units hereunder for distribution in each of the Qualifying Jurisdictions. Upon receipt of any Supplemental Material, the Underwriters will, as soon as possible, send such Supplementary Material to purchasers of Purchased Units.

7.3 In addition to the provisions of Sections 7.1 or 7.2, each of the Golf Town Entities and the Existing Investors will, in good faith, discuss with the Underwriters any change, event or fact contemplated in Sections 7.1 or 7.2 which is of such a nature that there may be reasonable doubt as to whether notice should be given to the Underwriters under Section 7.1 and will consult with the Underwriters with respect to the form and content of any Supplementary Material proposed to be filed by the Fund, it being understood and agreed that no such Supplementary Material will be filed with any Securities Commission prior to the review and approval by the Underwriters and their counsel.

7.4 During the period commencing on the date hereof until the Underwriters notify the Fund of the completion of the distribution of the Purchased Units hereunder, each of the Fund and Manulife will, and the Fund will cause each of the other Golf Town Entities to, promptly inform the Underwriters of the full particulars of:

(a) any request of any Securities Commission for any amendment to the Preliminary Prospectus, the Prospectus, any Supplementary Material or for any additional information in respect of the Offering; and

(b) the receipt by the Fund of any communication (written or oral) from any Securities Commission, the TSX or any other Governmental Body or competent authority relating to the Prospectus or the distribution of the Purchased Units.

8. Regulatory Approvals.

8.1 The Fund will file or cause to be filed with the TSX all necessary documents and will take or cause to be taken all necessary steps to ensure that the Purchased Units have been approved for listing and posting for trading on the TSX as soon as is practicable after the date of this Agreement, subject only to the satisfaction by the Fund of the Standard Listing Conditions.

8.2 The Fund will, and will cause each of the other Golf Town Entities to, make all necessary filings, obtain all necessary authorizations, if any, and the Fund will cause Acquireco to pay all filing fees required to be paid in connection with the transactions contemplated in this Agreement.

9. Representations and Warranties of the Golf Town Entities and the Existing Investors.

9.1 Each of the Fund, the Trust, the Partnership, Golf Town GP, the Company and Acquireco, jointly and severally, and each of the Existing Investors, severally and not jointly or jointly and severally, represents and warrants to each of the Underwriters that:

(a) **Formation and Status of the Fund and the Trust.** The Fund and the Trust have been duly created and each of them is validly existing as a trust under the laws of the Province of Ontario. Each of the Fund and the Trust is duly qualified to carry on its business in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property and assets, requires such qualification, except to the extent that any failure to be so qualified, either individually or in the aggregate, would not have a Material Adverse Effect. The trustees of the Fund and the Trust have the power and legal capacity to enter into and perform their obligations under this Agreement and the Ancillary Agreements to which the Fund or the Trust, as the case may be, is a party and to carry out the transactions contemplated in the Prospectus.

(b) **Formation and Status Golf Town GP.** Golf Town GP (i) is a corporation duly incorporated and validly existing under the laws of the Province of Ontario, (ii) is duly registered to carry on its business in each jurisdiction where the conduct of its business is currently conducted and is presently proposed to be conducted, or the ownership, leasing or operation of its property and assets requires such registration, and (iii) has all requisite corporate power and authority to act as general partner of the Partnership and to carry on its business as described in the Prospectus and to enter into and perform on its own behalf and on behalf of the Partnership its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(c) **Formation and Status of the Partnership.** The Partnership (i) is a limited partnership duly formed and validly existing under the laws of the Province of Ontario, (ii) is duly registered to carry on its business in each jurisdiction where the conduct of its business is currently conducted and is presently proposed to be conducted, or the ownership, leasing or operation of its property and assets requires such registration, and (iii) has all requisite power and authority to carry on its business as described in the Prospectus, and to own or lease and to operate its assets and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(d) **Formation and Status of Golf Town and Acquireco.** Each of Golf Town and Acquireco (i) is a corporation duly incorporated and validly existing under the laws of Canada, (ii) is duly registered to carry on its business in each jurisdiction where the conduct of its business is currently conducted and is presently proposed to be conducted, or the ownership, leasing or operation of its property and assets requires such registration, and (iii) has all requisite power and authority to carry on its business as described in the Prospectus, and to own or lease and to operate its assets and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(e) **Formation and Status of Golf Town Amalco.** Immediately after the Amalgamation, Golf Town Amalco (i) is a corporation duly amalgamated and validly existing under the laws of Canada, (ii) is duly registered to carry on its business in each jurisdiction where the conduct of its business is currently conducted and is presently proposed to be conducted, or the ownership, leasing or operation of its property and assets requires such registration, and (iii) has all requisite power and authority to carry on its business as described in the Prospectus, and to own or lease and to operate its assets and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(f) **Registrar and Transfer Agent.** The Trust Company has been duly appointed as the registrar and transfer agent of the Fund with respect to the Fund Units.

(g) **Unit Certificates.** The form and terms of the certificate for the Units complies with all applicable Laws, have been approved and adopted by the trustees of the Fund and do not conflict with the Fund Declaration of Trust.

(h) **Issuance of Units.** The Initial Units and Over-Allotment Units to be issued as described in this Agreement and in the Prospectus have been, or prior to the Closing Time will be, duly created and, when issued, delivered and paid for in full, will be validly issued and fully-paid trust units of the Fund, and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Fund.

(i) **Non Contravention.** The execution, delivery and performance by each of the Golf Town Entities of this Agreement and each of the Ancillary Agreements to which it is a party:

(i) has been, or will at the Closing Time be, duly authorized by all necessary action on the part of such party;

(ii) does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require the consent, approval, Authorization, registration or qualification of or with, or notice to, any Governmental Body, stock exchange, Securities Commission or other securities regulatory authority or other Person, except: (A) those which have been obtained; or (B) those as may be required (and will be obtained prior to the Closing Time) under applicable Securities Laws;

(iii) does not (or will not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with or result in a default under, or allow any Person to exercise any rights (including any right of termination or right of first refusal) under, any of the terms or provisions of the constating documents or by-laws or resolutions of the securityholders, directors, partners or trustees (or any committee thereof) of such party or any judgment, decree, order, writ, injunction or award of any court, Governmental Body or arbitrator having or purporting to have jurisdiction over such party, or any agreement, license or permit to which such party is a party or by which its business may be affected, except in each case, any breach, violation, conflict, default or right of, with or under any such agreement, license or permit, that would not result in a Material Adverse Effect;

(iv) will not result in the violation of any Law;

(v) will not result in a breach of, or cause the termination or revocation of, any Authorization held by any of the Golf Town Entities or necessary to the ownership of the assets or properties owned by the Golf Town Entities or the operation of the Business;

(vi) will not result in the termination or amendment of any Contract, except any termination or amendment that would not result in a Material Adverse Effect; and

(vii) will not result in the imposition of a Lien on any of the assets of the Golf Town Entities.

(j) **Enforceability of Obligations.** This Agreement and the Ancillary Agreements to which any of the Golf Town Entities is a party have been or, as the case may be, will be, at the Closing Time, duly authorized, executed and delivered by or on behalf of such party and constitute or, will constitute, when so executed and delivered, legal, valid and binding obligations of each such party that is a party thereto, enforceable in accordance with their respective terms, provided that enforceability may be limited by bankruptcy, insolvency and other similar laws affecting creditors rights generally, that specific performance, injunctive relief and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction and that rights of indemnity and/or contribution set out in this Agreement may be limited by applicable Law.

(k) **Voting Control.** Other than the Ancillary Agreements, there will not at the Closing Time be any agreement in force or effect which in any manner affects or will affect the voting or control of any of the securities of any of the Golf Town Entities.

(l) **Authorized and Issued Capital.** As of the Closing Time, following the completion of the Separate Shareholder Transfers and the transactions contemplated by Article 3 of the Acquisition Agreement, assuming no exercise of the Over-Allotment Option, and the completion of the Closing:

(i) the authorized and issued and outstanding capital of each of the Golf Town Entities shall be as set forth in the Disclosure Letter;

(ii) the Fund will be the sole registered and beneficial owner of the Trust Units and the Trust Notes;

(iii) (A) the Trust will be the registered and beneficial owner of all of the Class A LP Units and all of the issued and outstanding common shares of Golf Town GP, and

(B) the Retained Interest Investors (other than Bozniak and Spence) will be the registered and beneficial owners of all of the Class B LP Units, in each case free and clear of all Liens (other than Credit Facilities Liens), and those securities will be validly issued and outstanding, fully paid and non-assessable;

(iv) the Partnership will be the registered and beneficial owner of all of the issued and outstanding common shares of Golf Town and Acquireco free and clear of all Liens (other than Credit Facilities Liens), and those securities will be validly issued and outstanding, fully paid and non-assessable;

(v) immediately following the Amalgamation, the Partnership will be the registered and beneficial owner of all of the issued and outstanding common shares of Golf Town Amalco free and clear of all Liens (other than Credit Facilities Liens), and those securities will be validly issued and outstanding, fully paid and non-assessable;

(vi) Golf Town GP will be the registered and beneficial owner of the general partnership interest in the Partnership free and clear of all Liens (other than Credit Facilities Liens), and Golf Town GP will be the sole general partner of the Partnership; and

(vii) no Golf Town Entity will have any affiliates or associates except as described in the Acquisition Agreement.

(m) **No Obligation to Issue Securities.** Except as contemplated by this Agreement, the Fund Declaration of Trust, the Trust Declaration of Trust, the Acquisition Agreement, the Exchange Agreement, the Partnership Agreement or as disclosed in the Prospectus, no Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such under which any of the Golf Town Entities is, or may become, obligated to issue any of its securities.

(n) **No Litigation.** There is no action, complaint, suit, proceeding or, to the best of its knowledge, information and belief, any investigation by any Person, nor any grievance, arbitration, administrative, alternative dispute resolution or other proceeding by or before any Governmental Body pending, or, to the best of its knowledge, information and belief, threatened against or affecting any of the Golf Town Entities, or any of their respective properties, rights or assets, which if decided adversely to such party would have a Material Adverse Effect and, to the best of its knowledge, information and belief, there is no basis for any such action, complaint, suit, proceeding, grievance, arbitration, administrative, alternative dispute resolution or other proceeding or investigation. No Golf Town Entity is subject to any judgment, order or decree entered in any lawsuit or proceeding nor has any Golf Town Entity settled any claim prior to being prosecuted in respect of it, except in each case that would not have a Material Adverse Effect.

(o) **Financial Statements.** The financial statements included in the Financial Information with respect to the Fund and the Company in the Prospectus have been prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with those of previous fiscal years and the Financial Information, taken together, presents fairly, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial position of the Company as at the respective dates of the relevant financial statements included in the Financial Information and the financial condition and the results of operations, and cash flow of the Company for the periods covered by such financial statements, and there has been no Material

Adverse Change in the financial position of the Fund or any of the Golf Town Entities from that reflected in such Financial Information.

(p) **Books and Records.** All Books and Records of each of the Golf Town Entities relating to the Business have been fully, properly and accurately kept and completed in all material respects.

(q) **No Liabilities.** Except as disclosed in the Financial Information or as incurred in the Ordinary Course, there are no liabilities (whether accrued, absolute, contingent or otherwise) nor any outstanding material commitments or obligations of any kind whether or not such obligations or commitments are presently considered liabilities of the Golf Town Entities under Canadian generally accepted accounting principles relating to the Business.

(r) **Owned Real Property.** No Golf Town Entity owns any real property or, except for the leases referred to in the Disclosure Letter, any interest in real property. The Disclosure Letter sets out the municipal address of each property in which any of the Golf Town Entities has an interest.

(s) **Environmental Matters.**

(i) the Golf Town Entities are in compliance, and the Company has complied, with all applicable Environmental Laws, except for non-compliance which, either individually or in the aggregate, would not cause a Material Adverse Effect;

(ii) the Golf Town Entities have obtained, and maintained in full force and effect, all environmental permits, licenses, certificates of compliance, registrations, approvals and other governmental authorizations pursuant to any Environmental Laws required to conduct the Business in compliance with Environmental Laws (collectively, the "**Environmental Permits**") and have conducted the Business in compliance with all terms and conditions of the Environmental Permits, except for non-compliance, either individually or in the aggregate, which would not cause a Material Adverse Effect;

(iii) (A) no Release of Hazardous Materials by any of the Golf Town Entities or the Company has occurred on or under any part of the Leased Real Property or in connection with the Business,

(B) no aboveground or underground storage tanks are located on or under the Leased Real Property, or have been located on or under the Leased Real Property and then subsequently been removed or filled, and

(C) there are no Hazardous Substances located in the ground or in groundwater under any of the Leased Real Property;

except any such Release or any such circumstance that would not have a Material Adverse Effect.

(iv) no Golf Town Entity has received any written notice within the past three years alleging in any manner that such entity is responsible, or potentially responsible, for any Release of Hazardous Materials, or any costs, damages or requirements arising under or because of violation of Environmental Laws, except where such Release, costs, damages, requirements or violation would not have a Material Adverse Effect;

(v) to the best of its knowledge, information and belief, there are no assessments or reports with respect to environmental matters relating to the Business which are in the possession or control of any Golf Town Entity;

(vi) no Golf Town Entity has been required by any Governmental Entity to (i) alter any of the Leased Real Property in a material way in order to be in compliance with Environmental Laws, or (ii) perform any environmental closure, decommissioning, rehabilitation, restoration or post-remedial investigations, on, about, or in connection with any Leased Real Property; and

(vii) to the best of its knowledge, information and belief, there are no reports or documents in the possession of the Golf Town Entities relating to the environmental matters affecting the Golf Town Entities or any of the Leased Real Property. To the best of its knowledge, information and belief, there are no other reports or documents relating to environmental matters affecting the Golf Town Entities or any of the Leased Real Property which have not been made available to the Golf Town Entities whether by reasons of confidentiality restrictions or otherwise.

(t) **Business Carried on in the Ordinary Course.** Except as disclosed in the Prospectus, since January 31, 2004, the Business has been carried on in the Ordinary Course, and neither the Company (during the period from January 31, 2004 to and including October 31, 2004) nor any Golf Town Entity has:

(i) incurred or assumed or paid or discharged any material obligation or liability (direct or contingent), except for current obligations and liabilities incurred in the Ordinary Course;

(ii) loaned or agreed to lend money to any Person including a shareholder or partner;

(iii) sold or otherwise disposed of any fixed or capital assets (other than dispositions having a fair market value, in the case of any single sale or disposition, less than $1,000,000);

(iv) made, or made any commitments to make, any capital expenditures (other than capital expenditures, in the case of any single capital expenditure, less than $1,000,000) except in the Ordinary Course;

(v) suffered an extraordinary loss, or waived any rights of material value, or entered into any material commitment or transaction not in the Ordinary Course;

(vi) made any change in its accounting policies; or

(vii) authorized or agreed or otherwise become committed to do any of the foregoing.

