



August 19<sup>th</sup> 2019

Members of the Jagare Ridge Homeowners Association  
Edmonton, Alberta

Dear Members:

**RE: Notice of the 2019 Annual General Meeting  
Monday September 16<sup>th</sup>, 2019 @ 6:00 PM  
Jagare Ridge Golf Course  
14931 Ellerslie Rd SW  
Edmonton, AB T6W 1A4**

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Enclosed please find the Notice of the 2019 Annual General Meeting (AGM) for the Association, the Report of The President, the Information Circular, and a Proxy Form.

Please review the enclosed information and plan to attend the AGM or submit your proxy form, as indicated. The AGM will be held on **Monday September 16th, 2019 @ 6:00 PM (SHARP) at the Jagare Ridge Golf course, 14931 Ellerslie Rd SW, Edmonton, AB T6W 1A4.** Please assist your Board of Directors by attending the AGM or sending in your proxy form.

Please note that the Jagare Ridge Homeowners Association currently has vacancy for up to four (4) Resident Directors. If you are interested in being nominated for the Board of Directors, or have any questions about the enclosed, please contact Triona at 780-945-2816 or by e-mail at [tcosgrave@melcor.ca](mailto:tcosgrave@melcor.ca).

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

Yours truly,

**JAGARE RIDGE HOMEOWNERS ASSOCIATION**

<b>MICHAELA DAVIS</b>	<b>TRIONA COSGRAVE</b>	<b>ALEX PETROSKY</b>	<b>TANYA EKLUND</b>
President & Melcor Director	Vice-President & Melcor Director	Vice-President & Melcor Director	Secretary-Treasurer & Melcor Director



**NOTICE OF THE JAGARE RIDGE HOMEOWNERS ASSOCIATION**

**2019 ANNUAL GENERAL MEETING OF MEMBERS**

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Please take notice that the 2019 Annual General Meeting of the Members of the **JAGARE RIDGE HOMEOWNERS ASSOCIATION** (the "Society"), will be held at **Jagare Ridge Golf Course, 14931 Ellerslie Rd SW, Edmonton, AB T6W 1A4, on Monday, September 16th, 2019 @ 6:00 PM (MST)** for the following purposes:

- 1) To receive the Report of the President of the Company;
- 2) To receive the audited Financial Statements for the fiscal year ended December 31, 2018;
- 3) To establish the number of Directors to hold office until the next Annual General Meeting and elect such Directors;
- 4) To appoint an Auditor of the Company;
- 5) To transact such other business as may properly come before the Meeting or any adjournment thereof.

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

Dated at Edmonton, Alberta this 19<sup>th</sup> day of August, 2019

BY ORDER OF THE BOARD OF DIRECTORS

\_\_\_\_\_  
MICHAELA DAVIS, President

**TO ALL MEMBERS:**

**IF YOU ARE UNABLE TO ATTEND THIS MEETING, PLEASE COMPLETE THE ACCOMPANYING PROXY FORM AND RETURN AS INDICATED IN THE INSTRUCTIONS FOR PROXY FORMS INCLUDED IN THIS PACKAGE.**



**Jagare Ridge Homeowners Association  
Presidents Report  
January 2019-December 2019**

The Jagare Ridge Homeowners Association (JRHOA) was incorporated as a non-profit society in November 2012, registered under the Societies Act of Alberta.

The purpose of the Association is to maintain for the benefit of the members various subdivision features and amenities within the Jagare Ridge Development. The JRHOA is currently managed and administered by Melcor Developments Ltd. on behalf of Jagare Ridge Communities Inc. The Board of Directors currently consists of Four (4) Melcor Developments appointed Directors. The Board recommends a maximum of Seven (7) Board members, made up of four (4) resident members of the community and three (3) members from Melcor Developments Ltd., representing Jagare Ridge Communities Inc. The Board will meet quarterly to ensure policies are properly set and Rules & Regulations are legislated and to be the voice of residents for JRHOA related issues.

**Financial**

Payment of the annual operating costs of the JRHOA, including various subdivision features and amenities, is the responsibility of the Jagare Ridge Homeowners Association, administered by the Jagare Ridge Homeowners Association Board. The Jagare Ridge Homeowners Association collects annual fees from its members by way of a Rent Charge Encumbrance registered on each lot title in Jagare Ridge.

2018 was the first year fees were levied in Jagare Ridge and after careful review of the 2019 operating budget, the JRHOA Board of Directors approved the 2019 fees be set at \$300 per standard lot. Fees were invoiced in December 2018 for the 2019 Fiscal year. The Fiscal year is January 1<sup>st</sup> to December 31<sup>st</sup>.

