

## TERMS OF USE

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### A. SERVICES

You agree that PM will not be liable for any delay or unavailability of any of the Website or Services, whether due to an act or omission of PM or an act or omission of any third party.

### B. ACCESS

In order to access and use any of the Services you agree to abide by these Terms of Use. Any other access or use shall constitute a trespass on the Website, shall constitute an infringement of PM’s intellectual property and an unlawful use of PM’s assets.

Certain portions of the Website and/or Services may have additional terms and conditions, which apply to the access or use of those portions of the Website and/or Services.

### C. LICENCE

Upon accepting the Terms of Use you are granted a non-exclusive and non-transferable licence to use and access the Services.

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The Website and/or the Services may provide, or third parties may provide, links to other World Wide Web sites or resources. Because PM has no control over such sites and resources, you acknowledge and agree that PM is not responsible for the availability of such external sites or resources and does not endorse and is not responsible or liable for any content, advertising, products,

services or other materials on or available from such sites or resources. You further acknowledge and agree that PM shall not be responsible or liable, directly or indirectly, for any damage or loss caused or alleged to be caused by or in connection with use of or reliance on any such content, goods or services available on or through any such site or resource.

#### **E. INTELLECTUAL PROPERTY**

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#### **F. DISCLAIMER OF WARRANTIES**

YOU EXPRESSLY AGREE THAT USE OF THE SERVICES AND WEBSITE IS AT YOUR SOLE RISK. THE SERVICES AND WEBSITE ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. PM EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND THOSE THAT ARE IMPLIED BY LAW. PM MAKES NO WARRANTY THAT THE WEBSITE OR SERVICES WILL MEET YOUR REQUIREMENTS, OR THAT THE USE OF THE WEBSITE OR SERVICES WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR FREE; PM MAKES NO WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE SERVICES OR WEBSITE OR AS TO THE ACCURACY OR RELIABILITY OF ANY INFORMATION OBTAINED THROUGH THE WEBSITE OR SERVICES OR THAT DEFECTS WILL BE CORRECTED.

#### **G. LIMITATION OF LIABILITY**

PM SHALL NOT BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, RESULTING FROM THE USE OR THE INABILITY TO USE THE WEBSITE OR SERVICES, OR FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES, OR RESULTING FROM ANY GOODS OR SERVICES PURCHASE OR OBTAINED, OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO OR THROUGH THE SERVICES OR WEBSITE OR RESULTING FROM UNAUTHORIZED ACCESS TO, OR ALTERATION OF USER'S TRANSMISSIONS OR DATA, EVEN IF PM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

#### **H. TERMINATION OF RIGHTS**

PM retains the right, at PM's sole discretion, to determine whether or not your conduct is consistent with the letter and spirit of these Terms of Use. PM reserves the right, based on its sole discretion, to suspend or terminate your registration or to suspend or terminate current or future access and use of the Services if your conduct is found to be inconsistent with these Terms of Use.

#### **I. USER CONDUCT**

- (a) Your use of the Services is subject to all applicable federal, provincial, state, municipal, international and local laws and regulations.

- (b) You agree not to use the Services for illegal purposes.
- (c) You agree not to transmit through the Website or Services any unlawful, harassing, libellous, abusive, threatening, harmful, vulgar, obscene, pornographic or otherwise objectionable material of any kind or nature.
- (d) You agree not to transmit any material that encourages conduct that could constitute a criminal offence, give rise to civil liability or otherwise violate any applicable federal, provincial, state, municipal, international and local law and/or regulation.
- (e) You agree not to use the Services to commit any dishonest act, act of fraud or any act which infringes any third party rights including the right of privacy.
- (f) Attempts to gain unauthorized access to any computer system are prohibited.
- (g) You agree not to use any spider, robot or other automatic means to search or monitor the content of the Services or Website. You also agree not to use any automatic means, including software, to interfere with or attempt to interfere with the Services or their use by any other user. You agree not to cause any unreasonable burden or load on the Website or the Services or the software or computer systems supporting them.

