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BYLAWS OF 1135215 Alberta Society

Article I – Definition Section

- a) "Board" means Board of Directors of the Society;
- b) "Bylaws" means any Bylaws of the Society in force and effect at any time;
- c) "Director" means any person occupying the position of Director, being a member of the Board of Directors of the Society;
- d) "Encumbrance" means an instrument to secure the annual rent charge agreed to be paid by certain of the Members of the Society and registered or to be registered against the residential lands or rental lands of persons in the subdivision who are members of the Society, for the purpose of forming enforceable encumbrance pursuant to the provisions of the *Land Titles Act (Alberta)*;
- e) "Fees" means any fees, dues or other sums owing by a Member to the Society, whether under an encumbrance or otherwise;
- f) "Member(s)" means any person(s) who has (have) been admitted as a member of the Society;
- g) "Office" means the registered office of the Society;
- h) "Officer" means the President, Vice-President, Treasurer and Secretary of the Society as designated by the Directors, and includes any other person or title that may be designated as such by the Directors from time to time;

- i) "Ordinary Resolution" means a resolution passed by a majority of the votes cast by the persons who voted in respect of that resolution;
- j) "Policy" or "Policies" means instructions, standards, rules, protocols, procedures and directives issued from time to time by the Board in accordance with the provisions of these Bylaws;
- k) "Society" means the registered number under the *Societies Act* is 1135215;
- l) "Subdivision" means that portion of the northwest in the City of Calgary generally called Rocky Ridge Ranch and Rock Lake Estates;
- m) Words importing the singular number include the plural and vice versa; and
- n) Words importing the masculine gender shall include the feminine and words importing persons include corporations and companies;

Article II - Interpretation

- 2.1 These Bylaws are to be construed and interpreted in accordance with the following, unless the context otherwise requires:
- a) all terms contained in the Bylaws and which are defined in the *Societies Act* are to be accorded the meanings given to such terms in the *Societies Act*;
 - b) the headings in the Bylaws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions contained in it, or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions; and,
 - c) in the event of any conflict or inconsistency between the Bylaws and Board Policies, the Bylaws shall govern.

Article III -Society

- 3.1 The name of the Society is 1135215 Alberta Society.
- 3.2 The operations of the Society are to be carried out in the subdivisions Rocky Ridge Ranch and Rock Lakes Estates in the City of Calgary.
- 3.3 The Society is registered as a benevolent non-profit organization.

Article IV -Registered Office

- 4.1 Subject to the provisions of the *Societies Act*, the Society may, by ordinary resolution of the Directors, change from time to time the place within the City of Calgary where the registered office of the Society is to be situated. The current address is 10709 Rocky Ridge Boulevard, NW.

Article V -Membership

- 5.1 The membership of the Society shall only consist of voting members who own residential or rental property in the subdivision of Rocky Ridge Ranch and Rock Lake Estates;
- 5.2 No owner of property in the subdivision shall have a vote until the registration of an encumbrance against the title to such property is made and he/she agrees to pay the annual rental charge;
- 5.3 Where there is more than one owner of said property, there shall be only one vote allowed for each property;
- 5.4 Where a property is owned by a corporation, the voting member shall be the person resident in the property who shall be deemed to be designated by the corporation as a voting member;
- 5.5 Notwithstanding Article 5.1, where residential property is occupied by a tenant who is not the owner of said property, the registered owner of the property may designate the tenant as the voting member instead of the registered owner;

- 5.6 The registered owner of any rental project is only entitled to one vote, notwithstanding how many tenants reside in said rental project;
- 5.7 Where a condominium project is located in the subdivision, all the individual registered owners of the condominium properties shall be members;
- 5.8 Membership is not transferable by a member, except as provided in Article 5.5; Once the title is transferred membership is terminated.
- 5.9 A register of all members will be maintained by the Society;
- 5.10 Membership fees shall be determined by the Board of Directors. The proposed fee increase can be no greater than ten percent of the existing fee structure and must be approved at the Annual General Meeting;
- 5.11 If any member fails to pay his/her annual fees, the Board may serve a notice on the member requiring him/her to pay such fees together with interest and any expenses that may have accrued or been incurred by the Society for such non-payment and the Board may initiate collection and/or legal proceedings against said member in default of such fees.
- 5.12 Every member shall be issued a membership card. Such cards shall remain the property of the Society. A fee shall be charged for any card which has to be replaced, as determined by the Board of Directors.
- 5.13 Expulsion from the society is not possible because membership is not voluntary it is based on encumbrance of a home title.
- 5.14 The Board of Directors may suspend any member for the following reasons:
 - a) failure to comply with the bylaws or policies;
 - b) whose conduct, as determined by the Directors, are deemed to be improper, unbecoming or affects the interest or reputation of the Society.

