

- (b) "Annual General Meeting" means an annual general meeting of the Association as required by section 25 of the Act;
- (c) "Architectural Guidelines" means those guidelines now or hereafter prepared and held by the Developer to control the development, design and appearance of the Lands and any improvements thereon, including without limitation any architectural standard or control contained in any Restrictive Covenant;
- (d) "Association" means the Royal Oak Estates Homeowners' Association incorporated as a society under and pursuant to the Act;
- (e) "Board" means the Board of Directors of the Association;
- (f) "By-laws" means this by-law and all other by-laws of the Association now, hereafter and from time to time in force and effect;
- (g) "Community" means the owners of the Lands, as constituted now, in the future and from time to time;
- (h) "Co-ordinated Neighbourhood" means the design, appearance, colour, finish and look of the Lands and any development thereon as set out in the Landscape and Architectural Guidelines;
- (i) "Director" means a member of the Board of Directors;
- (j) "Dues" means the annual assessment to Eligible Owners via special tax for the costs and expenses incurred by the Association in carrying out, performing and fulfilling its duties;
- (k) "Easements" means instruments 031 096 567 and 041 427 349 as registered by way of Caveat in the South Alberta Land Registration District
- (l) "Eligible Owner" means the then registered owner of a residential lot within the Lands
- (m) "Improvements" has the meaning ascribed thereto in the preamble to this By-law;
- (n) "Lands" means those lands located in the City of Calgary in an area known as Royal Oak Estates and which is legally described in Schedule "A" annexed hereto and forming an integral part hereof;
- (o) "Member" means a member of the Association pursuant to Article 3 hereof;
- (p) "President" means the president of the Association appointed pursuant to Article 6 hereof;
- (q) "Restrictive Covenant" means any Restrictive Covenant registered against title to the Lands;
- (r) "Secretary" means the secretary of the Association appointed pursuant to Article 6 hereof;
- (s) "Special Resolution" means

10000075 0183

- (i) a resolution passed:
 - (A) at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given, and
 - (B) by the vote of not less than 75% of those Members who, if entitled to do so, vote in person or by proxy,
- (ii) 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, or
- (iii) 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;
- (t) "Special Tax" means an annual levy in addition to regular property tax that is collected by the City of Calgary on behalf of the Community following a successful petition to the City of Calgary by the Community;
- (u) "Subscriber" means any and all of the applicants for incorporation of the Association as a society under and pursuant to the Act;
- (v) "Treasurer" means the treasurer of the Association appointed pursuant to Article 6 hereof;
- (w) "Unanimous Resolution" means
 - (i) a resolution passed:
 - (A) at a general meeting of which not less than twenty-one (21) days' notice specifying the intention to propose the resolution has been duly given, and
 - (B) by the vote of not less than 100% of the members, or
 - (ii) a resolution consented to in writing by all the members;
- (x) "Vice-President" means the vice-president of the Association appointed pursuant to Article 6 hereof.

1.2 In this By-law:

- (a) unless the context shall otherwise require, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations; and,
- (b) any reference to any statute, or section thereof, shall be deemed to extend and apply to any amendment or replacement to said statute, or section, as the case may be.

- 1.3 In construing this By-law, reference shall be had to the Act, and any Article or part hereof found to be repugnant or unlawful shall be read as deleted or severed without effect to the remaining Articles, this by-law, or any part thereof which shall remain intact.

Article 2
Powers and Duties of the Association, and Borrowing

- 2.1 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 Article 2.3, 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, without limitation;
- 2.2 In addition to, and not in substitution of, the duties and obligations of the Association under and pursuant to the Act, the Association shall:
- (a) subject to Article 2.3, have such duties and obligations as shall be adopted and approved by 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;
 - (b) always and in any event assist the Developer to enforce against any Member and over the Lands, the provisions of any Restrictive Covenant and the Easements; and
 - (c) promote the achievement of a successful petition within the Community to secure funding via special tax to cover the expenses incurred by the Association in performing its duties and obligations
- 2.3 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 Association's objects.
- 2.4 No amendment of any of Articles 2.1, 2.2, 2.3 and 2.4 shall be valid or effective unless enacted by Unanimous Resolution.
- 2.5 For the purposes of carrying out the objects, powers and duties of the Association, the Directors may from time to time:
- (a) enter or cause the Association to enter into such agreements for the purposes of maintaining the Community as a Co-ordinated Neighbourhood, including, without limitation, contracts for contractors to maintain and repair any of the Amenities, supply services for the enforcement (judicial or otherwise) of any of the provisions of the Architectural Guidelines;
 - (b) to do any and all things that are considered prudent or necessary to maintain the Amenities in the Community in a reasonably clean, orderly and proper state to the benefit and for the use of all residents of the Community, including without limitation to the generality of the foregoing, enter or cause the Association to enter into such agreements for the purposes of maintaining the Amenities as required hereby;

