

~~SCHEDULE C~~
ARTICLES OF ASSOCIATION
OF SUMMERSIDE RESIDENTS ASSOCIATION

1. ~~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. ~~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) ~~(a)~~—"**Carma Brookfield**" means Brookfield Residential (Alberta) LP (the successor-in-interest to Carma Developers Ltd. who was named in the Original Articles), its successors and assigns;
- (b) ~~(b)~~—"**City**" means The City of Edmonton;
- (c) ~~(c)~~—"**Commercial Member**" means the registered owner (including Carma Brookfield if applicable) or one of the registered owners (as designated by those registered owners) of a commercial development located within the Summerside Lands;
- (d) ~~(d)~~—"**Companies Act (Alberta)**" means the *Companies Act* R.S.A. ~~1980, 2000~~, c. ~~C-20, 21~~, as amended or any substitution therefor from time to time;
- (e) ~~(e)~~—"**Company**" means Summerside Residents Association;
- (f) ~~(f)~~—"**Criminal Code (Canada)**" means the *Criminal Code* R.S.C. 1985, c. C-46, as amended or any substitution therefor from time to time;
- (g) ~~(g)~~—"**Directors**", "**Board**" and "**Board of Directors**" means the directors of the Company for the time being;
- (h) ~~(h)~~—"**Effective Date**" has the meaning ascribed to that term in the Summerside Management Agreement;
- (i) ~~(i)~~—"**Electronic Transactions Act (Alberta)**" means the *Electronic Transactions Act* S.A. 2001, c. E-5.5, as amended or any substitution therefor from time to time;
- (j) ~~(j)~~—"**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 and commercial lands of persons in the Summerside 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);

- (k) "Executive Officer" means individuals holding any of the following offices: president, vice president, secretary, treasurer, or secretary-treasurer;
- (l) ~~(i)~~ "Family Members" means the ~~spouse (whether legally married to or not)~~ family members 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, whether through birth, adoption or marriage (legal or otherwise), to the extent of (but not beyond), great-aunts, great-uncles, great-grandparents, great-nieces, great-nephews and great-grandchildren, who~~ are actually residing in the residential property of the Homeowner Member or Tenant Member;
- (m) ~~(j)~~ "Homeowner Member" means the registered owner (including ~~Carma~~ Brookfield as applicable) or one of the registered owners (as designated by those registered owners) of a single family property, a condominium unit, or multi-family rental 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 Summerside Lands, who is a qualified Member of the Company;
- (n) ~~(k)~~ "Lake" means that man-made lake within the Summerside Lands and which comprises a major component of the Summerside Amenities;
- (o) ~~(l)~~ "Lake Access Lot" means within the Summerside Lands, a single family lot, any portion of which borders on a Walkway, or a multi-family condominium or rental site, any portion of which borders on a Walkway;
- (p) ~~(m)~~ "Lakeshore Lot" means within the Summerside Lands, a single family lot, any portion of which borders on the Lake, or a multi-family condominium or rental site, any portion of which borders on the Lake;
- (q) ~~(n)~~ "Manager" ~~means Carma as the manager appointed under the Summerside Management Agreement, and its successors and assigns as permitted thereunder;~~ "Land Titles Act (Alberta)" means the Land Titles Act R.S.A. 2000, c. L-4, as amended or any substitution therefor from time to time;
- (r) ~~(o)~~ "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;
- (s) "Member in Good Standing" means a Member who has complied with all requirements of membership, who, as of the record date for a 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, and who has not previously vacated or been removed from the office of Director pursuant to Article 34 or Article 41;
- (t) ~~(p)~~ "month" means calendar month;
- (u) ~~(q)~~ "office" means the registered office of the Company for the time being;

