



Sept 26, 2023

Members of the Cranston Residents Association
Cranston, Calgary, Alberta

Dear Members:

**RE: Notice of Annual General Meeting
Tuesday, October 24th, 2023 at 7pm
In-person at Century Hall**

Enclosed please find the Notice of the Annual General Meeting (AGM) for the Association, the Meeting Minutes of the AGM held on October 25th, 2022, the Report of the Board of Directors, the Audited Financial Statements for the 2022-23 fiscal year, Information Circular, Schedule A-Amended Articles, Schedule B-Revisions to Articles and a Proxy Form.

Please review the enclosed information and plan to virtually attend the AGM, or submit your proxy form as indicated. The AGM is being held in-person at **7:00 P.M. on Tuesday, October 24th, 2023**. **Residents who plan on attending the AGM must pre-register on www.cranstonra.ca prior to 5:00pm on Sunday, October 22nd, 2023**. The meeting check-in will begin at 6:30pm and the meeting will begin promptly at 7:00pm, any late arrivals will be unable to vote once the scrutineers report has been delivered.

Please assist your volunteer Board of Directors by attending the AGM or sending in your proxy form.

The Board of Directors currently has vacancy for five (5) Resident Directors. If you are interested in being nominated for the Board of Directors, or have any questions about the enclosed, please contact the General Manager at 403-781-6614 x 5 or by e-mail at gm@cranstonra.ca.

On behalf of your Board of Directors, we look forward to your participation.

Yours truly,
CRANSTON RESIDENTS ASSOCIATION

ANDREW BURNS President, Resident Director	AMANDA CONDIE Vice-President, Resident Director	WENDY MACISAAC Secretary, Resident Director	JASON GORDON Treasurer, Resident Director	DAVE WARNER Resident Director
DENNIS LEMON Resident Director	STEVE POTTER Resident Director	BRADEN ERICKSON Resident Director	MIKE DERRY Resident Director	



Notice of 2023 Annual General Meeting & Information Circular

CRANSTON RESIDENTS ASSOCIATION NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS

TAKE NOTICE, that the Annual Meeting of the Voting Members of the CRANSTON RESIDENTS ASSOCIATION (the "Company") will be held in-person, on Tuesday, October 24th, 2023, at 7:00 P.M. (MST) for the following purposes:

- 1) To receive the Meeting Minutes of the AGM held on October 25th, 2022;
- 2) To receive the Report of the Directors of the Company;
- 3) To receive the Audited Financial Statements for the fiscal year ended March 31st, 2023;
- 4) To establish the number of Directors to hold office until the next Annual General Meeting, and elect such Directors;
- 5) To appoint BDO Canada as Auditor for the fiscal year ending March 31st, 2024;
- 6) Considering on voting on a special resolution to amend the Articles of the Company filed with the Corporate Registry on the 20th day of May, 1999, as such Amended and Restated Articles (attached as Schedule "A" to this notice) have been amended to reflect the turnover from Carma Developers LP to Cranston Residents Association. A PDF evidencing the revisions made from the previous version of the Articles of the Company is attached hereto as Schedule "B"; and,
- 7) To transact such other business as may properly come before the Meeting or any adjournment thereof.

THIS NOTICE SHOULD BE READ IN CONJUNCTION WITH THE INFORMATION CIRCULAR ACCOMPANYING THIS NOTICE.

Dated at Calgary, Alberta this 26th day of September, 2023

BY ORDER OF THE BOARD OF DIRECTORS

WENDY MACISAAC, Secretary

TO ALL VOTING MEMBERS:

IF YOU ARE NOT ABLE TO BE PRESENT AT THE ABOVE MEETING, PLEASE DATE, SIGN AND RETURN THE ACCOMPANYING PROXY IN PERSON TO CENTURY HALL:

11 CRANARCH ROAD S.E.
CALGARY, ALBERTA, T3M 0S8
"ATTENTION: General Manager"

PROXIES ARE TO BE RECEIVED AT CENTURY HALL NO LATER THAN 5:00 P.M. ON SUNDAY, OCTOBER 22ND, 2023. ALL PROXIES MUST BE IN WRITING AND SIGNED BY THE VOTING MEMBER.



**CRANSTON RESIDENTS ASSOCIATION
2022 ANNUAL GENERAL MEETING OF MEMBERS
MEETING MINUTES**

Place: Virtual through Zoom

Date: October 25th, 2022

Time: 7:00 P.M.

1. Vincent Chow acted as Chairperson of the meeting. The Annual General Meeting was called to Order at 7:03 p.m.
2. The Chairperson asked Wendy Maclsaac to act as Secretary of the meeting.
3. The Chairperson requested Jason Gordon to act as Scrutineer for the meeting, with the consent of the Voting Members. As there was no objection, the Chairperson appointed Jason Gordon as Scrutineer.
4. The Chairperson stated that all items to be approved by the Voting Members are by way of ordinary resolution, which requires at least 50% of the Voting Members present in person or by proxy, voting in favour. The chairman stated that votes are to be by show of voting cards, or by poll if demanded by 10% of the Voting Members.
5. The Chairperson asked for a motion dispensing with reading of the Notice calling the meeting. Andrew Burns so moved. Wendy Maclsaac seconded the motion. The Chairperson declared the motion carried.
6. The Chairperson asked the Secretary to provide proper proof of mailing the Notice of the Meeting to the Members. Wendy Maclsaac confirmed he had a Certificate signed by Stacy Marks, Cranston Residents Association General Manager, proving proper emailing and mailing of the Notice of the Meeting to the Members.
7. The Chairperson then stated that pursuant to the Association's articles, the lesser of fifty (50) voting members or ten percent (10%) of the Voting Members either personally present or represented by proxy constitutes a quorum, and that at least ten (10) Voting Members either present or represented by proxy would constitute a quorum. The Chairperson asked the Scrutineer for his report. The Scrutineer reported that there were 131 Voting Members either present at the meeting, or represented by proxy.
8. The Chairperson declared the meeting to be duly called and properly constituted for business.
9. The Chairperson asked for a motion to approve the Minutes of the Annual General Meeting, held on October 19, 2021. Andrew Burns motioned to approve the Minutes of the Annual General Meeting held on October 19, 2021, as presented. Wendy Maclsaac seconded. The Chairperson declared the motion carried.
10. The Chairman asked for a motion to dispense with reading of the Directors' Report for the fiscal year of April 1, 2020 through March 31, 2021, also appended to the Notice of Meeting and Information Circular. Andrew burns moved that the reading of the Director's Report be dispensed with. Wendy Maclsaac seconded the motion. The Chairperson declared the motion carried.
11. The Chairperson then proposed to receive, as information, the Auditor's Report and Financial Statements of the Association for the year ended March 31st, 2022. Jason Gordon then reviewed the Financial Statements.
12. The Chairperson indicated that the next item of business was the election of Directors. The Chairperson stated that a maximum of ten (10) Directors be elected and serve until the next Annual General Meeting of the Association. The Chairperson asked for a motion to this effect. Jason Gordon moved that ten (10) Directors be elected to serve until the next Annual General Meeting of the Association. Andrew burns seconded the motion. The Chairperson declared the motion carried.
13. The Chairperson stated that Amanda Condie, Jason Gordon, Andrew burns and Vincent Chow have indicated that they will complete the second year of their two-year term as Resident Directors on the Board, as elected in 2021.

14. The Chairperson announced there are six (6) vacant positions on the Board. Five (5) positions for a two-year term and one (1) for a one-year term. The following members in good standing have indicated an interest in being nominated as Directors of the Association, to hold office until the next Annual General Meeting or until their successors are elected or appointed: Wendy MacIsaac
15. The Chairperson then asked for a motion to nominate these individuals. Jason Gordon moved to nominate the above persons as Directors of the Association, to hold office until the next Annual General Meeting or until their successors are elected or appointed. Andrew Burns seconded the motion. The Chairperson declared the motion carried.
16. The Chairperson announced the following members in good standing have also put their name forward to be nominated as Directors of the Association: Steve Potter, Justyn Perry, Brennan Legge, Hugo Almaraz and Dave Warner.
17. The Chairperson asked if there were any further nominations. The following raised their hands to put their name forward to be nominated as Directors of the Association: Braden Erickson, Mike Derry and Dennis Lemon.
18. The Chairperson then asked for a motion that nominations be closed. Andrew burns so moved. Amanda Condie seconded the motion. The Chairperson declared the motion carried.
19. The Chairperson stated that as nine (9) persons have been nominated and six (6) Resident Directors are required, an election is necessary. The Chairperson provided instructions that there will be two votes. First, for five (5) Directors for a two-year term, and second for one (1) Director for a one-year term. The Chairperson instructed that those unsuccessful in receiving a two-year term position would be put forward for the one-year position vote.
20. The Chairperson gave instructions on voting through Zoom and instructed voting members to mark in favor of five (5) Resident Directors.
21. The Scrutineer reported that Braden Erickson, Dave Warner, Steve Potter, Mike Derry and Wendy MacIsaac received the most votes to be elected and serve as Directors on the Cranston Residents Association Board until the next Annual General Meeting or until their successors are elected or appointed.
22. The Chairperson gave instructions on voting through Zoom and instructed voting members to mark in favor of one (1) Resident Director for the one-year term position.
23. The Scrutineer reported that Dennis Lemon received the most votes to be elected and serve as Directors on the Cranston Residents Association Board until the next Annual General Meeting or until their successors are elected or appointed.
24. The Chairperson then asked for a motion to elect as Directors, the persons nominated, to hold office for a two-year term and one-year term or until their successors are elected or appointed. Andrew Burns so moved. Jason Gordon seconded the motion. The Chairperson declared the motion carried.
25. The Chairperson then stated that the next item on the Agenda was the appointment of the Auditor. The Chairperson asked for a motion to allow the Board to appoint MNP LLP as auditor of the Association for the fiscal period ending March 31st, 2023, and that the Directors are authorized to fix their remuneration. Andrew Burns so moved. Wendy MacIsaac seconded. The Chairperson declared the motion carried.
26. The Chairperson then asked for a motion to destroy the ballots from this year's Annual General Meeting immediately following the conclusion of the meeting. Andrew Burns moved that the ballots be destroyed. Amanda Condie seconded the motion. The Chairperson declared the motion carried.
27. The Chairperson then asked if there was any further business to transact at the Annual General Meeting of the Association. There was none.
28. The Chairperson then asked for a motion to terminate the 2022 Annual General Meeting of the Association as there was no further business to transact. Wendy MacIsaac so moved. Jason Gordon seconded. The Chairperson declared the motion carried.
29. At 7:54 p.m., the 2022 Annual General Meeting was terminated.



WENDY MACISAAC, Secretary



Report of the Cranston Residents Association Board of Directors
April 1, 2022 – March 31, 2023

The Cranston Residents Association (Cranston RA) is a not-for-profit company incorporated under the Alberta Companies Act. All homeowners in Cranston (including members of their family and tenants) are consequently members of the Association. The purpose of the Association is to own and operate, for the exclusive use of the members, the Century Hall facility and park, as well as various amenities and subdivision features within.

Board of Directors

The Board of Directors currently consists of ten (10) members in good standing of the community. This governing body meets on a regular basis to: ensure policies are properly set and Rules & Regulations are legislated; review the annual operating budget; be the voice of their fellow residents for Cranston RA-related issues, and; participate in community events.

Community Facilities

Century Hall is a 22,000 square foot building that sits on an eight (8) acre site and contains:

- Hockey Rink w/ Ice Chiller Unit
- Water Park / Pleasure Skating Rink
- Tennis Courts & Skate Park
- Toboggan Hill
- Basketball Courts
- Large Banquet Hall
- Multipurpose & Meeting Rooms
- Heat-and-Serve Kitchen
- Office Space for CRA staff
- Community Association Office
- Full-Sized Gymnasium
- Skate Change Area
- Daycare & Out of School Care
- Zamboni
- Storage for Maintenance

Century Hall is currently operating with six (6) full time staff which consists of the General Manager, the Administrative & Rental Manager, the Program & Event Coordinator, the Facilities & Amenities Manager, the Maintenance Foreman and a Maintenance Lead Hand. In addition, there are five (5) part time Customer Service Representatives, (1) Community Engagement Coordinator and four (4) part time Maintenance employees. The Cranston RA staff are responsible for the day-to-day operations of the Century Hall facility and park, and various Cranston amenities and community features.

Facility Updates

In April 2022, Century Hall Park & Amenities started to see a strong return to regular operations and participation of programs, rentals and community events post Covid-19. Moving into the Summer of 2022, the Residents Association offered their first ten (10) week, outdoor Farmers Market & Beer Garden, which supported over fifty (50) local vendors. Additionally, the RA saw a high return in participation for Day Camp programming, as well as community event participation including the Stampede Breakfast, Outdoor Movie Nights, Summer Kick-off, Mid-Summer Boost BBQ and the Amazing Race.

The Splash Park opened May long weekend 2022, and remained open until mid-September. The Hockey Rink opened early December and remained open until mid-March 2023. Our community Christmas lights were installed in November and offered beautiful light displays throughout Cranston until January 2023. During Winter 2023, the Residents Association added a Croki curl surface to the park, supported by funding from the Embrace the Outdoors grant.

As our community continues to grow, Century Hall draws many rental opportunities of the banquet hall, multipurpose rooms and the gymnasium with bookings for religious groups, community meetings, small weddings, baby showers, birthday parties and celebration of life events. For further information on rentals, please contact rentals@cranstonra.ca or visit www.cranstonra.ca.

Additionally, Century Hall offer a wide variety of programs for all ages throughout the entire year. Adult programming included fitness classes, tennis classes and workshops. Children programming included art classes, dance classes, sport programs, tennis and skating lessons. The full Program Guide can be viewed at www.cranstonra.ca.

Financial

The annual operating costs of the CRA are the responsibility of the Members through the payment of annual fees, pursuant to a Rent Charge Encumbrance registered on each lot title in Cranston (the amount is subject to an annual adjustment for inflation and GST). As approved by the Cranston Board of Directors, the 2023-24 fee structure is as follows: \$174.00+GST Upper Cranston; \$475.00+GST Riverstone.

The annual fees are used to: service the debt; offer quality programs, events, and services; and maintain Century Hall, Century Hall Park, and various subdivision features/amenities, in addition to the enhanced maintenance program provided to the Riverstone area. A copy of the 2023-24 Operating Budget is available for review online at www.cranstonra.ca or upon request at Century Hall.

The enclosed Audited Financial Statements are prepared up to March 31st, 2023.

Appointment of Auditor

The Cranston Residents Association Board of Directors voted in favor of appointing BDO Canada as the auditors of 2022-23 fiscal year. This decision was made due to the significant increase in fee estimate provided by MNP LLP. This change in auditors saved the association a significant amount in audit fees.

