

January 21, 2021

Owners of  
The Cascades in Royal Oak Residents Association

Dear Owners,

**Re: The Cascades in Royal Oak Residents Association - 2021 Annual General Meeting**

Due to the current COVID-19 restrictions in place by the Alberta Government, the Cascades in Royal Oak Residents Association has decided to not hold the 2021 Annual General Meeting in January of 2021. There is the possibility of the AGM being held later in the year if the COVID-19 restrictions are lifted and it becomes safe to do so. Notice will be sent out for the date and timing if such an event occurs.

Please find enclosed the following:

- President's Report on what has happened since the 2020 meeting
- Draft 2020 Annual General Meeting Minutes
- Amended Articles of Association as approved at the 2020 Annual General Meeting
- 2020 Financial Audit
- Insurance Certificate for December 1, 2020 to December 1, 2021

Please ensure to keep these documents on hand. If the Cascades in Royal Oak Residents Association can hold an AGM later in 2021, these documents will not be resent with the AGM notice.

Thank you for your understanding. If you have any questions or concerns, please contact the undersigned.

Yours truly,  
The Cascades in Royal Oak Residents Association  
By it's authorized agent,  
Simco Management (CALGARY) Inc.



JASMIN BRADLEY  
Condo Division Team Manager, Condo/HOA Manager  
Email: [jasmin@simcomgt.com](mailto:jasmin@simcomgt.com)

Enclosure



January 21, 2021

Owners of  
Cascades in Royal Oak Residents Association

Happy New Year

### President's Report

The year 2020 was certainly challenging for many and I am sure we are all glad this year is behind us and we can look forward to 2021. The Board has dealt with many challenges due to Covid19 restrictions, however I feel we have functioned quite well given the circumstances. This report will highlight our activities up to year end March 31,2020 and also what we have done through the year to December.

Introduction to our Board of Directors:

Blair Roche – President  
Don McKinnon – Treasurer  
Jason Edwards – Vice-President  
Doreen Randshuizen – Secretary  
Michelle Platt – Communications  
Paul Cameron – Risk Manager

#### April 2019 to March 2020

- After installing the lighting in South Park we worked with our contractors to repair the ground damage in South Park. This has improved and we will continue working with this going forward.
- Held a very successful BBQ and activities at South Park in September 2019. We hope we can continue this in 2021
- Identified that we needed to change our management which was First Service Residential Alberta Ltd of Calgary. We did our due diligence in reviewing several candidates and then selected Simco Management (Calgary) Inc. This change was completed and Simco assumed the responsibilities in April 2020. **We are very pleased with this change and have noticed several improvements with the service.**
- Held the AGM in January 2020 where we announced the change to the new management.
- During the AGM we also changed several articles of incorporation that have since been put in place. These articles allow us to do communications via email and should save us over time on huge mailouts. The article changes also gives us flexibility for having quorum during AGM meetings.

President's report (continued)

April 2020 to December 2020

- Managed the conversion from First Service to Simco management. This went relatively smooth with some minor issues that mainly came from getting complete and accurate information from First Services.
- Did a walk around in the spring with Jasmin Bradley who is our contact at Simco. Identified several areas that needed improvement and decided to focus on the priorities for the year.
- We completed electrical work near South Park and the Water feature. Corrected several faulty lights and added and improved electrical outlets.
- Redid the paving along the strip of land that borders Rocky Ridge Road north of Royal Oak Way. Also paved parts of Point Park. This was to improve the pavement for drainage and eliminate many tripping hazards due to tree roots.
- Clarified the association's responsibility with the Stone Pillar markings that are positioned on owner's property. We will be working to improve and maintain these Marker's going forward.
- In mid October we were given short notice that our contracted landscaper was unable to carry on their business mainly due to Covid challenges. We have hired a temporary landscaper for snow removal and will be selecting a landscaper full time to do both summer and winter activities. There was some damage done during the first snow removal. This damage will be fully repaired by the contractor in the spring.

In summary, we look forward to a continuing year of service to the Association. We have several areas of improvement to work on that were identified in the walk through with Simco. These will be prioritized and initiated once we have a budget in place for the upcoming fiscal year. There will be a mail out coming soon to each owner with an invoice for the new year and a budget attached. We are working very hard to minimize the arrears accounts and reduce our Accounts Receivable to an acceptable level. I would encourage all owners to work with Simco to ensure your account is up to date.

Yours truly



Blair Roche  
President

Cascades in Royal Oak Residents Association

**MINUTES OF THE ANNUAL GENERAL MEETING OF  
THE CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION**

**January 28, 2020**

**CALL TO ORDER**

Blair Roche, Chairman of the AGM and President of the Board of Directors called the meeting to order at 7:13 P.M.

Housekeeping items included turning off the phones and the location of bathrooms.

Blair introduced the Board as well as the recording secretary.

**CALLING OF ROLL AND CERTIFYING PROXIES:**

The recording secretary, Jasmin Bradley reported to the Chairman that a quorum of persons entitled to vote at the meeting was 72 established by virtue that:

20 Units were represented by the personal appearance thereof

52 Units were represented by proxy

A total of 72 Units were represented. Quorum is 42 voting units (840 x 5%).

**NOTICE OF MEETING:**

The Chairman read the following Notice of the Annual Meeting which he advised had been mailed to each Unit Owner on the 10<sup>th</sup> day of January 2020 in compliance with the requirement of and the time specified in the Articles of Association of the Cascades in Royal Oak Residents Association. There was also signage on Royal Oak Way, notice posted on the Cascades in Royal Oak Residents Association website, Facebook and in the Suburban Journal (Rocky Ridge Royal Oak View).

**TAKE NOTICE THAT THE ANNUAL GENERAL MEETING OF  
HOMEOWNER ASSOCIATION TRUST NO.**

**WILL BE HELD AT:**

**PLACE:       Royal Oak Victory Church**

**450 Royal Oak Dr NW**

**Calgary, AB**

**DATE: January 28, 2020**

**HOUR: 7:00 p.m.**

The Chairman referred to the Agenda following the Notice and indicated the meeting would be conducted in accordance with the Agenda.

### **GENERAL CONDUCT/VOTING RULES**

AGM Reporting period is for the fiscal year ending 31<sup>st</sup> March 2019. The AGM is scheduled for Q1 to give time for Audit and Financial Report preparation.

**Question:** Change Year End to help with Audit time?

**Answer:** May try to talk with auditors to ensure Financials are available prior to yearend. It is quite difficult to change year ends, so other strategies have been taken including adjust contract periods.

Meeting room availability till 9:00 pm, therefore the meeting will be conducted efficiently, and questions are to be held during specific sections of the presentation. A general question period will be held at the end of the meeting.

Voting will be done by show of hands unless a specific request is received to hold a ballot.

### **READING AND DISPOSAL OF MINUTES OF LAST AGM**

There was a change to the draft AGM minutes for 2019 that were sent out. This new copy was provided to everyone at the start of the meeting.

**Question:** Would the Board like to mention any errors?

**Answer:** There was a clerical error. Some of the names and addresses of questions and motions were not correct.

UPON MOTION DULY MADE BY **Tim Lafferty, 246 Royal Oak Mews NW** AND SECONDED BY **Ferdinand Randshui, 142 Royal Oak Place NW** IT WAS UNANIMOUSLY RESOLVED THAT the amended minutes of the last Annual General Meeting be adopted.

## **REPORT OF OFFICERS AND COMMITTEES**

Board Member Blair Roche and Jason Edwards presented the 'President's Report.'

### **OFFICERS POWER POINT PRESENTATION:**

We will be going over areas owned by Cascades and there will be some power point slides showing this.

Board Members for this fiscal year:

- Blair Roche – President
- Jason Edwards – Vice President
- Don McKinnon – Treasurer
- Doreen Randshuizen – Secretary
- Michelle Platt – Director of Communications

The Board does carry out monthly meetings and sometimes have meetings more than once a month if needed. The meetings are to go over items that the Board is dealing with.

The landscaping contractor is Prairie West. We have been dealing with them for several years. They are responsible for the maintenance of Cascades lands plus the winter snow removal. Responsible for putting up Christmas lights.

The management company is First Service Residential Alberta Ltd. The Board has made the decision to change management companies as of April 1, 2020 and the new management company is Simco Management. There were several things where the Board thought a change was needed. We went through a lot of due diligence to pick Simco Management including several different interviews to find the right fit and we should see some improvements in some areas where we weren't getting the level of service we would like.

**Question:** Documentation that will come out regarding this and the reasoning why?

**Answer:** A welcome letter will go out in February or March including information on the transition and how to pay your fees.

**Question:** Where is Simco located?

**Answer:** They are in the SE. I do not have the exact location. It will be in the information letter as well.

**Question:** Why are there discrepancies in the names of owners in mailouts?

**Answer:** Issue that is being dealt with. The tricky part is when sales happen that the Cascades is not made aware of.

Special thanks to Board Members as they all work very hard and we try to do good work for the community.

Property owned and maintained by the Residents Association includes the following:

### Areas Owned and Maintained



### Snow Removal Areas (1 of 2)



### Snow Removal Areas (2 of 2)



\*Please note larger versions of these maps are available on Condo Control Central in the Library for owners to view. The green area in the first picture is what the Residents Association owns.

