Real Estate Council Alberta
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RECA Board of Directors Regular Meeting

9:00 am – 3:00 pm, May 27, 2026
Banff, Alberta

MINUTES

In Attendance:	Cynthia P. Moore, Chair George Bamber Jai Parihar Jared Morrison Ken Morris
Absent:	Anand Sharma
Staff Resource	Stacy Paquin Janice Harrington Terry Lockhart Warren Martinson Shannon Patterson
Recording Secretary:	Rina Hawkins

1. Call to Order
   The Real Estate Council of Alberta ("RECA") Board Chair ("Chair") called the meeting to order at 9:03 am.

2. Approval of Agenda
   The RECA Board of Directors ("Board") reviewed the meeting agenda.

   MOTION: The RECA Board of Directors approves the May 27, 2026, meeting agenda as presented.
   Motioned by Jai Parihar
   Seconded by Jared Morrison
   Carried

3. Conflicts of Interest Declared
   The Chair asked if there were any conflicts of interest to declare.

   No conflicts of interest were declared.

4. Chair's Comments
   The Chair delivered opening remarks.

5. Information Items
   The Board reviewed the RECA Board Workplan and the 2025/2026 Board and Industry Council calendar.

6. In-Camera Session
   The Board moved in camera at 9:07 am.

   The Board moved out of in camera at 9:53 am.

7. Consent Agenda
   The Board reviewed the consent agenda.

   __MOTION__: The RECA Board of Directors approves the consent agenda, including the:
   - *January 21, 2026, RECA Board of Directors Regular meeting minutes*
   - *February 18, 2026, RECA Board of Directors Special meeting minutes*
   - *May 6, 2026, RECA Board of Directors Special meeting minutes*

   The following consent resolutions:
   - *Resolution 2026-1 Compensation Model*
   - *Resolution 2026-2 Q1 December 31, 2025, Unaudited Financial Statements*

   And accepts for information purposes the:
   - *Board Committee minutes*
   - *Quarterly External Whistleblower Report*
   - *Board Litigation Report – May 2026*
   - *Board Priority Report*

   Motioned by Jared Morrison
   Seconded by Ken Morris
   Carried

8. Board Action Item Register
   The Board reviewed the action register.

   The Board discussed the need to review the Board and Industry Council remuneration. It was noted that the matter should be reviewed and considered by the Governance and Human Resources Committee.

9. CEO Report

The CEO provided an update on Management's key priorities for the quarter, including the third-party review of RECA conducted by Deloitte, the Eric Drinkwater ("Drinkwater") matter, and ongoing organizational, governance, and operational planning.

10. Stakeholder Engagement Update

Management provided an update on stakeholder engagement activities and discussed the importance of maintaining a transparent and balanced approach when engaging with industry stakeholders.

11. Finance & Audit Committee

The Finance & Audit Committee ("FAC") Chair provided an update on the matters addressed at the January 13, 2026, FAC meeting.

Approval of Q2 Unaudited Financial Statements

The FAC presented the Q2 financial update to the Board, including revenue and expense forecasts.

> *MOTION: On the recommendation of the Finance & Audit Committee, the RECA Board of Directors approves RECA's Unaudited Q2 Financial Statements as at March 31, 2026, as presented in TAB 13.1 of the meeting material.*
>
> ***Motioned by Jared Morrison***
> ***Seconded by Ken Morris***
> ***Carried***

Budget 2025/2026 Update

The FAC provided an update on the 2025/2026 budget.

The Board discussed the budget update, including year-over-year reporting, quarterly monitoring, and the challenges of forecasting eligibility fee revenue.

Quarterly Investment Report

The FAC reviewed the Quarterly Investment Report with the Board and discussed the investment management approach.

Fiscal Year 2027 Preliminary Budget and Major Budget Assumptions

The Board discussed preliminary budget assumptions, including the rationale for not providing another fee credit and the potential need to replenish the Real Estate Assurance Fund due to the Drinkwater file. The discussion included consideration of reserve levels and future costs related to the implementation of the Deloitte report recommendations.

ACTION: Management will provide further analysis on the cost of implementing the Deloitte report recommendations, including identifying one-time and ongoing expenses.

Reporting of Unbudgeted Expenditures Approved by CEO
In accordance with RECA's *Unbudgeted Expenditure Policy*, Management reported to the Board that, during the previous quarter, three unbudgeted expenditures were approved within the CEO's delegated authority limits.

