

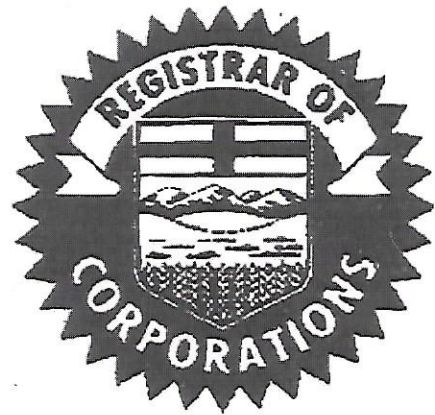
CORPORATE ACCESS NUMBER: 5011890422

Alberta

SOCIETIES ACT

**CERTIFICATE
OF
INCORPORATION**

**KINGFISHER BAY HOMEOWNERS ASSOCIATION
WAS INCORPORATED IN ALBERTA ON 2005/08/24.**



INCORPORATE SOCIETY - Registration Statement

Service Request Number: 7663323
Society Name Type: Named Society Name
Society Name: KINGFISHER BAY HOMEOWNERS ASSOCIATION

REGISTERED ADDRESS

Street: 255, 125-9TH AVENUE, SE
Legal Description:
City: CALGARY
Province: ALBERTA
Postal Code: T2G0P6

RECORDS ADDRESS

Street:
Legal Description:
City:
Province:
Postal Code:

ADDRESS FOR SERVICE BY MAIL

Post Office Box:
City:
Province:
Postal Code:
Internet Mail ID:



Fiscal Year End:
CAN of Entity Providing Undertaking:
Undertaking Date:

Future Dating Required:
Registration Date: 2005/08/24

Attachment

| Attachment Type | Microfilm Bar Code | Date Recorded |
|-----------------|--------------------|---------------|
| Application | 10000005100739910 | 2005/08/24 |
| Bylaws | 10000805100739911 | 2005/08/24 |
| Nuans | 10000205100739909 | 2005/08/24 |

| | | |
|--------------------------|-------------------|------------|
| Consent | 10000205100739891 | 2005/08/24 |
| Supporting Documentation | 10000605100739912 | 2005/08/24 |

Registration Authorized By: KARAMJEET SHERGILL
INCORPORATOR

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CR
AUG 02 2005
Corporate Registry

BY-LAWS
KINGFISHER BAY ESTATES HOMEOWNERS ASSOCIATION

1. The following are the By-Laws for the Kingfisher Bay Homeowners Association.

DEFINITIONS

2. In these by-laws.

- (a) "Act" means the *Societies Act, RSA 1980* as amended from time to time
- (b) "Budget" means the Budget as defined in Articles 40 and 41 herein.
- (c) "Common expenses" means those expenses described in Article 38 herein.
- (d) "Special Assessments" means those assessments described in Article 39 herein.
- (e) "Developer" means Lake Newell Resort Developers Ltd. and its respective successor and designated assigns
- (f) "Directors", "Board", and "Board of Directors" means the directors of the Society for the time being.
- (g) "Encumbrances" means the instruments to secure the annual rent charge agreed to be paid by each of the Members and registered or to be registered against the Lots.
- (h) "Enhanced Facilities and Common Property" means clubhouse, landscaping, lighting, community and related signage and other features and improvements to public open spaces, public walkways, entrances, road medians and boulevards, Marina and pathway, or other parcels of land within Kingfisher Bay designated from time to time by the Developer, the Society or the Town of Newell No.4 including, without limitation, parcels dedicated as public utility lots, environmental, municipal or other reserves, including reserves for parks or other community facilities.
- (i) "Final Turn Over of the Enhanced Facilities and Common Property" means the Transfer Date in the Transfer Agreement executed and delivered by the Society to the Developer respecting the last Phase in the Kingfisher Bay as designated by the Developer in its sole discretion, or such earlier as specified by the Developer in its sole discretion.
- (j) "Lot" or "Lots" means one or more of those lots located in Kingfisher Bay on Plan 9411167, Block 3 Excepting Thereout All Mines and Minerals, which has been developed or is proposed to be developed with a residential dwelling and in respect of which an Encumbrance is registered or will be registered.