(u) **Taxes.** Except as disclosed in the Prospectus:

(i) the Golf Town Entities have timely filed (or have had timely filed on their behalf) all returns, declarations, reports, estimates, information, returns, elections and statements ("**Returns**") required to be filed or sent in respect of any Governmental Charges or required to be filed or sent by it to any taxing authority having jurisdiction since incorporation or organization and all such Returns have been prepared in accordance with the provisions of the applicable legislation and are true, correct and complete in all material respects;

(ii) all Governmental Charges that are due from the Company or any of the Golf Town Entities in respect of the Business have been fully paid or fully disclosed and fully provided for in the Books and Records and the Financial Information and all Governmental Charges that may become payable and are required to be disclosed in accordance with Canadian generally accepted accounting principles have been fully disclosed and fully provided for in the Books and Records and the Financial Information;

(iii) there are no outstanding agreements or waivers extending the statutory period providing for an extension of time with respect to the assessment or reassessment of any Governmental Charges or the filing of any Return by, or any payment of any Governmental Charges by any of the Golf Town Entities, no notice of assessment or reassessment has been received and, to the best of its knowledge, information and belief, no examination of any Return of any of the Golf Town Entities is currently in progress;

(iv) there are no claims, actions, suits, proceedings or any investigation pending (other than any claim, action, suit, proceeding or investigation that would not have a Material Adverse Effect) or, to the best of its knowledge, information and belief, threatened against any of the Golf Town Entities relating to Governmental Charges and there is no valid basis for any such claim, action, suit, proceeding, investigation or discussion;

(v) each of the Golf Town Entities has withheld from each payment made by it the amount of all Governmental Charges and other deductions required to be withheld therefrom and has paid the same to the proper taxing or other authority within the time prescribed under any applicable Law.

(v) **No Breach of Material Contracts.** The Material Contracts are the only contracts material to the Business. Each of the Golf Town Entities has performed all of the obligations required to be performed by it, and is entitled to all benefits under, and is not in default of any Material Contract. Each of the Material Contracts is in full force and effect, unamended, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default under any Material Contract, except where any such default, event of default, event, occurrence, condition or act would not have a Material Adverse Effect. The Disclosure Letter contains a list of the Material Contracts setting out, in respect of each Material Contract, the parties, the term and any restrictions on assignment.

(w) **No Breach of Other Contracts.** No Golf Town Entity has violated or breached any of the terms or conditions of any Contract (provided that this representation and warranty shall not apply to the Material Contracts), except where such violation or breach would not individually or in the aggregate result in a Material Adverse Effect, or to the best of its knowledge, information and belief, all the covenants to be performed by any other party to such Contract have been fully performed in all material respects, other than any breach that would not have a Material Adverse Effect.

(x) **No Material Adverse Change.** Except as disclosed in the Prospectus, since January 31, 2004, there has not been any Material Adverse Change and no event has occurred or circumstance exists which would result in a Material Adverse Change.

(y) **Prospectus Disclosure.** The Prospectus constitutes full, true and plain disclosure of all Material Facts relating to (i) the Fund, the Golf Town Entities and all other entities owned or to be owned (whether directly or indirectly) by the Fund, (ii) the Business, and (iii) the Units. The Prospectus (other than information therein relating solely to the Underwriters and furnished by them in writing expressly for use in such document) does not contain any misrepresentation.

(z) **Sufficiency of Assets.** The property and assets owned or leased by the Golf Town Entities at Closing include all rights and property necessary to enable the Golf Town Entities to carry on the Business after the Closing substantially in the same manner as it was conducted by the Company prior to October 31, 2004. At Closing, the Golf Town Entities will have sufficient working capital to enable them to carry on the Business after the Closing substantially in the same manner as it was conducted by the Company prior to October 31, 2004. With the exception of inventory being manufactured or in transit, all of the assets owned by the Golf Town Entities are situate at or on the Leased Real Property.

(aa) **Title to the Purchased Assets.** Except as disclosed in the Prospectus, the property and assets owned or leased by the Golf Town Entities at Closing (i) constitute all of the assets used by the Company in carrying on the Business, and (ii) include all of the assets set forth in or reflected in the Financial Information, other than assets acquired since January 31, 2004 and inventory disposed of in the Ordinary Course. Each of the Golf Town Entities has legal and beneficial ownership of its assets and properties free and clear of all Liens except for Permitted Encumbrances. No other Person owns any property or assets which are being used by the Golf Town Entities in the Business except for the Leased Real Property and personal property leased or licensed by the Golf Town Entities pursuant to the Contracts.

(bb) **No Options, etc.** No Person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase from any of the Golf Town Entities of its property or assets, other than inventory sold in the Ordinary Course.

(cc) **Accounts Receivable.** All accounts receivable of the Golf Town Entities are bona fide.

(dd) **Condition of Tangible Assets.** Except where any such condition, state or lack of suitability would not have a Material Adverse Effect, the buildings, structures, vehicles, computers, equipment and other tangible personal property of the Golf Town Entities are structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put. None of such buildings, plants, structures, vehicles, equipment or other property are in need of maintenance or repairs except for ordinary routine maintenance and repairs that are not material in nature or cost.

(ee) **Inventory.** The inventory of the Golf Town Entities, subject to a reasonable allowance for obsolete inventory (consistent with the allowances reflected in the Financial Information), is good and usable and is capable of being sold in the Ordinary Course.

(ff) **Intellectual Property.** The Disclosure Letter describes the applied for or registered trade marks owned or used by the Golf Town Entities in connection with the Business, along with the offices (if any) in which the same are registered (being the only offices in Canada where such registration is necessary to preserve the Canadian rights thereto). Such trade marks are owned by the Company and the Company has the sole and exclusive right to use the same, except where the failure to possess such right would not result in a Material Adverse Effect, and except for license agreements entered into by the Company as licensor in the Ordinary Course. To the best of its knowledge, information and belief, the conduct of the Business does not materially infringe upon the Intellectual Property rights of any other Person and no such infringement has been alleged by any Person. To the best of its knowledge, information and belief, no other Person is infringing upon the Intellectual Property of the Golf Town Entities. The Company has taken all commercially reasonable precautions and made all commercially reasonable efforts to protect its Intellectual Property (including the making of trade mark registrations and filings with Governmental Bodies in Canada where appropriate) and to secure the confidentiality of its proprietary information. Neither the execution nor the consummation of the Acquisition Agreement will adversely affect the Intellectual Property of the Golf Town Entities.

(gg) **Information Technology.** To the best of its knowledge, information and belief, the Information Technology:

(i) is suitable for the purposes for which it is being used;

(ii) is free from known material defects or deficiencies; and

(iii) no material upgrade to or replacement of the Information Technology after the Date of Closing has been approved by any of the Golf Town Entities.

(hh) **Employment Matters.**

(i) The Disclosure Letter contains a complete and accurate list of all of the executive officers of the Company, their respective positions, current salaries and dates of hire with the Company. The Disclosure Letter also indicates which of such employees are parties to a written agreement of employment (including confidentiality, non-solicitation and non-competition agreements).

(ii) There are no outstanding, pending, or, to the best of its knowledge, information and belief, threatened or anticipated assessments, penalties, fines, Liens, charges, surcharges, actions, causes of action, claims, complaints, demands, orders, prosecutions or suits against the Golf Town Entities, their respective directors, officers or agents pursuant to or under any applicable Laws, rules, regulations or orders, including Canada Pension Plan, employment insurance, Governmental Charges, employer health tax, employment standards, labour relations, occupational health and safety, human rights, workers' compensation and pay equity laws, other than those which, individually or in the aggregate, would not cause a Material Adverse Effect. There are no claims or, to the best of its knowledge, information and belief, potential claims that may adversely affect any of the Golf Town Entities' accident cost experience in respect of the Business pursuant to any applicable workplace and insurance/workers' compensation Laws, regulations or rules other than claims that in the aggregate would not have a Material Adverse Effect.

(iii) (A) None of the Golf Town Entities have made any agreements, whether directly or indirectly, with any labour union, council of trade unions, employee bargaining agency, affiliated bargaining agent, employee association or other similar entity or made commitments to or conducted negotiations with any labour union or employee association or similar entity with respect to any future agreements;

(B) No trade union, council of trade unions, employee bargaining agency, affiliated bargaining agent, employee association or other similar entity has any bargaining rights acquired by either certification, interim certification, voluntary recognition or succession rights with respect to the Business or the employees of the Golf Town Entities;

(C) To the best of its knowledge, information and belief, there are not any attempts in progress to organize or establish any labour union, council of trade unions, employee bargaining agency, affiliated bargaining agent, employee association or other similar entity with respect to the Business of the employees of any of the Golf Town Entities.

(iv) Each of the Golf Town Entities is in compliance in all respects with all terms and conditions of employment and all Laws respecting employment including, pay equity, wages and hours of work, occupational health and safety and there are no outstanding claims, complaints, investigations or orders under any such Laws other than any such claims, complaints, investigations or orders that, in the aggregate, would not have a Material Adverse Effect.

(v) To the best of its knowledge, information and belief, none of the Golf Town Entities have or are engaged in any unfair labour practice and no unfair labour practice complaint, grievance or arbitration proceeding is pending or threatened against any of the Golf Town Entities.

(vi) No collective agreement is currently being negotiated by any of the Golf Town Entities or any other Person in respect of the Business or the employees of the Golf Town Entities.

(vii) There is no labour strike, dispute, work slowdown or stoppage pending or involving or, to the best of its knowledge, information and belief, threatened against any of the Golf Town Entities and no such event has occurred within the last three years.

(viii) No trade union has applied to have any of the Golf Town Entities declared a related employer pursuant to the *Labour Relations Act* (Ontario) or any similar legislation in any jurisdiction in which the Golf Town Entities carry on the Business.

(ix) Other than as set out in the Disclosure Letter, no employee of the Golf Town Entities has any agreement as to length of notice or severance payment required to terminate his or her employment, other than such as results by Law from the employment of an employee without an agreement as to notice or severance.

(x) Except as noted in the Prospectus, all amounts due or accrued due for all salaries, wages, vacation pay, bonuses, commissions and benefits under the Employee Plans relating to the employees of the Golf Town Entities have either been paid or are accurately reflected and have been accrued in the Books and Records of the applicable Golf Town Entity.

(ii) **Employee Plans.**

(i) The Disclosure Letter contains a true, complete and correct list of all Employee Plans.

(ii) Except as noted in the Disclosure Letter, the Company has true, correct and complete copies of all Employee Plans that have been reduced to writing, and written descriptions of all Employee Plans that have not been reduced to writing, together with copies of all documents relating to such Employee Plans. The Company has not made any commitment to improve any benefits under the Employee Plans.

(iii) With respect to each Employee Plan, the Golf Town Entities are in compliance in all material respects with the plan terms and all applicable Laws relating to each such Employee Plan.

(iv) All required contributions and/or premiums to be made under the Employee Plans have been fully paid to the date hereof in accordance with the terms of that Employee Plan and all applicable Laws, and no Governmental Charges are owing or exigible under any Employee Plan.

(v) Except as noted in the Disclosure Letter, none of the Employee Plans provide benefits beyond retirement or other termination of service to employees or former employees or to the beneficiaries or dependants of such employees.

(vi) Except as noted in the Prospectus, the Golf Town Entities do not currently sponsor, maintain, contribute to or have any liability to, nor has ever sponsored, maintained, contributed to or incurred any liability to a “registered pension plan”, a “deferred profit sharing plan” or a “retirement compensation arrangement” as defined under the Tax Act or any other plan organized and administered to provide pensions for employees.

(vii) There are no outstanding proceedings, actions, suits or claims (other than routine claims for payments of benefits and proceedings, actions, suits or claims that would not have a Material Adverse Effect) pending or, to the best of its knowledge, information and belief, threatened involving any Employee Plan or its assets.

(viii) No Employee Plan provides for benefit increases (or the acceleration of or an increase in funding) that are contingent upon or will become effective upon the entering into of the Acquisition Agreement or the completion of the transactions contemplated thereby.

(jj) **Leases of Real Property.**

(i) Other than the leases and subleases referred to in the Disclosure Letter (the "**Leases**"), none of the Golf Town Entities is a party to or bound by, or under any agreement to become a party to or bound by, any lease, sublease, or agreements of a similar nature relating to real property.

(ii) All Leases are in good standing, create a good and valid leasehold estate in the property thereby demised and is in full force and effect without amendment and the Golf Town Entities are entitled to the benefit of all such Leases. The Golf Town Entities have not encumbered or assigned their interests in any Leased Real Property and the Golf Town Entities' right, title and interest in and to the Leased Real Property is free and clear of all Liens other than the Permitted Encumbrances.

(iii) The Disclosure Letter contains a list of all of the Leases setting out, in respect of each Lease, the current landlord under the Lease, a description of the leased premises (by municipal address), the term of the Lease, the rental payments under the Lease, any rights of renewal and the term thereof and any restrictions on change of control, financing or amalgamation of the tenant under the Lease.

(iv) The Golf Town Entities have complied with all of their respective obligations under the Leases, except to the extent such non-compliance would not cause a Material Adverse Effect, the Required Consents are the only consents, approvals or other actions required to be satisfied by the tenant under the Leases in connection with the Closing Transactions, and none of the Golf Town Entities is in default or breach or has received a notice of default or breach of its obligations under such Leases which remains outstanding as of the date hereof except to the extent such default would not result in termination of such Lease or a Material Adverse Effect.

(kk) **Insurance.** The Golf Town Entities have all of their respective assets, property and undertaking and the Business insured against loss or damage under the policies described in the Disclosure Letter, and such insurance coverage will be continued in full force and effect (with all premiums paid) up to and including the Date of Closing. The Golf Town Entities maintain insurance policies with responsible insurers as are appropriate to the Business in such amounts and against such risks as are customarily carried and insured against by prudent owners of comparable businesses. True, correct and complete copies of all insurance policies have been provided to the Golf Town Entities and are listed on the Disclosure Letter. None of the Golf Town Entities is in default, whether as to the payment of premiums or otherwise, under the terms of any such policy nor has any Golf Town Entity failed to give any notice or present any claim under any such insurance policy in due and timely fashion. To the best of its knowledge, information and belief, nothing has been done or omitted to be done by any of the Golf Town Entities which could make any policy of insurance void or voidable.

(ll) **Compliance with Laws.** Each Golf Town Entity is conducting, and the Company has always conducted, its business and affairs in compliance in all respects with all applicable Laws in all jurisdictions in which it carries or carried on the Business, except where such non-compliance would not have a Material Adverse Effect. To the best of its knowledge, information and belief, there is no legislation, regulation, by-law or other lawful requirement currently in force or proposed to be brought into force by any Governmental Body with which a Golf Town Entity will be unable to comply in all material respects and which would reasonably be expected to have a Material Adverse Effect.

(mm) **Authorizations.** Each Golf Town Entity owns, holds, possesses and lawfully uses in the operation of the Business all Authorizations that are, in any manner, necessary for it to conduct the Business as presently or previously conducted or for the ownership and use of its assets and properties in compliance with all applicable Laws, except where the failure to own, hold, possess or use such Authorizations would not have a Material Adverse Effect. All Authorizations material to the Business are listed in the Disclosure Letter (the "**Material Authorizations**"). Each Material Authorization is valid, subsisting and in good standing, none of the Golf Town Entities are in default or breach of any Material Authorization and, to the best of its knowledge, information and belief, no proceeding is pending or threatened to revoke or limit any Material Authorization. To the best of its knowledge, information and belief, there are no grounds that would justify any Governmental Body amending, suspending, cancelling, revoking or invalidating any such Authorizations or any charge, administrative or monetary penalty, order or other proceeding against any of the Golf Town Entities or the Business.

