

**BYLAWS OF 1135215 ALBERTA SOCIETY**

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## ARTICLE 1 - INTERPRETATION

### 1.1 Definitions

In these Bylaws:

- (a) “**Act**” means the Societies Act (Alberta), or any statute which may be substituted therefore, and including the regulations made thereunder from time to time, in each case as amended from time to time;
- (b) “**Board**” means the board of Directors of the Society;
- (c) “**Business Day**” means any day that is not a Saturday, Sunday or a holiday as defined in the Interpretation Act (Alberta);
- (d) “**Bylaws**” means these bylaws of the Society, as amended, restated, supplemented or replaced from time to time;
- (e) “**Costs**” means the annual cost of operating the Society, of managing, maintaining, repairing and operating the Facilities and of providing services to the Members, as more particularly described in Article 10;
- (f) “**Director**” means a member of the Board elected or appointed in accordance with these Bylaws;
- (g) “**Encumbrance**” means an instrument in form approved by the Board, as amended from time to time by approval of the Board, which is registrable on the certificate of title to a Qualifying Property and which secures payment of the Fees to be paid to the Society by the registered owner, 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);
- (h) “**Facilities**” means the recreational and social facilities (including the community centre building, lake, wading pool, playgrounds and sport courts) situated in the Qualifying Area and owned, leased, managed or operated from time to time by the Society;
- (i) “**Fees**” means the annual encumbrance fee, as escalated from time to time pursuant to the terms and conditions of the Encumbrance, as determined from time to time by the Society, payable by Members and secured by Encumbrances, and any additional fees or usage charges levied by the Society on the Members and/or guests from time to time;
- (j) “**Land Titles Office**” means the land titles office for the Province of Alberta established pursuant to the Land Titles Act (Alberta);
- (k) “**Meeting of Members**” means an ordinary, annual, or special meeting of Members.
- (l) “**Member**” means, subject to the qualifications set forth in Article 3, any person who is the registered owner of a Qualifying Property which has endorsed on its certificate of title an Encumbrance in favour of the Society and who otherwise qualifies to be a Member pursuant to these Bylaws;
- (m) “**Officer**” means any person appointed as an officer of the Society pursuant to section 7.1 hereof;
- (n) “**Ordinary Resolution**” means a resolution passed by a majority of the votes cast by the persons who voted in respect of that resolution at a duly convened Meeting of Members or Directors;
- (o) “**person**” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in the capacity of trustee, executor, administrator, or other legal representative;
- (p) “**Qualifying Area**” means that portion of the northwest quadrant of the city of Calgary generally known as Rocky Ridge which is the area whose boundaries are Country Hills Blvd. to the north, 12 Mile Coulee Road to the west, Rocky Ridge Road to the east and Crowchild Trail (Highway 1A) to the south,;
- (q) “**Qualifying Property**” means a residential, residential condominium, or residential rental property located within the Qualifying Area;
- (r) “**Register of Members**” has the meaning set forth in Article 3.4;
- (s) “**Rules and Regulations**” means the rules, regulations and policies for the orderly and equitable functioning of the Society and the Facilities and the furtherance of the objects of the Society, as enacted by the Board and its delegates from time to time and at any time in accordance with these Bylaws;
- (t) “**Society**” means 1135215 Alberta Society, an Alberta society registered under the Act;
- (u) “**Special Resolution**” has the meaning ascribed thereto in the Act and, for the purposes of these Bylaws, “**Special Resolution**” shall mean a resolution passed at a meeting of the Members duly called and constituted in accordance with these Bylaws by the vote of not less than seventy five percent (75%) of the votes cast in person or by proxy on the particular resolution.
- (v) “**Terms of Directors**” shall consist of two (2) years following election at an Annual General Meeting.

## **1.2 General Interpretation**

In these Bylaws:

- (a) the headings given are for convenience of reference only and shall not in any way affect the interpretation of these Bylaws;
- (b) words importing the singular number also include the plural and vice-versa; words importing a particular gender include all genders;
- (c) all capitalized terms used herein and which are defined in the Act shall, unless expressly defined herein, have the same meanings herein as are given to such terms in the Act;
- (d) these Bylaws shall be interpreted in a reasonable and broad manner, consistent with the Act;
- (e) in the event of any conflict between these Bylaws and the Act or the Rules and Regulations, the Act shall prevail, followed by these Bylaws, followed by the Rules and Regulations;
- (f) if any provision or portions of these Bylaws or the Rules and Regulations are deemed illegal or unenforceable, such provision shall be deemed to be separate and severable from the Bylaws or the Rules and Regulations, as applicable, without affecting any other provision of the Bylaws or the Rules and Regulations, as the case may be;
- (g) any resolutions to be passed or votes to be taken shall be deemed to refer to the passing of a resolution or taking of a vote pursuant to an Ordinary Resolution, unless specifically stated to be passed or taken pursuant to a Special Resolution.

