

MEMORANDUM

TO: Members of Communities 13 Inc.

FROM: Board of Directors, Communities 13 Inc.

DATE: April 23, 2026

RE: Summary of Proposed Changes to the By-Laws of Communities 13 Inc.

PURPOSE

The Board of Directors is pleased to present this summary of the proposed revisions to the By-Laws of Communities 13 Inc. The proposed revisions will be put to the membership for a vote at a special members meeting to be held on May 27th, 2026 at the APM Centre at 7:00 PM.. The Board encourages all members to review this summary and to attend the general meeting to participate in the vote.

The proposed revisions address five principal areas: (1) updating the list of communities to reflect municipal amalgamation; (2) updating membership eligibility consistently; (3) updating Board composition and appointment rights; (4) modernizing the meetings provisions; and (5) introducing a new indemnification protection for directors and officers. Each change is described below.

AN IMPORTANT NOTE ON THE COMMUNITY LIST CHANGES

Several of the proposed changes involve updating the list of communities named in the By-Laws. The Board wishes to be clear that these changes do not reduce or restrict the geographic area served by the Corporation in any way. The same geographic areas that have always been served by the Corporation continue to be served.

The 2022 By-Laws already recognized that the original 13 communities — Afton, Clyde River, Cornwall, Darlington, Hampshire, Kingston, Meadowbank, Miltonvale Park, New Haven/Riverdale, North Wiltshire, Warren Grove, West River, and Winsloe South — had undergone municipal amalgamation, referring to them as the "geographic areas formerly known as" those names. Since 2022, further amalgamation and community name changes have occurred. The former communities of Afton, Meadowbank, and New Haven/Riverdale, as well as Darlington and Winsloe South, have been absorbed into or reorganized under the names of other communities in the region. The proposed By-Laws update the community list to reflect those current, recognized community names.

The proposed By-Laws expressly provide that the facilities will be available to all residents and community groups situated within the geographic areas covered by the eight current communities, as well as residents of the geographic areas formerly known as Darlington and Winsloe South. Residents who previously lived in communities identified as Afton, Meadowbank, or New Haven/Riverdale now fall within the geographic boundaries of one of the eight current communities and continue to be served and eligible for membership on that basis.

PROPOSED CHANGES — BY-LAW BY-LAW SUMMARY

1. By-Law No. 2 — Purposes and Objects

The existing By-Laws described the Corporation's purpose as serving residents of the "current and successor communities, comprised of the geographic areas formerly known as" the original 13 communities.

The proposed 2026 By-Laws update this to refer to residents of the "current and successor communities known as" eight communities: Clyde River, Cornwall, Hampshire, Kingston, Miltonvale Park, North Wiltshire, Warren Grove, and West River. The facilities will continue to be available to all residents and community groups situated within the geographic areas covered by those eight communities, as well as residents of the geographic areas formerly known as Darlington and Winsloe South, in accordance with policies established by the Board ensuring fair and equitable treatment.

As explained above, this change reflects the current post-amalgamation community landscape and does not reduce the geographic service area of the Corporation.

2. By-Law No. 4 — Membership

Membership eligibility is updated consistently with the community list.

Under the existing By-Laws, any individual at least 18 years of age residing in any of the communities comprised of the geographic areas formerly known as Afton, Hampshire, Miltonvale Park, Kingston, Clyde River, Meadowbank, New Haven/Riverdale, Warren Grove, Cornwall, West River, North Wiltshire, Winsloe South, and Darlington was a member of the Corporation.

Under the proposed 2026 By-Laws, membership is open to any individual at least 18 years of age residing in any of the current communities of Clyde River, Cornwall, Hampshire, Kingston, Miltonvale Park, North Wiltshire, Warren Grove, and West River, as well as the geographic areas formerly known as Darlington and Winsloe South.

Again, this change updates the community names to reflect post-amalgamation realities. Residents of the former communities of Afton, Meadowbank, and New Haven/Riverdale who now reside within one of the eight current geographic communities remain fully eligible for membership.