## 2019 Accomplishments

- South Park Lighting Project – Completed in July
  - Park Lighting
    - Improved user safety – dog walker, moose
    - Aesthetic Enhancement
    - Unfortunately, there was some damage to the landscaping. The contractor has agreed to do remediation to fix it. There is more work to happen in the spring.
  - Power Outlets
    - Park event enhancement
    - Seasonal lighting enhancements
- Pool liner replacement – there was a leak in the liner, and it was fixed quickly
- Reserve Fund Study
  - This was completed. The Board is using it as a tool for guidance on investments and the Reserve Fund to ensure that they won't need to raise fees.
- Cascades Residents Association Property Survey
  - Real Property Reports were completed, and it turns out that Cascades owns most pathways along Rocky Ridge Road.
  - Property line clarification/marketing was completed.
- Events
  - September BBQ – 200+ residents attended. The event included rock painting and the event went successfully.
  - Seasonal lighting event included hot chocolate and carolers.

## Opportunities/Challenges

- Community involvement can be a challenge. We have 5 Board Members right now and always welcome volunteers. You don't have to be a Board Member if you want to be involved in the community. You can be a committee member to help with some the events, activities, and special projects.
- Communications is always a challenge.
  - The Board tries to use different strategies in delivering effective, timely communication (ex: this meeting and the different forms of communication used for notification).
  - Different media used include signage, mailings, social media (Facebook and the website)
- New Residents – turnover – keeping up with resident changes is a challenge.
  - Challenges/confusion with annual fees
  - Collection of annual dues with outdated owners list
  - Hoping to change this with some more due diligence and Simco's help.
- AR Balance
  - As of March 31, 2019 - \$83,000.00
  - As of December 31, 2019 - \$80,000.00



- These are fees owed to the Residents Association by the community and are higher than we like.

**Question:** Repeat offenders? 1 or 2 years owing?

**Answer:** There are a lot in the 1 and 2 years owing. We do not have this breakdown for you right now. There are some people owing for more years. We do eventually take it to foreclosure (there is currently 1 ongoing).

**FINANCIAL REPORT & RESERVE FUND**

Board Member and Treasurer Don McKinnon presented the ‘Financial Report’

The audit was prepared by Auditor Cremers & Elliott Chartered Accountants. The Cascades in Royal Oak Residents Association fiscal year is April to March. Financials may be reviewed via the hard copy mailout to the Cascades in Royal Oak members or in the ‘Cascades of Royal Oak’ members section of the website.

**Revenue and Expenses**

- Revenue – Residents Association fees received from 840 residences, other is approximately \$180,000.00
- Expenses – maintenance, management & improvements to assets is approximately \$154,000.00. Primary expenses include First Service and Prairie West.

	Budget	Capital Replacement Reserves Fund	Operating Fund	Total	Total
	2019	2019	2019	2019	2018
<b>REVENUE</b>					
HOA fees	\$ 167,200	\$ -	\$ 168,200	\$ 168,200	\$ 168,000
Interest and other income	2,000	7,038	324	7,362	5,854
Reserve contributions	(12,480)	15,750	(16,750)	-	-
	156,720	22,797	152,785	175,662	173,854
<b>EXPENSES (Schedule I)</b>	156,720	-	153,714	153,714	143,028
<b>NET EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	-	22,797	(949)	21,848	30,828
<b>NET ASSETS - BEGINNING OF YEAR</b>	-	334,724	141,787	476,491	445,663
<b>NET ASSETS - END OF YEAR</b>	\$ -	\$ 357,521	\$ 140,838	\$ 498,359	\$ 476,491

\*The \$21,848.00 excess revenue goes into the Reserve Fund.

**Expenses & Surplus**

- Operating expenses include: Landscaping/Snow Removal, utilities (approximately \$17,000.00 per year), insurance, project development (lighting in south park)
- Administrative – First Service Residential (Management), Legal fees (delinquency, audit), Community engagement expenses (newsletter, notices like the AGM package and the website)
- Maintenance includes specific projects such as irrigation repair, electrical expenses. All other expenses fall within operations

- Surplus – non-allocated at year end. Board to review goals/objectives and as needed allocate to reserves and/or improvement projects. \*Reserve fund investments to be reviewed with new Board.

**Question:** What investments are the reserve fund in?

**Answer:** CIBC and Manulife GICs mostly. Low risk mutual funds for the rest.

**Question:** The Board will want to look at the CIBC investments as they have been charging for them.

**Answer:** The Board will investigate it.

**Question:** How much money is invested?

**Answer:** \$330,000.00 and we got a return of \$7,000.00 for the year.

Breakdown

- Operating, Projects - \$109,000.00
- Administrative - \$43,000.00 (contract with First Service & website)
- Maintenance - \$1,500.00 (rockwork, stonework, lighthouse, etc.)
- Surplus (Non-allocated) - \$23,000.00

Formalized Process

- Board Review of investment historical ROR
- Portfolio designed to have investments retain value (prevent erosion due to inflation) – no plans on making changes.
- Manulife financial investments are with an investment advisor.
- Some short-term investments to be reviewed with future Board (after project allocation, budget prepared).
- Current Capital Reserve Funds Allocation: \$358,000.00

**Question:** Did we incur expenses this year reserve fund?

**Answer:** Yes, the lighting project was paid for from the reserve fund.

UPON MOTION DULY MADE BY **John Kitteringham, 118 Royal Oak Point NW** AND SECONDED BY **Steve Richardson, 26 Royal Oak Point NW**. IT WAS UNANIMOUSLY RESOLVED THAT to accept the financial statements for the year ending March 31, 2019.

**APPOINTMENT OF AUDITORS – ACCEPT AUDITED FINANCIALS**

UPON MOTION DULY MADE BY Paul Cameron, 82 Royal Oak Point NW AND SECONDED BY Debbie Walters, 101 Royal Oak Place NW. IT WAS UNANIMOUSLY RESOLVED THAT the appointment of Auditors be left to the discretion of the incoming Board of Directors.

**ELECTION OF BOARD OF DIRECTORS**

**Call for nominations – Jason explained how the nomination process works and the activities that Board Members are responsible for.**

Nominations began.

**NOMINEES**

**NOMINATED BY**

Edwards, Jason	Volunteered
McKinnon, Don	Volunteered
Platt, Michelle	Volunteered
Randshuizen, Doreen	Volunteered
Roche, Blair	Volunteered
Paul Cameron	Volunteered

UPON MOTION DULY MADE BY Jeff Mottle, 234 Royal Oak Green NW AND SECONDED BY Rozanne Lawn, 32 Royal Oak Terrace NW IT WAS UNANIMOUSLY RESOLVED THAT the Board was elected by acclamation.

The Chairman declared the following Owners duly elected to the Board of Directors:

**NAME**

**ADDRESS**

Edwards, Jason	166 Royal Oak Green NW
McKinnon, Don	130 Royal Oak Point NW
Platt, Michelle	10161 Royal Oak Way NW
Randshuizen, Doreen	141 Royal Oak Place NW
Roche, Blair	66 Royal Oak Point NW
Paul Cameron	82 Royal Oak Point NW

## UNFINISHED BUSINESS

**Question:** Thank you for lighting. Progress on flags and banners?

**Answer:** This was brought up last year. The Board has been focused on other matters, but this will be readdressed.

**Question:** Previous AGM Minutes mentioned that the fencing is up to the owners to maintain and that the HOA would investigate a cost-effective way for owners to do this.

**Answer:** Nothing has really been done on this yet. It was brought up as a discussion point. The thought behind this was if we could find a contractor that could give us a deal as the fencing is 18 to 19 years old. However, each homeowner would have to pay for their own fence. Typically, the properties will have an encumbrance with architectural and color requirements for their fences. This is not really the HOA's responsibility to police. This is the cost of the homeowner.

## NEW BUSINESS

### Amendments to the Articles of Association

A special resolution is required to amend the Articles of Association on the following items:

- AGM Quorum – If at an AGM quorum is not present the meeting will adjourn for 5 minutes and then reconvene. At which time the Members present and those represented by proxy will count as quorum.
- Office of Director Vacated – Board Member removal – Board Members can be removed if they are absent for more than 2 board meetings.
- Financial and Auditors Report Correspondence – Allowance of electronic correspondence for financial statements and auditor's report
- Notice correspondence – allowance of electronic correspondence for all notices

### Section 16

- Section 16 currently states – “If within half an hour 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 Members present or represented by proxy, if at least two and one half (2.5%) of the Members, shall constitute a quorum.”
- Proposed to amend section 16 to read - “If within five (5) minutes from the time appointed for the meeting a quorum is not achieved, the meeting will stand adjourned for five (5) minutes at which time, those owners present either by proxy or in person at the adjourned meeting will constitute a quorum and the meeting will resume.”

UPON MOTION DULY MADE BY Jason Edwards, 166 Royal Oak Green NW AND SECONDED BY Blair Roche, 66 Royal Oak Point NW IT WAS UNANIMOUSLY RESOLVED THAT the Special Resolution to Amend the Articles of the Association Section 16 as proposed.