- (v) "Original Articles" means the Articles of Association of the Company dated July 28, 2000 and recorded at Alberta Corporate Registries on July 31, 2000;
- (w) "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;
- (x) ~~(+)~~ — **"Rental Member"** means the registered owner or one of the registered owners of a multi-family residential rental project located in the Summerside Lands, who is a qualified Member of the Company;
- ~~(s) — "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;~~
- (y) ~~(+)~~ — **"Rules"** means the rules and regulations relating to the use of the Summerside Amenities, initially in the form of Schedule JK to the Summerside brochure, as such rules and regulations may be amended from time to time in accordance with the terms of these Articles;
- (z) ~~(+)~~ — **"Standard Lot"** means within the Summerside Lands, a single family lot or multi-family condominium or rental site, which is neither a Lakeshore Lot nor a Lake Access Lot;
- (aa) "Subscribers" means Douglas W. Kelly, Louise Gibson and Shaun E. Cranston, the subscribers originally named on the Original Articles;
- (bb) ~~(+)~~ — **"Summerside Amenities"** means certain public community lands and/or private amenity lands as designated by ~~Carma~~Brookfield, in each case including the improvements thereon, all of which will be situate within the Summerside Lands, any all or any of the equipment, chattels and assets used in connection therewith. For greater certainty, the Summerside Amenities include the Lake and the beach club adjacent to the Lake;
- (cc) ~~(+)~~ — **"Summerside Lands"** means the residential subdivision lands owned by ~~Carma~~Brookfield in the southwest portion of the City of Edmonton and designated by ~~Carma~~Brookfield as the Summerside Lands, within the area shown in Exhibit 1 to the Summerside Management Agreement situated within lands contained in the City's Ellerslie Area Structure Plan, and, if ~~Carma~~Brookfield in its sole and unfettered discretion so decides, such other lands in the vicinity thereof (as may be owned by ~~Carma~~Brookfield or by other developers as approved from time to time by ~~Carma~~Brookfield in its sole and unfettered discretion);
- (dd) ~~(+)~~ — **"Summerside Management Agreement"** means that agreement to be entered into between the Company and ~~Carma~~Brookfield, the form of which agreement is Schedule A to the Summerside brochure;
- (ee) ~~(+)~~ — **"Tenant Member"** means a tenant actually renting and residing in a multi-family rental project located in the Summerside Lands that may or may not be owned by a Rental Member in accordance with these Articles;

- (ff) ~~(y)~~ — **"Voting Members"** means the Members who are entitled to vote at meetings of the Company and shall be restricted to only Commercial Members, Homeowner Members and Rental Members or their respective designates as provided herein, and the ~~subscribers hereto~~ Subscribers while such ~~subscribers~~ Subscribers remain Members hereunder; and
- (gg) ~~(z)~~ — **"Walkway"** means any one of the private Walkways that connects to the Lake and against which is registered an easement generally in the form of Schedule H to the Summerside brochure;
- (hh) ~~(aa)~~ — **"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~~ fax and records (including signatures) in electronic form that fulfill the requirements of the *Electronic Transactions Act (Alberta)*.

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. ~~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 Edmonton where the registered office of the Company is to be situated.

MEMBERS

4. ~~4.~~ — The ~~subscribers hereto~~ Subscribers 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 Summerside Lands, shall be required to be a Member in ~~good standing~~ 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 Summerside Lands is not owned by such person; PROVIDED ALWAYS with reference to all residential and commercial properties located in the Summerside Lands:

- (a) ~~(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) ~~(b)~~ — Where a Member owns more than one residential property in the Summerside Lands, including condominium units, that Member shall be entitled to one (1) vote for each such property owned by that Member;
- (c) ~~(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) ~~(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) ~~(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 Rental Member ceases to be a Member or he ceases to be a tenant in the rental project in question;

(f) ~~(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) ~~(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 property in respect of which a separate certificate of title has been issued (including a condominium unit), and from each commercial development in respect of which a separate certificate of title has been issued, in the Summerside Lands;

(h) ~~(h)~~—Membership is not transferable by a Member but is appurtenant to ownership and residence as herein set out;

(i) ~~(i)~~—~~Carma~~Brookfield, as registered owner from time to time:

(i) ~~(i)~~—of any residential lot or unit in the Summerside Lands (regardless of whether such lots or units are occupied) before and after the Effective Date, shall be a Homeowner Member; and,

(ii) ~~(ii)~~—of any commercial development or industrial development in the Summerside Lands before and after the Effective Date, shall be a Commercial Member;

(j) ~~(j)~~—Notwithstanding anything else in these Articles:

(i) ~~(i)~~—From and after the Effective Date (but not prior to the Effective Date), Homeowner Members, Commercial Members and Rental Members shall have the right to vote at any meetings of Voting Members;

(ii) ~~(ii)~~—Prior to the Effective Date (but not thereafter), ~~the~~ Manager Brookfield shall be the sole Voting Member entitled to vote at any meetings of Voting Members, and shall therefore itself constitute a quorum for Members² meetings.

