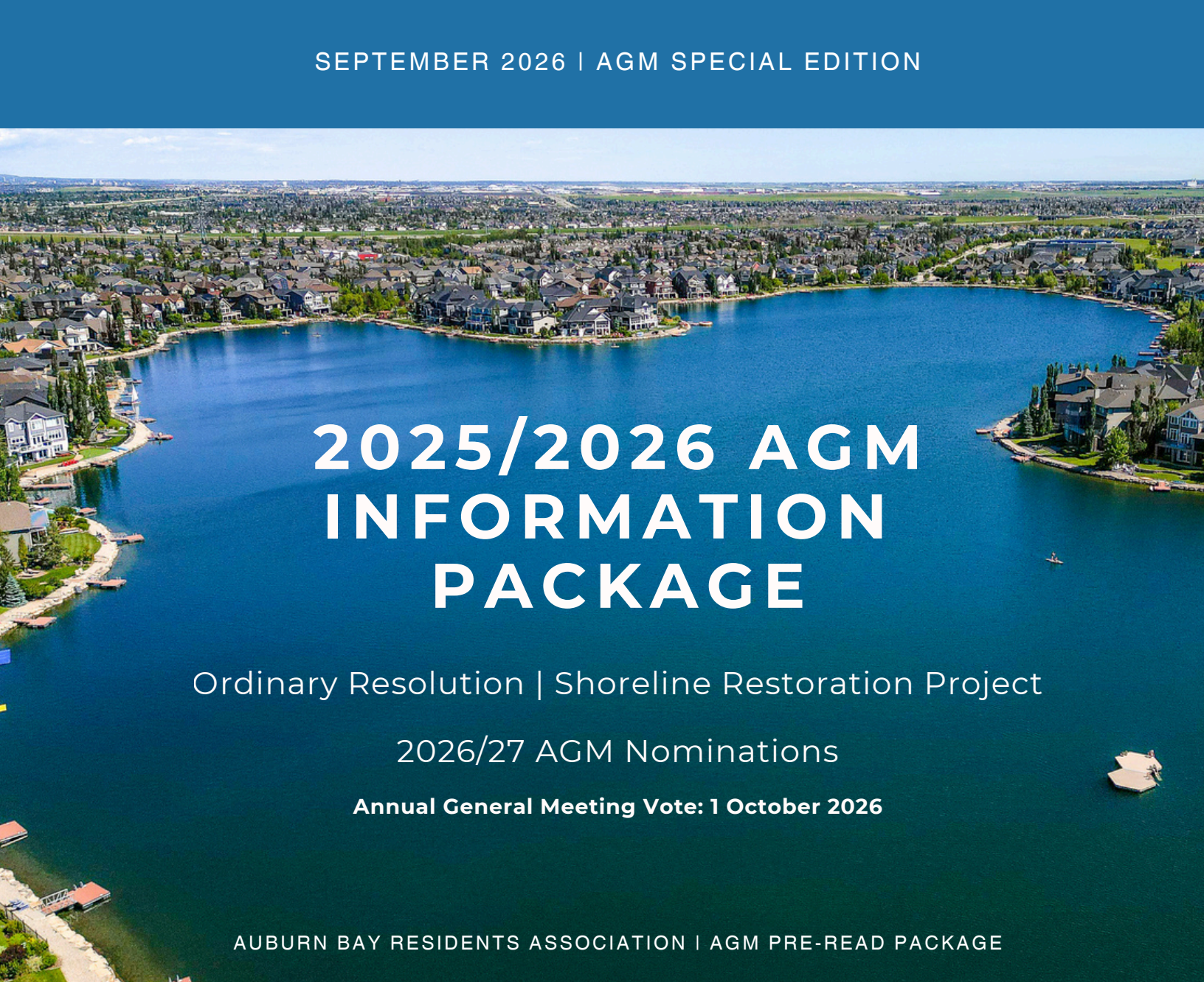




2025/2026 AGM INFORMATION PACKAGE

Ordinary Resolution | Shoreline Restoration Project

2026/27 AGM Nominations

Annual General Meeting Vote: 1 October 2026

AUBURN BAY RESIDENTS ASSOCIATION | AGM PRE-READ PACKAGE

IN THIS PACKAGE:

- Ordinary Resolution | Shoreline Remediation Project Loan
- Meet Your 2026/27 ABRA Board Nominees
 - JP Sandhu
 - Alyssa McMasters
 - Kelly Dickinson
 - Matthew Makarenko

PURPOSE OF THIS PACKAGE

To provide residents with the project background, proposed resolution and answers to anticipated questions before the AGM vote.