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Province of Alberta

- (k) "Manager" means a person, firm or corporation appointed as Manager pursuant to section 60 hereof and, without limiting the generality of the foregoing, may include one or more of the Members appointed by the Directors on terms and conditions acceptable to the Directors, and without limitation, may include an affiliate of the Developer engaged at reasonably competitive market rates.
- (i) "Member" means a registered owner of a Lot who has had his name entered in the register of Members to be maintained in accordance with Section 5 hereof.
- (j) "Office" means the registered office of the Society for the time being.
- (k) "Ordinary Resolution" means a resolution:
 - (i) passed by a majority of the votes cast by the Members entitled to vote in respect of that resolution; or
 - (ii) signed by all the Members entitled to vote on that resolution;
- (l) "Kingfisher Bay" means all Phases now or hereafter considered to be part of and contained within Plan 9411167, Block 3, Excepting Thereout All Mines and Minerals known as "Kingfisher Bay";
- (m) "Phase" or "Phases" has the meaning ascribed thereto in section 36 hereof;
- (n) "Secretary" includes any person appointed to perform the duties of secretary;
- (o) "Society" means the Kingfisher Bay Homeowners Association;
- (p) "Special Tax" means a special tax or local improvement tax, or both levied by the County of Newell No.4 or other authority having taxation jurisdiction;
- (q) "Transfer Agreement" means an agreement in form and content satisfactory to the Developer whereby the Society agrees, inter alia, to accept the ownership of such portions of the Enhanced Facilities, if any, designated by the Developer and to assume from the Developer the rights, if any and obligations designated by the Developer under any agreements, contracts, easements or other instruments with the County of Newell No.4 or any other person respecting the Enhanced Facilities and Common Property and agrees to accept and assume the exclusive responsibility and obligation for the maintenance, operation, repair, renovation, reconstruction and replacement of all Enhanced Facilities and Common Property within the respective Phase designated by the Developer as at the date specified by the Developer (the "Transfer Date") and whereby the Society agrees to indemnify the Developer from all liability in connection with such responsibility and

obligation assumed by the Society under the Transfer Agreement from and including the Transfer Date; and

- (r) "Transfer Date" has the meaning ascribed to such term in subsection 37 hereof.

REGISTERED OFFICE

3. The Society may, by resolution of the Directors, change from time to time the place where the registered office of the Society is situated.

MEMBERS

4. (a) Every person, including a body corporate, being the registered owner of a Lot shall be deemed and decreed to have agreed to become a Member and shall become a Member upon becoming registered at the Land Titles office as an owner of a Lot. Such Member continues to be a Member as long as such person so owns such Lot and shall forthwith cease to be a Member upon ceasing to be the registered owner of such Lot; therefore, a member cannot be expelled or resign.

(b) Where a Lot is owned by a corporation, the Member shall be a natural person designated by the corporation as the Member.

(c) Membership is not transferable by a Member except by way of transfer of title to a Lot and membership is appurtenant to ownership of a Lot.

REGISTER OF MEMBERS

5. A register of Members in such form as the Board may approve shall be maintained in which shall be recorded the names and addresses of all Members. The Register shall be amended from time to time so that all Members are listed in such register.

RIGHTS OF ALL MEMBERS

6. (a) Members shall have access to and be entitled to the use of the Enhanced Facilities and Common Property in common with all other Members, subject to suspension of such rights:

- (i) for breach of any rule or regulation established by the Society from time to time for the conduct of Members or their respective invitees; and
- (ii) for default by any Member in payment of the annual rent charge due and payable under the Encumbrance or any other fees, dues or sums owing to the Society.

(b) Members acknowledge and agree that the rights to vote herein as a Member shall be suspended for any period of time they are in arrears in payment of the annual rent charge due and payable under the Encumbrance in respect of such Member's Lot

MEMBER'S MEETINGS

7. The first annual general meeting of the Members shall be held at such time within sixteen

may determine. Subsequent annual general meetings shall be held at least once in every calendar year and not more than sixteen (16) months after the holding of the last preceding general meeting at such time and place as may be determined by the Directors.

8. The Directors may, whenever they think fit, proceed to convene a special general meeting of the Society. If Members entitled to vote representing no less than ten (10%) percent of the Lots deliver written notice to the Directors requesting a special general meeting to deal with the same matter, then the Directors shall proceed to convene a special general meeting.

9. Notice of any annual general meeting or any special general meeting shall be given in writing to all Members at their addresses listed in the Register, not less than ten (10) days prior to the date of such meeting specifying the time and location of such meeting and the business proposed to be transacted.