(nn) **Residence of Golf Town Entities.** Each of the Golf Town Entities is a resident of Canada or a "Canadian Partnership" within the meaning of the Tax Act.

(oo) **Indebtedness.** Except as set out in the Prospectus, none of the Golf Town Entities has outstanding any bonds, debentures, notes, mortgages or other indebtedness for borrowed money (which, for greater certainty, excludes capital leases and other conditional sales arrangements) and no Golf Town Entity has agreed to create or issue any bonds, debentures, notes, mortgages or other indebtedness for borrowed money.

(pp) **No Disagreement with Auditors.** There is not currently and has not been during the Company's fiscal year ended January 31, 2004 any reportable disagreement (within the meaning of National Instrument 51-102 of the Canadian Securities Administrators) with the auditors of the Company.

(qq) **Suppliers.** The Disclosure Letter contains a true and correct list setting forth the 10 largest suppliers to the Business during the fiscal year ended January 31, 2004 by dollar amount as at the date of this Agreement.

(rr) **Mutual Fund Trust.** Subject to meeting the minimum distribution requirements with respect to the purchasers of the Units, the Fund will at Closing qualify as a mutual fund trust under the Tax Act, and the Fund and the other Golf Town Entities will conduct their affairs, in accordance with the Fund Declaration of Trust.

(ss) **Foreign Property.** The Units will not, as of the Closing Time, be "foreign property" as defined in the Tax Act.

9.2 Each of the Existing Investors, severally and not jointly or jointly and severally, represents and warrants to each of the Underwriters that:

(a) **Formation and Status of the Existing Investors.** Each of the Existing Investors that is a corporation (i) is a corporation duly incorporated or amalgamated and validly existing under the laws of its jurisdiction of incorporation, (ii) is duly registered to carry on its business in each jurisdiction where the conduct of its business is currently conducted and is presently proposed to be conducted, or the ownership, leasing or operation of its property and assets requires such registration, and (iii) has all requisite power and authority to carry on its business, and to own or lease and to operate its assets and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party.

(b) **Non Contravention.** The execution, delivery and performance by such Existing Investor of this Agreement and each of the Ancillary Agreements to which it is a party:

(i) if the Existing Investor is a corporation, have been, or will at the Closing Time be, duly authorized by all necessary action on the part of such Existing Investor;

(ii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require the consent, approval, Authorization, registration or qualification of or with, or notice to, any Governmental Body, stock exchange, Securities Commission or other securities regulatory authority or other Person, except: (A) those which have been obtained; or (B) those as may be required (and will be obtained prior to the Closing Time) under applicable Securities Laws;

(iii) do not (or will not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with or result in a default under (A) if the Existing Investor is a corporation, any of the terms or provisions of the constating documents or by-laws or resolutions of the securityholders or directors (or any committee thereof) of such Existing Investor, (B) any judgment, decree, order, writ, injunction or award of any court, Governmental Body or arbitrator having or purporting to have jurisdiction over such Existing Investor, or (C) any agreement, license or permit to which such Existing Investor is a party or by which its business may be affected, except in each case, any breach, violation, conflict, default or right of, with or under any such agreement, license or permit, that would not result in a Material Adverse Effect;

(iv) will not result in the violation of any Law.

(c) **Enforceability of Obligations.** This Agreement and the Ancillary Agreements to which such Existing Investor is a party have been or, as the case may be, will be, at the Closing Time, duly authorized, executed and delivered by or on behalf of such Existing Investor and constitute or, will constitute, when so executed and delivered, legal, valid and binding obligations of such Existing Investor, enforceable against such Existing Investor in accordance with their respective terms, provided that enforceability may be limited by bankruptcy, insolvency and other similar laws affecting creditors rights generally, that specific performance, injunctive relief and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction and that rights of indemnity and/or contribution set out in this Agreement may be limited by applicable Law.

(d) **Title to Purchased Securities.** Except as set out in the Disclosure Letter, such Existing Investor owns, as the sole registered and beneficial owner, the Purchased Securities set forth opposite its name in Schedule “A” to the Disclosure Letter with good and valid title thereto, free and clear of all Liens. Upon completion of the transactions contemplated by the Acquisition Agreement, the Partnership will have good and valid title to the Purchased Securities currently held by such Existing Investor, free and clear of all Liens other than (i) those restrictions on transfer, if any, contained in the articles of the Company, and (ii) Liens granted by the Partnership. As of the Closing Time, the Purchased Securities owned by such Existing Investor will not be subject to the terms of any shareholders’ agreement, voting trust or voting agreement.

(e) **No Remaining Securities.** Such Existing Investor (i) does not own, directly or indirectly, beneficially or legally, any securities (whether debt, equity or other) of the Company other than the securities set forth opposite the Existing Investor’s name in Schedule “A” to the Disclosure Letter, and (ii) does not have any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming such for the purchase, subscription, allotment or issuance of any of the Purchased Securities or any unissued shares or other securities of the Company.

(f) **No Insolvency or Bankruptcy Proceedings.** Such Existing Investor is not insolvent and has not committed any act of bankruptcy, proposed any compromise or arrangement or taken any proceeding with respect thereto and no encumbrancer or receiver has taken possession of any of the Existing Investor’s property, nor is any of the foregoing, to the best of its knowledge, information and belief, pending or threatened.

(g) **Residency.** Each Existing Investor, other than Golf Galaxy Inc., is not a non-resident of Canada within the meaning of the Tax Act.

(h) **No Broker.** Such Existing Investor has not employed or made any agreement, contract, arrangement or understanding with any broker, finder or similar agent or any Person that will result in the obligation of the Fund, the Trust or any Golf Town Entity to pay any finder's fee, brokerage fee or commission or similar payment in connection with the transactions contemplated hereby.

10. Survival of Representations and Warranties.

10.1 All of the representations, warranties, covenants and agreements of the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco or the Existing Investors, as applicable, contained in this Agreement or contained in documents submitted pursuant to this Agreement and in connection with the transaction of purchase and sale of the Purchased Units contemplated by this Agreement will survive the purchase and sale of the Purchased Units and the termination of this Agreement and such representations and warranties of the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco or the Existing Investors, as applicable, will continue in full force and effect for the benefit of the Underwriters for a period of 18 months after the Closing Date, provided, however, that:

(i) the representations and warranties set out in Sections 9.1(a), 9.1(b), 9.1(c), 9.1(d), 9.1(e), 9.1(i), 9.1(j), 9.1(l), 9.1(m), 9.2(a), 9.2(b)(i), 9.2(c) and 9.2(d), (and, in each case, the corresponding representations and warranties set out in the certificates (the "**Closing Certificates**") to be delivered pursuant to this Agreement at the Closing Time or the Over-Allotment Closing Time, as applicable) will survive and continue in full force and effect without limitation of time;

(ii) the representations and warranties set out in Section 9.1(u) (and the corresponding representations and warranties set out in the Closing Certificates) will survive and continue in full force and effect until the 90th day after the expiration of the period, if any, during which an assessment, reassessment or other form of recognized document assessing liability for tax, interest or penalties under applicable tax legislation in respect of any taxation year to which such representations and warranties extend could be issued under such tax legislation but for any consent, waiver, agreement, waiver or other document, made or filed after Closing;

(iii) the representations and warranties set out in Section 9.1(y) (and the corresponding representations and warranties set out in the Closing Certificates) will survive and continue in full force and effect until, but not beyond, the period for which the Fund and Manulife are liable for misrepresentations under the Prospectus pursuant to Securities Laws; and

(iv) a claim for any breach by the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco or the Existing Investors of any of the representations and warranties contained in this Agreement, any Closing Certificate or in any Ancillary Agreement involving fraud or fraudulent misrepresentation may be made at any time subject only to applicable limitation periods imposed by Law.

10.2 The Underwriters will be entitled to rely on the respective representations and warranties of the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco and the Existing Investors contained in this Agreement or any Closing Certificate or other certificate delivered pursuant to this Agreement notwithstanding any subsequent disposition of the Purchased Units or investigation which any of the Underwriters may undertake or which may be undertaken on any of the Underwriters' behalf.

11. Covenants of the Fund and the Existing Investors

Each of the Fund and the Existing Investors severally covenants and agrees with the Underwriters, as applicable, that:

11.1 the Fund will advise the Underwriters, promptly after receiving notice thereof, of the time when the Prospectus and any Supplementary Material has been filed and receipts have been obtained and will provide evidence satisfactory to the Underwriters of each filing and the issuance of receipts;

11.2 the Fund will advise the Underwriters, promptly after receiving notice or obtaining knowledge of: (i) the issuance by any Securities Commission of any order suspending or preventing the use of any of the Offering Documents; (ii) the suspension of the qualification of the Purchased Units for offering or sale in any of the Qualifying Jurisdictions; (iii) the institution, threatening or contemplation of any proceeding for any of the purposes referred to in clause (i) or (ii) of this Section 11.2; or (iv) any requests made by any Securities Commission for amending or supplementing any of the Offering Documents or for additional information, and will use its commercially reasonable best efforts to prevent the issuance of any such order referred to in clause (i) of this Section 11.2 and, if any such order is issued, will use its commercially reasonable best efforts to obtain the withdrawal of the order as promptly as possible;

11.3 the Fund will apply, and the Fund will cause each of the other Golf Town Entities to apply, the proceeds from the issue and sale of the Purchased Units in accordance with the disclosure set out under the heading "Use of Proceeds" in the Prospectus;

11.4 each of the Retained Interest Investors shall have executed and delivered to the Underwriters a release in the form attached as Exhibit "C";

11.5 each of the Fund and the Existing Investors will, and the Fund will cause each of the other Golf Town Entities, if applicable, to, use its commercially reasonable best efforts to promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Underwriters may reasonably require from time to time for the purpose of giving effect to this Agreement and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement;

12. Conditions of Closing of the Initial Units and Over-Allotment Units.

The obligation of the Underwriters to purchase the Initial Units and Over-Allotment Units on the Closing Date or the Over-Allotment Closing Date, as applicable, will be subject to the following:

12.1 the Fund will cause its counsel, Cassels Brock & Blackwell LLP, to deliver to the Underwriters and their counsel a legal opinion, subject to ordinary qualifications and assumptions and reliance on local counsel opinions and on certificates of trustees or officers of one or more of the Golf Town Entities, as applicable, dated and delivered on the Closing Date in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, with respect to those matters as the Underwriters may reasonably request relating to the distribution of the Initial Units and Over-Allotment Units, including that:

(a) (i) the Fund has been duly created and is existing as a trust under the laws of the Province of Ontario and the trustees have been duly appointed as trustees of the Fund, and (ii) the Fund has all requisite power and authority to carry on the business of the Fund as described in the Prospectus and to carry out the transactions contemplated by the Prospectus, and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party;

(b) (i) the Trust has been duly created and is existing under the laws of the Province of Ontario and the trustees have been duly appointed as trustees of the Trust, and (ii) the Trust has all requisite power and authority to carry on the business of the Trust as described in the Prospectus and to carry out the transactions contemplated by the Prospectus, and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party;

(c) the Partnership has been duly formed and is existing under the laws of the Province of Ontario;

(d) Golf Town GP (i) is a corporation duly incorporated and existing under the laws of the Province of Ontario, and (ii) has the corporate power and capacity to own, lease and operate its property and assets, to carry on its business as described in the Prospectus, including the business of the Partnership, to carry out the transactions to which it is a party contemplated by the Prospectus, and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party;

(e) each of Golf Town and Acquireco (i) is a corporation duly incorporated and existing under the laws of Canada, and (ii) has the corporate power and capacity to own, lease and operate its property and assets, to carry on its business as described in the Prospectus, to carry out the transactions to which it is a party contemplated by the Prospectus, and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party;

(f) immediately after the Amalgamation, Golf Town Amalco (i) is a corporation duly amalgamated and existing under the laws of Canada, and (ii) has the corporate power and capacity to own, lease and operate its property and assets, to carry on its business as described in the Prospectus, to carry out the transactions to which it is a party contemplated by the Prospectus, and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party;

(g) the Fund is authorized to issue an unlimited number of Fund Units and an unlimited number of Fund Special Voting Units;

(h) the Initial Units offered by the Fund pursuant to the Prospectus have been duly created and are validly issued and outstanding as fully-paid trust units;

(i) the Over-Allotment Option has been duly created by the Fund and, upon the Fund receiving the purchase price therefor and the exercise of the Over-Allotment Option in accordance with its terms, the Over-Allotment Units will be validly issued and outstanding as fully-paid trust units;

(j) the Trust is authorized to issue an unlimited number of Trust Units;

(k) the authorized capital of the Partnership consists of an unlimited number of Class A LP Units and an unlimited number of Class B LP Units and following completion of the transactions contemplated by the Acquisition Agreement, a certain number of Class A LP Units and a certain number of Class B LP Units (to be specified in the opinion) will be issued and outstanding as fully paid;

(l) the authorized capital of Golf Town GP consists of an unlimited number of common shares and immediately following completion of the transactions contemplated by the Acquisition Agreement, a certain number of such common shares (to be specified in the opinion) will be issued and outstanding as fully paid and non-assessable shares;

(m) the authorized capital of Golf Town consists of an unlimited number of common shares, an unlimited number of Class A shares and an unlimited number of Class B shares and immediately following completion of the transactions contemplated by the Acquisition Agreement, a certain number of such common shares (to be specified in the opinion) will be issued and outstanding as fully paid and non-assessable shares;

(n) the authorized capital of Acquireco consists of an unlimited number of common shares and immediately following completion of the transactions contemplated by the Acquisition Agreement, a certain number of such common shares (to be specified in the opinion) will be issued and outstanding as fully paid and non-assessable shares;

(o) the authorized capital of Golf Town Amalco will consist of an unlimited number of common shares and immediately following completion of the transactions contemplated by the Acquisition Agreement and the Amalgamation, a certain number of such common shares (to be specified in the opinion) will be issued and outstanding as fully paid and non-assessable shares;

(p) the Fund is, and following Closing will be, the registered and beneficial owner of the Trust Units and a certain aggregate principal amount of Trust Notes (to be specified in the opinion);

(q) the Trust is the registered and beneficial owner of all of the issued and outstanding Class A LP Units and all of the issued and outstanding common shares of Golf Town GP;

(r) Golf Town GP is the registered and beneficial owner of all of the general partnership interest in the Partnership;

(s) the Partnership is the registered and beneficial owner of all of the issued and outstanding common shares of Golf Town and all of the issued and outstanding common shares of Acquireco;

(t) immediately following the Amalgamation, the Partnership will be the registered and beneficial owner of all of the issued and outstanding common shares of Golf Town Amalco;