5.

REGISTER OF MEMBERS

- (a) ~~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~~if permitted by the Board, or to the extent required by law, the Company shall allow the register to be inspected or copied by a person requesting same, provided that a fee as set by the Board from time to time may be charged.

REGISTER OF RENTAL MEMBERS AND TENANT MEMBERS

- (b) ~~(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 Summerside 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~~if permitted by the Board, or to the extent required by law, the Company shall allow the register to be inspected or copied by a person requesting same, provided that a fee as set by the Board from time to time may be charged.

REGISTER OF FAMILY MEMBERS

- (c) ~~(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~~if permitted by the Board, or to the extent required by law, the Company shall allow the register to be inspected or copied by a person requesting same, provided that a fee as set by the Board from time to time may be charged.

REGISTER OF COMMERCIAL MEMBERS

- (d) ~~(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~~ if permitted by the Board, or to the extent required by law, the Company shall allow the register to be inspected or copied by a person requesting same, provided that a fee as set by the Board from time to time may be charged.

MEMBERSHIP CARDS

- (e) ~~(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.

SPECIAL PROVISIONS RELATING TO SUMMERSIDE AMENITIES

6.

- (a) ~~6. (a)~~ — Subject to a suspension of rights pursuant to ~~article~~ Article 6(b)(i) or (ii) below, Commercial Members shall only be entitled to the use of the Summerside Amenities for business purposes (including business meetings, employee meetings and employee social functions) at times approved by the Company, such approval not to be unreasonably withheld, and for such fees as the Company determines acting reasonably.
- (b) ~~(b)~~ — Members shall have access to and be entitled to the use of the Company's Summerside Amenities in common with all Members subject to suspension of such rights:
- (i) ~~(i)~~ — for breach of any Rule for the conduct of Members; and
 - (ii) ~~(ii)~~ — for default by any Member in payment of any fees, dues, deposits or other sum owing to the Company.

For clarity, notwithstanding any suspension, Members shall still be responsible for the payment of the annual rental charge, and any other fees, dues, deposits or other sums owing to the Company.

- (c) ~~(c)~~ — Members shall at all times comply with the Rules and act responsibly with respect to the Summerside Amenities, it being recognized that the maintenance and appearance of the Summerside Amenities is for the benefit of the Company and all its Members.
- (d) ~~(d)~~ — The Company's ~~board of directors~~ Board, in accordance with the provisions of these ~~articles~~ Articles, may from time to time amend the Rules. The ~~directors~~ Directors shall cause the Company to forthwith notify all Members of any such amendments.
- (e) ~~(e)~~ — The Rules shall always be subject to the terms of each of the following:

- (i) ~~(i)~~ those registered restrictive covenants generally in the form of Schedule I to the Summerside brochure; and
- (ii) ~~(ii)~~ those registered easements generally in the form of Schedule H to the Summerside brochure.

MEMBERS' MEETINGS

7. ~~7.~~ The first annual general meeting 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) ~~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~~
- (b) Meetings of the Company may be held in person (in which case they shall be held in the City of Edmonton, in the Province of Alberta; or, to the extent permitted by law, via videoconference, audioconference or other electronic means provided all persons participating in the meeting can hear each other. Members who attend a meeting via videoconference, audioconference or other electronic means shall be deemed to be present in person at that meeting. The manner in which a meeting shall be held shall be determined by the Directors.
- (c) ~~(b)~~ No Family Members shall be entitled to notice of or to attend any meeting, general, special or otherwise of the Company; and
- (d) ~~(e)~~ Only Voting Members shall be entitled to vote on, or propose, or second resolutions at meetings of the Members.

9. ~~9.~~ The Directors may, whenever they think fit, proceed to convene a special general meeting of the Company.

10. ~~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 Members registered in the Register of Members at the record date as so fixed; PROVIDED ALWAYS that a meeting of the 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. ~~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. ~~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 Articles 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. ~~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~~twenty (~~50~~20) Voting Members or ten percent (10%) of the Voting Members, either personally present or represented by proxy shall be a quorum.