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

PROCEEDINGS AT MEMBERS' MEETINGS

11. No business shall be transacted at a general or special meeting of the Members unless a quorum of Members is present at the time the meeting proceeds to business. Save as herein otherwise provided, Members entitled to vote representing not less than ten (10%) percent of the Lots, either personally present or represented by proxy shall be a quorum

1:6 members
= quorum.

12. The President, or in his absence the Vice-President (if any) or in his absence, such Member as is appointed by the Members present shall be entitled to take the chair at every general meeting.

13. Every question submitted to a Meeting shall be decided by a majority of votes cast on the question. In the first instance the question shall be determined by a show of hands, or otherwise as the chairman may direct and in the case of an equality of votes the chairman shall, both on a show of hands or otherwise, have a casting vote in addition to the vote to which he may be entitled as a Member.

VOTES OF MEMBERS

14. On a show of hands or a poll, the vote, or portion thereof, which every Member present in person or by proxy shall be entitled to cast shall be determined as follows:

- (a) there shall be one vote per Lot, provided that prior to Final Turn Over of the Enhanced Facilities and Common Property, Members other than the Developer shall not be entitled to vote. Upon the earlier of Final Turn over of the Enhanced Facilities and Common Property and such earlier date as specified by the Developer in its sole discretion, each Member shall be entitled to one vote for each Lot owned by such Member;

- (b) in the event a Lot is owned by two or more Members as tenants-in-common, such Members are each entitled to that part of a vote applicable to such Lot as is proportionate to his or her interest therein;
 - (c) in the event a Lot is owned by two or more Members as joint tenants, each Member's interest in such Lot shall be deemed to be equal and each such Member shall be entitled to that part of a vote applicable to such Lot as proportionate to his or her deemed interest therein.
15. Votes may be given either personally or by a nominee appointed by a proxy.
16. A proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, and need not be attested.
17. No proxy shall be valid after the expiration of twelve (12) months from the date of its execution unless it is otherwise specified in the instrument.
18. The proxy or a copy thereof shall be presented at the meeting, failing which, it shall not be treated as valid. No Member shall be entitled to be present or to vote on any questions, either personally or by a nominee appointed by a proxy, or as the nominee appointed by a proxy for another Member at any general meeting, or upon a poll, or to be reckoned in a quorum while any sum due and payable to the Society by such Member shall remain unpaid for at least forty-five (45) days following a written request for payment of same.
19. A resolution in writing, signed by all the Members without their meeting together (which may be executed in several counterparts) shall be as valid and effectual as if it had been passed at a meeting of the Members duly called and constituted, and shall be held to relate back to any date therein stated to be the effective date thereof.

BORROWING POWERS

20. The Directors may from time to time at their discretion raise or borrow money for the purposes of the Society's business in amounts in the aggregate not exceeding TEN THOUSAND (\$10,000.00) DOLLARS at any one time

DUTIES OF DIRECTORS

21. Until otherwise determined by a general meeting, the number of Directors shall be not less than two (2) and no more than seven (7).
22. The Directors of the Society shall be nominees of the Developer until the earlier of Final Turn Over of the Enhanced Facilities and Common Property and such earlier date as specified by the Developer in its sole discretion, at which time a new slate of Board of Directors shall be elected from nominees of the Members. The Members may by Ordinary Resolution removed any Directors from office and the vacancy created by such removal may be filled at the meeting of the Members at which the Director was removed or if not so filled may be filled by the Directors.

23. The Directors shall have power from time to time and at any time, to appoint any other person or persons as a Director or Directors, either to fill a casual vacancy or vacancies or as an addition or additions to the Board, provided that the total number of Directors shall not any time exceed the maximum number fixed by these Articles or by a general Meeting.

24. 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.

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

26. The Directors of the Society shall be elected at each annual general meeting of the Society.

PROCEEDINGS OF DIRECTORS

27. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings, and may declare the quorum necessary for the transaction of business, but until the Directors make such determination, two (2) Directors shall be the quorum.

28. Any Director may participate in a meeting of the Board of Directors by means of conference telephone and a Director participating in a meeting pursuant to this article shall be deemed to be present in person at that meeting.

29. The President shall and the Secretary may, at the written request of not less than Twenty-five (25%) percent of the Directors, at any time convene a meeting of Directors.

30. Questions arising at any meeting of Directors shall be determined by a majority of votes, and in case of an equality of votes, the chairman shall have a second or casting vote.