No member shall be suspended without first being notified of the charge or complaint and without having been given an opportunity to be heard by the Directors and a meeting called for that purpose. When a member is suspended, the terms of such suspension shall be determined by the Board of Directors.
- 5.15 Any member who is suspended from the Society forfeits all rights, claims and privileges in the Society until said member is reinstated by the Board of Directors.

5.16 Any dispute that cannot be resolved between the Society and a member or between

- a) a member or 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 the bylaws of the society,

and the society or a director or officer of the Society, shall be decided by arbitration, as prescribed under the *Arbitration Act*.

5.17 Membership fees are used by the Society for the ongoing operation of the Rocky Ridge Ranch Centre, sports and recreation activities, playgrounds, landscaping, volunteer events, RRRHA staff salaries, Board of Directors / AGM meetings, and other such services and activities as determined by the members.

Article VI – Annual General, General and Special General Meetings

6.1 The Annual General Meeting of the Society shall be held in Calgary, Alberta on or before the 31st day of December, at which time the Board of Directors shall report on previous fiscal year's activities, present an Audited Financial Statement, propose the appointment of the auditor for the ensuing year, and conduct an election of Directors.

6.2 General and Special General Meetings of the Society may be called by the Secretary, upon instructions from the Board of Directors or upon receipt of a petition signed by one-third (1/3) of the voting members setting forth the reason for calling such a meeting.

6.3 Notices of Annual General, General and Special General Meetings of the Society shall be given by mail, to the last known address of each voting member at least twenty-one days (21 days) prior to the meeting specifying the day, hour and place of the meeting.

6.4 A quorum shall consist of one hundred (100) voting members in attendance for any meeting. In the event that a quorum is not present within thirty (30) minutes after the time called for the meeting, the meeting shall stand adjourned to a time and place determined by a majority of those members in attendance, provided that notice of such adjourned meeting is given in accordance with article 6.3. Those voting members present at such later meeting shall constitute a quorum, provided that in no case may any meeting be properly convened unless there are at least fifteen (15) voting members present.

- 6.5 Every question submitted to a meeting of voting members, except as pertaining to a change of the Bylaws or as provided otherwise in the *Societies Act*, shall be decided by a majority of votes. A voting member who is absent at such meetings can register his/her vote by proxy. A proxy shall be in writing under the hand of the appointee. A person appointed proxy must be a voting member. A proxy shall be deposited with the Secretary not less than twenty-four (24) hours before the holding of a meeting at which the person named in the instrument proposes to vote. Any resolution to change the Bylaws requires the support of a majority of not less than three-quarters (3/4) of the votes cast by the voting members.
- 6.6 If a poll is demanded at a meeting on any question, it shall be taken in such manner as the President directs. The results of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.
- 6.7 The President, or in his/her absence, the Vice-President, shall chair such meetings. In their absence, the Board of Directors shall appoint, from within the Board, a voting member to chair the meeting. All Board of Directors are entitled to vote at the meetings, subject to article 6.5.
- 6.8 At the Annual General Meeting, General and Special General Meeting, entitled voting members who have not paid their annual fees as prescribed in Article 5.2, can attend the meeting, but are not able to vote.
- 6.9 All members must disclose at Annual General, General and Special General Meetings, prior to a vote on a particular matter or issue, any situation in which their involvement is a real or perceived conflict of interest.

Article VII -Board of Directors

- 7.1 The governance of the Society shall reside with the Board of Directors, consisting of no less than three (3) and no more than fifteen (15) voting members.
- 7.2 The election of Directors of the Annual General Meeting will have terms that are staggered so that Directors do not complete their terms all at the same time. There is an option to re-elect a Director for a further two year term. No Director shall serve on the Board for more than three consecutive terms.
- 7.3 Vacancies on the Board of Directors, however caused, may be filled by appointment by the Directors, so long as a minimum of three (3) Directors remain in office; otherwise such vacancies shall be filled at the next Annual General Meeting at which time the Directors for the ensuing term are elected. If there is not a minimum of three (3) Directors, the remaining Directors shall call a Special General Meeting of the members to fill the vacancies.

