

AMENDING AGREEMENT TO CO-OWNERSHIP AGREEMENT

THIS AMENDING AGREEMENT (the "Amending Agreement") is made effective as of January 1, 2022 (the "Effective Date").

BETWEEN:

ELBOW SPRINGS GOLF CLUB LIMITED PARTNERSHIP, a limited partnership formed under the laws of Alberta (the "**Partnership**")

and

ELBOW SPRINGS GOLF CLUB, a non-profit society formed under the laws of Alberta (the "**Club**")

(collectively, the "**Co-Owners**")

WHEREAS:

- A. the Partnership and the Club are parties to a co-ownership agreement dated October 24, 1990, and amended April 2, 1996 (collectively, the "**Co-Ownership Agreement**");
- B. the Co-Ownership Agreement, *inter alia*, establishes the rights and obligations of the Partnership and the Club in respect of the development, management and operation of the Elbow Springs Golf Course. The Elbow Springs Golf Course refers to the 27-hole golf course, lands ("the Lands") and related facilities on the Lands, such golf course, facilities and Lands being set out in Schedule "A" to the Co-Ownership Agreement, and hereinafter collectively referred to as "the Golf Course";
- C. the Co-Ownership Agreement acknowledges that the Partnership and the Club beneficially own the Golf Course in the following undivided interests: (a) the Partnership – an undivided one-quarter interest; and (b) the Club – an undivided three-quarter interest;
- D. the Partnership issued a Capital Improvement Funds Request dated January 6, 2022 (the "**CIFR**") in order to initiate an irrigation project for the Golf Course (the "**Irrigation Project**"); and
- E. the Co-Owners wish to amend the Co-Ownership Agreement in accordance with the terms and conditions of this Amending Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and agreements between the Partnership and the Club as set out herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each Co-Owner, the Co-Owners agree as follows:

1. Definitions and Interpretation.
 - (a) Unless otherwise defined herein, the capitalized terms and expressions used in this Amending Agreement shall have the same meanings as they have in the Co-Ownership Agreement.
 - (b) The rules of interpretation applicable to the Co-Ownership Agreement shall apply to this Amending Agreement.
 - (c) This Amending Agreement hereby amends the Co-Ownership Agreement effective as of the date of this Amending Agreement and is deemed to form a part thereof, *mutatis mutandis*. The Co-Owners agree that all other terms and conditions of the Co-Ownership Agreement remain in full force and effect, unamended. On and after the date of this Amending Agreement, any reference to "this Agreement" in the Co-Ownership Agreement and in any other agreements will mean the Co-Ownership Agreement, as amended by this Amending Agreement. In the event of any conflict between the terms and conditions of this Amending Agreement, and terms and conditions of the Co-Ownership Agreement, the terms and conditions of this Amending Agreement shall prevail to the extent of the inconsistency.

2. Amendments to the Co-Ownership Agreement
 - (a) Article 5.06 of the Co-Ownership Agreement shall be deleted in its entirety and replaced with the following new Article 5.06:

5.06 The Manager, at its sole cost, shall take out with a reputable insurance company or companies and thereafter maintain for the account and benefit of the Co-Owners such insurance as the Manager, acting reasonably, considers to be appropriate to protect the Co-Owners' interests in the Golf Course, including physical damage to the Golf Course, provided that such insurance shall not impose a deductible on the Club.
 - (b) The following text of Article 7.03 of the Co-Ownership Agreement shall be deleted:

"Any amounts required for capital improvements after such construction is completed shall be contributed and paid by the Co-Owners to the Manager as to 25% by the Partnership and as to 75% by the Club. Any funds required from the Co-Owners after December 31, 2002 shall be advanced to the Manager within 10 days of receipt by the Co-Owners of the notice from the Manager requesting same."