31. The Directors shall choose one of their number to chairman of the Board of Directors.

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

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

PREPARING AND KEEPING THE MINUTES OF THE SOCIETY'S MEETINGS

34. The Secretary shall cause minutes to be duly entered in books provided for the purpose of

all appointments of officers, of the names of Directors present at each meeting of the Directors and of any committee of Directors, of all resolutions made by the Directors, and all resolutions and proceedings of general meetings.

POWERS OF DIRECTORS

35. The management of the business of the Society shall be vested in the Directors who, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Members in general meetings or special meetings. Neither the Directors nor the Members shall amend or revise the Society's obligations pursuant to the following paragraphs 36 and 37 hereof.

DEVELOPER TURN OVER OF ENHANCED FACILITIES AND COMMON PROPERTY

36. The Society acknowledges that Kingfisher Bay and the Enhanced Facilities and Common Property are being developed in multiple phases as designated by the Developer from time to time (such phases as designated by the Developer from time to time being referred to herein as "Phases" and each phase referred to herein as a "Phase"). The Society acknowledges that the responsibility for maintaining and operating the Enhanced Facilities and Common Property with respect to each respective Phase will be turned over to the Society by the Developer, and assumed by the Society, at such times as determined by the Developer in its sole discretion.

37. The Society agrees, with respect to each respective Phase, to assume the exclusive responsibility and obligation for payment of the Common Expenses including, but not limited to, the maintenance, operation, repair, renovation, reconstruction and replacement of all Enhanced Facilities and Common Property and indemnify the Developer against all liability in connection with such assumed responsibility and obligation as and from the date designated by the Developer in a notice delivered to the Society specifying that such responsibility and obligation respecting such Phase shall, on such date, be transferred to, and be assumed by, the Society. Forthwith upon request of the Developer, the Society shall, with respect to each respective Phase, duly execute and deliver a Transfer of Land to the Developer respecting the Enhanced Facilities and Common Property located within such Phase. The Society shall have no responsibility, control or input in respect of the Enhanced Facilities and Common Property for which responsibility has not yet been transferred to the Society by the Developer.

COMMON EXPENSES

- 38.a a) All the common expenses for the Enhanced Facilities and Common Property within Kingfisher Bay Phase, specific to the Lots in this Phase, shall be assessed and levied by the Society;
- b) All the common expenses for the Enhanced Facilities and Common Property common to all Phases in the Lake Newell Resort Development, including all Homeowners Association, will be assessed and levied by the Developer; and

all said levies shall be paid by each Lot owner in their proportionate share, and without limiting the generality of the foregoing:

- i) All levies or charges on account of maintenance of entrance ways and parking areas, maintenance and operation of surface irrigation system, garbage removal, electricity, water, gas and fuel services and television antenna or cable services (if any) supplied to the Enhanced Facilities and Common Property for the Project and for the benefit of all owners and not charged directly to any one owner either by meter or otherwise;
- ii) Cost of maintaining Marina and pathways or other areas shared as public use with the other Homeowners Associations;
- iii) Costs of Storage facilities for recreation vehicle to be parked off-site;
- iv) Management fees and Insurance Trustee fees, if any, wages, salaries, taxes and other expenses payable to or on account of employees of the Society;
- v) All the charges on account of cleaning or sweeping of designated visitor parking areas, lawn maintenance and landscaping and for ice, snow and debris removal from common property not designated as a privacy area;
- vi) All charges on account of lighting fixtures situated on common property;
- vii) All charges on account of maintenance for those portions of a property or common property for which the Society is responsible under these by-laws;
- viii) All insurance costs in respect of the insurance for which the Society is responsible under the by-laws and/or the Act;
- ix) All costs of and charges for all manner of consultation, professional and servicing assistance required by the Society including but without limiting the generality of the foregoing all legal and accounting fees and disbursements;
- x) All reserves for repairs and replacement of common property and portions of properties or buildings the repair or replacement of which is the responsibility of the Society;
- xi) The cost of maintaining fidelity bonds as provided by these by-laws;
- xii) The cost of borrowing money for the purpose of carrying out the duties and objects of the Society;

SPECIAL ASSESSMENTS

39. If at any time it appears that the annual assessments or contributions towards the Common expenses will be insufficient to meet the actual Common expenses, the Society may assess and collect a special contribution in an amount sufficient to cover the additional anticipated Common expenses. Each such special contribution shall be determined on per lot

- iv) the interest owing if any, on any unpaid balance of a contribution; and, in favor of any person dealing with that owner the certificate is conclusive proof of the matters certified therein.

