IRRIGATION REPLACEMENT PROJECT PROPOSAL

Silver Springs Golf and Country Club

October 4th, 2024

SUMMARY

An effective irrigation system is the lifeblood of any golf course, and the Silver Springs Board of Directors has identified the critical need to replace our aging, inefficient irrigation system as the Club's top capital investment priority. The proposed Irrigation Replacement Project (Project) will address numerous deficiencies of our 40+ year-old system while introducing the advantages of modern irrigation design, practices, and technology. These benefits will enhance course playability, turf health, and sustainability, while improving system reliability and efficiency, reducing operating and maintenance costs, and lowering water consumption.

The Board established a Project team, which, alongside select Club committees, management, and external resources, conducted extensive due diligence in developing this Project proposal. This included leveraging insights from last year's vote, analyzing other successful irrigation projects, and incorporating feedback from previous member consultations. The result is a revised Project proposal that reduces costs, minimizes member financial impact, and reduces disruption to member play during irrigation construction relative to last year's proposal.

The total estimated cost of the proposed Project is $3,175,000, which includes a 15% contingency factor and 3% escalation over the project. This represents a $475,000 reduction relative to last year's project.

Maximizing member play is a key consideration in evaluating irrigation construction options, and the Project aims to maximize the number of playable holes during construction. By incorporating the short game area as a 19th hole, the Project is targeting to have 18 holes in play for the majority of the construction period, with only one hole out of play at a time.

The Project's final cost estimate, construction start date, and schedule will be established after review and selection of the irrigation contractor.

It is proposed that the Project be funded 50% from bank debt and 50% from Club equity, as follows:

- **Bank Debt:** Securing a loan amounting to a maximum of $2.0 million to provide flexibility during project construction, with a Project financing target of $1.6 million.
- **Facility Improvement Fee (FIF):** Use the monthly FIF to assist in funding the Project and servicing the associated bank debt.
- **Shareholder Assessment:** Introduce a $1,500 total assessment payable by each shareholder over 3 years ($500 per year in 2025, 2026 and 2027).

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It is essential to emphasize that this vote is focused solely on the irrigation project. Any additional course improvements will be evaluated and prioritized through the annual capital budget process, and funded through existing capital dues and share sales, with no additional financial commitments from members.

Our vision is to be the club of choice, enriching members' lives through exceptional service, outstanding course conditions, and a culture of inclusion. Investing in our irrigation system is crucial for maintaining the member experience and ensuring the long-term sustainability of our club. It sends a visible signal of our members' commitment to continual improvement and modernization of the course.

The Board fully endorses this Project and kindly requests member support in moving it forward. We strongly encourage all shareholders to exercise their vote and to motivate fellow members to do the same for the progression of your Club.

Through online voting or at the Special Meeting on October 17th, 2024, shareholders will be asked to endorse the Board's recommendation as discussed in this document. As the proposed Project exceeds $250,000, per the Club Articles of Association, this motion requires approval by at least 2/3 of the voting shareholders to pass.

Approval of the Irrigation System Replacement, estimated to cost $3,175,000 as outlined in this document.

"WHEREAS THE BOARD HAS DETERMINED THAT THE IRRIGATION SYSTEM REPLACEMENT TOTALLING $3,175,000 (the "PROJECT") IS REQUIRED AT THIS TIME FOR THE BENEFIT OF THE MEMBERS OF SILVER SPRINGS GOLF AND COUNTRY CLUB.

IT IS MOVED THAT:

THE RECOMMENDATIONS OF THE BOARD OF DIRECTORS RELATED TO THE PROJECT, AT A COST OF APPROXIMATELY $3,175,000 WITH THE FUNDING OF THE PROJECT BEING PROVIDED BY ALL SHAREHOLDERS PAYING A PRESCRIBED FEE OF $500 IN 2025, AND A SECOND INSTALMENT OF $500 IN 2026, AND A FINAL INSTALMENT OF $500 IN 2027, WITH THE REMAINING CAPITAL FINANCING OF A MAXIMUM OF $2,000,000 REQUIRED BEING OBTAINED FROM A LENDER AS DETERMINED BY THE BOARD.