#### Section 34

- Section 34 currently reads: “The office of Director shall be deemed to be vacated:
  - a) If he is found to be insane or becomes of unsound mind;
  - b) If by notice in writing to the Company he resigns his office upon the time herein before fixed for the resignation to take effect or the previous acceptance of the same;
  - c) If he be removed by resolution of the Company, as hereinafter provided;
  - d) If he ceases to be a member in accordance with Section 5; or
  - e) During any period that any sum shall be due or payable to the company by such director”
- Proposed to add clause 34 (f) – “If they are absent for 2 consecutive Board meetings without the consent of the remaining members of the Board a majority of the remaining members of the Board may resolve at the next subsequent meeting of the Board that his office be vacated.”

UPON MOTION DULY MADE BY Paul Cameron, 82 Royal Oak Point NW AND SECONDED BY Jeff Mottle, 234 Royal Oak Green NW IT WAS UNANIMOUSLY RESOLVED THAT the Special Resolution to Amend the Articles of the Association Section 34 be adopted as proposed.

#### Section 74

- Section 74 currently reads - “Subject to the provisions of the Companies Act (Alberta), a copy of the financial statement and a copy of the auditor’s report shall be sent to each Member (not including Family Members) by prepaid mail, at least 10 days before the date of the annual meeting or upon written request of such Member.”
- Proposed to amend section 74 to read - “Subject to the provisions of the Companies Act (Alberta), a copy of the financial statement and a copy of the auditor’s report shall be sent to each Member (not including Family Members) by prepaid mail or electronically, at least 10 days by mail or 24 hours by electronic means before the date of the annual meeting or upon written request of such Member.”

**Question:** Can we remove the 24 hours for electronic notification?

**Answer:** This can be removed.

**Question:** What is the problem with sending paper copies?

**Answer:** It is the cost associated.

UPON MOTION DULY MADE BY Jack Hua, 428 Royal Oak Heights NW AND SECONDED BY Jeff Mottle, 234 Royal Oak Green NW IT WAS UNANIMOUSLY RESOLVED THAT the Special Resolution to Amend the Articles of the Association Section 74 be adopted as amended to remove the 24 hours for the electronic means of communication and to state "10 days by mail **and/or** by electronic means".

#### Section 76

- Section 76 currently states - "Any notice may be served by the Company on any Member either personally or by leaving it at the address of a Member as the same appears in the books of the Company, or if no address is given therein, to the address shown on the Certificate of Title to the lot in The Cascades in Royal Oak Subdivision giving membership status to such individual. Any notice sent by post shall be deemed to have been served in the third business day following the mailing thereof."
- Proposed to amend section 76 to read - "Any notice may be served by the Corporation on any of the Members either personally or by sending it by electronic mail to the electronic address provided to the Corporation by an Owner, or through the post in a prepaid envelope or wrapper addressed to such Member as his address as the same appears in the books of the Corporation, or if no address is given therein, to the last address of such Member known to the secretary. Notice shall be deemed served the third business day thereof by prepaid mail, wrapper, or twenty-four (24) hours by electronic means. 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 Member 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 Her Majesty's letter boxes."

UPON MOTION DULY MADE BY Wayne McKinnon, 226 Royal Oak Court NW AND SECONDED BY Jeff Mottle, 234 Royal Oak Green NW. IT WAS RESOLVED BY 19 MEMBERS IN FAVOR AND 4 OPPOSED (82% IN FAVOR) THAT the Special Resolution to Amend the Articles of the Association Section 74 be adopted as amended to remove the 24 hours for the electronic means of communication and to state "Notice shall be deemed served the third business day thereof by prepaid mail, wrapper, **and/or** by electronic means."

Questions and Answers

**Question:** I have an Air BNB next to me. It is not a good thing. Is there anything the Board can do?

**Answer:** There really is not anything the Board can do. This would be more of a City issue to see if it is zoned properly.

**Question:** Previous AGM Minutes mentioned that the fencing is up to the owners to maintain and that the HOA would investigate a cost-effective way for owners to do this.

**Answer:** Nothing has really been done on this yet. It was brought up as a discussion point. The thought behind this was if we could find a contractor that could give us a deal as the fencing is 18 to 19 years old. However, each homeowner would have to pay for their own fence. Typically, the properties will have an encumbrance with architectural and color requirements for their fences. This is not really the HOA's responsibility to police. This is the cost of the homeowner.

**Question:** Can we get a copy of the Reserve Fund Study?

**Answer:** This is a governance document for the benefit of the Board. If you would like to see a copy of the Reserve Fund Study, please ask via email as the Board would like to review it with you as it can be deceiving in the amount of money it states that is required to be in the reserve fund.

**ADJOURNMENT**

UPON MOTION DULY MADE BY **Blair Roche, 66 Royal Oak Point NW** AND SECONDED BY **Ferdinand Randshuizen, 141 Royal Oak Place NW** IT WAS UNANIMOUSLY RESOLVED THAT the Meeting be adjourned.

The Meeting was adjourned at 9:30 P.M.

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CHAIRMAN

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SECRETARY



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**THE CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION  
COMPANIES ACT**

**SPECIAL RESOLUTION TO AMEND THE ARTICLES OF ASSOCIATION**

We hereby certify that the following special resolution was passed at a general meeting of the members of THE CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION on the 28<sup>th</sup> day of January, 2020

The Articles of Association of THE CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION is amended as follows:

1. Delete Section 16 and replace with the following:
  16. If within five (5) minutes from the time appointed for the meeting a quorum is not achieved, the meeting will stand adjourned for five (5) minutes at which time, those owners present either by proxy or in person at the adjourned meeting will constitute a quorum and the meeting will resume.
  
2. In Section 34, add clause 34(f) after clause 34(e) to read as follows:
  - 34(f). If they are absent for 2 consecutive Board meetings without the consent of the remaining members of the Board a majority of the remaining members of the Board may resolve at the next subsequent meeting of the Board that his office be vacated.
  
3. Delete Section 74 and replace with the following:
  74. Subject to the provisions of the *Companies Act* (Alberta), a copy of the financial statement and a copy of the auditor's report shall be sent to each Member (not including Family Members) by prepaid mail or electronically, at least 10 days by mail or by electronic means before the date of the annual meeting or upon written request of such Member.





3561

4. Delete Section 76 and replace with the following:

76. Any notice may be served by the Corporation on any of the Members either personally or by sending it by electronic mail to the electronic address provided to the Corporation by an Owner, or through the post in a prepaid envelope or wrapper addressed to such Member at his address as the same appears in the books of the Corporation, or if no address is given therein, to the last address of such Member known to the secretary. Notice shall be deemed served the third business day thereof by prepaid mail, wrapper, by electronic means. 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 Member 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 Her Majesty's letter boxes.

DATED the 22 day of MAY, 2020

Blair Roche  
DIRECTOR  
NAME: BLAIR ROCHE

DON McKinnon  
DIRECTOR  
NAME: DON MCKINNON

51846731-1



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ARTICLES OF ASSOCIATION

OF

THE CASCADES IN ROYAL OAK  
RESIDENTS ASSOCIATION

1. The Articles of Company contained in Table "A" in the Schedule to the Companies Act (Alberta) do not apply to this Company.
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, or any statutory amendment or modification thereof, shall have the meaning so defined, and
  - a) "Companies Act (Alberta)" means the Companies Act of the Province of Alberta, for the time being in force;
  - b) "Company" means the above named Association;
  - c) "Directors", "Board" and "Board of Directors" means the directors of the Company for the time being;
  - d) "Family Members" means the spouse (whether legally married to or not) of a Member and the lawful children (as distinguished from a child under 18 years of age for whom the Member or his spouse is not in the position of having legal responsibility for such child) of such Member and/or such spouse provided such spouse and children are actually residing in the residential property of the Member and located in The Cascades in Royal Oak lands;
  - e) "Member" or "Members" means a person or persons for the time being entered in the register of Members;
  - f) "month" means calendar month;
  - g) "office" means the registered office of the Company for the time being;
  - h) "Prestwick" means Prestwick Development Corp.;
  - i) "Restrictive Covenant" means an instrument registered against a title to certain property located in The Cascades in Royal Oak Subdivision to restrict the use of such property for the better enjoyment and greater benefit of The Cascades Amenities and The Cascades Amenities Parcels by all the Members;



- j) "Secretary" includes any person appointed to perform the duties of secretary;
  - k) "The Cascades Amenities" means collectively The Private Cascades Amenities and The Public Cascades Amenities.
  - l) "The Private Cascades Amenities" means the recreational areas, landscaped areas, entrance features, linear open spaces, pathways associated community and related signage, and related facilities located on The Cascades Amenities Parcels.
  - m) "The Public Cascades Amenities" means the Public Utility Lots, Environmental Reserves, Municipal Reserves, public walkways, road boulevards, road medians, associated community and related signage and related facilities.
  - n) "The Cascades Amenities Parcels" means those specifically located on Block 1 Lot 15 Plan 9912474, Block 6 Lot 1 Plan 9912474, and Block 6 Lot 2 Plan 9912482, and on such other lots that may be created for The Private Cascades Amenities by Plan of Subdivision from time to time, and the final acreage, boundaries and number of lots required for The Private Cascades Amenities and The Cascades Amenities Parcels are solely at the discretion of Prestwick and are subject to the approval of the City of Calgary and other regulatory authorities but the portion thereof for which approval has been received is shown cross-hatched on the plan which is attached hereto as Schedule "A-1".
  - o) "The Cascades in Royal Oak Subdivision" means the lands being legally described in Schedule "A" attached hereto located generally in the Northwesterly portion of The City of Calgary, in the Province of Alberta and being part of the Rocky Ridge / Royal Oak residential subdivisions.
  - p) "these presents" means and includes these Articles of Company, and any modification or alteration thereof for the time being in force;
  - q) "writing" and "written" includes printing, typewriting, lithographing and other modes or representing or reproducing words in visible form which, without restricting the generality of the foregoing shall include telex, facsimile transmission or electronic mail;
3. Words importing the singular number include the plural number and vice versa, words importing the masculine gender include the feminine and words importing persons include corporations and companies.

