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THE COMPANIES ACT

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ARTICLES OF ASSOCIATION

OF

HIGH RIVER REGIONAL AIRPORT LIMITED

INTERPRETATION

1. In these Articles, unless there is something in the subject or context inconsistent therewith, the following capitalized terms shall have the meanings ascribed thereto below:

"Airport Leaseholders" means (i) sublessees of land which is located at the High River Regional Airport and subleased to them by the Company, or (ii) sublessees of land which is located at the High River Regional Airport which was subleased to them by the Town or the MD, which subleases were assigned to and assumed by the Company on its incorporation;

"Annual General Meeting" means the regular General Meeting required by the Statutes to be held annually;

"Articles" means these Articles of Association, as amended from time to time;

"Chairman" means the chairman of a General Meeting;

"Company" means High River Regional Airport Limited;

"Directors", "Board" and "Board of Directors" mean the directors of the Company;

"General Meeting" means a meeting of the Members and includes an Annual General Meeting and an Extraordinary General Meeting;

"Extraordinary General Meeting" shall mean any General Meeting other than the Annual General Meeting;

"MD" means The Municipal District of Foothills No. 31, a municipal corporation of the Province of Alberta;

"Member" means a member of the Company as defined under the Statutes;

"Month" means calendar month;

"Office" means the registered office of the Company for the time being;

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**"Register" means the register of Members of the Company from time to time;**

"Representative" means a person representing a corporate Member who is appointed by the corporate Member to represent the said Member at General Meetings;

"Seal" means the corporate seal of the Company or any official facsimile of the same;

**"Share" shall mean a share in the authorized capital of the Company;**

**"Special Resolution" means a special resolution of the Company as defined under the Statutes;**

"Statutes" means the *Companies Act*, R.S.A. 2000, Chapter C-21, as amended from time to time, or any statute or statutes substituted therefor, and in the case of any substitution, the reference in these Articles to non-existing statutes shall be read as referring to the substitution therefor in the new statute or statutes;

"Town" means The Town of High River, a municipal corporation of the Province of Alberta;

Words importing the masculine gender include the feminine gender;

**Words importing persons shall include corporations;**

Words importing singular number include the plural number and vice versa;

Words which have a special meaning assigned to them in the Statutes have the same meaning in these Articles; and

Headings used throughout these Articles are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms or provisions of any Article nor to be deemed in any way to qualify, modify or explain the effect of any such provisions of terms.

## TABLE A

2. The regulation contained in Table A in the First Schedule to the *Companies Act*, R.S.A. 2000, Chapter C-21 shall not apply to the Company.

**OFFICE**

3. The Office of the Company shall be at the Town of High River in the Province of Alberta or at such place in Alberta as the Directors may from time to time appoint.

### ALLOTMENT OF SHARES

4. The Shares shall be under the administrative control of the Board; but only the Members, by Special Resolution, may allot or otherwise dispose of Shares to such persons, on such terms and conditions and at such times as the Members may determine. The Members may, by Special Resolution, permit any person or persons to become Members of the Company and upon the issuance of a certificate for Shares, such new Members shall be entitled to full rights and privileges of all kinds, including voting rights.

### SHARE CERTIFICATES

5. (a) Every Member shall be entitled, without payment, to one certificate, specifying:
- (i) the number of Shares in the Company held by it; and
  - (ii) the class of any such Shares.
- (b) If any certificate be defaced, lost or destroyed, it may be renewed on payment of \$1.00, or such lesser sum as the Board may prescribe, upon the person requiring a new certificate giving such evidence of the loss, theft, defacement or destruction and the giving of such indemnity to the Company as the Board may require.
- (c) Certificates for Shares and the blank endorsement thereon shall be in such form as the Board may approve by resolution and such certificates shall be signed by one of the President or a Director of the Company and also by one of the Secretary or another Director holding office at the time of signing. Notwithstanding any change in the persons holding any of the said offices between the time of actual signing and the issuance of the certificate and notwithstanding that the Officer signing may not have held office at the date of the issuance of the certificates, certificates so signed shall be valid and binding upon the Company.
- (d) A certificate for Shares shall be *prima facie* evidence of the title of the Members to the Shares therein designated.