1) ABRA is asking residents to approve borrowing of up to \$3.9 million to repair parts of Auburn Bay Lake's engineered shoreline. The work is needed because some shoreline rocks are deteriorating, shifting or becoming unsafe. The project will help protect the lake, reduce safety risks and avoid larger repair costs in the future.

2) Introduce the nominees for the 2026/27 Board of Directors.

SHORELINE SUB-COMMITTEE

ABRA would like to extend its sincere appreciation to the members of the Shoreline Restoration Subcommittee for their significant time, expertise, and commitment throughout the planning and development of this important project. The Subcommittee has played an integral role in reviewing information, working alongside management, consultants, and project partners, and helping navigate the many considerations associated with a project of this scale. Their thoughtful questions, careful review, and dedication have helped ensure that the Board and management are able to bring a well-informed proposal forward to the Auburn Bay community for consideration and voting. ABRA is grateful for the countless hours contributed by the Subcommittee and for their continued commitment to responsible stewardship of our community's lake and long-term assets. Thank you to the following board members and ABRA management for their leadership, collaboration, and dedication to Auburn Bay:

- Ben Gilchrist | ABRA Board
- Laine Horsfield | ABRA Board
- Fred Lauzon | ABRA Board
- Bob Watson | ABRA Management
- Chrissie Rozak | ABRA Management

WHAT IS AN ORDINARY RESOLUTION?

An ordinary resolution is a resolution decided by the members using the organization's normal voting requirements, as established by the Companies Act (Alberta) and the organization's governing documents.

In practical terms, an ordinary resolution is generally approved when more votes are cast in favour of the resolution than against it, provided that the meeting has been properly called and quorum requirements have been met.

PROJECT OVERVIEW

The Shoreline Restoration Project is a planned restoration of Auburn Bay Lake’s engineered shoreline protection system. The project is needed because the Shoreline Treatment is showing deterioration that extends beyond cosmetic wear or routine maintenance. In many areas, rocks are cracking, crumbling or shifting. This deterioration is occurring throughout the rock stack, including at lower levels that support the wall above. Rock wedges originally used to level the wall are also deteriorating, which can cause rocks to become insecurely seated.

If left unaddressed, these conditions may continue to create trip-and-fall hazards, contribute to further movement of the shoreline wall and accelerate sinking of ABRA-owned land within the 2.5 m Restrictive Covenant area and adjacent homeowner properties. Restoring the Shoreline Treatment now is intended to protect the lake infrastructure, reduce safety risks and avoid more extensive and costly repairs in the future.

THE RESTORATION WORK WILL BE COMPLETED USING ONE OF TWO EXECUTION METHODS:

- Replace significantly damaged rocks with new rocks in significantly damaged areas only, then level and secure the top rocks along the remaining shoreline; or
- Install engineered riprap armoring in front of the existing wall, while also levelling and securing the top rocks.



If this Resolution is approved, ABRA will complete the detailed design, pricing review and best-value assessment in Fall 2026. The final execution method will be selected at that time based on engineering requirements, contractor pricing, constructability, risk and overall value.

PROJECT AT A GLANCE

Auburn Bay Lake has approximately **2 km of Shoreline Treatment**. About 500 m can be accessed from the land side; however, lakefront homes significantly restrict land access along the remaining 1.5 km. For this reason, most restoration work will be completed from the lake using a barge-mounted crane.



A visual survey of the entire shoreline identified four levels of repair priority:

- Critical, High, Medium, and Low.



The project will focus on repairing the Critical and High-priority areas, where the shoreline has experienced the most significant deterioration. In the Medium and Low priority areas, the lower rocks remain in generally good condition and do not require replacement. Work in these areas will therefore be limited to leveling and stabilizing the top row of rocks where needed.