A copy of the 2019 Operating Budget is available for review online at <https://www.jagareridgehoa.com/> or upon request at [tcosgrave@melcor.ca](mailto:tcosgrave@melcor.ca). The enclosed Audited Financial Statements are prepared up to December 31<sup>st</sup> 2018.

**Appointment of Auditor**

The Board of Directors proposes to appoint BDO Canada LLP as Auditor for the company for the 2019 Fiscal Year.

**Summary/Management Transition**

In 2019, Melcor Developments Ltd., who represents Jagare Ridge Communities Inc., in co-operation with the Resident Board of Directors, will begin the process of working towards a seamless transition to turn over the management of the Jagare Ridge Homeowners Association. The Management of the JRHOA will be completely turned over when the community is built out. In anticipation of the turnover, Melcor is preparing to implement an exit strategy that consists of Board development training, and moving all accounting and administrative functions to the Jagare Ridge Homeowners Association Resident Directors. The administrative and accounting systems that are currently in place have been carefully designed to ensure a seamless transition of full management duties to the JRHOA. As well, the Melcor Directors will work closely with the Resident Directors until the complete transfer of full management duties to the JRHOA. Melcor is committed and dedicated to leaving behind a successful legacy in the development of Jagare Ridge.

**Respectfully submitted August 19<sup>th</sup>, 2019**

<b>MICHAELA DAVIS</b>	<b>TRIONA COSGRAVE</b>	<b>ALEX PETROSKY</b>	<b>TANYA EKLUND</b>
President & Melcor Director	Vice-President Melcor Director	& Vice-President & Melcor Director	Secretary- Treasurer & Melcor Director

**Jagare Ridge Homeowners Association**  
**Financial Statements**  
For the year ended December 31, 2018

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Tel: 403 266 5608  
Fax: 403 233 7833  
www.bdo.ca

BDO Canada LLP  
903 - 8<sup>th</sup> Avenue SW, Suite 620  
Calgary AB T2P 0P7  
Canada

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## Independent Auditor's Report

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To the Board of Directors of  
Jagare Ridge Homeowners Association

### *Opinion*

We have audited the financial statements of Jagare Ridge Homeowners Association (the "Association"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and net deficiency and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

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

### *Emphasis of Matter*

We draw attention to Note 2 to the financial statements, which describes that the Association adopted Canadian accounting standards for not-for-profit organizations on inception. As 2018 was the first year of operations for the Association, first-time adoption has no impact on prior years and no comparatives have been presented. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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



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## Independent Auditor's Report (continued)

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

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

*BDO Canada LLP*

Chartered Professional Accountants

Calgary, Alberta  
May 7, 2019

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**Jagare Ridge Homeowners Association  
Statement of Financial Position**

December 31, 2018

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**Assets**

Current		
Cash	\$	39,495
Accounts receivable		<u>15,279</u>
	\$	<u>54,774</u>


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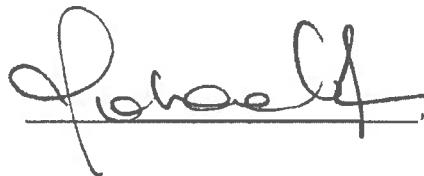
**Liabilities and Net Deficiency**

Current		
Accounts payable and accrued liabilities (Note 4)	\$	17,468
Government remittances payable		2,508
Deferred revenue		15,332
Note payable (Note 3)		<u>50,000</u>
		85,308
Unrestricted net deficiency		<u>(30,534)</u>
	\$	<u>54,774</u>

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Approved on behalf of the board:

 , Director

 , Director

The accompanying notes are an integral part of these financial statements.

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**Jagare Ridge Homeowners Association  
Statement of Operations and Net Deficiency**

**For the year ended December 31, 2018**

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Membership fee revenue	<u>\$ 53,019</u>
<b>Expenditures</b>	
Administration fees (Note 4)	20,000
Interest and bank charges	703
Office	8,033
Professional fees	9,680
Repairs and maintenance	38,101
Telephone and utilities	<u>9,046</u>
	<u>85,563</u>
Deficiency of revenue over expenditures before the following item	(32,544)
Other income	<u>2,010</u>
Deficiency of revenue over expenditures, being internally restricted net deficiency end of year	<u>\$ (30,534)</u>

The accompanying notes are an integral part of these financial statements.