### TRANSFER AND TRANSMISSION OF SHARES

6. (a) Shares of the Company may be transferred in the form of transfer or endorsement endorsed on the certificates issued for the Shares of the Company or in any form of transfer which may be approved by the Board, but no right, privilege, or Share of any Member shall in any way be transferable or transmissible without the approval of the Members by Special Resolution, and in every case, and subject to and saving and excepting as in the Statutes provided, the transferor shall be deemed to remain the holder of such Shares until the name of the transferee is entered in the Register in respect thereof.
- (b) Every certificate for Shares of which transfer is desired, accompanied by an instrument of transfer and such other evidence as the Board may require to prove the title of the transferor or his or its right to transfer the Shares, shall, for the purposes of registration, be left at the office of the Company.
- (c) All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Members may decline to register shall, on demand, be returned to the person depositing the same.
- (d) The Members may, from time to time, by Special Resolution prescribe further restrictions on the transfer of Shares and may rescind by resolution any restrictions so prescribed.
- (e) A fee not exceeding \$5.00 may be charged for each transfer and shall be paid before the registration thereof.
- (f) No Share shall be transferred to any infant, person of unsound mind, or bankrupt.
- (g) The executors or administrators of a deceased Member (not being one of several joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Member but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability in respect of any Share held by him jointly with any other person or persons. In the case of a Share registered in the names of two or more holders, the survivor or survivors, or the executors or administrators of the deceased survivor, shall be the only persons recognized by the Company as having any title to the Share.
- (h) Any person becoming entitled to Shares in consequence of the death, bankruptcy or insolvency of any Member (herein referred to as the person entitled to transmission) shall, within three months of becoming so entitled, produce to the Company such evidence as may be reasonably required by the Board to prove his or its title (including without limitation,

in the case of death, probate or letters of administration or a certified copy thereof, and evidence satisfactory to the Board, of payment and discharge of all liabilities or obligations as to the estate tax or other similar tax) and declare in writing his election, either to be himself or itself registered as a Member, or to have some other person, named by him or it, registered as a Member.

- (i) If any person entitled to any Shares by transmission shall give the required proof of his or its title and shall declare his or its election to be himself or itself registered as a Member, the Members by Special Resolution may place his or its name on the Register in respect of the Shares or if such person shall give the required proof and nominate another person to be registered, the Members by Special Resolution may place the name of the person so nominated on the Register in respect of the Shares.
- (j) Until any person becoming entitled to Shares by transmission shall have complied with the terms of these Articles, the Company shall not be bound to recognize the title of the person claiming under such transmission and if such person so becoming entitled to any partly paid Shares shall not have complied with the terms of these Articles for a period of three months from the time of so becoming entitled, the Board may cause to be served on him or it a notice requiring him or it to comply with the terms within a period of not less than one month from the date of such notice and stating that if he or it does not comply with the requirements of the notice, the Shares in respect of which notice is given will be liable to forfeiture. If the person on whom such notice has been served does not comply with the requirements set out therein, then the Shares in respect of which the notice has been given shall be liable to be forfeited by a Special Resolution of the Members passed at any time before the requirements of the notice shall have been complied with.
- (k) The Members have the same right to refuse to register the person entitled to any Shares by reason of the death, bankruptcy, insolvency, lunacy or infancy of any Member or his or its nominees as if he or it were the transferee named in an ordinary transfer presented for registration.

#### LIEN ON SHARES

7. The Company shall have a lien on every Share (not being a fully paid Share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that Share, and the Company shall also have a lien on all Shares standing registered in the name of a single person for all money presently payable by the person or the person's estate to the Company; but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this clause.



**ALTERATION OF SHARE CAPITAL**

8. (a) The Company may, by Special Resolution, alter its share capital as permitted by the Statutes.
- (b) New Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Special Resolution which resolves upon the creation thereof shall direct.