14. ~~14.~~—The president, or in his 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 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. ~~15.~~—If within ~~thirty~~twenty (~~30~~20) 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. ~~16.~~—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 he may be entitled as a Voting Member.

17.

(a) ~~17.~~—~~(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) ~~(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. ~~18.~~—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. ~~19.~~—On a show of hands or otherwise as the chairman may direct, 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. ~~20.~~—Votes may be given either personally or by a nominee appointed by a proxy.

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

22. ~~22.~~—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. ~~23.~~—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 proposes to vote. If there is any default in this procedure for the deposit of such proxy it shall not be treated as valid.

24. ~~24.~~—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. ~~25.~~—No Voting 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 Voting Member at any general meeting, or upon a poll, or to be reckoned in a quorum ~~while any sum due or payable to the Company by~~ unless such Voting Member ~~shall remain unpaid for at least forty-five (45) days following a written request for payment of same.~~ is a Member in Good Standing.

BORROWING POWERS

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

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

(b) ~~(b)~~—from any person for the purposes of the Company's business in amounts in the aggregate not exceeding ONE HUNDRED THOUSAND DOLLARS (~~\$100,000.00~~100,000) plus the Adjustment Amount, at any one time.

- (c) from any person for the purposes of capital repairs and replacements in amounts in the aggregate not exceeding TWO HUNDRED THOUSAND (\$200,000) plus the Adjustment Amount, at any one time; and
- (d) from any other person, 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.

The "Adjustment Amount" as used herein shall mean, in respect of ~~any~~each calendar year after ~~2000;2020~~, that sum of money equal to the product obtained by multiplying ~~ONE HUNDRED THOUSAND DOLLARS (\$100,000.00)~~[the sum of (principal amount referenced in either (b) or (c), as applicable) plus the cumulative total of all prior years' Adjustment Amounts if any] by the percentage increase, if any, in the "all items" consumer price index (or its equivalent from time to time) for the City of Edmonton as issued by Statistics Canada, ~~from that figure reported for 2000. for that year over the previous year.~~ There shall be no adjustment for any decrease from time to time in such index. For greater certainty, the intent of the Adjustment Amount is to reflect the cumulative and compounded increase in the consumer price index as aforesaid, year by year, commencing January 1, 2020.

DIRECTORS

27. ~~27.~~—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~~Articles 28 and ~~30;30~~, 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. ~~28.~~—The ~~subscribers hereto~~Subscribers shall be the first Directors of the Company and they (or their replacements from time to time as nominated by ~~Carma~~Brookfield) shall remain as Directors until that date which is the later of:

- (a) ~~(a)~~—the date on which ~~Carma~~Brookfield has transferred title to the last lands it owns in the Summerside Lands; or
- (b) ~~(b)~~—that date on which all monies loaned by ~~Carma~~Brookfield to the Company for the initial management of the Summerside Amenities have been fully repaid to ~~Carma~~Brookfield;

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

29.

- (a) ~~29.~~—The Directors shall have power from time to time and at any time, by majority vote, to appoint any other person or persons as Directors (subject to the provisions of Article 30), 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.
- (b) Any Director so appointed shall hold office until (i) the next annual general meeting of Members or (ii) the expiration of the term of the vacating Director, whichever is

earlier. Any Director so appointed shall be eligible to be elected as a Director at the next annual general meeting of Members.

30. ~~30.~~—A Director, except for any nominee of ~~Carma~~Brookfield or any ~~subscriber~~Subscriber, must ~~be either~~:

- (a) ~~(a) be~~ a Homeowner Member or a spouse of a Homeowner Member; ~~(b)~~ a Commercial Member; ~~or~~ ~~(e)~~ a Rental Member;
- (b) be a Voting Member or a spouse of a Voting Member;
- (c) be a Member in Good Standing;
- (d) not have been convicted of an offence described in Article 34(f) for which a pardon has not been granted; and
- (e) not be an undischarged bankrupt.