Review of Financial Policies
The FAC completed its prescribed review of the following policies and is not recommending any amendments to these policies at this time.

- Hearing Panel Roster Member Fees & Expenses
- Investment Policy for Assurance Fund
- Investment Policy for Operating Fund

Enterprise Risk Management Update
The FAC received an update on RECA's Enterprise Risk Management ("ERM") program, discussing areas of increased risk and mitigation plans.

Management confirmed that the new ERM framework would be presented to the FAC and Board in July 2026.

Appointment of Auditor for 2026/2027 - Update
The FAC discussed the appointment of the external auditor for the year ending September 30, 2026.

Management issued an RFP to seven (7) firms and has received proposals. Management will complete its assessment and interviews, and the FAC will bring a recommendation to the Board at its July 2026 meeting.

11:25 am – The Board meeting recessed
11:47 am – The Board meeting reconvened

12. Deloitte Third-Party Review of RECA

The Board discussed formalizing stakeholder engagement at the Board level by establishing a regular forum with the chairs of key industry organizations. The purpose of the forum is to provide a more efficient and consistent way to hear stakeholder perspectives, support open communication, and demonstrate that RECA is engaging directly with industry leaders. The first virtual meeting is scheduled for June 15, 2026, at 4:00 pm.

Management provided an update on the status of the Deloitte report and related implementation planning. Work is underway to prepare an update for the Minister of Service Alberta and Red Tape Reduction

("Minister"), develop communications for licensees, identify early actions, and assess budget impacts for the current and future years. Implementation of the recommendations is expected to take place over approximately two years.

13. Quarterly 2025-2028 Strategic & Business Plan Report
Management reviewed the Q2 2026 Strategic Plan Report and noted that implementation is proceeding as planned but Management will be reviewing the Strategic and Business Plan alongside the Regulatory Review Action Plan and Deloitte Report recommendations to identify overlap. The Board also discussed holding a future strategic planning session once the Deloitte implementation plan is further developed.

14. The Regulator's Practice Regulatory Review Action Plan Update
Management presented the Regulatory Review Action Plan, developed following the Regulatory Review that was conducted by The Regulator's Practice in the spring/summer of 2024.

15. Report on Artificial Intelligence (AI)
Management provided an overview of RECA's AI Maturity Assessment and discussed the need to strengthen AI governance, policies, and staff training while also identifying practical opportunities to use AI to improve efficiency. The Board noted that any AI initiatives should be balanced with broader organizational priorities, including the Deloitte report implementation work.

16. Governance & HR Committee
In the absence of an established Governance & HR Committee, Management provided an update on matters related to governance and human resources.

Annual Code of Conduct & Statutory Prohibitions Acknowledgment

Management reviewed the annual *Code of Conduct* and *Statutory Prohibitions Acknowledgement for Board and Industry Council* members and confirmed that no substantive changes were recommended. Management noted that the annual acknowledgement will be updated to clarify that licensee governance members must notify RECA immediately if they become unlicensed.

Quarterly Human Resources Report

The Board reviewed the Quarterly Human Resources Report provided to the Board for information purposes.

<u>Annual RECA Staff or Services Complaint Report</u>
The Board reviewed the annual report on RECA's staff and services complaints management process, established in November 2024. Management noted that no formal complaints have been received recently.

17. Applications to the Board

The Board reviewed an application pursuant to section 79 of the *Real Estate Act* from [redacted] requesting the Board grant an extension of time to appeal an administrative penalty and to serve notice of appeal.

> *<u>MOTION</u>: The RECA Board of Directors, in accordance with section 79 of the Real Estate Act, denies the application of [redacted] for an extension of time to appeal an administrative penalty and to serve a notice of appeal. The Board denies an extension of five (5) days, based on the submissions and evidence set out in Tab 19.1 of the meeting materials.*
>
> *Motioned by Ken Morris*
> *Seconded by Jared Morrison*
> *Carried*

RECA Board of Directors – Regular Meeting

Minutes of Meeting

May 27, 2026

General Counsel & Corporate Secretary provided an update on the Drinkwater matter following the May 6, 2026, special Board meeting. The Board was advised that payments are being processed for claims where assignments of judgment have been received. Management noted that additional inquiries on the Drinkwater file have been received.