BE APPROVED AS PRESENTED"

IRRIGATION PROJECT APPROACH

The Board of Directors remains committed to ensuring an exceptional future for Silver Springs members, and the Irrigation Replacement Project is critical to that goal.

The Project objectives are as follows:

- To deliver a modern, efficient irrigation system that improves course conditions, turf health, and overall member experience.
- To minimize the impact on member play during construction.
- To reduce the financial burden on members.
- To enhance water stewardship and mitigate risks associated with potential future droughts or water restrictions.
- To demonstrate the Club's commitment to continuous improvement to both current and prospective members.

Given the scope and complexities of the Project, the Board established an integrated Project Team, who developed a comprehensive project plan. This effort included resources from management, key committees such as Greens, Finance, and Membership, and external irrigation specialists.

This collaborative approach included engagement with irrigation contractors, golf clubs with comparable projects, and the bank. It allowed us to benchmark costs, draw lessons from similar projects, engage more deeply with contractors, and conduct site visits to similar projects to gather firsthand insights that can be applied to our own efforts.

The Project Team's strategy has been to treat the proposed Project as a standalone initiative. This approach means it will be voted on, financed, and reported separately from other club matters, allowing for greater focus and full transparency.

CURRENT IRRIGATION SYSTEM DEFICIENCIES

Our aging irrigation system is over 40 years old and well beyond the normal life span of all its components, including piping, valves and fittings, which generally have an expected life cycle of 10-30 years. As a result, the system suffers from frequent breaks on a weekly basis over the course of a season, and this frequency can be expected to increase in the future. Course resources are being inefficiently deployed to locate and repair leaks, rather than focusing on fit and finish items.

The current system is also based on an outdated design approach, equipment, and practices that are no longer in use by modern courses, contributing to poor course coverage and water distribution uniformity that limit the achievement of top-tier golf course conditions.

Other system deficiencies that we are experiencing include:

Failing Components:
Various components of the system, including valves, glue joints, PVC piping, and sprinkler heads continue to experience leaks or failures. Our system consists of at least one glue joint every 20 feet throughout the extensive system.

Poor System Performance:
The current system suffers from poor, uneven, and inefficient water distribution, lacking the ability to control different water requirements between different areas of microclimates (i.e., sun and shade; high and low areas). Many areas of the course lack irrigation coverage. This results in hand watering to make up for poor distribution uniformity. There is a lack of sprinkler head ins and outs around greens to allow independent watering of greens and greens surrounds.

Increasing Costs:
Repair costs, increased maintenance demand, and supplementary watering contribute to rising costs each year. Higher operating pressure and system leaks result in greater pump use and power consumption.

CURRENT IRRIGATION SYSTEM DEFICIENCIES

Increased Water Consumption:
Silver Springs averages nearly 29 million gallons (110 million litres) of water consumption per season. The Club has a responsibility to demonstrate responsible water stewardship, which is challenged by the inefficiencies of our current system. Leaks in the ground can go undetected for periods of time, adding to unnecessary water wastage.

Discontinued Parts:
The system includes a multitude of different sprinkler heads that are largely discontinued, resulting in replacements that are difficult to source or are not available. Many of the sprinkler nozzles are worn out but still in use.

Insufficient Isolation Valves:
This limits the ability to complete simple repairs without significant disruption and limiting irrigation across multiple holes (i.e., the leaking valve behind the hole #5 tee box. To complete this repair, there would be no water available to holes #4, #3, and #2 during the repair). Many of the isolation valves do not seat and hold pressure.

No As-Built Drawings:
Without accurate diagrams, locating and addressing specific issues becomes challenging and delays necessary repairs.

Replacing our aging and inefficient irrigation system is crucial to ensuring the long-term sustainability of our course and preserving top-quality course conditions for years to come.

PROPOSED NEW IRRIGATION SYSTEM DESIGN

Our current system primarily relies on a single sprinkler row per hole design, with approximately 541 sprinkler heads across the entire course. It is based on outdated design principles that require higher water pressure levels, which send water out further from the sprinkler heads and require more power then modern irrigation systems.