46. Upon the written request of an owner, purchaser or mortgagee of a property the Society shall, within twenty (20) days of receiving that request, provide to the person making the request one or more of the following as requested by that person:

- i) a statement setting forth the amount of any contributions due and payable in respect of a property;
- ii) the particulars of:
 - (a) any action commenced against the Society and served upon the Society;
 - (b) any unsatisfied judgment or order for which the Society is liable; and
 - (c) any written demand made upon the Society for an amount in excess of \$5,000.00 that, if not met, may result in an action being brought against the Society;
- iii) the particulars of or a copy of any subsisting management agreement;
- iv) the particulars of or a copy of any subsisting recreational agreement;
- v) a copy of the current budget of the Society;
- vi) a copy of the most recent financial statement of the Society;
- vii) a copy of the by-laws of the Society;
- viii) a copy of any minutes of proceedings of a general meeting of the Society or of the Board;
- ix) the particulars of or a copy of any subsisting lease of any of the common property;

47. Notwithstanding anything to the contrary hereinbefore contained, during the initial stages of development and before 90% of the properties have been occupied or sold by the Developer of the project and prior to the first annual general meeting being convened and the fiscal year of the Society established, the following provisions will apply:

- i) The Developer will cause to be prepared an interim statement of anticipated

common expenses, which may be revised and sent to the owners every three (3) months;

- ii) The owner or occupier of a property shall pay to the Society on the first day of each month, commencing on the first day of the month next following receipt by the owner or occupier of Notice of Estimated Monthly Assessment, the amount of the estimated monthly assessment towards common expenses for which his property is responsible, based on the property factor for his property;

48. The omission by the Society to fix the assessments hereunder for the next ensuing fiscal year or other period provided for herein, shall not be deemed a waiver or modification in any respect of the provisions of these by-laws or release of the owner or owners from their obligation to pay the assessments or special contributions, or any installments thereof for any year or period, but the assessments fixed from time to time shall continue until new assessments are fixed. No owner can exempt himself from liability for his contributions toward the common expenses by waiver of the use or enjoyment of any of the common property or by vacating or abandoning his property;

49. The Board or the Manager supplying any documents required to be provided in these by-laws or under Section 36 of the Act, shall be entitled to charge a reasonable fee for the production thereof.

OFFICERS

50. The Board shall, from amongst their number, elect a president, a secretary and treasurer, or a secretary-treasurer and such other officers as the Directors may from time to time appoint. Any one person may fill more than one of the above offices. Such persons holding such offices, besides fulfilling any duties assigned to them by the Directors, shall have such power as are usually incidental to such offices. The officers shall be entitled to reimbursement for reasonable expenses incurred in connection with the administration of the affairs of the Association.

KEEPING THE SOCIETY'S SEAL

51. The Society shall have a corporate seal which shall be such form and device as may be adopted by the Directors, and the Directors may make such provisions as they see fit with respect to the affixing of the said seal and the appointment of a Director or Directors or other persons, to attest by their signatures that such seal was duly affixed. The Secretary will be responsible for keeping the Society's corporate seal.

RESERVES AND FUNDS

52. The Directors may include in the budget, assess and collect or cause to be collected and set aside any revenues of the Society to create a reserve or reserves to provide for maintaining the Enhanced Facilities and Common Property, forming an insurance reserve or for any other purposes whatsoever for which the profits of the Society may be lawfully used. The Directors may also carry forward to the accounts of the succeeding year or years, any profit or balance of profit which they shall not think fit to place in such reserve.

53. The Directors may from time to time increase, reduce or abolish any reserve or reserve funds in whole or in part and may transfer the whole or any part to surplus.

OPERATING COSTS OF SOCIETY

54. The Directors shall implement a procedure to monitor and determine the costs of owning, administering, managing, operating, maintaining, repairing, renovating, reconstructing and replacing the Enhanced Facilities and Common Property (collectively the "Costs") including the costs of preparation in each year of a budget for the upcoming year and financial statements for the most recent fiscal period and the costs of legal, accounting and other professional services incurred by the Society.