PL 99 00 25 0184

- (c) apply for Federal, Provincial, Municipal or other Grants to fund general or specific enhancements to the Community;
- (d) borrow money on the credit of the Association;
- (e) issue, sell or pledge securities of the Association; and
- (f) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Association, including book debts, rights, powers, franchises or undertakings, to secure any securities or any money borrowed, or other debt, or any other obligation or liability of the Association;

provided that debentures shall not be issued without the sanction of a Special Resolution of the Association and the Directors may from time to time authorize any Director, officer or employee of the Association or any other person to make arrangements with reference to the moneys borrowed or to be borrowed as aforesaid and as to the terms and conditions of the loan thereof, and as to the securities to be given therefor, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any moneys borrowed or remaining due by the Association as the Directors may authorize, and generally to manage, transact and settle the borrowing of money by the Association.

Article 3 Membership, Withdrawal and Expulsion of Members

- 3.1 The Members of the Association shall be the Subscribers and all Eligible Owners.
- 3.2 No person shall be a Member of the Association unless:
 - (a) he is over the age of eighteen (18) years, or a corporation; and either,
 - (b) he is an Eligible Owner; or
 - (c) he is a Subscriber.
- 3.3 A Member shall automatically and without further act, notice, conduct or writing, cease to be a Member of the Association when he shall cease to be an Eligible Owner.
- 3.4 Any Member, including any Subscriber, may withdraw from the Association at any time by tendering his resignation in writing to the President of the Association, and any Member, including any Subscriber may be expelled from the Association by Special Resolution of the Members passed in a general meeting of the Association called for that purpose. Withdrawal or expulsion from the Association shall not, in any manner whatsoever, terminate, reduce or diminish any Eligible Owner's obligations to the Association arising by, through, under or pursuant Article 4 hereof.
- 3.5 Any Member who resigns, withdraws or is expelled from the Association shall forthwith and on such event, forfeit all right, claim and interest in, arising from and associated with membership in the Association, and any property (real and personal) of the Association.

11000025 0186

**Article 4
Dues, Assessments and the Dues**

4.1 Save for amounts due and payable under and pursuant to the Dues, there shall be no Dues or fees payable by any Member except such, if any, as shall from time to time be fixed by majority vote of the Board, which vote shall become effective only when confirmed by Special Resolution of the Members of the Association.

**Article 5
Board of Directors and Directors**

5.1 The affairs of the Association shall be managed by a Board of Directors, constituted, appointed and elected under and pursuant to this By-law.

5.2 The Board shall have and may exercise all of the powers of the Association and may do all such acts and things as may be exercised or done by the Association, on behalf of the Association, as fully and completely as the Association could in general meeting, subject always to:

- (a) the provisions of the Act; and,
- (b) express article, resolution or by-law directing or requiring the authority of the Association at a meeting of its Members.

5.3 The Board shall be constituted of no less than three (3) and no more than seven (7) Directors.

5.4 All Members, and, in the case of Members who are corporations or firms, their nominees, shall be qualified to be a Director.

5.5 A Director shall cease to be qualified to be a Director when:

- (a) he dies; or
- (b) he ceases to be a Member; or
- (c) he is removed from office; or
- (d) he resigns his position as Director on written notice to the Board; and,
- (e) when, in all other events, he is replaced by another Member as Director;

provided that, if at any time and from time to time there are either no Directors or no qualified Directors on the Board, any Member may, pursuant to these by-laws, call a general meeting of the Association for the purposes of electing Members to the Board, and, if no election occurs at such general meeting, such Member may appoint a Director (with consent of such Director) from the Members of the Association to act as a Director of the Association.

5.6 Subject to the Act, any Director may be removed from office on resolution of the Members, provided that such Director is concurrently replaced, either:

- (a) on election by the Members; or,
- (b) at the direction of the Members, by a quorum of Directors.