The proposed irrigation system is designed to meet the specific needs of a modern golf course, using new design standards and technologies. Modern irrigation technologies and practices now incorporate more sprinkler rows and heads, resulting in a more efficient system. These systems operate at a lower water pressure, offer improved water distribution patterns and uniformity, and reduce the water throw distance from each sprinkler head.

This shift enables a more consistent and uniform application of water across the course, ultimately enhancing turf quality, course playability, and conserving water resources.

Design Comparisons

Components	Current System	Proposed System
Typical number of sprinkler rows per hole	1-2	2-3
Total sprinkler heads	541	983
Sprinkler head throw	100+ feet	65-85 feet
Operating pressure	110-120 psi	105 psi

PROPOSED NEW IRRIGATION SYSTEM DESIGN

Benefits of implementing a modern irrigation system include:

Reduced Water Consumption:
With more precise control, we expect to reduce water consumption by 12-18%. This investment further signals the Club's commitment to environmental stewardship and mitigates potential risks associated with potential droughts, water restrictions, or levies.

Improved Water Distribution and Course Playability/Turf Health:
A new system will provide greater and more uniform control, ensuring water is distributed efficiently across the course. This will eliminate current issues with dry areas and the need for supplementary watering, and areas that over-watered by the current system. Irrigation behind bunkers will provide uniform turf in these areas. Different heights of grass cuts can be provided with precise amounts of water. Overall, this will significantly improve the overall health, playability, and aesthetics of the course by maintaining healthier and more consistent turf.

Lower Operating Pressure and Maintenance Costs:
A modern, reliable, and efficient system will operate at a lower pressure to reduce the wear-and-tear on components and decrease power usage. This will lead to lower operating and maintenance costs and a longer lifespan for the system. HDPE piping has longer service life than current PVC and steel.

More Efficient Use of Resources:
With a new system in place, our Turf Care team can shift focus from frequent irrigation repairs and maintenance to improving the fit and finish of the course. Two-way communication between the central control system and sprinkler heads provides improved diagnostics.

Properly Sized Components:
Proper pipe sizing reduces overall water velocities and the nightly water window period.

This investment in modern irrigation technology not only addresses immediate infrastructure needs, but also aligns with our long-term vision of sustainability and superior course conditions for our members.

MODERN IRRIGATION DESIGN SYSTEM COSTS

The estimated total cost of the proposed Project is $3,175,000, a reduction of $475,000 compared to last year's proposal. This revised estimate excludes prior course enhancement costs and lowers project management and consulting fees, while retaining a 15% contingency factor, a 3% escalation over the Project, and a slight increase in overall irrigation system costs.

**Note: These reflect cost estimates prior to irrigation contract bids and award.*

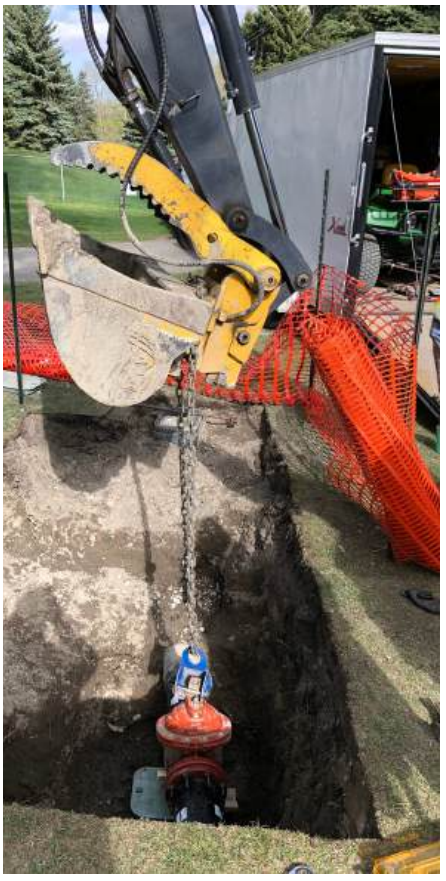
Cost Estimate	Current Proposal	2023 Proposal
Irrigation System (materials & construction)	$2,605,000	$2,500,000
Course Enhancements	-	$367,000
Project Management & Consulting	$80,675	$205,000
Escalation at 3%	$100,000	Included below
Contingency at 15%	$389,550	$580,000 *(includes escalation)*
Total	$3,175,225	$3,652,000

IRRIGATION CONSTRUCTION CONTRACTING PLAN

The Project has developed a contracting plan in preparation for a successful vote. This includes identifying and shortlisting potential contractors and initiating early engagement with them to review our plans.