## **1.3 Execution in Counterpart**

Signature on any notice, resolution, requisition, statement or other document required or permitted to be executed for the purposes of the Act may be obtained by means of facsimile or other electronic means or by execution of several documents of like form, each of which is executed by one or more persons, and such documents, when duly executed by all persons required or permitted, as the case may be, to do so, shall be deemed to constitute one document for the purposes of the Act.

## **ARTICLE 2 - GENERAL BUSINESS**

### **2.1 Registered Office**

The registered office of the Society shall be in the city of Calgary, Alberta.

### **2.2 Seal**

The Society shall have a corporate seal which shall be in such form and device as may be adopted by the Board. Two Officers or one Officer and the General Manager will provide signatures when the seal is being affixed. The seal will be kept at the headquarters of the Society.

### **2.3 Minute Book**

The Minute Book shall contain the following information:

- (a) a copy of the Certificate of Incorporation of the Society;
- (b) a copy of the Mission Statement of the society;
- (c) a copy of the By-laws of the Society and any Special Resolution altering the By-laws;
- (d) a directory of the Policies and Procedures;
- (e) a directory of any leases, licences, or other formal legal 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;
- (h) a copy of each other document directed by the Board to be inserted into the Minute Book.

### **2.4 Execution of Instruments**

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall, unless the Directors otherwise approve, be signed on behalf of the Society by any two (2) Director(s) or Officer(s) of the Society.

In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed.

### **2.5 Fiscal Year**

The financial year of the Society shall be the calendar year or as the Board may determine from time to time.

## **ARTICLE 3 - MEMBERSHIP**

### **3.1 Qualifications**

The Society shall be made up of the Members, provided that:

- (a) there shall be only one (1) Member per Qualifying Property. There shall be only one (1) vote allowed for each property;
- (b) where a Qualifying Property is owned by a corporation, partnership, limited partnership, society or any other entity which is not a natural person, the registered owner shall designate a natural person residing in the Qualifying Property as the Member;
- (c) where a Qualifying Property is occupied by a tenant, the tenant may, during his or her occupancy of the Qualifying Property, be designated as the Member in writing by the registered owner;

- (d) in the event of difficulty or dispute in determining any Member for any Qualifying Property, the Directors in their absolute discretion may, in a manner consistent with these Bylaws, designate the Member with the intention that there be a Member for each Qualifying Property and that the Member be a natural person resident in the Qualifying Area;
- (e) membership in the Society shall not be separately transferable and shall be determined by ownership of a Qualifying Property and in accordance with the principles herein set forth. On a person ceasing to be an owner or tenant of a Qualifying Property, such person shall automatically cease to be a Member;
- (f) Any owner of a Qualifying Property that is subject to the registered Encumbrance will be responsible for all unpaid fees accrued from time-to-time together with interest, including any unpaid amounts prior to Owners' ownership of the Qualified Property.

### **3.2 Use of Facilities**

Subject to these Bylaws and the Rules and Regulations, the following persons shall be entitled to have access to, and the use of the Facilities:

- (a) each Member in good standing;
- (b) the spouse of each Member in good standing, if such spouse is resident in the Qualifying Property of such Member;
- (c) persons who are immediate family members of a Member in good standing and are residing in the Qualifying Property of such Member;
- (d) persons who are tenants or occupants of a Qualifying Property, while such persons are tenants of such Qualifying Property or are in occupancy of such Qualifying Property, provided that the Member of such Qualifying Property is in good standing and has agreed to transfer his access rights, in writing, to the tenant;
- (e) such other persons, including, without limitation, temporary guests, as are provided for in the Rules and Regulations, pursuant to 3.7.

Without limiting the foregoing, the entitlement of any person to have access to and to use the Facilities or any part thereof shall be subject to compliance with these Bylaws and the Rules and Regulations and such entitlement shall be subject to being suspended or terminated in accordance with these Bylaws and the Rules and Regulations.