#### **J. ADVERTISERS AND VENDORS**

Your correspondence or business dealings with, or participation in promotions of, third party advertisers and vendors found on or through the Services or the Website, including payment and delivery of related goods or services, and any other terms, conditions, warranties or representations associated with such dealings, are solely between you and such advertiser and/or vendor. You agree that PM shall not be responsible or liable for any loss or damage of any sort incurred as the result of any such dealings or as the result of the presence of such advertisers or vendors on the Website or in connection with the Services. All of your business dealings with third party vendors and advertisers appearing on the Website or in connection with the Services, shall be at your sole risk.

#### **K. INDEMNIFICATION**

You agree to indemnify and hold PM and any of its parents, partners, subsidiaries, affiliates, directors, partnerships, principals, governors, representatives, agents, officers and employees, successors and assigns, harmless from any third party claim or demand, including all legal fees on a solicitor and his own client basis, due to or arising out of your use of the Services or Website, the violation of these Terms of Use by you, or the infringement by you of any intellectual property or other right of any person or entity or other user. You shall be responsible for all activities conducted using your computer.

#### **L. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between you, the user, and PM, and supersedes all prior agreements between the parties, regarding the subject matter contained herein and there are no statements, representations, warranties, undertakings or agreements, written or oral, express or implied, between the parties hereto except as herein set forth.

**M. NO WAIVER**

PM's failure to insist upon, exercise or enforce any rights or provisions of these Terms of Use shall not be construed as a waiver of such right or provision of the same or different type in the future.

**N. TERMINATION**

Should you object to any of these Terms of Use or any subsequent modifications thereto or become dissatisfied with the Services in any way, your only recourse is to immediately discontinue use of the Services.

Notwithstanding the termination of this Agreement for any reason, the provisions of this Agreement relating to intellectual property, warranty disclaimer, limited liability, indemnity and governing law shall survive such termination.

**O. GOVERNING LAW**

These Terms of Use, the relationship between you and PM and your use of the Services and the resolution of any dispute arising between the parties shall be governed by and construed in accordance with the laws of the Province of Alberta and those of Canada applicable therein, without reference to their conflicts of laws. You and PM agree to submit to the exclusive jurisdiction of the courts of the Province of Alberta to hear all matters arising in relation to the Website, the Services or this Agreement. Notwithstanding the forgoing, either party may apply to any court of competent jurisdiction for injunctive relief and other equitable remedies.

**P. SEVERABILITY**

If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be severed from this Agreement and the remaining provisions shall remain in full force and effect.

**Q. HEADINGS**

Headings are for reference purposes only and shall not be used in the interpretation of this Agreement.

[NOTE: All references to the “Act” in these draft Articles of Incorporation are to the Cooperatives Act, S.A. c. C-28.1]

1. **Name of Cooperative**

- [Insert Name]

[NOTE: name must include cooperative identifier (i.e. cooperation, co-op, united or pool) unless you make a request for exemption with your incorporation application pursuant to s. 423 of the Act.]

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2. **Registered Office:**

- [Insert registered office address]

[NOTE: could be business address; frequently is law firm or lawyer’s address.]

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3. **Name and Address of Incorporators:**

Name	Residential Address
●	●
●	●
●	●

[NOTE: Must have at least three incorporators (i.e. founders) pursuant to s. 3(1) of the Act]

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4. **Minimum and Maximum Number of Directors:**

3 Minimum to ● Maximum

[NOTE: A Cooperative must have at least three directors pursuant to s. 50(1) of the Act. You fix a number of directors or provide a possible range (maximum) for greater flexibility.]

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5. **Restrictions on the Business that the Cooperative May Carry On:**

The production, processing and marketing of agricultural products and the provision of services to persons primarily engaged therein.

[NOTE: New Generation Cooperatives must have this type of restriction (this is the broadest form) pursuant to s. 422(c)(iii) of the Act.]

The undertaking of the Cooperative will be carried on in whole or in part in Alberta.

