

**BYLAWS
OF LAKE MCGREGOR COUNTRY ESTATES
COMMUNITY ASSOCIATION**

INTERPRETATION

1. The headings and any margin notes used throughout these Bylaws shall not affect the construction hereof and are inserted for convenience only. In these Bylaws, unless the context otherwise requires, expressions defined in the *Societies Act* (Alberta) or any statutory amendment or modification thereof, shall have the meaning so defined, and the following terms shall have the following meanings:

- (a) "Act" means the *Societies Act* R.S.A. 1980, c S-18, as amended or any substitution therefore from time to time;
- (b) "Amenities" means the improvements to be constructed by the Developer which are described in Schedule "B" attached hereto together with the lands upon which the improvements are located to the extent separate title(s) are obtainable therefore;
- (c) "Association" means Lake McGregor Country Estates Community Association, a society incorporated under the Act;
- (d) "Bylaws" means these bylaws of the Association, as amended from time to time;
- (e) "Capital Replacement Reserve Fund" means the fund created for the purposes as outlined in Bylaw 70;
- (f) "Common Expenses" means all expenses incurred in the performance of the objects and duties of the Association and in the exercise of the Association's powers under the Bylaws and the Act and all other expenses specified as common expenses in these Bylaws;
- (g) "Developer" means Lake McGregor Resort Corp., its successors and assigns;
- (h) "Directors", "Board" and "Board of Directors" means the directors of the Association for the time being;
- (i) "Encumbrance" means an instrument (including any amendments thereto) which is registrable against the title to a Lot and which secures the annual rent charge (determined from time to time by the Board) to be paid to the Association by the registered owner(s) of that Lot, for the purpose of forming an enforceable encumbrance pursuant to the provisions of the *Land Titles Act* (Alberta); the amount of such rent charge may vary according to the location of the Lot within the Subdivision;
- (j) "Facilities" means all real and personal property now and hereafter owned or leased by the Association, including any rights that the Association and its Members have to use the Amenities prior to the Transfer Date;
- (k) "Family Members" means, in respect to each Lot, each of the following persons:
 - (i) if a Lot is owned by more than one person, the registered owner(s) of the Lot who is not designated as the homeowner Member provided the registered

Owners of the Lot have no designated a tenant of the Lot to be the Homeowner Member;

- (ii) the spouse (whether legally married to or not) of a Homeowner Member;
- (iii) the children of the Homeowner member; and
- (iv) the children of the persons described in (i) and (ii) immediately above;

provided such membership shall only be in effect during such periods that the Homeowner Member is not in breach of the Bylaws and is not in arrears of any sums due to be paid to the Association;

(l) **"front property line"** means the boundary of the Lot which separates the Lot from the road through which access to the Lot is provided;

(m) **"Homeowner Member"** means, in respect to each Lot, one of the following persons:

- (i) the registered owner of the Lot, if there is only one such registered owner, and if such registered owner is not an individual then the only person entitled to enjoy the benefits of being a Homeowner Member shall be the individual appointed by the registered owner by notice in writing to the Association; or
- (ii) if there is more than one registered owner of the Lot, the registered owner that has been designated (by notice in writing to the Association) by those registered owners to be the Homeowner Member, and, in the absence of such designation the first person which is an individual named as owner in the certificate of title for the Lot, and if such registered owners are not individuals then the only person entitled to enjoy the benefits of being a Homeowner Member shall be the individual appointed by the registered owners by notice in writing to the Association; or
- (iii) a tenant residing upon the Lot who has been designated (by notice in writing to the Association) by the registered owner(s) of the Lot to be the Homeowner member and which designation has not been revoked (by notice in writing to the Association) by the registered owner(s) of the Lot, provided, however, no tenant designation shall be effective during any period that there are any outstanding sums due to the Association which are or should be secured by an Encumbrance respecting the Lot, in which case the Homeowner Member shall be the registered owner of the Lot described under the applicable subclause (i) or (ii) immediately above;

and any change in the registered owner(s) of the Lot shall result in a concurrent change in the Homeowner Member in accordance with the applicable clause (i), (ii) or (iii) immediately above;

(n) "Lot" means a parcel of land located within the Subdivision which is designated as a "Lot" within the plan of subdivision creating it (other than lot 70 in block 1, lots 85, 86, and 86 in block 2, and lot 34 in block 3, and lot 8 in block 4, and lot 10 in block 5, all in the first plan of subdivision registered affecting the lands described in Schedule "A" attached hereto, and other than lots 1, 2, 3 and 4 in block 6 in the plan of subdivision affecting NE 17-16-21 W4M), and includes all improvements thereon;

- (o) **"Manager"** means a person, firm or corporation appointed as manager pursuant to Bylaw 59(e) hereof;
- (p) **"Member"** means a subscriber hereto (until such subscriber resigns), the Developer (until it resigns), a Homeowner Member or a Family Member and "Members" means collectively all of the subscribers hereto (or those of them that have not resigned), the Developer (until it resigns) and the Homeowner Members and Family Members from time to time;
- (q) **"month"** means calendar month;
- (r) **"Municipality"** means the governing body of the municipal district within which the Subdivision is then located;
- (s) **"Ordinary Resolution"** means a resolution:
- (i) passed at a properly convened meeting of the Voting Members by a simple majority of the number of votes cast by the person(s) present who are entitled to exercise the power of voting; or
 - (ii) agreed to in writing by those person(s) who, at a properly convened meeting of the Voting Members, would be entitled to cast more than fifty (50%) percent of the total votes at such meeting;
- (t) **"Recreational Vehicle"** means a motor home, trailer or any other temporary sleeping accommodations, but no including tents, tent trailers or mobile homes or any structures which would be considered fixtures or appurtenances to real property;
- (u) **"Residence"** means the dwelling or Recreational Vehicle constructed or placed on any Lot and includes any garage, car port, deck or patio attached thereto;
- (v) **"Rules and Regulations"** means the rules and regulations made by the Board from time to time governing, *inter alia*, the use of the Facilities, whether or not the Members have actual notice of the same;
- (w) **"RV Lot"** means any one of the following described Lots:
- (i) with respect to the first plan of subdivision registered in respect to the lands described in Schedule "A" attached, those Lots located within the said plan of subdivision and described as follows:

Block	Lot
2	41 to 84 inclusive
3	1 to 33 inclusive
4	1 to 7 inclusive
5	1 to 9 inclusive;
 - (ii) with respect to all subsequent plans of subdivision registered in respect to the lands described in Schedule "A", those Lots which are comprised within a block number which has a number of 20 or greater;
- (x) **"Special Resolution"** means a resolution:

- (i) passed at a properly convened meeting of the Voting Members by at least seventy-five percent (75%) of the votes cast by the person(s) present who are entitled to exercise the powers of voting; or
 - (ii) agreed to in writing by those person(s) who, at a properly convened meeting of the Voting Members, would be entitled to cast more than seventy-five (75%) percent of the total votes at such meeting;
- (y) "Subdivision" means the lands described in Schedule "A" attached hereto, together with any adjoining lands now or hereafter owned by the Developer and developed for the purpose of forming part of the development comprising the said lands described in Schedule "A" hereto as evidenced by an Encumbrance being filed against each of the lots comprised within such adjoining lands;
- (z) "Unimproved Lot" means a Lot upon which a Residence has not yet been constructed or placed;
- (aa)"Transfer Date" means the date that title to all of (and not just part of) the Amenities has been transferred from the Developer to the Association;
- (ab)"Voting Members" means the subscribers hereto (or those of them who have not resigned), the designate (from time to time) of the Developer (until it resigns), and with respect to each Lot, one (if any) of the following persons:
- (i) the registered owner of the Lot (including the Developer as applicable), if there is only one such registered owner, provided an Encumbrance (and any amendments thereto as required by the Board from time to time) is registered against title to the Lot and the amount secured thereby is not in arrears for more than fifteen (15) days from the date of written notice of such arrears being given by the association to the said registered owner of the Lot; or
 - (ii) if there is more than one registered owner of a Lot, the registered owner that has been designated (by notice in writing to the Association) by those registered owners to be the Voting Member, and, in the absence of such designation the first person named as owner in the certificate of title for the Lot, provided an Encumbrance (and any amendments thereto as required by the Board from time to time) is registered against title to the Lot and the amount secured thereby is not in arrears for more than fifteen (15) days from the date of written notice of such arrears being given by the Association to the said registered owner of the Lot; and
- (ac)"writing" and "written" includes printing typewriting, lithographing and other modes of representing or reproducing words in visible form which, without restricting the generality of the foregoing shall include telecopy.

Words importing the singular number include the plural number and vice versa; words importing the masculine gender shall include the feminine and words importing persons shall include corporations and companies.

REGISTERED OFFICE

2. The Association shall at all times maintain a registered office in the Municipality or in the Town of Vulcan to which all communications and notices may be sent or served. The registered office shall initially be located at _____ and may be changed from time to time by the Board.

MEMBERS AND VOTING RIGHTS

3. Each of the subscribers hereto shall be a Member of the Association and shall be entitled to one (1) vote until he desires to resign as a Member of the Association. The developer shall be a Member of the Association until it resigns as a Member and the designate of the Developer (as appointed in writing by the Developer from time to time, by notice in writing to the Association) shall be entitled to a number of votes equal to 1,000 (being the estimated number of Lots to be contained within the Subdivision) less one (1) for each Lot that has been created from the subdivision of the lands described in Schedule "A" hereto determined at the time of voting or any record date set for the meeting. Each person (including the Developer) who owns a Lot shall ipso facto be entitled to become a Member for as long as such person owns such Lot, provided, however, such person shall automatically cease to be a Member during such period of time as a tenant of his Lot is a Homeowner Member as provided in Bylaw l(l)(iii), and provided that any rights or benefits of being a Member (but not the obligations associated with being a member) may be suspended as provided in these Bylaws; PROVIDED ALWAYS with reference to all Lots:

- (a) except as otherwise provided herein, in respect to each Lot, the Voting Member shall be entitled to one (1) vote;
- (b) where a Voting Member owns more than one Lot, that Voting Member shall be entitled to one (1) vote for each such Lot owned by that Voting Member;
- (c) where a Lot is owned by a corporation, the Voting Member's right to vote shall only be exercised by an individual designated by that corporation as the Voting Member by notice in writing to the Association at least five (5) days before the meeting;
- (d) a Voting Member, or his designate, shall not be entitled to exercise his power to vote at a time when the Voting member (or his appointee) is in arrears for more that fifteen (15) days from the date that the Association provides to him written notice of such arrears of monies due by him to the Association;
- (e) where there is any difficulty or dispute in determining a Voting Member, the Directors in their absolute discretion may designate the Voting Member, the intention being that there be one Voting Member from each Lot with the Developer holding the voting rights for the balance of the lots to be created upon the full subdivision of the lands within the Subdivision (the estimated total of all lots within the Subdivision being 1,000 as aforesaid); and
- (f) membership is not transferable by a Member but is appurtenant to ownership of a Lot or as otherwise herein set out.