### **3.3 Obligations of Members**

Each Member shall observe the Bylaws and the Rules and Regulations, 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 Society of any sale or disposition of that Qualifying Property which is the basis of the Member's membership in the Society;
- (b) provide to the Society an e-mail address to which notices and other communications from the Society can be sent and to advise the Society of any change to such e-mail address;
- (c) notify the Society of any change to that Member's information, including without limitation any change to an address for service, 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 Society from time to time, membership cards or changes of address.

### **3.4 Register of Members**

The Society shall maintain a register of Members (the "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 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 ceases to be a Member; and
- (e) the full name, residential address, e-mail address of any new Members when a member sells a Qualifying Property including the date on which the new Member(s) is admitted.

### **3.5 Production of Register**

In accordance with section 36 of the Act, the Society shall keep the Register of Members at its registered office and, subject to the provisions of the Act, shall on each Business Day, during not less than two (2) regular business hours as determined by the Members, permit a Member of the Society to inspect the Register of Members without payment of a fee. The Society shall, within a reasonable time of receiving from a Member of the Society a request to provide the Member a copy of all or a portion of the Register of Members, and on payment by the Member of the Society's reasonable copying expenses, not to exceed \$0.25 for every 100 words to be copied, provide to that Member the copy or portion of the Register of Members so requested, subject to the provisions of 3.6.

### **3.6 Personal Information only for Society Purposes**

Notwithstanding sections 3.5 or 9.5, and in accordance with section 36.1 of the Act, the Society shall only disclose or produce "personal information" (as that 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 to the affairs of the Society.

### **3.7 Suspension**

The Board shall suspend voting rights and/or access to the society's facilities by a Member for any one or more of the following reasons:

- (a) failure to comply with the Bylaws or policies of the Society, including any non-payment of Fees; and
- (b) conduct deemed by the Directors to be improper, unbecoming, or adversely affecting the interests or reputation of the Society.

Prior to any suspension, the Board shall notify the Member in writing of the proposed suspension, the reason for the proposed suspension, and the terms of the proposed suspension.

The Member shall be given an opportunity to be heard at the next Board of Directors meeting or at a mutually agreed date and time with the General Manager in the chair for this portion of the agenda.

### **3.8 Effect of Suspension**

Suspension shall in no circumstances relieve a Member of the obligation to pay Fees. As determined by the Board, any Member who is suspended from the Society forfeits all rights, claims and privileges in the Society until the suspension is lifted. During the period of time that a Member is suspended, the entitlement of all persons who are entitled to access to and use of the Facilities through such suspended Member shall also be suspended.

### **3.9 Dispute Resolution**

Any unresolved dispute arising out of the affairs of the Society and between any Members of the Society or between:

- (a) a Member or a person who is aggrieved and who has for not more than 6 months ceased to be a Member; or
- (b) a person claiming through the Member or aggrieved person or claiming under these Bylaws;

and the Society or a Director or Officer of the Society, shall be decided by arbitration as prescribed under the *Arbitration Act* (Alberta).

### **3.10 Voluntary Withdrawal**

Due to membership being based on legal encumbrance on the title of a property, membership is not voluntary and therefore voluntary withdrawal is not an option.

## **ARTICLE 4 - DIRECTORS**

### **4.1 Duties of Directors**

Directors and Officers manage the affairs of the Society. Each Director shall act honestly and in good faith and with a view to the best interests of the Society when exercising any rights or duties under the Bylaws or in connection with the Society and must adhere to and agree to the RRRHA Business Code of Conduct as may be amended by the Board from time to time.

### **4.2 Powers of Directors and Officers**

The Officers of the Society consist of the President, Vice President, Treasurer and Secretary. The powers of the Officers are as follows:

The President shall:

- (a) be responsible for the general supervision of the Society;
- (b) chair all meetings of the Society, the Board and the Executive;
- (c) act as the official spokesperson for the Society, but may delegate such authority to the Vice-President or such other member of the Board as is reasonably appropriate in the particular circumstances;
- (d) be the principal signing authority on all contracts, official documents and correspondence of the Society, and a designated signing authority on all bank accounts of the Society;
- (e) authenticate the official use of the seal of the Society;
- (f) be a member or an ex-officio member of all committees of the Board;
- (g) be a member of the Executive and the Board;
- (h) carry out other duties pertaining to such office, and such other duties as may be assigned by the Board.