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**Jagare Ridge Homeowners Association  
Statement of Cash Flows**

**For the year ended December 31, 2018**

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<b>Cash flows from operating activities</b>	
Deficiency of revenue over expenditures for the year	\$ (30,534)
Change in non-cash working capital items	
Accounts receivable	(15,279)
Accounts payable and accrued liabilities	17,468
Government remittances payable	2,508
Deferred revenue	<u>15,332</u>
	<u>(10,505)</u>
<b>Cash flows from financing activity</b>	
Advances from note payable	<u>50,000</u>
<b>Increase in cash during the year, being cash end of year</b>	<u>\$ 39,495</u>

The accompanying notes are an integral part of these financial statements.

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# Jagare Ridge Homeowners Association

## Notes to the Financial Statements

December 31, 2018

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1. Summary of significant accounting policies

**Nature of operations**

The Jagare Ridge Homeowners Association (the "Association") is a not-for-profit organization that owns and operates amenities for the use of its members, the residents of Jagare Ridge. The Association was incorporated as a not-for-profit organization on November 8, 2012 under the Canada Societies Act. As such, the Association is exempt from income tax under Section 149 of the Income Tax Act. As such, the Association has made no provisions for income taxes in these financial statements. The Association is managed by Melcor Developments Ltd. ("Melcor"), and is governed by a Board of Directors, constituted, appointed and elected pursuant to the By-Laws of the Association. The Association commenced operations in 2018.

**Basis of accounting**

These financial statements of the Association have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations ("ASNPO"). These are the Association's first financial statements in accordance with ASNPO, which has been adopted since inception.

**Cash**

Cash consists of balances held with financial institutions.

**Use of estimates**

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods. Accounts specifically affected by estimates in these financial statements are accounts receivable and accounts payable and accrued liabilities.

**Revenue recognition**

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

Membership fees are recognized as revenue in the year to which they relate. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received if the amount can be reasonably estimated and collection is reasonably assured. Deferred revenue includes membership fees that arise from receipt of payments in advance of the period in which they would be earned.

**JAGARE RIDGE HOMEOWNERS ASSOCIATION 2019 INFORMATION CIRCULAR**  
**GENERAL INFORMATION & PROXY STATEMENT**



**SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by management of the JAGARE RIDGE HOMEOWNERS ASSOCIATION (the "Society") for use at the Annual General Meeting (the "Meeting") of Members of the Society to be held at **The Jagare Ridge Golf Course, 14931 Ellerslie Rd SW, Edmonton, AB T6W 1A4, on Monday September 16th, 2019 @ 6:00 PM (SHARP)**. All expenses incurred in connection with the solicitation of proxies will be borne by the Society. Solicitation will be made primarily by mail, but proxies may also be solicited by Directors, officers and employees of the Company.

**APPOINTMENT AND REVOCATION OF PROXIES**

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

**EXERCISE OF DISCRETION BY PROXY**

Proxies will be voted or withheld from voting in accordance with the Member's instructions contained therein.

The form of Proxy also confers authority on the persons named therein to vote with respect to any other matters which may properly be brought before the Meeting. At the date hereof, management knows of no other such matters.

**VOTING BY MEMBERS**

**Only Members of record in good standing at the close of business on August 19<sup>th</sup>, 2019 are entitled to vote at the Meeting, each Member being entitled to one (1) vote. Members are defined in the Articles of Association (the "Articles") of the Society as restricted to Homeowners and Rental Project Owners.**

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

Where a residential property is occupied by a tenant, such tenant may be designated as the Member by and instead of the owner of such property. Where a rental project is involved, the registered owner shall be the Member and notwithstanding how many tenants are residing in the rental project, it shall have only one (1) vote.

As at the close of business on **August 19<sup>th</sup>, 2019** the Society had **243** members in good standing. In addition, there are **5,750** votes in respect of lots registered in the name of Jagare Ridge Communities Inc.

**ELECTION OF DIRECTORS**

At the Meeting, it is proposed that the total number of Directors for the Society be established as no more than **seven (7)** until the next Annual General Meeting. Pursuant to the Articles of the Society, Melcor, on behalf of Jagare Ridge Communities Inc. is entitled to appoint up to **three (3)** Directors with the remaining Resident Directors elected at the Meeting. The following persons are the current Directors of the Society:

NAME	PERIOD SERVED AS DIRECTOR OF THE COMPANY
Triona Cosgrave (Melcor)	1 year
Tanya Eklund (Melcor)	1 year
Michaela Davis (Melcor)	1 year
Alex Petrosky (Melcor)	1 year

It is proposed that four (4) resident Members be elected at the AGM in accordance with the Articles of Association.

**JAGARE RIDGE HOMEOWNERS ASSOCIATION 2019 INFORMATION CIRCULAR  
GENERAL INFORMATION & PROXY STATEMENT**



Nominations for Directors will also be sought at the meeting from the Members. Individuals should be aware of the fiduciary responsibilities of a Director generally, as well as the specific limitation of the power of Directors of the Society in respect of Melcor's management contract. Members interested in standing for election at the meeting are invited to contact Triona Cosgrave in advance of the meeting at [tcosgrave@melcor.ca](mailto:tcosgrave@melcor.ca).