3. By-Law No. 5 — Directors

Three changes are proposed to the directors by-law:

a) Updated community appointment entitlements. *The existing By-Laws entitled each "community or successor community of the geographic areas known by their former community name referred to in By-Law 4, Clause 2" to appoint one member to the Board, along with the North River Minor Hockey Association. The proposed 2026 By-Laws update this to name specifically the eight current communities — Clyde River, Cornwall, Hampshire, Kingston, Miltonvale Park, North Wiltshire, Warren Grove, and West River — as the communities each*

entitled to appoint one Board member, with the North River Minor Hockey Association retaining its entitlement to appoint one director. This aligns Board representation with the current community structure resulting from amalgamation. There continues to be sufficient space on the board that if any community wishes to have greater representation on the Board the community may encourage resident to attend the annual meeting and stand for election as a director.

b) Removal of the Cornwall and Area Figure Skating Club. *The existing By-Laws included the Cornwall and Area Figure Skating Club as an organization whose failure to appoint a director would entitle the Board to fill the vacancy by appointment. The Club no longer exists and the proposed 2026 By-Laws remove the Cornwall and Area Figure Skating Club from this provision, leaving only the North River Minor Hockey Association in that role.*

c) Numbering correction. The 2022 By-Laws contained a drafting error in which two separate clauses were both numbered "(1)." The proposed 2026 By-Laws correct this numbering.

4. By-Law No. 7 — Meetings

Three modernizing changes are proposed:

a) Reduced membership quorum. *Under the 2022 By-Laws, the presence of at least twenty-five (25) members was required to constitute a quorum at all meetings of the membership. The proposed 2026 By-Laws reduce the membership quorum to twelve (12) members. The Board believes this reduction is appropriate to ensure that the business of the Corporation can be conducted effectively as attendance at members meeting has been dwindling and a quorum is required to conduct the business of the Corporation.*

b) Written resolutions. *A new provision is proposed allowing a majority of the Board or Executive Committee to pass resolutions in writing, including by email or other electronic means. This provision does not exist in the existing By-Laws and will allow the Board and Executive to act efficiently between formal meetings when required.*

c) Virtual and electronic meetings. *A new provision is also proposed expressly permitting meetings of the Board of Directors, the Executive Committee, or the general membership to be held by telephone, videoconference, or other electronic communication facility that permits all participants to communicate adequately with each other, with participants attending by such means deemed to be present at the meeting for all purposes, including quorum. This formalizes the Corporation's ability to hold virtual meetings and ensures full participation regardless of location.*

5. By-Law No. 12 — Distribution of Funds

Two changes are proposed to the dissolution and distribution provision:

a) Corrected cross-reference. *The existing By-Laws directed that, on winding up, funds be distributed to each of the communities described in "By-Law No. 3." The proposed 2026 By-Laws correct this cross-reference to "By-Law No. 2," which is the by-law that actually describes the communities.*

b) Predecessor communities. *The proposed 2026 By-Laws also clarify that, on winding up, funds shall be distributed in proportion to the contribution made to the Corporation "by the community or its predecessor communities" as capital for the construction of the multipurpose facility. The addition of "predecessor communities" ensures that capital contributions made by the original 13 communities before amalgamation are properly attributed to their current successor communities when calculating distribution entitlements.*

6. By-Law No. 14 — New: Indemnification of Directors and Officers

The proposed 2026 By-Laws introduce a new By-Law No. 14 to close a gap in the existing By-Laws.

The Corporation would be required to indemnify and save harmless each current and former director and officer from and against all costs, charges, and expenses, including legal fees, actually and reasonably incurred in respect of any civil, criminal, administrative, or other proceeding to which he or she is made a party by reason of being or having been a director or officer of the Corporation, provided that: he or she acted honestly and in good faith with a view to the best interests of the Corporation; and in the case of a criminal or administrative proceeding enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful. No indemnification would be available where the costs, charges, or expenses arose from the fraud, dishonesty, or willful misconduct of the director or officer.

This provision is consistent with standard not-for-profit governance practice and is intended to encourage qualified individuals to serve as directors and officers of the Corporation without fear of personal financial exposure when acting in good faith on behalf of the Corporation.

The Board of Directors encourages all members to attend the general meeting and to vote on the proposed revisions.

Board of Directors Communities 13 Inc.