(u) the Retained Interest Investors (other than Bozniak and Spence) are the registered owners of all of the issued and outstanding Class B LP Units;

(v) each of the Preliminary Prospectus and the Prospectus, in both the English and French languages, and the execution and filing of each of the Preliminary Prospectus and the Prospectus, in both the English and French languages, with the Securities Commissions have been duly approved and authorized by all necessary action on the part of the Fund, and each of the Preliminary Prospectus and the Prospectus, in both the English and French languages, have been duly executed by the Fund;

(w) all necessary action has been taken by the Fund to validly issue and sell to the Underwriters the Purchased Units;

(x) the TSX has conditionally approved the listing of the Purchased Units, subject to satisfaction by the Fund of the Standard Listing Conditions;

(y) all necessary action has been taken by each of the Golf Town Entities to authorize the execution, delivery and performance by or on behalf of such party of this Agreement and each of the Ancillary Agreements to which it is a party and the performance of its obligations hereunder and thereunder, and this Agreement and each of the Ancillary Agreements to which such party is a party have been duly executed and delivered by or on behalf of such party and constitute legal, valid and binding obligations of such party enforceable against it in accordance with each of their terms, provided that enforcement may be limited by bankruptcy, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, that specific performance, injunctive relief and other equitable remedies may be granted only in the discretion of a court of competent jurisdiction, that rights of indemnity and/or contribution may be limited by applicable Law and that provisions purporting to sever prohibited or unenforceable provisions without affecting the enforceability of the remainder of the agreement may be limited by applicable Law and such other usual qualifications;

(z) except as shall have been made or obtained, no Authorization of a Governmental Body is required for the execution, delivery and performance by any of the Golf Town Entities of this Agreement or any Ancillary Agreement to which any of such parties are party;

(aa) the attributes of the Units are consistent in all material respects with the description under the heading "Description of the Fund" in the Prospectus;

(bb) the attributes of the Trust Units and the Trust Notes are consistent in all material respects with their respective descriptions under the heading "Description of the Trust" in the Prospectus;

(cc) the attributes of the Class A LP Units and the Class B LP Units are consistent in all material respects with their respective descriptions under the heading "Description of the Partnership" in the Prospectus;

(dd) all necessary documents have been filed, all requisite proceedings have been taken and all other legal requirements have been fulfilled under Securities Laws of each of the Qualifying Jurisdictions in order to qualify the distribution of the Purchased Units through investment dealers or brokers who are registered under applicable legislation of the Qualifying Jurisdictions and who have complied with the relevant provisions of such applicable legislation;

(ee) the form and terms of the global certificate representing the Units have been approved and adopted by the trustees of the Fund and do not conflict with the Fund Declaration of Trust or with the rules, regulations and policies of the TSX;

(ff) the Trust Company at its principal office in the City of Toronto has been duly appointed as the transfer agent and registrar for the Fund Units;

(gg) the execution and delivery of this Agreement and the Ancillary Agreements, the fulfillment of the terms of such agreements by each of the Golf Town Entities and the issuance, sale and delivery of the Purchased Units do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:

(i) any of the terms, conditions or provisions of the constating documents or resolutions of the securityholders, partners, trustees or directors (or any committee thereof), as applicable, of any of the Golf Town Entities;

(ii) any Laws applicable to any of the Golf Town Entities; or

(iii) to counsel's actual knowledge, any judgment, decree or order of any Governmental Body having jurisdiction over any of the Golf Town Entities;

(hh) to counsel's actual knowledge, there are no legal proceedings pending or threatened to which any of the Golf Town Entities is a party or to which any of the properties of any of the Golf Town Entities is subject that are required to be described in the Prospectus and are not so described;

(ii) to counsel's actual knowledge, no order, ruling or determination having the effect of ceasing, suspending or restricting trading in any securities of the Fund or the offering of the Purchased Units has been issued and no proceedings, investigations or inquiries for such purpose are pending;

(jj) the Purchased Units:

(i) subject to compliance with the prudent investment standards and general investment provisions and restrictions of the statutes listed under the heading "Eligibility for Investment" in the Prospectus (and, where applicable, the regulations made under those statutes) and, in certain cases, subject to the satisfaction of additional requirements relating to investment or lending policies, standards, procedures or goals and, in certain cases, subject to the filing of such policies, standards, procedures or goals, will not at the date of their issue be precluded as investments under those statutes;

(ii) provided the Fund is a mutual fund trust under the Tax Act, will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans; and

(iii) provided the Fund is a mutual fund trust under the Tax Act, and based upon certificates of the Fund and the Partnership as to certain factual matters, do not as of the Closing Date constitute foreign property for the purposes of the tax imposed under Part XI of the Tax Act;

(kk) subject to the qualifications, assumptions, limitations and understandings set out therein, the statements as to matters of the Laws of Canada set out in Prospectus under the heading "Certain Canadian Federal Income Tax Considerations" fairly describe the principal Canadian federal income tax considerations as at the date thereof generally applicable under the Tax Act to a holder of Fund Units who acquires such securities pursuant to the Offering and who, for purposes of the Tax

Act, is resident in Canada, holds the Fund Units as capital property and deals at arm's length, and is not affiliated, with the Fund; and

(ll) the distribution of the Purchased Units complies with all Laws of the Province of Quebec relating to the use of the French language in connection therewith.

In connection with this opinion, counsel to the Fund may rely on the opinions of local counsel acceptable to Goodmans LLP, as to form, substance and choice of counsel, each acting reasonably, where it deems such reliance proper and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of the officers of the Golf Town Entities, public and stock exchange officials, trustees of the Fund and the Trust.

12.2 Manulife will cause its in-house counsel to deliver to the Underwriters and their counsel a legal opinion dated and delivered on the Closing Date in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, with respect to those matters as the Underwriters may reasonably request relating to the distribution of the Initial Units and Over-Allotment Units, including that:

(a) Manulife (i) is a corporation duly continued and existing under the laws of the Canada, and (ii) has the corporate power and capacity to own, lease and operate its property and assets, to carry on its business as described in the Prospectus, to carry out the transactions to which it is a party contemplated by the Prospectus, and to enter into and perform its obligations under this Agreement and each of the Ancillary Agreements to which it is a party;

(b) each of the Preliminary Prospectus and the Prospectus, in both the English and French languages, and the execution and filing of each of the Preliminary Prospectus and the Prospectus, in both the English and French languages, with the Securities Commissions have been duly approved and authorized by all necessary action on the part of Manulife, and each of the Preliminary Prospectus and the Prospectus, in both the English and French languages, have been duly executed by Manulife;

(c) all necessary action has been taken by Manulife to authorize the execution, delivery and performance by or on behalf of Manulife of this Agreement and each of the Ancillary Agreements to which Manulife is a party and the performance of Manulife's obligations hereunder and thereunder, and this Agreement and each of the Ancillary Agreements to which Manulife is a party have been duly executed and delivered by or on behalf of Manulife and constitute legal, valid and binding obligations of Manulife enforceable against Manulife in accordance with each of their terms, provided that enforcement may be limited by bankruptcy, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, that specific performance, injunctive relief and other equitable remedies may be granted only in the discretion of a court of competent jurisdiction, that rights of indemnity and/or contribution may be limited by applicable Law and that provisions purporting to sever prohibited or unenforceable provisions without affecting the enforceability of the remainder of the agreement may be limited by applicable Law and such other usual qualifications; and

(d) except as shall have been made or obtained, no Authorization of a Governmental Body is required for the execution, delivery and performance by Manulife of this Agreement or any Ancillary Agreement to which it is party;

12.3 The Fund will cause its U.S. counsel to deliver to the Underwriters and their counsel a legal opinion dated and delivered on the Closing Date or the Over-Allotment Closing Date, as applicable, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, with respect to (i) the sale of the Purchased Units to the Underwriters, and the initial resale of the Purchased Units under Rule 144A by the Underwriters through their U.S. broker dealer affiliates in the United States, and (ii) there being no requirement to register the Purchased Units under the U.S. Securities Act.

12.4 The Underwriters will have received from their counsel, Goodmans LLP, a legal opinion dated and delivered on the Closing Date or the Over-Allotment Closing Date, as applicable, in form and substance satisfactory to the Underwriters, with respect to those matters as the Underwriters may reasonably require relating to the distribution of the Purchased Units. In connection with that opinion, counsel to the Underwriters may rely on the opinion of counsel to the Fund and any underlying certificates and, with respect to matters governed by the Laws of jurisdictions other than the Province of Ontario, on the opinions of local counsel to the Fund.

12.5 The Underwriters will have received certificates dated the Closing Date or the Over-Allotment Closing Date, as applicable, signed by those trustees and those senior officers of each of the Golf Town Entities and Manulife as may be acceptable to the Underwriters, acting reasonably, in form and substance satisfactory to the Underwriters, acting reasonably, with respect to:

(a) the constating documents of each of the Golf Town Entities and Manulife;

(b) the resolutions of the trustees of the Fund and the Trust and directors or partners, as applicable, of the other Golf Town Entities relevant to the allotment, issue and sale, as the case may be, of the Purchased Units and the authorization of this Agreement and the Ancillary Agreements to which they are a party;

(c) the resolutions of the directors of Manulife relevant to the authorization of this Agreement and the Ancillary Agreements to which they are a party; and

(d) the incumbency and signatures of signing officers of each of the Golf Town Entities and Manulife.

12.6 The Fund will provide the Underwriters with a certificate of facts stating that the Fund meets the requirements of a “mutual fund trust” under the Tax Act and the Underwriters, acting reasonably, will be satisfied that the transactions described in the Prospectus to occur or be completed on the Closing Date or the Over-Allotment Closing Date, as applicable, have been or will be completed so that the Fund meets the requirements of a "mutual fund trust" within the meaning of the Tax Act at the Closing Date or the Over-Allotment Closing Date, as applicable.

12.7 A majority of the trustees of the Fund will provide a certificate stating that he or she is not a non-resident of Canada for the purposes of the Tax Act on the Closing Date or the Over-Allotment Closing Date, as applicable.

12.8 The Fund will cause the auditors of the Fund to deliver to the Underwriters a "long-form" comfort letter, dated the Closing Date or the Over-Allotment Closing Date, as applicable, in form and substance satisfactory to the Underwriters, acting reasonably, bringing forward to a date not more than two business days prior to the Closing Date or the Over-Allotment Closing Date, as applicable, the information contained in the comfort letter referred to in Section 6.3(d) of this Agreement.

12.9 Each of the Golf Town Entities and the Existing Investors will have executed and delivered the Ancillary Agreements to which they are a party to be executed and delivered prior to the Closing Time and such agreements (including the Disclosure Letter) will be in form and substance satisfactory to the Underwriters, acting reasonably, and none of such Ancillary Agreements will have been amended, supplemented or modified in any way and no condition or provision in any such Ancillary Agreement will have been waived by any party without the prior written consent of the Underwriters, and each of the parties thereto will have performed such of their obligations thereunder which are to be performed or completed, at or prior to the Closing Time or the Over-Allotment Closing Time, as applicable, to the satisfaction of the Underwriters, acting reasonably.

12.10 Any condition precedent to the completion of the transactions contemplated by the Acquisition Agreement in favour of the Golf Town Entities will have been fulfilled, performed or waived by the Golf Town Entities to the satisfaction of the Underwriters, acting reasonably and on or prior to the completion of the Closing, the Partnership and the Company will have entered into the New Credit Facilities.

12.11 Each of the Golf Town Entities will deliver to the Underwriters, at the Closing Time and at the Over-Allotment Closing Time, certificates dated the Closing Date or the Over-Allotment Closing Date, as applicable, addressed to the Underwriters and signed, in the case of the Fund and the Trust, by two trustees of the Fund and the Trust, respectively, and, in the case of each other entity, by an officer acceptable to the Underwriters on behalf of such entity, certifying for and on behalf of the Fund, the Trust, the Partnership, Golf Town GP, the Company or Acquireco, as applicable, and not in their personal capacities, after having made due inquiries, to the effect that:

(a) the Fund, the Trust, the Partnership, Golf Town GP, the Company or Acquireco, as applicable, has complied, in all material respects, with all the covenants and satisfied, in all material respects, all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time or the Over-Allotment Closing Time, as applicable;

(b) subsequent to the respective dates as at which information is given in the Prospectus, the Golf Town Entities have not sustained any material loss or interference with their business or property, whether or not covered by insurance and have not become involved in any material labour, intellectual property or related dispute or any material legal or governmental proceeding, and there has not been any Material Adverse Change, or any development involving a prospective Material Adverse Change, other than as disclosed in the Prospectus or any Supplementary Material or as contemplated in the Acquisition Agreement, as the case may be;

(c) subsequent to the respective dates as at which information is given in the Prospectus, no transaction out of the Ordinary Course, material to the Fund, the Trust, the Partnership, Golf Town GP, the Company or Acquireco, as applicable, has been entered into by the Fund, the Trust, the Partnership, Golf Town GP, the Company or Acquireco, as applicable, or has been approved by the management of any of them, which results in a Material Adverse Change, other than as disclosed in the Prospectus or any Supplementary Material or as contemplated in the Acquisition Agreement, as the case may be;

(d) the representations and warranties of the Fund, the Trust, the Partnership, Golf Town GP, the Company or Acquireco, as applicable, contained in this Agreement, and in any certificates of such party delivered pursuant to or in connection with this Agreement, are true and correct in all material respects, or in the case of representations and warranties that are qualified by materiality, are true and correct, as at the Closing Time or the Over-Allotment Closing Time, as applicable, except in respect of any representations and warranties that are to be true and correct as of a specific date, in which case they will be true and correct as at that date only, with the same force and effect as if made on and as at the Closing Time or the Over-Allotment Closing Time, as applicable, after giving effect to the transactions contemplated by this Agreement;

(e) in respect of the Fund, receipts have been issued by the Securities Commissions for the Prospectus and no order, ruling or determination having the effect of restricting or ceasing the trading or suspending the sale of the Purchased Units of the Fund has been issued and no proceedings for that purpose have been instituted or are pending or, to the knowledge of those officers, contemplated or threatened by any regulatory authority; and

(f) the representations and warranties of the Fund arising by reason of the delivery of the Preliminary Prospectus, the Prospectus and any Supplementary Material are true and correct on and as at the Closing Time or the Over-Allotment Closing Time, as applicable, as if those documents had been dated the Closing Date or the Over-Allotment Closing Date, as applicable, and delivered to the Underwriters on that date;

and all of those matters will in fact be true and correct as at the Closing Time or the Over-Allotment Closing Time, as applicable.