31. No two or more Family Members may be Directors at the same time.

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

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

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

- (a) ~~(a)~~—If ~~he is~~they are found ~~a lunatic~~ or ~~becomes~~become of unsound mind;
- (b) ~~(b)~~—If by notice in writing to the Company ~~he resigns his~~they resign their office upon the time hereinbefore fixed for the resignation to take effect or the previous acceptance of the same;
- (c) If ~~he be~~they are removed by resolution of the ~~Company~~Voting Members, as hereinafter provided; ~~or~~
- (d) ~~(d)~~—If ~~he ceases~~they cease to qualify under Article ~~30-30~~;
- (e) If they become bankrupt;
- (f) If they are convicted of an offence under the *Criminal Code* (Canada), and either:
 - (i) the crown prosecutor in the Director's case proceeds way of indictment; or
 - (ii) the offence involves fraud or dishonesty;
- (g) 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 compliance with the provisions of the *Companies Act* (Alberta);

- (h) If they are found to be in violation of the standards of conduct outlined in any code of conduct for Directors established by the Board, in accordance with the procedures set out therein;
- (i) If he or she is absent, without permission of the Board, from three (3) consecutive Board meetings or from four (4) or more Board meetings in any twelve (12) month period;
- (j) if they become party to any litigation opposite the Company.

35. ~~34.~~—A Director shall not be disqualified solely by his 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, but such Director must comply with the provisions of the *Companies Act* (Alberta) regarding conflicts of interest.

36. Every Director and officer of the Company in exercising the Director's or officer's powers and discharging the Directors or officer's duties shall:

- (a) act honestly and in good faith with a view to the best interests of the Company;
- (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
- (c) comply with all applicable privacy law including without limitation the *Personal Information Protection Act* (Alberta);
- (d) in addition to their obligations under Article 35, declare any real, potential or perceived conflicts of interest (including any participation with or in an organization related to or doing business with the Company) and recuse themselves from any discussion or vote on the matter;
- (e) except where disclosure is required by law, maintain confidentiality in connection with Board matters, records, discussions and materials;
- (f) advise the Board if they become aware that they are no longer in compliance with any requirement, or if they are in violation of any obligation, pursuant to these Articles (including, without limitation, Article 30) or pursuant to any code of conduct for Directors established by the Board.

37. Every Director is required to consent to the collection, use and disclosure of their personal information for the purpose of conducting criminal record checks, vulnerable sector checks, and bankruptcy and insolvency checks, and shall provide any information or written consents necessary to effect the foregoing. The Board shall have the right to conduct such searches at any time, acting reasonably, while a Director serves on the Board.

38. Subject to Articles 28, 33 and 34, each elected Director shall serve on the Board for a term of two years. Notwithstanding the foregoing, to ensure continuity of knowledge, at the annual general meeting in 2020 only, 50% of the elected Directors shall be appointed to serve for a one year term, and 50% of the elected Directors shall be appointed to serve for a two year term.

The Directors who are elected to the Board at the annual general meeting in 2020 who previously served on the Board (incumbents) shall be entitled to hold the two year term positions, provided that:

- (a) if more than 50% of the Directors elected at the 2020 annual general meeting are incumbents, a random draw shall be conducted of the incumbents to determine which incumbent Directors shall hold the two year term positions. Any incumbent Directors whose names are not drawn shall hold one year term positions; and
- (b) if less than 50% of the Directors elected at the 2020 annual general meeting are incumbents, then a random draw shall be conducted of the non-incumbents to determine which non-incumbent Directors shall hold the remaining two year term positions. Any non-incumbent Directors whose names are not drawn shall hold the one year term positions.

39. ~~35.~~—At the first annual general meeting and at every succeeding annual general meeting, all of the Directors whose term has expired, howsoever appointed or elected, shall retire from office. A retiring Director shall retain office until the dissolution of the meeting at which his 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.~~

40. ~~37.~~—The ~~Company~~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. If the Voting Members fail to elect the minimum number of Directors required by the Articles, the Directors may appoint any other person or persons as Directors in accordance with Article 29 and Article 49.

41. ~~38.~~—The ~~Company~~Voting Members may, by special resolution, 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.

REGISTER OF DIRECTORS AND MANAGERS

42. ~~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.

43. Every Director is required to consent to the collection, use and disclosure of their name, address and occupation to be placed on the applicable register and on all such

[documentation required for the Registrar of Corporations for the purposes of corporate governance and matters pertaining to the management and operation of the Company and the Summerside Amenities.](#)

PROCEEDINGS OF DIRECTORS

[44.](#) ~~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.