**REGISTER OF MEMBERS AND TRANSFERS**

9. (a) The Board shall cause a Register of Members to be kept at the Registered Office, in which shall be recorded the particulars set forth in the Statutes relating to the Members and their Shares, as well as the Representatives of corporate Members.
- (b) The subscribers to the Memorandum of Association of the Company shall be Members of the Company and shall be entered in the Register accordingly.
- (c) Entry of the transfer of any Share in the Register shall, for all purposes, constitute a complete and valid transfer and no transfer of any Share shall be valid unless entered in the Register.

**REPRESENTATIVES OF MEMBERS**

10. A Representative shall be a person designated by a corporate Member who shall represent the said Member at all General Meetings of the Company. A memorandum verifying the appointment of a Representative and stating for what term the appointment is made shall be received by the Company or one of the Officers before the appointee may act. Such appointment shall be executed by and on behalf of the Member making the appointment. Revocations of appointments shall be signed and executed in the same way and may be made with or without cause or prior notice. All such memoranda shall be deemed valid and genuine unless the contrary be shown. A Representative so appointed shall be entitled to exercise all of the rights and powers on behalf of the Member he represents as if he were the Member of the Company. A Representative shall cease to represent a Member upon the happening of any one or more of the following events:

- (a) the expiration of the period of his appointment;
- (b) the giving to the Company of notice of revocation of the appointment of the Representative;
- (c) if the Representative be adjudged to be a mental incompetent;
- (d) the withdrawal from the Company of the Member represented by the Representative;

- (e) the conviction of the Representative of an indictable offence; or
- (f) the resignation of the Representative by notice in writing to the Company and the corporate Member represented.

#### **RIGHTS OF MEMBERS**

- 11. All Members, whether through their Representatives or otherwise, shall be entitled to vote at all meetings of the Company and to receive all such information and advice with respect to the affairs of the Company as the Company or its Officers and Directors may reasonably be able to supply.

#### **RETIREMENT AND TERMINATION OF MEMBERS**

- 12. Any Member of the Company who shall desire to retire may terminate his or its membership in the Company forthwith on providing to the Company a notice in writing signifying the said intention to retire. The said notice in writing shall be effective forthwith on receipt thereof by the Company provided that such Member shall remain liable in respect of any of his or its contractual responsibilities which may have been made by such Member prior to the said notice of retirement. On receipt of such notice, the said Member shall surrender the certificate representing his or its Shares for cancellation and thereupon be deemed to have retired and his or its name shall be removed from the list of Members by the Secretary of the Company.

#### **GENERAL MEETINGS AND PROCEEDINGS AT GENERAL MEETINGS**

- 13. (a) The first Annual General Meeting shall be held within Sixteen (16) months from the date on which the Company is entitled to commence business, and thereafter an Annual General Meeting shall be held once in every calendar year at such time, not being more than Sixteen (16) months after the holding of the last preceding Annual General Meeting, and place as may be prescribed by the Company in general meeting, or, in default, at such time in the month following that in which the anniversary of the Company's last Annual General Meeting occurs, and at such place as the Board shall appoint. In default of the meeting being so held, the meeting shall be held in the month next following, and may be called by any Member in the same manner as nearly as possible as that in which meetings are to be called by the Directors.
- (b) Except as otherwise mandated by the Statutes, all General Meetings shall be called and held at such time and at such place as the Board or any Member may determine, and the Secretary shall give notice of such General Meetings when directed or authorized by such persons. Notice of each General Meeting shall be given to each Member not less than Five (5) days before the day when the meeting is to be held, except as otherwise required by the Statutes. Notice of a General Meeting must be given in writing, and delivered, faxed, or mailed to the Members. A



notice of a General Meeting need not specify the purpose of or the business to be transacted at the meeting, except where required by the Statutes.