The Board of Directors proposes to appoint **BDO Canada** auditors for the company for the 2023-24 Fiscal Year.

Summary/Management Transition

The 2022-23 year has been a big transition for the Residents Association and Board of Directors. In the fall of 2022, the Residents Association officially turned over from Brookfield to operate on their own, including taking over the full management of the association. The residents of Cranston now occupy all ten (10) seats on the Board and have since voted in a President, Vice-President, Secretary and Treasurer.

The focus of the Board of Directors this year has been to complete the turnover process successfully, work with Walsh LLP to review and update the Articles of Association in preparation for the Annual General Meeting in October 2023, review and approve the operational budget for the 2023-24 fiscal year, as well as develop the Board Policy & Procedure Manual.

As we move into the 2023-24 year, the Board continue to be the voice of their fellow residents, while supporting the operations team at Century Hall, in addition to starting preparations for building the Residents Association Strategic Plan.

Board of Directors, Cranston Residents Association

Dated this 26th day of September, 2023

BY ORDER OF THE BOARD OF DIRECTORS



WENDY MACISAAC, Secretary

- | | | | | |
|--|--|--|--|---|
| ANDREW BURNS
President,
Resident Director | AMANDA CONDIE
Vice-President,
Resident Director | WENDY MACISAAC
Secretary,
Resident Director | JASON GORDON
Treasurer,
Resident Director | DAVE WARNER
Resident Director |
| DENNIS LEMON
Resident Director | STEVE POTTER
Resident Director | BRADEN ERICKSON
Resident Director | MIKE DERRY
Resident Director | |

CRANSTON RESIDENTS ASSOCIATION

FINANCIAL STATEMENTS

March 31, 2023



Tel: 403-266-5608
Fax: 403-233-7833
Toll-free: 1-888-444-4840
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary, Alberta
T2P 0P7

Independent Auditor's Report

To the Board of Directors of Cranston Residents Association

Opinion

We have audited the financial statements of Cranston Residents Association (the "Association"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 19, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Calgary, Alberta

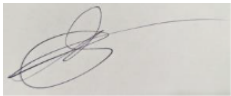
September 6, 2023

CRANSTON RESIDENTS ASSOCIATION
Statement of Financial Position
As at March 31

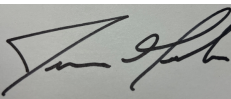
	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 1,652,518	\$ 956,402
Accounts receivable	31,891	26,827
Prepaid expenses	37,732	27,785
	<u>1,722,141</u>	<u>1,011,014</u>
CAPITAL ASSETS (Note 2)	<u>13,566,170</u>	<u>13,850,349</u>
	<u>\$ 15,288,311</u>	<u>\$ 14,861,363</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	97,858	\$ 95,247
Demand loan (Note 4)	3,438,899	3,664,465
Deferred revenue	817,891	561,732
Current portion of long-term debt (Note 6)	13,046	13,046
Current portion of capital lease obligation (Note 7)	2,556	2,556
	<u>4,370,250</u>	<u>4,337,046</u>
LONG-TERM DEBT (Note 6)	563	13,608
CAPITAL LEASE OBLIGATION (Note 7)	1,066	3,623
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS (Note 8)	<u>3,539,586</u>	<u>3,688,965</u>
	<u>7,911,465</u>	<u>8,043,242</u>
NET ASSETS INVESTED IN CAPITAL ASSETS	6,570,454	6,464,086
UNRESTRICTED NET ASSETS	806,392	354,035
	<u>7,376,846</u>	<u>6,818,121</u>
	<u>\$ 15,288,311</u>	<u>\$ 14,861,363</u>

Commitments (Note 9)

Approved on behalf of the Association:



Director



Director

CRANSTON RESIDENTS ASSOCIATION
Statement of Operations
For the year ended March 31

	<u>2023</u>	<u>2022</u>
REVENUES		
Membership fees	\$ 1,656,612	\$ 1,523,685
Programming	289,209	189,507
Facility rental	232,393	160,441
Amortization of deferred contributions (Note 8)	149,379	143,120
Maintenance contracts	71,068	81,754
Interest and other	31,176	9,145
Government assistance	-	218,880
	<u>2,429,837</u>	<u>2,326,532</u>
EXPENSES		
Administration	164,832	152,580
Amenity maintenance	69,527	65,568
Amortization of capital assets		
Contributed (Note 8)	149,382	143,448
Purchased	163,569	170,380
Facility operations and maintenance	839,336	805,803
Interest	199,234	112,635
Maintenance contracts	93,855	92,594
Programming	191,379	110,958
	<u>1,871,114</u>	<u>1,653,967</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ 558,723</u></u>	<u><u>\$ 672,565</u></u>

CRANSTON RESIDENTS ASSOCIATION
Statement of Changes in Net Assets
For the year ended March 31

	Net Assets		2023	2022
	Invested in Capital	Unrestricted		
Net assets, beginning of year	\$ 6,464,086	\$ 354,035	\$ 6,818,121	\$ 6,061,748
Excess of revenues over expenses	(163,569)	722,294	558,723	672,567
Payment of debt on capital assets	241,168	(241,168)	-	-
Investment in capital assets	28,769	(28,769)	-	-
Land contributions	-	-	-	83,806
Net assets, end of year	\$ 6,570,454	\$ 806,392	\$ 7,376,844	\$ 6,818,121

CRANSTON RESIDENTS ASSOCIATION
Statement of Cash Flows
For the year ended March 31

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Cash received from membership fees and other	\$ 1,875,082	\$ 1,461,830
Cash received from facility rental	241,479	181,656
Cash received from programming	317,812	230,916
Cash received from maintenance contracts	71,068	81,754
Cash received from interest and other income	31,176	24,727
Cash received from government assistance	-	203,300
Cash spent on operations	(1,371,330)	(1,137,894)
Cash spent on interest payments	(199,234)	(112,635)
	<u>966,053</u>	<u>933,654</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Cash repayments on long-term debt	(13,046)	(13,046)
Cash repayments on capital lease obligation	(2,556)	(2,556)
Cash repayments on demand loan	(225,566)	(312,165)
	<u>(241,168)</u>	<u>(327,767)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Cash spent on acquisition of capital assets	<u>(28,769)</u>	<u>(11,291)</u>
NET CHANGE IN CASH	696,116	594,596
CASH, BEGINNING OF YEAR	<u>956,402</u>	<u>361,806</u>
CASH, END OF YEAR	<u><u>\$ 1,652,518</u></u>	<u><u>\$ 956,402</u></u>

CRANSTON RESIDENTS ASSOCIATION
Notes to the Financial Statements
March 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

a) Purpose

The Cranston Residents Association (the "Association") was incorporated as a not for profit corporation on May 20, 1999 under Section 9 of the Companies Act of the Province of Alberta, R.S.A. 1980. As such, the Association is exempt from income tax under Section 149 of the Income Tax Act. The Association owns and operates amenities for the use of its members, the residents of Cranston. The operations of the Association are governed by the Cranston Amenities Agreement (the "Amenities Agreement") dated May 20, 1999 between the Association and Brookfield Residential (Alberta) LP ("Brookfield Residential").

b) Basis of accounting

The financial statements of the Association have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

c) Revenue recognition

The Association uses the deferral method of accounting for contributions. Contributions of capital assets or funds for the purchase of capital assets which are subject to amortization are deferred and amortized on the same basis of those capital assets. Contributions of capital assets or for the purchase of assets which are not subject to amortization are recorded as a direct increase to net assets.

Membership, program, facility rental and maintenance fees are recognized as revenue in the year to which they relate. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions, such as grants and donations not designated for a specific purpose, are recognized as revenue when received, or if the amount can be reasonably estimated and collection is reasonably assured.

Interest and other revenue is recorded on an accrual basis in the period in which it is earned.

Deferred revenue includes membership, rental and program fees that arises from receipt of payments in advance of the period in which they will be earned.

d) Use of estimates

In accordance with ASNPO, estimates and assumptions are made by management in the preparation of these financial statements. These estimates may impact the amounts included in the financial statements. The most significant of these estimates are related to amortization and the estimated useful life of the capital assets and accounts payable and accrued liabilities. Actual results could differ from these estimates.

e) Capital assets

Capital assets purchased by the Association are recorded at cost. Capital assets contributed to the Association are recorded at fair value on the date of contribution.

Amortization is based on estimated useful life calculated on a straight line basis as follows:

Century Hall	40 years
Windmill	40 years
Park Amenities	25 years
DC Corners/Association Site	25 years
Vehicles	10 years
Furniture and Equipment	5 years

f) Cash

Cash consists of balances held at financial institutions.

CRANSTON RESIDENTS ASSOCIATION
Notes to the Financial Statements
March 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

g) Impairment of long-lived assets

Capital assets are tested for impairment where impairment indicators are present. This would occur if an item no longer contributes to the Association's ability to provide services. Any excess of the item's carrying value, with no long-term service potential, over its residual value is recognized as an expense of the period.

h) Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. Assets recorded under capital leases are amortized on a straight-line basis over the term of the lease, which is the estimated useful life of the assets.

i) Financial instruments

The Association's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, demand loan, long-term debt, and refund credit liability. All financial instruments are initially measured at fair value and subsequently measured at amortized cost.

Financial assets are tested for impairment when changes in circumstances indicate that the asset could be impaired. Transaction costs on the acquisition and sale of financial instruments are expensed for those items re-measured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

2. CAPITAL ASSETS

	March 31, 2023		
	Cost	Accumulated Amortization	Net Book Value
	\$		\$
Century Hall	8,586,189	2,839,910	5,746,279
Windmill	557,088	233,948	323,140
Park Amenities	1,270,959	682,379	588,580
DC Corners/Association Sites	243,144	40,094	203,050
Vehicles	122,771	69,091	53,680
Furniture and Equipment	416,340	374,415	41,925
	<u>11,196,491</u>	<u>4,239,837</u>	<u>6,956,654</u>
Land	6,609,516	-	6,609,516
	<u><u>17,806,007</u></u>	<u><u>4,239,837</u></u>	<u><u>13,566,170</u></u>
Total			
	\$	\$	\$
	March 31, 2022		
	Cost	Accumulated Amortization	Net Book Value
	\$		\$
Century Hall	8,586,189	2,625,255	5,960,934
Windmill	557,088	220,021	337,067
Park Amenities	1,270,959	631,540	639,419
DC Corners/Association Sites	243,144	30,368	212,776
Vehicles	122,771	59,867	62,904
Furniture and Equipment	387,571	359,838	27,733
	<u>11,167,722</u>	<u>3,926,889</u>	<u>7,240,833</u>
Land	6,609,516	-	6,609,516
	<u><u>17,777,238</u></u>	<u><u>3,926,889</u></u>	<u><u>13,850,349</u></u>
Total			

Brookfield Residential (Alberta) LP ("Brookfield Residential") transferred to the Association the title for land and park amenities on June 1, 2009 for a nominal amount. The land and additional assets were recorded at fair market value at the transfer date.

In addition, in the prior year Brookfield Residential contributed land to the Association for \$83,806. The land was recorded at fair market value at the transfer date.

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2023

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Government remittances of \$37,184 (2022 - \$17,633) are included in accounts payable and accrued liabilities at year-end.

4. DEMAND LOAN

In May 2013, ATB provided the Association a demand loan. This loan bears interest at the ATB prime rate plus 0.50% per annum (2022 - ATB prime rate plus 0.50% per annum), is due on demand and is payable in monthly blended interest and principal payments of \$35,400 (2022 - \$35,400), maturing March 2033. The loan is secured by a general security agreement covering the Association's present and acquired property and proceeds, a first mortgage agreement registered against the property, postponement and assignment of claims from Brookfield Residential, and a comfort letter from Brookfield Residential covering all debt servicing shortfalls up to the Effective Date (defined in Note 5).

	<u>2023</u>	<u>2022</u>
ATB demand loan	<u>\$ 3,438,899</u>	<u>\$ 3,664,465</u>

The loan is expected to be renewed each year under similar terms. The principal payment estimated to be required in each of the next five years and thereafter are as follows:

2024	\$ 182,474
2025	196,707
2026	211,347
2027	227,076
2028	243,496
Thereafter	2,377,799
	<u>\$ 3,438,899</u>

5. RELATED PARTY TRANSACTIONS

The Amenities Agreement granted Brookfield Residential control of the management of the Association and construction and management of the Cranston amenities until the Effective Date (defined below).

The Effective Date is defined as the later of (i) the date upon which Brookfield Residential has sold its last lands within the Cranston development, or (ii) the date upon which all amounts owing to Brookfield Residential have been repaid. During the current year Brookfield Residential sold all remaining lands and therefore the Effective Date was October 11, 2022. The Association has become independent from Brookfield Residential and will no longer receive its financial support. Subsequent to the Effective Date, the Association will not be considered related to Brookfield Residential due to the transfer of control as noted above.

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2023

6. LONG-TERM DEBT

In April 2019, the Association entered into a financial agreement for a new tractor, payable in monthly payments of \$525 (2022 - \$525), which commenced April 2019 and and matures in March 2024. The loan is non-interest bearing and is secured by the asset which has a net book value of \$24,145 (2022 - \$28,114).

	<u>2023</u>		<u>2022</u>
Current portion of long-term debt	\$ 6,298	\$	6,298
Long-term portion of long-term debt	-		6,298
	<u>\$ 6,298</u>	<u>\$</u>	<u>12,596</u>

In April 2020, the Association entered into a financial agreement for a new tractor, payable in monthly payments of \$562 (2022 - \$562), which commenced May 2020 and and matures in April 2024. The loan is non-interest bearing and is secured by the asset which has a net book value of \$18,208 (2022 - \$20,779).

	<u>2023</u>		<u>2022</u>
Current portion of long-term debt	\$ 6,748	\$	6,748
Long-term portion of long-term debt	563		7,310
	<u>\$ 7,311</u>	<u>\$</u>	<u>14,058</u>

7. CAPITAL LEASE OBLIGATION

In August 2020, the Association entered into a capital lease agreement for a new tractor, payable over 48 months in monthly payments of \$213 (2022 - \$213), which commenced September 2020 and and matures in August 2024. The lease is non-interest bearing and is secured by the asset which has a net book value of \$7,584 (2022 - \$8,607).

	<u>2023</u>		<u>2022</u>
Current portion of capital lease	\$ 2,556	\$	2,556
Long-term portion of capital lease	1,066		3,623
	<u>\$ 3,622</u>	<u>\$</u>	<u>6,179</u>

CRANSTON RESIDENTS ASSOCIATION

Notes to the Financial Statements

March 31, 2023

8. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions relate to capital assets and funding for the purchase of capital assets contributed to the Association by Brookfield Residential, Parks Foundation and the Community Facility Enhancement Program.