The process has shortlisted four preferred contractors, most of whom are available for a 2025 construction start, while one contractor has indicated availability for a 2026 construction start. Both conventional low-impact and directional drilling methods are offered, each providing unique advantages.

Once a positive vote is secured, the Project Team plans to issue a request for proposal (RFP) immediately. This will allow us to confirm the final Project cost, construction start date, schedule, and whether the work will be completed in one or two seasons. The RFP process will be managed by a dedicated team, as was successfully done for the pump station project. Based on experience from other successful projects, consideration will be given to pre-purchasing equipment to mitigate potential cost inflation and supply chain risks.



IRRIGATION CONSTRUCTION TIMING AND IMPACT ON MEMBER PLAY

Maximizing member play is a key consideration in evaluating our irrigation construction options and bids. The Board has reviewed several approaches to completing the work, generally allowing for a full 18 holes of play during irrigation construction.

Below is an overview of the proposed approach:

- **Goal:** Maximize the number of playable holes during construction.
- **Target:** 18 holes in play for the majority of the construction period.
- **Irrigation Construction:** Only 1 hole is taken out of play at a time during irrigation construction on that hole (assumed a 9-day construction duration per hole for planning purposes).
- **Short Game Area:** Use the short-game practice area as an additional 75-yard, Par 3 hole, to generally provide an 18-hole course while one hole is out of play at a time due to construction.

For planning purposes, the Project team has developed two scenarios. In the first scenario, the construction is scheduled and completed in one season. The second scenario assumes the work is split over two seasons (i.e., with 9 holes completed each year). Under both scenarios, only one hole would be taken out of play at a time during construction, and the short-game area would be used to provide a full 18 holes.

The final decision on the start of irrigation construction and whether the work is completed over one or two seasons will largely depend on the contracting process, the selected contractor's availability, their project schedule, and the development of a final execution plan.

FINANCIAL OVERVIEW

Since last year's proposal, the Board and its Committees have applied significant effort to lower the Project costs and minimize the financial impact on our members. The Board proposes to structure, finance, and report the Project as a standalone initiative.

Irrigation Financing Plan	
Total Irrigation Project Cost	$3,175,225
Debt service costs (assume 4 years coverage at $200,000/year)	$800,000
Total costs to be covered	**$3,975,225**
Financing Sources	
Current FIF – 4 years at $400,000 / year	$1,600,000
Debt	$1,600,000
Balance: funded by Assessment	**$800,000**

Project Cost Breakdown:
This proposed structure consists of 50% bank debt and 50% club equity or funding, based on an assumed interest rate of 7% over a 15-year term. Ongoing discussions with the bank are aimed at finalizing this arrangement.

The proposed financing model for the Project consists of three (3) funding sources:

1. **Bank Debt:**
   - Securing a loan amounting to a maximum of $2.0 million to provide flexibility during the project, with a Project target of $1.6 million.

2. **Facility Improvement Fee (FIF):**
   - Use the monthly FIF to assist in funding the Project and servicing the associated bank debt.
   - Provides ~$400,000 per year in capital reserve.

3. **Shareholder Assessment:**
   - Introduce a $1,500 total assessment payable by each shareholder over three (3) years ($500 per year in 2025, 2026, and 2027).

Proposed Debt:
The Board recommends $1.6 million for the long-term bank debt component of the Project financing. However, the Board is seeking endorsement to obtain up to a maximum of $2.0 million in financing to provide short term flexibility during the initial construction period of the Project, when expenditure commitments may not match timing of revenue from member FIF and assessment payments.

Debt Level	$1,600,000	$2,000,000
Annual debt payments	$107,000	$133,000
Annual interest payments	$112,000	$140,000
Annual debt servicing	$219,000	$273,000

BOARD RECOMMENDATION

Investing in our aging irrigation system is essential to maintaining the member experience and ensuring the long-term sustainability of our Club. The updated proposal reduces the financial impact to members and focuses on minimizing disruptions during construction. The Board fully endorses this Project and recommends that shareholders approve the proposed resolution.