12.12 Each of the Existing Investors will deliver to the Underwriters, at the Closing Time and the Over-Allotment Closing Time, a certificate dated the Closing Date or the Over-

Allotment Closing Date, as applicable, addressed to the Underwriters, and signed, in the case of Manulife, by an authorized signatory, and, in the case of Bebis, by Bebis, certifying that:

(a) such Existing Investor has complied, in all material respects, with all the covenants and satisfied, in all material respects, all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time or the Over-Allotment Closing Time, as applicable;

(b) subsequent to the respective dates as at which information is given in the Prospectus, the Golf Town Entities have not sustained any material loss or interference with its business or property, whether or not covered by insurance, and has not become involved in any material labour, patent or related dispute or any material legal or governmental proceeding, and there has not been any Material Adverse Change, or any development involving a prospective Material Adverse Change, other than as disclosed in the Prospectus or any Supplementary Material or as contemplated in the Acquisition Agreement, as the case may be;

(c) subsequent to the respective dates as at which information is given in the Prospectus, no transaction out of the Ordinary Course, material to the Fund, has been entered into by such Existing Investor or has been approved by the management of it, which results in a Material Adverse Change, other than as disclosed in the Prospectus or any Supplementary Material or as contemplated in the Acquisition Agreement, as the case may be;

(d) the representations and warranties of such Existing Investor contained in this Agreement, and in any certificates delivered pursuant to or in connection with this Agreement, are true and correct in all material respects, or in the case of representations and warranties that are qualified by materiality, are true and correct, as at the Closing Time or the Over-Allotment Closing Time, as applicable, except in respect of any representations and warranties that are to be true and correct as of a specific date, in which case they will be true and correct as at that date only, with the same force and effect as if made on and as at the Closing Time or the Over-Allotment Closing Time, as applicable, after giving effect to the transactions contemplated by this Agreement and the Prospectus; and

(e) in the case of Manulife, the representations and warranties of Manulife arising by reason of the delivery of the Preliminary Prospectus, the Prospectus and any Supplementary Material are true and correct on and as at the Closing Time or the Over-Allotment Closing Time, as applicable, as if those documents had been dated the Closing Date or the Over-Allotment Closing Date, as applicable, and delivered to the Underwriters on that date;

and all of those matters will in fact be true and correct as at the Closing Time or the Over-Allotment Closing Time, as applicable.

12.13 All actions required to be taken by or on behalf of the Fund, including the passing of all requisite resolutions of the sole unitholder and trustees of the Fund and all requisite filings with any Governmental Body or Securities Commissions will have occurred at or prior to the Closing Time so as to validly authorize the execution and filing of the Preliminary Prospectus, the Prospectus and any Supplementary Material and to create and issue the Initial Units and Over-Allotment Units having the attributes contemplated by the Prospectus.

12.14 The Purchased Units will have been approved for listing and posted for trading on the TSX on the business day immediately preceding the Closing Date, subject only to the Standard Listing Conditions.

12.15 The representations and warranties of the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco and the Existing Investors contained in this Agreement will be true and correct, in all material respects, or in the case of representations and warranties that are qualified by materiality, are true and correct, in each case as at the Closing Time or the Over-Allotment Closing Time, as applicable, except in respect of any representations and warranties that are to be true and correct as of a specific date, in which case they will be true and correct as at that date only, with the same force and effect as if made as at the Closing Time or the Over-Allotment Closing Time, as applicable, after giving effect to the transactions contemplated in this Agreement, and the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco and the Existing Investors will each have complied with all of the terms and conditions of this Agreement or their respective parts to be complied with and satisfied at or prior to the Closing Time or the Over-Allotment Closing Time, as applicable.

12.16 Each of Manulife, Bebis, Bozniak and Spence will have delivered to the Underwriters an executed Non-Competition/Non-Solicitation Agreement.

12.17 Each of the Retained Interest Investors will have delivered to the Underwriters a duly executed Lock-Up Agreement.

12.18 The Underwriters will have received such other certificates, opinions, agreements, materials or documents in form and substance satisfactory to the Underwriters and their counsel, as the Underwriters or their counsel may reasonably request.

13. Closing.

13.1 The closing of the purchase and sale of the Initial Units will be completed at the Closing Time at the Toronto, Ontario offices of Cassels Brock & Blackwell LLP, or at any other place determined in writing by the Fund and the Underwriters. At the Closing Time:

(a) the Fund will deliver to the Lead Manager for the respective accounts of the Underwriters the Initial Units and any break-out certificates required in respect of sales of Initial Units made in accordance with Schedule A registered in accordance with a direction in writing of the Lead Manager. The Fund will pay or cause Acquireco to pay all fees and expenses payable to or incurred by the Trust Company in connection with the delivery contemplated by this Section 13.1(a) and the fees and expenses payable to or incurred by the Trust Company in connection with such additional transfers required in the course of the distribution of the Units and all fees payable to The Canadian Depository for Securities Limited;

(b) BMO will cause to be sent to the Fund, or as the Fund may otherwise direct in writing, by wire transfer, on behalf of the Underwriters, an amount representing the purchase price for the Initial Units being issued and sold by them under this Agreement net of (i) the fees payable by the Fund and Acquireco to the Underwriters as provided for in Section 3, and (ii) the reimbursable expenses payable by the Fund and Acquireco to the Underwriters as provided for in Section 17; and

(c) the Fund will deliver to the Underwriters all further documentation as may be contemplated in this Agreement or as counsel to the Underwriters may reasonably require.

13.2 The closing of the purchase and sale of the Over-Allotment Units will be completed at the Over-Allotment Closing Time at the Toronto, Ontario offices of Cassels Brock & Blackwell LLP, or any other place determined in writing by the Fund and the Underwriters. At the Over-Allotment Closing Time:

(a) the Fund will deliver to the Lead Manager for the respective accounts of the Underwriters, the Over-Allotment Units and any break-out certificates required in respect of sales of the Over-Allotment Units made in accordance with a direction of the Lead Manager. The Fund will cause Acquireco to pay all fees and expenses payable to or incurred by the Trust Company in connection with the delivery contemplated by this Section 13.2(a) and the fees and expenses payable to or incurred by the Trust Company in connection with such additional transfers required in the course of the distribution of the Over-Allotment Units and all fees payable to The Canadian Depository for Securities Limited;

(b) BMO will cause to be sent to the Fund, or as the Fund may otherwise direct in writing, by wire transfer, on behalf of the Underwriters, an amount representing the purchase price for the Over-Allotment Units being issued and sold by them under this Agreement net of (i) the fees payable by the Fund and Acquireco to the Underwriters as provided for in Section 3, and (ii) the reimbursable expenses payable by the Fund and Acquireco to the Underwriters as provided for in Section 17; and

(c) the Fund will deliver to the Underwriters all further documentation as may be contemplated in this Agreement or as counsel to the Underwriters may reasonably require.

14. Restrictions on Further Issues or Sales and Transfers.

14.1 Until the close of trading on the TSX on the 180^{th} day after the Closing Date, neither the Fund nor the Existing Investors will offer, sell or issue for sale or resale any Units (other than pursuant to the exercise of the Over-Allotment Option) or financial instruments or securities convertible into, or exercisable or exchangeable for, Units (including by way of any transaction that has the economical equivalent effect of any of the foregoing) or agree to, or announce, any such offer, sale or issuance, without the prior written consent of the Lead Manager, on behalf of the Underwriters, which consent may not be unreasonably withheld.

15. Indemnification.

15.1 The Fund, the Trust, the Partnership, Golf Town GP, the Company and Acquireco will jointly and severally, and the Existing Investors will severally and not jointly or jointly and severally, protect, hold harmless and indemnify each of the Underwriters and their respective affiliates and their respective directors, officers, employees, shareholders, partners, advisors and agents (collectively, the "**Indemnified Parties**" and individually an "**Indemnified Party**") from and against all losses (other than losses of profit in connection with the distribution of the Purchased Units) claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind, including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings, investigations or claims and the reasonable fees, disbursements and taxes of their counsel in connection with any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or in enforcing this indemnity (collectively, a "**Claim**") to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claim relates to, is caused by, results from, arises out of or is based upon, directly or indirectly:

(a) any breach of or default under any representation, warranty, covenant or agreement of the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco or the Existing Investors in this Agreement or any other document to be delivered in connection with this Agreement, or the failure of the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco or the Existing Investors to comply with any of its obligations under this Agreement or under those other documents;

(b) the Fund or any other Golf Town Entity or any Existing Investor not complying with any requirement of any Securities Laws relating to the Offering;

(c) any information or statement (except any information or statement relating solely to the Underwriters and furnished by them in writing expressly for use in the Offering Documents) contained in any of the Offering Documents or any other document or material filed or delivered by or on behalf of the Fund or Manulife pursuant to this Agreement being or being alleged to be a misrepresentation or untrue or any omission or alleged omission to state in any of those documents or material any material fact (except any material fact relating solely to the Underwriters and furnished by them in writing expressly for use in the Offering Documents) required to be stated in those documents or material or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made; or

(d) any order made or any inquiry, investigation or proceeding instituted, threatened or announced by any court, securities regulatory authority, stock exchange or by any other competent authority, based upon any misrepresentation or alleged misrepresentation (except a misrepresentation relating solely to the Underwriters and furnished by them in writing expressly for use in those documents) contained in any of the Offering Documents, preventing or restricting the trading in or the sale or distribution of the Purchased Units;

and will reimburse the Indemnified Parties for all reasonable costs, charges and expenses, as incurred, which any of them may pay or incur in connection with investigating or disputing any Claim or action related thereto. The indemnity in this Section 15.1 will be in addition to any liability which the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco or the Existing Investors may otherwise have.

15.2 Notwithstanding Section 15.1, each of the Existing Investors will be liable to indemnify the Indemnified Parties under this Agreement and any other document to be delivered in connection with this Agreement or with those other documents only up to a maximum aggregate amount equal to 100% of the value of the consideration received by the Existing Investor from the Partnership in connection with the transactions of purchase and sale contemplated by the Acquisition Agreement, being the aggregate of the principal amount of the Purchase Note and the value of the Class B LP Units issued to such party, as the case may be, calculated as at the Closing Time.

15.3 Each of the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco and the Existing Investors (collectively, the "**Indemnifying Parties**" and individually an "**Indemnifying Party**") also agree that no Indemnified Party will have any liability (either direct or indirect, in contract or tort or otherwise) to the Indemnifying Parties or any Person asserting claims on the Indemnifying Parties' behalf or in right for or in connection with this Agreement, except to the extent that any losses, expenses, claims, actions, damages or liabilities incurred by the Indemnifying Parties are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted directly from the fraud, wilful misconduct or gross negligence of such Indemnified Party. In the event and to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable determines that an Indemnified Party was guilty of fraud or wilful misconduct in connection with a Claim in respect of which the Indemnifying Parties has advanced funds to the Indemnified Party pursuant to this indemnity, such Indemnified Party will reimburse such funds to the Indemnifying Parties and thereafter this indemnity will not apply to such Indemnified Party in respect of such Claim.

15.4 Each Indemnifying Party hereby waives any rights it may have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy, security or claim payment from any other Person before claiming against an Indemnifying Party under this Section 15.

15.5 If any Claim contemplated by this Section 15 is asserted against any of the Indemnified Parties, or if any potential Claim contemplated by this Section 15 comes to the knowledge of any of the Indemnified Parties, the Indemnified Party concerned will notify in writing the Indemnifying Parties, as soon as reasonably practicable, of the nature of the Claim (provided that any failure to so notify in respect of any potential Claim will not, subject to the following, affect the liability of the Indemnifying Parties under this Section 15 and provided further that any failure to so notify in respect of any actual Claim will affect the liability of the Indemnifying Parties under this Section 15 only to the extent that the Indemnifying Parties are materially prejudiced by that failure). The Indemnifying Parties will, subject to the following, be entitled (but not required) to assume the defence on behalf of the Indemnified Party of any suit brought to enforce the Claim; provided that the defence will be through legal counsel selected by the Indemnifying Parties and acceptable to the Indemnified Party, acting reasonably, and no admission of liability will be made by the Indemnifying Parties or the Indemnified Party without, in each case, the prior written consent of all the Indemnified Parties and Indemnifying Parties affected, which consent will not be unreasonably withheld. An Indemnified Party will have the right to employ separate counsel in any such suit and participate in its defence but the fees and expenses of that counsel will be at the expense of the Indemnified Party unless:

(a) the Indemnifying Parties fail to assume the defence of the suit on behalf of the Indemnified Party within ten days of receiving notice of the suit;

(b) the employment of that counsel has been authorized by the Indemnifying Parties; or

(c) the named parties to the suit (including any added or third parties) include the Indemnified Party and an Indemnifying Party and the Indemnified Party has been advised in writing by counsel that there are legal defences available to the Indemnified Parties that are different or in addition to those available to an Indemnifying Party or that representation of the Indemnified Party by counsel for an Indemnifying Party is inappropriate as a result of the potential or actual conflicting interests of those represented;

(in the cases of each of Sections 15.5(a), (b) or (c), the Indemnifying Parties will not have the right to assume the defence of the suit on behalf of the Indemnified Party, but the Indemnifying Parties will be liable to pay the reasonable fees and expenses of separate counsel for all Indemnified Parties and, in addition, of local counsel in each applicable jurisdiction). Notwithstanding the foregoing, no settlement may be made by an Indemnified Party without the prior written consent of the Indemnifying Parties, which consent will not be unreasonably withheld.

15.6 The Indemnifying Parties agree to reimburse the Lead Manager monthly for the time spent by the Lead Manager's personnel in connection with any Claim at its normal per diem rates. The Indemnifying Parties also agree that if any action, suit, proceeding or Claim will be brought against, or an investigation commenced in respect of the Indemnifying Parties or the Indemnifying Parties and the Lead Manager and personnel of the Lead Manager will be required to testify, participate or respond in respect of or in connection with this Agreement, the Lead Manager will have the right to employ their own counsel in connection therewith and the Indemnifying Parties will reimburse the Lead Manager monthly for the time spent by its personnel in connection therewith at its normal per diem rates together with such disbursements and reasonable out-of-pocket expenses as may be incurred, including reasonable fees and disbursements of the Lead Manager's counsel.

15.7 The Indemnifying Parties hereby acknowledge and agree that, with respect to Sections 15 and 16 of this Agreement, the Lead Manager is contracting on its own behalf and as agent for the other Underwriters and the affiliates, directors, officers, employees and agents and their respective affiliates, directors, officers, employees and agents of each Underwriter (collectively, the "**Beneficiaries**"). In this regard, each of the Underwriters will act as trustee for the Beneficiaries of the covenants of the Indemnifying Parties under Sections 15 and 16 of this Agreement with respect to the Beneficiaries and accepts these trusts and will hold and enforce those covenants on behalf of the Beneficiaries.

15.8 The rights of indemnity contained in this Section 15 will not enure to the benefit of the Underwriters if the Fund and Manulife have complied with the provisions of Sections 5 and 6 and the Person asserting any Claim contemplated by this Section 15 was not provided with a copy of any Prospectus or Supplementary Material which corrects any misrepresentation (for purposes of Securities Laws or any of them) which is the basis of the Claim and which is required under Securities Laws to be delivered to that Person by the Underwriters or members of their selling group (if any).