## REGISTERED OFFICE

4. 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

5. The subscribers hereto shall be Members until they resign. Every person owning a residential property in The Cascades in Royal Oak Subdivision shall be a Member as long as such person so owns such residential property and shall forthwith cease to be a Member at any time a residential property in The Cascades in Royal Oak Subdivision is not owned by such person. Every person owning residential property in The Cascades in Royal Oak Subdivision shall agree, in writing to allow the registration of an Encumbrance and a Restrictive Covenant or an Easement against the title to their property confirming such membership, their obligations and their agreement to pay the annual rental charge. In the event any person owning a residential property in The Cascades in Royal Oak Subdivision delays, fails, or refuses to complete and allow the registration of the Encumbrance or Caveat such person does hereby irrevocably appoint the Company as his attorney to sign and deliver in his place and stead all such documents necessary to become a Member. PROVIDED ALWAYS:
  - a) where there is more than one such owner the Member shall be the person designated as 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, shall be the Member;
  - b) where a residential property is owned by a corporation the Member shall be a person resident in said property and designated by the corporation as the Member; and
  - c) 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; and
  - d) where a condominium project is located in The Cascades in Royal Oak Subdivision all of the individual owners of the condominium properties shall be entitled to become Members subject to subclause a) above;
  - e) in the event of difficulty or dispute in determining the Member, the Directors in their absolute discretion may designate the Member, the intention being that there be a Member from each residential property in The Cascades in Royal Oak Subdivision and that the Member be a natural person resident in The Cascades in Royal Oak Subdivision; and

- f) membership is not transferable by a Member but is determined by ownership and residence as herein set out.

#### REGISTER OF MEMBERS

6. A register of Members in such form as the Board may approve shall be maintained in which shall be recorded the names and addresses of all Members. The register of members shall be amended from time to time so that all Members are listed in the 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 not exceeding TEN DOLLARS (\$10.00) as set by the Board from time to time for the provision of a copy thereof.

#### RIGHTS OF MEMBERS AND FAMILY MEMBERS

7. Each Member shall have access to and be entitled to the use and benefits associated with The Private Cascades Amenities and The Cascades Amenities Parcels in common with all other Members. In the event a Member abuses their access to or use of The Private Cascades Amenities and The Cascades Amenities Parcels the Directors shall in their sole discretion be entitled to impose a monetary fine upon such Member in an amount not exceeding \$500.00 as the Directors may determine to be appropriate considering the conduct of the Member or Family Members. Any such fine imposed by the Director shall be a charge against the residential property owned by the Member or the Member of the Family Member secured by an Encumbrance.

#### MEMBERS' MEETINGS

8. 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 no more than sixteen (16) months after the holding of the last preceding annual general meeting, at such time and place as may be determined by the Directors.
9. 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.

- b) All meetings of Members shall be held in the City of Calgary in the Province of Alberta.
  - c) No Family Member shall be entitled to notice of any meeting, general, special or otherwise of the Company, nor shall any Family Member have the right to vote at any such meeting, but they may attend same; and
  - d) Only Members shall be entitled to vote, or propose, or second resolutions at meetings of the Members.
10. The Directors may, whenever they think fit, proceed to convene a special general meeting of the Company.
11. 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 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 Members registered in the register of Members at the time such notice is served or if a record date has been fixed, if it is proposed that: (i) additional obligations other than those specifically set forth in the Memorandum of Association of the Association are to be assumed by the Association; or (ii) the amount of the annual rent charge imposed upon each residential unit, multi-site condominium unit, or each rental apartment unit in the Subdivision be increased to greater than \$200.00, or a further increase thereafter, or to approve a Special Assessment then such specific notice of such proposed Special Resolution must be provided by the directors, to 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 Members entitled to notice of such meeting are present in person or represented thereat by proxy or if the absent 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 Member or the duly appointed proxy of any Member. It shall not be necessary to give notice of any adjourned meeting.

12. 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 Member or Members, shall not invalidate any resolution passed or any proceedings taken at any meeting or shall not prevent the holding of such meeting.

## PROCEEDINGS AT MEMBERS' MEETINGS

13. All business shall be deemed special that is transacted at a special general meeting and all business 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 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.
14. 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, five percent (5%) of the Members either personally present or represented by proxy shall be a quorum.
15. 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 such officers shall not be present within fifteen (15) minutes after the time appointed for holding such meeting, the Members present shall choose a Director as chairperson, and if no Director be present, or if all the Directors present decline to take the chair, then the Members present shall choose one of their number to be chairperson. The chairperson at any meeting of Members may appoint one or more persons who are Members to act as scrutineers.
16. If within half an hour 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 Members present or represented by proxy, if at least two and one half (2.5%) of the Members, shall constitute a quorum.
17. Every question submitted to a meeting shall be decided in the first instance by a show of hands or otherwise as the chairperson may direct and in the case of an equality of votes the chairperson shall, both on a show of hands or otherwise, have a casting vote in addition to the vote to which he may be entitled to as a Member.
18.
  - a) At any meeting unless a poll is demanded by the chairperson or by one-tenth of the Members present a declaration by the chairperson that a resolution has been carried or carried by a particular majority, and an entry to that effect in the book of proceeds 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 chairperson 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 chairperson of a general meeting may, with the consent of the meeting, adjourn the meeting 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.

#### VOTES OF MEMBERS

20. On a show of hands every Member present in person, including the proxy nominees of a Member, shall have one vote. No Family Member shall be entitled to vote unless acting as proxy for a Member.
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 his attorney duly authorized in writing, and need not be attested. A person appointed proxy must be a Member or Family 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 not less than twenty-four (24) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, unless the Board determined to accept proxies submitted at the meeting. If there is any default of such deposit the proxy 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 Member, 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 counted in a quorum whilst any sum shall be due or payable to the Company by such Member.



## BORROWING POWERS

27. The Directors may from time to time at their discretion raise or borrow money for the purpose of the Company business in amounts in the aggregate not exceeding Ten Thousand Dollars (\$10,000.00) at any time.

## DIRECTORS

28. Unless otherwise determined by a general meeting, the number of Directors shall be not less than three (3) or more than fifteen (15).
29. The subscribers hereto shall be the first Directors of the Company.
30. The Directors shall have power from time to time and at any time, to appoint by ordinary resolution any other person or persons as Director or Directors, either to fill a casual vacancy or vacancies or as an addition or additions to the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles or by a general meeting.
31. A Director, other than a subscriber or nominee of a subscriber, must be a Member of the Company.
32. The Directors shall not be entitled to be paid out of the funds of the Company by way of remuneration for their services as Directors.
33. 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. The office of a Director shall be deemed to be vacated:
  - a) if he is found to be insane or becomes of unsound mind;
  - b) if by notice in writing to the Company he resigns his office upon the time herein before fixed for the resignation to take effect or the previous acceptance of the same;
  - c) if he be removed by resolution of the Company, as hereinafter provided;
  - d) if he ceases to be a member in accordance with Section 5; or

- e) during any period that any sum shall be due or payable to the Company by such Director.
- 35. A Director shall be disqualified, by his office, from contracting with the Company either as a vendor, purchaser or otherwise howsoever.
- 36. 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 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.
- 37. A retiring Director shall be eligible for re-election.
- 38. The Company at every annual general meeting shall fill up the vacated offices by electing a like number of person 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 may be fixed by such meeting.
- 39. The Company may, by special resolution of the 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.

#### REGISTER OF DIRECTORS AND OFFICERS

- 40. 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 provision in regard to the keeping of the registers of the Directors and officers and their addresses and occupations, the signing of the balance sheet, the filing with the Registrar of Companies 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 form of proxy and the issuing of information circulars.

## PROCEEDINGS OF DIRECTORS

41. 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.
42. Meetings of the Board of Directors shall be held in the City of Calgary, in the Province of Alberta.
43. 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 or mailed to each Director at his ordinary address at least three (3) business days prior to such meeting, shall be sufficient notice of any meeting of the Directors. In computing such period of three (3) business days, the day on which such notice is delivered or received shall be included; and the day for which the notice is given shall be excluded. Notices shall be deemed received when delivered if served by delivery or two (2) business days after mailing if served by mail. Notice of any meeting, or irregularity in any meeting or in the notice thereof, may be waived by that individual Director. The Director may by resolution appoint a regular time and place for meetings, and no further or other notice of such time and place other than the entry of such resolution in 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 newly elected Directors shall be held and no notice of such meeting shall be necessary.
44. 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 Calgary as the Directors may from time to time determine.
45. The President or Secretary shall at the request of not less than 20% of the Directors, convene a meeting of Directors.
46. Questions arising at any meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes, the chairperson shall have a second or casting vote.