The project will also reinstate dock blocks that have shifted from their original positions due to wave action and freeze-thaw cycles as the needed access and equipment will be on site.



Construction mobilization is planned for spring 2027, as soon as the ice melts. Work is expected to continue through the summer and fall as a single-season construction phase, subject to final design, contractor scheduling, lake conditions and applicable regulatory requirements.



PHOTOS



RESOLUTION

BE IT RESOLVED THAT, in accordance with Article 26 of the Articles of Association, the voting members authorize Auburn Bay Residents Association (ABRA) to secure a line of credit of up to \$3.9 million for the purpose of executing the Shoreline Treatment restoration project.

FREQUENTLY ASKED QUESTIONS



A. FINANCIAL AND FUNDING QUESTIONS

1. Will the Shoreline Restoration result in a special assessment or an increase in annual fees?

The Board does not anticipate a special assessment or an increase in annual fees specifically attributable to the Shoreline Treatment restoration. The project will be financed through ABRA's line of credit, with required repayments incorporated into the Association's operating budget.

As part of the annual budgeting process, however, the Board must consider ABRA's overall financial obligations, including operating costs, debt repayment, reserve requirements, and other capital projects. As a result, while any future adjustment to annual fees would not be directly attributed to the Shoreline Treatment restoration, the project's financing obligations will form part of ABRA's overall financial requirements when future budgets and annual fees are established.

2. What is the Reserve Fund Exposure?

The Shoreline Treatment restoration will be fully funded through the line of credit, so the Reserve Fund will not be impacted and remain available for other repairs to ABRA infrastructure and other capital projects.

3. How was the \$3.9 million maximum borrowing amount determined?

The \$3.9 million budget is based on a \$3.0 million Class 4 project estimate prepared using engineering input and contractor pricing obtained during the bid process. The Board approved a 30% contingency of \$900,000 as a prudent allowance for unforeseen costs, resulting in a total project budget of \$3.9 million.

If the full contingency is not required, ABRA will simply borrow less under the line of credit. The final project budget will be confirmed in the fall of 2026 when the execution methodology, contract scope and contractor quotation is finalized.

4. What happens if the finalized project budget exceeds the approved \$3.9M?

Since the Board approved a 30% contingency, typical for Class 4 estimates, the finalized project budget is not anticipated to exceed \$3.9 M. However, if it should be exceeded the Board will not authorize borrowing in excess of the amount approved by the voting members. If the finalized project cost exceeds \$3.9 million, the Board will refine the scope to ensure the \$3.9M is not exceeded.

FREQUENTLY ASKED QUESTIONS CONTINUED

A. FINANCIAL AND FUNDING QUESTIONS

5. What controls will be used to manage project costs?

During the execution phase, ABRA will use regular cost reporting, commitment tracking, forecasting and change-control procedures to identify potential overruns early and allow corrective action before the approved borrowing limit is exceeded.

PROJECT FUNDING SUMMARY

Budget component	Amount
Construction contract / execution scope	\$2,750,000
Geotechnical Engineering and technical oversight	\$50,000
Fix shifting dock blocks	\$200,000
Contingency allowance: 30%	\$900,000
Proposed borrowing	\$3,900,000

Project management and legal costs are covered under ABRA operating budget.

6. Has ABRA’s financial institution approved the proposed line of credit?

Yes, ABRA’s financial institution has approved the application for the proposed line of credit.

7. How long will it take ABRA to repay the line of credit?

- Maximum amount borrowed: \$3.9M
- Interest rate: 4.7%
- Monthly payment: \$25,096
- Estimated repayment period: 20 years
- Estimated total interest cost: \$2,123,178



FREQUENTLY ASKED QUESTIONS CONTINUED

B. PROJECT NEED AND COMMUNITY BENEFIT

8. What happens if ABRA does nothing?

Doing nothing is not considered a responsible long-term option.

The Restrictive Covenant identifies the shoreline as an engineered Shoreline Treatment designed to preserve the integrity of the lake, contain lake waters and enhance the appearance of the shoreline. Engineering assessments have concluded that the shoreline is deteriorating.

