

**AMENDED
ARTICLES OF ASSOCIATION
of
GRANDE PRAIRIE AIRPORT COMMISSION**

SECTION 1 - INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) **"Airport"** means the Grande Prairie Airport;
- (2) **"Aldermen"** means aldermen of the City;
- (3) **"Board of Directors"** means the board of directors of the Commission;
- (4) **"Chairman"** means the chairman of the Commission;
- (5) **"City"** means the municipal corporation of the City of Grande Prairie;
- (6) **"Commission"** means the Grande Prairie Airport Commission;
- (7) **"Companies Act"** means the Companies Act (Alberta), as amended;
- (8) **"Director"** means a director of the Commission;
- (9) **"Director at Large"** means a Director appointed pursuant to Section 3.4.4;
- (10) **"Executive Committee"** means the committee described in Section 5.4;
- (11) **"Lease"** means the lease from the City to the Commission of the Airport which was effective on 1 January 1998, as amended from time to time;
- (12) **"Mayor"** means the Mayor of the City;
- (13) **"Member"** means a member of the Commission;
- (14) **"Secretary"** means the secretary of the Commission;
- (15) **"Resolution"** means a resolution passed by a majority of the votes cast at a meeting of the Members of the Directors, as the case may be;

- (16) **"Transport Canada Agreement"** means the agreement between the City and Transport Canada dated 15 November 1996 whereby the City acquired the Airport;
- (17) **"Treasurer"** means the treasurer of the Commission;
- (18) **"Vice-Chairman"** means the vice-chairman of the Board of Directors.
- (19) **"Chief Executive Officer"** means the Chief Executive Officer of the Commission appointed by the Board of Directors.

1.2 Companies

The definition in the Companies Act on the date these Articles become effective shall apply to these Articles.

1.3 Interpretation

In these Articles, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the neuter and feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

SECTION 2 - MEMBERSHIP

2.1 Members

The City will be a Member and represented by the Mayor or his designate. The other Member will be the City Manager from time to time. In the event of a vacancy in the office of City Manager, the other Member during the period of vacancy shall be either the acting City Manager or a person appointed by the Mayor.

2.2 Obligations of Membership

- . There shall be no membership fees of dues.

2.3 Conflict of Interest

The City shall not be deemed to be in conflict of interest by reason only that it has entered into a contract with the Commission to provide goods or services or for any other purpose whatsoever.

SECTION 3 - APPOINTMENT OF DIRECTORS

3.1 Number of Directors

There shall be a minimum of four (4) Directors and a maximum of eleven (11) Directors.

3.2 Exclusions

None of the following shall be a Director, namely:

- (1) a corporation;
- (2) a person aged eighteen (18) years or younger;
- (3) a person who is not a citizen of Canada;
- (4) a person who has the status of a bankrupt;
- (5) a person who is found by a court to be a mentally incompetent person or of unsound mind; or
- (6) a person who has been convicted of a criminal offence involving fraud.

3.3 Terms of Directors

3.3.1 The first Directors will be appointed by the City for the following terms:

- (1) Three (3) Directors for one (1) year;
- (2) Three (3) Directors for two (2) years; and
- (3) Three (3) Directors for three (3) years.

3.3.2 Subsequent appointments of Directors by the City will be for terms of three (3) years except in the case of aldermen of the City who will be appointed for the balance of their terms of office as aldermen.

3.4 Qualifications of Directors

3.4.1 A maximum of three directors may be members of City Council;

3.4.2 The remaining Directors will be appointed by City Council from the public at large after giving consideration to recommendations from the Board of Directors.

3.5 Termination of Directors

A person shall cease to be a Director if:

- (1) such person resigns by delivering a written resignation to the Secretary which resignation will be effective upon receipt by the Secretary;
- (2) he becomes a person described in Section 3.2;
- (3) the City shall pass a resolution that he be removed from his office as Director;
- (4) he dies; or
- (5) he fails to attend three (3) consecutive meetings without the approval of the Board of Directors.

3.6 Casual Vacancies

The City may at any time and from time to time appoint a new person as a Director to fill a casual vacancy on the Board of Directors for the balance of the term of the person whose departure created the vacancy, provided that, if the departing person was either a Director ex officio or appointed to meet a requirement imposed by Section 3.4, the new person will meet the same requirements.