47. 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 regulations 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.
48. The Directors may approach one of their number to be chairperson of the Board of Directors, and in the absence of such appointment the President shall serve as chairperson of the Board. If the chairperson is not present at any meeting at the time appointed for holding the same, the Directors present shall choose one of their number to be chairperson of such meeting.
49. A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion's by or under the regulations of the Company vested in or exercisable by the Directors generally.
50. 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 that may from time to time be imposed upon it by the Directors.
51. 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 past preceding clause.
52. 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.
53. A resolution in writing, signed by all the Directors without their meeting together, and 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

54. 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 chairperson of such meeting, or by the chairperson of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

## POWERS OF DIRECTORS

55. 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 or any other duties or responsibilities which may be assigned to the Company from time to time and are not hereby or by statute expressly directed or required to be exercised or done by the Members at a 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 of the Company, and shall have full effect accordingly; and it is expressly declared that the following shall be deemed to be 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 Members;
  - b) as to the annual rent charge or other subscriptions or payments to be payable by the Members of the Company;

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- c) as to the manner in which a Member may be assessed a monetary fine for abuse of the access and use of The Private Cascades Amenities or The Cascade Amenities Parcels;
- d) as to the maintenance of the Company's amenities and facilities and use of the Company's amenities and facilities by Members and Family Members;
- e) as to the maintenance of property which the Company is obliged to maintain even if the Company has no ownership interest therein; and
- f) as to committees of Members in connection with the management of the Company, and as to the appointment, removal, qualification, disqualification, duties, function, powers and privileges of Members of such committees.

56. It is hereby disclosed to all Members that representatives of Prestwick are or will be Members of the Company and all Members of the Company do hereby unanimously agree to the provisions of Section 57 below and do hereby unanimously entirely release Prestwick, the representatives of Prestwick, the Company and the Directors and officers of the Company from the legal results of any conflict that they or Prestwick may otherwise be in as a result of Prestwick and the Company entering into an Agreement for the development, the initial management operation of, maintenance of and delivery of The Private Cascades Amenities and The Cascade Amenities Parcels to the Company and the maintenance, if any, of The Public Cascades Amenities 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 Section 57 below.

**TEMPORARY REMOVAL OF OFFICERS' AND DIRECTORS' AUTHORITY AND RESPONSIBILITIES**

57. The Private Cascades Amenities and The Cascades Amenities Parcels have been designed, engineered and planned solely by Prestwick who has agreed to develop and construct such amenities at its sole cost and responsibility. Prestwick has also agreed to be responsible for the operation, maintenance and management of The Private Cascades Amenities and The Cascades Amenities Parcels until on the later of November 30, 2003, or the date that 95% of the titles to the residential lots in The Cascades in Royal Oak Subdivision have been transferred to homeowners of the residential lots in The Cascades in Royal Oak Lands have been sold by Prestwick and to then transfer the operation, maintenance, management and, to the extent legally permissible, ownership of The Private Cascades Amenities and The Cascades Amenities Parcels to the Company or an associated company of the Company providing that the Company does not hinder Prestwick's efforts or increase the development, construction, operating, management, or maintenance costs for The Cascades Amenities and The Cascades Amenities Parcels by

becoming involved in, investigating or interfering in or trying to exercise any authority or control in the development, construction, operation, maintenance or management of The Cascades Amenities and The Cascades Amenities Parcels. Provided that the Company does not hinder or otherwise interfere with Prestwick, as set out above, Prestwick has agreed to provide by means of a loan sufficient monies which together with the monies received from the encumbrances, will allow for the proper operation and maintenance of The Private Cascades Amenities and The Cascades Amenities Parcels. Prestwick has agreed that repayment of any balances of such loans not repaid when both title to and management of The Private Cascades Amenities and The Cascades Amenities Parcels are delivered to the Company will be forgiven provided that such unpaid balances are not the result of the failure of the Company under this section. 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 both the ownership of The Private Cascades Amenities and The Cascades Amenities Parcels, to the extent legally permissible, and the operation, maintenance and management of same are formally transferred to the Company by Prestwick, the powers of the Officers and Directors of the Company to manage the business and affairs of the Company are hereby released from such duties and from any liability for failure to otherwise exercise such duty in so far 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, and construction of The Private Cascades Amenities and The Cascades Amenities Parcels and during such period the maintenance and operation of same. 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 Prestwick be involved in the operation of The Private Cascades Amenities and The Cascades Amenities Parcels.

#### OFFICERS

58. 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.
59. 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 of whom he occupies.

60. Any Officer of the Company shall be entitled to attend any Members' meeting.

#### SEAL

61. 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.

#### DIVIDENDS

62. As the Company is formed solely for the purpose of promoting recreation, social communication and aesthetic improvements amongst its Members and The Cascades in Royal Oak Subdivision 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 Member of the Company.

#### RESERVES AND FUNDS

63. The Directors 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 and other property which it is obliged to maintain, replacing the wasting assets, meeting contingencies, forming an insurance reserve or for any other purposes whatsoever for which the profits 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 a reserve.
64. The Directors may create a fund or funds out of the assets of the Company 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 the wasting assets, meeting contingencies, forming an insurance fund or for any other purpose for which the profits of the Company may lawfully be used.



65. 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 COST OF ASSOCIATION

66. The Directors shall implement a procedure to monitor and to determine the costs of operating, maintaining and managing The Cascades Amenities and The Cascades Amenities Parcels.
- 67.
- a) Each member shall pay to the Company the annual rent charge as established from time to time by the Directors or Members pursuant to Section 69 herein, in their unfettered discretion to cover all costs (as actually incurred), expenditures (including, without limitation, all administrative expenses) and outgoings (whether of a capital nature or not) incurred by the Company in the fulfillment of its objects, including the development, operation, maintenance and management of The Cascades Amenities and The Cascades Amenities Parcels or such other responsibilities or obligations as may be approved by resolution of the Company. Such annual rent charge shall be registered against title to each residential unit, condominium unit and rental apartment unit as security for payment thereof. Notwithstanding the foregoing, the Company may where it deems it reasonable and prudent, assess an individual Member or any one or more Members individually for a cost, expense or outgoing of the Company relating principally to such one or more Members;
  - b) The Members shall pay to the Company such sums as the Directors or Members pursuant to Section 69 herein, may from time to time determine in their sole discretion are required to establish a contingency reserve fund to meet the obligations of the Company; and
  - c) Any dues, assessments or charges for such costs, expenditures and outgoings unpaid when due shall bear interest at a rate of 18% per annum until paid, and such assessment or charge, together with any interest thereon and all costs incurred in connection with the collection thereof, including legal costs on a solicitor and own client basis, shall be a charge against the Lands or such one or more lots therein to which such unpaid assessment or charges relate as the Company shall deem fit or appropriate.
68. The initial annual rent charge shall be \$200.00 per residential unit, condominium unit and rental apartment unit and such annual rent charges shall be shown in the Encumbrance registered as security for the same. Notwithstanding this Clause, neither the developer, nor a builder acquiring a lot from a developer, shall be responsible for payment of the

annual rent charge until such time as title has been transferred into the name of the owner of the residential unit, or condominium unit, or until the rental apartment unit is occupied.

69. If the resulting contributions received do not result in sufficient income to pay the costs of the Company, then the Directors shall increase its income 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) the Directors may increase the annual rental charge to the Members;
  - c) they shall present a full report on the operating cash deficiency to the next annual general 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 Members;
  - d) if they determine that addressing such deficiency should not await the next ensuing annual general meeting, they shall call a special general meeting of the Company to consider the matter; and
  - e) any increase in the annual rent charges shall only be increased in the same ratio that the existing rental charges have one to another as indicated in clause 68 herein and as contained in the Encumbrance in existence at the time of the meeting.

The Members shall be bound by the decision of the Directors or Members passed in accordance with these Articles and agree to the amendment of their Encumbrance in accordance with the decision of such meeting; and 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 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 an Encumbrance or Caveat as referred to above and if he delays, fails, or refuses to complete the new Encumbrance or Caveat the Company is hereby appointed as his attorney to sign and deliver such new Encumbrance or Caveat in his place and stead.

## ACCOUNTS

70. 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.

71. The books of account and accounting records shall be kept at the records 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 by the Directors and duly authorized representatives of the City of Calgary during the normal business hours of the Company.
72. 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 Members not being Directors, and no Member (not being a Director) shall have any right of inspection of any account or book or document of the Company except as conferred by law or authorized by the Directors.
73. The Directors shall prepare before each annual general meeting of the Members a financial statement and the report of the auditor to the Members thereon. The financial statement shall:
  - a) be approved by the Board of Directors and signed by two (2) of them;
  - b) cover a period that ended not more than six (6) months before the annual general meeting;
  - c) subject to the provisions of the Companies Act (Alberta), contain a comparative statement (except in the case of the first statement) relating separately to the latest completed financial year next 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 provision 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.
74. Subject to the provisions of the Companies Act (Alberta), a copy of the financial statement and a copy of the auditor's report shall be sent to each Member (not including Family Members) by prepaid mail, at least 10 days before the date of the annual meeting or upon written request of such Member.

75. Subject to the provision of the Companies Act (Alberta), a comparative six-month interim financial statement, if prepared by the Company, shall be sent to each Member upon written request of such Member.