ENCUMBRANCE

55. The Costs as set forth in the budget to be prepared from year to year shall be collected by assessing against the Members and annual rental charge as has been provided for in the Encumbrances including, without limitation, if applicable, by way of Special Tax assessed and collected by the County of Newell No. 4 or by the Society assessing and collecting such annual rent charge directly from the Members, or any combination of the foregoing. Neither the Society nor the Member may discharge the Encumbrances or any one of them without the approval of the Developer. The Encumbrances shall secure equal contributions from each of the Lots, provided that notwithstanding anything to the contrary herein, the Society shall not be entitled to assess and collect the annual rent charge in respect of a Lot until a residential dwelling has been constructed and first occupied for residential purposes on such Lot, nor shall the Society be entitled to assess and collect the annual rent charge, directly or by way of Special Tax, if applicable, in respect of a Lot owned by the Developer.

56. If the resulting contributions received do not result in sufficient income to pay the Costs, then the Directors shall increase the Society's income in the following manner:

- (a) if necessary, the Society shall borrow, on a short-term basis, any funds required to meet the operating cash deficiency being experienced;
- (b) the Directors, on behalf of the Society, shall present a full report on the operating cash deficiency to the next annual meeting of the Society together with their recommendations for increasing the income of the Society, including if so determined by the Directors, increasing the annual rent charges to the Members.
- (c) if they determine that addressing such deficiency should not await the next ensuing annual general meeting, they shall call an extraordinary meeting of the Society to consider the manner.

The Directors may, by resolution of the Directors, increase the annual rent charge secured by the Encumbrances at any time prior to January 31st in any calendar year by an amount equal to the proportionate increase in the Consumer Price Index, as it applied to the County of Newell No. 4, for the preceding calendar year (the "CPI Increase") on the terms set forth in the Encumbrances.

In addition to the CPI Increase, the Members may, by Ordinary Resolution of the Members, increase, or decrease, the annual rent charge secured by the Encumbrances.

Any increase in the annual rent charge under the Encumbrances shall be the same for all Lots. The Members shall be bound by the decision of the Directors with respect to the CPI Increase and the Ordinary Resolution of the Members with respect to any increase in addition to the CPI Increase passed in accordance with these by-laws and agree to the amendment of their Encumbrances in accordance with the decision of such meeting. All such decisions shall be distributed to all Members by written notice.

ACCOUNTS

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

58. The books of accounts and accounting records shall be kept at the registered office of the Society, or at such other place or places as the Directors deem fit, and shall be open to inspection by the Directors and Members.

59. The Directors shall lay before each annual meeting of the Members, a financial statement and the report of the auditor to the Members thereon.

PROFESSIONAL MANAGER

60. The Directors shall be entitled to engage a Manager, at reasonably competitive market rates, to perform such functions of the Society and Directors, including without limitation, those functions set forth in sections 42-47 hereof, as determined by the Directors from time to time, subject always to the control and supervision of the Society and the Directors. The term of such engagement shall always be terminable, without cause, within thirty (30) days of written notice delivered by the Society to the Manager. The fees and charges payable to the Manager shall be included in the Costs and funded through the assessment and collection of the annual rent charge in accordance with these by-laws. Without limiting the generality of the foregoing, the Directors which are the Developer's nominees, shall be entitled, but not obligated, upon Final Turn Over of the Enhanced Facilities and Common Property, to engage a Manager to assist the Society (and, if the Members fail to elect a new slate of Directors, perform the functions of the Society and the Directors set out in section 42-47, and organize such meetings and file such notices as required hereunder or under the Act) until such time as a new slate of Directors is elected from nominees of the Members and the Society terminates such engagement with the Manager by thirty (30) days written notice thereof. Notwithstanding anything to the contrary herein and in any event, following the Final Turn Over of the Enhanced Facilities and Common Property and resignation of the nominees of the Developer as Directors and officers of the Society, such Directors and officers, and the Developer, shall not be obligated in any respect for the supervision or performance of the functions of the Directors, officers, Manager, or the Society.

AUDITING

61. The Members shall, at each annual general meeting, appoint an auditor to audit the accounts of the Society to hold office until the next annual general meeting, provided that the Directors may fill any casual vacancy in the office of the auditor. The remuneration of the auditor shall be fixed by the Board of Directors.

62. The books, accounts and records of the Secretary and Treasurer or Secretary-Treasurer shall be audited at least once each year. The auditor of the Society shall have a right of access to all records, documents, books, accounts and vouchers of the Society, and is entitled to require from the Directors and Officers of the Society, such information as may be necessary for the performance of his or her duties.

63. 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 Members, for their approval.