The Vice-President shall:

- (a) assist the President generally in the performance of the President's duties;
- (b) assume the powers and duties of the President in either the temporary or permanent absence of the President, including serving as Chairperson at all meetings in the absence of the President;
- (c) be a member of the Executive and the Board;
- (d) be a designated signing authority on all bank accounts of the Society and, with the Secretary, on all contracts to be entered into on behalf of the Society in the absence of the President or at the direction of the President;
- (e) authenticate the official use of the seal of the Society in the absence of the President or at the direction of the President;
- (f) chair a standing committee, or represent ad hoc committees at meetings of the Board or Executive, as appropriate in the circumstances;
- (g) carry out such other duties as may be assigned by the Board.

The Secretary shall:

- (a) attend each General Meeting and each meeting of the Board and the Executive and ensure accurate minutes are kept of such meetings;
- (b) ensure that all records of the Society, other than financial records, are properly maintained, including these By-laws and the Policies and Procedures;
- (c) be a member of the Executive and the Board;
- (d) be a designated signing authority on all bank accounts of the Society and, with the President or Vice-President, all contracts to be entered into on behalf of the Society;
- (e) carry out such other duties as may be assigned by the Board.

The Treasurer shall:

- (f) oversee the disbursement of the funds of the Society under the direction of the Board and in compliance with these By-laws, and the Act;
- (g) oversee the care, custody, control and maintenance of the finances and financial records of the Society;
- (h) commission and review a monthly report of: revenues, expenditures, investments, amounts due and owing to the Society, and be able to advise the Board at any time of the financial position of the Society;
- (i) ensure that an audited financial statement for the preceding Fiscal Year is prepared by the appointed auditors and presented at the Annual General Meeting;
- (j) be a member of the Executive and the Board;
- (k) be a designated signing authority for all bank accounts of the Society and, in the absence of the President and the Vice-President or at the direction of the President, all contracts to be entered into on behalf of the Society;
- (l) chair any finance committee created as a standing committee by the Board; and carry out such other duties as may be assigned by the Board.

#### **4.3 Qualifications of Directors**

The Directors shall be elected from the ranks of the Members. Every Member shall be entitled to be a Director unless the Member:

- (a) is less than eighteen (18) years of age;
- (b) is of unsound mind and has been so found by a court in Canada or elsewhere;
- (c) has been convicted of an indictable offence;
- (d) has been on the Board more than two (2) consecutive years and two (2) years have not elapsed since the Director last served on the Board;
- (e) is not a registered owner of a Qualified Property.

#### **4.4 Removal**

The office of a Director shall be vacated if the Director:

- (a) ceases to be qualified for election as a Director;
- (b) fails to comply with the obligations of the Members set out in section 3.3 hereof;
- (c) is absent without permission of the Board from two (2) consecutive meetings of the Board, or three (3) within a calendar year, and it is resolved at the subsequent meeting of the Board that the Director's office be vacated;
- (d) dies;
- (e) resigns in writing; or
- (f) is removed by Ordinary Resolution of the Members or of the Board. In the event the Director is proposed to be removed by Ordinary Resolution of the Board, the Director shall be given notice in writing stating the reasons for their removal, and the Director shall be afforded an opportunity to respond to the notice prior to any vote being taken to cause the Director's removal.

#### **4.5 Number of Directors**

The number of Directors shall be not less than three (3) and not more than eleven (11), and shall be determined by Ordinary Resolution of the Members at an Annual General Meeting.

#### **4.6 Quorum**

A majority of the number of Directors as determined from time to time in accordance with these Bylaws and the Act shall constitute a quorum for the transaction of business. Notwithstanding vacancies, a quorum of Directors may exercise all the powers of the Board.

#### **4.7 Election and Term**

Directors shall be elected by the Members at each annual meeting of the Members and shall hold office for two years. Each Director can be elected to a maximum of two (2) consecutive terms, then must retire for at least two (2) years before any re-election. In the case of appointed Directors, the term of appointment shall cease upon the date of the annual general meeting. If a previously appointed Director is elected to the Board, the two (2) year term commences at that time. The election need not be by ballot unless a ballot is demanded by any Members or required by the chairperson.