At the May 6, 2026, Board meeting, the Board approved payments of $61,233.84 each to [redacted] from the Real Estate Assurance Fund under section 60(4)(b) of the *Real Estate Act*. The payments were subject to [redacted] providing an irrevocable assignment of judgment to the Real Estate Council of Alberta. After the approval letter was issued, the [redacted] identified an error in their pre-judgment interest calculation. RECA's General Counsel recommended amending the previously approved payments.

> *<u>MOTION</u>: The RECA Board of Directors approves an amendment to the compensation payable from the Real Estate Assurance Fund to [redacted] amending payment to $62,975.02 to [redacted] and $62,975.02 to [redacted] in accordance with section 60(4)(b) of the Real Estate Act. This approval is subject to [redacted] completing and providing an irrevocable assignment of judgment to the Real Estate Council of Alberta.*
>
> *Motioned by George Bamber*
> *Seconded by Jai Parihar*
> *Carried*

12:45 pm – The Board meeting recessed
12:57 pm – The Board meeting reconvened

18. Hearings Committee Update

The Chair of the Hearings Committee provided an update on the activities of the committee. The Hearings Committee next meets on June 10, 2026. Discussion items will include recruitment of condominium members for the Hearing Panel Roster.

19. Industry Chairs Roundtable

The Board Chair provided an update on the activities of the Industry Chairs Roundtable ("Roundtable").

The Roundtable last met on March 25, 2026. Discussion items included the Deloitte review of RECA, Board and Industry Council public appointments, proposed relicensing education model framework, and a review of the Industry Council workplans for 2026.

The next Roundtable is scheduled for June 24, 2026, and the Board directed that Industry Council budgets be added to the agenda for discussion.

20. Residential Real Estate Broker Industry Council

The Residential Real Estate Broker Industry Council ("RREBIC") Board appointee provided an update on the activities of the RREBIC.

It was noted the Minister appointed Ms. Pamela Rath as a public member of the RREBIC effective April 23, 2026, for a term concluding on April 30, 2027.

The next regular meeting of the RREBIC is scheduled for June 18, 2026.

21. Commercial Real Estate Broker & Commercial Property Manager Industry Council

The Commercial Real Estate Broker & Commercial Property Manager Industry Council ("CIC") Board appointee provided an update on the activities of the CIC.

Management noted that the CIC Urban Commercial Real Estate seat is vacant due to a recent resignation, and RECA will hold a by-election to fill the vacancy.

The next meeting of the CIC is scheduled for June 11, 2026.

> ***MOTION**: The RECA Board of Directors appoints MNP LLP as the independent, third-party Election Officer for the purpose of the 2026*

Commercial Real Estate Broker and Commercial Property Manager Industry Council, Urban Commercial Real Estate By-Election, pursuant to sections 3.5 and 3.6 of the Real Estate Act Bylaws. The RECA Board of Directors approves the provisional amendments to the Industry Council Election Process, to truncate the nomination, election, and voting period for the purposes of the by-election.

Motioned by George Bamber
Seconded by Jared Morrison
Carried

22. Mortgage Broker Industry Council

The Mortgage Broker Industry Council ("MBIC") Board appointee provided an update on the activities of the MBIC.

The next meeting of the MBIC is scheduled for June 16, 2026.

23. Residential Property Manager Industry Council

Management, on behalf of the Residential Property Manager Industry Council ("RPMIC") provided an update on the activities of the RPMIC.

It was noted the Minister reappointed Ms. Jacquie Lesperance as a public member of the RPMIC effective April 23, 2026, for a term concluding on November 30, 2028.

The next meeting of the RPMIC is scheduled for June 12, 2026.

24. Quarterly Regulatory Scorecard

Management presented RECA's quarterly Regulatory Activity Scorecard for Q2 2026. The report includes statistics on labour mobility, brokerage applications, licensing renewals, practice reviews, investigations and hearings.

The Board discussed opportunities to improve complaint-related analytics and increase proactive communication with complainants. Management also offered to provide a future presentation on the investigative process if the Board would find it helpful.

25. In-Camera Session

The Board moved in-camera with the Board only at 1:31 pm.

The Board moved in-camera with the CEO at 1:48 pm.

The CEO departed from the in-camera session at 2:10 pm.

26. Next Meetings

- Wednesday, July 22, 2026, Regular Board Meeting

27. Final Adjournment

The meeting adjourned at 2:30 pm.

__MOTION__: The RECA Board of Directors approve the final adjournment of the May 27, 2026, regular meeting.
Motioned by George Bamber
Carried

Approved at Calgary, Alberta on July 22, 2026

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Cynthia P. Moore, Board Chair