Balance consist of \$5,445,604 (2022 - \$5,445,604) less accumulated amortization of \$1,906,018 (2022 - \$1,756,639). The land contributed by Brookfield Residential in 2009, and in the prior year is not subject to amortization and has therefore been recorded as a direct increase to net assets.

9. COMMITMENTS

The Association has lease commitments for office equipment, software and service contracts. Future minimum payments remaining under these agreements are as follows:

2024	\$ 35,626
2025	31,532
2026	16,184
2027	6,684
Thereafter	5,570
	<u>\$ 95,596</u>

10. FINANCIAL INSTRUMENTS

The Association, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: interest rate risk, credit risk and liquidity risk. The Association manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical. There has been no change in the risk exposure since last year. The risks and related management strategies are discussed below:

a) Interest rate risk

The Association is exposed to interest rate cash flow risk as a result of its floating rate debt disclosed in Notes 4, whereby the cash flows required to service the debt will fluctuate with changes in market rates.

b) Credit risk

The Association is exposed to credit risk through its cash and accounts receivable.

The Association's credit risk is primarily attributable to its accounts receivable. The accounts receivable primarily represents annual charges not collected from members. The risk is mitigated due to the fact that the Association takes legal action on overdue accounts and places a lien on the property of the member and will collect the annual charge upon sale of the home if the member chooses not to pay the annual charge. The credit risk on cash is limited because the counterparty is a major Canadian financial institution.

c) Liquidity risk

Liquidity risk is the risk that the Association would encounter difficulty in meeting its financial obligations.

Liquidity risk includes the risk that the Association will not have sufficient funds to settle a transaction on the due date. Liquidity risk arises from the accounts payable and accrued liabilities, demand loan.

11. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.



CRANSTON
RESIDENTS ASSOCIATION

INFORMATION CIRCULAR
GENERAL INFORMATION & PROXY STATEMENT

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by management of the CRANSTON RESIDENTS ASSOCIATION (the "Company") for use at the Annual General Meeting (the "Meeting") of Members of the Company to be held in-person on **Tuesday, October 24th, 2023, at 7:00 P.M. (MST)**. All expenses incurred in connection with the solicitation of proxies will be borne by the Company. Solicitation will be made primarily by mail, but proxies may also be solicited by Directors, officers and employees of the Company.

APPOINTMENT AND REVOCATION OF PROXIES

Each Voting Member entitled to vote at the Meeting may, by means of a form of proxy in writing executed by the Voting Member or his attorney, authorized in writing, appoint a proxy to attend and vote on his/her behalf at the Meeting. In order to be acted upon at the Meeting, a form of proxy must be returned as indicated in the INSTRUCTIONS FOR PROXY FORMS included in this package. A Voting Member may revoke a form of proxy previously given by delivering another proper form of proxy bearing a later date than the previously given form of proxy as indicated in the INSTRUCTIONS FOR PROXY FORMS included in this package.

EXERCISE OF DISCRETION BY PROXY

Proxies will be voted or withheld from voting in accordance with the Member's instructions contained therein. The form of Proxy also confers authority on the persons named therein to vote with respect to any other matters which may properly be brought before the Meeting. At the date hereof, management knows of no other such matters.

VOTING BY MEMBERS

Only Members on record, at the close of business on the 25th day of September 2023, are entitled to vote at the Meeting, each Member being entitled to one (1) vote. Members are defined in the Articles of Association (the "Articles") of the Company as restricted to Commercial Owners, Homeowners and Rental Project Owners. No Member is entitled to vote at the Meeting if at the close of business on the 25th day of September 2023, any sum due or payable to the Company by such Member remains unpaid for at least forty-five (45) days following a written request for payment of same.

Where there is more than one owner of a property, there shall be only one Member who shall be the person designated as the Member by all the owners of the property. In the absence of such designation, the first person named as owner in the Certificate of Title, or as Purchaser in an Agreement for Sale, shall be the Member.

Where a residential property is occupied by a tenant, such tenant may be designated as the Member, by and instead of the owner of such property.

Where a rental project is involved, the registered owner shall be the Member and notwithstanding how many tenants are residing in the rental project, it shall have only one (1) vote.

As at the close of business on 26th day of September 2023, the Company had 7437 Members in good standing. In addition, there are 35 Brookfield votes in respect of lots registered in Brookfield's name.

THE TOTAL AMOUNT OF THE COMPANY'S MEMBERS IN GOOD STANDING AT THE CLOSE OF BUSINESS ON SEPTEMBER 26th, 2023, ARE THE ONLY MEMBERS ENTITLED TO VOTE AT THE MEETING.

ELECTION OF DIRECTORS

At the Meeting, it is proposed that the total number of Directors for the Company be established as no more than ten (10) until the next Annual General Meeting. In accordance with the Articles of Association, the following resident Members in good standing have completed their term, and have expressed an interest in letting their name stand for nomination for a two-year term:

Amanda Condie

Andrew Burns
 Jason Gordon
 Dennis Lemon

The following resident Members in good standing are letting their name stand to complete their final year of a two-year term:

Wendy MacIsaac
 Steve Potter
 Dave Warner
 Braden Erickson
 Mike Derry

The following resident Members in good standing have expressed interest to be nominated for election onto the Board of Directors:

Cimoan Atkins
 Casey McInally
 Trevor Thomson

Nominations will also be sought at the meeting for Directors from the Members. Individuals should be aware of the fiduciary responsibilities of Directors generally, as well as the specifics of governance oversight. Members interested in standing for election at the meeting are invited to contact the General Manager in advance of the meeting by phone at 403-781-6614 or by email at gm@cranstonra.ca

The term of office for each person on a two-year term shall be from the date of the Meeting until the second Annual General Meeting of Members after this meeting. There are five (5) Resident Directors serving their final year of a two-year term over the 2023-24 fiscal year, therefore there is a total of five (5) vacancies for a two-year term.

The following information is given with respect to the current Directors, and each nominee as a Director, including the length of time each has been a Director of the Company.

Name & Address	Period Served as Director of Company	Principal Occupation
Jason Gordon Calgary, Alberta	20 years	eBusiness Branch Pro Southern Alberta Wolseley Canada Inc
Andrew Burns Calgary, Alberta	18 years	Account Executive, Bell Canada
Dave Warner Calgary, Alberta	7 years	Academic Chair, SAIT School of Business
Wendy MacIsaac Calgary, Alberta	6 year	Alberta Land Surveyor Midwest Surveys
Amanda Condie Calgary, Alberta	2 year	Corporate Communications Manager, Keyera
Steve Potter Calgary, Alberta	1 year	CPA, Czechowsky, Graham & Hanevelt Chartered Accountants
Dennis Lemon Calgary, Alberta	1 year	Realtor, Maxwell Canyon Creek
Mike Derry Calgary, Alberta	1 year	Human Resources Consultant
Braden Erickson Calgary, Alberta	1 year	Wealth Advisor at Investment Planning Counsel, CFP & CIM
Cimoan Atkins Calgary, Alberta	Standing for election	Finance Officer
Casey McInally Calgary, Alberta	Standing for election	Managing Director, Forensic & Dispute Services
Trevor Thomson Calgary, Alberta	Standing for election	CPA

DIRECTORS COMPENSATION – Nil

PENSION PLAN – Nil

EXECUTIVE COMPENSATION AND PLANS – Nil

INCENTIVE SHARE OPTION PLAN FOR OFFICERS AND KEY EMPLOYEES – Nil

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS – Nil

APPOINTMENT OF AUDITOR

Management proposes the Board of Directors appoint BDO Canada as Auditor for the Company for the 2023-24 fiscal year.

CERTIFICATE

The foregoing contains no misstatement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The management of the Company knows of no amendment, variation or other matters to come before the Annual General Meeting of Members other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgement of the person or persons voting such proxy.

DATED this 25th, day of September, 2023

BY THE ORDER OF THE BOARD OF DIRECTORS



WENDY MACISAAC, Secretary

INSTRUCTIONS FOR PROXY FORMS

Appointment and Revocation of Proxies

A Voting Member desiring to appoint a person (who must also be a Voting Member in Good Standing) to represent him/her at the Meeting may do so by inserting such person's name in the blank space provided. The completed proxy must be delivered, in person by the Voting Member giving the proxy, to the address indicated below, no later than 48 hours (excluding Saturday, Sundays and Holidays) before the time of the Meeting:

**c/o: Cranston Residents Association
11 Cranarch Road SE, Calgary, Alberta, T3M 0S8
"ATTENTION: General Manager"**

Proxies must be in writing, signed and delivered in person by the Voting Member giving the proxy, no later than 5:00 p.m. on Sunday, October 22nd, 2023. or they will be invalid.

A Member who has given a proxy may revoke it any time before it is exercised. A proxy may be revoked by instrument in writing or, if the Member is a corporation, by an officer or attorney thereof duly authorized, and delivered as indicated above, no later than 5:00 p.m. on Sunday, October 22nd, 2023.

Voting and Exercise of Discretion by Proxies

The persons named in the form of proxy will vote the Membership in respect of which they are appointed in accordance with the instructions indicated therein.

BY THE ORDER OF THE BOARD OF DIRECTORS



WENDY MACISAAC, Secretary

ARTICLES OF ASSOCIATION OF CRANSTON RESIDENTS ASSOCIATION

1. The Articles of Association contained in Table "A" in the Schedule to the *Companies Act* (Alberta) do not apply to this Company.

INTERPRETATION

2. The headings used throughout these Articles shall not affect the construction hereof. In these Articles and the Memorandum of Association of this Company, unless the context otherwise requires, expressions defined in the *Companies Act* (Alberta) or any statutory amendment or modification thereof, shall have the meaning so defined, and the following terms shall have the following meanings:
 - (a) "**City**" means The City of Calgary;
 - (b) "**Commercial Member**" means the registered owner or one of the registered owners (as designated by those registered owners) of a commercial development located within the Cranston Lands;
 - (c) "**Companies Act (Alberta)**" means the *Companies Act* R.S.A. 2000, c. C-21, as amended or any substitution therefor from time to time;
 - (d) "**Company**" means Cranston Residents Association;
 - (e) "**Cranston Amenities**" means certain public community lands and/or private amenity lands, in each case including the improvements thereon, all of which will be situate within the Cranston Lands, and all or any of the equipment, chattels and assets used in connection therewith;
 - (f) "**Cranston Lands**" means the residential subdivision lands in the southeast portion of the City of Calgary and designated as the Cranston Lands situated within lands contained in the City's Cranston Community Plan, the Cranston Lands shall include such other lands within the Cranston Community Plan;
 - (g) "**Directors**", "**Board**" and "**Board of Directors**" means the directors of the Company for the time being;

- (h) "**Encumbrance**" means an instrument to secure the annual rental charge to be paid by certain of the Members of the Company to the Company and registered or to be registered against the title to residential lands or commercial lands of persons in the Cranston Lands who are Members of the Company, in favour of the Company, for the purpose of forming an enforceable encumbrance pursuant to the provisions of the *Land Titles Act* (Alberta);
- (i) "**Family Members**" means the spouse (whether legally married to or not) of a Homeowner Member or Tenant Member and the unmarried children of such Homeowner Member or Tenant Member and/or such spouse which spouse and children are actually residing in the residential property of the Homeowner Member or Tenant Member;
- (j) "**Homeowner Member**" means the registered owner or one of the registered owners (as designated by those registered owners) of an occupied single family property (a condominium unit, or multi-family residential property in respect of which a separate certificate of title is issued for each unit (or, in each case, a single tenant residing in such property as designated by the registered owner or owners thereof) located in the Cranston Lands, who is a qualified Member of the Company;
- (k) "**Member**" means a person for the time being entered in the Register of Members of the Company and Members means collectively all of them from time to time, inclusive of Commercial Members, Homeowner Members, Rental Members, Family Members, and Tenant Members;
- (o.1) "**Member in Good Standing**" means a Member who has complied with all requirements of membership, and who, as of the record date for the relevant meeting, is not in default of paying any sums due and payable to the Company within forty-five (45) days of the original demand for payment of any such sum.
- (l) "**month**" means calendar month;
- (m) "**office**" means the registered office of the Company for the time being;

- (n) "**Rental Member**" means the registered owner or one of the registered owners of a multi-family residential rental project located in the Cranston Lands, who is a qualified Member of the Company;
- (o) "**rent charges**", "**rental charges**", "**annual rental charge**" and similar expressions means the fees assessed by the Company for its Members, as more particularly described in these Articles;
- (p) "**River Lands**" means those lands located within the Cranston Lands as identified on Exhibit 2 to the Cranston Management Agreement contained in Schedule A of the Cranston Residents Association Brochure and comprising approximately 258.5 acres;
- (q) "**Tenant Member**" means a tenant actually renting and residing in a multi-family rental project located in the Cranston Lands that may or may not be owned by a Rental Member in accordance with these Articles;
- (r) "**these presents**" means and includes these Articles of Association, and any modification or alteration thereof for the time being in force;
- (s) "**Voting Members**" means the Members who are entitled to vote at meetings of the Company and shall be restricted to only the Commercial Members, Homeowner Members and Rental Members or their respective designates as provided herein, and the subscribers hereto while such subscribers remain Members hereunder; and
- (t) "**writing**" and "**written**" includes printing, typewriting, lithographing and other modes of representing or reproducing words in visible form which, without restricting the generality of the foregoing shall include telex, telecopy and telegram.

Words importing the singular number include the plural number and vice versa and words importing persons shall include corporations and companies.

REGISTERED OFFICE

3. Subject to the provisions of the *Companies Act (Alberta)*, the Company may, by ordinary resolution of the Directors change from time to time the place within the City of Calgary where the registered office of the Company is to be situated.