3.7 Remuneration of Directors

Directors at Large will be paid for their services at a rate recommended by the Board of Directors and approved by the City. The Mayor and Aldermen who are Directors may be entitled to per diem rates pursuant to City policy. In that event, the Commission will reimburse the City for any monies so paid. All Directors, subject to the approval of the Board of Directors, shall receive reimbursement for all reasonable expenses necessarily incurred in fulfillment of their duties.

3.8 Conflict of Interest

Except as permitted by these Articles, no Director shall directly or indirectly receive any profit from his position as such, provided that any Director who is engaged in or is a member of a firm or corporation engaged in any business or profession may, subject to the conflict of interest guidelines established by the Board of Directors, act in and be paid the usual professional fees and business charges for any professional work or other business required to be done in connection with the administration of the affairs of the Commission.

3.9 Disclosure of Interest in Contracts

Every Director who has, directly or indirectly, any interest in any contract or transaction to which the Commission is or is to be a party shall declare his interest in such contract or transaction at a meeting of the Directors and shall, at that time, disclose the nature and extent of such interest.

3.10 Agents of the Directors

The Board of Directors may appoint such agents as it shall deem necessary from time to time and those agents have such authority and shall perform such duties as shall be prescribed by the Board of Directors at the time of their appointment.

SECTION 4 - PROCEEDINGS OF DIRECTORS

4.1 Meetings

The Directors may meet together at such time and places as they think fit for the dispatch of business and adjourn or otherwise regulate their meetings and proceedings as they see fit, subject always to these Articles. If all the Directors consent wither generally or in respect of a particular meeting, a Director may participate in a meeting of the Board of Directors or of a committee of the Board of Directors by means of a conference telephone or other communications facility which permits all persons participating in the meeting to hear each other, and a Director participating in a meeting by such means shall be deemed to be present at the meeting. Notwithstanding the foregoing, the Directors will meet at least once every three (3) months.

4.2 Quorum

A quorum of Directors necessary for the transaction of business shall be a majority of the Directors, but in no event shall be less than four (4) Directors.

4.3 Requisition of Meetings of Directors

A meeting of Directors shall be called by the Secretary promptly upon receipt of a requisition for such meeting signed by three (3) or more Directors.

4.4 Notice

Not less that seventy-two (72) hours written notice of any meeting of Directors, specifying the time and place of the meeting and the general nature of the business to be discussed, shall be given to all Directors in the manner prescribed in Section 17.1 Notice by mail shall be sent at least fourteen (14) days prior to meeting. The accidental omission to give notice of any meeting to, or the non-receipt of any such notice by, any Director shall not invalidate any proceeding at that meeting.

If the Board of Directors shall appoint a day or days in any month or months for its regular meetings, specific notice of such meetings will not be required, but each Director will be provided with an agenda and supporting material at least three (3) days before each meeting.

4.5 Waiver of Notice

Directors may waive or reduce the period of notice convening a meeting by unanimous consent in writing and may give such waiver before, during or after the meeting.

4.6 Alternate Chairman

If the Chairman is not present within ten (10) minutes after the time appointed for holding of the meeting, or if he is unable to attend the meeting, the Vice-Chairman shall be the chairman of the meeting and, failing the attendance of the Vice-Chairman, the Directors present shall elect one of their number to act as a chairman of the meeting.

4.7 Lack of Quorum

No business shall be transacted at any meeting of Directors unless a quorum is present at the meeting and a meeting at which a quorum is not present shall be dissolved.

4.8 Adjournments

A meeting of Directors may be adjourned from time to time and place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for ten (10) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. Except as provided in Section 4.8, it is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

4.9 Resolutions

The Chairman of any meeting shall be entitled to move or propose a resolution and participate in debate.

4.10 Votes

Each Director present in person at a meeting, including the chairman of the meeting, shall have one (1) vote. All votes shall be taken by a show of hands unless a Resolution is passed requiring a secret ballot. A Resolution may be passed by a majority vote of Directors present at the meeting.