VOTING PROCESS

We are asking all shareholders to participate in the voting process, **either by voting online through the proxy process prior to October 15th, 2024, at 9:00pm, in-person at the Administration Office, or at the Special Meeting on October 17th, 2024, at 7:00pm** at the Silver Springs Clubhouse.

The voting proxy will be sent out in a separate email for shareholders to submit their proxy votes.

Your involvement is greatly appreciated, and we encourage your active participation to shape the future of your Club. Thank you to all members for your passion and ongoing dedication to your Club.

BOARD OF DIRECTORS AND MANAGEMENT TEAM

Board of Directors:

Jennifer Gies
Club President

Rod Maier
Vice President
Strategic Committee Chair

Terry Meek
Past President
Nominating Committee Chair

Jim Screaton
Secretary Treasurer
Finance Committee Chair

Jim Wolfe
Greens Committee Chair

Carson Ackroyd
Membership Committee Chair

Jeff Scott
Golf Committee Chair

Fred Pynn
House Committee Chair

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FAQS (FREQUENTLY ASKED QUESTIONS)

Project Cost and Financing

Who is responsible for the assessment?
If the proposed resolution passes, every existing shareholder on the date of the vote will be subject to the assessment. The assessment will be billed at $500 on the 1st of June in 2025, 2026, and 2027.

What are the cost risks associated with the Project, and how are they being addressed? What if the Project is over or under budget?
The Project's cost estimate has been developed based on input and significant review by the Board, management, relevant committees, and third-party consultants, and has been benchmarked against recent costs from similar projects in Calgary and the greater region.

A significant contingency of 15% has been applied to the estimated cost of the Project to account for cost escalation, inflation, and other project risks. Subject to shareholder endorsement of the proposed Project, competitive vendor bids will be obtained for the execution of the irrigation replacement and system supplies. This data, along with the development of detailed project execution plan with the selected contractor, will be used to develop a final and more detailed cost estimate.

The overall project will be directed by an independent Project Manager, who will report to the Silver Springs General Manager, with governance provided by a Board appointed sub-committee. If project costs are expected to exceed the budget cost including contingency, potential mitigations include reducing the final project scope or utilizing additional bank debt.

If the Project comes under budget, this will reduce the required bank debt and associated principal and interest payments. The FIF will still be utilized, with lower debt servicing allowing for some component of the fee to be set aside for other future major capital projects.

Why is the Board seeking $2.0 million in bank debt when only $1.6 million is required for the project?
Although we are confident in the current Project cost estimate that includes 15% contingency and 3% escalation, the Club may have a requirement for additional bank debt at the start of the project if cash collected from the FIF and assessment does not line up with Project expenditure commitments (such as the pre-purchase of significant irrigation materials and equipment), or if the contracted cost of the Project exceeds the current estimate.

Although the Board is targeting $1.6 million in bank debt for the long-term funding of the Project, we believe that having the authority to access additional short term bank debt of $400,000, for a total of $2.0 million, provides flexibility if needed to address any unforeseen issues.

Will this project impact the Club's ability to fund future capital improvements?
The Project Team has closely assessed the 10-year capital plan, which includes prioritizing potential projects and assessing the Club's ability to fund these in the future. This Project should not impact the Club's ability to fund potential future capital projects, although taking on another major project expenditure during irrigation construction would be challenging. Projects that are being prioritized in the next 2-4 years are smaller projects that can be funded out of the existing annual capital budget.

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FAQS (FREQUENTLY ASKED QUESTIONS)

Overall, the Club believes that we have the capacity to consider further investments. The financial forecast considers the Club's future level of debt and assumes continuation of the FIF to aid in financing major capital projects in the future. Any decisions on future major capital projects will be up to future Boards, management, and the members.

What are the Board plans for future course and club enhancements?
It is important to highlight that the vote this fall will only be on the replacement of the irrigation system. All the project funding sources (bank debt, FIF, and assessment) will only be used for the Project.

Club enhancements (inclusive of golf course enhancements) will continue to be funded through our annual capital budget process that is funded through existing capital dues and share sales, and do not require additional financial commitments from members at this stage. As part of the annual capital budget process, all potential projects will be assessed and prioritized to fit within the recommended budget for that year.