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6. **Objects or Purposes the Cooperative is Intended to Fulfill:**

The objectives and purposes of the Cooperative are to:

- a) process (including procuring incidental to or connected therewith) livestock, livestock products and other agricultural products belonging to or acquired from its members or customers;
- b) market (including processing incidental to or connected therewith) livestock, livestock products and other agricultural products belonging to or acquired from its members or customers and;
- c) providing services to its members and other persons primarily engaged in the production, processing and marketing of agricultural products.

**[NOTE: Pursuant to s. 43 of the Regulations, the Articles of a New Generation Cooperative must contain a statement of objects or purposes to which the New Generation Cooperative will be restricted. This sample is very broadly worded within the mandatory restrictions on the types of businesses a New Generation Cooperative can carry on.]**

**7. Restrictions on the Powers of the Directors to Manage the Business of the Cooperative:**

There are no restrictions on the powers of the directors to manage the business of the Cooperative, other than as provided in the Articles of the Cooperative, the Bylaws and any Unanimous Agreement.

**[NOTE: The power of the directors to manage the Cooperative MAY be restricted pursuant to ss. 96 and 97 of the Act.]**

**8. Restrictions on the Class of Membership:**

Membership will be restricted to persons who:

- a) Purchase one or more membership shares, and
- b) Are accepted as members in the Cooperative by the Board of Directors.

**9. Cooperative Basis:**

The Cooperative will be organized and operated, and will carry on business on a cooperative basis, in accordance with Section 2 of the Cooperatives Act, S.A. 2001, c. C-28.1 and any successor provision thereto.

**[NOTE: S. 2 of the Act sets out the cooperative principles under which all cooperatives under the Act must be organized and operated.]**

**10. Membership Share Capital:**

The Cooperative is authorized to issue an unlimited number of shares, designated as Membership Shares without par value, which are called the Class "A" Shares. The rights, privileges, restrictions and conditions attaching to the Class "A" Shares are as follows:

- a. The holders thereof shall have the right to receive notice of, to attend and to cast one vote (regardless of the number of membership shares held) at every meeting of the members of the Cooperative.
- b. The holders thereof shall have the right to elect as many members to the Board of Directors of the Cooperative as may be required, including replacements as necessary, provided that the holders thereof shall in any

event elect a minimum of 3 members at all times.

- c. The holders of Class “A” Shares shall be entitled to participate in any surplus of the business done by the Cooperative from the purchase and sale of livestock, livestock products and all other goods and services marketed by the Cooperative by way of a patronage return to the exclusion of the holders of other classes of shares in the Cooperative or otherwise, in an amount declared by the directors of the Cooperative taking into account the quantity, quality, kind and value of such livestock, livestock products and other goods and services sold by the shareholder to the Cooperative.

**[NOTE: Pursuant to s. 137 of the Act, the articles MAY but not MUST, provide for distributing some or all of the Cooperatives surplus by way of a patronage return.]**

- d. The holders thereof shall have the right to receive any dividend as may be declared thereon by the Cooperative, subject to a maximum rate of return of ●% per share per annum **[and shall not be paid until all patronage dividends have been paid]**.

**[NOTE: A Cooperative, if it is to provide dividends to membership shares, must fix the maximum rate for membership share dividends in the articles per s. 2(1)(e)].**

In all circumstances such dividends will share ratably with the Class “B” Shares, such that no dividend may be declared on the Class “A” Shares without an equivalent dividend on the Class “B” Shares (on a per share basis) and vice versa.

- e. If any Class “A” Shares are redeemed, they shall be redeemable at the price of \$● regardless of the price paid therefor or any unpaid patronage returns or dividends declared thereon.

**[NOTE: With membership shares issued with no-par value (as in the case of this draft) the articles must include a price formula for redemption otherwise redemptions occur at fair market value.]**

- f. The holders thereof shall have the right to receive ratably with the holders of the Class “B” Shares and Class “C” Shares and in priority to the holders of Class “D” Shares, the remaining property of the Cooperative on its dissolution, liquidation, winding-up or other distribution of its property among its members and shareholders for the purpose of winding-up its affairs.