- (c) The Board may, whenever it thinks fit, call an Extraordinary General Meeting, and Extraordinary General Meetings shall also be called on such requisition, or, in default, may be called by such requisitionists, as provided in the Statutes and in accordance with the procedures set forth therein.
- (d) Voting privileges at General Meetings shall be confined to the Members only.
- (e) In any General Meeting of the Company a resolution shall be passed by a vote of not less than a majority of the persons present and entitled to vote other than with respect to those matters requiring adoption by Special Resolution which shall be passed by a vote of not less than three-quarters of the persons present and entitled to vote on the resolution and as otherwise required by the Statutes.
- (f) At every General Meeting every question shall be decided in the first instance by a show of hands, unless before or upon the declaration of the result by the show of hands, a poll be demanded by at least One (1) Member present personally or by proxy and entitled to vote. A declaration by the Chairman that a resolution has been carried or carried by a particular majority, or lost, shall be conclusive and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favor of, or against such resolution.
- (g) If a poll be demanded in the manner above mentioned, it shall be taken at such time and place and in such manner as the Chairman may direct, and the result of such poll shall be deemed to be the resolution of the General Meeting at which the poll was demanded. In the case of an equality of votes at any General Meeting, whether upon a show of hands or poll the Chairman shall not be entitled to a second or casting vote. In the case of any equality of votes at any General Meeting, the dispute or disagreement shall be referred to a single arbitrator to effect a binding resolution of the matter pursuant to the *Arbitration Act* (Alberta). If the parties are unable to agree on a suitable arbitrator, the arbitrator shall be chosen by and upon application to a local judge of Alberta Court of Queen's Bench. A demand for a poll may be withdrawn.
- (h) If a poll is demanded upon the election of a Chairman, or upon the question of adjournment, such poll shall be taken forthwith without adjournment. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.



- (i) At every General Meeting:
  - (i) Upon a show of hands every Member present in person or by Representative or proxy and entitled to vote shall have One (1) vote;
  - (ii) Upon a poll every Member present in person or by Representative or proxy and entitled to vote shall have One (1) vote.
- (j) At any General Meeting, any Member, present or not, may waive the necessity of the giving of any previous notice of such meeting and an entry in the minutes for such meeting of such waiver shall be sufficient evidence of the due convening of the meeting.
- (k) For all purposes the quorum for a General Meeting shall be Two (2) Members or a majority of the Members, whichever shall be the lesser, present in person or by proxy and entitled to vote thereat, provided that if the number of Members is reduced to one for any reason, the single Member shall constitute a quorum. No business shall be transacted at a General Meeting unless the quorum requisite shall be present at the commencement of the discussion of the business to be transacted.
- (l) If Thirty (30) minutes after the time appointed for the holding of a General Meeting a quorum be 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 be not present, those Members who are present and entitled to vote thereat shall be deemed to be a quorum and may transact all business which a full quorum might have done.
- (m) The President of the Company shall preside as Chairman at every General Meeting and in his absence the Vice-President, and if neither of these be present, or if at any General Meeting they be not present within Fifteen (15) minutes after the time appointed for holding the meeting, the Members present and entitled to vote thereat shall choose one of the Directors present and willing to take the chair, to be the Chairman.
- (n) Following a resolution of adjournment of the Members passed by a simple majority of those present and entitled to vote, the Chairman shall adjourn the General 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 General Meeting from which the adjournment took place.
- (o) Notwithstanding anything to the contrary in these Articles, a resolution assented to and adopted in writing under the hands of all the Members entitled to vote thereon though not passed at a General Meeting, shall be of the same force and effect as if it had been duly passed at a General Meeting duly convened, and no previous notice, or convening of any

General Meeting for the purpose of passing such resolution shall in such case be necessary whether the business transacted thereby is special or not, and a Member may signify his or its assent to such resolution in writing under his hand or that of its Representative, or by facsimile. Such resolution may be signed in one or more counterparts and a resolution adopted pursuant to this Article shall be effective as of the date therein stated to be the effective date thereof.

### DIRECTORS AND OFFICERS

14. (a) The affairs of the Company shall be managed by a Board of Five (5) Directors. In the event of the number of Directors being less than Five (5), the Directors shall do no act other than to call a General Meeting of the Company such that the number of Directors can be made up to the said number.