The Club currently spends $800,000 - $1.0 million on ongoing improvements annually. Examples of recent improvements include:

- Hole #10 - #11 stair replacement
- Cart path improvements
- Tree Management Plan
- Range upgrades
- Carpet replacement
- Turf care equipment

Is the current budget sufficient to cover potential cost overruns?
The Project team conducted extensive due diligence in determining the estimated Project cost, including detailed analysis of each cost element, benchmarking the costs of other recent irrigation projects, and engagement with potential contractors. However, there is still cost uncertainty at this stage of the Project, which is why the estimate includes a 15% contingency and an additional 3% for cost escalation.

The final Project cost estimate will not be determined until the conclusion of the contracting process with the selection of the preferred contractor and alignment on the project execution plan. This will include review of a potential fixed price contract to limit cost over-runs.

Any potential cost overruns can be funded from bank debt if necessary. Although the Project is targeting $1.6 million in bank debt for the long-term funding of the Project, access to additional short term bank debt of $400,000 if needed, for a total of $2.0 million, provides additional security and avoids seeking additional member funding for the Project.

Will there be any incentives or reductions associated with early shareholder payment of their assessment?
No. Early payment of a shareholder assessment can be made, but the Club is not offering any incentive as this would create additional administrative complexity that we do not feel is warranted.

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FAQS (FREQUENTLY ASKED QUESTIONS)

Irrigation System

Why does the irrigation system need to be replaced?
An effective irrigation system is the lifeblood of a golf course, and the Silver Springs Board of Directors view the critical need to replace our aging and inefficient irrigation system as the top capital investment priority for the Club's future.

The proposed Irrigation Replacement Project (Project) will address the numerous deficiencies of our current 40+ year old system, and provide the advantages of modern irrigation design, practices, and technology. These benefits include enhanced course playability, turf health and sustainability, increased system reliability and efficiency, reduced operating and maintenance costs, and lower water consumption.

The golf course is our most important asset, and to continue providing our members with excellent course conditions and a sustainable club for attracting new members, this infrastructure replacement is necessary.

How will this new system benefit the golf course?
A new irrigation system will provide precise control over water distribution, allowing for adjustments to meet the specific needs of different areas of the course. This will result in:

- ***Healthier Turf*:** Consistent and efficient watering will improve turf quality, leading to better aesthetics and playability.
- ***Reduced Dry Areas*:** By eliminating the current dry patches, members will experience smoother, more enjoyable rounds.
- ***Course Longevity*:** Healthier turf and proper water management will extend the life of the course's infrastructure and reduce long-term damage.
- ***Improved Member Experience*:** Members will notice an immediate improvement in the course's playability, especially in areas that were previously problematic.

Our Turf Care team does an amazing job in providing quality course conditions. The Club has a duty to provide them with the right tools to do their job effectively, and this includes a modern irrigation system.

How will the new system improve water efficiency?
The new irrigation system will greatly improve the Club's water efficiency. Our current system uses approximately 29 million gallons (110 million liters) of water per season. With the new system, we expect to reduce water consumption by 12-18%, which equates to approximately 3-5 million gallons saved each year. By distributing water more efficiently and only where it's needed, we'll cut down on waste and contribute to a more sustainable future for the course.

Will the new system help us comply with future environmental regulations?
The Club uses raw, untreated water from the Bow River for our irrigation system. Our water license is with the provincial government, and we do not currently pay for water usage under this arrangement. With this season's drought conditions in the spring, the provincial government signaled the potential for water use restrictions for some users, but Silver Springs was never subjected to any such restrictions.

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FAQS (FREQUENTLY ASKED QUESTIONS)

We are not aware of any proposed regulations that may restrict or alter our current license. However, there is certainly the possible risk that water restrictions or levies may be applied to our license in the future. The proposed Project sends a strong signal that the Club is committed to environmental stewardship and provides mitigations to these risks.

How does the number of sprinklers in the new design compare to the number of sprinklers in the current system? Why?
The current system utilizes approximately 541 sprinkler heads based on the older design principles and technologies and operates at higher pressure relative to modern systems.