4.11 Resolution in Writing

A Resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

4.12 Deficiencies

No act or proceeding of the Directors is invalid because of a defect in the appointment of a Director or the disqualification of a Director.

4.13 Chief Executive Officer and City Manager

The Chief Executive Officer and the City Manager, or the designate of either, will be entitled to attend and participate in meetings of the Board of Directors, but will not be entitled to vote.

SECTION 5 - COMMITTEES

5.1 Committees

The Directors may create a committee or committees of such Directors and/or members of the public at large and for such a committee shall, in the exercise of its duties, conform to any rules that may from time to time be imposed on it by the Directors. Each committee shall make periodic recommendations to the Board of Directors. The Board of Directors shall take into consideration, but shall not be bound by, the recommendations of any committee.

5.2 Chairman of Committees

The Chairman of each committee created by the Board of Directors shall be a Director appointed by the Board of Directors.

5.3 Proceedings of Committees

The members of a committee may meet and adjourn as they think proper. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present. The provisions relating to proceedings at meetings of Directors set forth in Section 4 of these Articles shall apply mutatis mutandis to meetings of committees except as otherwise specifically provided in this Section 5.

SECTION 6 - POWERS OF DIRECTORS

6.1 Administer Affairs

The Board of Directors shall administer the affairs of the Commission in all things and make or cause to be made for the Commission, in its name, any kind of contract which the Commission may lawfully enter into and, save as hereinafter provided, generally may exercise all other powers and do all other acts and things as the Commission is by its Memorandum of Association, the Companies Act, the approved business plan, or otherwise authorized to exercise and do.

SECTION 7 - INDEMNITIES TO DIRECTORS AND OTHERS

7.1 Indemnities

Every Director and officer of the Commission and their respective heirs, executors and administrators, and estate and effects, shall from time to time and at all times be indemnified and saved harmless out of the funds of the Commission from and against:

- (1) all costs, charges and expenses which such Director, officer or other person sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing whatever made, done or permitted by him in or about the execution of the duties of his office; and
- (2) all other costs, charges and expenses he sustains or incurs in or about or in relation to the affairs of the Commission, except such costs, charges, or expenses as are occasioned by his own willful neglect or default.

7.2 Contracts of Indemnity

The Board of Directors may from time to time cause the Commission to enter into a contract to indemnify any Director, officer, employee, agent or other person who has undertaken or is about to undertake any liability on behalf of the Commission or any corporation controlled by it.

7.3 Insurance

The Board of Directors may cause funds to be expended by the Commission for the purchase and maintenance of insurance for the benefit of any person who is or was a Director, officer, employee or agent of the Commission against any liability incurred by such person in such capacity.

8.0 - OFFICERS

8.1 Officers

The officers of the Commission shall be the Chairman, Vice-Chairman, Secretary, Treasurer and such other officers as the Board of Directors may by resolution determine. The officers shall be voting Directors.

8.2 Appointment of Chairman

The Chairman shall be appointed by the City and shall be one of the Directors of the Board.

8.3 Appointment of Officers

Officers of the Commission other than the Chairman shall be appointed by Resolution of the Board of Directors.

8.4 Term of Office

The Officers of the Commission, other than the Chairman (who shall hold office at the pleasure of the City), shall hold office at the pleasure of the Board of Directors. Officers are eligible for reappointment.

8.5 Remuneration of Officers

Officers of the Commission shall not be paid any remuneration for their services beyond what they receive for acting as Directors, but shall receive reimbursement for all reasonable expenses necessarily incurred in fulfillment of their duties.

SECTION 9 - DUTIES OF OFFICERS

9.1 Chairman

The Chairman shall preside at all meetings of the Member, the Board of Directors and any committees of which he is chairman.

9.2 Vice-Chairman

The Vice-Chairman shall, in the absence of the Chairman, perform the duties and exercise the powers of the Chairman.

9.3 Secretary/Treasurer

The Secretary-Treasurer shall:

- (1) prepare or cause to be prepared minutes of all proceedings at meetings of the Members and/or the Directors;
- (2) give all required notices to the Members, the Directors and the Commission's Committees;
- (3) maintain all registers required by law;
- (4) be the custodian of the Commission's records;
- (5) cause annual financial statements to be prepared and submitted to the Board; and
- (6) perform such other duties as the Board shall from time to time determine.