- (b) The Directors of the Company shall consist of:

- (i) One (1) person nominated by the Town;
- (ii) One (1) person nominated by the MD; and
- (iii) Three (3) persons out of a slate of no less than Five (5) persons nominated by the Airport Leaseholders;

but, for greater certainty, in the event that either the Town or the MD acquires the Share or Shares in the Company held by the other, then such acquiring Member shall also acquire the former Member's right to appoint a Director pursuant to this paragraph 14(b). Notwithstanding the introduction of any further Members, the ratio of Directors as between nominees of the Airport Leaseholders and nominees of the Members shall always be 3:2.

- (c) The Board of Directors shall be appointed on the basis that each person appointed shall hold office as a Director for a term of Two (2) years.
- (d) The Members may, by Special Resolution, remove any Director before the expiration of his period of office and may by ordinary resolution appoint another person in his stead provided such other person is first nominated, by the person or body which nominated the Director who is removed.
- (e) A retiring Director shall be eligible for re-appointment to the Board of Directors.
- (f) The Directors may be paid their actual and reasonable traveling expenses of attending and returning from meetings of the Board of Directors or of any Committee thereof or which are otherwise incurred in connection with the Company's business.



- (g) The persons signing as subscribers to the Memorandum of Association of the Company shall be the provisional Directors of the Company, provided that if a body corporate is a subscriber to such Memorandum, its Representative nominated for the purpose shall be a provisional Director of the Company.

#### DISQUALIFICATION OF DIRECTORS

15. The office of a Director shall be *ipso facto* vacated:
- (a) if the Director becomes of unsound mind or is found to be a lunatic;
  - (b) if the Director is convicted of an indictable offense;
  - (c) if by notice in writing the Director resigns the office of Director; or
  - (d) the Director dies.

#### CONFLICTS OF INTEREST

16. (a) No Director shall be disqualified by reason of his office from contracting with the Company for the provision of goods or services, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director, so contracting or being interested, be liable to the Company for any profit realized from any such contract or arrangement by reason of such Director holding that office, but the nature of the Director's interest must be disclosed by him at the meeting of the Board at which the contract or arrangement is first taken into consideration if his interest then exists or, if any other case, at the first meeting of the Board after the acquisition of his interest. If a Director becomes interested in a contract or arrangement after it was made or entered into, the disclosure of his interest shall be made at the first meeting of the Board held after he becomes so interested. No Director shall be entitled to vote in respect of any contract or arrangement in which he is so interested.
- (b) For greater certainty, the Directors on the Board who are nominees of the Town and the MD and appointed pursuant to Paragraphs 14(b)(i) and 14(b)(ii) shall not be disqualified from voting on any matter in which the Town or the MD might be directly or indirectly interested.

#### POWERS OF DIRECTORS

17. The management of the business of the Company shall be vested in the Board which, in addition to the powers and authorities by these Articles or otherwise expressly conferred upon it, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Company in a



General Meeting but subject nevertheless to the provisions of the Statutes and of these Articles, and to any regulations from time to time made by the Company in General Meeting, provided that no regulations so made shall invalidate any prior acts of the Board which would have been valid if such regulations had not been made.

### PROCEEDINGS OF DIRECTORS

18. (a) Meetings of the Board shall be called and held at such time and at such place as the Board, the President, any two Directors, or any Member may determine, and the Secretary shall give notice of meetings when directed or authorized by such persons. Notice of each meeting of the Board shall be given to each Director not less than Five (5) days before the day when the meeting is to be held. Notice of a meeting of the Board must be given in writing, and delivered, faxed, or mailed to the Directors. A notice of a meeting of Directors need not specify the purpose of or the business to be transacted at the meeting, except where required by the Statutes. Notwithstanding the foregoing, the Board may from time to time fix a day or days in any month or months for regular meetings of the Board at a place and hour to be named, in which case, provided that a copy of any such resolution is sent to each Director forthwith after being passed and forthwith after each Director's appointment, no other notice shall be required for any such regular meeting except where the Statutes require specification of the purpose or the business to be transacted thereat.
- (b) The Board may meet together at stated times or on notice as herein provided for the dispatch of business, and may adjourn and otherwise regulate the Directors as it shall think fit. For the transaction of business, Four (4) of the Directors shall constitute a quorum. Questions arising at any meeting shall be decided by a majority of votes.
- (c) A properly constituted meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board.
- (d) Meetings of the Board may be held at any time without formal notice, if all of the Directors are present and waive notice thereof or those absent have signified their consent in writing to the meeting being held in their absence. Notice of any meeting where notice has not been dispensed with shall be delivered or mailed or faxed to each Director at such time as will enable each of such Directors to whom notice is required to be given to proceed to such meeting in due course and in any event a notice of such meeting delivered, mailed or faxed to each Director, at his ordinary address Five (5) days prior to such meeting shall be sufficient notice of any meeting of the Board. In computing such period of Five (5) days, the day on which such notice is delivered, mailed or faxed shall be excluded,