MEMBERS

4. The subscribers hereto shall be Members until they resign. Every person owning a single family or multi-family residential property (including a condominium unit or other residential unit in respect of which a separate certificate of title has been issued), or owning a commercial development in the Cranston Lands, shall be required to be a Member in good standing as long as such person so owns such residential property or commercial development, and shall forthwith cease to be a Member at any time such a residential property or commercial development in the Cranston Lands is not owned by such person; PROVIDED ALWAYS with reference to all residential or commercial properties located in the Cranston Lands:
 - (a) Where there is more than one such owner of a property, there shall be only one Voting Member who shall be the person designated as the Voting Member by all the owners of said property. In the absence of such designation the first person named as owner in the Certificate of Title or as Purchaser in an Agreement for Sale, shall be the Voting Member;
 - (b) Where a Voting Member owns more than one residential property in the Cranston Lands, including condominium units, that Voting Member shall be entitled to one (1) vote for each such property owned by that Voting Member;
 - (c) Where a residential unit in respect of which a separate certificate of title has been issued is occupied by a tenant such tenant may be designated by the otherwise designated Voting Member pursuant to (a) above, as the Voting Member by and instead of the owner(s) of such property;
 - (d) Where a rental project is involved the registered owner or its designate shall be the Voting Member and notwithstanding how many Tenant Members are residing in the rental project, it shall have only one (1) vote;

- (e) Where the owner of the rental project first has become and maintains membership in the Company as a Rental Member, all the tenants of such rental project shall be entitled to become Tenant Members in the Company subject to them complying with the rules and regulations of the Company as well as any special rules and regulations put in place by the Board of Directors and dealing specifically with tenants of Rental Members. The right to membership of a Tenant Member shall automatically cease either at the same time that their Rental Member ceases to be a Member or they cease to be a tenant in the rental project in question;
- (f) Where a commercial development is involved the registered owner or its designate shall be the Voting Member and notwithstanding how many tenants are occupying the commercial development, it shall have only one (1) vote;
- (g) Where there is any difficulty or dispute in determining the Voting Members, the Directors in their absolute discretion may designate the Voting Member, the intention being that there be one Voting Member from each residential unit in respect of which a separate certificate of title has been issued (including a condominium unit), or commercial development in the Cranston Lands;
- (h) Membership is not transferable by a Member but is appurtenant to ownership and residence as herein set out;
- (i) Carma Ltd., as registered owner from time to time of any single family lots in the Cranston Lands (regardless of whether such lots are occupied) shall be a Homeowner Member;

REGISTER OF MEMBERS

- 5. (a) A register of Homeowner Members in such form as the Board may approve shall be maintained in which shall be recorded the names and addresses of all Homeowner Members. The Register shall be amended from time to time so that all Homeowner Members are listed in such register. Amendments to such register may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the

Board. Upon amendment as aforesaid there may be charged a fee as set by the Board from time to time.

REGISTER OF RENTAL MEMBERS AND TENANT MEMBERS

- (b) A register of Rental Members and Tenant Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Rental Members and their tenants who by properly complying with the requirements of membership become Tenant Members. The Company shall attempt to establish a workable procedure whereby it is notified when Tenant Members cease to be tenants of a rental project located in the Cranston Lands. The register shall be amended from time to time so that all Rental Members and Tenant Members are listed in such register. Amendments to such register may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. Upon an amendment being made as aforesaid there may be charged a fee as set by the Board from time to time.

REGISTER OF FAMILY MEMBERS

- (c) A register of Family Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Family Members. The register shall be amended from time to time so that all Family Members are listed in such register. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. Upon amendment as aforesaid there may be charged a fee as set by the Board from time to time.

REGISTER OF COMMERCIAL MEMBERS

- (d) A register of Commercial Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Commercial Members. The register shall be amended from time to time so that all Commercial Members are listed in such register. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. Upon

amendment as aforesaid there may be charged a fee as set by the Board from time to time.

MEMBERSHIP CARDS

- (e) Every Member may be periodically issued a membership card as determined by the Directors. The membership cards shall remain the property of the Company. If a membership card is lost it shall be replaced by the Company, provided however that there may be charged a fee as set by the Board from time to time as a condition to delivery of such replacement membership card.

RIGHTS OF ALL MEMBERS

- 6. Members shall have access to and be entitled to the use of the Company's Cranston Amenities in common with all Members subject to suspension of such rights:
 - (a) for breach of any Rule or Regulation for the conduct of Members; and
 - (b) for default by any Member in payment of any fees, dues, deposits or other sum owing to the Company.

Members shall at all times act responsibly with respect to the Cranston Amenities, it being recognized that the maintenance and appearance of the Cranston Amenities is for the benefit of the Company and all its Members.

MEMBERS' MEETINGS

- 7. The first annual general meeting of Members of the Company shall be held at such time, within sixteen (16) months from the date on which the Company is incorporated and at such place as the Directors may determine. Subsequent annual general meetings shall be held at least once in every calendar year and not more than sixteen (16) months after the holding of the last preceding general meeting, at such time and place as may be determined by the Directors.
- 8. (a) The general meetings referred to in the preceding clause shall be called annual general meetings, and all other meetings of the Company shall be called special general meetings. All meetings of Members shall be held in the City of Calgary, in the Province of Alberta;

- (b) No Family Members shall be entitled to notice of or to attend any meeting, general, special or otherwise of the Company; and
 - (c) Only Voting Members shall be entitled to vote on, or propose, or second resolutions at meetings of the Members.
9. The Directors may, whenever they think fit, proceed to convene a special general meeting of the Company.
10. Where it is proposed to pass a special resolution, such notice as is required to be given by the *Companies Act* (Alberta), and in all other cases at least ten (10) days' notice specifying the day, hour and place of every Voting Members' meeting, and in case of special business the general nature of such business, shall be served in one of the manners hereinafter provided on the Voting Members registered in the Members' register at the time such notice is served or if a record date has been fixed by the Directors, on the Voting Members registered in the Register of Members at the record date as so fixed; PROVIDED ALWAYS that a meeting of the Voting Members may be held for any purpose, at any time and at any place without notice, if all the Voting Members entitled to notice of such meeting are present in person or represented thereat by proxy or if the absent Voting Members shall have signified their assent in writing to such meeting being held. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any Voting Member or the duly appointed proxies of a Voting Member. It shall not be necessary to give notice of any adjourned meeting.
11. Irregularities in the notice of any meeting or in the giving thereof or the accidental omission to give notice of any meeting or the non-receipt of any notice by any Voting Member or Voting Members, shall not invalidate any resolution passed or any proceedings taken at any meeting and shall not prevent the holding of such meeting.

PROCEEDINGS AT MEMBERS' MEETINGS

12. All business shall be deemed special that is transacted at a special general meeting. All business shall be deemed special that is transacted at an annual general meeting, with the exception of consideration and approval of the financial statements and the ordinary report of the Directors, auditors, and other officers, the election of Directors, the appointment of auditors, the fixing of the remuneration of the auditors and the

transaction of any business which under these presents ought to be transacted at a general meeting. Special business or a special resolution may be passed at an annual general meeting provided the requisite notice has been given.

13. No business shall be transacted at a general meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, the lesser of fifty (50) Voting Members or ten percent (10%) of the Voting Members, either personally present or represented by proxy shall be a quorum.
14. If the Company chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of these Articles, any person participating in a meeting of members under this who is entitled to vote at that meeting may vote by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.
15. If within thirty (30) minutes from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place; and if at such adjourned meeting a quorum is not present, the Voting Members personally present or represented by proxy shall be a quorum.
16. The president, or in their absence the vice-president (if any), shall be entitled to take the chair at every general meeting, or if there be no president or vice-president, or if at any meeting they shall not be present within fifteen (15) minutes after the time appointed for holding such meeting, the Voting Members present shall choose another Director as chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the Voting Members present shall choose one of their number to be chairman. The chairman at any meeting of Voting Members may appoint one or more persons to act as scrutineers.
17. Every question submitted to a meeting shall be decided in the first instance by a show of hands or otherwise as the chairman may direct and in the case of an equality of votes

the chairman shall, both on a show of hands or otherwise have a casting vote in addition to the vote to which they may be entitled as a Voting Member.

18. (a) At any meeting unless a poll is demanded by the chairman or by ten percent (10%) of the Voting Members present, a declaration by the chairman that a resolution has been carried or carried by a particular majority, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

(b) If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
19. The chairman of a general meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
20. On a show of hands every Voting Member present in person, including the proxy or representative of a Voting Member, shall be entitled to the number of votes allocated to that Voting Member pursuant to the provisions hereof.
21. Votes may be given either personally or by a nominee appointed by a proxy.
22. A proxy shall be in writing in any effectual form under the hand of the appointer or of their attorney duly authorized in writing, and need not be attested. A person appointed proxy must be a Voting Member.
23. No proxy shall be valid after the expiration of twelve (12) months from the date of its execution unless it is otherwise specified in the instrument.
24. The proxy shall be deposited at the registered office of the Company or such other place as may be specified in the notice of meeting and at a time as the Directors may by resolution fix but not exceeding forty-eight (48) hours before the time for holding the

meeting at which the person named in the instrument propose to vote. If there is any default in this procedure for the deposit of such proxy it shall not be treated as valid.

25. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy with respect to which the vote is given, provided no intimation in writing of the death or revocation shall have been received before the meeting at the place where the proxies are to be deposited.
26. No Member shall be entitled to be present or to vote on any question, either personally or by a nominee appointed by a proxy, or as the nominee appointed by a proxy for another Member at any general meeting, or upon a poll, or to be reckoned in a quorum unless such Member is a Member in Good Standing.

BORROWING POWERS

27. The Directors may from time to time at their discretion raise or borrow money:
 - (a) from any person for the purposes of the Company's business in amounts in the aggregate not exceeding ONE HUNDRED THOUSAND DOLLARS (\$100,000) at any one time;
 - (b) up to TWO HUNDRED THOUSAND (\$200,000) for capital repairs or replacements, at any one time; and
 - (c) for any other purpose and for any other amount provided that such borrowing is authorized by a duly passed ordinary resolution of the Voting Members.

DIRECTORS

28. The number of Directors shall be not less than three (3) or more than ten (10). Subject to the foregoing and to the provisions of articles **Error! Reference source not found.**, the number of Directors to be elected at any annual general meeting of Members shall be that number as determined by a majority vote of the Voting Members.
29. The Directors shall have power from time to time and at any time, to appoint any other person or persons as Directors, to fill a casual vacancy or vacancies to the Board, but so that the total number of Directors shall not at any time exceed the maximum number

fixed by these Articles. The Board of Directors may at any time remove such appointee from the Board

30. A Director must be a Member in Good Standing or a spouse of a Member of Good Standing.
31. The Directors shall not be paid out of the funds of the Company by way of remuneration for their services as Directors.
32. A Director may retire from office upon giving five (5) days' notice in writing to the Company of their intention to do so, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.
33. The office of a Director shall automatically be vacated:
 - (a) If they are found or become, of unsound mind;
 - (b) If they are removed before the expiration of their term of office pursuant to Article 38;
 - (c) If they are found guilty of, or charged with an offence under the *Criminal Code* (Canada);
 - (d) If they become bankrupt;
 - (e) If they are concerned with or participated in the funds or the benefits of any contract with the Company without providing disclosure of their interest and/or without recusing themselves from any discussion or vote in any matter relating to the contract. A Director shall not be disqualified solely by their office as a Director from holding any other office with the Company and from contracting with the Company either as a vendor, purchaser or otherwise howsoever;
 - (f) Except where compelled to do so by a competent governmental or judicial authority, if they are found by a majority of the Directors acting reasonably (excluding the Director in question) to have disclosed confidential or proprietary information of the Company to a third party; or

- (g) If they are found, by a majority of the Directors acting reasonably (excluding the Director in question) to have conducted themselves amongst or towards their co-directors, staff and personnel, employees, Association Members or members of the public, in a manner that is verbally or physically abusive, harassing, demeaning, or humiliating, or if they have acted in any other manner that is unethical, unlawful or repugnant.
- (h) If they are absent from three (3) consecutive Board meetings or from four (4) or more Board meetings in any twelve (12) month period without permission of the Board exercising reasonable discretion in good faith and guided by the Code of Ethics of the Company which may be amended from time to time.

A Director whose office is vacated in accordance with this section shall thereafter cease to be eligible for election as Director.

- 34. Every Director and Officer of the Company in exercising the Director's or Officer's powers and discharging the Director's or Officers duties shall:
 - (a) act honestly and in good faith with a view to the best interests of the Company; and
 - (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 35. At the first annual general meeting and at every succeeding annual general meeting, all of the Directors, howsoever appointed or elected, shall retire from office. A retiring Director shall retain office until the dissolution of the meeting at which their successor is elected. If at any general meeting at which an election of Directors ought to take place, no such election takes place, the retiring Directors shall continue in office until the annual general meeting in the next year, and so on from year to year until their places are filled up, unless it shall be determined at such meeting to reduce the number of Directors.
- 36. A retiring Director shall be eligible for re-election.
- 37. The Voting Members at every annual general meeting shall fill up the vacated offices by electing a like number of persons to be Directors, or in case any change in the number

of Directors is made at any such meeting, by electing the number of persons to be Directors as required by these Articles.

38. The Company may, by special resolution of the Voting Members, at any time remove any or all of the Directors before the expiration of their period of office and by ordinary resolution appoint another or other qualified person or persons in their stead; and the person or persons so appointed shall hold office during such time only as the Director or Directors in whose place they are appointed would have held the same if they had not been removed.

REGISTER OF DIRECTORS AND MANAGERS

39. The Directors shall duly comply with the provisions of the *Companies Act* (Alberta), or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the keeping of the registers of the Directors and managers and their addresses and occupations, the signing of the balance sheet, the filing with the Registrar of Corporations an annual report and copies of special and other resolutions and of any change in the registered office or of Directors and, where applicable, the mailing of a form of proxy and the issuing of information circulars.

PROCEEDINGS OF DIRECTORS

40. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings, and may declare the quorum necessary for the transaction of business, but until the Directors make such determination, one-half of the Directors shall be a quorum.
41. Subject to the provisions of Article 42, meetings of the Board of Directors shall be held in the City of Calgary, in the Province of Alberta unless all the Directors otherwise agree. The Directors may make regulations in regard to the manner and time that notice shall be given of such meetings. Until such regulations are made, meetings of the Board may be held at any time without formal notice if all the Directors are present or those absent have signified their consent in writing to the meeting being held in their absence; and notice of any meeting where notice has not been dispensed with, delivered, mailed, telegraphed or telecopied to each Director at their ordinary address two (2) days prior to such meeting, shall be sufficient notice of any meeting of the Directors. In computing

such period of two (2) days the day on which such notice is delivered, mailed, telegraphed or telecopied shall be included, and the day for which notice is given shall be excluded. Notice of any meeting, or irregularity in any meeting or in the notice thereof, may be waived by any Director. The Directors may by resolution appoint a regular time and place for meetings, and no further or other notice of such time and place than the entry of such resolution upon the minutes of the meeting at which it was passed shall be necessary. Immediately upon the conclusion of the annual general meeting a meeting of the Directors shall be held and no notice of such meeting shall be necessary.