- 7.4 Except in the case of expulsion, suspension or resignation, the members of the Board of Directors shall continue in office until their respective successors are duly elected or appointed in accordance with the Bylaws.
- 7.5 The Board of Directors shall manage the affairs of the Society in all things and make or cause to be made for the Society, and in its name, any contract which the Society may lawfully enter into, except where prohibited by the *Societies Act* or as herein provided, and generally may exercise all such other powers and do all such other acts and things as the Society is authorized to exercise and do.
- 7.6 The Directors may establish committees to assist with the management of the affairs of the Society. Any committee so formed shall comply with terms of reference approved by the Board and develop appropriate policies to assist in the affairs of the Society.
- 7.7 A member of the Board of Directors shall serve as the chairperson of any committee. A committee can be made up of voting members and members of the Board.
- 7.8 The Board of Directors shall meet at least eight (8) times during the year. Special meetings of the Board of Directors may be called at any time by the President or by a majority of the Board on at least twenty-four (24) hours notice to each Director setting out the time, place, and purpose of the meeting.
- 7.9 A majority of the Board of Directors, present in person or by teleconference, shall constitute a quorum for the transaction of business. In the event that a quorum is not present within thirty (30) minutes after the time called for the meeting, the meeting shall stand adjourned to a time and place determined by the majority of those in attendance, provided that notice of such adjourned meeting is given in accordance with article 7.8. A quorum at any such later meeting shall be those members of the Board of Directors who shall be present, provided that in no case may any meeting be properly convened unless there are at least three (3) members of the Board of Directors present in person or by teleconference.
- 7.10 Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairperson shall have the deciding vote. All votes at the meetings shall be taken by ballot if so demanded by any Director present, but otherwise shall be by assent or dissent. A declaration by the Chairperson that a resolution has been carried, and an entry to that effect in the minutes, shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of, or against, such resolution.
- 7.11 A resolution in writing signed by a majority of members of the Board of Directors shall be valid and effectual as if it had been passed at a duly called and constituted meeting of the Board of Directors.
- 7.12 The Board of Directors (including officers) shall not be entitled to remuneration for the performance of their duties.
- 7.13 Any Director may resign from the Board of Directors by presenting a letter of resignation to the Board of Directors by giving five (5) days notice to the Secretary.

- 7.14 The Board of Directors has the right to remove a Director at any time. The Director so removed shall be given notice in writing, stating the reasons for their removal, and shall be given an opportunity to be heard by the Board.
- 7.15 The Directors shall cause minutes to be duly entered in books provided for the purpose:
- a) of all appointments of officers; b) the names of Directors present at each meeting; c) all resolutions made by the Directors and committees; d) all resolutions and proceedings at general and special meetings.
- 7.16 The Directors shall comply with the provisions of the *Societies Act*, and in particular with the provisions in regard to the keeping of the register of Directors and managers and their addresses and occupations, the signing of the balance sheet, the filing with the Registrar of an annual report and of any change in the Directors or address of the registered office.
- 7.17 All Board of Directors must disclose at their meetings, prior to a vote on a particular matter or issue, any situation in which their involvement is a real or perceived conflict of interest.
- 7.18 Board of Directors can participate and vote at Board of Directors meetings by telephone conference.
- 7.19 The Board of Director must develop policies to include, but not necessarily excluding, the development of other policies on governance, finance, management, operations, evaluation and control.
- 7.20 The Board of Directors shall initiate and review yearly a Strategic and an Operational/Business Plan. The Strategic Plan must be approved at the Annual General Meeting.

Article VIII -Officers

- 8.1 The Officers of the Society shall be appointed by the Board of Directors from time to time and shall include the President, Vice-President, Secretary and Treasurer.

- 8.2 The President shall provide leadership to the Board of Directors, chair all meetings, keep Board activities focused on the mission of the Society, the development of strategic and business plans, and as an ex officio member on all Board committees.
- 8.3 The Vice-President shall assist the President in carrying out such duties and powers of the President as may be determined from time to time by the Board of Directors or the President. During the absence or inability of the President, the Vice-President shall assume the duties of the President.
- 8.4 If the Vice-President is unable to fulfill the duties of President during the latter's absence or inability, the Board of Directors may appoint another director to fulfill those duties.
- 8.5 The Secretary shall ensure that accurate minutes are maintained for all meetings of the Society and of the Board of Directors, give notice of all meetings to members and Directors, and be responsible for any correspondence authorized by the Board of Directors.
- 8.6 The Treasurer shall oversee the financial systems and internal controls of the Society, submit a financial report to the Board of Directors on a regular basis, and present the Audited Financial Statements at the Annual General Meeting.
- 8.7 The Board of Directors, by a majority vote, may remove or discharge an officer and replace said officer with another director. The officer to be replaced shall be given written notice by the Board that his/her services are no longer required, with or without cause.