REGISTER OF MEMBERS

4. A Register of Homeowners, in such form as the Board may approve, shall be maintained in which shall be recorded the names and addresses of all Homeowner Members. The register shall be amended from time to time so that all Homeowner Members are listed in such register. Amendments to such register may be made by the Board at any time and from time to time of its own volition or upon presentation to the Association of evidence acceptable to the Board. Each Homeowner member shall notify the Association of any changes in his address for service of notice, or of any change in the number of and the names of the persons who qualify as Family Members on the basis for such qualification, or of the transfer of title to the Lot, within fifteen (15) days of such change.

5. A Register of Voting Members, in such form as the Board may approve, shall be maintained in which shall be recorded the names and addresses of all Voting Members. The register shall be amended from time to time so that all Voting Members are listed in such register. Amendments to such register may be made by the Board at any time and from time to time of its own volition or upon presentation to the Association of evidence acceptable to the Board. Each Voting Member shall notify the Association of any changes in his address for service of notice or of the sale of or transfer of title to the Lot, within fifteen (15) days of such change.

6. A Register of Family Members, in such form as the Board may approve, shall be maintained in which shall be recorded the names and addresses of all Family Members. The register shall be amended from time to time so that all Family Members are listed in such register. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Association of evidence acceptable to the Board.

MEMBERSHIP CARDS

7. Every Member shall be periodically issued a membership card or device as determined by the Directors, which may specify the type of membership held by that Member. The membership cards or devices shall remain the property of the Association. If a membership card or device is lost, it shall be replaced by the Association, provided however that there may be a fee charged as set by the Board from time to time as a condition to delivery of such replacement membership card or device.

RIGHTS AND OBLIGATIONS OF ALL MEMBERS

8.1 Each Member shall have access to and be entitled to the use or benefits of the Facilities or services provided by the Association in common with all Members subject to suspension of such rights and provision of such services (including, without limitation, the termination of the provision of water to the Lot or Residence occupied by that Member) by written notice to that Member from the Board for such period of time and subject to such terms as the Board may determine:

- (a) for breach by that Member or any of his guests or tenants of any of these Bylaws or the Rules or Regulations for the conduct of Members;
- (b) for failure to maintain or cause to be maintained an Encumbrance (including any amendments thereto as required by the Board from time to time) against the title to the Lot through which membership is derived as required under these Bylaws; or
- (c) for default by that member in payment of any fees, dues, deposits or other sums owing to the Association, including any monies secured by an Encumbrance and including any user fees.

8.2 Each Member shall observe, and shall cause all of his guests and tenants to observe, the following in connection with his or his guests' or his tenants' use of the Lot through which his membership is derived (referred to in this paragraph 8.2 as "the Lot") and his or his guests' or his tenants' use of the Facilities:

- (a) no Member shall commit a breach of any restrictive covenant registered against title to the Lot (including the restrictive covenant filed against the titles to each of the Lots concurrent with the filing of the plan of subdivision creating title to such Lots);

(b) each Member shall:

- (i) permit the Association and its agents, at all reasonable times on notice (except in the case of an emergency or for the purpose stated in clause 3) immediately below, when no notice is required), to enter the Lot for the Purpose of:
 - 1) inspecting the Lot;
 - 2) maintaining, installing, repairing or replacing drainage swales, pipes, wires, cables, ducts, conduits, plumbing, sewers and other facilities for the furnishing of utilities or services in, on or under the Lot or for the benefit of the Residence thereon or capable of being used in connection with the enjoyment of any other Lot, Residence or any part of the Facilities or property owned by the Developer or the Association;
 - 3) putting out any fire which is upon the Lot and which is not in compliance with these Bylaws or which is during a period of time when fires are restricted as provided by the Board;
 - 4) maintaining, repairing or replacing property owned by the Developer or the Association; or
 - 5) ensuring that the Bylaws are being observed;
- (ii) forthwith carry out all work that may be required pursuant to these Bylaws or as required by a local authority or other public authority in respect of the Lot;
- (iii) pay promptly when due, and in accordance with the prescribed terms of payments:
 - 1) to the Association, all and every assessment on account of Common Expenses of the Association, as are levied or assessed by the Association against the Lot from time to time;
 - 2) to the Association all and every user fee as may be prescribed by the Board of Directors and which applies to that Member; and
 - 3) to the Association, all interest on such accounts, fees, assessments, levies and sums demanded in arrears as prescribed in such accounts, assessments, levies, and demands and in this Bylaw permitted;
- (iv) pay to the Association all legal expenses incurred by the Association as a result of the Association taking proceedings to enforce the observance of these Bylaws and the Rules and Regulations by the member and his guests and his tenants and to collect any levies on account of Common Expenses assessed in respect of his Lot and any other sums that may be due by the Member or his guests or tenants to the Association, and such legal expenses shall be paid on a solicitor and his own client full indemnification basis;
- (v) pay to the Association any penalty imposed upon the Member by the Board in connection with the breach of any of the Bylaws or Rules and Regulations

by the Member or any of his guests or tenants in the amount imposed by the Board up to a maximum which is the lesser of two hundred dollars (\$200) or the maximum amount permitted by the Act (if any) for each such breach;

- (vi) notify the Association forthwith or:
 - 1) any change in the ownership of the Lot; or
 - 2) any lease of the Lot or any part thereof, and the terms of and parties to such lease;
- (c) no Member nor any of his guests or tenants shall:
 - (i) use an RV Lot for any purpose other than the parking thereon of a commercially manufactured Recreational Vehicle which is less than twelve (12) years old and the use of such Recreational Vehicle and the ancillary activities associated therewith as permitted by the Association and its Board;
 - (ii) use the Lot or any part thereof for the purposes of commercial activity if such commercial activity requires an employee to attend upon the Lot and that employee is not a Member, or if such commercial activity involves the attendance of the public at the Lot;
 - (iii) use or enjoy any part of the Facilities in such a manner as to unreasonably interfere with the use and enjoyment thereof or of any of the Lots by other Members;
 - (iv) except between the hours of 10:00 a.m. and 6:00 p.m., operate a jet ski or any other personalized motorized watercraft which is designed to carry no more than 2 occupants, water ski, or engage in tubing or any other activity which involves the towing of one or more individuals behind a boat or other water vehicle on the Lake McGregor Reservoir or use any of the Facilities in connection with such activities;
 - (v) use the Lot in a manner or for the purpose that would cause a nuisance or hazard to any other Members or their guests or tenants;
 - (vi) carry on or permit to be carried on in or from the Lot or use the Lot for purposes which are illegal, unlawful, immoral or in contravention of any rule, regulation, resolution, bylaw, ordinance or statute promulgated by the Association, the Board or any governmental authority;
 - (vii) make or permit undue noise or smells (or any noise or smell which is unacceptable in the opinion of the Board or the Manager) upon the Lot or on or about the Facilities or any part thereof;
 - (viii) before 9:00 a.m. or after 11:30 p.m. engage in any activity deemed by the Board or the Manager to be a potential annoyance to other members;
 - (ix) keep or bring upon:
 - 1) the Lot; or

- 2) any part of the facilities other than such parts designated by the Board and in accordance with the Rules and Regulations established by the Board in connection therewith;

any animal, bird, or reptile (hereinafter referred to as a "pet") other than the following permitted pets:

- a. a domestic cat;
 - b. a domestic dog;
 - c. an animal, bird or reptile not exceeding three (3) kilograms unless approved in writing by the Board and only for so long as the said approval has not been revoked in writing on fifteen (15) days advance notice because of a breach of the Bylaws or any Rules and Regulations respecting pets by the Member or the said animal, bird or reptile;
- (x) keep on the Lot at any one time more than two (2) pets (excluding fish);
 - (xi) keep a pet on the Lot unless it is housed inside the Residence thereon or unless the Lot is occupied or unless the pet is in a structure approved in writing by the Board;
 - (xii) keep a pet which is unleashed or unrestrained or unattended on any part of the Facilities;
 - (xiii) allow or permit the feces of his pet to remain on any part of the Facilities
 - (xiv) place or erect on the Lot any structure (including, without limitation, a fence, deck, awning or storage shed) unless the Plans and specifications therefore have been approved in writing by the Board;
 - (xv) plant or allow to grow any poplar or willow tree on the Lot;
 - (xvi) remove from the Lot or the Facilities any chattel, fixture, erection or other installation thereon, made by the Association or by the Developer, without the written approval of the Board, and shall not make any alteration to the Lot or any improvements thereon and any of the facilities without the written approval of the Board first obtained;
 - (xvii) use the Lot for any purpose which may be injurious to the reputation of the Subdivision;
 - (xviii) permit a satellite dish, radio, communication device or external antenna or similar structure or appurtenances thereto to be placed upon, erected on or fastened on the Lot (except inside any Residence thereon) except in connection with a common television antenna or cable system as authorized by the Board and then only in accordance with the regulations therefore which may be established by the Board;
 - (xix) obstruct a sidewalk, walkway, passage, driveway or parking area upon any part of the Facilities, except temporarily for ingress or egress directly to and from the Lot, and except for temporary parking in areas designated by the Board for such purpose;