- 5.7 Meetings of the Board shall be held from time to time and at such place as the Board may determine. Further the Board may meet in whole or in part by telephone or other communications facilities that would permit all persons participating therein to hear each other.
- 5.8 All powers of the Board may be exercised by resolution, either, passed at a meeting of the Board, or in writing (without meeting) signed by all Directors entitled to vote thereon.
- 5.9 A quorum of the Board, for the purposes of meeting and carrying out the business and affairs of the Board shall be:
- (a) where there are three (3) Directors, constituting the Board, two (2) Directors; and,
 - (b) where there are four (4) or more Directors constituting the Board, no less than one-half (1/2) of the Directors constituting the Board.
- 5.10 Provided that a quorum has been constituted, and unless otherwise specifically provided to the contrary provided elsewhere herein, all decisions of the Board in meetings shall be decided by a majority of votes cast on the question. In the case of an equality of votes cast, the Chairman of the meeting shall be entitled to a second or casting vote.
- 5.11 The Chairman of the Board shall be the President, and in his absence (in priority) the Vice-President or the Secretary.
- 5.12 The Directors shall not be paid for their services as Directors. The Directors shall be entitled to reimbursement for reasonable expenses incurred in connection with the management of the affairs of the Association.
- 5.13 Every Director of the Association shall be deemed to have assumed office on the express understanding and agreement and condition that every Director of the Association and his heirs, executors and administrators and estate and effects respectively shall from time to time and at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, charges and expenses whatsoever which such Director sustains or incurs in or about any action, suit or proceedings which is brought, commenced or prosecuted against him for or in respect of any act deed, matter or thing whatsoever made, done or permitted by him or any other Director or Directors in or about the execution of the duties of his or their office, and also from and against all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof except such costs, charges or expenses as are occasioned by his own willful neglect or default.

Article 6 Officers and Employees

- 6.1 The Board shall from time to time appoint from its Directors a President. The Board may from time to time appoint from its Directors a Vice-President, Secretary or Treasurer. Any Director may hold more than one (1) office concurrently.
- 6.2 The duties of all officers of the Association shall be such as the terms of their engagement call for or the Board requires of them.
- 6.3 The Board may from time to time engage or employ agents and other persons necessary in the Board's opinion to carry out the objects of the Association, and such agents and employees shall

11000015 0100

have such authority and shall perform such duties as from time to time may be prescribed by the Board.

- 6.4 Only Directors shall be qualified to be officers, and upon a Director ceasing to be a Director, his appointment of office shall cease.
- 6.5 All officers and employees of the Association shall be subject to removal from office or employment by the Board at any time with or without cause and with or without notice to the person so removed.
- 6.6 The President shall, when present preside at all meetings of the Members of the Association and of the Board. The President shall also be charged with the general management and supervision of the affairs and operations of the Association. The President and another officer appointed by the Board for such purpose shall sign all resolutions and membership certificates. During the absence or inability of the President, his duties and powers may be exercised by the Vice-President, and if the Vice-President, or such other Director as the Board may from time to time appoint for the purpose exercises any such duty or power, the absence or inability of the President shall be presumed with reference thereto.
- 6.7 The Vice-President shall assume the duties of the President in the absence of the latter.
- 6.8 The Treasurer, or person performing the usual duties of a treasurer, shall keep full and accurate accounts of all receipts and disbursements of the Association in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the Association in such bank or banks as may from time to time be designated by the Board. He shall disburse the funds of the Association under the direction of the Board, taking proper vouchers therefor and shall render to the Board at the regular meetings thereof or whenever required of him, an account of all his transactions as Treasurer, and of the financial position of the Association. He shall also perform such other duties as may from time to time be determined by the Board.
- 6.9 The Secretary shall be ex officio clerk of the Board. He shall attend all meetings and record all facts and minutes of all proceedings in the books kept for that purpose. He shall give all notices required to be given to Members and to Directors. He shall be the custodian of the seal of the Association and of all books, papers, records, correspondence, contracts and other documents belonging to the Association which he shall deliver up only when authorized by a resolution of the Board to do so and to such person or persons as may be named in the resolution, and he shall perform such other duties as may from time to time be determined by the Board.

Article 7
Execution of Documents and Seal

- 7.1 Deeds, transfers, licenses, contracts and engagements on behalf of the Association shall be signed by the President and one (1) other Director, who shall affix the seal of the Association to such instruments as require the same.
- 7.2 Contracts in the ordinary course of the Association's operations may be entered into on behalf of the Association by the President or by any other Director authorized by the Board.
- 7.3 Notwithstanding any provisions to the contrary contained in the by-laws of the Association, the Board may at any time by resolution direct the manner in which, and the person or persons by

whom, any particular instrument, contract or obligations of the Association may or shall be executed.

- 7.4 The Board shall adopt a seal which shall be the common seal of the Association.
- 7.5 The common seal of the Association shall be under the control of Directors, and the responsibility for its custody and use from time to time shall be determined by the Directors.