#### NOTICES

76. Any notice may be served by the Company on any Member either personally or by leaving it at the address of a Member as the same appears in the books of the Company or by sending it through the post in a prepaid envelope addressed to such Member at his address as the same appears in the books of the Company, or if no address is given therein, to the address shown on the Certificate of Title to the lot in The Cascades in Royal Oak Subdivision giving membership status to such individual. Any notice sent by post shall be deemed to have been served on the third business day following the mailing thereof.
77. Any notice or document delivered or sent by post or left at the address of any Member as the same appears on the books of the Company shall, notwithstanding such Member be then deceased and whether or not the Company had 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 a Member, 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 such Member.
78. 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.
79. 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.
80. 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, including the proper address thereof, or delivery 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 Member, Director or Officer of the Company, as the case may be.
81. 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 Members unless the same is special business.
82. A special general meeting and the annual general meeting may be convened by one and the same notice, and there shall be no objection to the said notice on the basis that it only

convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

#### RECORD DATE

83. The Directors may fix a time in the future not exceeding thirty (30) days preceding the date of any meeting of Members as a record date for the determination of the Members entitled to notice of, and to vote at, any such meeting, and only the 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 Members on the Register of members after any such record date fixed as aforesaid.

#### INDEMNITY


84. Except as otherwise hereinafter provided, every Director, Officer or employee of the Company shall be indemnified by the Company against all losses and expenses which any such Director, Officer or employee shall incur or become liable for by reason of any contract entered into or act or thing done by him, in good faith, discharging his duties as a Director, officer or employee of the Company.
85. Any person made a party to any action, suit or proceeding by reason of the fact that he, his testator or intestate, is or was a Director, Officer or employee of the Company, shall be indemnified by the Company against reasonable expenses, including attorneys' fees, actually and necessarily incurred by him 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, officer or employee is liable for negligence or misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director, Officer or employee 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, Officer or employee in any proper case not provided for herein.
86. No Director, officer or employee of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, Officer or employee or for joining in any receipt or neglects or defaults of any other Director, Officer or employee 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 or 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 judgement or oversight on his part or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty, or unless it is otherwise provided in a contract of service with such Director, Officer or employee.

DATED at the City of Calgary, in the Province of Alberta, this 1 day of Sept 1999.

NAMES, ADDRESSES AND OCCUPATION OF SUBSCRIBERS

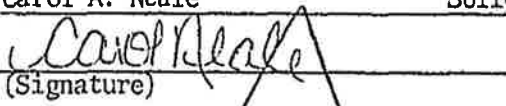
SUBSCRIBERS	OCCUPATION	ADDRESS
<u>Jay Westman</u>	<u>Businessman</u>	<u>A-203, 9705 Horton Road</u> <u>S.W., Calgary, Alberta T2V 2X5</u>

(Signature) 

<u>Scott Haggins</u>	<u>Businessman</u>	<u>#140, 550 - 71 Avenue S.E.</u> <u>Calgary, Alberta T2H 0S6</u>
----------------------	--------------------	--

(Signature) 

<u>Carol A. Neale</u>	<u>Solicitor</u>	<u>C200, 9705 Horton Road S.W.</u> <u>Calgary, Alberta T2V 2X5</u>
-----------------------	------------------	---

(Signature) 

Witness to the Above Signatures

**GERALD E. MASUCH**  
A203, 9705 HORTON ROAD S.W.  
CALGARY, ALBERTA T2V 2X5  
Barrister and Solicitor  
Notary Public In and for  
the Province of Alberta

SCHEDULE "A"

MERIDIAN 5 RANGE 2 TOWNSHIP 25  
SECTION 21  
QUARTER NORTH WEST  
CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS

EXCEPTING THEREOUT:

Plan	Number	Hectares	(Areas) More or Less
Subdivision	9910846	2.064	5.10
Subdivision	9912474	6.248	15.44
Subdivision	9912482	0.275	0.68

EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 9910846  
BLOCK 1  
LOT 1 TO LOT 9, INCLUSIVELY  
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 9912474  
BLOCK 1  
LOT 10 TO LOT 13, INCLUSIVELY  
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 9912474  
BLOCK 1  
LOT 15  
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 9912474  
BLOCK 2  
LOT 1 TO LOT 33, INCLUSIVELY  
EXCEPTING THEREOUT ALL MINES AND MINERALS

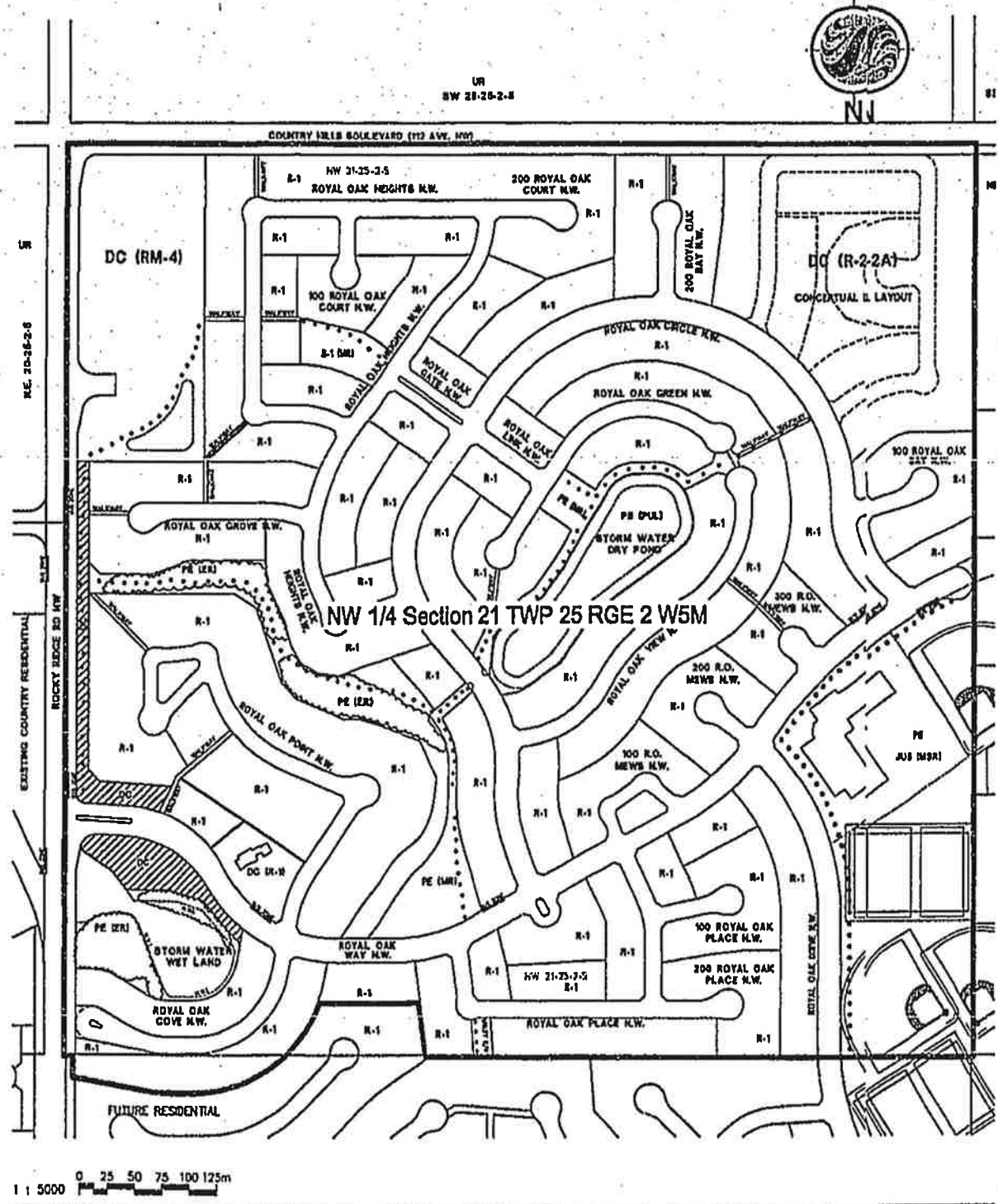
PLAN 9912474  
BLOCK 4  
LOT 1 TO LOT 4, INCLUSIVELY  
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 9912474  
BLOCK 6  
LOT 1  
EXCEPTING THEREOUT ALL MINES AND MINERALS

PLAN 9912482  
BLOCK 6  
LOT 2  
EXCEPTING THEREOUT ALL MINES AND MINERALS



1:5000  
0 25 50 75 100 125m



Note:  
The Land Uses, Road Layout and  
Lotting Configuration May Change  
From Time To Time.

**Schedule A-1**  
Title  
**The Cascades In  
Royal Oak Subdivision  
NW 1/4 Section 211  
Twp. 25 Range 2 W5M**

16440402

CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION

FINANCIAL STATEMENTS

MARCH 31, 2020

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION**  
**MARCH 31, 2020**

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▶ Statement Of Operations And Operating Fund Surplus	7
▶ Statement Of Reserve Fund	8
▶ Statement Of Cash Flows	9
▶ Notes To Financial Statements	10-14

# **Hyde & Hull LLP**

**Chartered Professional Accountants**

104C, 9705 Horton Road SW, Calgary, Alberta T2V 2X5

Bus: (403) 209-3881 Fax: (403) 209-3815

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members:**

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION**

### **Opinion:**

We have audited the accompanying financial statements of **Cascades In Royal Oak Residents Association**, which comprise the statement of financial position as at **March 31, 2020** and the statements of operations and operating fund surplus, reserve fund 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 **Cascades In Royal Oak Residents Association** as at **March 31, 2020** and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for a Not-For-Profit Organization.