42. Any Director may participate in a meeting of the Board of Directors by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and a Director participating in a meeting pursuant to this article shall be deemed to be present in person at that meeting and the meeting shall be deemed to have been held at such place in Canada as the Directors may from time to time determine.
43. The President may, or the Secretary shall at the written request of not less than twenty-five (25%) percent of the Directors, at any time convene a meeting of Directors.
44. Questions arising at any meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall not have a second or casting vote.
45. The continuing Directors may act notwithstanding any vacancy in their number; but if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of Directors, the continuing Directors may act only for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no other purpose.
46. The Directors may approach one of their number to be chairman of the Board of Directors, and in the absence of such appointment the president for the time being of the Company shall be chairman of the Board. If the chairman is not present at any meeting at the time appointed for holding the same, the Directors present shall choose someone of their number to be chairman of such meeting.

47. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally.
48. The Directors may delegate any of their powers to committees consisting of such one or more member or members of the Board as they think fit and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated conform to any regulations from time to time imposed upon it by the Directors.
49. The meetings and proceedings of any such committee consisting of two (2) or more Members of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, including the appointment of a quorum, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the preceding clause.
50. All acts done at any meeting of the Directors, or of a committee of Directors or any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
51. A resolution in writing, signed by all the Directors without their meeting together, (which may be executed in several counterparts) shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, and shall be held to relate back to any date therein stated to be the effective date thereof.

MINUTES

52. The Directors shall cause minutes to be duly entered in books provided for the purpose:
 - (a) of all appointments of officers;
 - (b) of the names of Directors present at each meeting of the Directors and of any committee of Directors;
 - (c) of all resolutions made by the Directors and committees of Directors; and

(d) of all resolutions and proceedings of general meetings;

and any such minutes of any meetings of the Directors or of any committee of Directors, or of the Company, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

POWERS OF DIRECTORS

53. The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Voting Members in general meeting; and without restricting the generality of the foregoing the Directors shall exercise general supervision of the affairs of the Company and may from time to time make rules and regulations in relation to the Company, and may at any time in like manner annul or vary any rules and regulations so made, and all rules and regulations so made and for the time being in force shall be binding on the Members, and shall have full effect accordingly; and without limiting the generality of the foregoing it is expressly declared that the following shall be deemed to be included as rules and regulations in relation to the Company within the meaning of this clause, that is to say, regulations:

- (a) As to proof required from persons claiming to be eligible to be Homeowner Members, Family Members, Rental Members, Commercial Members and Tenant Members;
- (b) As to the rental charges to be payable by the Members including whether same will be payable annually, quarterly or otherwise, and the amounts thereof;
- (c) As to visitors and guests;
- (d) As to the manner in which use of the Cranston Amenities by Members may be suspended or terminated.
- (e) As to the use of the Cranston Amenities by Members; and

- (f) As to committees of Members in connection with the management of the Company, and as to the appointment, removal, qualification, disqualification, duties, functions, powers and privileges of members of such committees.

OFFICERS

54. The officers of the Company shall consist of a president, a secretary and a treasurer, or a secretary-treasurer and such other officers as the Directors may from time to time appoint. Any one person may fill more than one of the above offices. Such persons holding such offices, besides fulfilling any duties assigned to them by the Directors, shall have such powers as are usually incidental to such offices.
55. The president shall be elected by the Board from amongst their number. The secretary and the treasurer or secretary-treasurer of the Company shall be appointed by the Board. The Board may appoint an assistant secretary, who shall be empowered to act in the absence of or under the direction of the secretary in the performance of the duties of the secretary. The Directors may appoint a temporary substitute for any of the above officers, who shall for the purposes of these presents be deemed to be the officer for the position they occupy.
56. Any executive officer of the Company shall be entitled to attend any meeting of Members.

SEAL

57. The Company shall have a corporate seal which shall be of such form and device as may be adopted by the Directors, and the Directors may make such provisions as they see fit with respect to the affixing of the said seal and the appointment of a Director or Directors or other persons, to attest by their signatures that such seal was duly affixed.

NO DIVIDENDS

58. As the Company is formed solely for the purposes of promoting recreation and social communication amongst its Members and it is the intention of the Company to apply the profits, if any, or any other income of the Company in promoting its objects and as the

Company is not formed with gain for its object, no dividend whatsoever and no part of the income of the Company shall be divided among, payable to or be available for the personal benefit of any of the Members of the Company.

RESERVES AND FUNDS

59. The Directors may budget for and may set aside any of the profits of the Company to create a reserve or reserves to provide for maintaining the property of the Company, replacing wasting assets, meeting contingencies, forming an insurance reserve or for any other purposes whatsoever for which the profits or revenues of the Company may be lawfully used. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to place in such reserve.
60. The Directors may create a fund or funds out of the assets of the Company not greater in amount than the reserve or reserves as hereinbefore provided for and may apply the fund or funds either by employing them in the business of the Company or investing them in such manner as they shall think fit, and the income arising from such fund or funds shall be treated as part of the profits of the Company for the year in which such income arose. Such funds may be applied for the purpose of maintaining the property of the Company, replacing wasting assets, meeting contingencies, forming an insurance fund or for any other purpose for which the profits of the Company may lawfully be used.
61. The Directors may from time to time increase, reduce or abolish any reserve or reserve fund in whole or in part and may transfer the whole or any part to surplus.

OPERATING COSTS OF COMPANY

62. The Directors shall implement a procedure to monitor and to determine the costs of operating the Company and the Cranston Amenities, and, without limitation, shall prepare for each fiscal year a detailed operating budget for the Company.
63. Not later than thirty (30) days prior to the commencement of each fiscal year of the Company, the Directors shall determine the net amount of these costs (after deduction of all anticipated other revenue, if any).

64. The Directors shall then determine the assessment rate of the annual rent charge for Homeowner Members, Rental Members and Commercial Members in accordance with the following provisions:

(a) In Cranston Lands other than River Lands:

- (i) each Homeowner Member's annual assessment for each residential unit (including a condominium unit) shall be the same;
- (ii) the annual assessment for each Rental Member shall be equal to the annual assessment for each Homeowner Member multiplied by the number of units in that Rental Member's rental project. Tenant Members will not be required to pay a separate assessment if the Rental Member in respect of their rental project has paid the full assessment due from that Rental Member;
- (iii) the assessment for each Commercial Member shall be equal to the assessment for each Homeowner Member's residential unit, for each one fifteenth (1/15th) of an acre of developable commercial land in that Commercial Member's commercial site.

(b) In the case of River Lands:

- (i) the annual assessment for each residential unit (including a condominium unit), rental project or commercial development contained in the River Lands shall be at the rate applicable to a residential unit (including a condominium unit), rental project or commercial development in the Cranston Lands which are not River Lands, multiplied by 3.5;
- (ii) each Homeowner Member's annual assessment for each residential unit (including a condominium unit) contained in the River Lands shall be the same;
- (iii) the annual assessment for each Rental Member of a rental project within the River Lands shall be equal to the annual assessment for each Homeowner Member in the River Lands multiplied by the number of units in that Rental Member's rental project. Tenant Members residing in a

rental project within the River Lands will not be required to pay a separate assessment if the Rental Member in respect of their rental project has paid the full assessment due from that Rental Member;

- (iv) the assessment for each Commercial Member with a commercial development within the River Lands shall be equal to the assessment for each River Lands Homeowner Member's residential unit, for each one fifteenth (1/15th) of an acre of developable commercial land in that Commercial Member's commercial site.

65. If the Member's assessments as aforesaid which are actually received, together with the Company's other sources of revenue, if any, do not result in sufficient income to pay the costs of the Company, then the Directors shall increase its available cash in the following manner:

- (a) if necessary, they shall borrow, on a short term basis, any funds required to meet the operating cash deficiency being experienced;
- (b) they shall present a full report on the operating cash deficiency to the next annual meeting of the Company together with their recommendations for increasing the income of the Company including if so determined by the Directors increasing the annual rental charges to the Homeowner Members, the Rental Members, the Commercial Members and the Tenant Members;
- (c) if they determine that addressing such deficiency should not await the next ensuing annual meeting, they shall call a special meeting of the Company to consider the matter;
- (d) any increase in the principal amount of the Encumbrances (excluding any inflation adjustment as provided therein) must be approved by a majority of votes cast by Voting Members at a meeting of the Company and shall only be increased in the same ratio that then existing Encumbrances have one to another at the time of the meeting;
- (e) all of the Members shall be bound by the decision of the Voting Members passed in accordance with these Articles and the Homeowner Members, Rental

Members and Commercial Members agree to the amendment of their Encumbrance in accordance with the decision of such meeting; and

- (f) if any Encumbrance has been foreclosed off of the title to the lot of a Member or has otherwise been taken off such title or if pursuant to a meeting of the Members, it has been agreed to register a new Encumbrance or a caveat giving notice of the change, the Homeowner Member, Rental Member or Commercial Member agrees either to enter into any requested new Encumbrance to be registered against the title to their property or agrees to the filing of a caveat as referred to above and if they delay, fail, or refuse to complete the new Encumbrance the Company is hereby irrevocably appointed as their attorney on their behalf and for the Company's use and benefit, to sign and deliver such new Encumbrance in their place and stead.

Notwithstanding the foregoing or anything else in these Articles, the Directors shall cause the Company to execute and deliver an absolute postponement (in a form registrable under the *Land Titles Act* (Alberta)) of any Encumbrance in favour of a mortgage on a single family residential lot in the Cranston Lands, upon the Company receiving a written request therefor from the mortgagee or mortgagor under such mortgage, or from their respective legal representatives; PROVIDED THAT this requirement to postpone shall only apply if the mortgage has been granted or made pursuant to the *National Housing Act* (Canada) or any act passed or enacted in amendment thereof or substitution therefor.

ACCOUNTS

66. The Directors shall cause true accounts to be kept of the sums of money received and disbursed by the Company and the manner in respect of which said receipts and disbursements take place, of all sales and purchases by the Company and of the assets and liabilities of the Company and of all other transactions affecting the financial position of the Company.
67. The books of account and accounting records shall be kept at the registered office of the Company or, subject to the limitations of the *Companies Act* (Alberta) in this regard, at such other place or places as the Directors think fit, and shall be open to inspection of the Directors.

68. The Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company, or any of them shall be open to the inspection of any of the Members not being Directors, and none of the Members (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Directors or by the Company in general meeting.
69. The Directors shall lay before each annual meeting of the Voting Members financial statements and the report of the auditor to the Voting Members thereon. The financial statements shall:
 - (a) be approved by the Board of Directors and signed by two (2) of them;
 - (b) be for a period that ended not more than six (6) months before the annual meeting;
 - (c) be subject to the provisions of the *Companies Act (Alberta)* and contain a comparative statement (except in the case of the first statement) relating separately to the latest completed financial year preceding it; and
 - (d) be made up of:
 - (i) a statement of profit and loss for each period,
 - (ii) a statement of surplus for each period,
 - (iii) subject to the provisions of the *Companies Act (Alberta)*, a statement of source and application of funds for each period, and
 - (iv) a balance sheet as at the end of each period with each statement containing the information required by the *Companies Act (Alberta)* to be disclosed in such statements.
70. Subject to the provisions of the *Companies Act (Alberta)*, a copy of the financial statements and a copy of the auditor's report shall be sent to each Voting Member, by prepaid post, ten (10) days or more before the date of the annual meeting.

NOTICES

71. Any notice may be served by the Company on any of the Members either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Member or electronic it prepaid to such person at their address for that purpose as the same appears in the books of the Company, or if no address is given therein, to the last address of such person known to the secretary. If no address is known to the secretary a notice posted up in the registered office of the Company shall be deemed to be well served on such person upon it being so posted up, and any notice sent by post shall be deemed to have been served on the day on which the envelope or wrapper containing the same is posted. With respect to every notice sent by post, it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into one of Canada Post Corporation's letter boxes.
72. Any notice or document delivered or sent by post or left at the address of any of the Members as the same appears on the books of the Company or posted in the registered office of the Company as hereinbefore provided shall, notwithstanding such person be then deceased and whether or not the Company has notice of their decease, be deemed to have been duly served until some other person is entered in their stead in the books of the Company as one of the Members, and such service shall for all purposes be deemed a sufficient service of such notice or document on their heirs, executors or administrators and on all persons interested with any one of such Members.
73. The signature on any notice to be given by the Company may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed or produced in any such means as may fulfill the requirements of the *Electronic Documents Act* (Alberta).
74. Where a given number of days' notice or a notice extending over any other period is required to be given, the day of service of the notice and the day for which notice is given shall, unless it is otherwise provided, be counted in such number of days or other period.
75. A certificate of the secretary or other duly authorized officer of the Company in office at the time of the making of the certificate as to the facts in relation to the mailing or telegraphing or delivery or posting up of any notice to any Member, Director or officer or

publication of any notice, shall be prima facie evidence thereof and shall be binding on every one of the Members, and a Director or officer of the Company, as the case may be.

76. It shall not be necessary for any notice to set out the nature of the business which is to come before a meeting of the Directors and it shall not be necessary for any notice to set out the business which is to come before a meeting of the Voting Members unless the same is special business.
77. A special general meeting and the annual general meeting may be convened by one and the same notice, and it shall be no objection to the said notice that it only convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

RECORD DATE

78. The Directors may fix a time in the future not exceeding thirty (30) days preceding the date of any meeting of Voting Members as a record date for the determination of the Voting Members entitled to notice of, and to vote at, any such meeting, and only the Voting Members of record in the Register of Members at the close of business on that date so fixed shall be entitled to such notice of, and to vote at, such meeting, notwithstanding any change of Voting Members on the Register of Members after any such record date fixed as aforesaid.

INDEMNITY

79. Except as otherwise hereinafter provided, every Director and officer of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all losses and expenses which any such Director or officer shall incur or become liable to by reason of any contract entered into or act or thing done by them as such Director or officer, or in any way in the discharge of their duties.
80. Any person made a party to any action, suit or proceedings by reason of the fact that their testator or intestate, is or was a Director or officer of the Company, or of any corporation which is served by such Director or officer as such at the request of the Company, shall be indemnified by the Company against the reasonable expenses,

including solicitor's fees, actually and necessarily incurred by them in connection with the defence of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceedings that such Director or officer is liable for gross negligence or similar misconduct in the performance of their duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director or officer may be entitled. None of the provisions hereof shall be construed as a limitation upon the right of the Company to exercise its general power to enter into a contract or undertaking of indemnity with or for the benefit of any Director or officer in any proper case not provided for herein.

81. No Director or officer of the Company shall be liable for the acts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for the loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by an error of judgment or oversight on their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of their office or in relation thereto, unless the same happen through their own dishonesty, or unless it is otherwise provided in a contract of service with such Director or officer.

DATED at the City of Calgary, this _____ day of _____, 2023.