Article IX -Books and Records

- 9.1 The administration and fiscal year shall be the calendar year.
- 9.2 The Financial Statements, duly audited by a firm of chartered accountants or certified general accountants meeting public practice requirements, shall be presented at the Annual General Meeting. The accountant firm shall be duly appointed by members at the Annual General Meeting.
- 9.3 The Board of Directors shall ensure that all necessary books and records are made available for inspection by any member of the Society upon reasonable notice.
- 9.4 The Board of Directors shall ensure that proper banking resolutions are in effect and shall select all necessary signing authorities.

Article X – Seal of the Society

- 10.1 The responsibility for custody and use of the Common Seal of the Society shall be under the control of the Board of Directors.
- 10.2 Use of the Seal shall be authenticated by the signatures of one or more officers and/or authorized employees, as determined by the Board of Directors.

Article XI -Funding and Borrowing Powers

- 11.1 The Society shall maintain separate Operating and Capital Funds.
- 11.2 For the purpose of carrying out the objectives of the Society, the Board of Directors may borrow, raise and secure payment of money subject to the approval of two thirds (2/3) of the Board of Directors. The limits of such funds shall not exceed \$25,000 (twenty-five thousand dollars), and unless approved by members by resolution at an Annual General or Special General Meeting.
- 11.3 The Board of Directors may create a reserve fund to provide for any purpose or purposes deemed necessary and reasonable by the Board to maintain the operations or add new capital assets of the Society.
- 11.4 The Directors may increase or reduce or abolish any reserve or reserve fund in whole or in part and may transfer the whole or any part to surplus. Revenues in the reserve fund will be held in a restricted cash account.
- 11.5 It is the intention of the Society to apply the profits, if any, or any other income of the Society in promoting its objects. No part of the income of the Society shall be divided among, be payable to or be available for the personal benefit of any member of the Society.

Article XII -Deeds and Documents

- 12.1 All deeds and documents executed on behalf of the Society may be in such form and contain powers, provisions, conditions, covenants, clauses and agreements as the Board of Directors shall deem to be appropriate and may be executed in such manner as the Directors see fit.

Article XIII -Liability

- 13.1 No Director of the Board, in his or her official capacity on the Board of Directors, shall be personally liable for a debt or liability of the Society.

- 13.2 Every Director shall be deemed to have assumed office on the express understanding, agreement, and condition that every Director of the Society and their heirs, executors, administrators and estate shall be indemnified and saved harmless out of the funds of the Society 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 a Director for, or in respect of any act, deed, matter or thing, done or permitted by such Director or Directors, in or about the execution of their duties of their office in the Society, except such costs, charges or expenses as are occasioned by such Director's own wilful neglect, fraudulent misconduct or other offences laid under the *Criminal Code of Canada* in the performance of his/her duties as an Officer or Director of the Society.
- 13.3 The Board of Directors shall seek to obtain Board of Director liability insurance to offset costs which could be incurred in Article 13.2.

Article XIV -Changes to the Bylaw

- 14.1 As noted in Article 6.5, the Society may by Special Resolution, rescind, add or alter the Bylaws. Such a Special resolution must be passed by three-quarters (3/4) of the members present at an Annual General or Special General Meeting. Notice specifying the intention to propose such Special Resolution must be given in writing to each member of the Society twenty-one (21) days prior to the meeting. Such a Special Resolution must be consistent with the terms of the *Societies Act* of Alberta.
- 14.2 The Bylaws must be reviewed annually by the Board of Directors.

Article XV -Dissolution of The Society

- 15.1 Upon the dissolution of the Society and after the payment of all debts and liabilities, the property of the Society shall be disposed of as chosen by the majority of the Board of Directors. The revocation and cancellation of the Society shall be in accordance with section 33 of the *Societies Act* and terms and conditions stipulated in the Turnover and Novation Agreements with Marquis Communities Development Inc. and the Society.

Article XVI -Privacy

- 16.1 Any disclosure of information by an employee to the Society is subject to the privacy provisions of the *Freedom of Information and Privacy Act*.