The term of office for each person is a one-year term and shall be from the date of the Meeting until the next Annual General Meeting of Members or until his/her successor is elected or appointed.

DIRECTORS COMPENSATION - Nil

PENSION PLAN - Nil

EXECUTIVE COMPENSATION AND PLANS - Nil

INCENTIVE SHARE OPTION PLAN FOR OFFICERS AND KEY EMPLOYEES - Nil

**INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS**

The three (3) Melcor appointed Directors are employees of Melcor, who on behalf of Jagare Ridge Communities Inc., operate the Jagare Ridge Homeowners Association through professional maintenance of community amenities, diligent approval of the operating budget and timely response to resident concerns and suggestions.

**APPOINTMENT OF AUDITORS**

Management proposes that BDO be appointed as Auditor of the Society and that the Directors be authorized to approve their remuneration.

**CERTIFICATE**

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

BY THE ORDER OF THE BOARD OF DIRECTORS

MICHAELA DAVIS, President

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

BY THE ORDER OF THE BOARD OF DIRECTORS

MICHAELA DAVIS, President



**JAGARE RIDGE HOMEOWNERS ASSOCIATION  
2019 ANNUAL GENERAL MEETING OF MEMBERS  
On Monday September 16th, 2019 @ 6:00 PM**

**PROXY SOLICITED BY MANAGEMENT**

The undersigned Member of the JAGARE RIDGE HOMEOWNERS ASSOCIATION (the "Society") hereby appoints **Michaela Davis** or failing her, \_\_\_\_\_, as proxy to attend and vote on behalf of the undersigned at the Annual General Meeting of Members and at any adjournment thereof and my proxy is instructed to vote:

1) **FOR \_\_\_\_\_ OR AGAINST \_\_\_\_\_** (and if no specification is made, FOR)

The setting of the total number of Directors for the Company until the next Annual General Meeting at seven (7) composed of four (4) Resident Directors to be elected at this Meeting and three (3) Melcor appointees.

2) **FOR \_\_\_\_\_ OR AGAINST \_\_\_\_\_** the election of the following resident(s) as Directors, for a one-year term, in accordance with their nomination: **Please mark a maximum of four (4) candidates.**

NAME OF NOMINEES	FOR	AGAINST
Matt Bohn		

3) **FOR \_\_\_\_\_ OR AGAINST \_\_\_\_\_** (and if no specification is made, FOR)

That BDO Canada be appointed as Auditor of the Company for the 2019 fiscal year.

4) And in his/her discretion with respect to any amendments, variations or additions with respect to any of the matters noted above or with respect to any other matter which may properly be brought before the Meeting or any adjournment thereof.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Member's Name (Please Print)

\_\_\_\_\_  
Member Signature

\_\_\_\_\_  
Member Address (\*required)



**JAGARE RIDGE HOMEOWNERS ASSOCIATION  
2019 ANNUAL GENERAL MEETING OF MEMBERS  
On Monday September 16th, 2019 @ 6:00 PM**

This form should be signed by the Member or his attorney, authorized in writing, and if the Member is a corporation, this form of proxy should be signed by a duly authorized officer under corporate seal.

**RETURN PROXIES NO LATER THAN AT CLOSE OF BUSINESS (4:00 P.M.) ON FRIDAY SEPTEMBER 13<sup>TH</sup> 2019**

**INSTRUCTIONS FOR PROXY FORMS**

**Appointment and Revocation of Proxies**

A Member desiring to appoint a person to represent him/her at the Meeting may do so by inserting such person's name in the blank space provided. The completed proxy should be sent in to the address indicated below in time to reach such address not less than twenty-four (24) hours (excluding Saturdays, Sundays and Holidays) before the time of the Meeting:

**Mail to: Melcor Developments  
Suite 900, 10310 Jasper Avenue Edmonton, AB T5J 1Y8  
Attention: Triona Cosgrave**

**or e-mail this completed form to [tcosgrave@melcor.ca](mailto:tcosgrave@melcor.ca)**

**All proxies must be in writing, signed by the Member and returned no later than at close of business  
Friday September 13<sup>th</sup> 2019.**

A Member who has given a proxy may revoke it any time before it is exercised. A proxy may be revoked by instrument in writing or, if the Member is a corporation, by an officer or attorney thereof duly authorized, and delivered as indicated above, at any time up to and including the last business day preceding the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

**Voting and Exercise of Discretion by Proxies**

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