The foregoing rights, privileges, restrictions and conditions are subject to the rights, privileges, restrictions and conditions attaching to any other class of shares now or hereafter created and expressed to rank in priority to the Class “A” Shares.

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## 11. Investment Share Capital:

The Cooperative is authorized to issue the following investment shares:

## a. Class "B" Shares

- i. The Cooperative is authorized to issue an unlimited number of shares designated as Investment Shares, which are called the Class "B" Shares; the rights, privileges, restrictions and conditions attaching thereto are as follows:
  1. The Class "B" Shares shall be issued without par value and may be issued to either members of the Cooperative, non-members, or both.
  2. The Class "B" Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be fixed by resolution of the directors of the Cooperative, who shall also determine by resolution passed before the issue of any Class "B" Shares of each series the designation of the shares of such series and the rights, privileges, restrictions and conditions attaching thereto pursuant to Section 110(1)(b) of the *Cooperatives Act* (Alberta) and any successor provision thereto, including but without limiting the generality of the foregoing, the right to elect not more than 20% of the directors to the Cooperative pursuant to Section 108(4) of the *Cooperatives Act* (Alberta) and any successor provision thereto, the rate or amount of any dividends or preferential dividends, the date or dates and place or places of payment thereof, conversion privileges, if any, and the conditions thereof, the redemption or purchase price and the terms and conditions of any redemption or purchase of such shares, if subject to redemption or purchase for cancellation, the terms and conditions of any sinking fund or purchase fund, the amount or amounts to be paid on such shares upon any distribution of assets of the Cooperative among its shareholders in the event of its liquidation, dissolution or winding-up, voting rights, if any, and restrictions, if any, respecting the payment of dividends on and the redemption and purchase of any shares ranking junior to the Class "B" Shares.
  3. The Class "B" Shares of any series may be made subject to redemption or purchase for cancellation at such times and at such prices and upon such other terms and conditions as may be specified in the rights, privileges, restrictions and conditions attaching to the shares of that series, as determined before the issue thereof by resolution of the directors of the Cooperative, provided that no such shares may be redeemed or purchased for cancellation at prices exceeding the redemption price stated in or calculated according to a formula stated in the terms of issue thereof.

4. The Class “B” Shares may be given preference over any shares of the Cooperative ranking junior to the Class “B” Shares, which shall in no event include the Class “A” Shares, with respect to payment of dividends and return of capital and the Class “B” Shares of each series may also be given such other preferences over any shares of the Cooperative ranking junior to the Class “B” Shares, which shall in no event include the Class “A” Shares, as may be determined before the issue thereof as hereinbefore provided.
5. The Class “B” Shares of each series shall rank on a parity with the Class “B” Shares of every other series with respect to priority in payment of dividends and return of capital.
6. If any cumulative dividends or amounts payable on return of capital in respect of a series of Class “B” Shares are not paid in full, the shares of all series of the same class shall participate ratably in respect of accumulated dividends and return of capital.
7. The holders of the Class “B” Shares shall not, as such, be entitled to receive notice of or to attend any meeting of the shareholders of the Cooperative or to vote at such meeting, except as provided in the Cooperatives Act or in the rights, privileges, restrictions and conditions attached to the Class “B” Shares of any series before the issue thereof as hereinbefore provided.
8. The holders of the Class “B” Shares shall not, as such, be entitled as of right to subscribe for or purchase any issue or part of any issue of shares of the Cooperative whether now or hereafter authorized.
9. In the event of the dissolution, liquidation, winding-up or other distribution of the Cooperative’s property among its members and shareholders for the purpose of winding-up its affairs the holders of the Class “B” Shares shall be paid out ratably with the holders of the Class “A” Shares and Class “C” Shares and in priority to the Class “D” Shares.