16. Contribution.

16.1 In order to provide for just and equitable contribution in circumstances in which an indemnity provided in Section 15 of this Agreement would otherwise be available in accordance with its terms but is, for any reason not solely attributable to any one or more of the Indemnified Parties, held to be unavailable to or unenforceable by the Indemnified Parties or enforceable otherwise than in accordance with its terms, the Underwriters and the applicable Indemnifying Party will contribute to the aggregate of all claims, damages, liabilities, costs and expenses and all losses (other than losses of profits in connection with the distribution of the Purchased Units) of the nature contemplated in Section 15.1 of this Agreement and suffered or incurred by the Indemnified Parties in proportions so that the Underwriters will be responsible for the portion represented by the percentage that the total fee paid to the Underwriters in connection with the sale of the Purchased Units bears to the aggregate purchase price of the Purchased Units, both as determined pursuant to the provisions of this Agreement, and the Indemnifying Parties will, subject to Section 16.2, be responsible for the balance, whether or not they have been sued or sued separately; provided that the Underwriters will not in any event be liable to contribute, in the aggregate, any amount in excess of the total fee or any portion actually received.

16.2 No Person who has engaged in any fraud or fraudulent misrepresentation, recklessness, negligence, wilful misconduct, wilful default or reckless disregard will be entitled to claim contribution from any Person who has not engaged in such fraud or fraudulent misrepresentation, recklessness, negligence, wilful misconduct, wilful default or reckless disregard.

16.3 For greater certainty, each Indemnifying Party will not have any obligation to contribute pursuant to this Section 16 in respect of any Claim except to the extent the indemnity given by it in Section 15 of this Agreement would have been applicable to that Claim in accordance with its terms, had that indemnity been found to be enforceable and available to the Indemnified Parties.

16.4 The rights to contribution provided in this Section 16 will be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law provided that Sections 16.1 and 16.3 will apply, *mutatis mutandis*, in respect of that other right.

16.5 If an Indemnified Party has reason to believe that a claim for contribution may arise, the Indemnified Party will give the Indemnifying Parties notice in writing, but failure to so notify will not relieve the Indemnifying Parties of any obligation which they may have to the Indemnified Party under this Section 16 provided that the Indemnifying Parties are not materially prejudiced by that failure, and the right of the Indemnifying Parties to assume the defence of that Indemnified Party will apply as set out in Section 15 of this Agreement, *mutatis mutandis*.

17. Expenses.

17.1 Except as otherwise indicated below, whether or not the purchase and sale of the Purchased Units is completed, all expenses of or incidental to the creation, issuance and delivery of the Purchased Units and of or incidental to all matters in connection with the transactions set out in this Agreement will be borne by either or both of the Fund and Acquireco, including:

(a) all costs incurred in connection with the transactions set out under the heading “Funding, Acquisition and Related Transactions” in the Prospectus;

(b) expenses payable in connection with the qualification for distribution of the Purchased Units under applicable Securities Laws;

(c) the fees and expenses of the auditors, counsel to each Golf Town Entity and all related local and U.S. counsel;

(d) the fees and disbursements of the Underwriters’ counsel (subject to a maximum of $400,000 with respect to the fees of the Underwriters’ counsel, excluding disbursements) and all other expenses of the Underwriters;

(e) all costs incurred in connection with the preparation, translation, filing and printing of the Preliminary Prospectus, the Prospectus, the U.S. Placement Memorandum, any Supplementary Material and the certificates for all Units, contemplated under this Agreement;

(f) all fees and expenses relating to the negotiation and preparation of all documentation relating to the New Credit Facilities;

(g) all fees and expenses of the Trust Company; and

(h) the reasonable out-of-pocket expenses of the Underwriters including, without limitation, all expenses associated with the "road shows" and marketing activities and all travel and lodging expenses and the production of "greensheets";

including Canadian federal goods and services tax and provincial sales tax eligible in respect of any of the foregoing; provided that if the purchase and sale of the Purchased Units is completed, the Underwriters will be responsible for 50% of the fees and disbursements of the Underwriters' counsel (in which case the Fund and Acquireco will be responsible for a maximum of $200,000 of the fees of the Underwriters' counsel, excluding disbursements).

18. All Terms to be Conditions.

18.1 Each of the Golf Town Entities and the Existing Investors agree that the conditions contained in Section 12 of this Agreement will be complied with insofar as they relate to acts to be performed or caused to be performed by them, and, to the extent reasonably within their power to do so, that they will use their reasonable best efforts to cause all of those conditions to be complied with.

18.2 All representations, warranties, covenants and other terms of this Agreement will be and will be deemed to be conditions, and any breach or failure to comply with any of them or any of the conditions set out in Section 12, in each case, in all material respects, will entitle the Underwriters to terminate their obligation to purchase the Initial Units by written notice to that effect given to the Fund at or prior to the Closing Time and to terminate their obligations to purchase the Over-Allotment Units by giving notice in writing to that effect to the Fund at or prior to the Over-Allotment Closing Time. It is understood that the Underwriters may waive, in whole or in part, or extend the time for compliance with, any of those terms and conditions without prejudice to the rights of the Underwriters in respect of any of those terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters, any such waiver or extension must be in writing.

19. Termination by Underwriters in Certain Events.

19.1 In addition to any other remedies which may be available to the Underwriters, any Underwriter will be entitled, at the Underwriter's option, to terminate its obligation to purchase the Initial Units by written notice to that effect given to the other Underwriters and the Fund at or prior to the Closing Time and to terminate its obligations to purchase the Over-Allotment Units by written notice to that effect given to the other Underwriters and the Fund at or prior to the Over-Allotment Closing Time, if:

(a) there occurs any material change (whether actual, anticipated, contemplated, or proposed by, or threatened against, any of the Golf Town Entities or the Vendors) in the operations, condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), obligations, business, affairs, prospects, operations, cash flow, income or capital of the Golf Town Entities considered as a whole, senior management, or there arises or is discovered any undisclosed material fact pursuant to Section 7.1(b) or changes in Section 7.1(c) that would have been required to have been stated in an Offering Document had that fact arisen or been discovered on or prior to the date of such Offering Document, which, in the opinion of that Underwriter, could reasonably be expected to result in the purchasers of a material number of Purchased Units exercising their right under Securities Laws to withdraw from or rescind their purchase thereof or which has or could reasonably be expected to have a significant adverse effect on the market price, value or marketability of the Purchased Units or any of them;

(b) any inquiry, investigation or other proceeding is commenced, announced or threatened or any order is issued under or pursuant to any relevant Law or by any stock exchange or other regulatory authority (unless based solely upon the activities or alleged activities of the Underwriters or their agents), or there is any change of Law, or interpretation or administration thereof, which, in the reasonable opinion of that Underwriter, acting in good faith, operates or could operate to prevent, suspend, hinder, delay, restrict or otherwise materially adversely affect the distribution of or the trading in the Purchased Units or the transactions contemplated by the Prospectus or any of the Ancillary Agreements;

(c) the state of the financial markets becomes such that the Purchased Units cannot, in the reasonable opinion of that Underwriter, be profitably marketed;

(d) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any outbreak or escalation of national hostilities or any crisis or calamity, including any act of terrorism, war or like event, or a governmental action, Law, inquiry or other occurrence of any nature which, in the reasonable opinion of such Underwriter, materially adversely affects or may materially adversely affect the financial markets in Canada or the United States or the business, operations or affairs of the Golf Town Entities considered as a whole or the Business or the market price, value or marketability of the Purchased Units or any of them; or

(e) there is announced any change or proposed change in the income tax Laws of Canada or the interpretation or administration thereof and such change would, in the reasonable opinion of such Underwriter, be expected to have a significant adverse effect on the market price, value or the marketability of the Purchased Units or any of them.

19.2 If the obligation to purchase Initial Units is terminated by any of the Underwriters pursuant to Section 19.1 of this Agreement, there will be no further liability on the part of that Underwriter or of any of the Golf Town Entities or the Existing Investors to that Underwriter, except in respect of any liability which may have arisen or may later arise under Section 15, 16 or 17 of this Agreement.

19.3 The right of the Underwriters or any of them to terminate their respective obligations under this Agreement is in addition to all other remedies as they may have in respect of any default, act or failure to act of any of the Golf Town Entities or the Existing Investors in respect of any of the matters contemplated by this Agreement. A notice of termination given by one Underwriter under this Section 19 will not be binding upon the other Underwriters.

20. Market Stabilization

20.1 In connection with the distribution of the Purchased Units, the Underwriters and members of their selling group (if any) may over-allot or effect transactions which stabilize or maintain the market price of the Purchased Units at levels above those which might otherwise prevail in the open market in compliance with Securities Laws. Such stabilizing transactions, if any, may be discontinued at any time.

21. Obligations of the Underwriters to be Several.

21.1 Subject to the terms and conditions of this Agreement, the obligation of the Underwriters to purchase the Purchased Units, if any, will be several and not joint. The percentage of the Purchased Units, to be severally purchased and paid for by each of the Underwriters will be as follows:

BMO Nesbitt Burns Inc.	35%
CIBC World Markets Inc.	25%
Canaccord Capital Corporation	20%
Scotia Capital Inc.	20%

21.2 If an Underwriter (a "**Refusing Underwriter**") does not complete the purchase and sale of the Initial Units which that Underwriter has agreed to purchase under this Agreement (other than in accordance with Section 19) (the "**Defaulted Units**"), the Lead Manager may delay the closing date for not more than ten (10) business days provided that closing will occur on a Monday at 8:00 a.m. (Toronto time) and find one or more substitute Underwriters to purchase Defaulted Units, or the remaining Underwriters (the "**Continuing Underwriters**") will be entitled, at their option, to purchase all but not less than all of the Defaulted Units pro rata according to the number of Initial Units to have been acquired by the Continuing Underwriters under this Agreement or in any proportion agreed upon, in writing, by the Continuing Underwriters. If no such arrangement has been made and the number of Defaulted Units to be purchased by the Refusing Underwriter does not exceed 10% of the Initial Units, as applicable, the Continuing Underwriters will be obligated to purchase the Defaulted Units on the terms set out in this Agreement in proportion to their obligations under this Agreement. If the number of Defaulted Units to be purchased by Refusing Underwriters exceeds 10% of the Initial Units, as applicable, the Continuing Underwriters will not be obliged to purchase the Defaulted Units and, if the Continuing Underwriters do not elect to purchase the Defaulted Units:

(a) the Continuing Underwriters will not be obliged to purchase any of the Initial Units;

(b) the Fund will not be obliged to sell less than all of the Initial Units; and

(c) the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco and the Existing Investors will be entitled to terminate their obligations under this Agreement arising from their acceptance of this offer, in which event there will be no further liability on the part of the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco, the Existing Investors or the Continuing Underwriters, except pursuant to the provisions of Sections 15, 16 and 17.

22. Notice.

Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be delivered to:

(a) in the case of the Fund, the Trust, the Partnership, Golf Town GP, the Company or Acquireco:

c/o Golf Town Income Fund
3625 Highway 7 East
Unit 2
Markham, Ontario
L3R 3P9

Attention: Stephen Bebis
Facsimile No.: (905) 479-7108

with a copy to:

Cassels Brock & Blackwell LLP
Suite 2100
40 King Street West
Toronto, Ontario
M5H 3C2

Attention: Alison R. Manzer
Facsimile No.: (416) 350-6938

(b) in the case of Manulife:

200 Bloor Street East
North Tower 6
Toronto, Ontario
M4W 1E5

Attention: Vipon Ghai
Facsimile No.: (416) 926-5737

(c) in the case of Bebis:

c/o Golf Town Income Fund
3625 Highway 7 East

Unit 2
Markham, Ontario
L3R 3P9

Facsimile No.: (905) 479-7108

With a copy to:

Cassels Brock & Blackwell LLP
Suite 2100
40 King Street West
Toronto, Ontario
M5H 3C2

Attention: Alison R. Manzer
Facsimile No.: (416) 350-6938

(d) in the case of BMO:

1 First Canadian Place
4th Floor
Toronto, Ontario
M5X 1H3

Attention: Ashi Mathur
Facsimile No.: (416) 359-5685

(e) in the case of CIBC World Markets Inc.:

BCE Place, P.O. Box 500
6th Floor, 161 Bay Street
Toronto, Ontario
M5J 2S8

Attention: Andrew Federer
Facsimile No.: (416) 594-8176

(f) in the case of Canaccord Capital Corporation:

1210 – 320 Bay Street
Toronto, Ontario
M5H 4A6

Attention: Allan Strathdee
Facsimile No.: (416) 869-3876

(g) in the case of Scotia Capital Inc.:

40 King Street West
66th Floor, Scotia Plaza
Toronto, Ontario
M5W 2X6

Attention: Melanie Ruby
Facsimile No.: (416) 862-3037

(h) in the case of (d) - (g) with a copy to:

Goodmans LLP
Suite 2400
250 Yonge Street
Toronto, Ontario
M5B 2M6

Attention: Allan Goodman
Facsimile No.: (416) 979-1234

The parties may change their respective addresses for notices by notice given in the manner set out above. Any notice or other communication will be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, will be given by telecopy and will be deemed to have been given when (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered; and (ii) in the case of a notice delivered or given by telecopy, on the first business day following the day on which it is sent.

23. Miscellaneous.

23.1 Except with respect to Sections 15, 16, 18 and 19 of this Agreement, all transactions and notices on behalf of the Underwriters under this Agreement or contemplated by this Agreement may be carried out or given on behalf of the Underwriters by the Lead Manager and the Lead Manager will in good faith discuss with the other Underwriters the nature of any of the transactions and notices prior to giving effect to them or the delivery of them, as the case may be.

23.2 The parties hereto acknowledge that the trustees of the Fund and/or the Trust in incurring any debts, liabilities or obligations, or taking or omitting any other actions for or in connection with the affairs of the Fund and/or the Trust, as the case may be are, and will conclusively be deemed to be, acting for and on behalf of the Fund and/or the Trust, as the case may be, and not in their own personal capacities. None of the trustees of the Fund and/or the Trust will be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses (including legal expenses) against or with respect to the Fund and/or the Trust, as the case may be, or in respect to the affairs of the Fund and/or the Trust, as the case may be. No property or assets of the trustees of the Fund and/or the Trust, as the case may be, owned in their personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under the Fund Declaration of Trust, the Trust Declaration of Trust or under any other Ancillary Agreements. No recourse may be had or taken, directly or indirectly, against the trustees of the Fund and/or the Trust in their personal capacity or against any successor, heir, executor, administrator or legal representative of the trustees of the Fund and/or the Trust. The Fund and/or the Trust, as the case may be, will be solely liable therefor and resort will be had solely to the assets of the Fund and/or the Trust, as the case may be, for payment or performance thereof.

23.3 No Underwriter will be liable to any other party hereto with respect to a default by any of the other Underwriters.

23.4 This Agreement will be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. Each of the parties hereto hereby attorns to the jurisdiction of the courts of the Province of Ontario.

23.5 Time will be of the essence of this Agreement and, following any waiver or indulgence by any party, time will again be of the essence of this Agreement.

23.6 The words "**Agreement**", "**hereof**", "**herein**" and similar phrases mean and refer to the agreement formed as a result of the acceptance by the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco and the Existing Investors of this offer by the Underwriters to purchase the Purchased Units.

23.7 Each of the parties to this Agreement will be entitled to rely on delivery of a facsimile copy of this Agreement and acceptance by each party of any such facsimile copy will be legally effective to create a valid and binding agreement between the parties to this Agreement in accordance with the terms of this Agreement.