but the day for which notice is given shall be included. Notice of any meeting or irregularity in any meeting may be waived by any Director.

- (e) 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.
- (f) Notwithstanding anything to the contrary herein contained, no formal notice for the first meeting of the Board to be held immediately after the incorporation of the Company is required provided that a least Four (4) of the Directors appointed, who shall constitute a quorum, are present.
- (g) Meetings of the Board shall be held at such place in The Town of High River as shall be determined by the Board from time to time.
- (h) All acts done at any meeting of the Board or of a committee of the Board, or by any persons acting as Directors, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any 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 fully appointed and was qualified to be a Director.
- (i) A resolution signed by all of the members of the Board as such, shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted and shall be entered in the minute book of the Company accordingly and shall be held to relate back to any date therein stated to be the date hereof. Any such resolution may be executed in counterpart.
- (j) Members of the Board or any committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in the meeting by such means will be deemed to constitute presence by the participant in person at each meeting. All acts done at a meeting at which all or some of the persons attending participate by telephone shall be as valid and effectual as if they had been done at a meeting of the Board or of the Committee involved which was attended in person by all persons physically present or participating by telephone.

#### EXECUTIVE COMMITTEE

- 19. The Executive Committee and the Officers of the Company shall consist of a President, a Vice-President, a Secretary and a Treasurer. The Executive Committee is hereby vested with authority to exercise such powers of the Board as the Board may by resolution delegate to the Executive Committee from time to time. The meetings and proceedings of the Executive Committee shall be governed by the provisions herein contained for regulating the meetings and



proceedings of the Directors, so far as the same are applicable thereto, and are not superceded by any regulations made by the Directors. The Executive Committee 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. A quorum of the Executive Committee shall consist of not less than Three (3) of their number. The Executive Committee shall keep minutes of its proceedings and report the same to the Board at the next meeting thereof.

### STANDING COMMITTEES

20. Unless otherwise determined by the Board, it shall each year appoint:
- (a) a Standing Committee on Current Operations which shall advise and aid the Board in the management of current business affairs;
  - (b) a Standing Committee on Finance which shall advise and aid the Board with respect to matters of finance and budget; and
  - (c) a Standing Committee on Long Term Planning and Improvements which shall advise and aid the Board with respect to long term planning and building improvement.

### THE PRESIDENT

21. (a) The Board, from time to time, shall appoint a President who need not be a member of the Board.
- (b) The President shall be the senior officer of the Company, and preside at all General Meetings of the Members of the Company and meetings of the Board as Chairman. He shall have general and active management of the business and affairs of the Company, and without limitation to the foregoing:
- (i) he shall have general superintendence and direction of all the Officers of the Company;
  - (ii) he shall submit the annual report of the Board and the annual balance sheets and financial statements of the business and affairs and reports on the financial position of the Company as required to the Annual General Meeting and the Members and from time to time he shall report to the Board all matters within his knowledge which the interests of the Company require to be brought to their attention;
  - (iii) he shall, unless otherwise determined by the Board, be the Chairman of the Standing Committee on Current Operations; and
  - (iv) he shall be an *ex officio* member of all other standing committees.



### **THE VICE-PRESIDENT**

22. The Board, from time to time, shall appoint a Vice-President who need not be a member of the Board, in whom shall be vested all the powers and who shall perform all the duties of the President in his absence from office and who shall preside at meetings of the Board in the absence of the President. If the President and the Vice-President are absent at any meeting of the Board, the Board shall elect a Chairman from their number. The Vice-President shall, unless otherwise directed by the Board, be the chairman of the Standing Committee on Long Term Planning and Improvements.