**[NOTE: These draft Articles of Incorporation are designed such that the Class “B” Shares could function much the same as common shares in a typical private corporation. It is intended that if there is an intention to issue more than one kind of investment share, a cooperative using this structure could issue certain investment shares with certain special rights (i.e. “preferences”). To give preferences to one group of investment shares as opposed to all investment shares, the cooperative needs to have different classes of shares.]**

b. Class “C” Shares

- ii. The Cooperative is authorized to issue an unlimited number of shares designated as Investment Shares, which are called the Class “C” Shares; the rights, privileges, restrictions and conditions attaching thereto are as follows:
  1. The Class “C” Shares shall be issued without par value and may be issued to either members of the Cooperative, non-members, or both.
  2. The Class “C” Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be fixed by resolution of the directors of the Cooperative, who shall also determine by resolution passed before the issue of any Class “C” Shares of each series the designation of the shares of such series and the rights, privileges, restrictions and conditions attaching thereto pursuant to Section 110(1)(b) of the *Cooperatives Act* (Alberta) and any successor provision thereto, including but without limiting the generality of the foregoing, the right to elect not more than 20% of the directors to the Cooperative pursuant to Section 108(4) of the *Cooperatives Act* (Alberta) and any successor provision thereto, the rate or amount of any dividends or preferential dividends, the date or dates and place or places of payment thereof, conversion privileges, if any, and the conditions thereof, the redemption or purchase price and the terms and conditions of any redemption or purchase of such shares, if subject to redemption or purchase for cancellation, the terms and conditions of any sinking fund or purchase fund, the amount or amounts to be paid on such shares upon any distribution of assets of the Cooperative among its shareholders in the event of its liquidation, dissolution or winding-up, voting rights, if any, and restrictions, if any, respecting the payment of dividends on and the redemption and purchase of any shares ranking junior to the Class “C” Shares.
  3. The Class “C” Shares of any series may be made subject to redemption or purchase for cancellation at such times and at such prices and upon such other terms and conditions as may be specified in the rights, privileges, restrictions and conditions attaching to the shares of that series, as determined before the issue thereof by resolution of the directors of the Cooperative, provided that no such shares may be redeemed or purchased for cancellation at prices exceeding the redemption price stated in or calculated according to a formula stated in the terms of issue thereof.
  4. The Class “C” Shares may be given preference over the Class “A” Shares, the Class “B” Shares, the Class “D”

Shares and any other shares of the Cooperative ranking junior to the Class “C” Shares with respect to payment of dividends and return of capital and the Class “C” Shares of each series may also be given such other preferences over the Class “A” Shares, the Class “B” Shares, the Class “D” Shares and any other shares of the Cooperative ranking junior to the Class “C” as may be determined before the issue thereof as hereinbefore provided.

5. The Class “C” Shares of each series shall rank on a parity with the Class “C” Shares of every other series with respect to priority in payment of dividends and return of capital.
6. If any cumulative dividends or amounts payable on return of capital in respect of a series of Class “C” Shares are not paid in full, the shares of all series of the same class shall participate ratably in respect of accumulated dividends and return of capital.
7. The holders of the Class “C” Shares shall not, as such, be entitled to receive notice of or to attend any meeting of the shareholders of the Cooperative or to vote at such meeting, except as provided in the Cooperatives Act or in the rights, privileges, restrictions and conditions attached to the Class “C” Shares of any series before the issue thereof as hereinbefore provided.
8. The holders of the Class “C” Shares shall not, as such, be entitled as of right to subscribe for or purchase any issue or part of any issue of shares of the Cooperative whether now or hereafter authorized.
9. In the event of the dissolution, liquidation, winding-up or other distribution of the Cooperative’s property among its members and shareholders for the purpose of winding-up its affairs the holders of the Class “C” Shares shall be paid out ratably with the holders of the Class “A” Shares and Class “B” Shares and in priority to the holders of the Class “D” Shares.