- (c) The following shall be inserted into the Co-Ownership Agreement immediately following Article 7.03 as new Article 7.03.01:

7.03.01 The Partnership shall pay 100% of the costs for all capital expenditures with respect to the Golf Course incurred on or after January 1, 2022. Without limiting the generality of the foregoing and for further particularity, the Partnership specifically agrees that it shall pay 100% of the costs associated with the Irrigation Project notwithstanding the CIFR in exchange for an incremental 4 Reserved Tee Times per day in perpetuity and that it shall pay 100% of the costs associated with maintenance of and improvements to the Golf Course, including without limitation, all associated lands and golf terrain, buildings, equipment, and facilities, in exchange for an incremental 2 Reserved Tee Times per day in perpetuity. There shall be no additional levies, surcharges, use fees or other further additions imposed by the Partnership or the Manager on the Club or its members in respect of any and all capital expenditures with respect to the Golf Course incurred on or after January 1, 2022. For greater certainty, the payments made by the Partnership pursuant to this Article 7.03.01 shall not change the undivided interests each of the Partnership and the Club maintain in the Golf Course and the Lands.

- (d) Article 8.02 of the Co-Ownership Agreement shall be deleted in its entirety and replaced with the following new Articles 8.02, 8.02.01 and 8.02.02:

8.02 The Co-Owners agree that the Club shall be permitted to accept only 275 persons (each such person a "Club Member") designated by the Club as having the rights granted to Club Members pursuant to this Agreement and the Club's By-Laws, (such By-Laws as may be amended from time to time), being a reduction in the number of total members previously allowed from 325 to 275 (the "Membership Decrease").

8.02.01 In consideration of the Membership Decrease, the Partnership shall be allocated either an incremental 6 Reserved Tee Times, as the term is defined in Article 8.06.01, per day in perpetuity, or such other number of Reserved Tee Times as may be applicable pursuant to Articles 8.03.01 and 8.03.02 from time to time. For certainty, in consideration of the covenants contained herein, the Partnership shall be allocated a total of an incremental 12 Reserved Tee Times per day in perpetuity for a total of 36 Reserved Tee Times allocated to the Partnership per day during the Active Season and 24 Reserved Tee Times allocated to the Partnership per day outside of the Active Season as defined and set out in Article 8.06.01.

8.02.02 The Club shall not amend any By-Laws, policies, rules or regulations that would have a negative material impact on the Partnership or the Golf Course.

- (e) Article 8.03 of the Co-Ownership Agreement shall be deleted in its entirety and replaced with the following new Articles 8.03, 8.03.01 and 8.03.02:

8.03 Up to two hundred and seventy-five (275) Club Members, if the

Club Member complies with the reasonable rules and regulations from time to time established by the Manager for those using the Golf Course and has paid the current annual use fee assessed by the Manager, shall be entitled to use the Golf Course in common with those persons designated by the Partnership in accordance with the parameters set out in Articles 8.04, 8.06, and 8.06.01 hereof. Such Club Members shall have the priority to reserve use of the Golf Course as provided in Article 8.05 hereof. The Club shall collect a fee for the sole benefit of the Club in the amount no less than the annual use fee assessed by the Manager if the Club Member does not remit the annual use fee to the Manager and an Annual Player, as defined in Article 8.03.02, is not assigned.

8.03.01 The Co-Owners may only alter the 275 Club membership limit by written agreement of both Co-Owners whereby the Club may sell new Club memberships and then designate such increased number of persons as Club Members. If the 275 limit is so increased, the number of Reserved Tee Times per day, as defined hereafter, shall decrease on an 8:1 ratio, such that for every one full additional Club Member over and above 275, one Reserved Tee Time every eighth day shall be subtracted from the total Reserved Tee Times. The proceeds of such membership sales from 276 up to 325 memberships shall be remitted to the account of the Partnership to fund Golf Course improvement projects that benefit Club Members and the Club being provided with reasonable opportunity to offer input in respect of such projects. Any selected improvement projects will be at the discretion of the Manager. The Manager shall provide an accounting of the funds spent on such projects to the Club.