9.4 Chief Executive Officer

The Chief Executive Officer shall:

- (1) make recommendations to the Board regarding corporate policies and the operations of the Commission;
- (2) prepare overall objectives for the Commission and business plans for Board approval and take all steps to ensure the implementation of those objectives and plans, once approved by the Board;
- (3) in consultation with the Board, establish corporate priorities and allocate corporate resources accordingly;
- (4) ensure that programs are in place for management and employee development;
- (5) be responsible for the management and control of the Commission;
- (6) together with the Chair of the Board:
 - (i) advise the Board of the business and affairs of the Commission;
 - (ii) sign reports, recommendations and proposals of the Board to be presented to the Members; and
 - (iii) attend at and report to all meetings of the Members.

9.5 Variation of Duties

From time to time, the Board of Directors may vary, add to or limit the powers and duties of any officer or officers.

SECTION 10 - CORPORATE SEAL AND EXECUTION OF DOCUMENTS

10.1 Corporate Seal

The seal, an impression of which is stamped on a certificate of the Secretary immediately following the incorporation of the Commission, shall be the seal of the Commission.

10.2 Execution of Documents

Subject to any Resolution regarding the execution of instruments and the use of the seal, contracts, documents or any instruments in writing requiring the signature of the Commission may be signed by and the seal of the Commission may be affixed in the presence of any two (2) Directors and all contracts, documents and instruments in writing so signed shall be binding upon the Commission without any further authorization or formality. The Directors may pass a Resolution regarding the execution of instruments and the use of the seal not inconsistent with these Articles. The Directors may from time to time by Resolution appoint an officer, Chief Executive Officer, or officers on behalf of the Commission to sign a specific contract, document or other instrument in writing with or without the corporate seal.

SECTION 11 - MEETINGS OF THE COMMISSION AND DIRECTORS

11.1 Annual General Meeting

There shall be an annual general meeting of the Commission which shall be held on such day and at such place as the Board of Directors shall determine.

11.2 Business of the Meeting

At every annual general meeting of the Commission, in addition to any other business that may be transacted, the report of the Directors, the financial statements and the report of the auditors of the Commission shall be presented. The Members may consider and transact any business, either special or general, at any meeting of the Commission.

11.3 Notice

Thirty (30) days prior written notice shall be given to the Members and each Director of each annual general meeting of the Commission.

SECTION 12 - BUSINESS PLANS

12.1 Time for Plan

No later than 15 November in each year, where the annual business plan, including operating, capital and marketing, is self-supporting, the Commission shall prepare and give to the City for review, the annual business plan for the succeeding calendar year with sufficient detail to permit the City to make informed comments on the annual business plan. To assist the City's review, submissions will include appropriate assumptions regarding staffing, financial projections, any multi year capital plans, sources of revenue and costs. If funding from the City is required the plan must be submitted by 30 September and approved by the City.

12.2 Operations After Satisfactory Review by the City

Upon review and/or approval, of the annual business plan, as required, for the succeeding calendar year by the City, the Commission shall, subject to the Lease and the Transport Canada Agreement, have the exclusive right to continue to operate and to manage the marketing and development of the Airport in accordance with the Business Plan.

12.3 Deviation from Plan

The Commission shall not substantially deviate from the annual business plans without first obtaining approval from the City.

12.4 Plan Objectives

The Annual Business Plan shall have as its objectives:

An independently operated not-for-profit company with a mandate to manage the airport's business and assets according to the annual business plan that is mutually agreeable to the City and the Board of Directors.

12.5 Draws from Airport Reserve Fund

The Commission will be entitled to make draws from any Airport Reserve Fund as long as they are in accordance with the annual business plan.

SECTION 13 - FINANCIAL RECORDS, AUDITS AND ACCOUNTING

13.1 Records and Accounts

The Directors shall cause to be kept proper accounting records for the Commission and, without limiting the generality of the foregoing, shall cause records to be kept of every receipt of funds, disbursement, sale, purchase, asset, liability of the Commission and every other transaction affecting the financial position of the Commission.