Article 8 Meetings and Quorum

- 8.1 Notice of the date, time and location of any Annual General Meeting or Special General Meeting shall be given by publication in the Royal Oak Suburban Journal or similar community newspaper, not less than 30 days prior to the date of said meeting. Additional notice of any Annual or Special General Meeting shall be given by the posting of prominent, publicly accessible signage within or adjacent to the Community, not less than seven (7) days prior to the date of such meeting. The Directors shall specify the quantity and locations of such signage.
- 8.2 Whenever, under the provisions of these By-laws of the Association, notice is required to be given, such notice may be given either personally or by depositing same in a post office or a public letter-box, in a post-paid, sealed wrapper addressed to the Director, officer or Member at his or her address as the same appears on the books of the Association. A notice or other document so sent by post shall be held to be sent at the time when the said was deposited in a post office or public letter-box as aforesaid. For the purpose of sending any notice, the address of any Member, Director or officer shall be the last address as recorded on the books of the Association.
- 8.3 No error or omission in giving notice of any Annual General Meeting, general meeting or special meeting or any such adjourned meeting shall invalidate such meeting or make void any proceedings taken thereat and any Member may at any time waive notice of such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.
- 8.4 A quorum at any general or special meeting of the Association shall be ten percent (10%) of Members present in person or by written proxy, including a majority of the Directors present in person. In the event that a quorum is not present within five (5) minutes after the time called for the meeting, the meeting shall be adjourned for a further fifteen (15) minutes at the same location and if at the appointed time for the adjourned meeting a quorum is not present, the persons entitled to vote who are present shall constitute a quorum, provided that in no case can any meeting be held unless there are at least ten (10) Members present in person, including a majority of the Directors.
- 8.5 Any meetings of the Association or the Directors may be adjourned to any time and from time to time and such business may be transacted at any such adjourned meeting from which such adjournment took place. No notice shall be required of any such adjournment. Such adjournment may be made notwithstanding that no quorum is present.
- 8.6 At all general or special meetings of the Association there shall be one vote per residential lot. In the event that a lot is owned by two or more Members, and more than one of such Members is present at any meeting, then such Members may elect to either vote proportionally in relation to their interest in the Lot, or alternatively, such Members may elect to have one member vote on behalf of all owners of the said Lot. In no circumstances shall one Lot owned by more than one

11000021 0100

owner have more than one total vote. Voting will be either by a show of hands or a secret ballot to be decided at each general or special meeting at the discretion of the chairman.

Article 9
Books, Records, Returns, Inspections, Audit

- 9.1 The Directors shall see that all necessary books and records of the Association required by the by-laws of the Association or by an applicable statute or law are regularly and properly kept.
- 9.2 The books of account shall be kept at such place in Alberta as the Directors think fit, and shall at all times be open to inspection by the Directors.
- 9.3 The Directors shall from time to time determine whether, and to what extent and at what times and places and under what conditions and regulations, the accounts and books of the Association or any of them shall be open to the inspection of Members not being Directors, and no Member (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 resolution of the Members, whether previous notice thereof has been given or not.
- 9.4 The fiscal year of the Association shall terminate on a day to be fixed by the Board and the financial statements of the Association's affairs for presentation to the Members at the annual meeting shall be made up to that date.
- 9.5 The books, accounts and records of the Association shall be audited at least once each year by a duly qualified accountant or by two (2) members of the Association elected for that purpose at the Annual General Meeting. If an appointment of auditor is not made at an Annual General Meeting, or the Annual General Meeting is not held, the Directors may appoint an auditor of the Association for the current fiscal year. The Directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing auditor or auditors (if any) shall act.
- 9.6 The remuneration of the auditors of the Association shall be fixed by resolution of the Members, or, if the Members so resolve, by the Directors.
- 9.7 The auditor shall make a report to the Members and Directors on the accounts examined by them and on every balance sheet and statement of income and expenditures laid before the Association at any general meeting during their tenure of office. A complete and proper statement of the standing of the books for the previous year shall be submitted by such auditor at the Annual General Meeting of the Association.
- 9.8 Every auditor of the Association shall have a right of access at all times to all records, documents, books, accounts and vouchers of the Association and is entitled to require from the Directors and officers of the Association such information and explanation as may be necessary for the performance of the duties of auditors.
- 9.9 The auditors of the Association are entitled to attend any meeting of the members of the Association at which any accounts that have been examined or reported on by them are to be laid before the members for the purpose of making any statement or explanation they desire with respect to such account.

- 9.10 The rights and duties of an auditor of the Association shall extend back to the date up to which the last audit of the Association's books, accounts and vouchers was made, or, where no audit has been made, to the date on which the Association was incorporated.

Article 10
Amendment of By-Laws

- 10.1 Subject to those Articles expressly requiring Unanimous Resolution to effect amendment, this By-law of the Association shall not be altered or amended to except by Special Resolution.