BOOKS AND RECORDS

64. The books and records of the Society may be inspected by any Member of the Society at the annual general meeting of the Members or at any time upon giving reasonable notice and arranging a time satisfactory to the officer or officers having charge of same. Each director shall, at all times, have access to such books and records. The Directors appoint, and shall cause, the secretary, the Treasurer or the Secretary-Treasurer to prepare and keep the books and records of the Society. At all proceedings of the Directors, the Directors shall appoint one of the Directors to act as secretary and to record the minutes of such proceedings of the Directors and such secretary shall submit such record to the Secretary, Treasurer or Secretary-Treasurer of the Society (who is appointed by the Directors to prepare and keep the books and records of the Society) to be kept for the Society. The person who is the chair at general meetings and special meetings of the Society shall appoint one of the Members to act as secretary and to record the minutes of such meeting and such secretary shall submit such minutes to the Secretary, Treasurer or Secretary-Treasurer (who is appointed by the Directors to prepare and keep the books and records of the Society) to be kept for the Society.

NOTICES

65. Any notice may be served by the Society on any of the Members by leaving such notice in the mail receptacle on the Lot owned by such Member, or by sending it through the post in a prepaid envelope to such Member at the civic address of his Lot or at his address as the same appears in the books of the Society or on the title to his Lot. Receipt of such notice shall be deemed five (5) business days after mailing.

66. It shall not be necessary for any notice to set out the nature of the business which is to come before a meeting of the Directors and it shall not be necessary for any notice to set out the business which is to come before a meeting of the Members unless the same is special business or relates to a proposed increase in the annual rent charge under the Encumbrances other than a CPI Increase.

INDEMNITY AND INSURANCE

67. Except as otherwise hereinafter provided, every Director and officer of the Society shall be indemnified by the Society against all losses and expenses which any such Director or officer shall incur or become liable to by reason of any contract entered into or act or thing done by him or her in his or her capacity as a Director or officer or in any way in the discharge of his or her duties.

68. Any person made a party to any action, suit or proceedings by reason of the fact that he or she is or was a Director or officer of the Society, or of any Society which is served by such Director or officer as such at the request of the society, shall be indemnified by the Society against the reasonable expenses, including legal fees, actually and necessarily incurred by him or her in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceedings that such Director or officer is liable for gross negligence or similar misconduct in the performance of his or her duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director or officer may be entitled. None of the provisions hereof shall be construed as a limitation upon the right of the Society to exercise its general power to enter into a contract or undertaking of the indemnity with or for the benefit of any Director or officer in any proper case not provided for herein.

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

70. Subject to any limitation in the Act, the Association may purchase and maintain such insurance for the benefit of its directors and officers as the Directors may from time to time determine.

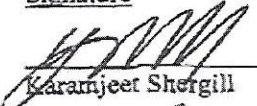
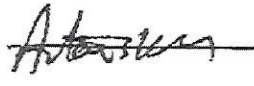
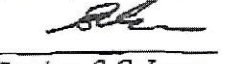

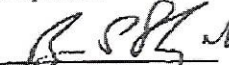





ACT

71. The Society and its Members shall at all times comply with the provisions of the Act.

AMENDMENT

72. These By-laws may not be amended prior to the Turn Over of the Enhanced Facilities and Common Property without the prior written approval of the Developer. Following Turn Over of the Enhanced Facilities and Common Property, these By-laws may be amended by Special Resolution (as defined in the Act) of the Members.

DATED this 28th day of July, 2005.

| <u>Name</u> <u>Signature</u> | <u>Occupation</u> | <u>Address</u> | <u>Witness</u> <u>Signature</u> |
|---|-----------------------|--|---|
|  Karamjeet Shergill | Professional Engineer | 2020 - 18 st NW Calgary, AB T2M 3T1 |  |
|  Stephen S.C. Law | Professional Engineer | 900, 805 - 8 th Ave SW Calgary, AB T2P 1H7 |  |
|  Baldev S. Shergill | | 2020 - 18 st NW Calgary, AB T2M 3T1 |  |
|  Surinder K. Brar | | 2020 - 18 st NW Calgary, AB T2M 3T1 |  |
|  Nazroop Shergill | | 16 Patterson Bay SW Calgary, AB T2M 3T1 |  |

Witness is: ATAR SINGH KHAIR
 Address: 59 COURAGE PLATEAU CIR SW
CALGARY AB T3H 5S7