#### **4.8 Vacancies**

Subject to the Act, a quorum of Directors may fill a vacancy among the Directors by appointment, subject to a majority vote;

## ARTICLE 5- BOARD OF DIRECTORS

### 5.1 Powers of Board

The Board shall manage or supervise the management of the business and affairs of the Society in accordance with the Act and these Bylaws. The Board is empowered to:

- (a) oversee and manage the business and affairs of the Society;
- (b) make, amend or annul Rules and Regulations, including, without limitation, rules and regulations with respect to:
  - (i) proof required to be provided by any person claiming to be eligible to be a Member;
  - (ii) Fees payable by the Members;
  - (iii) rights of Members and their families, visitors, guests or pets to use the Facilities or benefit from any services provided by the Society from time to time;
  - (iv) conditions upon which a Member shall be entitled to obtain and to continue to use the Facilities and benefit from any service provided by the Society from time to time;
  - (v) the manner and circumstances by which a Member's rights hereunder may be suspended;
  - (vi) rental of the Facilities for use by third parties, provided such rentals do not unreasonably interfere with the use and enjoyment of the Facilities by the Members;
- (c) exercise, pursuant to an Ordinary Resolution of the Members, and in accordance with the Act and the Bylaws of the Society, all such powers and do all such acts authorized by the Members in connection with the Society.

### 5.2 Duties of the Board

In addition to the duties set forth elsewhere in these Bylaws, the Board shall develop annual strategic and operational plans for the Society. The annual strategic plan so developed shall be presented for approval by the Members at each annual meeting of the Members.

### 5.3 Action by the Board

The Board shall exercise its powers arising under these Bylaws 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 if constituting a quorum.

### 5.4 Resolutions in Writing

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 as valid as if it had been passed at a meeting of Directors or a committee of Directors.

### 5.5 Meetings by Telephonic or Electronic Means

If all the Directors present at or participating in a meeting consent, then any Director may participate in such meeting by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to communicate simultaneously and instantaneously.

### 5.6 Place of Meetings

Meetings of the Board may be held at the registered office of the Society at the Facilities or at any other place within the city of Calgary, Alberta approved by the Directors.

### 5.7 Calling of Meetings

Meetings of the Board shall be held from time to time at such place, on such day and at such time as the Board, the chairperson of the Board, the president, the secretary or any two Directors may determine.

### 5.8 Notice of Meetings

Notice of the time and place of each meeting of the Board shall be given to each Director at the earliest possible opportunity having consulted all Directors as to their availability. An attempt shall be made at the end of each regular Board of Directors meeting to schedule the next regular meeting.

### 5.9 First Meeting of New Board

Provided a quorum of Directors is present, each newly elected Board may without notice hold its first meeting following the Meeting of Members at which such Board is elected.

### 5.10 Adjourned Meeting

Notice of an adjourned meeting of the Directors is not required if the time and place of the adjourned meeting is announced at the original meeting.

### **5.11 Regular Meetings**

The Board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution by the Board fixing the time and place of regular meetings of the Board shall be sent to each Director forthwith after being passed, but no other notice shall be required for any such regular meeting.

### **5.12 Votes to Govern**

At all meetings of the Board any question shall be decided by a majority of the votes 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.

### **5.13 Chairperson and Secretary**

The President of the Board or, in the absence of the president, the vice-president who is a Director, or in the absence of both one of the remaining Officers of the Board shall be chairperson of any meeting of the Board. If none of the said Officers is present, the Directors present shall choose one of their number to be chairperson. The secretary of the Society shall act as secretary at any meeting of the Board and, if the secretary is absent, the chairperson of the meeting shall appoint a person who need not be a Director to act as secretary of the meeting.

### **5.14 Minutes**

The Secretary shall be responsible for taking and keeping Minutes of the Meetings of Directors and Meetings of Members. The Directors shall cause minutes to be duly entered into books provided for the purpose of:

- (a) appointment of Officers;
- (b) registering names of Directors present at each meeting of the Directors;
- (c) evidencing resolutions made by the Directors;
- (d) evidencing resolutions and proceedings of general meetings;

and any such minutes of any meetings of the Directors or of the Society, if signed by the chairperson of such meeting, or by the chairperson of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

A draft of the minutes shall be provided to the Board of Directors at least 48 hours before the next Board meeting.

### **5.15 Remuneration and Expenses**

The Officers and Directors shall not be paid remuneration for their services.