- (xx) permit the Lot to be occupied by more than twelve (12) persons (whether adult or minor) at any given time without the consent in writing of the Board and *only* for so long as such approval in effect and any conditions for such approval are being observed;
- (xxi) effect repairs or adjustments to automobiles or any vehicles or machinery on the Lot (unless such activity is concealed within a garage thereon) or on any part of the Facilities;
- (xxii) bring, or permit it to be brought onto the Lot or any part of the Facilities, any vehicles other than private passenger automobiles, motorcycles which are licensed to be operated upon a public highway, private passenger vans or pickup trucks, golf carts or Recreational Vehicles without the written permission of the Board of the Manager, save and except in the course of delivery to or removal from the Lot and provided the same are stored in a garage on the Lot;
- (xxiii) permit more than two (2) private passenger automobiles, vans or pick-up trucks to be parked on the Lot unless the excess number thereof are kept inside a garage upon the Lot;
- (xxiv) permit any vehicle to be parked upon the Lot and outside of any garage thereon which contains any advertising thereon except as may be permitted in writing by the Board;
- (xxv) operate a snowmobile, go-kart, trailer, motorcycle which is not licensed to be operated on a public highway, off-highway or all-terrain vehicle (excluding golf carts) or any other vehicle prohibited by the Board on the Lot or any part of the Facilities unless permitted in writing by the Board;
- (xx) operate or permit to be operated automobiles or any other permitted vehicles on any part of the Facilities which is not designed by the Board as a roadway;
- (xxviii) operate or permit to be operated automobiles or any other permitted vehicles on the Lot or on any part of the Facilities at a speed in excess of ten (10) miles (16 kilometres) per hour (unless otherwise permitted and posted by the Board) or by an operator who is not licensed by local law to operate the vehicle;
- (xxviii) use or permit use of any part of the Facilities, other than portions thereof designated for such use by the Board which areas may be subject to time limitations and payment of fees and requirements for display of parking permits, to park or store vehicles, boats, or other chattels, or use any part of the Facilities for purposes other than as designated for or assigned by the Board;
- (xxix) permit anything to be done that may cause damage to trees, plants, bushes, flowers, lawns or other vegetation forming part of the Facilities and shall not place any chairs, tables, children's play things, devices or toys or other objects on such lawns and grounds so as to damage them or to prevent growth or to interfere with the cutting of such lawns or the maintenance of such grounds generally;

- (xxx) deposit household refuse and garbage outside the Residence upon the Lot other than in the manner prescribed by the Board;
- (xxxi) burn any refuse or garbage upon the Lot;
- (xxxii) allow the Lot to become unsanitary, untidy or unsightly in appearance in the opinion of the Board or the Manager; provided that the Board shall be at liberty to remove any rubbish or clean up the Lot to its satisfaction and charge the expense to the member who owns the Lot;
- (xxxiii) erect, place, allow, keep or display signs, billboards, advertising matter or other notices or displays of any kind on the Lot (including the Residence thereon) or any part of the Facilities without the prior written approval of the Board, except notices not exceeding eleven (11") inches by eight and one-half (8.5") inches (28 cm by 22 cm) in size placed upon notice boards designated by the Board for the placement of notices, and except "For Sale" signs provided such signs are in a form and of a size approved in writing by the Board;
- (xxxiv) trespass on another Member's Lot;
- (xxxv) do any act or thing or neglect or fail to do any act or thing which would render invalid any insurance in force and maintained by the Association or in its favour or which would increase the premium therefore;
- (xxxvi) have open fires anywhere on the Lot or any part of the Facilities except:
 - 1) in properly constructed fire pits which meet all local governmental requirements and which have been approved in writing by the Board and only for so long as such approval remains in effect; and
 - 2) during such times as approved by the Board;

nor permit a fire pit to be constructed or placed upon the Lot within one (1) meter of the side property line for the Lot, nor permit any fire pit to be constructed or placed upon the Lot which is not made out of stone or commercially manufactured non-combustible materials such as brick, concrete or steel;
- (xxxvii) shoot at, hunt or kill wildlife or use firearms, bows, arrows, slingshots, airguns, or any other form of weapon on the Lot or any part of the Subdivision;
- (xxxviii) permit any Recreational Vehicle, trailer (either with or without living, sleeping, or eating accommodation), tent, tent trailer, shed or portable building to be placed, located, kept or maintained on a Lot which is not an RV Lot until a Residence has been constructed thereon, and thereafter shall not permit any Recreational vehicle, trailer (either with or without living, sleeping, or eating accommodation), tent or tent trailer to be placed, located, kept or maintained on a Lot which is not an RV Lot more than one time per month for a period not exceeding eighty-five (85) hours each time except with the prior written approval of the Board or the Manager and only for so long as such approval has not been revoked;

- (xxxix) park or bring into, or permit to be parked or brought into the Lot which is an RV Lot any Recreational Vehicle which is older than twelve (12) years for more than fifteen days per calendar year without the prior written approval of the Board or the Manager which approval shall not be unreasonably withheld if the Recreational Vehicle is in good repair and is not unsightly;
- (xi) canvas or solicit, or permit the canvassing or solicitation, upon any of the Lots or the Facilities of other Members or occupants upon the Subdivision for commercial, religious, or other purposes;
- (xii) conduct or permit to be conducted any group tour or exhibition of any Residence or lot or its contents, or any auction sales, garage sales or other sales to be held on any Lot or Residence, or upon any part of the Facilities without the prior written consent of the Board;
- (xiii) permit more than twelve (12) persons to be on the Lot at any time, nor permit more than twelve (12) persons to be upon the Facilities at any time where such persons are guests of the Member or the Member himself or his Family Members or any tenant of his;
- (xliii) keep or permit to be kept upon the Lot any stores of gasoline or diesel fuel in excess of five (5) gallons (or such lesser amount as limited by law), nor keep or permit to be kept upon the Lot other combustible or inflammable goods or materials or offensive goods, provisions or materials of any kind, except for normal cleaning products and related household goods, and except as permitted, in writing, by the Board for so long as such permission is in effect and the terms thereof are observed; nor
- (xliv) hang or permit to be hung any laundry outside the Residence upon the Lot.

OBSERVANCE OF BYLAWS/SERVERANCE

9. The Association, the Board and all Members, tenants and other occupants of the Lots shall observe and obey all such Bylaws and Rules and Regulations as are applicable to each of them and as amended from time to time whether or not such Bylaws, Rules and Regulations, or any parts thereof are filed with the Government of Alberta. Members are responsible for the actions and omissions of their guests and tenants and if any such guests or tenants breach any of the Bylaws or Rules and Regulations, then the members who invited such guests or who leased the Lot (or any part thereof) to such tenants shall be deemed to be in breach of such Bylaws or any Rules and Regulations and shall be responsible for curing such breach and any damages, losses, expenses or claims that arise in connection thereto. If any provision or provisions of these Bylaws are or become illegal or not enforceable, it or they shall be deemed to be and shall be separate and severable from these Bylaws and the remaining provisions of these Bylaws shall remain in full force and effect as if the severable provision or provisions had not been included in these Bylaws. If any provision or provisions of the Rules and Regulations are or become illegal or not enforceable, it or they shall be deemed to be and shall be separate and severable from the remaining provisions of the Rules and Regulations which shall remain in full force and effect as if the severable provision or provisions had not been included in the Rules and Regulation.

MEETINGS OF VOTING MEMBERS

10. The first annual general meeting of the Association shall be held at such time, within sixteen (16) months from the date on which the Association is incorporated, and at such place as the Directors may determine. Subsequent annual general meetings shall be held at least once in every calendar year, and not more than fifteen (15) months after the holding of the last preceding general meeting, at such time and place as may be determined by the Directors.

11. The general meetings referred to in the preceding clause shall be called annual general meetings, and all other meetings of the Association shall be called special general meetings. All meetings of Voting Members shall be held in the Municipality, in the Province of Alberta.

12. No Homeowner Members or Family Members shall be entitled to notice of any meeting, general, special or otherwise, of the Association. Further, if limitation of space for such meeting exists, the Chairman may require that no Homeowner Members or Family Members attend at that meeting if their attendance would result in there being insufficient space to accommodate all Voting Members arriving for that meeting and others permitted by these Bylaws to attend that meeting. A Voting member shall be entitled to have his lawyer and accountant attend at any meeting of the Voting Member. All Directors and officers of the Association together with their advisers and assistants shall be entitled to attend all meetings of the Voting Member.

13. Only Voting members shall be entitled to vote on, or propose, or second resolutions at meetings of the Voting Members.

14. The order of business at any properly convened annual general meeting of the Voting Members, unless altered by a majority of those in attendance who are entitled to vote, shall be as follows:

- (a) call to order by the Chairman;
- (b) call the roll and certify proxies;
- (c) proof of notice of meeting or waiver of notice;
- (d) reading and disposal of any unapproved minutes;
- (e) reports of officers;
- (t) reports of committees;
- (g) financial report/budget and appointment of auditors;
- (h) unfinished business;
- (i) ratification of past acts of Board members and officers;
- lll new business;
- (k) election of members of the Board;
- (l) adjournment.

15. The Directors may, whenever they think fit, proceed to call a special general meeting of the Association.

16. At least ten (10) days' written notice (or such longer period as may be required by the Act) specifying the day, hour and place of every Voting members' meeting, and in case of special business the general nature of such business, shall be served in one of the manners hereinafter provide on the Voting Members at the time such notice is served or if a record date has been fixed by the Directors, on the Voting Members registered in the Register of Voting Members as Voting Members at the record date as so fixed; PROVIDED ALWAYS that a meeting of the Voting Members may be held for any purpose, at any time and at any place without notice, if all the Voting Members entitled to notice of such meeting are present in person or represented thereat by proxy or if the absent Voting Members shall have signified their consent in writing to such meeting being held. Notice of any meeting or any irregularity in any meeting or in the

notice thereof may be waived at any time by any Voting Member or the duly appointed proxy of a Voting member. It shall not be necessary to give notice of any adjourned meeting.

17. Accidental irregularities in the notice of any meeting or in the giving thereof or the accidental omission to give notice of any meeting or the non-receipt of any notice by any Voting Member or Voting Members, shall not invalidate any resolution passed or any proceedings taken at any meeting and shall not prevent the holding of such meeting.

18. The board shall call a special general meeting of the Voting Members when required to do so by those person(s) who provide a written request to the Board specifying the nature of business to be transacted at the meeting and who hold five percent (5%) or more of the votes entitled to be cast at a meeting of the Voting Members.

PROCEEDINGS AT VOTING MEMBERS' MEETINGS

19. All business shall be deemed special that is transacted at a special general meeting. All business shall be deemed special that is transacted at an annual general meeting, with the exception of consideration and approval of the matters described by Bylaw 14. All meetings of the Voting Members shall be conducted according to Robert's Rules of Order.

20. No business shall be transacted at a general meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, Voting Members either personally present or represented by proxy and holding twenty percent (20%) or more of the votes eligible to be cast at a meeting shall be a quorum.

21. The President, or in his absence the Vice-President (if any), shall be entitled to take the chair at every general meeting, or if there be no President or Vice-president, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding such meeting, the Voting Members present shall choose another Director as chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the Voting Members present shall choose one of their number to be chairman. The chairman at any meeting of Voting members may appoint one or more persons who are Voting members to act as scrutineers.

22. If within thirty (30) minutes from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place unless a different place for such adjourned meeting is specified in the notice which is given for the meeting which has been adjourned; and if at such adjourned meeting a quorum is not present, the Voting Members personally present or represented by proxy at such adjourned meeting shall be a quorum.

23. At a meeting of the association, a majority of the votes cast by the Voting Members shall determine all questions, except when a Special Resolution is required.

24. Every question submitted to a meeting shall be decided in the first instance by a show of hands or otherwise as the chairman may direct and in the case of an equality of votes the chairman shall, both on a show of hands or otherwise, not have a casting vote in addition to the vote to which he may be entitled as a Voting Member.

25. At any meeting, unless a poll is demanded by the chairman or by ten percent (10%) of the Voting Members present, a declaration by the chairman that a resolution has been carried or carried by the requisite number for an Ordinary Resolution or Special Resolution, as the case may be, and an entry to that effect in the book of proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. If a poll is demanded as aforesaid it shall be taken in

such manner and at such time and place as the chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

26. The chairman of a general meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

27. On a show of hands every Voting member present in person, including the proxy or representative of a Voting Member, shall be entitled to the number of votes allocated to that Voting Member pursuant to the provisions hereof.

28. Votes may be given either personally or by a nominee appointed by proxy; PROVIDED HOWEVER no person shall be entitled to hold proxies made in his favour by more than five (5) Voting Members for any given meeting.

29. A proxy shall be dated and be in writing in any effectual form under the hand of the appointer or of his attorney duly authorized in writing, and need not be attested. A person who holds a proxy must be a Voting Member or a lawyer or accountant of that Voting Member.

30. No proxy shall be valid after the expiration of twelve (12) months from the date of its execution unless otherwise specified in the instrument of proxy.

31. The proxy shall be presented at the meeting or deposited at the registered office of the Association at least forty-eight (48) hours before the time for holding the meeting at which the person named in the instrument proposes to vote. If there is any default in this procedure for the deposit of such proxy it shall not be treated as valid.

32. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy with respect to which the vote is given, provided no intimation in writing of the death or revocation shall have been received by the Directors before the meeting.

33. No Voting Member shall be entitled to be present or to vote on any question, either personally or by a nominee appointed by a proxy, or as the nominee appointed by a proxy for another Voting member at any general meeting, or upon a poll, or to be reckoned in a quorum whilst any sum due or payable to the Association by such Voting Member shall remain unpaid for a least fifteen (15) days following a written request by the Association for payment of same.

BORROWING POWERS

34. The Directors may from time to time at their discretion raise or borrow money from any person for the purposes of the Association's objects PROVIDED HOWEVER the amounts so borrowed in aggregate do not exceed thirty thousand dollars (\$30,000.00) at any one time, unless approved by Special Resolution. As permitted by Special Resolution, the Directors may grant debentures issued by the Association to secure all or any portion of such borrowed funds.

DIRECTORS

35. No person shall be qualified for election as a Director if, at the time of election, he:

- (a) is less than eighteen (18) years of age;

- (b) is a dependent adult as defined in the *Dependent Adults Act* of Alberta (as amended or substituted) or is the subject of a certificate of incapacity under that Act;
- (c) is a formal patient as defined in the *Mental Health Act* of Alberta (as amended or substituted);
- (d) is the subject of an order under *The Mentally Incapacitated Persons Act* of Alberta (as amended or substituted) appointing a committee of his person or estate or both;
- (e) has been found to be a person of unsound mind by a court elsewhere than in Alberta;
- (t) is not an individual;
- (g) has the status of an undischarged bankrupt;
- (h) is not a Voting Member or the appointee of a corporate Voting Member or the appointee(s) of the Developer;
- (i) is in arrears of any monies due and owing to the Association by him or the corporate Voting Member that appointed him;
- U) has been on the Board for more than four (4) consecutive years and one (1) year has not lapsed since he was last on the Board; or
- (k) has been convicted of an indictable offence.

36. Until otherwise determined by a general meeting, the number of Directors shall be not less than three (3) or more than ten (10).

37. Notwithstanding anything to the contrary contained herein, the subscribers hereto shall be the first Directors of the Association.

38. The Directors shall have power from time to time and at any time, to appoint any other person or persons as Directors, either to fill a casual vacancy or vacancies or as an addition or additions to the Board, but so that the total number of Directors shall not at any time exceed the lower of the maximum number fixed by these Bylaws or the maximum number fixed by an Ordinary Resolution.

39. The Directors shall not be paid out of the funds of the Association by way of remuneration for their services as Directors except as may be determined from time to time by ordinary Resolution of the Association.

40. A Director may retire from office upon giving at least five (5) days' notice in writing to the Association of his intention to do so, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

41. The office of a Director shall *ipso facto* be vacated:

- (a) if he ceases to be qualified for election as a Director [except by reason of Bylaw 35(j)];

- (b) if any sum due or payable to the Association by him (or the corporate Voting Member which designed him as its appointee) shall remain unpaid for at least fifteen (15) days following a written request by the Association for payment of the same;
- (c) if he is absent from three (3) consecutive meetings of the Board without permission of the Board and it is resolved at the subsequent meeting of the Board that his office be vacated;
- (d) if he dies; or
- (e) if he is removed by Special Resolution of the Association, as hereinafter provided.

42. A Director shall not be disqualified solely by his office as a Director from holding any other office with the Association and from contracting with the Association either as a vendor, purchaser or otherwise howsoever.

43. At the first annual general meeting one-half of the Directors (or a majority thereof in the event of an odd number of Directors) shall continue to serve on the Board for another year and the remaining Directors, howsoever appointed or elected, shall retire from office. A retiring Director shall retain office until the dissolution of the meeting at which his successor is elected. Each Director that is elected to the Board shall hold such a position for a two-year term unless such term is terminated earlier as provided in these Bylaws. If at any general meeting at which an election of Directors ought to take place, no such election takes place, the retiring Directors shall continue in office until the second following annual general meeting, and so on until their places are filled up, unless it shall be determined at such meeting to reduce the number of Directors. It is the intention of the Association that one half of its Board shall turn over every year.

44. Subject to Bylaw 35U), a retiring Director shall be eligible for re-election.

45. The Association at every annual general meeting shall fill up the vacated offices by electing a like number of persons to be Directors, or in case any change in the number of Directors is made at any such meeting, by electing the number of persons to be Directors as may be fixed by such meeting.

46. The Association may, by Special Resolution, at any time remove any or all of the Directors before the expiration of his or their period of office and may by Ordinary Resolution appoint another qualified person or persons in his or their stead; and the person or persons so appointed shall hold office during such time only as the Director or Directors in whose place he is or they are appointed would have held the same if he or they had not been removed.

REGISTER OF DIRECTORS

47. The Directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force. The Director shall keep a register of the Directors and officers and managers of the Association and their addresses and occupations.

PROCEEDINGS OF DIRECTORS

48. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings in a manner consistent with these Bylaws. No less than one half of the number of Directors shall be the quorum necessary for a meeting of the Directors to proceed.

49. Meetings of the board of Directors shall be held in the Municipality, in the Province of Alberta, unless all the Directors otherwise agree upon a different location in the Province of Alberta. Meetings of the Board may be held at any time without formal notice if all the Directors are present or those absent have signified their consent in writing to the meeting being held in their absence; and ten (10) days' prior written notice of any meeting where notice has not been dispensed with, to each Director at his ordinary address, shall be sufficient notice of any meeting of the Directors. Notice of any meeting, or accidental irregularity in any meeting or in the notice thereof may be waived by any Director and such waiver shall be deemed the equivalent of due notice of the meeting. The Directors may by resolution appoint a regular time and place for meeting, and no further or other notice of such time and place, other than the entry of such resolution upon the minutes of the meeting at which it was passed, shall be necessary. A meeting of the Directors shall be held at least quarterly throughout the calendar year, and a meeting of the Directors shall be held on the seventh (7th) days following the day of the annual general meeting at the same place (unless the Directors otherwise agree or provide notice) and at same time as the place and time that had been set for the said annual general meeting and no notice of such meeting shall be necessary. All meetings of the Board shall be conducted according to Robert's Rules of Order.

50. Any Director may participate in a meeting of the Board of Directors by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and a Director participating in a meeting pursuant to this Bylaw shall be deemed to be present in person at that meeting and the meeting shall be deemed to have been held at such place in Alberta as the Directors may from time to time determine.

51. The President may, or the Secretary shall, at the written request of not less than twenty-five (25%) percent of the Directors, at any time call a meeting of Directors within fourteen (14) days of such request.

52. Questions arising at any meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall not have a second or casting vote.

53. The continuing Directors may act notwithstanding any vacancy in their number; but if and so long as their number is reduced below the minimum number fixed by or pursuant to these Bylaws, the continuing Directors may act only for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Association, but for no other purpose.

54. The Directors may approach one of their number to be chairman of the Board of Directors, and in the absence of such appointment the President for the time being of the Association shall be chairman of the Board. If the chairman is not present at any meeting at the time appointed for holding the same, the Vice-President shall act as chairman of the meeting unless the Directors present choose one of their number to be chairman of such meeting.

55. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Association for the time being vested in or exercisable by the Directors generally.

56. All acts done at any meeting of the Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were

disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

57. A resolution in writing, signed by all the Directors without their meeting together, (which may be executed in several counterparts) shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, and shall be held to relate back to any date therein stated to be the effective date thereof.

MINUTES

58. The Directors shall cause minutes to be duly entered in books provided for the purpose:

- (a) of all appointments of officers;
- (b) of the names of the Directors present at each meeting of the Directors;
- (c) of all resolutions made by the Directors; and
- (d) of all resolutions and proceedings of general meetings;

And any such minutes of any meetings of the Directors, or of the Association, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as *prima facie* evidence of the matters stated in such minutes.

POWERS OF DIRECTORS

59. (a) Subject to Bylaws 60 and 61 below, the management of the business and affairs of the Association shall be vested in the Directors who, in addition to the powers and authorities by these Bylaws or otherwise expressly conferred upon them, may exercise, by resolution passed at a meeting at which a quorum is present or by resolution signed in writing by all Directors, all such powers and do all such acts and things as may be exercised or done by the Association.
- (b) Without restricting the generality of the foregoing the Directors shall exercise general supervision of the affairs of the Association and may from time to time make Rules and Regulations in relation to the Association, and may at any time in like manner annul or vary any rules and Regulations so made, and all Rules and Regulations so made and for the time being in force shall be binding on the Members, and shall have full effect accordingly; irregularities in the giving of notice of the Rules and Regulations and any amendments thereto or the accidental omission to give notice of the same or the non-receipt of any notice by any Member, shall not relieve that Member from observing the said Rules and Regulations which shall at all times be available upon request made to the Board and payment of the prescribed fee therefor; and without limiting the generality of the foregoing it is expressly declared that the following shall be deemed to be within the subject matter that may form part of the Rules and Regulations in relation to the Association within the meaning of this clause, that is to say, Rules and Regulations:
- (i) as to proof required from persons claiming to be eligible to be Voting Members, Homeowner Members and Family Members;

- (ii) as to the annual, quarterly, monthly or other subscriptions or payments to be payable by the members;
 - (iii) as to visitors', guests', tenants' and pets' usage or non-usage of the Facilities;
 - (iv) as to the conditions upon which a Member shall be entitled to obtain and continue to benefit from any service provided by or on behalf of the Association;
 - (v) as to the manner in which and circumstances under which use of the Facilities by Members or delivery of any service by the Association to members may be suspended;
 - (vi) as to the terms of rental of any of the Facilities to a Member for a special or commercial event;
 - (vii) as to any matters requiring approval, establishment, direction or designation by the Board under the terms of these Bylaws; and
 - (viii) as to the use of the Facilities by Members.
- (c) The Board may invest funds in the Association's possession or control as the Board may determine, to the extent permitted by law for trustees under the Trustee Act or any legislation passed in substitution therefor.
- (d) The Board may enforce the provisions of any restrictive covenant, utility right of way, easement, encumbrance or any other agreement registered against title to any Lot or any part of the Facilities which benefits the Association.
- (e) Unless and except as otherwise resolved by Special Resolution of the Corporation, the Board may employ or authorize a person, firm or corporation to act as the Manager for the Association, and the Board may employ for and on behalf of the Association such other agents, advisers and servants as it thinks fit in connection with the control, management and administration of the Facilities and of any property owned by or registered in the name of the Association, and the affairs of the Association, and the exercise and performance of the powers and duties of the Association. If any group of persons entitled to vote at a meeting of the Voting Members representing at least twenty-five (25%) percent of the total votes that could be cast thereat shall at any time be dissatisfied with the fitness or suitability of any such Manager employed as aforesaid or the adequacy of the work or service performed by him, such group of persons may be requisition addressed to the Association require the calling of an extra-ordinary general meeting; and upon such a requisition being made as aforesaid, the Board shall forthwith call an extra-ordinary general meeting of the Association to consider the complaint or complaints by such group of persons; the continuance or termination of the employment of such group of persons; the continuance or termination of the employment of such Manager, and the terms thereof, and the employment of a replacement, shall be considered and determined by Ordinary Resolution at such meeting and the Board shall govern itself according to such resolution. The manager employed by the Board as aforesaid need not devote his full time to the performance of the duties of the Association so long as those duties are performed in good and sufficient fashion and may (without limiting the generality of the foregoing) act as rental or leasing agent for all or some of the

Members to the extent that so doing will not interfere with or unreasonably impede the performance of his duties for the Association.

- (f) Subject to any restriction imposed or direction given at a general meeting, the Board may delegate to one or more of its members such of its powers and duties as it thinks fit, and at any time revoke such delegation.
- (g) The Board may do all things reasonably necessary for the enforcement of the Bylaws and the Rules and Regulations and the control, management and administration of the Facilities and of any property owned by or registered in the name of the Association including without limitation the following:
 - (i) commencement and prosecution of proceedings to collect a penalty of up to the maximum of the lesser of \$200.00 and the amount permitted under the Act; and
 - (ii) impose, collect and deal with deposits for the rental of a Lot or Residence (provided that the deposit shall not exceed one (1) month's rent for the Lot or Residence) to be held as security for performance and observance of these Bylaws by the tenants of such Lot and their guests and to be used for the curing of any non-observance or in compensation for any such non-observance.

DUTY OF DIRECTORS

60. Each of the Directors shall act honestly and in good faith and with a view to the best interests of the Association when exercising any of his rights and duties under these Bylaws or in connection with the Association.

TEMPORARY REMOVAL OF OFFICERS' AND DIRECTORS' AUTHORITY AND RESPONSIBILITIES

61. The Amenities are being negotiated, designed, engineered and planned solely by the developer who has agreed to develop and construct such Amenities at its sole cost and responsibility. The Developer has also agreed to be responsible for the management and operation of the Amenities for a limited period of time and to, within a certain specified period of time, transfer title to, and the operation and management of, such Amenities to the Association providing that the Association does not hinder the Developer's efforts or increase the development, construction, management and operating costs for the Amenities by becoming involved in, investigating or interfering in or trying to exercise any authority or control in the development, construction, management and operation of the Amenities. In order to relieve the Association's officers and Directors from any responsibility that they may otherwise have in the proper exercise of their responsibility to protect the interests of the Association and its Members and any alleged resulting breach of fiduciary obligations, until the Transfer Date, the powers of the officers and Directors of the Association to manage the business and affairs of the Association are hereby temporarily restrained and are transferred to the Developer and such officers and Directors are hereby released from such duties and from any liability for failure to otherwise exercise such duty insofar as such duty relates in any way to the investigation of, determination of and enforcing of the proper and adequate quality of design, engineering, planning, development, construction, maintenance and operation of the Amenities. Except as set out above, such officers and Directors shall retain their normal and usual rights, duties and responsibilities and will on a limited basis as requested by the Developer be involved in the operation of the Amenities.

From and after the Transfer Date it shall be the responsibility of the Association to manage, operate and maintain the Amenities. For clarity, it is acknowledged that the Association (and not the Municipality) shall be responsible for maintaining the Amenities which constitute roadways and facilities benefiting the Lots as would a prudent owner thereof, and the Municipality shall be released in connection with any such responsibilities.

62. It is hereby disclosed to all Members that the developer is a Member of the Association and officers of the Developer may also be Directors and officers of the Association. All Members and Voting Members of the Association do hereby unanimously agree to the provisions of Bylaw 63 above and do hereby unanimously and entirely release the Developer, the Association and the Directors and officers of the Association from the legal results of any conflict that they or the Developer may otherwise be in as a result of the Developer and the Association entering into an agreement for the development, the initial management of, and delivery of the Amenities to the Association including from the legal consequences of the Directors and officers of the association being partially restrained from the being partially released from their normal and usual rights, duties and responsibilities as provided for in Bylaw 60 above.

OFFICERS

63. The officers of the Association shall consist of a President, a Vice-President, a Secretary and a Treasurer, or a Secretary-Treasurer and such other officers as the Directors may from time to time appoint. Any one person may fill more than one of the above offices. Such persons holding such offices, besides fulfilling any duties assigned to them by the Directors, shall have such powers as are usually incidental to such offices, including without limitation, the following duties:

- (a) the President, or in the event of his absence or disability, the Vice-President:
 - (i) is responsible for the daily execution of the business of the Association;
 - (ii) shall act as chairman of the meetings of the Board (if no other appointment for chairman is made by the Board) and of the Association;
- (b) the Vice-President shall be responsible for such other duties as the Board may designate;
- (c) the Secretary, or in the event of his absence or disability, another member of the Board designated by the Board:
 - (i) shall record and maintain all the minutes of the Board, and all meetings of the Association and shall record votes for and against on all decisions;
 - (ii) is responsible for all the correspondence of the Association;
 - (iii) shall carry out his duties under the direction of the President and the Board;
- (d) the Treasurer, or in the event of his absence or disability, another member of the Board designated by the Board:

- (i) shall receive all monies paid to the Association and deposit them as the Board may direct;
- (ii) properly account for the funds of the association and keep such books as the Board may direct;
- (iii) present to the Board when required to do so by the Board, a full detailed account of receipts and disbursements of the Association;
- (iv) prepare for submission to the Board and for the information of the Voting Members at the annual general meeting, a budget for the forthcoming fiscal year of the Association and an audited statement for the most recently completed fiscal year of the Association and an audited statement for the most recently completed fiscal year of the Association.

64. The President, Vice-President, Secretary and the Treasurer or Secretary-Treasurer of the Association shall be elected by the Board from amongst their number. If the President, Vice-President, Secretary, Treasurer or Secretary-Treasurer of the Association ceases to be a member of the Board he shall also cease to be an officer of the Corporation. The Board may appoint an Assistant Secretary, who shall be empowered to act in the absence of or under the direction of the Secretary in the performance of the duties of the Secretary. The Directors may appoint a temporary substitute for any of the above officers, who shall for the purposes of these Bylaws be deemed to be the officer for the position he occupies.

65. Any executive officer of the Association shall be entitled to attend any meeting of Members or Voting Members.

SEAL

66. The Association shall have a corporate seal which shall be of such form and device as may be adopted by the Directors, and the Directors may make such provisions as they see fit with respect to the affixing of the said seal and the appointment of a Director or Directors or other persons, to attest by their signatures that such seal was duly affixed.

EXECUTION OF DOCUMENTS

67. All deeds, transfers, assignments, contracts, obligations, certificates and other instruments of the Association shall be signed by at least two (2) Directors.

REAL PROPERTY

68. Except for the acquisition of the Amenities from the Developer, the Association shall not acquire or dispose of any real property or take down or make any improvements to real estate which improvements had or have a value in aggregate in excess of thirty thousand dollars (\$30,000.00), except in accordance with a Special Resolution of the Voting Members. Further, the Association shall not alter the structure or functionality of any of the Facilities or terminate the provision to all of the members any utility service provided by the Association except in accordance with a Special Resolution of the Voting Members.

NO SHARE CAPITAL OR DIVIDENDS

69. There shall be no share capital of the Association. As the Association is formed primarily for the purposes of promoting recreation for and social communication amongst its Members and it is the intention of the Association to apply the profits, if any, or any other income of the Association, in promoting its objects, and as the Association is not formed with gain for its object, no dividend whatsoever and no part of the income of the Association shall be divided among, payable to, or be available for the personal benefit of any of the Members or Voting Members of the Association.

RESERVES AND FUNDS

70. (a) The Directors shall budget for and shall set aside a portion of the profits or revenues of the Association each year to create and maintain a sufficient reserve or reserves to provide for the costs that do not normally occur of an annual basis respecting the repair and, where appropriate, replacement of the roadways and utilities (including the water treatment and sewage treatment systems) owned and operated by the Association, and such reserve(s) shall be maintained in amount determined in accordance with generally accepted accounting principles and good engineering practice. Such reserve funds shall only be used for such purposes and must be maintained in a separate account of the Association and shall not be commingled with any other funds of the Association or of any other person. The Association shall cause a reserve study to be conducted by a qualified professional every five (5) years in respect to the reserve(s) maintained under this Bylaw 72(a), and a copy of the results of each such study shall be provided to the Municipality.

(b) The Directors may budget for and may set aside any of the profits or revenues of the Association to create a reserve or reserves to provide for maintaining any other property of the Association, replacing wasting assets, meeting contingencies, forming an insurance reserve or for any other purposes whatsoever for which the profits or revenues of the Association may lawfully be used.

(c) The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to place in any of such reserves.

71. The directors may create a fund or funds out of the assets of the Association not greater in amount than the reserve or reserves as hereinbefore provided for and may apply the fund or funds either by employing them for the purpose for which they were established (provided no portion thereof in excess of thirty thousand dollars (\$30,000) per year shall be employed, other than to repair or replace roadways and utilities, without a Special Resolution authorizing such employment of funds) or investing them in such manner as they shall think fit, and the income arising from such fund or funds shall be treated as part of the profits of the Association for the year in which such income arose. The income arising from such reserve funds may be applied for the purpose of maintaining the property of the Association, replacing wasting assets, meeting contingencies, forming an insurance fund or for any other purpose for which the profits of the Association may lawfully be used.

72. The Directors may not abolish any reserve or reserve fund established under Bylaw 70(a) above but may reduce the same to the extent the reduction in such fund is applied against the maintenance or replacement of any roadways or utilities owned and operated by the Association. The Directors may from time to time increase, reduce or abolish any reserve or reserve fund established under Bylaw 70(b) above in whole or in part and may transfer the whole or any part to surplus.

OPERATING COSTS OF THE ASSOCIATION

73. The Directors shall implement a procedure to monitor and to determine:
- (a) the amount of the annual costs of owning, maintaining and operating the Facilities and providing services to the Members, including (without limitation) the following costs:
 - (i) all levies or charges or costs on account of electricity, water, sewer, garbage removal, gas and other utility services supplied to or by the Association or billed to the Association;
 - (ii) the cost of and charges for all management fees, salaries and other benefits for services of any caretakers or maintenance or management personnel;
 - (iii) all costs of and charges for maintenance, repair and replacement of any property owned or managed by or registered in the name of or used by the Association for its own benefit or for the benefit of the Members;
 - (iv) all costs and charges on account of landscaping and removal of snow from the property owned or managed by the Association;
 - (v) all costs of and charges for all consultation, professional and servicing assistance required by the Association including without limiting the generality of the foregoing all auditing, accounting, engineering and legal costs;
 - (vi) the Association's administration costs (which administration costs may include the cost of determining the eligibility of Members and Voting members);
 - (vii) all fees and charges for insurance maintained by the Association and payment of any deductibles thereunder;
 - (viii) the cost of performing all obligations of the Association or the Board or the officers of the Association created by the Act or these Bylaws or otherwise;
 - (ix) all newsletters, memberships, subscriptions, office equipment, supplies, printing and postage costs;
 - (x) the cost of borrowing money or obtaining other credit facilities for the purpose of carrying out the objects and duties of the Association and the Board; and
 - (xi) any taxes payable by the Association in respect to property owned by it or in connection with the foregoing or in performing its obligations under the Act or the Bylaws or otherwise;
 - (b) the amount for covering prior operating deficits; and
 - (c) the amount for establishing and continuing the reserves described in Bylaw 70;

(all of which amounts are included in the term "Common Expenses").

74. The amount of these Common Expenses, net of or after deduction of all unallocated surplus of any prior fiscal year and revenue from sources other than the annual rent charges secured by Encumbrances, (hereinafter called "Net Common Expenses") shall be collected by assessing the Homeowner Members. At least thirty (30) days prior to the beginning of each fiscal year of the Association, the Board shall estimate the amount of the Net Common Expenses that will be incurred or required in such fiscal year. Each fiscal year's estimated Net Common Expenses shall be apportioned, levied and assessed to and upon each Homeowner Member in proportion to the principal amount secured by the Encumbrance registered or to be registered against the Lot related to that Homeowner Member. A portion of the Common Expenses may be recouped by way of a usage charge for use of a certain part(s) of the Facilities and/or services provided by or on behalf of the Association charged to those Homeowner Members and Family members and their guests and tenants who benefit from such services or part(s) of the Facilities. Subject to the provisions hereof, the amounts of such assessments and/or usage charges shall be those amounts determined by the Directors from time to time and the Homeowner Members (and the Family members in the case of usage charges) shall pay such amounts in the manner and at the times determined by the Directors. In the Board's discretion, the annual amount to be paid by a Homeowner Member under Bylaw 74, may be more or less than the annual rent charge stated in the Encumbrance then registered against title to the Lot through which his membership is derived. The Board may establish from time to time the interest to be charged on all arrears of such assessments and/or usage charges and those Homeowner members (or Family Members, as the case may be) in arrears shall pay such interest. If the Board does not establish or continue an interest rate to be charged on arrears, then the interest rate chargeable on such arrears shall be five percent (5%) added to the prime lending rate of the Royal Bank of Canada (Calgary Main Branch). Further, the Board shall be entitled to collect from any Member who is in breach of any of these Bylaws or the Rules and Regulations, and such Member shall pay, any and all legal costs incurred by the Association on a solicitor and his own client basis (being on a full indemnification basis) in pursuing any remedy available to it at law or in equity (including enforcement of the annual rent charge secured by the Encumbrance) to ensure observance by that Member of these Bylaws and the rules and Regulations or to collect losses, damages and expense suffered by the Association as a result of such non-observance by that Member or his guests or tenants. The omission by the Board before the expiration of any fiscal year, to fix the assessments hereunder for that year or for the next year, shall not be deemed a waiver or modification in any respect of the provisions of these Bylaws, or release of the Homeowner Members (or Family Members, as the case may be) from their obligations to pay the assessments or usage charges, or any instalments thereon for that or any subsequent year, but the annual assessment or the quarterly or monthly instalments and usage charges for the preceding fiscal year shall continue (on the anniversary of the assessment, or quarterly or monthly, in the case of quarterly or monthly assessments) until a new annual assessment or new quarterly or monthly instalment or usage charge, as the case may be, is fixed. No Homeowner Member can exempt himself from liability for his contributions toward the Common Expenses by waiver of use or enjoyment of any property owned or managed by the Association or by vacating or abandoning his Lot.

75. The Encumbrances establish different levels of contribution by the different Members represented by the different Lot locations within the Subdivision. The Encumbrance shall stand as security for all sums that may be due and owing to the Association by the Members who derive their membership through the Lot against which the Encumbrance is or should be registered.

76. If the resulting contributions received from the Homeowner Members and Family Members do not result in sufficient income to pay the Common Expenses of the Association, then the Directors shall increase the Association's income in the following manner:

- (a) if necessary, they shall borrow, on a short term basis, any funds required to meet the operating cash deficiency being experienced;
- (b) they shall present a full report on the operating cash deficiency to the next annual general meeting of the Association together with their recommendations for increasing the income of the association including, if so determined by the Directors, increasing the annual rental charges to be secured by the Encumbrances, or increasing or implementing usage charges for certain part(s) of the Facilities or services provided by or on behalf of the Association;
- (c) if they determine that addressing such deficiency should not await the next ensuing annual general meeting, they shall call a special general meeting of the Association to consider the matter;
- (d) subject to (f) hereof, any increase in the annual rental charges must be approved by an Ordinary Resolution at a meeting of the association and shall only be increased in the same ratio that the existing annual rental charges have one to another as contained in the originally registered Encumbrances;
- (e) the Homeowner Members and Family Members shall be bound by the decision of the Voting Members passed in accordance with these bylaws and all Members agree to the amendment of their Encumbrance in accordance with the decision of such meeting;
- (f) while the Developer is a Member any change in the annual rental charge shall require the prior written consent of the Developer; and
- (g) if any Encumbrance has been foreclosed off of or is otherwise removed from the title to a Lot or has otherwise been taken off such title or if pursuant to a meeting of the Voting Members, it has been agreed to register a new Encumbrance or a caveat giving notice of the change in the amount to be secured by the Encumbrance, the Member or the Voting Member or each of them who is registered as the owner of that Lot shall enter into (or cause to be entered into by the registered owner(s) of that Lot) any requested new Encumbrance to be registered against the title to that Lot or shall agree (or cause the registered owner(s) of that Lot to agree) to the filing of a caveat as referred to above and if he delays, fails, or refuses to execute and deliver (or cause to be executed and delivered) the new Encumbrance the Association is hereby irrevocably appointed as his attorney on his behalf and for the Association's use and benefit, to sign and deliver such new Encumbrance in his place and stead; and the Member shall ensure that the new Encumbrance or any caveat as referred to above is a first financial charge against title to his Lot or the Lot through which his membership is derived.

ACCOUNTS

77. The Directors shall cause true accounts to be kept of the sums of money received and disbursed by the Association and the manner in respect of which said receipts and disbursements take place, of all sales and purchases by the Association and of the assets and liabilities of the Association and of all other transactions affecting the financial position of the Association.

78. The books of account and accounting records shall be kept at the registered office of the Association or, subject to the limitations of the Act in this regard, at such other place or places as the Directors think fit, and shall be open to inspection of the Directors and the auditor of the Association. The Association's fiscal year shall be the calendar year.

79. The Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Association, or any of them, shall be open to the inspection of any of the Members not being Directors, and none of the Members (not being a Director) shall have any right of inspecting any account or book or document of the Association except as conferred by law or authorized by the Directors or by Ordinary Resolution of the Association.

80. The Directors shall lay before each annual meeting of the Voting Members financial statements and the report of the auditor thereon to the Voting members thereon. The financial statements shall:

- (a) be approved by the Board of Directors and signed by two (2) of them;
- (b) be for a period that ended not more than six (6) months before the annual meeting;
- (c) contain a comparative statement (except in the case of the first statement) relating separately to the latest completed financial year preceding it; and
- (d) be made up of:
 - (i) a statement of profit and loss for each period;
 - (ii) a statement of surplus for each period;
 - (iii) a statement of source and application of funds for each period; and
 - (iv) a balance sheet as at the end of each period;

all made in accordance with generally accepted accounting principles.

81. A copy of the financial statements and a copy of the auditor's report shall be sent to each Voting member, by prepaid post, ten (10) days or more before the date of the annual meeting.

NOTICES

82. Any notice may be served by the Association on any of the Members or Voting Members either personally or by sending it through the post (provided a pending or threatened mail strike does not then exist) in a prepaid envelope or wrapper addressed to such member or Voting Member at his address as the same appears in the books of the Association, or if no address is given therein, to the last address of such person known to the Secretary of the Association. If no address is known to the Secretary a notice posted up in the registered office of the association shall be deemed to be well served on such person upon it being so posted up, and any notice sent by post shall be deemed to have been served on the day on which the envelope or wrapper containing the same is posted. With respect to every notice sent by post, it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into one of Canada Post Corporation's letter boxes.

83. Any notice or document delivered or sent by post or left at the address of any of the Members or Voting members as the same appears on the books of the Association or posted in the registered office of the Association as hereinbefore provided shall, notwithstanding such person be then deceased and whether or not the association has notice of his decease, be deemed to have been duly served until some other person is entered in his stead in the books of the Association as one of the members or Voting members, as the case may be, and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons interested with any one of such Members or Voting members.

84. The signature on any notice to be given by the Association may be written, stamped, typewritten or printed or partly written, stamped, type written or printed.

85. Where a given number of days notice or a notice extending over any other period is required to be given, the day of service of the notice and the day for which notice is given shall, unless it is otherwise provided, be counted in such number of days or other period.

86. A certificate of the Secretary or other duly authorized officer of the association in office at the time of the making of the certificate as to the facts in relation to the mailing or delivery or posting up of any notice to any Member, Voting Member, Director or officer or publication of any notice, shall be *prima facie* evidence thereof and shall be binding on every one of the Members, Voting members, and a Director or officer of the Association, as the case may be.

87. It shall not be necessary for any notice to set out the nature of the business which is to come before a meeting of the Directors and it shall not be necessary for any notice to set out the business which is to come before a meeting of the Voting Members unless the same is special business.

88. A special general meeting and the annual general meeting may be convened by one and the same notice, and it shall be no objection to the said notice that it only convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

RECORD DATE

89. The Directors may fix a time in the future not exceeding thirty (30) days preceding the date of any meeting of Voting Members as a record date for the determination of the Voting Members entitled to notice of, and to vote at, any such meeting, and only the Voting Members of record in the Register of Voting members at the close of business on that date so fixed shall be entitled to such notice of, and to vote at, such meeting, notwithstanding any change of Voting members on the Register of Voting Members after any such record date is fixed as aforesaid.

AMENDMENT OF BYLAWS

90. These Bylaws may be added to, replaced, amended, or repealed by Special Resolution of the Association and not otherwise, except for this Bylaw 90, Schedule "A" and "B", and, to the extent they affect the Developer, Bylaws l(b), (o), (r) and (w), 3, 61, 62, 74 and 76(f) which may only be added to, replaced, amended or repealed by special Resolution and the written consent of the Developer. Prior written notice shall be provided to the Municipality in respect to any meeting or resolution proposed to deal with the amendment to any of Bylaws 61, 70, 71, or 72.

INSURANCE

91. The Board, on behalf of the Association, shall obtain and maintain insurance on the insurable property of the Association, that provides for settlement to the full replacement value thereof without deduction for depreciation, and without restricting the generality of the foregoing such insurance shall provide and include the following:

- (a) coverage for fire, extended perils and such other perils as from time to time the Board shall deem advisable;
- (b) coverage that provides for settlement to the full replacement value of all buildings and other fixed improvements upon the facilities and all chattels and other property belonging to or registered in the name of the Association;
- (c) adequate coverage for boiler insurance if any boilers or pressure vessels exist upon the Facilities;
- (d) coverage for such other risks or causes as the Board may determine or as may be determined by Ordinary Resolution; and
- (e) that no breach of any statutory condition or other condition of any policy by any member or the association shall invalidate the insurance or forfeit the insurance.

The Board, on behalf of the Association, shall also obtain and maintain insurance coverage for errors and omissions by the Board and the officers of the Association so long as such insurance is obtainable at a reasonable cost.

In the event an insurance trustee is appointed by the Board on behalf of the Association (herein called the "Insurance Trustee"), the Board, on behalf of the Association, shall cause claims under property and boiler insurance policies issued pursuant to these Bylaws to be paid to the Insurance trustee. In the event there is no insurance trustee appointed then the Insurance Trustee shall be deemed to be the Association and the words "Insurance Trustee" shall be read as if the word "association" was in its stead. Insurance proceeds realized under any policy of insurance and maintained on behalf of the Association and insuring against fire and any other supplemental perils or against boiler damage shall be paid as follows:

- (a) if the proceeds are less than thirty thousand (\$30,000.00) dollars (or such other amount determined by Ordinary Resolution), to the association which shall apply such proceeds to the repair and restoration of the damage or less;
- (b) if the proceeds are equal to, or in the excess of thirty thousand (\$30,000.00) dollars (or such other amount determined by Ordinary Resolution), to the Insurance trustee who shall apply such proceeds to the repair and restoration of the damage or less (save as hereinafter provided).

In the event that it is resolved by special Resolution that the Association not repair or restore the damage, then the Insurance trustee shall pay the proceeds to the Association.

Members shall be responsible for insuring their own property and Residence. In no event shall the insurance coverage obtained and maintained by the Board on behalf of the Association be brought into contribution with insurance purchased by Members or their mortgages.

Policies of insurance may contain co-insurance provisions on a stated amount basis (and not on any other basis) and only in such a fashion as to not diminish the amount of the insurance claim settlement. All policies of insurance shall contain waivers by the insurers of invalidity arising from any acts or omissions of the insured and of any rights of subrogation against the Association and the Members or any of them and shall provide that such policies may not be cancelled or substantially modified without at least sixty (60) days' prior written notice to all of the insureds. Such policies shall also provide that the Insurance trustee shall have the right at its sole option to obtain a cash settlement (without deduction for depreciation) in the event of substantial damage to any buildings and the determination by Special Resolution to not rebuild the same, and the insurer's option to repair, rebuild or replace the property damaged or lost shall be deleted or waived. The Insurance Trustee shall act as and be an agent on behalf of the Association for the purpose of and with authority to adjust and settle losses in respect of all policies of insurance effected by the Board on behalf of the Association. Prior to obtaining any policy of fire insurance or any renewal there, the Board shall obtain an appraisal or re-appraisal from a qualified and reputable appraiser of real property for the full replacement value of the real estate improvements forming part of the Facilities, and the Board shall review the insurance coverage and maintain it at the levels required by these Bylaws and suggested by the said appraisals, provided that failure to obtain a prior or any appraisal shall not invalidate or affect any insurance coverage placed by the Board on behalf of the Association.

The Board shall also obtain and maintain public liability insurance insuring the Association, the Board, the officers of the Association and the Members against any liability for bodily injury, death and damage to property, to third parties or to the members and their invitees, licensees or tenants incidental to the ownership, use, control, management and administration of the Lots, the Association's real and personal property and the Facilities. Limits of liability under such insurance shall not be less than two million (\$2,000,000.00) dollars for any one person injured or for any one accident and shall not be less than two million (\$2,000,000.00) dollars for property damage per occurrence [or two million (\$2,000,000.00) dollars inclusive limits]. The limits and coverage shall be reviewed at least annually by the Board and increased in its discretion. All policies of insurance shall include as insureds the Association, the Board and the members of the Board and the officers of the Association while acting within the scope of their duties as such, and the Insurance Trustee if there be one. Such liability insurance shall contain a cross liability clause whereby the insurance indemnifies each insured as if a separate policy had been issued to each, subject to the limit of insurance indemnity otherwise applicable not being affected.

The costs for all of the above insurance shall be deemed to form part of the Common Expenses.

DEDUCTIBLE

92. In the event that a claim is made under any policy of insurance maintained by the Board on behalf of the Association and the cause of the loss for which the claim is made is due to an act or omission of a Member, guest or tenant of a Member, then the Member shall immediately reimburse the association for any insurance deductible paid by the Association with respect to the loss for which the claim is made, the amount of same to be recoverable by the Association as a contribution against all other costs, charges and liabilities arising out of any loss that may be sustained or incurred by the Association. In all other cases, the association shall bear the cost of the insurance deductible and such cost shall be included in Common Expenses. The onus of proof of cause of the loss shall be on the association.

TENANTS AND OCCUPIERS

93. A Member shall not lease or grant possession of his Lot or the Residence thereon to any tenant or occupier:

- (a) until the Member complies with the deposit requirements (if any) of the Association and provides the Association with the name of the tenant or occupier;
- (b) unless the tenant or occupier undertakes in writing to be bound by and comply with the Bylaws and rules and Regulations of the Association; and
- (c) until the Member gives notice in writing to the Association of the tenancy or other occupancy accompanied by the written undertaking of the tenant, or occupier to be bound by the Bylaws and Rules and Regulations of the Association.

No tenant or occupier shall move into or occupy a Lot or Residence unless paragraphs (a), (b) and (c) have been complied with. Nothing in these Bylaws shall in any way remove, waive or alter the responsibility of each Member for the performance of all Bylaws and Rules and Regulations by all persons using or occupying his Lot or Residence.

Each tenant or occupier of a Lot or Residence, upon receiving notice from the Association that the Homeowner Member of the Lot or Residence is in default of a payment, contribution or assessment levied by the Association or an instalment or instalments thereof, shall deduct from the rent payable to the Member the payment, contribution or assessment levied or the instalment or instalments in arrears and any interest owing thereon and the tenant or occupier shall pay the same to the Association and the amount so paid to the Association shall be deemed to constitute rent paid to the member by the tenant or occupier, as the case may be.

PURPOSE OF RESTRICTING USE OF UNITS

94. The restrictions in these Bylaws have the following purposes:

- (a) to provide for the health and safety of occupants within the Subdivision;
- (b) to maintain the Facilities, Lots and Residences in such a manner as to preserve property values;
- (c) to provide for the peace, comfort and convenience of the Members; and
- (d) to develop a sense of community.

DEVELOPER USE OF LOTS, AMENITIES, FACILITIES

95. Notwithstanding anything to the contrary in these Bylaws, during such time as the Developer is an owner of one or more Lots, it shall have:

- (a) the right to carry on all sale functions it considers necessary from such Lots or Residences owned or leased by it;
- (b) the unfettered right to use the Amenities and Facilities;

- (c) the right to place signs within the Subdivision relating to the sales of Lots or Residences within the Subdivision.

The Developer shall be entitled to make reference to the project and the phases comprised within the Subdivision, and its location and amenities in any of its promotional operations in respect to the said project or any other project of the Developer.

The rights of the Developer in this Bylaw may not be altered in any way without the written consent of the Developer.

DEVELOPER FEES

96. While the developer is an owner of any Lot, the Developer will not have to pay any fees or contribute to the Common Expenses or any Capital Replacement Reserve Fund for any Lots it owns until and only in respect to those Lots having a dwelling fully constructed thereon.

DEVELOPER EXEMPTION FROM BYLAWS

97. Bylaws 8.2(c)(ii), (iii), (v), (vii), (viii), (xvii), (xix), (xxv), (xxvi), (xxviii), (xxix), (xxxii), (xxxiii), (xii), (xiii), and (xliii) shall not apply to the developer respecting any Lots owned by it for two (2) years from the date of registration of the subdivision plan affecting those Lots. Notwithstanding the generality of the foregoing, these bylaws shall only apply to the Developer and any Residence or Lot owned by it upon the written notice to the Developer by the Board. Where the developer seeks the enforcement or benefit of any provision of the Bylaws, such right or benefit may be enforced by and through the Association as trustee on its behalf and notwithstanding that the Association may also be a party to those proceedings in which the Association seeks enforcement of such rights.

UNIMPROVED UNITS

98. Since the Parcel is or may be developed in one or more phases, each Owner agrees as follows:

- (a) the Owner of an Unimproved Unit shall be responsible for keeping each such Unit free of debris and weeds and shall keep the Unimproved Unit in a neat and tidy condition; and
- (b) no temporary accommodation may be placed or erected upon an Unimproved Unit (other than a Recreational vehicle upon an RV Lot), nor shall an Unimproved Unit be used for the storage of any material, vehicles, or other property.

INDEMNITY

99. Except as otherwise hereinafter provided, every Director and officer of the Association shall be indemnified by the Association against, and it shall be the duty of the Directors, out of the funds of the Association, to pay all losses and expenses which any such Director or officer shall incur or become liable to by reason of any contract entered into or act or thing done by him as such Director or officer at the request of the Association, or in any way in the discharge of his duties.

100. Any person made a party to any action, suit or proceedings by reason of the fact that he, his testator or intestate, is or was a Director or officer of the Association, or of any corporation which is served by such Director or officer as such at the request of the

Association, shall be indemnified by the Association against the reasonable expenses, including solicitor's fees, actually and necessarily incurred by him in connection with the defence of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceedings that such Director or officer is liable for gross negligence or similar misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director or officer may be entitled. None of the provisions hereof shall be construed as a limitation upon the right of the Association to exercise its general power to enter into a contract or undertaking of indemnity with or for the benefit of any Director or officer in any proper case not provided for herein.

101. The Association may purchase and maintain such insurance for the benefit of its Directors and officers as such, as the Board may from time to time determine.

102. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions together with the costs of obtaining insurance described in Bylaw 95 shall be treated and handled by the Association as part of the Common Expenses.

103. No Director or officer of the Association shall be liable for the acts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Directors, for or on behalf of the Association, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Association shall be invested, or for the loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty, or unless it is otherwise provided in a contract of service with such Director or officer.

DATED this 9th day of June, 2000.

SCHEDULE "A"

Description of the Subdivision Lands

- A. MERIDIAN 4 RANGE 21 TOWNSHIP 16
SECTION 16
THAT PORTION OF THE SOUTH WEST QUARTER WHICH LIES TO THE WEST OF
THE LAKE MCGREGOR RESERVOIR CONTAINING 39.66 HECTARES (97.88
ACRES) MORE OR LESS
EXCEPTING THE ADDITION TO THE MCGREGOR RESERVOIR SITE ON PLAN
8734HX CONTAINING 0.243 HECTARES (0.6 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS
- B. MERIDIAN 4 RANGE 21 TOWNSHIP 16 SECTION 16
THAT PORTION OF THE NORTH WEST QUARTER WHICH LIES TO THE WEST
OF THE LAKE MCGREGOR RESERVOIR AND SOUTH OF THE ROADWAY ON
PLAN 1320BM CONTAINING 16.46 HECTARES (41.65 ACRES) MORE OR LESS
EXCEPTING THE ADDITION TO THE MCGREGOR RESERVOIR SITE ON PLAN
8734HX CONTAINING 0.951 HECTARES (2.35 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS
- C. THE NORTHEAST QUARTER OF SECTION SEVENTEEN (17) IN TOWNSHIP
SIXTEEN (16)
RANGE TWENTY-ONE (21)
WEST OF THE FOURTH MERIDIAN CONTAINING 64.7 HECTARES (160 ACRES)
MORE OR LESS
EXCEPTING THEREOUT:
- | PLAN | NUMBER | HECTARES MORE OR LESS | ACRES MORE
OR LESS |
|---------|--------|-----------------------|-----------------------|
| ROADWAY | 5659HS | 1.48 | 3.66 |
| CUT-OFF | 5659HS | 5.45 | 13.48 |
- EXCEPTING THEREOUT ALL MINES AND MINERALS
- D. MERIDIAN 4 RANGE 21 TOWNSHIP 16 SECTION 19
THAT PORTION OF THE NORTH WEST QUARTER WHICH LIES TO THE WEST
OF THE MCGREGOR RESERVOIR ON PLAN IRR186 CONTAINING 43.17
HECTARES (106.67 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS

SCHEDULE "B"

Description of Developer Amenities

- (i) Water distribution lines and sewage distribution lines
- (ii) Green spaces contained within each phase of subdivision
- (iii) Gravel roads (including street lighting thereon or adjacent thereto) within each phase of subdivision
- (iv) Clubhouse (which is to be burdened by a restrictive covenant in favour of lands owned by the Developer which prohibits any change in use, function or appearance of the clubhouse without the prior written approval of the Developer)
- (v) CATV conduits
- (vi) Water treatment and sewage lagoon treatment systems
- (vii) Road described as Lake McGregor Drive
- (viii) Paved main entry road and gateway(s), signage and security booth forming part thereof
- (ix) foreshore lease (subject to reimbursement by the Association to the Developer of any deposits paid in connection therewith) and the docks and any other amenities constructed on the leased lands by the developer (all of which shall be subject to any necessary approvals being obtained to effect the transfer thereof)
- (x) water diversion licence, easements and intake works (all of which shall be subject to any necessary approvals being obtained to effect the transfer thereof)
- (xi) NE 17-16-21 W4M owned by the developer and consisting of approximately 143 acres (excepting such portions thereof that may be dedicated as required by the municipality)
- (xii) that portion of the W % 16-16-21 W4M owned by the developer and lying between the lots and the Lake McGregor Reservoir and known as the Coulee lands (subject to a non-development restrictive covenant)
- (xiii) all easements and rights of way in favour of the Developer to the extent they apply to the above-mentioned facilities