8.03.02 If there are less than 275 Club Members entitled to use the Golf Course as determined by January 31 in any given year (a "Membership Shortfall"), the Club and the Manager shall endeavour to sell the playing rights for that year which are associated with the Membership Shortfall. Each purchaser of such annual playing rights is herein referred to as an "Annual Player". In accordance with Article 8.08, the Manager shall be entitled to receive the fee collected from each Annual Player for the account of and for the sole benefit of the Partnership. It is also acknowledged and agreed that if the Partnership collects any additional fees on behalf of the Club from the Annual Player, the Partnership shall remit to the Club such fees the Club charges.

If the total number of Club Members plus Annual Players entitled to use the Golf Course at any time after March 31 of the current season is less than 275, the Club and Partnership agree to increase the daily Reserved Tee Times allocated to the Partnership in accordance with the 8:1 ratio, such that for each one Club Member below 275, one Reserved Tee Time every eighth day shall be added. For greater certainty, for the purpose of the calculation of any such shortfall or surplus, an Annual Player shall be deemed a Club Member.

- (f) The following Articles 8.06.01, 8.06.02, 8.06.03 and 8.06.04 shall be added to the Co-Ownership Agreement immediately following Article 8.06:

8.06.01 Without limiting the generality of the foregoing, the Manager, during 150 days in each year (the "Active Season"), such days to be designated by the Manager in advance of the season, shall control up to 36 green fee tee times per day (each, a "Reserved Tee Time") for the benefit of the Partnership. For those dates outside of the Active Season, the Manager shall control for the benefit of the Partnership up to 24 Reserved Tee Times per day. For greater clarity, a Club Member or Annual Player shall pay the publicly posted green fee if such Club Member or Annual Player chooses to book to play golf during a Reserved Tee Time, unless the Club Member or Annual Player is a walk-on (a player without a prior Reserved Tee Time) or has made a Reserved Tee time booking earlier on the same day in which instance payment of the public green fee by the Club Member or Annual Player shall not be required.

The daily schedule of allocation of tee times shall be reasonably set in advance by the Manager, having due regard to the reasonable needs and wishes communicated by the Club to the Manager from time to time. An example of a possible schedule is set out in Exhibit A, annexed hereto. This example is generally consistent with the way tee times are allocated between the Club Members and/or Annual Players and Green Fee Players. The Manager shall make reasonable efforts to allocate tee times for public players in a manner consistent with Exhibit A on the understanding that the Manager may however exercise discretion to modify and adjust the allocation of tee times, if required, to accommodate tournaments, league play, hours of daylight, maintenance schedules, or other similar operational factors.

The Club may, from time to time, request that two, two-hour blocks of tee times on Saturday, Sunday and holiday mornings be reserved exclusively for Club Members and Annual Players while retaining the 36 Reserved Tee Times at other times during those days. The Manager will give reasonable consideration to any such Club request taking into consideration the potential impact on all Golf Course operations. Within such first two-hour block schedule, any cancelled tee times will remain available only for Club Members and Annual Players. If the two-hour exclusive blocks are created, the Club may request with reasonable written notice to the Manager to wholly cancel the two-hour exclusive blocks and revert to a weekday allocation of tee times for Saturday, Sunday, and holiday mornings as reasonably determined by the Manager.

8.06.02 For those days during which the Partnership has a tournament function, the Reserved Tee Times for that day shall be reduced by the equivalent to the tee times of the number of players in the tournament. The Reserved Tee Times chosen to be reduced shall be as close as possible to the tee times used for the tournament. For those days during which the Club has a tournament, Reserved Tee Times shall remain as prescribed herein. For greater certainty, the Manager shall have discretion to re-arrange tee time availability to reasonably accommodate such tournament play within such parameters. The Co-Owners agree that tournaments will not be held with start times between Friday noon and Sunday evening without prior consent of the Club.

8.06.03 The Manager shall recognize Club sponsored league play consistent with historical practice that enables Club Members and Annual Players to book a single tee time to golf with Club Members and Annual Players who are also part of the designated league group. The Manager shall reasonably endeavor to accommodate Club requests for any changes to existing league play or any proposed additional league play, which shall be determined at the discretion of the Manager.

8.06.04 The Manager shall provide information by December 15 of each year to assist updating the Club's "Register of Members" as may be required.