### **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 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 Matters:**

The financial statements for the year ending March 31, 2019 were audited by other auditors, who expressed their opinion without reservation, dated September 23, 2019.

**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 a Not-For-Profit Organization, 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 Responsibility 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 controls.

- 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 managements'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 financials, including the disclosures, and whether the financials 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.

Calgary, Alberta  
October 2, 2020



Hyde & Hull LLP  
Chartered Professional Accountants

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2020**

	Operating Fund	Reserve Fund	Total	
	\$	\$	2020 \$	2019 \$
<b><u>ASSETS</u></b>				
<b>Current</b>				
Cash	83,073	275,919	358,992	355,053
Investments (Note 3)	-	20,625	20,625	70,200
Accounts Receivable	71,355	-	71,355	88,763
GST Receivable	2,133	-	2,133	-
Prepaid Expenses	1,814	-	1,814	1,813
Due To Operating	<u>3,675</u>	<u>(3,675)</u>	<u>-</u>	<u>-</u>
	<u>162,050</u>	<u>292,869</u>	<u>454,919</u>	<u>515,829</u>
 <b><u>LIABILITIES</u></b>				
<b>Current</b>				
Accounts Payable And Accrued Liabilities	5,830	-	5,830	6,305
GST Payable	-	-	-	1,745
Prepaid Fees	<u>5,532</u>	<u>-</u>	<u>5,532</u>	<u>9,440</u>
	<u>11,362</u>	<u>-</u>	<u>11,362</u>	<u>17,490</u>
<b>NET ASSETS</b>	<u>150,688</u>	<u>292,869</u>	<u>443,557</u>	<u>498,339</u>
 <b><u>NET ASSETS REPRESENTED BY:</u></b>				
Operating Fund Surplus	150,688	-	150,688	357,521
Reserve Fund	<u>-</u>	<u>292,869</u>	<u>292,869</u>	<u>140,818</u>
	<u>150,688</u>	<u>292,869</u>	<u>443,557</u>	<u>498,339</u>

APPROVED BY THE BOARD:

DocuSigned by:  
*Blair Roche*  
Blair Roche 30190C0EA4A6461...

DocuSigned by:  
*Don McKinnon*  
Don McKinnon 140C3E704D3840F...

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION  
STATEMENT OF OPERATIONS AND OPERATING FUND SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>REVENUE</b>		
Membership Fees	167,726	168,200
Less: Reserve Fund Contribution	<u>15,015</u>	<u>15,759</u>
	152,711	152,441
Interest And Other Income	<u>11,650</u>	<u>324</u>
	<u>164,361</u>	<u>152,765</u>
<b>EXPENSES</b>		
Administration And Website	11,257	8,494
Bank Charges	1,462	3,190
Community Events	3,326	3,241
Electrical Repairs	-	175
Utilities	11,920	17,111
Insurance	2,720	2,272
Irrigation	4,361	260
Landscaping And Snow Removal	81,960	78,936
Management Fees	30,623	28,325
Professional Fees	2,849	2,960
Repairs And Maintenance	-	1,035
Seasonal Lighting	<u>4,013</u>	<u>7,715</u>
	<u>154,491</u>	<u>153,714</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	9,870	(949)
<b>OPERATING FUND SURPLUS, beginning of year</b>	<u>140,818</u>	<u>141,767</u>
<b>OPERATING FUND SURPLUS, end of year</b>	<u>150,688</u>	<u>140,818</u>



**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION**  
**STATEMENT OF RESERVE FUND**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>REVENUE</b>		
Reserve Contribution	15,015	15,759
Interest	6,244	9,033
Less: Market Value Loss	<u>(11,301)</u>	<u>(1,995)</u>
	<u>9,958</u>	<u>22,797</u>
 <b>EXPENDITURES</b>		
Park Lighting	67,065	-
Professional Fees	3,675	-
Reserve Fund Study	<u>3,870</u>	<u>-</u>
	<u>74,610</u>	<u>-</u>
 <b>(DECREASE) INCREASE DURING THE YEAR</b>	 (64,652)	 22,797
 <b>BALANCE, beginning of year</b>	 <u>357,521</u>	 <u>334,724</u>
 <b>BALANCE, end of year</b>	 <u>292,869</u>	 <u>357,521</u>

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2020**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>CASH PROVIDED BY (USED IN):</b>		
<b>Operating Activities:</b>		
<b>Operating Fund</b>		
Excess Of Expenses Over Revenue	9,870	(949)
<b>Changes In Non-Cash Working Capital Items:</b>		
Accounts Receivable	17,408	(25,644)
Goods And Service Tax Receivable	(2,133)	-
Prepaid Expenses	(1)	(447)
Accounts Payable And Accrued Liabilities	(475)	(3,966)
Goods And Service Tax Payable	(1,745)	(547)
Prepaid Fees	<u>(3,908)</u>	<u>(1,847)</u>
	<u>19,016</u>	<u>(33,400)</u>
<b>Reserve Fund</b>		
Reserve Contribution	15,015	15,759
Interest	(5,057)	7,038
Expenditures	<u>(74,610)</u>	<u>-</u>
	<u>(64,652)</u>	<u>22,797</u>
<b>Investing Activities:</b>		
Cash From Investments	<u>49,575</u>	<u>50,920</u>
<b>NET CASH INCREASE DURING THE YEAR</b>	3,939	40,317
<b>CASH, beginning of year</b>	<u>355,053</u>	<u>314,736</u>
<b>CASH, end of year</b>	<u>358,992</u>	<u>355,053</u>

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**1. INCORPORATION**

Cascades In Royal Oak Residents Association (the "Association") is incorporated under Section 9 of the Companies Act of Alberta as a not-for-profit organization mandated to oversee the care and maintenance of specific common areas within the community. The Association is exempt from income tax under section 149(1)(I) of the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The Association has elected to apply the Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Accounting Handbook for Not-For-Profit Organizations.

**Revenue Recognition**

Membership fees, as set by the Board of Directors, are recognized as revenue when they become due.

**Donated Services**

The work of the Officers and members of the Board of Directors is provided on a voluntary basis. The value of donated services is not recognized in these financial statements.

**Fund Accounting**

The Association follows the restricted fund method of accounting for contributions.

**Operating Fund**

The operating fund reports contributions from the members, and the expenses related to operations and administration of the association.

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**2. CONTINUED**

**Reserve Fund**

The Board of Directors have internally restricted a portion of the annual assessments for a Reserve Fund. The reserve fund reports the contributions from members and expenditures for major repair and replacement cost. Only major repairs and replacements are charged directly to this reserve fund. Minor repairs and replacements are charged to the operating fund. The Association segregates amounts accumulated for the purpose of financing future charges to the reserve fund in special accounts, for use only to finance such charges. Interest earned on these amounts is credited directly to the reserve fund.

**Financial Instruments**

**Measurement Of The Financial Instruments**

The Association initially values its financial assets and liabilities at fair value.

The Association subsequently values all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets valued at amortized cost include cash, investments and accounts receivable.

Financial liabilities valued at amortized cost include accounts payable and accrued liabilities.

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2020**

**2. CONTINUED**

Impairment

Financial assets valued at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be revised to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal, had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Cash And Cash Equivalents

The Association's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

**3. INVESTMENTS**

Investments consist of the following:

	<u>\$</u>
Ishares S&P/TSX, Issued Sep 18, 2014 (Original cost \$29,830.35)	<u>20,625</u>

**4. FINANCIAL INSTRUMENTS**

The Association's financial instruments are cash, accounts receivable, investments and accounts payable and accrued liabilities.

- a) Credit risk - Accounts receivable are due from the members and various individuals and are subject to low credit risk.
- b) Interest rate risk - The cash bears interest at variable market rates. A change in interest would not have a significant effect on cash flow.

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**4. CONTINUED**

c) Liquidity risk - The risk that the Association will not be able to meet its cash requirements as they come due or be able to liquidate its assets in timely manner at reasonable prices.

Liquidity risk is managed by the preparation of annual budgets, raising fees sufficient to pay its annual expenses and to make the required reserve fund contributions on a timely basis, through the use of daily interest bank accounts, earning a return while maintaining liquidity.

**5. CAPITAL DISCLOSURES**

The Association's objective when managing capital is to safeguard its ability to continue as a going concern with sufficient capital to pay monthly operating costs as they come due as well as to fund major repairs from time to time.

The Association's capital is comprised of its operating fund and its reserve fund. In managing its capital, the Association prepares an annual budget of operating costs and repairs with expected funding sources. This budget is approved by the Board of Directors.

The Association also considers as part of the annual budget, the adequacy of the reserve fund which is used to fund major repairs that are required or expected to be required from time to time in the future.

In order to maintain or adjust the capital structure, the Association may increase the assessments or may assess the members special levies.

**6. Comparative Figures**

Certain prior years figures have been reclassified to conform with the current year presentation.