23.8 This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original and all of which, when taken together, will constitute one and the same agreement.

23.9 To the extent permitted by applicable Law, the invalidity or unenforceability of any particular provision of this Agreement will not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

23.10 This Agreement and the other documents referred to in this Agreement constitute the entire agreement among the Underwriters, the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco and the Existing Investors relating to the subject matter of this Agreement and supersede all prior agreements between those parties with respect to their respective rights and obligations in respect of the transactions contemplated under this Agreement, subject only to the terms of paragraphs 10, 11, 13 and 15 of the engagement agreement dated as of September 15, 2004 between BMO and

Golf Town, which, notwithstanding any other provision of this Agreement, will survive the execution and any termination of this Agreement.

23.11 The terms and provisions of this Agreement will be binding upon and enure to the benefit of the Underwriters, the Fund, the Trust, the Partnership, Golf Town GP, the Company, Acquireco and the Existing Investors and their respective successors and assigns; provided that, except as otherwise provided in this Agreement, this Agreement will not be assignable by any party without the written consent of the others and any purported assignment without that consent will be invalid and of no force and effect.

23.12 Upon the request of the Lead Manager, each of the Golf Town Entities will include a reference to the Underwriters and their role in any press release or other public communication issued by the Golf Town Entities relating to the Offering. In addition, any press release relating to "material information" (within the meaning of that term in the timely disclosure policy of the TSX) issued by any of the Golf Town Entities after the execution of this Agreement up to and including the 60th day following the Closing Date, shall be issued only after consultation with the Lead Manager and in compliance with the laws of the Province of Ontario and the laws of Canada applicable therein. If the Offering is successfully completed, and provided the Lead Manager is not in breach of any material provision hereof, the Lead Manager will be permitted to publish, at its own expense, such advertisements or announcements relating to the services provided hereunder in such newspaper or other publications as the Lead Manager considers appropriate.

[signature page follows]

If this letter accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this letter where indicated and returning them to us.

Yours very truly,

BMO NESBITT BURNS INC.

By: *"Ashish P. Mathur"*

Name: Ashish P. Mathur
Title: Vice President

CIBC WORLD MARKETS INC.

By: *"Andrew H. Federer"*

Name: Andrew H. Federer
Title: Managing Director

CANACCORD CAPITAL CORPORATION

By: *"Allan D. Strathdee"*

Name: Allan D. Strathdee
Title: Senior Vice President & Director

SCOTIA CAPITAL INC.

By: *"Melanie Ruby"*

Name: Melanie Ruby
Title: Director

Accepted and agreed to by the undersigned as of the date of this letter first written above.

GOLF TOWN INCOME FUND, by its trustees

By: *"Stephen Bebis"*

Name: Stephen Bebis
Title: as trustee and with liability limited to trust assets

GOLF TOWN OPERATING TRUST, by its trustees

By: *"Stephen Bebis"*

Name: Stephen Bebis
Title: as trustee and with liability limited to trust assets

GOLF TOWN LIMITED PARTNERSHIP, by its general partner, GOLF TOWN GP INC.

By: *"Stephen Bebis"*

Name: Stephen Bebis
Title: Director

GOLF TOWN GP INC.

By: *"Stephen Bebis"*

Name: Stephen Bebis
Title: President and Chief Executive Officer

GOLF TOWN CANADA INC.

By: *"Stephen Bebis"*

Name: Stephen Bebis
Title: President and Chief Executive Officer

GOLF TOWN ACQUISITION LIMITED

By: *"Stephen Bebis"*

Name: Stephen Bebis
Title: President and Chief Executive Officer

MANULIFE INTERNATIONAL CAPITAL CORPORATION LIMITED

By: *"Vipon Ghai"*

Name: Vipon Ghai
Title: Authorized Signing Officer

"Tilly Gray"	*"Stephen Bebis"*
Witness	**STEPHEN BEBIS**

Exhibit "A"

Lock-Up Agreement

BMO Nesbitt Burns Inc.
1 First Canadian Place
4th Floor
Toronto, Ontario
M5X 1H3

Re: Golf Town Income Fund (the "**Fund**")

Dear Sirs/Mesdames:

The undersigned is an owner of record or beneficially of certain units of the Fund ("**Units**") or securities convertible into or exchangeable or exercisable for Units. The Fund proposes to carry out a public offering of Units (the "**Offering**") for which you will act as the representatives of the underwriters. The undersigned recognizes that the Offering will be of benefit to the undersigned and will benefit the Fund. The undersigned acknowledges that you and the other underwriters are relying on the agreements of the undersigned contained in this letter in carrying out the Offering and in entering into underwriting arrangements with the Fund with respect to the Offering.

In consideration of the foregoing, the undersigned hereby agrees that the undersigned will not offer to sell, contract to sell or otherwise sell, dispose of, loan, pledge or grant any rights to, or enter into any hedging arrangements (collectively, a "**Disposition**") with respect to any Units, any options or warrants to purchase any Units or any securities convertible into or exchangeable for Units (collectively, "**Securities**") now owned or subsequently acquired directly by the undersigned or to which the undersigned has had or subsequently acquires the power of disposition.

The foregoing restrictions will terminate after the close of trading of the Units on the 180th day immediately following the day on which the Units first commenced trading on the Toronto Stock Exchange (the "**Lock-Up Period**"). The foregoing restriction has been expressly agreed to preclude the holder of the Securities from engaging in any hedging or other transaction which is designed to, or reasonably expected to, lead to or result in a Disposition of Securities during the Lock-Up Period, even if such Securities would be disposed of by someone other than such holder. Such prohibited hedging or other transactions would include, without limitation, any short sale (whether or not against the box) or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any Securities or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from, Securities. The undersigned also agrees and consents to the entry of stop transfer instructions with the Fund's transfer agent and registrar (and any issuer of convertible or exchangeable Securities and its registrar and transfer agent) against the transfer of Units or other Securities held by the undersigned except in compliance with the foregoing restrictions.

This agreement is irrevocable and will be binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned.

Dated __________________________.

____
Printed Name of Holder

By: __________________________________
Signature

____
Printed Name of Person Signing (and indicate capacity of person signing if signing as custodian, trustee, or on behalf of an entity)

Exhibit “B”

Form of Non-Competition/Non-Solicitation Agreement

NON-COMPETITION AGREEMENT

THIS AGREEMENT made as of this ● day of November, 2004

BETWEEN:

●

(hereinafter referred to as the **"Executive"**)

OF THE FIRST PART

A N D :

GOLF TOWN CANADA INC., a federal corporation and GOLF TOWN LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Ontario

(hereinafter referred to as the **"Employer"**)

OF THE SECOND PART

WHEREAS by an Acquisition Agreement made as of the ● day of November, 2004 (the **"Acquisition Agreement"**) between, inter alia, the Executive and the Employer, Golf Town Limited Partnership (or an affiliate thereof) agreed to buy all of the issued and outstanding shares of Golf Town Canada Inc. owned by the Executive;

AND WHEREAS the Executive remains an employee of Golf Town Canada Inc.;

AND WHEREAS the Employer desires to obtain certain assurances that the Executive will not enter into competition with the Business for a limited period, will maintain appropriate confidentiality, and will not solicit employees;

AND WHEREAS the Executive wish to give such assurances to the Employer in its capacity as purchaser of the shares or options and in its capacity as employer.

NOW THEREFORE THIS AGREEMENT WITNESSETH that pursuant to the Acquisition Agreement and for other good and valuable consideration the receipt of which is hereby acknowledged it is agreed by and between the parties hereto as follows:

1. **Defined Terms**

1.1 The following terms, when used herein, shall have the following meanings:

(a) **"Business"** means the business consisting of the retail sale of golf equipment, apparel and footwear where such business comprises the primary business activity of the person, firm, association, syndicate, corporation or entity; and

(b) **"Closing Date"** means November ●, 2004.

2. **Confidentiality**

2.1 The Executive hereby acknowledges that he has confidential information relating to the Business, the disclosure of which to competitors or to the general public may be detrimental to the best interests of the Employer and the Employer. Accordingly, the Executive agrees not to make such disclosure and agrees not to use such confidential information other than in the course of their employment with the Employer. The Executive further acknowledges and agrees that the right to maintain such information in confidence constitutes a proprietary right which the Employer, as purchaser of the shares of the Employer and as employer, is entitled to protect.

3. **Restriction Against Competition**

3.1 Save with the prior written consent of the Employer, from and after the Closing Date, the Executive shall not directly or indirectly, either individually, or in partnership, jointly or in conjunction with any person, firm, association, organization, corporation or any other entity whether as principal, agent, employee or shareholder (save and except as a shareholder of less than five percent (5%) of the voting equity of an entity offering its securities to the public and save and except in their capacity as shareholders, officers, directors and employees of the Employer) for a period ending on the earlier of (i) five (5) years from the Closing Date; (ii) two (2) years from the date of any voluntary termination of employments; (iii) six (6) months from the date of any involuntary termination of employment and (iv) the date on which any person or group of persons acting jointly or in concert, other than a group comprising a majority of parties selling as vendors pursuant to the Acquisition Agreement, or their respective associates or affiliates, acquires greater than fifty (50%) percent of the outstanding securities of the Golf Town Income Fund, or any of the subsidiaries of the Golf Town Income Fund, or the Golf Town Income Fund and its subsidiaries cease to carry on a business similar to the Business:

(a) engage or participate in any business which is competitive with the Business in Canada;

(b) advise, lend money to or guarantee the debts and obligations of any person or entity engaging in any business which is competitive with the Business in Canada; or

(c) disclose to any person any trade or business secrets, including commercial, financial or other confidential information relating to the Business.

4. **Restriction Against Solicitation**

4.1 Save with the prior written consent of the Employer, the Executive shall not hire, either on their own behalf or on behalf of any other person, any person who is an employee engaged in a senior management position with the Business as at the Closing Date for a period of five (5) years from and after the Closing Date.

5. **Injunctive Relief**

5.1 The parties agree that, without prejudice to any and all remedies which may be available to the Employer at law or in equity, injunctive relief may be the only effective relief for a breach of the covenants of the Executive hereunder, and the Executive hereby agree that the Employer shall be entitled to injunctive relief, including an interim injunction, in any court of competent jurisdiction, to enforce any of the covenants herein of the Executive upon the breach or threatened breach thereof, together with reimbursement for all reasonable legal fees and other expenses incurred in connection therewith.

6. **Unenforceability**

6.1 If any provision hereof, or part thereof, is held to be unenforceable because of the duration thereof or the area covered thereby, the Executive agree that the court making such determination shall have the power to reduce the duration or the area of such provision, or to delete specific words or phrases, and in its reduced or amended form such provision shall then be enforceable and shall be enforced.

7. **Governing Law**

7.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

8. **No Waiver**

8.1 Except as waived in writing by a party hereto, no action taken pursuant to this Agreement or failure to pursue the enforcement of any right pursuant to this Agreement shall be deemed to constitute a waiver by such party of compliance with any covenants or promises contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

9. **Notice**

9.1 Any communication (including any consent, approval or instructions) provided for under this Agreement shall be in writing and shall be effectively given if: (i) delivered personally, or (ii) sent by prepaid registered mail addressed to:

(a) If to the Employer: 3265 Highway 7, Unit 2
Markham, Ontario L3R 3P9

Attention: Chief Executive Officer
Facsimile: (905) 479-7108

(b) If to the Executive: ●

Facsimile: ●

Any notice so given shall be deemed conclusively to have been given and received when so personally delivered on the fifth business day following the sending thereof by registered mail. Any party hereto or others mentioned above may change any particulars of its address for notice by notice to the others in the manner aforesaid.

10. **Counterparts**

10.1 This Agreement may be executed in several counterparts, each of shall be an original, and such counterparts shall together constitute but one and the same instrument.

11. **Modification of Agreement**

11.1 No modification of any provision of this Agreement shall be effective unless the same shall be in writing and signed by all the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

GOLF TOWN CANADA INC.

Per: ______________________________
Name:

GOLF TOWN LIMITED PARTNERSHIP, by its general partner GOLF TOWN GP INC.

Per: ______________________________
Name:

____
●

Exhibit “C”

Form of Vendor Release

TO: BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
Scotia Capital Inc.

(collectively, the “**Underwriters**”)

WHEREAS:

A. Golf Town Income Fund (the “**Fund**”) intends to sell trust units of the Fund (“**Units**”) as an initial public offering (the “**Offering**”);

B. the Offering will be made by way of a prospectus dated November 5, 2004 (the “**Prospectus**”) filed with securities regulatory authorities in each of the provinces and territories of Canada;

C. the Underwriters have agreed to purchase from the Fund all Units to be sold to the public under the Offering;

D. in connection with the Offering, the undersigned (the “**Releasee**”) will receive (i) Class B limited partnership units of Golf Town Limited Partnership (the “**Class B LP Units**”) which are exchangeable for Units in certain circumstances (the “**Exchange Rights**”) and are accompanied by special voting rights in the Fund (the “**Special Voting Units**”), or (ii) Units;

E. applicable securities laws (“**Laws**”) would generally restrict the ability of the Releasee to sell the Class B LP Units, the Special Voting Units or Units, as applicable, until four months following the completion of the Offering;

F. in order to enable the Releasee, generally, to freely trade the Class B LP Units, the Special Voting Units or Units, as applicable, immediately upon completion of the Offering, the Fund, on behalf of the Releasee, requested that the Prospectus qualify the distribution by the Fund of the Exchange Rights, the Special Voting Units or Units, as applicable, to the Releasee;

G. since the Underwriters will receive no compensation in connection with the distribution of the Exchange Rights, the Special Voting Units or Units, as applicable, to the Releasee, the Underwriters have requested that the Releasee waive certain legal rights which the Releasee might have against the Underwriters;

NOW THEREFORE THIS RELEASE WITNESSES that, in consideration of the payment to the undersigned of the sum of $1 of lawful money of Canada by each of the Underwriters and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the undersigned), the Releasee:

(a) to the fullest extent permitted by law, releases and forever discharges each of the Underwriters from all actions, right of action (including, without limitation, pursuant to section 130 of the *Securities Act* (Ontario) and the equivalent provisions thereof under other Laws), causes of action, liabilities, claims and demands (collectively, "**Claims**") whatsoever which the Releasee ever had, now has or may hereafter have (for damages, expenses or any other amount of any kind) by reason of, or in any way arising out of, the distribution of the Exchange Rights, the Special Voting Units or Units, as applicable, to the Releasee under the Prospectus, including, without limitation, any Claim that the Prospectus contains a misrepresentation or that the Prospectus does not constitute full, true and plain disclosure of all material facts relating to the securities offered by the Prospectus or that the Prospectus does not contain any misrepresentation that is likely to affect the value or market price of the securities distributed by the Prospectus; and

(b) agrees that the Releasee will not make any Claim or take any proceedings with respect to any matter released and discharged in paragraph (a) above which may result in any Claim arising against any of the Underwriters for contribution or indemnity or other relief.