### **5.16 Conflict of Interest**

Whenever an Officer or Director of the Society 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) no interested Officer or Director may vote or lobby on the matter or be counted in determining the existence of quorum at the meeting of the board of directors 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 of directors;
- (d) the minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

## **ARTICLE 6 - COMMITTEES**

### **6.1 Committees of Directors**

Subject to the Act and these Bylaws, the Board may appoint, from their number, a committee or committees of Directors, however designated, and delegate to such committee or committees any of the powers of the Board except powers to:

- (a) submit to the Members any question or matter requiring the approval of the Members;
- (b) fill a vacancy among the Directors or in the office of auditor;
- (c) appoint additional Directors;
- (d) approve any annual financial statements; or adopt, amend or repeal bylaws.

Any committee so formed shall, in the exercise of the powers so delegated conform to any regulations from time to time imposed upon it by the Directors.

### **6.2 Transaction of Business**

The powers of a committee may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Each committee shall determine a chairperson and its members.

## ARTICLE 7 - OFFICERS

### 7.1 Appointment of Officers

The Board shall from time to time, by Ordinary Resolution and for terms not to exceed one (1) year, appoint and remove Officers which may include: a managing Director, a president, one or more vice-presidents, a secretary, a treasurer and such other Officers as the Board may determine, including one or more assistants to any of the Officers so appointed. The Board may specify the duties of such Officers and, in accordance with these Bylaws and subject to the provisions of the Act, delegate to such Officers powers to manage the affairs of the Society other than powers listed in section 6.1. Appointed Officers shall have the duties and obligations assigned to them by the Directors as well as such powers and duties as are usually incidental to their respective offices. The president or such other Officer as the Board may designate shall be the chief executive officer of the Society.

### 7.2 Agents and Attorneys

The Board shall have the power from time to time to appoint agents or attorneys for the Society in or out of Alberta with such powers of management or otherwise (including the power to sub-delegate) as the Board may determine in accordance with these Bylaws.

### 7.3 Conflict of Interest

An Officer shall disclose an interest in any material contract or material transaction or proposed material contract or proposed material transaction with the Society in accordance with section 5.16 and the Business of Code of Conduct.

## ARTICLE 8 - PROTECTION OF DIRECTORS AND OFFICERS

### 8.1 Indemnity of Directors and Officers

The Society shall indemnify each Director or Officer of the Society and each former Director or Officer of the Society, 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 Society, if:

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

The Society may, with the approval of the court, indemnify a person referred to above in respect of an action by or on behalf of the Society to procure a judgment in its favour, to which the person is made a party by reason of being or having been a Director or an Officer of the Society, against all costs, charges and expenses reasonably incurred by that person in connection with such action if the person fulfills the conditions set out in (a) and (b) above.

### 8.2 Insurance

The Society shall 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 Society, 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 Society.

## ARTICLE 9- MEETINGS OF MEMBERS

### 9.1 General Meetings

The Society shall hold regular General Meetings of the membership, with at least one such general meeting held annually prior to the Society's registration anniversary date, to be known as the "Annual General Meeting". The Board of Directors shall have full powers to convene additional general meetings, either by majority vote of the Board of Directors, or by formal request by members, provided that the request be signed by a minimum of 1% of the membership."

### 9.2 Annual Meetings

There shall be a Meeting of Members held annually prior to the registration anniversary date of RRRHA and 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.

### 9.3 Special Meetings

The Board shall have power to call a special Meeting of Members at any time, and shall be required to do so upon receipt of a petition signed by one-third (1/3) of the Members setting forth the reason for calling such a meeting.

### 9.4 Place of Meetings

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

## **9.5 Notices of Meetings**

- (a) Notice of the time and place of every Meeting of Members shall, in accordance with Article 11 hereof, be sent not less than 21 days before the meeting to each Member and to each Director. All notices of meetings will be provided electronically unless otherwise requested by a Qualifying Member. In the event of there being no electronic address for a Member the notice will be sent by Canada Post. Notice of an Annual General Meeting (AGM) shall be sent not less than 21 days before the AGM to each Member, Director and the auditor of the Society.
- (b) Notice of a Meeting of Members at which special business is to be transacted shall state or be accompanied by a statement of the nature of that business in sufficient detail to permit the Members to form a reasoned judgment thereon and the text of any Special Resolution or by-law to be submitted to the meeting. All business transacted at a special Meeting of Members and all business transacted at an annual Meeting of Members, except consideration of the minutes of an earlier meeting, the financial statements and auditor's report, election of Directors and reappointment of the incumbent auditor, is deemed to be special business and will require a two-thirds (2/3) majority to pass.