**[NOTE: See notes above regarding Class “B” and “C” shares. It is intended with this draft form of Articles that the Class “C” shares would be used to issue a specialized or “preferred” type of investment share.]**

c. Class “D” Shares

- iii. The Cooperative is authorized to issue an unlimited number of shares designated as Investment Shares, which are called the Class “D” Shares; the rights, privileges, restrictions and conditions attaching thereto are as follows:

1. The Class “D” Shares shall be issued without par value and may be only be issued to members and shall be designated as a class of investment shares pursuant to Section 427 of the *Cooperatives Act* (Alberta) and any successor provision thereto, and shall carry no right to vote at an election of the directors to the Cooperative.

**[NOTE: The Class “D” shares in these draft Articles are intended to be so-called “designated” investment shares or “delivery” shares within the meaning of s. 427 of the Act. The Act requires that the “designated” investment shares be issued only to members and be non-voting.]**

2. Class “D” Shares shall only be sold to persons who hold, or have been approved to hold Class “A” Shares and who have entered into one or more delivery rights contract(s) to supply livestock or agricultural products or services to the Cooperative if a delivery rights contract is required by the directors.
3. The holders of Class “D” Shares shall be entitled to participate in any surplus of the business done by the Cooperative from the purchase and sale of livestock, livestock products and all other goods and services marketed by the Cooperative by way of a patronage return to the exclusion of the holders of other classes of shares in the Cooperative or otherwise, in an amount declared by the directors of the Cooperative taking into account the quantity, quality, kind and value of such livestock, livestock products and other goods and services sold by the shareholder to the Cooperative and the number of Class “D” Shares held by such holder. Such patronage returns may be declared as patronage dividends or bonus payments.
4. The Class “D” Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be fixed by resolution of the directors of the Cooperative, who shall also determine by resolution passed before the issue of any Class “D” Shares of each series the designation of the shares of such series and the rights, privileges, restrictions and conditions attaching thereto pursuant to Section 110(1)(b) of the *Cooperatives Act* (Alberta) and any successor provision thereto, including but without limiting the generality of the foregoing, the rate of amount of any dividends or preferential dividends, the date or dates and place or places of payment thereof, conversion privileges, if any, and the conditions thereof, the redemption or purchase price and the terms and conditions of any redemption or purchase of such shares, if subject to redemption or purchase for cancellation, the terms

and conditions of any sinking fund or purchase fund, the amount or amounts to be paid on such shares upon any distribution of assets of the Cooperative among its shareholders in the event of its liquidation, dissolution or winding-up, voting rights, if any, and restrictions, if any, respecting the payment of dividends on and the redemption and purchase of any shares ranking junior to the Class "D" Shares.

5. The Class "D" Shares of any series may be made subject to redemption or purchase for cancellation at such times and at such prices and upon such other terms and conditions as may be specified in the rights, privileges, restrictions and conditions attaching to the shares of that series, as determined before the issue thereof by resolution of the directors of the Cooperative, provided that no such shares may be redeemed or purchased for cancellation at prices exceeding the redemption price stated in or calculated according to a formula stated in the terms of issue thereof.
6. The Class "D" Shares may be given preference over the any other shares of the Cooperative ranking junior to the Class "D" Shares, which shall in no event include the Class "A" Shares or the Class "B" Shares, with respect to payment of dividends and return of capital and the Class "D" Shares of each series may also be given such other preferences over any shares of the Cooperative ranking junior to the Class "D", which shall in no event include the Class "A" Shares or the Class "B" Shares, as may be determined before the issue thereof as hereinbefore provided.
7. The Class "D" Shares of each series shall rank on a parity with the Class "D" Shares of every other series with respect to priority in payment of dividends and return of capital.
8. If any cumulative dividends or amounts payable on return of capital in respect of a series of Class "D" Shares are not paid in full, the shares of all series of the same class shall participate rateably in respect of accumulated dividends and return of capital.
9. The holders of the Class "D" Shares shall not, as such, be entitled to receive notice of or to attend any meeting of the shareholders of the Cooperative or to vote at such meeting, except as provided in the Cooperatives Act or in the rights, privileges, restrictions and conditions attached to the Class "D" Shares of any series before the issue thereof as hereinbefore provided.
10. The holders of the Class "D" Shares shall not, as such, be

entitled as of right to subscribe for or purchase any issue or part of any issue of shares of the Cooperative whether now or hereafter authorized.