If no action is taken:

- Shoreline deterioration will continue.
- Repair costs will increase as more sections require restoration.
- Localized rock movement and shoreline subsidence will become more widespread.
- Trip-and-fall hazards will increase, creating greater risk of injury to residents and visitors.
- The appearance of the lake shoreline will continue to decline

The Board believes it is more prudent to restore the Shoreline Treatment now than to defer repairs until the work becomes more extensive, disruptive and significantly more expensive.

9. Why are all residents being asked to pay for a project that appears to benefit lakefront homeowners?

The Shoreline Treatment is not a private amenity belonging to lakefront homeowners. It is an engineered shoreline protection system that forms part of Auburn Bay Lake, the community's most significant shared asset enjoyed by all Auburn Bay residents.

This is comparable to maintaining other community infrastructure and shared amenities, including:

- The Clubhouse
- Tennis and Pickleball Courts
- Beaches
- Parks and Pathways
- Fishing and Boat-launch Docks
- Landscaping



FREQUENTLY ASKED QUESTIONS CONTINUED

C. PROCUREMENT AND MATERIALS

10. Has the project already been tendered and a contractor selected?

Yes. The project was tendered twice in 2025 and a successful contractor was selected following evaluation of the submissions. The final construction methodology, detailed scope, pricing and contract requirements will be confirmed before construction proceeds.

11. Will the same type of rock be used to replace the existing damaged rock?

No. The existing rock was supplied by an Alberta quarry. New rock will be sourced from one of two quarries in British Columbia.

The new rock will be tested and reviewed for suitability by the geotechnical engineering company providing technical oversight for the project.

12. What will happen to the current rock that is damaged beyond practical reuse?

The current execution plan is to place rock that is damaged beyond practical reuse on the lake bottom approximately 25-30 feet from the shoreline, avoiding the significant cost of off-site removal and disposal. This approach will comply with all applicable environmental and regulatory requirements.

D. CONSTRUCTION AND LAKE OPERATIONS

13. Where will the staging area for equipment and new rock be located?

The staging area will be adjacent to the boat-launch area. Safety protocols will be in place to restrict public access to this area.

14. Will any part of the lake be shut down during construction?

Some areas may be temporarily restricted or affected by barge movement, equipment activity or safety controls. ABRA will communicate construction impacts and safety requirements before and during the work. Safety and noise concerns will be addressed through the project's Health, Safety, Security and Environmental (HSSE) Plan and Emergency Response Plan.

15. Why not complete the project during the winter from the ice, when the lake is less busy?

Working from the ice was considered as an execution strategy but was discounted because of significantly greater safety risks, particularly uncertainty regarding the structural integrity of the ice and the resulting risk to equipment operators. Winter work would also significantly reduce the available working hours.



FREQUENTLY ASKED QUESTIONS CONTINUED

D. CONSTRUCTION AND LAKE OPERATIONS

16. Is ABRA allowed to access my lakefront property for construction?

Restrictive Covenant 121156231, registered with Alberta Government Services – Land Titles Office, identifies this shoreline as an engineered “Shoreline Treatment” that is intended to preserve the integrity of the lake, contain lake waters and maintain the appearance of the shoreline. The Restrictive Covenant also gives ABRA authority to access lakefront properties when required to complete maintenance and repairs to this shoreline system.

17. How long is the repaired shoreline expected to last?

The shoreline repairs are being designed to provide a durable, long-term solution. However, it is not possible to predict a specific lifespan, as shoreline conditions are affected by factors such as freeze-thaw cycles, ice movement, wave action, weather, and other natural processes. The repaired shoreline will continue to be monitored as part of the Association’s ongoing maintenance program.

18. Will the project affect water quality or fish habitat?

No significant adverse effects on water quality or fish habitat are anticipated as a result of the project. The work will be planned and carried out using appropriate construction practices and in accordance with applicable environmental requirements. As with any shoreline construction, temporary localized disturbance may occur while the work is underway.

19. Will lakefront homeowners be contacted before work occurs near their properties?

Yes. All lakefront homeowners will be contacted individually before any work takes place near their properties.

20. Will construction damage private landscaping?

The contractor will take reasonable precautions to minimize impacts to private landscaping. However, due to the nature of the work and the need to access shoreline areas with construction equipment, some temporary disturbance or damage may occur.