THE RELEASEE HEREBY DECLARES that the Releasee has had the opportunity to seek independent legal advice with respect to this Release and the Releasee fully understands this Release.

THIS RELEASE shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and will be treated in all respects as an Ontario contract. The Releasee hereby irrevocably submits and attorns to the exclusive jurisdiction of the courts of the Province of Ontario for the purpose of all legal proceedings in connection with this Release.

THIS RELEASE will enure to the benefit of the Underwriters and their respective successors and assigns and be binding upon the successors and assigns of the Releasee.

IN WITNESS WHEREOF the Releasee has executed this Release on this _____ day of November, 2004.

●

By: ________________________________
Name:
Title:

SCHEDULE A

UNITED STATES OFFERS AND SALES

As used in this Schedule A, the following terms will have the meanings indicated:

"**Directed Selling Efforts**" means directed selling efforts as that term is defined in Rule 902 of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule A, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Units, and includes the placement in a publication with a general circulation in the United States of any advertisement that refers to the offering of the Units.

"**Foreign Issuer**" means a foreign issuer as that term is defined in Rule 902 of Regulation S.

"**General Solicitation**" and "**General Advertising**" mean "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.

"**Offshore Transaction**" means an offshore transaction as that term is defined in Rule 902 of Regulation D.

"**Qualified Institutional Buyer**" means a qualified institutional buyer as that term is defined in Rule 144A.

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act.

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act.

"**Rule 144A**" means Rule 144A adopted by the SEC under the U.S. Securities Act.

"**SEC**" means the United States Securities and Exchange Commission.

"**Substantial U.S. Market Interest**" means substantial U.S. market interest as that term is defined in Rule 902 of Regulation S.

"**United States**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended.

"**U.S. Person**" means a U.S. Person as that term is defined in Regulation S.

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended.

All other capitalized terms used but not otherwise defined in this Schedule A will have the meanings assigned to them in the Underwriting Agreement to which this Schedule A is attached.

1.01 Representations, Warranties and Covenants of the Underwriters

Each Underwriter, separately and not jointly, acknowledges that the Units have not been and will not be registered under the U.S. Securities Act or applicable state securities laws and may not be offered or sold to any Person within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, each Underwriter, separately but not jointly, represents, warrants and covenants to the Fund that:

(1) The Underwriter has offered and sold, and will offer and sell, Units only (a) in an Offshore Transaction in accordance with Rule 903 of Regulation S or (b) in the United States in accordance with Rule 144A as provided in paragraphs 2 through 9 below. Accordingly, neither the Underwriter, nor any of its Affiliates, nor any Person acting on their behalf, has engaged or will engage in, has made or will make or has facilitated or will facilitate the making of, except as permitted in paragraphs 2 through 9 below, (i) any offer to sell or any solicitation of an offer to buy, any Units to U.S. Person; (ii) any sale of Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States, or such Underwriter, Affiliate or Person acting on behalf of either reasonably believed that such Purchaser was outside the United States; or (iii) any Directed Selling Efforts in the United States with respect to the Units.

(2) All offers and sales of the Units in the United States will be effected by or through the U.S. broker-dealer Affiliate of the Underwriter, duly registered under the U.S. Exchange Act and applicable state securities laws, and will be effected in accordance with all applicable United States and applicable state securities law broker-dealer requirements. Each U.S. broker-dealer Affiliate of the Underwriter purchasing Units in the United States is a Qualified Institutional Buyer.

(3) Any offer, sale or solicitation of an offer to buy Units that has been made or will be made in the United States was or will be made in accordance with Rule 144A only to Persons it reasonably believes to be Qualified Institutional Buyers in transactions that are exempt from registration under the U.S. Securities Act and applicable state securities laws.

(4) Immediately prior to soliciting such offerees, the Underwriter had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer.

(5) No form of General Solicitation or General Advertising has been or will be used in connection with the offer or sale of the Units in the United States.

(6) At closing, it, together with its U.S. Affiliate selling Units in the United States, will provide a certificate, substantially in the form of Exhibit B to this Schedule, relating to the manner of the offer and sale of the Units in the United States.

(7) The Underwriter will inform any or (cause its U.S. broker-dealer Affiliates to inform) all purchasers to whom its U.S. broker-dealer Affiliates sells Units in the United States that such securities have not been and will not be registered under the U.S. Securities Act and are being sold to it in reliance on the exception from registration under the U.S. Securities Act provided by Rule 144A thereunder.

(8) The Underwriter will cause its U.S. broker-dealer Affiliates to deliver a copy of the U.S. Placement Memorandum, together with the Prospectus and any Amendment thereto, to each of its offerees in the United States at or prior to the time of purchase of Units.

(9) The U.S. Placement Memorandum will set forth the following:

"The Units have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in the Securities Act). Each Underwriter has agreed that it will not offer or sell the Units within the United States, except in accordance with Rule l44A. In addition, until 40 days after the commencement of the offering of Units pursuant to the Canadian Prospectus, an offer or sale of the Units within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act"

(10) Each United States purchaser will, by its purchase of the Units, be deemed to have represented, warranted to and agreed for the benefit of the Fund, the Underwriters and the United States affiliates of the Underwriters as follows:

(a) it is authorized to consummate the purchase of the Units;

(b) it understands and acknowledges that the Units have not been and will not be registered under the Securities Act or the securities laws of any state of the United States, and that the offer and sale of Units to it are being made in reliance upon Rule 144A;

(c) it is a Qualified Institutional Buyer and is acquiring the Units for its own account or for the account of one or more Qualified Institutional Buyers with respect to which it exercises sole investment discretion and not with a view to any resale, distribution or other disposition of the Units in violation of United States federal or state securities laws;

(d) it acknowledges that it has not purchased the Units as a result of any general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or broadcast over radio or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

(e) it understands and acknowledges that the Units are "restricted securities" within the meaning of Rule 144, and that, if in the future it decides to offer, resell, pledge or otherwise transfer any of the Units, the Units may be offered, sold, pledged or otherwise transferred only (a) to the Fund; (b) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act and in compliance with applicable Canadian local laws and regulations; (c) within the United States, in accordance with (i) Rule l44A to a Person the seller reasonably believes is a Qualified Institutional Buyer that is purchasing for its own account or for the account of one or more Qualified Institutional Buyers and to whom notice is given that the offer, sale, pledge or transfer is being made in reliance upon Rule 144A, or (ii) Rule 144, if available, and in compliance with any applicable state securities laws of the United States; or (d) in another transaction that does not require registration under the Securities Act or any applicable state securities laws of the United States, after (A) in the case of proposed transfers pursuant to (b) above, providing a declaration to Computershare Trust Company of Canada, as transfer agent for the Units, in the form attached hereto as Exhibit A (or such other form as the Fund may prescribe from time to time), and (B) in the case of proposed transfers pursuant to (c)(ii) or (d) above, providing to Computershare Trust Company of Canada an opinion of counsel of recognized standing reasonably satisfactory to the Fund, to the effect that the proposed transfer may be effected without registration under the Securities Act;

(f) it is relying on the information contained in the U.S. Placement Memorandum and the accompanying Canadian Prospectus in making its investment decision with respect to the Units. It acknowledges that no representation or warranty is made by the Underwriters or the U.S. broker-dealers as to the accuracy or completeness of such materials. It further acknowledges that none of the Fund, the Underwriters or the U.S. broker-dealers has made any representation or given any information to it with respect to the Fund or the offering or sale of any Units other than the information contained in the U.S. Placement Memorandum and the accompanying Canadian Prospectus;

(g) it understands and acknowledges that the global certificate representing any Units sold in the United States registered to CDS or its nominee, will bear the following legend until the legend is no longer required under applicable requirements of the Securities Act or applicable state securities laws:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF GOLF TOWN INCOME FUND THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO GOLF TOWN INCOME FUND, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S ("**REGULATION S**") UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN LOCAL LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN

ACCORDANCE WITH (1) RULE 144A UNDER THE SECURITIES ACT OR (2) RULE 144 UNDER THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO GOLF TOWN INCOME FUND MUST FIRST BE PROVIDED.

IF GOLF TOWN INCOME FUND IS A "FOREIGN ISSUER" WITHIN THE MEANING OF REGULATION S AT THE TIME OF TRANSFER, A NEW CERTIFICATE, BEARING NO LEGEND, MAY BE OBTAINED FROM COMPUTERSHARE TRUST COMPANY OF CANADA UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO COMPUTERSHARE TRUST COMPANY OF CANADA AND GOLF TOWN INCOME FUND, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT";

provided that, if any Units are being sold in accordance with Rule 904 of Regulation S, and if the Fund is a "foreign issuer" within the meaning of Regulation S at the time of sale, the legend may be removed by providing a declaration to Computershare Trust Company of Canada, as registrar and transfer agent, in the form attached hereto as Exhibit A (or in such other form as the Fund or Computershare Trust Company of Canada may prescribe from time to time);

and provided, further, that, if any Units are being sold under Rule 144, the legend may be removed by delivering to Computershare Trust Company of Canada an opinion of counsel of recognized standing reasonably satisfactory to the Fund, that the legend is no longer required under applicable requirements of the Securities Act or state securities laws;

(h) it consents to the Fund making a notation on its records or giving instructions to any transfer agent of the Units in order to implement the restrictions on transfer set out and described in the U.S. Placement Memorandum;

(i) it understands and acknowledges that the Fund is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Units in the United States;

(j) it acknowledges that it has received a copy of the U.S. Placement Memorandum and the Canadian Prospectus and has been afforded the opportunity to ask such questions as it deemed necessary of, and to receive answers from, representatives of the Fund concerning the terms and conditions of the offering of the Units and to obtain such additional information which the Fund possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy and completeness of the information contained in the U.S. Placement Memorandum and the Canadian Prospectus and that it considered necessary in connection with its decision to invest in the Units;

(k) it understands and acknowledges that the Fund (i) is not obligated to remain a "foreign issuer" within the meaning of Regulation S, (ii) may not, at the time the Units are resold by it or at any other time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause the Fund not to be a foreign issuer; and

(l) it understands and acknowledges that it is making the representations, warranties and agreements contained herein with the intent that they may be relied upon by the Fund, the Underwriters and the United States affiliates of the Underwriters in determining its eligibility or (if applicable) the eligibility of others on whose behalf it is contracting hereunder to purchase Units.

(11) The Underwriter has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units, except with its affiliates and selling group members or with the prior written consent of the Fund. The Underwriter will cause each of its U.S. broker-dealer Affiliates who may offer or sell Units to agree, for the benefit of the Fund, to the same provisions as are contained in the foregoing paragraphs 1 through 11 hereof.

1.02 Representations, Warranties and Covenants of the Fund

The Fund represents, warrants, covenants and agrees that:

(12) The Fund is a Foreign Issuer and reasonably believes there is no Substantial U.S. Market Interest in the Units.

(13) For so long as the Units offered hereby are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and if the Fund is neither (i) subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act nor (ii) exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Fund will provide to holders of the Units and prospective purchasers of the Units designated by such holders, upon request of such holders, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of the Units to effect resales under Rule 144A) to a Qualified Institutional Buyer which is the holder of Units (as such, a "**Holder**") and any prospective purchaser designated by the Holder, upon request of the Holder, at or prior to the time of sale to such prospective purchaser.

(14) Neither the Fund nor any of its Affiliates, nor any Person acting on their behalf (i) has engaged or will engage in any Directed Selling Efforts with respect to the Units, including any press release issued by the Fund, or in any form of General Solicitation or General Advertising with respect to offers or sales of the Units in the United States, or (ii) has taken or will take any action that would cause the exemption afforded by Rule 144A, Regulation S or Rule 506 of Regulation D to be unavailable for offers and sales of Units pursuant to this

agreement, or (iii) has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining that Person or failure to comply with Rule 503 of Regulation D.

(15) The Units are not, and as of the Closing Time the Units will not be, and no securities of the same class as the Units are or will be, (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Exchange Act; (ii) quoted in an "automated inter-dealer quotation system", as such term is used in the U.S. Exchange Act; or (iii) convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted.

(16) The Fund is not now and as a result of the sale of the Units contemplated hereby will not be, an "investment company", as defined in the *United States Investment Company Act of 1940*, as amended.

(17) The Fund will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable state securities laws.

(18) The Fund will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable blue-sky laws.

EXHIBIT A TO SCHEDULE A

FORM OF DECLARATION FOR REMOVAL OF LEGEND

TO: Computershare Trust Company of Canada
as registrar and transfer agent for Units of
Golf Town Income Fund

The undersigned:

1. acknowledges that the sale of the securities of Golf Town Income Fund to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("**Regulation S**") under the *United States Securities Act of 1933*, as amended (the "**Securities Act**"); and

2. certifies that:

   (a) it is not an affiliate of Golf Town Income Fund (as defined in Rule 405 under the Securities Act);

   (b) the offer of the securities was not made to a Person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any Person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange, and neither the seller nor any Person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;

   (c) neither the seller nor any affiliate of the seller nor any Person acting on any of their behalf has engaged or will engage in any "directed selling efforts" (as such term is defined in Regulation S) in the United States in connection with the offer and sale of the securities;

   (d) the sale is *bona fide* and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities"(as that term is defined in Rule 144(a)(3) under the Securities Act);

   (e) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and

   (f) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the Securities Act.

Terms used in this declaration have the meanings given to them in Regulation S.

Dated: ______________________________ By: ______________________________

Name:
Title:

EXHIBIT B TO SCHEDULE A

UNDERWRITERS' CERTIFICATE

In connection with the private placement in the United States of the Units (the "**Units**") of Golf Town Income Fund (the "**Fund**") pursuant to the Underwriting Agreement dated November 5, 2004 between the Fund, Golf Town Operating Trust, Golf Town Limited Partnership, Golf Town GP Inc., Golf Town Canada Inc., Golf Town Acquisition Limited, Manulife International Capital Corporation Limited, Stephen Bebis and the Underwriters named therein (the "**Underwriting Agreement**"), each of the undersigned does hereby certify as follows:

1. [Name of U.S. broker-dealer Affiliate] is a duly registered broker or dealer with the United States Securities and Exchange Commission and is a member of and in good standing with the National Association of Securities Dealers, Inc. on the date hereof;

2. each offeree was provided with a copy of the U.S. private placement memorandum (the "**U.S. Placement Memorandum**"), including the Canadian (final) prospectus dated November5, 2004 and the documents incorporated by reference therein for the offering of the Units in the United States;

3. immediately prior to our transmitting such U.S. Placement Memorandum to such offerees, we had reasonable grounds to believe and did believe that each offeree was, and continue to believe that each such offeree who is a U.S. Person purchasing Units from us is, a "qualified institutional buyer", as defined in Rule 144A under the *United States Securities Act of 1933*, as amended (the "**Securities Act**");

4. no form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act) was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising, in connection with the offer or sale of the Units in the United States; and

5. the offering of the Units in the United States has been conducted by us in accordance with the terms of the Underwriting Agreement.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

DATED this ● day of ●, 2004.

[UNDERWRITER]	**[U.S. BROKER-DEALER AFFILIATE]**
Per: ____________________	Per: ____________________
	Name:
	Title: