

# HAMPTON'S HOME OWNERS ASSOCIATION

## BY-LAWS

### 1. PREAMBLE

- 1.1. The name of the society is the HAMPTON'S HOME OWNERS ASSOCIATION hereinafter referred to as the "Association". The Association is incorporated under the *Societies Act* (Alberta).
- 1.2. This document sets forth the By-laws for the Association, and shall regulate the business and affairs of the Association.

### 2. DEFINITIONS AND INTERPRETATION

#### 2.1. Definitions

In these By-laws, the following words shall have these meanings:

- 2.1.1. "**Act**" means the *Societies Act*, R.S.A. 2000, Chapter S-14, as amended, or any statute substituted for it, and includes any regulations promulgated thereunder that is in effect from time to time.
- 2.1.2. "**Adult**" means any person of legal voting age.
- 2.1.3. "**Affiliated Organization**" means an organization with which the Association is affiliated under clause 5.9 that serves the needs of the Members, the Community and the Community at Large.
- 2.1.4. "**Ancillary Group**" means a group with which the Association is associated under clause 5.8 that serves a special interest or need of the residents of the Community.
- 2.1.5. "**Annual General Meeting**" means the annual meeting of the Association described in clause 4.2.
- 2.1.6. "**Board**" means the board of Directors of the Association.
- 2.1.7. "**By-laws**" means these by-laws of the Association, as amended, restated, supplemented, or replaced from time to time.
- 2.1.8. "**Certificate of Title**" means the document issued by the Alberta Land Titles office evidencing ownership of and registrations encumbering a property.
- 2.1.9. "**Chairperson**" means, with respect to a meeting of the Association or the Board, the President of the Association or, in the absence of the President a Director as may be designated by the Majority Vote of the Association or the Board for that meeting.
- 2.1.10. "**Commercial Lands**" means a commercial development located in the Community.
- 2.1.11. "**Community**" means the residential housing development municipally known as The Hamptons the geographical area of which is located in the northwest quadrant of the city of Calgary the boundaries of which are Stoney Trail to the north, Shaganappi Trail to the east, Country Hills Boulevard to the south and Sarcee Trail to the west. Community shall not include Other Lands except in accordance with these By-laws.

- 2.1.12. **“Community at Large”** means persons residing outside the boundaries of the Community with whom the Association may have cause to interact.
- 2.1.13. **“Director”** means a Member elected or appointed to the Board in accordance with these By-laws.
- 2.1.14. **“Encumbrance”** means the instrument in form approved by the Board, as amended, from time to time by approval of the Board, which is registered on the Certificate of Title to a property and which secures payment of the annual rent charge agreed to be paid by Members of the Community and registered against the properties in the Community for the purpose of forming an enforceable encumbrance in accordance with the provisions of the *Land Titles Act* (Alberta) and the *Law of Property Act* (Alberta).
- 2.1.15. **“Facilities”** means the Association amenities and all real property at any time owned, leased or operated under license by the Association.
- 2.1.16. **“Fees”** means any fees established by the Directors of the Association to be paid by Members including the annual fee secured by the Encumbrance as may be escalated from time to time in accordance with these By-laws.
- 2.1.17. **“Fiscal Year”** means the twelve month period commencing on January 1st of a year and ending on December 31st of the same year.
- 2.1.18. **“General Meeting”** means an Annual General Meeting, a Special General Meeting or a combined Annual and Special General Meeting, as applicable.
- 2.1.19. **“Good Standing”** means with respect to each Member, compliance with all requirements of membership including the By-laws and all Policies and Procedures including without limitation the payment of all Fees or other sum due to be paid to the Association by the member within forty-five (45) days of the original demand for payment of any such sum.
- 2.1.20. **“Legally Related”** means any two or more persons connected by blood relationship, marriage, common law partnership or adoption.
- 2.1.21. **“Majority Vote”** means more than 50% of the votes cast by Voting Members or Directors eligible to vote who are present at the applicable meeting of the Association or the Board respectively, except as otherwise noted in these By-laws.
- 2.1.22. **“Member”** means, subject to the qualifications set forth in Article 3, any person who is the registered owner of a property in the Community which has endorsed on its Certificate of Title an Encumbrance in favour of the Association and who otherwise qualifies to be a Member pursuant to these By-laws.
- 2.1.23. **“Objects of the Association”** means the purposes for which the Association was established as may be registered in accordance with the Act from time to time.
- 2.1.24. **“Officer”** means a Director who is a member of the Board.
- 2.1.25. **“Other Lands”** means the lands legally described as:

Plan 9412415; Lot 8  
Plan 9710670; Lot 10  
Plan 9311969; Lot 4

Descriptive Plan 1810274; Block 51; Lot 1  
Plan 9710670; Lot 9  
Plan 0213684; Block 50; Lot 2  
Portion of NE1/4; Section 24; Township 25; Range 2; West of 5

and such other similar lands within the Community as the Directors of the Association designate from time to time.

2.1.26. **“Policies and Procedures”** means the administrative rules and practices created and amended by the Board from time to time with respect to the management and governance of the Association and the Facilities, which rules and practices may elaborate on, but not be inconsistent with, these By-laws.

2.1.27. **“Proper Notice”** means notice given in accordance with Article 7.

2.1.28. **“Register of Members”** has the meaning set forth in clause 3.4.

2.1.29. **“Special General Meeting”** means a special meeting of the Association described in clause 4.3.

2.1.30. **“Special Resolution”** means:

- (a) a resolution passed:
  - (i) at a general meeting of which not less than 21 days’ notice specifying the intention to propose the resolution has been duly given, and
  - (ii) by the vote of not less than 75% of those Members who, if entitled to do so, vote in person or by proxy,
- (b) a resolution proposed and passed as a special resolution at a general meeting of which less than 21 days’ notice has been given, if all the Members entitled to attend and vote at the general meeting so agree,
- (c) or a resolution consented to in writing by all the Members who would have been entitled at a general meeting to vote on the resolution in person or, where proxies are permitted, by proxy;

2.1.31. **“Spouse”** means a person who lives with another person in a marriage-like relationship.

2.1.32. **“Voting Member”** means the person, or if there is more than one person, the person who has been designated to be the Voting Member, and in the absence of such designation the first person named as owner on the Certificate of Title to a property in the Community, provided that Member is in Good Standing.

## 2.2. Interpretation

2.2.1. In these By-laws:

- (a) the headings given are for convenience of reference only and shall not in any way affect the interpretation of these By-laws;
- (b) the singular shall include the plural, and the plural shall include the singular;

- (c) "include" means without limitation;
- (d) the word "person" shall include individuals, corporations and Associations;
- (e) words importing a particular gender shall include all genders;
- (f) a capitalized derivative of a defined term shall have a corresponding meaning;
- (g) any reference to any statute or any section thereof shall be deemed to extend and apply to any amendment to such statute or section, as the case may be. These By-laws shall be interpreted in a reasonable and broad manner, consistent with the Act;
- (h) if any provision or provisions of these By-laws or the Policies and Procedures are deemed illegal or unenforceable, such provision shall be deemed to be separate and severable from the By-laws or the Policies and Procedures, as applicable, without affecting any other provision of the By-laws or the Policies and Procedures, as the case may be;
- (i) "writing" and "written" includes printing, typewriting, faxing, emailing and other modes of representing or reproducing words in visible form which, without restricting the generality of the foregoing, any records (including signatures) in electronic form that fulfill the requirements of the *Electronic Transactions Act* (Alberta).

### 3. MEMBERSHIP

#### 3.1. Qualifications

- 3.1.1. Every person owning a single family or multi-family residential property (including a condominium unit or other residential unit) in respect of which a separate Certificate of Title has been issued or owning Commercial Lands in the Community shall be required to be a Member as long as such person so owns such residential property or Commercial Lands and shall forthwith cease to be a Member at any time such residential property or Commercial Lands in the Community is not owned by such person; PROVIDED ALWAYS with reference to all properties located in the Community:
  - (a) where there is more than one such owner of a property there shall be only one person eligible to be a Voting Member;
  - (b) where a Member owns more than one property in the Community (as evidenced by separate Certificates of Title) including condominium units, that Member shall be entitled to one (1) vote for each such property owned by that Member provided that Member is in Good Standing;
  - (c) where a property in respect of which a separate Certificate of Title has been issued is occupied by a tenant such tenant may be designated, by notice in writing to the Association, by the otherwise designated Member in Good Standing pursuant to (a) above, as the Member in Good Standing by and instead of the owner(s) of such property;
  - (d) where a rental project is involved the registered owner or its designate, by notice in writing to the Association, shall be eligible to be the Member in Good Standing

and notwithstanding how many Tenant Members are residing in the rental project, it shall only have one (1) vote;

- (e) where a commercial development is involved the registered owner, or its designate by notice in writing to the Association shall be the Member in Good Standing and notwithstanding how many tenants are occupying the commercial development, it shall have only one (1) vote;
- (f) in the event of difficulty or dispute in determining any Member for any property, the Directors in their absolute discretion may, in a manner consistent with these By-laws, designate the Member with the intention that there be a Member for each property and that the member be a natural person resident of such property;
- (g) a Member cannot transfer membership in the Association because membership is appurtenant to ownership and residence as herein set out.

### **3.2. Membership and Other Lands**

3.2.1. The Other Lands may subdivided and re-designated for residential development. The Other Lands will not form part of the Community and will not be part of the Association unless the developer of the Other Lands or a portion of the Other Lands agrees to register the Encumbrance on title to the Other Lands being developed. The Encumbrance registered on title to the Other Lands must be registered against all subdivided lots in such development. Registered owners of future residential lots that were formerly Other Lands shall be Members of the Association and shall be bound by these By-Laws as Members if an Encumbrance is registered by the developer in accordance with this clause.

3.2.2 The Board may in its discretion designate Other Lands or any portion thereof to be part of the Community and the Association if it deems the inclusion of the Other Lands to be in the best interest of the Association.

### **3.3. Obligations of Members**

3.3.1. Each Member shall observe the By-laws and the Policies and Procedures, as enacted and amended from time to time and at any time by the Board. Without limiting the foregoing, each Member shall, within fifteen (15) days of the applicable event:

- (a) notify the Association of any sale or disposition of the property which is the basis of the Member's membership in the Association;
- (b) provide to the Association an e-mail address to which notices and other communications from the Association can be sent and to advise the Association of any change to such e-mail address;
- (c) notify the Association of any change to that Member's information, including without limitation any change to an address for service, phone number and e-mail address as set forth in the Register of Members;
- (d) pay any Fees set or levied by the Board from time to time in relation to the use of the Facilities, the benefits of any services provided by the Association from time to time, or changes of address.

### 3.4. **Register of Members**

- 3.4.1. The Association shall maintain a register of Members in such form as the Board may approve from time to time, but at all times including:
- (a) the full name and residential address and phone number of each Member;
  - (b) the e-mail address of each Member;
  - (c) the date on which the person is admitted as a Member;
  - (d) the date on which a person ceased to be a Member; and
  - (e) the full name, residential address, e-mail address of any new Members when a member sells a property including the date on which the new Member(s) is admitted.
- 3.4.2. In accordance with the Act, the Association shall keep the Register of Members at its registered office and shall permit inspection thereof, or shall produce a copy thereof, as permitted under the Act. The Association shall only disclose or produce "personal information" as such term is defined in the *Personal Information Protection Act* (Alberta) or any successor legislation of Members to a Member if the disclosed or produced information is to be used by the recipient Member for matters relating solely to the affairs of the Association.

## 4. MEETINGS OF THE MEMBERS

### 4.1. **Attendance at General Meetings**

- 4.1.1. Each General Meeting of the Association shall be open to any Member in Good Standing.

### 4.2. **Annual General Meeting of the Membership**

- 4.2.1. The Association shall hold regular General Meetings of Members, with at least one such general meeting held annually to be known as the "Annual General Meeting". The Annual General Meeting shall be held on such day and at such time in each year as the Board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing Directors, appointing auditors and the transaction of such other business as may properly be brought before the meeting.
- 4.2.2. The order of business shall be at the discretion of the Chairperson, provided that, in general, the business and reports relating to the preceding Fiscal Year shall take place before the election of the Directors.
- 4.2.3. Irregularities in the notice of any General 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 Member shall not invalidate any resolution passed or any proceeding taken at any General Meeting and shall not prevent the holding of such meeting.

#### 4.3. **Special General Meeting**

- 4.3.1. A Special General Meeting of the Members may be called from time to time as circumstances shall require or dictate, if:
- (a) the Board sees fit to call such meeting;
  - (b) a matter is being proposed for determination by a Special Resolution; or
  - (c) the President receives a request in writing signed by not less than 25% of the registered voting Members in Good Standing, provided that any such request states the reason for the meeting and any motion intended to be determined at such meeting.

The Board will convene a meeting within a maximum of thirty days of receipt of a request described in Paragraph (c) of this clause. However, the Board shall not be required to proceed with that meeting, in whole or in part, if fewer than two-thirds of those voting Members in Good Standing who signed that request are present in the quorum for the meeting.

#### 4.4. **Place of Meetings**

- 4.4.1. A Meeting of Members of the Association shall be held at such place in Calgary, Alberta as the Board determines, or in absence of such a determination, at the place where the registered office of the Association is located.

#### 4.5. **Notices of Meetings**

- 4.5.1. Proper Notice of the time and place of every General Meeting shall be sent to each Member of the Association not less than 21 days before the meeting.
- 4.5.2. Notice of a Special General Meeting shall state or be accompanied by a statement of the Special Resolution in sufficient detail to permit Members to form a reasoned judgment thereon.

#### 4.6. **Quorum for General Meetings**

- 4.6.1. A quorum for the transaction of business at any General Meeting shall be 25 Voting Members, including Directors. The quorum of Members entitled to vote at the meeting may be present in person or represented by proxy. A quorum need not be present throughout the meeting provided that a quorum is present at the opening of the meeting.
- 4.6.2. If there is no quorum at a General Meeting within thirty minutes from the time appointed for that meeting, the meeting shall stand adjourned to the same day in the next week, at the same time and place; and if at such adjourned meeting a quorum is not present, within 30 minutes from the time appointed for that meeting, those Voting Members present shall be deemed to be a legal quorum, and that meeting shall be conducted in accordance with the meeting procedures set out in the By-laws and its conclusions and resolutions shall be legal and binding as though a full quorum had been present.

#### 4.7. **Voting**

- 4.7.1. Except for the Chairperson, each Member in Good Standing registered with the Association shall have one (1) vote at any General Meeting.

- 4.7.2. At all meetings of the Association, whether a General Meeting or a meeting of the Board, every question to be determined shall be decided by a Majority Vote, unless otherwise required by these By-laws, or by the Act.
- 4.7.3. In the case of a tie of votes at any General Meeting, regardless of the manner of voting, the Chairperson of the meeting shall be entitled to a casting vote.
- 4.7.4. A declaration by the Chairperson that a resolution has been carried or not carried, and an entry to that effect in the minutes of the Association, shall, in the absence of dispute at the time about the declaration, be sufficient evidence of the fact without proof of the number or proportion of the votes accorded in favour of or against such resolution.
- 4.7.5. Voting shall be by show of hands unless a poll is demanded by a minimum of five (5) Voting Members.
- 4.7.6. If a poll is demanded and not withdrawn, the poll shall be taken in such manner as the Chairperson shall direct.
- 4.7.7. Votes may be given either personally or by a nominee appointed by proxy.
- 4.7.8. A proxy shall be in writing in any effectual form under the hand of a Member in Good Standing and need not be attested. A person appointed proxy must be a Member in Good Standing. Each Member in Good Standing may only have one (1) proxy.
- 4.7.9. No proxy shall be valid after the expiration of three (3) months from the date of its execution, unless otherwise specified in the instrument.
- 4.7.10. The proxy shall be delivered at the registered office of the Association or such other place as may be specified in the notice of meeting and at a time as the Directors may by resolution fix, such time not to exceed two (2) business days, before the time for holding the meeting at which the proxy is to be used. If there is any default in this procedure for the delivery of such proxy it shall not be treated as valid.
- 4.7.11. No Member shall be entitled to be present or to vote on any question either personally or by a nominee appointed by a proxy at any General Meeting or upon a poll or to be reckoned in a quorum unless such Member is a Member in Good Standing.

#### 4.8. **Adjournment**

- 4.8.1. Any meeting may be adjourned to a specified date and time with a Majority Vote.
- 4.8.2. The adjourned meeting shall conduct only the unfinished business from the original meeting, provided that no adjourned meeting shall determine any matter requiring sanction through a Special Resolution unless the notice requirements specified in these By-laws for a Special Resolution are complied with for that adjourned meeting.
- 4.8.3. Subject to clauses 4.8.1 and 4.8.2, no notice is required for the adjourned meeting.



## 5. DIRECTORS

### 5.1. Number of Directors

- 5.1.1. The Board of Directors shall consist of not fewer than 7 and not more than 11 Members in Good Standing, and shall be elected on the basis prescribed under this Article 5 by those Voting Members as are present at the Annual General Meeting by Majority Vote.
- 5.1.2. The Directors shall have power from time to time and at any time, to appoint any other person or persons as Directors, to fill a casual vacancy or vacancies to the Board provided that the total number of Directors after such appointments is not greater than the number of Directors elected at the immediately prior General Meeting. The Board of Directors may at any time remove any such appointee from the Board.
- 5.1.3. A Director must be a Member in Good Standing or a Spouse of a Member in Good Standing.
- 5.1.4. Two or more persons who are Legally Related may not be elected as Directors at the same time.
- 5.1.5. The Directors shall not be paid out of the funds of the Association by way of remuneration for their services as Directors, except for reasonable out-of-pocket expenses legitimately incurred on behalf of the Association.
- 5.1.6. A Director shall not be disqualified solely by his office as a Director from holding any other office with the Association or Affiliate Organization and from contracting with the Association either as a vendor, purchaser or otherwise howsoever.
- 5.1.7. Every Director and Officer of the Association in exercising the Director's or Officer's powers and discharging the Directors or Officer's duties shall:
  - (a) Act honestly and in good faith with a view to the best interests of the Association; and
  - (b) Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- 5.1.8. At the first Annual General Meeting and at every succeeding Annual General Meeting, all of the Directors, howsoever appointed or elected, shall be deemed to automatically retire from office. A retiring Director shall retain office until the dissolution of the meeting at which his successor is elected. 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 next Annual General Meeting, and so on from year to year, unless it shall be determined at such meeting to reduce the number of Directors.
- 5.1.9. A retiring Director shall be eligible for re-election.
- 5.1.10. 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 by Majority Vote appoint another or other Member in Good Standing 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.

## 5.2. Powers and Duties of the Board

5.2.1. The Board shall manage and supervise the management of the business and affairs of the Association in accordance with the Act and these By-laws and shall have and exercise all the powers of the Association as fully and completely as the Association could at a General Meeting. Subject to the foregoing, the powers and duties of the Directors shall include:

- (a) promoting the Objects of the Association;
- (b) holding Board meetings as herein set forth;
- (c) establish and collect Fees payable by the Members;
- (d) maintaining and protecting the Facilities, assets and property of the Association;
- (e) making Policies and Procedures from time to time for the operation of the Association and the Facilities, with such Policies and Procedures being recorded in an organized manner in the Association's records;
- (f) approving an annual budget for the Association as provided in these By-laws;
- (g) paying all expenses and receiving all revenues respecting the operation and management of the Association;
- (h) undertaking, through whatever means the Board determines is advisable, to further the financial position of the Association, including fundraising activities, borrowing funds in addition to clause 6.4.2(a) and to make whatever expenditures as are necessary to carry out its activities;
- (i) appointing Officers, appointing agents, and authorizing the employment of such persons as the Board deems necessary to carry out the Objects of the Association, provided that such Officers, agents and employees shall have the authority and shall perform the duties as may be assigned by the Board;
- (j) ensuring that all books and records of the Association required to be created and maintained by these By-laws, by the Act, by any other applicable statute or law are regularly and properly kept, including the Register of Members;
- (k) ensuring that all policies of insurance required to be maintained by the Act, and other applicable statute or law or as determined by the Board, are acquired and maintained;
- (l) causing minutes to be kept of each General Meeting and each meeting of the Board;
- (m) managing, selling, leasing, disposing of, posting as collateral or otherwise dealing with the property of the Association, and entering into contracts on behalf of the Association;
- (n) filing such returns, reports and other materials as are required to be submitted under the Act, other statutes or laws; and

- (o) having the authority to appoint a past President or Director to serve in an advisory capacity and to provide continuity to the Board, provided that the Past President or Director shall be a non-voting member of the Board and shall perform such duties as may be assigned by the Board.

### 5.3. **Removal of a Director**

5.3.1. A Director shall be automatically removed from office who:

- (a) ceases to be qualified for election as a Director; or
- (b) resigns by giving notice in writing; or
- (c) is absent without permission of the Board from more than three (3) meetings of the Board, if the Board determines, by Majority Vote, that such Director is to be removed from the Board; or
- (d) dies; or
- (e) is found a lunatic or becomes of unsound mind; or
- (f) is convicted of an indictable offence.

5.3.2. Subject to the other provisions of this clause 5.3 the Board shall have the power by two-thirds majority of the votes cast by the Directors present at the applicable Board meeting to remove any Director from office:

- (a) who fails to act in concert with the Objects of the Association, or the goals and resolutions of the Board;
- (b) whose conduct is determined to be improper, unbecoming or likely to discredit or endanger the interest or reputation of the Association; or
- (c) who willfully breaches these By-laws, and Policies of the Association.

5.3.3. A Director whose removal from office has been recommended shall be notified of the proposed removal and the basis thereof at least ten days prior to any vote being taken by the Board to cause the Director's removal, and upon the sending of the notice the Director shall be automatically suspended from office until the resolution is dealt with at that meeting. That notice shall either be sent by single registered mail to the last known address of that Director shown in the records of the Association or delivered by two Directors to that address. The Director shall be given the opportunity to respond to the notice in person or in writing prior to or at any meeting where a vote is to be taken to cause the Director's removal. That Director may be accompanied by another person if the Director attends that meeting of the Board.

5.3.4. Any Director removed from office shall not be eligible to stand for election or appointment to the Board until the third General Meeting after the date of removal.

### 5.4. **Board Meeting**

5.4.1. The quorum for the transaction of business at any Board meeting shall be five (5) Directors. If there is no quorum present at such meeting, the Chairperson may conduct

the meeting, subject to the ratification of each decision made at such meeting at the next regularly called Board meeting.

- 5.4.2. The Directors shall meet within twenty days after each Annual General Meeting to form the Board and appoint its Officers.
- 5.4.3. The Board of Directors shall meet at least nine times each year at a regular scheduled date and time determined by the Directors. Each such meeting shall be held at the registered office of the Association, unless otherwise designated by the President.
- 5.4.4. Additional meetings of the Board may be called at any time upon the instructions of the President or any two Directors.
- 5.4.5. Notice of the time and place of each meeting of the Board shall be given to each Director after having polled all Directors at the end of each regular Board meeting as to their availability for the next regular meeting.
- 5.4.6. The Board shall exercise its powers arising under these By-laws provided a resolution has been passed at a meeting of Directors at which a quorum is present, or passed by votes returned by e-mail or consented to by the signatures of all the Directors then in office provided the total votes or signatures returned constitute a quorum.
- 5.4.7. A resolution in writing, signed by all the Directors entitled to vote on that resolution at a meeting of Directors or a committee of Directors or a motion circulated and responded to by e-mail is valid as if it had been passed at a meeting of Directors or a committee of Directors.
- 5.4.8. Any Director may participate in a Board meeting by means of telephone or video conference or other communications equipment by means of which all persons participating in the meeting can hear or see each other and a Director participating in a meeting pursuant to the provisions hereof shall be deemed to be present in person at that meeting.
- 5.4.9. At all meetings of the Board any question shall be decided by a Majority Vote cast on the question and in the case of a tie of votes, the Chairperson of the meeting shall be entitled to a second or casting vote. Any question at a meeting of the Board shall be decided by a show of hands unless a ballot is required or demanded.
- 5.4.10. Notwithstanding any other provision of these By-laws, the Board may determine any matter within its powers without a meeting on the following basis:
  - (a) the matter shall be submitted electronically to the Directors, by notice from the President, in the form of a resolution, together with sufficient information to enable the Directors to be reasonably informed as to the nature of that matter;
  - (b) each Director shall cast a vote electronically to the President with respect to that resolution within three days after delivery of that notice or by such later date as is specified in that notice;
  - (c) any such vote shall be binding on the Board as if it had been conducted at a meeting of the Board unless a Director objects, by notice to the President not later than two days following receipt of that notice, to that matter being determined without a meeting of the Board;

- (d) The President shall promptly notify the Directors of the result of any vote by notice under this clause following the expiry of the applicable response period, and the results of any such vote conducted by notice shall be included in the minutes for the next meeting of the Board and shall be recorded as a passed resolution in the minutes;
- (e) If there is an objection under Paragraph (c) of this clause to the determination of a matter without a meeting, the President shall defer the matter to the next regularly meeting or, if more urgent, promptly convene a meeting of the Board to deal with that matter, and all votes cast by the other Directors by notice with respect to that matter shall be void.

## 5.5. **Conflict of Interest**

5.5.1. Whenever an Officer or Director of the Association has a professional, financial or personal interest in any matter whatsoever coming before the Board of Directors, the Board shall ensure that:

- (a) the interest of such Officer or Director is fully disclosed to the board of directors in writing or has been entered into the minutes of the meetings of the Directors or other deliberations;
- (b) as it pertains to the particular matter that the Officer or Director is interested in, no interested Officer or Director may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting of the Board or other deliberations at which such matter is voted upon;
- (c) any transaction in which an Officer or Director has a financial, professional or personal interest shall be duly approved by a majority of the members of the Board; and
- (d) the minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

## 5.6. **Officers of the Board**

5.6.1. The Directors shall, at their first regular meeting after having been elected, elect by Majority Vote the President of the Association.

5.6.2. The Directors may also elect or otherwise appoint other Officers of the Association as they may deem appropriate including but not limited to a Vice President, Secretary or Treasurer. The Board may appoint any vacant office as required to complete the term from amongst the members of the Board.

## 5.7. **Committees**

5.7.1. The Board may appoint standing or ad hoc committees to assist the Board in conducting the business of the Association.

5.7.2. The chair of any committee shall be a Director of the Board.

5.7.3. Committee members shall be Members in Good Standing.

5.7.4. The members of all duly appointed and standing committees of the Board shall meet from time to time, or any time at:

- (a) the discretion of the committee chair; or
- (b) the call of the Directors.

5.7.5. Notice for committee meetings shall be delivered to the committee members at the discretion of the committee chair not less than three (3) days prior to such meeting.

#### 5.8. **Ancillary Group**

5.8.1. From time to time, or as needed to further the Objects of the Association, the Board may authorize the sponsorship or support of an Ancillary Group.

5.8.2. An Ancillary Group so sponsored shall have the powers necessary to carry out its purpose, not exceeding the powers of the Association.

5.8.3. Each such Ancillary Group shall have a Director appointed by the Board to function as its liaison.

5.8.4. If an Ancillary Group is determined by the liaising Director or the Board, at any time, to be functioning outside its mandate, the Objects of the Association or these By-laws, the Board, by a two-thirds majority of votes cast, shall terminate the sponsorship or support of that Ancillary Group.

#### 5.9. **Affiliated Organization**

5.9.1. Upon approval of the Board, the Association may affiliate with any other organization. All positions taken by the Affiliated Organization, which in any manner are designed to represent the Association, shall be presented to the Board for prior approval or disapproval.

5.9.2. Each such Affiliated Organization shall have a Director appointed by the Board to function as its liaison.

5.9.3. If an Affiliated Organization is determined by the liaising Director or the Board, at any time, to be representing the Association without its prior approval, the Board, by a two-thirds majority of votes cast, shall terminate the affiliation.

#### 5.10. **Liability and Indemnification**

5.10.1. The Association shall indemnify each Director or Officer of the Association and each former Director or Officer of the Association, and the heirs and legal representatives of any such person, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal or administrative action or proceeding to which the person is made a party by reason of being or having been a Director or Officer of the Association, if:

- (a) the person acted honestly and in good faith with a view to the best interests of the Association; and

- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that the relevant conduct was lawful.

5.10.2. No Director shall be liable for the acts or omissions of any other Director or employee of the Association, or shall be responsible for any loss or damage due to bankruptcy, insolvency or wrongful act of any person, firm, Ancillary Group or corporation dealing with the Association, and no Director shall be liable for any loss due to an oversight, error in judgment or an act or omission in that Director's role for the Association, unless and to the extent that the act or omission is due to fraud, dishonesty or bad faith.

5.10.3. Each Director may rely on the accuracy of any statement or report prepared by the auditor(s) of the Association. No Director may be held personally liable for any loss or damage as a result of relying in good faith on that statement or report.

5.10.4. No Member shall be liable in the Member's individual capacity for any debt or liability of the Association.

#### 5.11. **Insurance**

5.11.1. The Association shall, as the Board reasonably regards as appropriate, purchase and maintain insurance for the benefit of any person referred to above against any liability incurred by that person in their capacity as a Director or Officer of the Association, except where the liability relates to that person's failure to act honestly and in good faith with a view to the best interests of the Association.

### **6. FINANCE AND OTHER MANAGEMENT MATTERS**

#### 6.1. **Registered Office**

6.1.1. The office of the Association shall be located within the City of Calgary, Alberta.

#### 6.2. **Finance and Audit**

6.2.1. The banking business of the Association, or any part thereof, shall be transacted with such bank, trust company or other firm or body corporate as the Board may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted on the Association's behalf by such one or more Directors or authorized employees as the Board may designate, direct or authorize from time to time and to the extent thereby provided.

6.2.2. The Association shall prepare annual financial statements setting out its income, disbursements, assets and liabilities, and the financial statements shall be audited by an independent audit firm duly appointed at an Annual General Meeting.

6.2.3. The books, accounts and records of the Association shall be audited annually.

6.2.4. The audit report contemplated in clause 6.2.2 shall provide a complete and proper statement of the standing of the books for the preceding Fiscal Year, in accordance with generally accepted accounting principles, including:

- (a) a statement of whether the auditor has had access to the information required to prepare the audit report;

- (b) a statement of whether the balance sheet and income statement provide an appropriate representation of the financial affairs of the Association; and
- (c) a clear identification of any exceptions discovered during the conduct of the audit.

### **6.3. Reserves and Funds**

- 6.3.1. The Directors shall budget and set aside a portion of the profits or revenues of the Association each year, as may be fair and prudent, to create and maintain a reserve or reserves to provide for the costs that do not normally occur on an annual basis with respect to the repair and, where appropriate, replacement or creation of Facilities forming an insurance reserve or for any other purposes whatsoever for which the profits or revenues of the Association may be lawfully used. Such reserve(s) shall be maintained in amounts determined in accordance with generally accepted accounting principles.
- 6.3.2. Such reserve funds shall only be used for such purposes and shall 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.
- 6.3.3. 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 such additional fund or funds either by employing them for the purpose for which they were established 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 revenues of the Association for the year in which such income arose. The Association may use these funds in the case of emergencies provided the money is paid back to the fund.
- 6.3.4. The Directors may not abolish any reserve or reserve fund established under paragraph 6.3.1 of the By-laws but may reduce the same to the extent the reduction in such fund is applied against the maintenance or replacement of any Association Facilities.

### **6.4. Operating Costs of the Association**

- 6.4.1. The Directors shall implement a procedure to monitor and to determine the amount of the costs of operating the Association and Facilities, and without limitation, shall prepare for each fiscal year a detailed operating budget for the Association.
- 6.4.2. If the contributions received from the Members do not result in sufficient income to pay the costs of the Association, then the Directors shall increase the Association's income in the following manner:
  - (a) If necessary borrow, on a short term basis, any funds required to meet operating Cash Deficiency.
  - (b) If approved by the Voting Members at the next General Meeting, increase the amount of the Fee payable pursuant to the Encumbrance or set user charges for services provided by the Association. The Members shall be bound by the decision of the Voting Members passed in accordance with these By-laws.
  - (c) If any Encumbrance has been foreclosed off of or is otherwise removed from the title to a property 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 property shall enter into (or cause to be entered into by the Owner(s) of that property) any requested new Encumbrance to be registered against the title to that property or shall agree (or cause the Owner(s) of that property to agree) to the filing of a caveat as referred to above and if the Owner delays, fails, or refuses to execute and deliver (or to 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.

## **6.5. Collection**

- 6.5.1. Should any Member fail to pay the Fees owing under the Encumbrance as may be increased in accordance to these By-laws, the Association is permitted to exercise any legal remedy available to recover the Fees at law or in equity including enforcement of the Encumbrance, and such Member shall reimburse the Association for all legal and other costs expended in connection thereto including without limitation legal costs on a solicitor and own client on a full indemnification basis. The Association shall also be entitled to charge interest on all outstanding amounts at the rate of eighteen percent (18%) per annum per annum compounded monthly, not in advance before and after judgment or such higher rate as the Board may determine, provided that the rate charged shall not exceed the maximum rate permissible under applicable law.
- 6.5.2. The Directors shall be entitled to collect from any Member who is in breach of any of the By-laws or Policies and Procedures 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 charge secured by the Encumbrance), together with interest thereon at the rates set out in clause 6.5.1 to ensure observance by that Member of the By-laws and the Policies and Procedures or to collect losses, damages and expense suffered by the Association as a result of such non-observance by that Member.
- 6.5.3. No Member shall be able to exempt him or herself from liability for contributions toward the costs of the Association by waiver of use or enjoyment of the Facilities or the services provided by the Association by vacating or abandoning his or her property in the Community.

## **6.6. Accounts**

- 6.6.1. 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.
- 6.6.2. 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, upon reasonable notice and at reasonable times, be open to inspection of the Directors and the auditor of the Association.

- 6.6.3. 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.
- 6.6.4. The Directors shall before each Annual General Meeting make available to the Members electronically the financial statements of the Association and the report of the auditor. The financial statements shall also be available for review at the Annual General Meeting. The financial statements shall:
- (a) be approved by the Board and signed by two (2) Directors;
  - (b) be for a period that ended not more than six (6) months before the Annual General 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) include:
    - (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,
    - (iv) a balance sheet as at the end of each period, andall made in accordance with generally accepted accounting principles.

#### 6.7. **Seal**

- 6.7.1. The Association shall have a corporate seal which shall be in such form and device as may be adopted by the Board. The seal shall be retained at the registered office of the Association and, whenever officially used, shall be authenticated by the President or, in the President's absence, a Director.

#### 6.8. **Minute Book**

- 6.8.1. The Association shall maintain, at the registered office of the Association, the Minute Book of the Association and the Board shall record or cause to be recorded in it the minutes of all proceedings of all General Meetings and meetings of the Board.
- 6.8.2. The Minute Book shall contain the following information:
- (a) a copy of the Certificate of Incorporation of the Association;
  - (b) a copy of the Objects of the Association and any Special Resolution altering the Objects;
  - (c) a copy of the By-laws of the Association and any Special Resolution altering the By-laws;

- (d) a copy of the Policies and Procedures;
- (e) a copy of the Calgary Lease/Licence Agreement and other formal agreements;
- (f) a copy of originals of all documents, registers and resolutions required to be maintained or filed by the Act, other statute or law;
- (g) a copy of the audited financial statements for the preceding Fiscal Year; and
- (h) a copy of each other document directed by the Board to be inserted into the Minute Book.

#### **6.9. Minutes**

6.9.1. Minutes shall be taken and recorded at each General Meeting and each Board meeting. The Directors shall cause the original copy of the minutes to be filed at the registered office of the Association. The minutes of any meeting of the Directors or of the Association, if signed by the Chairperson of such meeting, or by the Chairperson of the next succeeding meeting, shall be prima facie evidence of the matters stated in the minutes.

#### **6.10. Powers and Duties of the Association**

6.10.1. In addition to, and not in substitution of, the rights, privileges and powers of the Association under and pursuant to the Act (which rights, privileges and powers are hereby adopted), the Association may, and is hereby empowered, subject to clause 6.10.2:

- (a) to do and carry out all and everything necessary, requisite and prudent to perform and observe all and any of its duties, obligations and objects, including all and everything ancillary or auxiliary thereto; and
- (b) have such duties and obligations as shall be adopted and approved by ordinary resolution of the Members from time to time, provided that such duties and obligations may be rescinded, varied, reduced or added to on resolution of the Members from time to time.

6.10.2. Nothing in any of the Association's rights, privileges, powers, duties or obligations shall be inconsistent with the Objects of the Association, nor shall the Association profit from any of its activities, unless such profit shall only be used and employed to further the Objects of the Association.

### **7. NOTICES**

7.1. Any notice, communication or document ("notice") to be given or sent pursuant to the Act, these By-laws or otherwise to a Member, Director, Officer, auditor or member of a committee of the Board shall be sufficiently given or sent if given or sent by prepaid mail, prepaid transmitted, recorded, or electronic communication capable of providing a written copy of such notice (including, without limitation, by email addressed to any email address provided by a Director, Officer, Member or auditor), or delivered personally to such person's latest address as shown on the Register of Members. A notice shall be deemed to have been received on the date when it is delivered personally, or on the third day after mailing, or on the date of dispatch of a transmitted, recorded or electronic communication. The Board or its designate may change or cause to be changed the

recorded address of any Members, Director, Officer, auditor or member of a committee of the Board in accordance with any information believed by the Board to be reliable. The foregoing notice requirements may be supplemented, but not discharged, by written advertising placed by the Association throughout the Community.

- 7.2. In computing the date when notice must be sent under any provision requiring a specified period of days' notice of any meeting or other event, the period of days shall commence on the day following the sending of such notice and shall terminate on the day preceding the date of the meeting or other event.
- 7.3. If any notice given or sent to a member pursuant to clause 7.1 is returned on two consecutive occasions because the person cannot be found, the Association shall not be required to give or send any further notice to such Member until the Association is informed in writing of the new address for such Member.
- 7.4. The accidental omission to give or send any notice to any Members, Director, Officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise based thereon.

## **8. AMENDMENTS**

- 8.1. These By-laws shall not be rescinded, altered or added to except by Special Resolution.

## **9. RULES OF ORDER**

- 9.1. Insofar as they are not inconsistent with these By-laws or any special rules of order of the Association, parliamentary procedures respecting the management of meetings conducted under these By-laws shall be governed by the then current edition of Roberts Rules of Order.
- 9.2. Any question of procedure not provided for in these By-laws or the Act shall be decided upon by the Board of Directors.