Meet Your 2026/27 ABRA Board Nominees

The community members listed below are seeking election or re-election to the Auburn Bay Residents Association (ABRA) Board of Directors for the 2026/27 term. This year, there are three (3) vacant positions on the Board of Directors.

Residents will have the opportunity to vote as part of the 2026 ABRA Annual General Meeting (AGM), taking place on October 1, 2026. Your AGM package will be distributed by mail and/or email and will include a Proxy Form. If you are unable to attend the AGM in person, you may complete the Proxy Form to ensure your vote is represented at the meeting.

We encourage residents to review the candidate information below and participate in this important opportunity to help shape the leadership and future direction of our community.

JP Sandhu, ABRA Vice-President (Re-Election)



With a background in finance and small business, I bring experience in leadership, communication, financial management, and relationship building to the ABRA Board. As a long-time resident of Auburn Bay, I am committed to supporting a vibrant, engaged, and well-managed community. Over the past year, I have had the privilege of serving on the Board Executive as Vice-President, contributing to important discussions and decisions that help shape ABRA's future. I am particularly passionate about strengthening community engagement and communication, while exploring safe and innovative projects and programs that enhance the quality of life for Auburn Bay residents. With several significant projects and initiatives ahead for ABRA, I believe continuity, strong governance, and experienced leadership will be important as we move forward. I look forward to building on the work already underway and continuing to help guide ABRA through these important priorities. Outside of my board responsibilities, I enjoy spending time with my wife and daughter, golfing, and lending a helping hand wherever I can.

Alyssa McMasters, Nominee



I'm Alyssa McMasters, and I'm excited to put my name forward for the ABRA board of directors. As a member of this community and a mom raising my family here, I care deeply about making Auburn Bay a place where families, neighbours, and local businesses feel connected, supported, and proud to call home. I bring a background in marketing, sales, entrepreneurship, coaching, and community building, along with a genuine love for bringing people together. I'm someone who enjoys listening to different perspectives, coming up with creative ideas, communicating openly, and most importantly, turning ideas into action. If selected to serve on the board, I'd love to help strengthen communication within our community, create opportunities for neighbours to connect, support local businesses and families, and ensure residents feel like their ideas and voices are heard. Auburn Bay isn't just where my family lives, it's our community, and I'd be honoured to have the opportunity to give back and play a role in making it even better.

Meet Your 2026/27 ABRA Board Nominees

Kelly Dickinson, Nominee



I've proudly called Auburn Bay home for the past 10 years and, over that time, have come to know many of my neighbours and truly value the strong sense of community we have here. I especially appreciate the lake and amenities that make Auburn Bay such a unique place to live. Professionally, I bring many years of experience in Human Resources, working with people, navigating complex situations and finding fair and practical solutions. I also currently serve on my condominium Board of Directors, giving me firsthand experience listening to residents, working through community concerns and making thoughtful decisions that affect the people we represent. I'm a thoughtful listener who values different perspectives, enjoys learning and believes in finding common ground, while still being willing to ask questions and address difficult issues.

As a board member, I believe residents should feel heard and represented, and that decisions should be responsible, fair and made with the long-term interests of our community in mind. My goal is to help preserve what makes Auburn Bay special, while contributing new ideas and helping our already thriving and vibrant community become even stronger for the future.

Matthew Makarenko, Nominee



I'm proud to call Auburn Bay home and excited about the opportunity to serve on the Auburn Bay Residents Association Board. As both a Certified Financial Planner (CFP) and International Wealth Manager (CIWM), I've had the opportunity to help thousands of Canadians and corporations with financial planning, wealth management and budgeting. I'd love to bring that experience to the Board and help make sure our community's finances are managed thoughtfully and responsibly. My family and I recently moved to Auburn Bay, making the biggest investment of our lives in this community. We plan to raise our daughter here and truly see Auburn Bay as our forever home. We spend a lot of time at the beach, playgrounds and tennis courts. We really enjoy being part of the community.

I want to give back to the place we now call home and help keep Auburn Bay a beautiful, welcoming and vibrant community. I'm committed to supporting responsible financial decisions while also helping protect the things that make Auburn Bay such a great place to live. Most importantly, I want to help ensure Auburn Bay continues to be an amazing place to live and raise a family for many years to come.