11. In the event of the dissolution, liquidation, winding-up or other distribution of the Cooperative's property among its members and shareholders for the purpose of winding-up its affairs the holders of the Class "D" Shares shall not be entitled to share in any distribution of the assets or property of the Cooperative save and except the right to receive a sum equivalent to the aggregate redemption amounts of the Class "D" Shares held by them, such right being subordinate to the rights of the holders of Class "A" Shares, Class "B" Shares and Class "C" Shares to each receive a sum equivalent to the aggregate of the redemption amounts of such shares held by them together with the amount of all declared but unpaid patronage returns and or dividends.

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12. **Maximum Interest Rate on Member Loans:**

The maximum interest rate on member loans is ●% per annum.

**[NOTE: A maximum interest rate on member loans is required by s. 2(d) of the Act.]**

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13. **Transfer of Member Interest:**

The transfer of all Shares are subject to the approval of the Board of Directors which shall not be withheld if the transferee agrees to be bound by any unanimous agreement to which shareholders are parties or deemed to be parties, the transferee agrees to enter into the delivery rights contract(s) that may be applicable and associated with the Class of Shares being transferred, and the transferee is otherwise qualified and capable in the opinion of the Board, acting reasonably, of meeting the transferor's obligations to the Cooperative.

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14. **Appointment of Non-Member Representative Directors**

The directors of the Cooperative that are elected by the holders of Class "A" Shares, Class "B" Shares and/or Class "C" Shares, as the case may be, may from time to time appoint additional directors of the Cooperative pursuant to s. 51(3) of the *Cooperatives Act* (Alberta) and any successor provision thereto. Such additional directors need not be members of the Cooperative.

**[NOTE: This provision is completely optional. S. 51(3) of the Act provides that the Articles MAY (not must) provide for the appointment of non-member directors (up to 20% of the board) who are "representatives of an entity government or any other person or organization having an interest in the activities of the cooperative". Keep in mind that pursuant to s. 51 of the Act the maximum number of non-member directors is 1/3 regardless of whether some are elected by members, investment shareholders or appointed by the elected members of the board.]**

Dated at the City of ●, in the Province of Alberta this \_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
**WITNESS**

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**WITNESS**

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**WITNESS**

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**AFFIDAVIT OF EXECUTION**

<b>CANADA</b>	)	I, ●, of the City of ● in the Province of Alberta,
<b>PROVINCE OF ALBERTA</b>	)	<b>MAKE OATH AND SAY:</b>
<b>TO WIT</b>	)	

1. THAT I was personally present and did see ● named in the annexed instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.

2. THAT the same was executed at the City of ●, in the Province of Alberta, and that I am the subscribing witness thereto.

3. THAT I know the said ● and he is in my belief of the full age of eighteen years.

**SWORN BEFORE ME** at the City of ●, )  
in the Province of Alberta, this \_\_\_\_\_ )  
day of \_\_\_\_\_, 2004. )  
) )  
) )  
) )

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A Commissioner for Oaths in and for the Province of Alberta ●

**[NOTE: Must be completed for every incorporator.]**

**AFFIDAVIT OF EXECUTION**

<b>CANADA</b>	)	I, ●, of the City of ● in the Province of Alberta,
<b>PROVINCE OF ALBERTA</b>	)	<b>MAKE OATH AND SAY:</b>
<b>TO WIT</b>	)	

4. THAT I was personally present and did see ● named in the annexed instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.

5. THAT the same was executed at the City of ●, in the Province of Alberta, and that I am the subscribing witness thereto.

6. THAT I know the said ● and he is in my belief of the full age of eighteen years.

**SWORN BEFORE ME** at the City of ●, )  
 in the Province of Alberta, this \_\_\_\_\_ )  
 day of \_\_\_\_\_, 2004. )  
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