ARTICLES OF ASSOCIATION OF CRANSTON RESIDENTS ASSOCIATION

1. The Articles of Association contained in Table "A" in the Schedule to the *Companies Act* (Alberta) do not apply to this Company.

INTERPRETATION

2. The headings used throughout these Articles shall not affect the construction hereof. In these Articles and the Memorandum of Association of this Company, unless the context otherwise requires, expressions defined in the *Companies Act* (Alberta) or any statutory amendment or modification thereof, shall have the meaning so defined, and the following terms shall have the following meanings:

~~(a)~~ ~~"Carma" means Carma Developers LP, a limited partnership, formed under the Laws of Alberta;~~

~~(b)~~(a) **"City"** means The City of Calgary;

~~(c)~~(b) **"Commercial Member"** means the registered owner ~~(including Carma Ltd. if applicable)~~ or one of the registered owners (as designated by those registered owners) of a commercial development located within the Cranston Lands;

~~(d)~~(c) **"Companies Act (Alberta)"** means the *Companies Act* R.S.A. 2000, c. C-21, as amended or any substitution therefor from time to time;

~~(e)~~(d) **"Company"** means Cranston Residents Association;

~~(f)~~(e) **"Cranston Amenities"** means certain public community lands and/or private amenity lands, in each case including the improvements thereon, all of which will be situate within the Cranston Lands, and all or any of the equipment, chattels and assets used in connection therewith;

~~(g)~~ ~~"Cranston Lands" means the residential subdivision lands owned by Carma in the southeast portion of the City of Calgary and designated by Carma as the Cranston Lands as outlined in Exhibit 1 and Exhibit 2 to the Cranston Management Agreement, situated within lands contained in the City's Cranston Community Plan, and if Carma in its sole and unfettered discretion so decides,~~

the Cranston Lands shall include such other lands within the Cranston Community Plan ~~(as may be owned by Carma or by other owners as approved from time to time by Carma in its sole and unfettered discretion);~~

~~(h)(f)~~ **"Cranston Management Agreement"** means that agreement, which was entered into between the Association and Carma Developers Ltd., which agreement was assigned to Carma effective September 30, 2005 and which agreement has been amended by the Amending Agreement dated June 26, 2007 and the Amending Agreement effective June 23, 2009 all attached as Schedule A to the Cranston Residents Association Brochure;

~~(+)(g)~~ **"Directors", "Board" and "Board of Directors"** means the directors of the Company for the time being;

~~(j)~~ **"Effective Date"** has the meaning ascribed to that term in the Cranston Management Agreement;

~~(+)(h)~~ **"Encumbrance"** means an instrument to secure the annual rental charge to be paid by certain of the Members of the Company to the Company and registered or to be registered against the title to residential lands or commercial lands of persons in the Cranston Lands who are Members of the Company, in favour of the Company, for the purpose of forming an enforceable encumbrance pursuant to the provisions of the *Land Titles Act* (Alberta);

~~(+)(i)~~ **"Family Members"** means the spouse (whether legally married to or not) of a Homeowner Member or Tenant Member and the unmarried children of such Homeowner Member or Tenant Member and/or such spouse which spouse and children are actually residing in the residential property of the Homeowner Member or Tenant Member;

~~(+)(i)~~ **"Homeowner Member"** means the registered owner ~~(including Carma as applicable, from and after the Effective Date)~~ or one of the registered owners (as designated by those registered owners) of an occupied single family property ~~(subject to article 4(i))~~, a condominium unit, or multi-family residential property in respect of which a separate certificate of title is issued for each unit (or, in each case, a single tenant residing in such property as designated by the registered

owner or owners thereof) located in the Cranston Lands, who is a qualified Member of the Company;

~~(n)~~ **"Manager"** means ~~Carma as the manager appointed under the Cranston Management Agreement, and its successors and assigns as permitted thereunder;~~

~~(e)~~(k) **"Member"** means a person for the time being entered in the Register of Members of the Company and Members means collectively all of them from time to time, inclusive of ~~(subject to article 4(j) hereof) the Manager,~~ Commercial Members, Homeowner Members, Rental Members, Family Members, and Tenant Members;

(o.1) **"Member in Good Standing"** means a Member who has complied with all requirements of membership, and who, as of the record date for the relevant meeting, is not in default of paying any sums due and payable to the Company within forty-five (45) days of the original demand for payment of any such sum.

~~(e)~~(l) **"month"** means calendar month;

~~(e)~~(m) **"office"** means the registered office of the Company for the time being;

~~(f)~~(n) **"Rental Member"** means the registered owner or one of the registered owners of a multi-family residential rental project located in the Cranston Lands, who is a qualified Member of the Company;

~~(e)~~(o) **"rent charges", "rental charges", "annual rental charge"** and similar expressions means the fees assessed by the Company for its Members, as more particularly described in these Articles;

~~(f)~~(p) **"River Lands"** means those lands located within the Cranston Lands as identified on Exhibit 2 to the Cranston Management Agreement contained in Schedule A of the Cranston Residents Association Brochure and comprising approximately 258.5 acres;

~~(u)~~(g) "**Tenant Member**" means a tenant actually renting and residing in a multi-family rental project located in the Cranston Lands that may or may not be owned by a Rental Member in accordance with these Articles;

~~(v)~~(r) "**these presents**" means and includes these Articles of Association, and any modification or alteration thereof for the time being in force;

~~(w)~~(s) "**Voting Members**" means the Members who are entitled to vote at meetings of the Company and, ~~subject to article 4(j) hereof,~~ shall be restricted to only the ~~Manager,~~ Commercial Members, Homeowner Members and Rental Members or their respective designates as provided herein, and the subscribers hereto while such subscribers remain Members hereunder; and

~~(x)~~(t) "**writing**" and "**written**" includes printing, typewriting, lithographing and other modes of representing or reproducing words in visible form which, without restricting the generality of the foregoing shall include telex, telecopy and telegram.

Words importing the singular number include the plural number and vice versa; ~~words importing the masculine gender shall include the feminine~~ and words importing persons shall include corporations and companies.

REGISTERED OFFICE

3. Subject to the provisions of the *Companies Act (Alberta)*, the Company may, by ordinary resolution of the Directors change from time to time the place within the City of Calgary where the registered office of the Company is to be situated.

MEMBERS

4. The subscribers hereto shall be Members until they resign. Every person owning a single family or multi-family residential property (including a condominium unit or other residential unit in respect of which a separate certificate of title has been issued), or owning a commercial development in the Cranston Lands, shall be required to be a Member in good standing as long as such person so owns such residential property or commercial development, and shall forthwith cease to be a Member at any time such a residential property or commercial development in the Cranston Lands is not owned by

such person; PROVIDED ALWAYS with reference to all residential or commercial properties located in the Cranston Lands:

- (a) Where there is more than one such owner of a property, there shall be only one Voting Member who shall be the person designated as the Voting Member by all the owners of said property. In the absence of such designation the first person named as owner in the Certificate of Title or as Purchaser in an Agreement for Sale, shall be the Voting Member;
- (b) Where a Voting Member owns more than one residential property in the Cranston Lands, including condominium units, that Voting Member shall be entitled to one (1) vote for each such property owned by that Voting Member;
- (c) Where a residential unit in respect of which a separate certificate of title has been issued is occupied by a tenant such tenant may be designated by the otherwise designated Voting Member pursuant to (a) above, as the Voting Member by and instead of the owner(s) of such property;
- (d) Where a rental project is involved the registered owner or its designate shall be the Voting Member and notwithstanding how many Tenant Members are residing in the rental project, it shall have only one (1) vote;
- (e) Where the owner of the rental project first has become and maintains membership in the Company as a Rental Member, all the tenants of such rental project shall be entitled to become Tenant Members in the Company subject to them complying with the rules and regulations of the Company as well as any special rules and regulations put in place by the Board of Directors and dealing specifically with tenants of Rental Members. The right to membership of a Tenant Member shall automatically cease either at the same time that ~~his~~their Rental Member ceases to be a Member or ~~he ceases~~they cease to be a tenant in the rental project in question;
- (f) Where a commercial development is involved the registered owner or its designate shall be the Voting Member and notwithstanding how many tenants are occupying the commercial development, it shall have only one (1) vote;

- (g) Where there is any difficulty or dispute in determining the Voting Members, the Directors in their absolute discretion may designate the Voting Member, the intention being that, ~~subject to article (j)~~, there be one Voting Member from each residential unit in respect of which a separate certificate of title has been issued (including a condominium unit), or commercial development in the Cranston Lands;
- (h) Membership is not transferable by a Member but is appurtenant to ownership and residence as herein set out;
- (i) Carma Ltd., as registered owner from time to time of any single family lots in the Cranston Lands (regardless of whether such lots are occupied) ~~from and after the Effective Date, shall be a Homeowner Member in accordance with the provisions of this Article 4~~ Prior to the Effective Date, Carma Ltd. shall be deemed to not be a Homeowner Member, notwithstanding Carma Ltd.'s ownership at that time of any single family lots in the Cranston Lands; shall be a Homeowner Member;
- ~~(j) From and after the Effective Date (but not prior to the Effective Date), Homeowner Members, Commercial Members and Rental Members shall be Voting Members, having the right to vote at any meetings of Members. Prior to the Effective Date (but not thereafter), the Manager shall be the sole Voting Member having the right to vote at any meetings of Members.~~

REGISTER OF MEMBERS

- 5. (a) A register of Homeowner Members in such form as the Board may approve shall be maintained in which shall be recorded the names and addresses of all Homeowner Members. The Register shall be amended from time to time so that all Homeowner Members are listed in such register. Amendments to such register may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. Upon amendment as aforesaid there may be charged a fee as set by the Board from time to time.

REGISTER OF RENTAL MEMBERS AND TENANT MEMBERS

- (b) A register of Rental Members and Tenant Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Rental Members and their tenants who by properly complying with the requirements of membership become Tenant Members. The Company shall attempt to establish a workable procedure whereby it is notified when Tenant Members cease to be tenants of a rental project located in the Cranston Lands. The register shall be amended from time to time so that all Rental Members and Tenant Members are listed in such register. Amendments to such register may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. Upon an amendment being made as aforesaid there may be charged a fee as set by the Board from time to time.

REGISTER OF FAMILY MEMBERS

- (c) A register of Family Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Family Members. The register shall be amended from time to time so that all Family Members are listed in such register. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. Upon amendment as aforesaid there may be charged a fee as set by the Board from time to time.

REGISTER OF COMMERCIAL MEMBERS

- (d) A register of Commercial Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Commercial Members. The register shall be amended from time to time so that all Commercial Members are listed in such register. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Company of evidence acceptable to the Board. Upon amendment as aforesaid there may be charged a fee as set by the Board from time to time.

MEMBERSHIP CARDS

- (e) Every Member may be periodically issued a membership card as determined by the Directors. The membership cards shall remain the property of the Company. If a membership card is lost it shall be replaced by the Company, provided however that there may be charged a fee as set by the Board from time to time as a condition to delivery of such replacement membership card.

RIGHTS OF ALL MEMBERS

- 6. Members shall have access to and be entitled to the use of the Company's Cranston Amenities in common with all Members subject to suspension of such rights:
 - (a) for breach of any Rule or Regulation for the conduct of Members; and
 - (b) for default by any Member in payment of any fees, dues, deposits or other sum owing to the Company.

Members shall at all times act responsibly with respect to the Cranston Amenities, it being recognized that the maintenance and appearance of the Cranston Amenities is for the benefit of the Company and all its Members.

MEMBERS' MEETINGS

- 7. The first annual general meeting of Members of the Company shall be held at such time, within sixteen (16) months from the date on which the Company is incorporated and at such place as the Directors may determine. Subsequent annual general meetings shall be held at least once in every calendar year and not more than sixteen (16) months after the holding of the last preceding general meeting, at such time and place as may be determined by the Directors.
- 8.
 - (a) The general meetings referred to in the preceding clause shall be called annual general meetings, and all other meetings of the Company shall be called special general meetings. All meetings of Members shall be held in the City of Calgary, in the Province of Alberta;
 - (b) No Family Members shall be entitled to notice of or to attend any meeting, general, special or otherwise of the Company; and

(c) Only Voting Members shall be entitled to vote on, or propose, or second resolutions at meetings of the Members;~~and.~~

~~(d) —Prior to the Effective Date, only Voting Members shall be entitled to notice of and to attend annual general meetings.~~

9. The Directors may, whenever they think fit, proceed to convene a special general meeting of the Company.
10. Where it is proposed to pass a special resolution, such notice as is required to be given by the *Companies Act* (Alberta), and in all other cases at least ten (10) days' notice specifying the day, hour and place of every Voting Members' meeting, and in case of special business the general nature of such business, shall be served in one of the manners hereinafter provided on the Voting Members registered in the Members' register at the time such notice is served or if a record date has been fixed by the Directors, on the Voting Members registered in the Register of Members at the record date as so fixed; PROVIDED ALWAYS that a meeting of the Voting Members may be held for any purpose, at any time and at any place without notice, if all the Voting Members entitled to notice of such meeting are present in person or represented thereat by proxy or if the absent Voting Members shall have signified their assent in writing to such meeting being held. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any Voting Member or the duly appointed proxies of a Voting Member. It shall not be necessary to give notice of any adjourned meeting.
11. Irregularities in the notice of any meeting or in the giving thereof or the accidental omission to give notice of any meeting or the non-receipt of any notice by any Voting Member or Voting Members, shall not invalidate any resolution passed or any proceedings taken at any meeting and shall not prevent the holding of such meeting.

PROCEEDINGS AT MEMBERS' MEETINGS

12. All business shall be deemed special that is transacted at a special general meeting. All business shall be deemed special that is transacted at an annual general meeting, with the exception of consideration and approval of the financial statements and the ordinary report of the Directors, auditors, and other officers, the election of Directors, the

appointment of auditors, the fixing of the remuneration of the auditors and the transaction of any business which under these presents ought to be transacted at a general meeting. Special business or a special resolution may be passed at an annual general meeting provided the requisite notice has been given.

13. No business shall be transacted at a general meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, ~~from and after the Effective Date~~, the lesser of fifty (50) Voting Members or ten percent (10%) of the Voting Members, either personally present or represented by proxy shall be a quorum. ~~Prior to the Effective Date, the Manager shall itself (personally present or represented by proxy) constitute a quorum.~~
14. If the Company chooses to make available a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during a meeting of members, any person entitled to attend such meeting may participate in the meeting by means of such telephonic, electronic or other communication facility. A person participating in a meeting by such means is deemed to be present at the meeting. Notwithstanding any other provision of these Articles, any person participating in a meeting of members under this who is entitled to vote at that meeting may vote by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.
15. If within thirty (30) minutes from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place; and if at such adjourned meeting a quorum is not present, the Voting Members personally present or represented by proxy shall be a quorum.
- 14.16. The president, or in ~~his~~their absence the vice-president (if any), shall be entitled to take the chair at every general meeting, or if there be no president or vice-president, or if at any meeting ~~he~~they shall not be present within fifteen (15) minutes after the time appointed for holding such meeting, the Voting Members present shall choose another Director as chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the Voting Members present shall choose one of their number to be chairman. The chairman at any meeting of Voting Members may appoint one or more persons to act as scrutineers.