### **THE SECRETARY**

23. (a) The Board, from time to time, shall appoint a Secretary who need not be a member of the Board. The Secretary shall attend all meetings of the Board and all General Meetings, and record the proceedings thereof and all matters transacted and dealt with thereat, and shall prepare and keep minutes of all such meetings and record all votes and the minutes of all proceedings in a book or books to be kept for that purpose, and shall perform like duties for a Standing or Executive Committee when required.
- (b) The Secretary shall give or cause to be given notice of all General Meetings and of all meetings of the Board and shall perform such other duties as may be prescribed by the Board.

### **THE TREASURER**

24. (a) The Board, from time to time, shall appoint a Treasurer who need not be a member of the Board. The Treasurer shall cause the books of account of the Company to be maintained in such form and on such basis as the Statutes and the Directors require, and shall prepare all budgets and control the finances of the Company, all as directed from time to time by the Directors.
- (b) The Treasurer shall, unless otherwise determined by the Board, be the chairman of the Standing Committee on Finance.

### **BORROWING POWERS**

25. (a) The Board may, from time to time with the unanimous approval of the Members of the Company and the written approval of the Town and the MD raise or borrow or secure money for the purposes of the Company's business.
- (b) Subject to the aforesaid approval of the Town and the MD one or more Directors or Officers of the Company may be authorized by the Board to sign and execute all documents and assurances necessary with the approval of the Town and the MD to raise or borrow or secure the

payment of money as provided in this Article. Upon request of the Board, the Secretary shall duly certify a copy of meeting minutes of the Board of Directors, or an extract therefrom, authorizing such signing authority.

- (c) The Company shall comply with all legal requirements in respect of the filing or registering of all such mortgages and charges as are herein mentioned, and shall keep a register of mortgages as required by the Statutes.

#### COMPANY SEAL

- 26. (a) The Company shall have a Seal of such design as may be approved by the Board.
- (b) The Board shall provide for the safe custody of the Seal, which, shall not be affixed to any instrument except in the presence of (i) any one of the President or the Vice-President together with the Secretary or a Director, or (ii) such Director or Directors or Officer or Officers of the Company as may be prescribed by resolution of the Directors.
- (c) The Secretary for the purpose of certifying under the Seal copies of or extracts from the Memorandum or Articles of Association of the Company or minutes of meetings or resolution of the Members or Directors of the Company, and such persons shall sign every instrument to which the Seal is so affixed.

#### BOOKS OF THE COMPANY

- 27. (a) The Board shall cause minutes to be made in books provided for that purpose:
  - (i) of all appointments of Officers made by the Board;
  - (ii) of the names of the Directors present at each meeting of the Board; and
  - (iii) of all resolutions and proceedings of all General Meetings and meetings of the Board and of the Executive Committee.
- (b) The Secretary shall keep or cause to be kept a book or books wherein shall be recorded:
  - (i) a copy of the Memorandum of Association of the Company and these Articles of Association and any amendments thereto;
  - (ii) the full names of the subscribers to the Memorandum and of the Members and of every person who becomes a Representative of a Member of the Company;

- ## INSPECTION OF BOOKS AND ACCOUNTS

## ACCOUNTS, AUDITORS AND ANNUAL REPORT

- {00002761-S}



- (b) The accounts of the Company when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within Three (3) months after the approval thereof. Whenever such error is discovered within that period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.
31. The Company will annually not later than April 30th in each year furnish to its Members an annual report in which it shall report on its activities, past and future, and upon its financial condition.

#### NOTICE

32. (a) Unless otherwise specified herein, a notice may be served by the Company on any Member entitled thereto either personally or by sending it through the post in a prepaid envelope or wrapper to such Member at his or its residence or business address, if any, or that of its Representative, as known to the Company.
- (b) Any notice sent by regular mail shall be deemed to be served on the fifth day following that upon which the letter, envelope or wrapper containing the same is posted, and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and mailed.
- (c) The signature to any notice to be given by the Company may be written, printed or otherwise mechanically reproduced.
- (d) When a given number of days' notice or notice extending over any other period are required to be given, the day of service shall, and the day upon which such notice expires shall not, be included in such number of days or other period.
- (e) Notwithstanding anything to the contrary in these Articles contained, any Member or Director entitled to receive notice may by instrument in writing signed by such Member or Director waive any such notice on such terms and conditions, if any, as such Member or Director may deem fit.