## **9.6 List of Members Entitled to Notice**

The Society shall, for every Meeting of Members, prepare a list of Members entitled to receive notice of the meeting. Subject to the limitations on disclosure of personal information set forth in section 3.6 hereof, the list shall be available for examination by any Member at the meeting for which the list is prepared. Where no notice of meeting is given, such list shall be prepared as of the day on which the meeting is held and so that it is available at such meeting.

## **9.7 Chairperson and Secretary**

The president, vice-president, or in the absence of either president or vice-president a director, shall be chairperson of any Meeting of Members and, if none of the said Officers be present within 15 minutes after the time appointed for holding the meeting, the Members present and entitled to vote shall choose a chairperson from amongst themselves. The secretary of the Society shall act as secretary at any Meeting of Members or, if the secretary of the Society be absent, the chairperson of the meeting shall appoint some person, who need not be a Member, to act as secretary of the meeting.

## **9.8 Quorum**

A quorum of Members present at a Meeting of Members shall consist of fifty (50) voting members in attendance. The Quorum of the 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.

## **9.9 Right to Vote**

At any Meeting of Members every person who is named in the list referred to in section 9.5 shall be entitled to vote unless they are not a Member in good standing.

## **9.10 Proxies and Representatives**

Every Member entitled to vote at a Meeting of Members may, by means of a proxy, appoint a proxyholder Member(s), as the appointing Member's nominee, to attend and act at the meeting with the authority conferred by the proxy. A proxy shall be signed in writing by the Member.

## **9.11 Time for Deposit of Proxies**

A proxy may be used at the meeting only if, prior to the time so specified, it shall have been deposited with the Society or an agent thereof specified in such notice or, if no such time is specified in such notice, it shall have been received by the secretary of the Society or by the chairperson of the meeting or adjournment thereof prior to the time of voting.

## **9.12 Votes to Govern**

Except as otherwise required by the Act, all questions proposed for the consideration of Members at a Meeting of Members shall be determined by a simple majority of the votes cast.

## **9.13 Casting Vote**

In case of tie of votes at any Meeting of Members, regardless of the manner of voting, the chairperson of the meeting shall be entitled to a second or casting vote.

## **9.14 Proof of Votes**

Whenever a vote by any means other than by ballot is taken, a declaration by the chairperson of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Members upon the said question.

## ARTICLE 10 - FINANCES

### 10.1 Financial Statements

The Society shall prepare annual financial statements setting out its income, disbursements, assets and liabilities, and the financial statements shall be audited by a qualified accountant meeting public practice requirements and duly appointed at an annual Meeting of the Members.

### 10.2 Auditing the Books

The Society's books shall be audited annually.

### 10.3 Reserve

The Board shall budget and set aside a portion of the profits or revenues of the Society in 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 respecting: the repair and, where appropriate, replacement of the Facilities and any other assets owned and operated by the Society; meeting contingencies; forming an insurance reserve; or for any other purposes whatsoever for which the profits or revenues of the Society may be lawfully used. Such reserve(s) shall be maintained in amounts determined in accordance with generally accepted accounting principles. Such reserve funds shall only be used for such purposes and shall be maintained in a separate account of the Society and shall not be commingled with any other funds of the Society or any other person.

### 10.4 Reserve Fund

The Board may create a fund or funds out of the assets of the Society not greater in amount than the reserve or reserves contemplated in section 10.3 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, including without limitation the acquisition of new capital assets, and the income arising from such fund or funds shall be treated as part of the profits of the Society for the year in which the income arose. The Society may use these funds in the case of emergencies provided the money is paid back into the fund.

### 10.5 Operating Costs

The Board shall implement a procedure to monitor and to determine detailed record keeping and internal financial controls of the Society.

### 10.6 Deficit

If the Costs are in excess of the total amount collected pursuant to the Encumbrances registered against the Qualifying Properties or from any other source of revenue for the Society, the net amount of these Costs (after deduction of all anticipated surplus and revenue from sources other than the annual rent charges secured by Encumbrances) shall be collected by the Society by:

- (a) exercising the Society's option to increase the amount of the annual encumbrance fee owed by the registered owners of the Qualifying Properties and secured by the encumbrance, to the extent permitted by the terms and conditions of the encumbrance;
- (b) requiring the payment of usage charges for services provided by or on behalf of the Society by those Members or members of the general public who benefit from such services; or
- (c) borrowing, subject to the restrictions set out herein these Bylaws, on a short term basis, any funds required to meet the operating cash deficiency.