~~15.1. If within thirty (30) minutes from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place; and if at such adjourned meeting a quorum is not present, the Voting Members personally present or represented by proxy shall be a quorum.~~

16.17. Every question submitted to a meeting shall be decided in the first instance by a show of hands or otherwise as the chairman may direct and in the case of an equality of votes the chairman shall, both on a show of hands or otherwise have a casting vote in addition to the vote to which ~~hethey~~ may be entitled as a Voting Member.

17.18. (a) At any meeting unless a poll is demanded by the chairman or by ten percent (10%) of the Voting Members present, a declaration by the chairman that a resolution has been carried or carried by a particular majority, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

(b) If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

18.19. The chairman of a general meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

19.20. On a show of hands every Voting Member present in person, including the proxy or representative of a Voting Member, shall be entitled to the number of votes allocated to that Voting Member pursuant to the provisions hereof.

20.21. Votes may be given either personally or by a nominee appointed by a proxy.

21.22. A proxy shall be in writing in any effectual form under the hand of the appointer or of ~~his~~their attorney duly authorized in writing, and need not be attested. A person appointed proxy must be a Voting Member.

~~22.23.~~ No proxy shall be valid after the expiration of twelve (12) months from the date of its execution unless it is otherwise specified in the instrument.

~~23.24.~~ The proxy shall be deposited at the registered office of the Company or such other place as may be specified in the notice of meeting and at a time as the Directors may by resolution fix but not exceeding forty-eight (48) hours before the time for holding the meeting at which the person named in the instrument propose to vote. If there is any default in this procedure for the deposit of such proxy it shall not be treated as valid.

~~24.25.~~ A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy with respect to which the vote is given, provided no intimation in writing of the death or revocation shall have been received before the meeting at the place where the proxies are to be deposited.

~~25.26.~~ No Member shall be entitled to be present or to vote on any question, either personally or by a nominee appointed by a proxy, or as the nominee appointed by a proxy for another Member at any general meeting, or upon a poll, or to be reckoned in a quorum unless such Member is a Member in Good Standing.

BORROWING POWERS

~~26.27.~~ The Directors may from time to time at their discretion raise or borrow money:

~~(a) from Carma without limitation for the purposes of operating the Cranston Amenities; and~~

~~(a) from any person for the purposes of the ~~Company's~~Company's business in amounts in the aggregate not exceeding ~~TWENTY-FIVE~~ONE HUNDRED THOUSAND DOLLARS (~~\$25~~100,000.00) at any one time;~~

~~(b) up to TWO HUNDRED THOUSAND (\$200,000) for capital repairs or replacements, at any one time; and~~

~~(b)(c) for any other purpose and for any other amount provided that such borrowing is authorized by a duly passed ordinary resolution of the Voting Members.~~

DIRECTORS

~~27.28.~~ The number of Directors shall be not less than three (3) or more than ten (10). Subject to the foregoing and to the provisions of articles 1, ~~30, and 35.1,~~ the number of Directors to be elected at any annual general meeting of Members shall be that number as determined by a majority vote of the Voting Members.

~~28. The subscribers hereto shall be the first Directors of the Company and they (or their replacements from time to time as nominated by Carma) shall remain as Directors until that date which is the later of:~~

~~(a) the date on which Carma, by its general partner Carma Ltd., has transferred title to the last lands it owns in the Cranston Lands; or~~

~~(b) that date on which all monies loaned by Carma to the Company for the initial management of the Cranston Amenities have been fully repaid to Carma;~~

~~or such other date as Carma in its sole discretion may determine.~~

29. The Directors shall have power from time to time and at any time, to appoint any other person or persons as Directors, to fill a casual vacancy or vacancies to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles. The Board of Directors may at any time remove such appointee from the Board

30. A Director, ~~except for any nominee of Carma,~~ must be a Member in Good Standing or a spouse of a Member of Good Standing.

31. The Directors shall not be paid out of the funds of the Company by way of remuneration for their services as Directors.

32. A Director may retire from office upon giving five (5) days' notice in writing to the Company of ~~his~~their intention to do so, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

33. The office of a Director shall automatically be vacated:

(a) If ~~he is~~they are found ~~a lunatic~~ or ~~becomes~~become, of unsound mind;

- ~~(b) If by notice in writing to the Company he resigns his office upon the time hereinbefore fixed for the resignation to take effect or the previous acceptance of the same;~~
 - ~~(b) If he be removed by resolution of~~ If they are removed before the expiration of their term of office pursuant to Article 38;
 - ~~(c) If they are found guilty of, or charged with an offence under the *Criminal Code* (Canada);~~
 - ~~(d) If they become bankrupt;~~
 - ~~(e) If they are concerned with or participated in the funds or the benefits of any contract with the Company without providing disclosure of their interest and/or without recusing themselves from any discussion or vote in any matter relating to the Company, as hereinafter provided.~~
- 34.(e) contract. A Director shall not be disqualified solely by ~~his~~their office as a Director from holding any other office with the Company and from contracting with the Company either as a vendor, purchaser or otherwise howsoever;
- ~~(f) 34.1—~~ Except where compelled to do so by a competent governmental or judicial authority, if they are found by a majority of the Directors acting reasonably (excluding the Director in question) to have disclosed confidential or proprietary information of the Company to a third party; or
 - ~~(g) If they are found, by a majority of the Directors acting reasonably (excluding the Director in question) to have conducted themselves amongst or towards their co-directors, staff and personnel, employees, Association Members or members of the public, in a manner that is verbally or physically abusive, harassing, demeaning, or humiliating, or if they have acted in any other manner that is unethical, unlawful or repugnant.~~
 - ~~(h) If they are absent from three (3) consecutive Board meetings or from four (4) or more Board meetings in any twelve (12) month period without permission of the Board exercising reasonable discretion in good faith and guided by the Code of Ethics of the Company which may be amended from time to time.~~

A Director whose office is vacated in accordance with this section shall thereafter cease to be eligible for election as Director.

34. Every Director and Officer of the Company in exercising the Director's or Officer's powers and discharging the Director's or Officers duties shall:

- (a) act honestly and in good faith with a view to the best interests of the Company; and
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

~~Nothing in this article 34 shall limit the provisions of articles 54 and 55.~~

35. At the first annual general meeting and at every succeeding annual general meeting, all of the Directors, howsoever appointed or elected, shall retire from office, ~~subject to article 35.1.~~ A retiring Director shall retain office until the dissolution of the meeting at which ~~his~~their successor is elected. If at any general meeting at which an election of Directors ought to take place, no such election takes place, the retiring Directors shall continue in office until the annual general meeting in the next year, and so on from year to year until their places are filled up, unless it shall be determined at such meeting to reduce the number of Directors.

~~35.1—At the annual general meeting held in 2005, one-half of the Directors elected (or as close to one-half as possible if there is an odd number), shall be elected for a term to expire at the next annual general meeting and the remaining Directors shall be elected for a term to expire at the second annual general meeting thereafter. Each nomination shall specify whether it is to expire at the first annual general meeting or the second annual general meeting thereafter. At every annual general meeting after 2005, each Director shall be elected for a term to expire at the second annual general meeting after such meeting at which the Director is elected. Notwithstanding anything else in this article 35.1, this article 35.1 shall not apply to any Directors appointed or nominated under article 28.~~

36. A retiring Director shall be eligible for re-election.

37. The Voting Members at every annual general meeting shall fill up the vacated offices by electing a like number of persons to be Directors, or in case any change in the number of Directors is made at any such meeting, by electing the number of persons to be Directors as required by these Articles.
38. The Company may, by special resolution of the Voting Members, at any time remove any or all of the Directors before the expiration of ~~his or~~ their period of office and by ordinary resolution appoint another or other qualified person or persons in ~~his or~~ their stead; and the person or persons so appointed shall hold office during such time only as the Director or Directors in whose place ~~he is or~~ they are appointed would have held the same if ~~he or~~ they had not been removed.
- ~~38.1 — A Director will be deemed to have resigned if he or she is absent, without permission from the Board, from three (3) consecutive Board meetings or from four (4) or more Board meetings in any twelve (12) month period.~~

REGISTER OF DIRECTORS AND MANAGERS

39. The Directors shall duly comply with the provisions of the *Companies Act* (Alberta), or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the keeping of the registers of the Directors and managers and their addresses and occupations, the signing of the balance sheet, the filing with the Registrar of Corporations an annual report and copies of special and other resolutions and of any change in the registered office or of Directors and, where applicable, the mailing of a form of proxy and the issuing of information circulars.

PROCEEDINGS OF DIRECTORS

40. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings, and may declare the quorum necessary for the transaction of business, but until the Directors make such determination, one-half of the Directors shall be a quorum.
41. Subject to the provisions of Article ~~42,42~~, meetings of the Board of Directors shall be held in the City of Calgary, in the Province of Alberta unless all the Directors otherwise agree. The Directors may make regulations in regard to the manner and time that notice shall be given of such meetings. Until such regulations are made, meetings of the Board

may be held at any time without formal notice if all the Directors are present or those absent have signified their consent in writing to the meeting being held in their absence; and notice of any meeting where notice has not been dispensed with, delivered, mailed, telegraphed or telecopied to each Director at ~~his~~their ordinary address two (2) days prior to such meeting, shall be sufficient notice of any meeting of the Directors. In computing such period of two (2) days the day on which such notice is delivered, mailed, telegraphed or telecopied shall be included, and the day for which notice is given shall be excluded. Notice of any meeting, or irregularity in any meeting or in the notice thereof, may be waived by any Director. The Directors may by resolution appoint a regular time and place for meetings, and no further or other notice of such time and place than the entry of such resolution upon the minutes of the meeting at which it was passed shall be necessary. Immediately upon the conclusion of the annual general meeting a meeting of the Directors shall be held and no notice of such meeting shall be necessary.

42. Any Director may participate in a meeting of the Board of Directors by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and a Director participating in a meeting pursuant to this article shall be deemed to be present in person at that meeting and the meeting shall be deemed to have been held at such place in Canada as the Directors may from time to time determine.
43. The President may, or the Secretary shall at the written request of not less than twenty-five (25%) percent of the Directors, at any time convene a meeting of Directors.
44. Questions arising at any meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall not have a second or casting vote.
45. The continuing Directors may act notwithstanding any vacancy in their number; but if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of Directors, the continuing Directors may act only for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Company, but for no other purpose.

46. The Directors may approach one of their number to be chairman of the Board of Directors, and in the absence of such appointment the president for the time being of the Company shall be chairman of the Board. If the chairman is not present at any meeting at the time appointed for holding the same, the Directors present shall choose ~~some~~ onesomeone of their number to be chairman of such meeting.
47. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally.
48. The Directors may delegate any of their powers to committees consisting of such one or more member or members of the Board as they think fit and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated conform to any regulations from time to time imposed upon it by the Directors.
49. The meetings and proceedings of any such committee consisting of two (2) or more Members of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, including the appointment of a quorum, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the preceding clause.
50. All acts done at any meeting of the Directors, or of a committee of Directors or any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
51. A resolution in writing, signed by all the Directors without their meeting together, (which may be executed in several counterparts) shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, and shall be held to relate back to any date therein stated to be the effective date thereof.

MINUTES

52. The Directors shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all appointments of officers;
- (b) of the names of Directors present at each meeting of the Directors and of any committee of Directors;
- (c) of all resolutions made by the Directors and committees of Directors; and
- (d) of all resolutions and proceedings of general meetings;

and any such minutes of any meetings of the Directors or of any committee of Directors, or of the Company, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

POWERS OF DIRECTORS

53. ~~Subject to Articles 54 and 55 below, the~~The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Voting Members in general meeting; and without restricting the generality of the foregoing the Directors shall exercise general supervision of the affairs of the Company and may from time to time make rules and regulations in relation to the Company, and may at any time in like manner annul or vary any rules and regulations so made, and all rules and regulations so made and for the time being in force shall be binding on the Members, and shall have full effect accordingly; and without limiting the generality of the foregoing it is expressly declared that the following shall be deemed to be included as rules and regulations in relation to the Company within the meaning of this clause, that is to say, regulations:

- (a) As to proof required from persons claiming to be eligible to be Homeowner Members, Family Members, Rental Members, Commercial Members and Tenant Members;

- (b) As to the rental charges to be payable by the Members including whether same will be payable annually, quarterly or otherwise, and the amounts thereof, ~~subject to Article 67(f);;~~
- (c) As to visitors and guests;
- (d) As to the manner in which use of the Cranston Amenities by Members may be suspended or terminated.
- (e) As to the use of the Cranston Amenities by Members; and
- (f) As to committees of Members in connection with the management of the Company, and as to the appointment, removal, qualification, disqualification, duties, functions, powers and privileges of members of such committees.

TEMPORARY REMOVAL OF OFFICERS' AND DIRECTORS'
AUTHORITY AND RESPONSIBILITIES

~~54. The Cranston Amenities will be negotiated, designed, engineered and planned by Carma and/or by the Company. Carma has also agreed, in accordance with the provisions of the Cranston Management Agreement, to be responsible for the overall management of the Company and the operation of the Cranston Amenities for a limited period of time and to, within a certain specified period of time, transfer the overall management of the Company and the operation and management of such Cranston Amenities to the Company providing that the Company does not hinder its efforts or increase the development, construction, management and operating costs for the Company or the Cranston Amenities by becoming involved in, investigating or interfering in or trying to exercise any authority or control in the overall management of the Company or in the development, construction, management and operation of the Cranston Amenities. The Company has agreed to this condition and in order to relieve its officers and directors from any responsibility that they may otherwise have in the proper exercise of their responsibility to protect the interests of the Company and its Members and any alleged resulting breach of fiduciary obligations, until the operation and overall management of the Company and the Cranston Amenities have been formally transferred to the Company by Carma, the powers of the officers and directors~~

~~of the Company to manage the business and affairs of the Company are hereby temporarily restrained and are transferred to Carma and such officers and directors are hereby released from such duties and from any liability for failure to otherwise exercise such duty insofar as such duty relates in any way to the investigation of, determination of and enforcing of the proper and adequate quality of design, engineering, planning, development, construction, maintenance and operation of the Cranston Amenities or overall management of the Company.~~

~~Except as set out above, such officers and directors shall retain their normal and usual rights, duties and responsibilities and will on a limited basis as requested by Carma be involved in the operation of the Company and the Cranston Amenities.~~

~~55. It is hereby disclosed to all Members that Carma is a Member of the Company and employees of Carma may also be directors and officers of the Company. All Members of the Company do hereby unanimously agree to the provisions of Article 54 above and do hereby unanimously and entirely release Carma, the Company and the directors and officers of the Company from the legal results of any conflict that they or Carma may otherwise be in as a result of Carma and the Company entering into an agreement for the initial overall management of the Company and for the development, the initial management of, and delivery of the Cranston Amenities to the Company including from the legal consequences of the directors and officers of the Company being partially restrained from and being partially released from their normal and usual rights, duties and responsibilities as provided for in Article 53 above.~~

OFFICERS

~~56-54.~~ The officers of the Company shall consist of a president, a secretary and a treasurer, or a secretary-treasurer and such other officers as the Directors may from time to time appoint. Any one person may fill more than one of the above offices. Such persons holding such offices, besides fulfilling any duties assigned to them by the Directors, shall have such powers as are usually incidental to such offices.