13.2 Place of Records

The accounting records of the Commission shall be kept at the Airport or such other place as the Board may determine by Resolution.

13.3 Auditor

The Directors shall appoint a qualified auditor annually.

13.4 Inspection

The accounting and financial records of the Commission shall be available for the inspection of Directors, the Members and the auditor at any time during normal business hours.

13.5 Fiscal Year

The fiscal year end of the Commission shall conclude on 31 December in each year.

13.6 Financial Statements

The Directors shall at least once in every fiscal year cause financial statements of the Commission to be prepared and audited according to current generally accepted auditing principles.

13.7 Banking

The Directors shall cause an appropriate account or accounts to be established in a bank, trust company, credit union, Province of Alberta Treasury Branch or other like financial institution with respect to the funds of the Commission and shall, in consultation with the auditors of the Commission, ensure that appropriate controls are imposed on these accounts.

SECTION 14 - INVESTMENT AND BORROWING

14.1 Investment Powers of Directors

In investing monies of the Commission, the Directors shall be restricted to securities permitted by law to a trustee.

14.2 Borrowing

Where permitted by the annual business plan, the Directors may from time to time:

- (1) borrow money upon the credit of the Commission
- (2) limit or increase the amount to be borrowed;

- (3) issue bonds, debentures or other securities of the Commission;
- (4) pledge or sell such bonds, debentures or other securities for such sums and at such prices as may be deemed expedient; and
- (5) secure any such bonds, debentures or other securities, or any other present or future borrowing or liability of the Commission by mortgage, hypothec, charge, pledge or other security interest relating to all or any currently owned or subsequently acquired real and personal, movable and immovable, property and leasehold interests and reversionary interests of the Commission and the undertaking and rights of the Commission.

SECTION 15 - GENERAL

15.1 Head Office

The head office of the Commission shall be located at the Airport.

15.2 Member and Records

The Directors shall cause minutes of all meetings of Members and of Directors and Resolutions consented to in writing by the Members or the Directors, together with minutes of all meetings of committees of Directors and copies of all notices, filings and reports required pursuant to the Companies Act or these Articles and all registers required under the Companies Act or these Articles to be maintained at such place as the Directors shall determine with minutes, Resolutions, notices filings and reports shall be accessible to the Directors upon reasonable notice.

SECTION 16 - NOTICES

16.1 Delivery of Notice

Any notice to be given pursuant to these Articles may be delivered to a Member or a Director either personally or by prepaid mail addressed to his last address as recorded in the records of the Commission. A notice sent by mail shall be deemed to be delivered on the third business day following the date of mailing. In the case of a postal strike or other disruption of service, only personal delivery by courier or otherwise shall be effective.

SECTION 17 - DISTRIBUTION OF ASSETS AND DISSOLUTION

17.1 Distribution of Assets Upon Dissolution

Upon dissolution of the Commission, after payment of all liabilities, the assets and property of the Commission shall be paid and distributed in such manner as the Members shall determine.

SECTION 18 - RELATIONS WITH NOMINATING ENTITIES AND THE PUBLIC

18.1 Public Meetings

The Directors may call a public meeting at any time for any purpose. The place and time of any such meeting and the manner of notice shall be entirely at the discretion of the Directors.

18.2 Public Notices

The Directors may from time to time cause to be published public notices with respect to the affairs of the Commission.

SECTION 19 - PRIVATE COMPANY

19.1 Public Subscription

The Commission prohibits any invitation to the public to subscribe for any shares or debenture of the Commission.

19.2 Number of Members

The Commission limits the number of its members to fifty (50) or less.

DATED the 11 day of August ²⁰⁰³, 1999 at Grande Prairie, Alberta

NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS

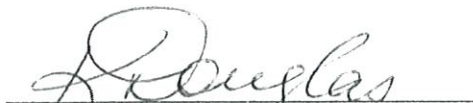
CITY OF GRANDE PRAIRIE
City Hall
Postal Bag 4000
~~9905 - 100 Street~~
Grande Prairie, AB T8V 6V3

PER:


Mayor

PER:


City Clerk


Witness as to the Signature of
D. Gourlay

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DAVE GOURLAY