### 10.7 Collection

The Board shall be entitled to collect from any Member who is in breach of any of the Bylaws or the Rules or Regulations, and such member shall pay any and all legal costs incurred by the Society (on a solicitor and own client basis) in pursuing any remedy available to it at law or in equity (including enforcement of the annual encumbrance fee), together with interest at the rate of 2% per month, compounded, before and after judgment, to ensure observance by that Member of the Bylaws and the Rules and Regulations or to collect losses, damages or expense suffered by the Society as a result of such non-observance by that Member.

### 10.8 No Waiver

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 the Bylaws, or release of a Member from their obligations to pay the assessments or usage charges, or any instalments thereon for that or any subsequent year, but the annual Encumbrance Fee for the preceding fiscal year shall continue (on the anniversary of the Encumbrance Fee charge) until a new annual Encumbrance Fee Charge is fixed.

### 10.9 No Exemption

No Member shall be able to exempt him or herself from Fees or liability for contributions toward the Costs by waiver of use or enjoyment of the Facilities or the services provided by the Society or by vacating or abandoning his or her Qualifying Property.

### 10.10 Borrowing

- (a) For the purpose of carrying out its objects, and subject to the limitations set out herein and in the Act, the Society may borrow or raise or secure the payment of money in any manner the Board by Ordinary Resolution deems fit, and in particular by the mortgaging of the Facilities and the assignment as security of the Fees payable pursuant to the Encumbrances.

**10.11 Limitations**

Approval by Special Resolution of the Members (requiring a two-thirds (2/3) majority) is required before the Society may:

- (a) mortgage or charge any of the assets by the Society; or
- (b) borrow funds exceeding, in the aggregate, twenty five thousand dollars (\$25,000).

**10.12 Banking Arrangements**

The banking business of the Society, 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 Society's behalf by such one or more Officers or authorized employees as the Board may designate, direct or authorize from time to time and to the extent thereby provided.

**10.13 Inspection**

Upon reasonable notice given by a Member, the Board shall ensure that the audited financial books and records of the Society are made available for inspection by the Member during business hours at the registered offices of the Society.

**ARTICLE 11 - NOTICES**

**11.1 Method of Giving Notices**

Any notice, communication or document ("notice") to be given or sent pursuant to the Act, these Bylaws 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 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 fifth day after mailing, or on the date of dispatch of a transmitted, recorded or electronic communication. The secretary 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 secretary to be reliable. The foregoing notice requirements may be supplemented, but not discharged, by written advertising placed by the Society throughout the Qualifying Area.

**11.2 Computation of Time**

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.

**11.3 Undelivered Notices**

If any notice given or sent to a member pursuant to section 11.1 is returned on two consecutive occasions because the person cannot be found, the Society shall not be required to give or send any further notice to such Member until the Society is informed in writing of the new address for such person.

**11.4 Omissions and Errors**

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.

**ARTICLE 12 - APPLICATION OF PROFITS / DISSOLUTION**

**12.1 Profits**

The profits, if any, and other income or accretions to the Society shall be applied only in promotion of its objects. No dividends to its Members shall be declared or paid and no part of the income or property of the Society shall be payable to, available for the personal benefit of, or otherwise distributed to the Members.

**12.2 Distribution**

In the event of dissolution or winding-up of the Society, which shall be in accordance with the Act, any and all of the remaining assets of the Society (after payment of its liabilities) shall be distributed in accordance with the terms and conditions stipulated in the Turnover and Novation Agreements made between the Society and Marquis Communities Development Inc. and the restrictive covenant granted by the Society thereunder to one or more recognized charitable or non-profit organizations in the province of Alberta as determined by Ordinary Resolution at a meeting of the Members.

**ARTICLE 13- BYLAWS**

**13.1 Amendments**

Proposed changes to Bylaws will be communicated with twenty one (21) days notice. Bylaws can be amended or repealed by way of AGM vote requiring a 75% majority.

ENACTED by the Director(s) and confirmed by the Members of the Society in accordance with the provisions of the Societies Act (Alberta) on.