**CASCADES IN ROYAL OAK RESIDENTS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2020**

**7. LANDS**

The Association owns 5.7 km<sup>2</sup> of common land located in the community of Royal Oak in Calgary, Alberta. The Association manages the land in the phases where development has been fully completed. Where development is still ongoing, the management of these lands is retained by the property developer.

**8. MAJOR COMMITMENTS**

**Management**

The Association has engaged the services of a professional property manager to provide accounting and administrative services at a monthly fee of \$3,071.00 plus GST for a term ending March 31, 2021.

**9. INSURANCE COVERAGE**

The Corporation currently has insurance coverage for the period ending December 1, 2020. The coverage is for Commercial General Liability and Owners and Tenants Liability. No deductibles have been listed on certificate of insurance.

**10. COVID-19**

In March 2020 the COVID-19 virus was declared a global pandemic, and it unfortunately continues to spread rapidly. The COVID-19 outbreak is disrupting employment, supply chains and consumer demand across a broad range of industries and countries. The extent of the impact of COVID-19 on the Corporation's operation and financial performance will depend on certain developments, including the duration and spread of the outbreak and the financial impact on the members, employees and vendors, all of which are uncertain and cannot be predicted. Management is carefully monitoring the situation and evaluating its options during this time. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

January 21, 2020

Unit Owners of  
The Cascades in Royal Oak Residents Association

Dear Owners,

**Re: Certificate of Insurance**

Please find the new Certificate of Insurance for the The Cascades in Royal Oak Residents Association for your records.

Please note The Cascades in Royal Oak Residents Association insurance premiums was \$2,720 for 2019/2020 and is \$3,539 for 2020/2021.

The increase in premium is due to the current state of the insurance industry, specifically as it relates to wood frame structures and the number of claims in Alberta and worldwide, where insurance companies continue to experience a greater number of claims reported with higher payouts.

We strongly recommend that every owner purchase adequate personal insurance for their home. Without personal coverage, the owner is exposed to significant risk.

Insurance Terminology that you may not be aware what it means:

Personal property insurance can have the following types of coverage available to protect your home and the owner's belongings from damages:

Personal Property / Contents – in general terms, this coverage includes all the content items a unit owner brings into the unit or keeps in a storage locker on premises, such as furniture, electronics, clothing, tires, etc. Most policies will also cover the personal property while it is temporarily off premises, on vacation for example.

Additional Living Expenses – This coverage helps unit owners and their families deal with the extra expenses which can often result if the home is made unfit for occupancy due to an insured loss or damage. Whether it is a fire or significant water damage due to no fault of their own, unit owners may have to move out while their unit is being repaired. In the case of an investment unit, this coverage helps pay the owner's rental income loss due to a tenant having to find alternate living accommodations due to insured loss or damage.

Betterments & Improvements – Many unit owners spend considerable money making the unit their own; old carpet is replaced with hardwood flooring, cabinets and counter tops are updated and fixtures modernized to the 21st century. The unit owner's personal insurance policy provides coverage for these items, which may be excluded from coverage under the Condominium Corporation's insurance policies (dependent on how the By-Laws read).



Personal Liability – At home or pretty much anywhere in the world, unit owner’s policies provide comprehensive protection for claims against owners for property damage and bodily injury.

Simco Management has explored and found the following potentially attractive option for your homeowner and tenant insurance policy; the company is called Nuera Insurance Inc. Homeowners and Tenants can purchase their own insurance policy with Nuera Insurance or if you wish to obtain a competitive quote to compare to your current insurance policy. Owners can pass this information on to your tenants to encourage them to obtain tenant insurance and ensure proper coverage as well. Nuera’s contact information is listed below:

**Nuera Insurance Inc.**

Web Link - <https://www.nuerainsurance.ca/simco>

Receive an additional 5% off your insurance with Simco’s Discount Code - SIMCO

Contact Number - 1-866-683-6444

Office Hours – 8am to 6pm (7 days a week)

If you have any questions, please contact the undersigned.

Yours truly,

The Cascades in Royal Oak Residents Association

By it’s authorized agent,

Simco,Management (CALGARY) Inc.



JASMIN BRADLEY

Condo Division Team Manager, Condo/HOA Manager

Email: [jasmin@simcomgt.com](mailto:jasmin@simcomgt.com)

Enclosure

# CERTIFICATE OF INSURANCE

BROKER <b>Toole Peet &amp; Co. Limited</b> P.O. Box 4650 Station C 1135 - 17 <sup>th</sup> Avenue SW Calgary, AB T2T 5R5  BROKER'S CLIENT ID:	This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.
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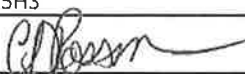
INSURED'S FULL NAME AND MAILING ADDRESS <b>The Cascades in Royal Oak Residents Association</b> Suite 1100, 840 7th Avenue SW Calgary, AB T2P 3G2	COMPANY A	<b>Northbridge General Insurance Corporation</b>
	COMPANY B	
	COMPANY C	
	COMPANY D	

This is to certify that the policies of insurance listed below have been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

**LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS**

TYPE OF INSURANCE	CO LTR	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS OF LIABILITY																		
<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS MADE OR <input checked="" type="checkbox"/> OCCURRENCE <input checked="" type="checkbox"/> PRODUCTS AND / OR COMPLETED OPERATIONS  <input checked="" type="checkbox"/> EMPLOYERS' LIABILITY <input checked="" type="checkbox"/> TENANT'S LIABILITY <input checked="" type="checkbox"/> NON-OWNED AUTOMOBILES <input checked="" type="checkbox"/> HIRED <input checked="" type="checkbox"/> POLLUTION LIABILITY EXTENSION <input checked="" type="checkbox"/> BROAD FORM CONTRACTUAL LIABILITY	<b>A</b>	CBC1950767	12/01/20	12/01/21	<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">EACH OCCURRENCE</td><td style="text-align: right;">\$ <b>5,000,000</b></td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$</td></tr> <tr><td>PRODUCTS - Comp/Ops Agg.</td><td style="text-align: right;">\$ <b>5,000,000</b></td></tr> <tr><td>PERSONAL &amp; ADVERTISING INJURY</td><td style="text-align: right;">\$ <b>5,000,000</b></td></tr> <tr><td>MED EXP (any one person)</td><td style="text-align: right;">\$ <b>50,000</b></td></tr> <tr><td>NON-OWNED AUTO</td><td style="text-align: right;">\$ <b>5,000,000</b></td></tr> <tr><td>LIMITED POLLUTION</td><td style="text-align: right;">\$ <b>250,000</b></td></tr> <tr><td>TENANT'S LEGAL LIABILITY</td><td style="text-align: right;">\$ <b>1,000,000</b></td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	EACH OCCURRENCE	\$ <b>5,000,000</b>	GENERAL AGGREGATE	\$	PRODUCTS - Comp/Ops Agg.	\$ <b>5,000,000</b>	PERSONAL & ADVERTISING INJURY	\$ <b>5,000,000</b>	MED EXP (any one person)	\$ <b>50,000</b>	NON-OWNED AUTO	\$ <b>5,000,000</b>	LIMITED POLLUTION	\$ <b>250,000</b>	TENANT'S LEGAL LIABILITY	\$ <b>1,000,000</b>		\$
EACH OCCURRENCE	\$ <b>5,000,000</b>																						
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	\$																						
<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> DESCRIBED AUTOMOBILES <input type="checkbox"/> ALL OWNED AUTOMOBILES <input type="checkbox"/> LEASED AUTOMOBILES  **ALL AUTOMOBILES LEASED IN EXCESS OF 30 DAYS WHERE THE INSURED IS REQUIRED TO PROVIDE INSURANCE					<table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 80%;">BODILY INJURY PROPERTY DAMAGE COMBINED</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per Person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per Accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE</td><td style="text-align: right;">\$</td></tr> </table>	BODILY INJURY PROPERTY DAMAGE COMBINED	\$	BODILY INJURY (Per Person)	\$	BODILY INJURY (Per Accident)	\$	PROPERTY DAMAGE	\$										
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BODILY INJURY (Per Accident)	\$																						
PROPERTY DAMAGE	\$																						
<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM (Specify)																							
<b>OTHER (SPECIFY)</b> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>																							

ADDITIONAL INSURED	DESCRIPTION OF OPERATIONS, LOCATIONS/ AUTOMOBILES/ SPECIAL ITEMS
Holder is added as Additional Insured but only with respect to Commercial General Liability arising out of the operations of the Named Insured.  Holder is also added as Loss Payable with respect to the listed location.	<b>Community Association</b>

<b>CERTIFICATE HOLDER</b>	1		<b>CANCELLATION</b>
Simco Management (Calgary) Inc.  2478 91 Avenue SE Calgary AB T2C 5H3			Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail <u>30</u> days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives
SIGNATURE OF AUTHORIZED REPRESENTATIVE			FAX NUMBER <b>(403) 228-0231</b>
PRINT NAME INCLUDING POSITION HELD		<b>Colleen Rossnagel, Account Manager</b>	EMAIL ADDRESS <a href="mailto:crossnagel@toolepeet.com">crossnagel@toolepeet.com</a>
		COMPANY <b>Toole Peet &amp; Co. Limited</b>	DATE <b>December 6, 2020</b>