[45.](#) ~~41.~~—Subject to the provisions of Article ~~42,46.~~, meetings of the Board of Directors shall be held in the City of Edmonton, 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 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.

[46.](#) ~~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~~[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.

[47.](#) ~~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.

[48.](#) ~~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.

[49.](#) ~~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.

[50.](#) ~~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 one of their number to be chairman of such meeting.

51. ~~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.

52. ~~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.

53. ~~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.

54. ~~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.

55. ~~51.~~—A resolution in writing, signed by all the Directors ~~without their meeting together,~~ (which may be executed in several counterparts), including by means of electronic signatures pursuant to the requirements of the *Electronic Transactions Act (Alberta)*, ~~without their meeting together,~~ 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~~ applicable as at the date stated therein ~~stated to be as~~ the effective date thereof.

MINUTES

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

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

57. ~~53.~~—Subject to Articles ~~54~~58 and ~~55~~59 below, the management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these Articles 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) ~~(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) ~~(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~~71(f);
- (c) ~~(c)~~—As to visitors and guests;
- (d) ~~(d)~~—As to the manner in which use of the Summerside Amenities by Members may be suspended or terminated.
- (e) ~~(e)~~—As to the use of the Summerside Amenities by Members; and
- (f) ~~(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

58. ~~54.~~—The Summerside Amenities will be negotiated, designed, engineered and planned by ~~Carma~~Brookfield and/or by the Company. ~~Carma~~Brookfield has also agreed to be responsible for the overall management of the Company and the operation of the Summerside 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 Summerside 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 Summerside 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 Summerside 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 Summerside Amenities have been formally transferred to the Company by [CarmaBrookfield](#), 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 [CarmaBrookfield](#) 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 Summerside 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 [CarmaBrookfield](#) be involved in the operation of the Company and the Summerside Amenities.

59. ~~55.~~—It is hereby disclosed to all Members that [CarmaBrookfield](#) is a Member of the Company and employees of [CarmaBrookfield](#) may also be directors and officers of the Company. All Members of the Company do hereby unanimously agree to the provisions of Article ~~54~~58 above and do hereby unanimously and entirely release [CarmaBrookfield](#), the Company and the directors and officers of the Company from the legal results of any conflict that they or [CarmaBrookfield](#) may otherwise be in as a result of [CarmaBrookfield](#) 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 Summerside 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~~57 above.

OFFICERS

60. ~~56.~~—The officers of the Company shall consist of ~~a president, a secretary and a treasurer, or a secretary-treasurer~~the Executive Officers 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.

61. ~~57.~~—The president shall be elected by the Board from among their number. ~~The, and shall have served one full term on the Board prior to being elected to this position. If there are no Directors with the requisite experience (and who are willing to act as president), a Director who has served one full year on the Board shall be eligible to be elected as president. The vice president,~~ 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 Articles be deemed to be the officer for the position he occupies.

62. ~~58.~~—Any ~~executive officer~~Executive Officer of the Company shall be entitled to attend any meeting of Members.

SEAL

63. ~~59.~~—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

64. ~~60.~~—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

65. ~~61.~~—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.

66. ~~62.~~—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.

67. ~~63.~~—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

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

69. ~~65.~~—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).

70. ~~66.~~—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) ~~(a)~~—each Homeowner Member's annual assessment for each residential unit (including a condominium unit) shall be the same except that:

(i) the annual assessment for units on or within Lake Access Lots shall always be 58 1/3% of the annual assessment for those on or within Lakeshore Lots; and

~~(ii)~~ the annual assessment for units on or within Standard Lots shall always be 41 2/3% of the annual assessment for those on or within Lakeshore Lots.

~~(b)~~
(b) 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, subject to the same ratios as specified in (a) above depending on whether the rental project is situate on a Lakeshore Lot, Lake Access Lot or Standard Lot. 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;

~~(c)~~ ~~(e)~~ the annual assessment for each Commercial Member shall be equal to 50% of the assessment for each Standard Lot Homeowner Member's residential unit, multiplied by the number of acres of land in that Commercial Member's commercial site (expressed to the nearest hundredth of an acre).