#### WINDING-UP

33. The Company may be wound up voluntarily in the manner and in accordance with the provisions contained in the Statutes.
34. Subject to paragraph 37(b), all property, funds and securities of all kinds whatsoever accruing to the Company on completion of the winding up and the payment and satisfaction of all its debts and liabilities shall be disbursed and paid over only to the Members rateably according to the number of Shares held by each Member to be used for the benefit of the development of the High River Regional Airport and aviation services generally in the Town and the MD.

**INDEMNITY OF DIRECTORS AND OTHERS**

35. No Director or Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening in the Company through insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any money, securities or effects shall be deposited, or for any other loss occasioned by bona fide error of judgment; or oversight on his part, or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office, or in relation thereto, unless the same shall happen through his own dishonesty, willful neglect or serious disregard of duty or responsibility.

**PRIVATE COMPANY**

36. Notwithstanding anything to the contrary, either expressly or impliedly contained in these Articles, the Company shall be a "private company" within the meaning of the Statutes and the following provisions shall have effect and be applicable thereto, namely:
- (a) the right of Members to transfer or dispose of their Shares is subject to the restriction that any transfer or disposition submitted to the Company shall be approved by the Members of the Company by Special Resolution;
  - (b) the number of Members of the Company shall be limited to fifty or less, exclusive of persons who are in the employment of the Company, and persons who, having been formerly in the employment of the Company, were while in that employment and have continued after the termination of that employment to be members of the Company, but where two or more persons hold one or more Shares in the Company jointly they shall, for the purpose of this subparagraph (b), be treated as a single Member; and
  - (c) no invitation shall be made to the public to subscribe for any Shares or debentures of the Company.

**LIMITED LIABILITY AND NON-PROFIT COMPANY**

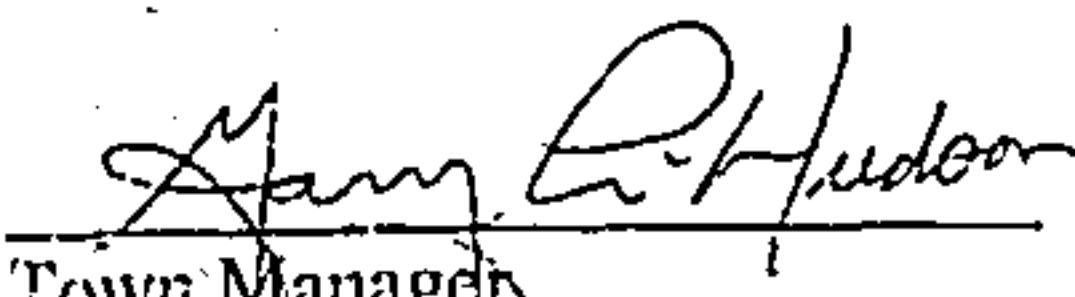
37. (a) The liability of the Members is limited.

- (b) The Company is not formed with the acquisition of gain as its object, and it is the intention of the Company to apply the profits, if any, and any other income of the Company to promoting its objects and the Company accordingly prohibits the payment of any monies, profits, dividends or benefits of any kind to any Member of the Company.

DATED: April 9, 2003.

**THE TOWN OF HIGH RIVER**

By:   
Mayor

By:   
Town Manager

**THE MUNICIPAL DISTRICT OF FOOTHILLS NO. 31**

By:   
Reeve

By:   
Municipal Manager

**Addresses of Subscribers and Number of Shares Taken:**

The Town of High River  
309B Macleod Trail S.  
High River, Alberta T1V 1Z5      One (1) Share

The Municipal District of Foothills No. 31  
309 Macleod Trail  
High River, Alberta T1V 1M7      One (1) Share