~~57-55.~~ The president shall be elected by the Board from amongst their number. The secretary and the treasurer or secretary-treasurer of the Company shall be appointed by the

Board. The Board may appoint an assistant secretary, who shall be empowered to act in the absence of or under the direction of the secretary in the performance of the duties of the secretary. The Directors may appoint a temporary substitute for any of the above officers, who shall for the purposes of these presents be deemed to be the officer for the position ~~he occupies~~they occupy.

~~58-56.~~ Any executive officer of the Company shall be entitled to attend any meeting of Members.

SEAL

~~59-57.~~ The Company shall have a corporate seal which shall be of such form and device as may be adopted by the Directors, and the Directors may make such provisions as they see fit with respect to the affixing of the said seal and the appointment of a Director or Directors or other persons, to attest by their signatures that such seal was duly affixed.

NO DIVIDENDS

~~60-58.~~ As the Company is formed solely for the purposes of promoting recreation and social communication amongst its Members and it is the intention of the Company to apply the profits, if any, or any other income of the Company in promoting its objects and as the Company is not formed with gain for its object, no dividend whatsoever and no part of the income of the Company shall be divided among, payable to or be available for the personal benefit of any of the Members of the Company.

RESERVES AND FUNDS

~~61-59.~~ The Directors may budget for and may set aside any of the profits of the Company to create a reserve or reserves to provide for maintaining the property of the Company, replacing wasting assets, meeting contingencies, forming an insurance reserve or for any other purposes whatsoever for which the profits or revenues of the Company may be lawfully used. The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to place in such reserve.

~~62-60.~~ The Directors may create a fund or funds out of the assets of the Company not greater in amount than the reserve or reserves as hereinbefore provided for and may apply the

fund or funds either by employing them in the business of the Company or investing them in such manner as they shall think fit, and the income arising from such fund or funds shall be treated as part of the profits of the Company for the year in which such income arose. Such funds may be applied for the purpose of maintaining the property of the Company, replacing wasting assets, meeting contingencies, forming an insurance fund or for any other purpose for which the profits of the Company may lawfully be used.

~~63.61.~~ The Directors may from time to time increase, reduce or abolish any reserve or reserve fund in whole or in part and may transfer the whole or any part to surplus.

OPERATING COSTS OF COMPANY

~~64.62.~~ The Directors shall implement a procedure to monitor and to determine the costs of operating the Company and the Cranston Amenities, and, without limitation, shall prepare for each fiscal year a detailed operating budget for the Company.

~~65.63.~~ Not later than thirty (30) days prior to the commencement of each fiscal year of the Company, the Directors shall determine the net amount of these costs (after deduction of all anticipated other revenue, if any).

~~66.64.~~ The Directors shall then determine the assessment rate of the annual rent charge for Homeowner Members, Rental Members and Commercial Members in accordance with the following provisions:

- (a) In Cranston Lands other than River Lands:
 - (i) each Homeowner Member's annual assessment for each residential unit (including a condominium unit) shall be the same;
 - (ii) the annual assessment for each Rental Member shall be equal to the annual assessment for each Homeowner Member multiplied by the number of units in that Rental Member's rental project. Tenant Members will not be required to pay a separate assessment if the Rental Member in respect of their rental project has paid the full assessment due from that Rental Member;

- (iii) the assessment for each Commercial Member shall be equal to the assessment for each Homeowner Member's residential unit, for each one fifteenth (1/15th) of an acre of developable commercial land in that Commercial Member's commercial site.
- (b) In the case of River Lands:
- (i) the annual assessment for each residential unit (including a condominium unit), rental project or commercial development contained in the River Lands shall be at the rate applicable to a residential unit (including a condominium unit), rental project or commercial development in the Cranston Lands which are not River Lands, multiplied by 3.5;
 - (ii) each Homeowner Member's annual assessment for each residential unit (including a condominium unit) contained in the River Lands shall be the same;
 - (iii) the annual assessment for each Rental Member of a rental project within the River Lands shall be equal to the annual assessment for each Homeowner Member in the River Lands multiplied by the number of units in that Rental Member's rental project. Tenant Members residing in a rental project within the River Lands will not be required to pay a separate assessment if the Rental Member in respect of their rental project has paid the full assessment due from that Rental Member;
 - (iv) the assessment for each Commercial Member with a commercial development within the River Lands shall be equal to the assessment for each River Lands Homeowner Member's residential unit, for each one fifteenth (1/15th) of an acre of developable commercial land in that Commercial Member's commercial site.

67-65. If the Member's assessments as aforesaid which are actually received, together with the Company's other sources of revenue, if any, do not result in sufficient income to pay the costs of the Company, then the Directors shall increase its available cash in the following manner:

- (a) if necessary, they shall borrow, on a short term basis, any funds required to meet the operating cash deficiency being experienced;
- (b) they shall present a full report on the operating cash deficiency to the next annual meeting of the Company together with their recommendations for increasing the income of the Company including if so determined by the Directors increasing the annual rental charges to the Homeowner Members, the Rental Members, the Commercial Members and the Tenant Members;
- (c) if they determine that addressing such deficiency should not await the next ensuing annual meeting, they shall call a special meeting of the Company to consider the matter;
- (d) ~~subject to (f) hereof,~~ any increase in the principal amount of the Encumbrances (excluding any inflation adjustment as provided therein) must be approved by a majority of votes cast by Voting Members at a meeting of the Company and shall only be increased in the same ratio that then existing Encumbrances have one to another at the time of the meeting;
- (e) all of the Members shall be bound by the decision of the Voting Members passed in accordance with these Articles and the Homeowner Members, Rental Members and Commercial Members agree to the amendment of their Encumbrance in accordance with the decision of such meeting; and
- ~~(f) while Carma is a Member any change in the annual rental charge or in the principal amount of the Encumbrances (excluding any inflation adjustment as provided therein), shall require the prior written consent of Carma; and~~
- ~~(g)~~(f) if any Encumbrance has been foreclosed off of the title to the lot of a Member or has otherwise been taken off such title or if pursuant to a meeting of the Members, it has been agreed to register a new Encumbrance or a caveat giving notice of the change, the Homeowner Member, Rental Member or Commercial Member agrees either to enter into any requested new Encumbrance to be registered against the title to ~~his~~their property or agrees to the filing of a caveat as referred to above and if ~~he delays, fails~~they delay, fail, or ~~refuses~~refuse to complete the new Encumbrance the Company is hereby irrevocably appointed as

~~his~~their attorney on ~~his~~their behalf and for the Company's use and benefit, to sign and deliver such new Encumbrance in ~~his~~their place and stead.

Notwithstanding the foregoing or anything else in these Articles, the Directors shall cause the Company to execute and deliver an absolute postponement (in a form registrable under the *Land Titles Act* (Alberta)) of any Encumbrance in favour of a mortgage on a single family residential lot in the Cranston Lands, upon the Company receiving a written request therefor from the mortgagee or mortgagor under such mortgage, or from their respective legal representatives; PROVIDED THAT this requirement to postpone shall only apply if the mortgage has been granted or made pursuant to the *National Housing Act* (Canada) or any act passed or enacted in amendment thereof or substitution therefor.

ACCOUNTS

~~68-66.~~ The Directors shall cause true accounts to be kept of the sums of money received and disbursed by the Company and the manner in respect of which said receipts and disbursements take place, of all sales and purchases by the Company and of the assets and liabilities of the Company and of all other transactions affecting the financial position of the Company.

~~69-67.~~ The books of account and accounting records shall be kept at the registered office of the Company or, subject to the limitations of the *Companies Act* (Alberta) in this regard, at such other place or places as the Directors think fit, and shall be open to inspection of the Directors.

~~70-68.~~ The Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company, or any of them shall be open to the inspection of any of the Members not being Directors, and none of the Members (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Directors or by the Company in general meeting.

~~71-69.~~ The Directors shall lay before each annual meeting of the Voting Members financial statements and the report of the auditor to the Voting Members thereon. The financial statements shall:

- (a) be approved by the Board of Directors and signed by two (2) of them;
- (b) be for a period that ended not more than six (6) months before the annual meeting;
- (c) be subject to the provisions of the *Companies Act* (Alberta) and contain a comparative statement (except in the case of the first statement) relating separately to the latest completed financial year preceding it; and
- (d) be made up of:
 - (i) a statement of profit and loss for each period,
 - (ii) a statement of surplus for each period,
 - (iii) subject to the provisions of the *Companies Act* (Alberta), a statement of source and application of funds for each period, and
 - (iv) a balance sheet as at the end of each period with each statement containing the information required by the *Companies Act* (Alberta) to be disclosed in such statements.

~~72.70.~~ Subject to the provisions of the *Companies Act* (Alberta), a copy of the financial statements and a copy of the auditor's report shall be sent to each Voting Member, by prepaid post, ten (10) days or more before the date of the annual meeting.

~~73. DELETED.~~

NOTICES

~~74.71.~~ Any notice may be served by the Company on any of the Members either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Member or ~~by telegraphing~~ electronic it prepaid to such person at ~~his~~ their address for that purpose as the same appears in the books of the Company, or if no address is given therein, to the last address of such person known to the secretary. If no address is known to the secretary a notice posted up in the registered office of the Company shall be deemed to be well served on such person upon it being so posted up, and any notice sent by post shall be deemed to have been served on the day on which the envelope or

wrapper containing the same is posted. With respect to every notice sent by post, it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into one of Canada Post Corporation's letter boxes.

~~75.72.~~ Any notice or document delivered or sent by post or left at the address of any of the Members as the same appears on the books of the Company or posted in the registered office of the Company as hereinbefore provided shall, notwithstanding such person be then deceased and whether or not the Company has notice of ~~his~~their decease, be deemed to have been duly served until some other person is entered in ~~his~~their stead in the books of the Company as one of the Members, and such service shall for all purposes be deemed a sufficient service of such notice or document on ~~his~~their heirs, executors or administrators and on all persons interested with any one of such Members.

~~76.73.~~ The signature on any notice to be given by the Company may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed; or produced in any such means as may fulfill the requirements of the *Electronic Documents Act* (Alberta).

~~77.74.~~ Where a given number of ~~days~~days' notice or a notice extending over any other period is required to be given, the day of service of the notice and the day for which notice is given shall, unless it is otherwise provided, be counted in such number of days or other period.

~~78.75.~~ A certificate of the secretary or other duly authorized officer of the Company in office at the time of the making of the certificate as to the facts in relation to the mailing or telegraphing or delivery or posting up of any notice to any Member, Director or officer or publication of any notice, shall be prima facie evidence thereof and shall be binding on every one of the Members, and a Director or officer of the Company, as the case may be.

~~79.76.~~ It shall not be necessary for any notice to set out the nature of the business which is to come before a meeting of the Directors and it shall not be necessary for any notice to set out the business which is to come before a meeting of the Voting Members unless the same is special business.

~~80.77.~~ A special general meeting and the annual general meeting may be convened by one and the same notice, and it shall be no objection to the said notice that it only convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

RECORD DATE

~~81.78.~~ The Directors may fix a time in the future not exceeding thirty (30) days preceding the date of any meeting of Voting Members as a record date for the determination of the Voting Members entitled to notice of, and to vote at, any such meeting, and only the Voting Members of record in the Register of Members at the close of business on that date so fixed shall be entitled to such notice of, and to vote at, such meeting, notwithstanding any change of Voting Members on the Register of Members after any such record date fixed as aforesaid.

INDEMNITY

~~82.79.~~ Except as otherwise hereinafter provided, every Director and officer of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay, all losses and expenses which any such Director or officer shall incur or become liable to by reason of any contract entered into or act or thing done by ~~him~~them as such Director or officer, or in any way in the discharge of ~~his~~their duties.

~~83.80.~~ Any person made a party to any action, suit or proceedings by reason of the fact that ~~he,~~ ~~his~~their testator or intestate, is or was a Director or officer of the Company, or of any corporation which is served by such Director or officer as such at the request of the Company, shall be indemnified by the Company against the reasonable expenses, including solicitor's fees, actually and necessarily incurred by ~~him~~them in connection with the defence of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceedings that such Director or officer is liable for gross negligence or similar misconduct in the performance of ~~his~~their duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director or officer may be entitled. None of the provisions hereof shall be construed as a limitation upon the right of the Company to exercise its general power to enter into a contract or undertaking of

indemnity with or for the benefit of any Director or officer in any proper case not provided for herein.

~~84.81.~~ No Director or officer of the Company shall be liable for the acts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for the loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by an error of judgment or oversight on ~~his~~their part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of ~~his~~their office or in relation thereto, unless the same happen through ~~his~~their own dishonesty, or unless it is otherwise provided in a contract of service with such Director or officer.

DATED at the City of Calgary, this ____ day of ~~March, 1999~~ _____, 2023.

NAMES, ADDRESSES AND OCCUPATIONS OF SUBSCRIBERS

<u>Subscribers</u>	<u>Occupation</u>	<u>Address</u>
"R. Brian Hodgson" R. Brian Hodgson	Executive	#800, 839 – 5th Avenue SW Calgary, Alberta, T2P 3C8
"J. William Bird" J. William Bird	Executive	#800, 839 – 5th Avenue SW Calgary, Alberta, T2P 3C8
"Robert N. Honsberger" Robert N. Honsberger	Executive	#800, 839 – 5th Avenue SW Calgary, Alberta, T2P 3C8

~~"V. Patricio"~~
Witness to the above Signatures
Print Name: Vicki Patricio