Changes in irrigation technologies (i.e., decreased throw distances) and design philosophies (differing watering patterns) have led to an increase in sprinkler head counts and reduction in water pressure, to enable higher system performance and uniformity, resulting in better and more consistent turf conditions.

The proposed design employs approximately 983 sprinkler heads, which is deemed to be fit-for-purpose for Silver Springs. This value is consistent with recent designs for new Canadian golf course designs. For instance, the Calgary Country Club project used approximately 1,100 heads.

Can we attach the new sprinkler heads to the existing piping as an alternative?
No. Installing new sprinklers in place of the old ones will result in a reduced distribution uniformity. The existing piping is spaced for sprinklers with 100+ feet throw. New sprinklers have an effective coverage of 65-85 feet.

Connecting new components to a system designed for a higher water pressure, with failing and leaking pipe infrastructure (i.e., glue joints giving way, etc.) and a dated control system, would not be an efficient, cost-effective, or long-term solution.

Membership

Will the proposed Project assist in selling shares?
Many of our peers have made major investments in their course and/or clubhouse in the last few years, and to remain competitive, Silver Springs must continue to reinvest in the course and attract new members in a competitive market. The proposed Project investment signals that Silver Springs is committed to investing in and enhancing our Club, and this will not only attract new members, but continue to provide an exceptional member experience for decades to come.

It is difficult to predict the impact of the proposed Project on share sales. Silver Springs experienced an increase in share sales in 2011, after the completion of the Clubhouse and an increase in the share price.

Anecdotally, certain other clubs in Calgary that have completed major capital projects (clubhouse or course upgrades) have also seen increases in the demand for memberships and share prices.

Prospective members know that Silver Springs has been considering major course investments, but they lacked clarity on the specifics, including the level of assessment and member fees. Approval of the proposed

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FAQS (FREQUENTLY ASKED QUESTIONS)

Project will remove this uncertainty and will clarify the future direction of the Club and member costs to aid their potential share purchase decision. They will also be aware that Silver Springs has mitigated major expenditure vulnerabilities associated with the clubhouse and course for the foreseeable future.

Given our outstanding course, modern clubhouse, strong balance sheet, welcoming members, and a clear financial plan for the Project, with approval of the Project, Silver Springs should be well placed to compete in the Calgary market.

Is the Board planning to increase the share price if the Project proceeds? Will new shareholders be required to pay the full assessment?
The share price will continue to be reviewed quarterly and considers several parameters in determining the price.

Course Access and Playability:

How will the Project impact course availability and play?
Maximizing member play is a key priority in the evaluation of irrigation construction options and bids. The Board has reviewed several approaches, with all options allowing for full 18-hole play during the majority of the construction period. The main goal is to ensure that as many holes as possible remain playable throughout construction. Specifically, the target is to have 18 holes in play for most of the construction timeline. During irrigation work on each hole, only one hole will be taken out of play at a time, with an estimated construction duration of nine days per hole. To maintain an 18-hole experience, the short-game practice area will be utilized as an additional 75-yard, Par 3 hole.

Voting and Project Approval:

What will shareholders be voting on?
The vote this fall will focus solely on the irrigation system replacement. While the Board continues to assess potential course enhancements, these will be funded through existing revenues, with no additional funding requests from members for these projects. Any additional course improvements will be evaluated based on cost-effectiveness, potential impact on course availability, and member experience enhancement through the annual capital budget process.

How and when can shareholders vote?
Shareholders can vote in one of three ways:

1. **Online:** Through the voting proxy, which will be emailed to all shareholders, until October 15th at 9:00pm.
2. **In-person:** By casting a physical vote at the office before the Special Meeting.
3. **At the Special Meeting:** Taking place on October 17th at 7:00pm at the Silver Springs Clubhouse.

What happens if the vote does not pass?
The Club's focus and attention is on achieving a successful vote. If the project is not approved, the Club will continue to face escalating repair costs and inefficient water use. This could lead to worsening course conditions and higher long-term costs due to frequent system failures and the increasing difficulty of sourcing parts for the current system. Investing in our irrigation system is vital to maintaining the member experience and long-term sustainability of our Club.


Silver
Springs
Golf & Country Club