8.06.05 The Co-Owners shall endeavour in good faith to achieve transparency in respect to tee time usage information.

8.06.06 It is acknowledged that the Club may establish an online forum for use by Club Members and Annual Players, to facilitate Club Members' and Annual Players' use of other Club Members and Annual Players pending tee time cancellations.

3. Amendment – No amendment or variation of the provisions of this Amending Agreement shall be binding upon any Co-Owner unless and until it is evidenced in writing executed by both of the Co-Owners.

4. No Assignment – The Co-Owners each represent and covenant that they have not assigned any right of arbitration or action arising out of or in any way related to the Co-Ownership Agreement to any person, firm, company, corporation, or other legal entity who might claim against either of the Co-Owners.

5. Authority to Contract – Each Co-Owner has the power and authority to enter into and perform this Amending Agreement. The execution and performance of this Amending Agreement has been duly authorized by all requisite corporate action.

6. Counterpart Execution – This Agreement may be executed in counterpart, and by facsimile or electronic mail, and all executed and delivered counterparts together shall constitute a fully executed agreement.

7. Entire Agreement – The Co-Owners acknowledge that the Co-Ownership Agreement including the Co-Ownership Agreement made as of the 24th day of October 1990 and amended the 2nd day of April 1996 which incorporates the Right of First Refusal dated 15th day of July 1991 together with all attached Schedules; the Letter of Agreement dated the 1st day of April 1996; the Agreement of Sale dated the 24th day of October 1990, and this Amending Agreement are intended to constitute the entire agreement between the Co-Owners concerning any matters arising out of those matters described in the Co-Ownership Agreement or herein, and that there are no statements, representations, warranties or conditions affecting this Agreement other than as are expressly contained herein.

8. Enurement – This Amending Agreement enures to the benefit of and is binding upon the Co-Owners and their respective successors and permitted assigns.

9. Further Assurances – Each Co-Owner shall, at the request of the other, perform all further acts and execute and deliver all further documents reasonably required to fully perform and carry out the terms of this Amending Agreement.

10. Governing Law – This Amending Agreement shall be construed, and the relationship between the Co-Owners determined, in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The Co-Owners irrevocably submit to the sole and exclusive jurisdiction of the courts of the Province of Alberta, and the courts of appeal therefrom, for the interpretation and enforcement of this Amending Agreement.

11. Legal Representation – The Co-Owners acknowledge that they have been represented by separate, independent legal counsel of their choosing with respect to the negotiation of the terms of this Amending Agreement and they understand and agree to its terms.

12. Severability – If any provision of this Amending Agreement is for any reason found to be unenforceable in whole or in part, the unenforceability thereof shall not affect the enforceability of any other provision in or part of this Amending Agreement and all provisions of this Amending Agreement shall be construed so as to preserve the enforceability thereof.

13. Good Faith – The Co-Owners shall each conduct themselves reasonably and in good faith.

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IN WITNESS WHEREOF the Co-Owners have duly executed this amendment on the date first written above, with effect as of the Effective Date.

**ELBOW SPRINGS GOLF CLUB
LIMITED PARTNERSHIP, by its General
Partner, Allreds' Golf Courses Ltd.**

Per: 
Scott S. Allred

Per: 
Armon (Ron) Ehlert

ELBOW SPRINGS GOLF CLUB

Per: 
Mary Choquette, President Elbow Springs Golf Club
2019 40th Ave S.W., Calgary AB

Per: 
April Shand, Secretary Elbow Springs Golf Club
507, 10 Discovery Rdige Close S.W., Calgary AB

Board Negotiations by:
Onno DeVries
Gary Berenbaum
Jason Lee
Hugh Adams
Brian Marchand
Rodney Coppock

Exhibit A

Example of Daily Public Tee Time Schedule for Illustrative Purposes and Subject to Change

6:32-8:32: 6 Public Tee Times;

8:48-10:48: 6 Public Tee Times;

11:04-13:04: 12 Public Tee Times;

13:20-15:20: 6 Public Tee Times; and

15:36-17:36: 6 Public Tee Times.