71. ~~67.~~ 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) ~~(a)~~ if necessary, they shall borrow, on a short term basis, any funds required to meet the operating cash deficiency being experienced;

(b) ~~(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) ~~(e)~~ 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) ~~(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) ~~(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;

- (f) ~~(f)~~ while ~~Carma~~Brookfield 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~~Brookfield; and
- (g) ~~(g)~~ 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 property or agrees to the filing of a caveat as referred to above and if he delays, fails, or refuses to complete the new Encumbrance the Company is hereby irrevocably appointed as his attorney on his behalf and for the Company's use and benefit, to sign and deliver such new Encumbrance in his place and stead.

72. 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 (including any single residential condominium unit) in the Summerside 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 :

- (a) 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; and
- (b) if the Directors so determine, they may cause the Company to provide a postponement only on the condition that such postponement contains a covenant of the mortgagee to ensure that such Encumbrance is not discharged from the title to the said lot in the event of any foreclosure or similar process under such mortgage.

ACCOUNTS

73. ~~68.~~—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.

74. ~~69.~~—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.

75. ~~70.~~—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.

76. ~~71.~~—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) ~~(a)~~—be approved by the Board of Directors and signed by two (2) of them;
- (b) ~~(b)~~—be for a period that ended not more than six (6) months before the annual meeting;
- (c) ~~(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) ~~(d)~~—be made up of:
 - (i) ~~(i)~~—a statement of profit and loss for each period,
 - (ii) ~~(ii)~~—a statement of surplus for each period,
 - (iii) ~~(iii)~~—subject to the provisions of the *Companies Act* (Alberta), a statement of source and application of funds for each period, and
 - (iv) ~~(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.

77. ~~72.~~—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.

78. ~~73.~~—Subject to the provisions of the *Companies Act* (Alberta), a comparative six-month interim financial statement shall be sent to each Voting Member, as required by the *Companies Act* (Alberta).

NOTICES

79. ~~74.~~—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~~delivering it by prepaid courier to such person at his street address as the same appears in the books of the Company, or ~~if no address is given therein~~by transmitting it electronically to the Member at an electronic address provided by the Member, in accordance with the *Electronic Transactions Act* (Alberta), or if no address of the Member is given in the books of the Company, 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.

80. ~~75.~~—Any notice or document delivered by courier, transmitted electronically, 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 decease, be deemed to have been duly served until some other person is entered in his 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 heirs, executors or administrators and on all persons interested with any one of such Members.

81. ~~76.~~—The signature on any notice to be given by the Company may be written, stamped, typewritten ~~or printed~~, printed or produced by such electronic means as may fulfill the requirements of the *Electronic Transactions Act* (Alberta) or as otherwise permitted by law, or partly written, stamped, typewritten ~~or printed~~, printed or produced by such electronic means as may fulfill the requirements of the *Electronic Transactions Act* (Alberta) or as otherwise permitted by law.

82. ~~77.~~—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.

83. ~~78.~~—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~~transmitting 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.

84. ~~79.~~—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.

85. ~~80.~~—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

86. ~~81.~~—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

87. ~~82.~~—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 as such Director or officer, or in any way in the discharge of his duties.

~~88.~~ ~~83.~~—Any person made a party to any action, suit or proceedings by reason of the fact that he, his 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 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 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.

~~89.~~ ~~84.~~—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 tortious 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 part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty, or unless it is otherwise provided in a contract of service with such Director or officer.

DATED at the City of Edmonton, this ~~28th~~ day of ~~July, 2000.~~
~~2020.~~

NAMES, ADDRESSES AND OCCUPATIONS OF SUBSCRIBERS

~~"D. W. Kelly" Executive #1910, 10303 Jasper Avenue
Douglas W. Kelly Edmonton, Alberta, T5J 3N6~~

~~"Louise Gibson" Executive #1910, 10303 Jasper Avenue
Louise Gibson Edmonton, Alberta, T5J 3N6~~

~~"Shaun Cranston" Executive #1910, 10303 Jasper Avenue
Shaun E. Cranston Edmonton, Alberta, T5J 3N6~~

~~"H. Pabst" #2000, 10235 101 Street
Witness to the above signatures Edmonton, Alberta, T5J 3G1
Print Name: Heinrich (Rick) H. Pabst~~

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