

BY-LAWS

**By-laws relating generally to
the transaction of the business
and affairs of**

HAUSERS COVE HOME OWNERS ASSOCIATION

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BY-LAWS**

**1.
DEFINITIONS AND INTERPRETATIONS**

1.1_ DEFINITIONS

In these By-laws, unless the context required a different meaning:

- a) AAct@ means the *Societies Act*, R.S.A. 2000, c. s-14 and its regulations, as amended, and any statute and regulations that may be substituted therefor;
- b) AAnnual General Meeting@ means the annual meeting of the Association to be held once a year in accordance with Article 3 herein;
- c) AApplication@ means the application for incorporation creating the Association, a copy of which is attached hereto as Schedule AC@;
- d) AAssociation@ means Hausers Cove Home Owners Association;
- e) AAuditor@ means a duly qualified accountant in and for the Province of Alberta or any two (2) Members elected at an Annual General Meeting for the purpose of auditing the books, records and financial statements of the Association, Such Auditor need not be a chartered accountant and shall not be a member of the Board;
- f) ABoard@ means the board of directors of the Association;
- g) ABy-law@ means these bylaws of the Association as amended from time to time;
- h) ACommon Facilities@ means all signage, parks, fences and playground facilities and improvements that have been or may be constructed from time to time on the Common Facilities Lands for the use, benefit and enjoyment of the Members;
- i) ACommon Facilities Lands@ means the community lot and parks within the subdivision on which common facilities are located;
- j) ADirector@ means any person who has been duly elected or appointed to the Board;
- k) AEncumbrance@ means the instrument attached hereto as Schedule AA@ or similar thereto, that may be registered by or transferred to the Association and is registered or will be registered, against lots within the Subdivision to secure payment of a rent charge which the Association determines is owing by the Members to the Association;
- l) AMember@ means any person described in paragraph 2.1 herein who is in good standing with Association. A Member shall be deemed to be in good standing with the Association if he:
 - i) has paid in full all fees or other sums owed to the Association on the date specified for payment by the Association; and
 - ii) has not been expelled or suspended from membership in the Association;
- n) ARegistered Office@ means the registered office for the Association as more

particularly described in the Associations corporate minute book;

- o) AResidential Property@ means any real property lot situated in the Subdivision, which is zoned for a single family residence;
- p) ASpecial Meeting@ means meetings of the Association held pursuant to paragraph 3.2 herein;
- q) ASpecial Resolution@ shall have the meaning as provided in the Act; and
- r) ASubdivision@ means the area known as Hausers Cove situate at Buck Lake, Alberta as shown on the Neighbourhood Concept Plan, a copy of which is attached hereto as Schedule AS@.

1.2 Interpretation

- a) In these By-laws the singular shall include the plural and the plural, the singular. The masculine shall include the feminine and the neuter, and Aperson@ shall include individuals, trusts, firms, partnerships, corporation and societies. Wherever reference is made to any statute or section, such reference shall be deemed to extend and apply to any amendment to the statute or section as the case may be.
- b) These By-laws shall be construed with reference to the provisions of *The Societies Act* R.S.A. 2000, c. S-14, as amended from time to time (or any subsequent governing legislation), and terms used in these By-laws shall be taken as having the same respective meanings as they have used in that Act. Notwithstanding anything else herein contained, these By-laws shall be read subject to the restrictions upon their scope and effect contained in the Act and other applicable statutes and rules of law and equity, and any provisions herein repugnant to such restrictions shall, wherever possible, be severed from these By-laws in order that the rest may stand.
- c) These By-laws shall be interpreted in a broad and literal sense so as to give effect thereto wherever possible.

1.3 Headings

The captions or section numbers appearing in the By-laws are inserted only as a matter of convenience and in no way define, limit or describe the scope or intent of the By-laws or any one or more of them.

1.4 Encumbrance

These By-laws are subject to and are to be construed with the Encumbrance which said instrument shall govern in the event of any conflict with these By-laws. The purpose and objects of the Association are to carry out the duties and functions provided for in the Encumbrance and which are more particularly set out in the Application.

2.

MEMBERS OF THE ASSOCIATION

2.1 Eligibility

The Members of the Association shall be the subscribers to the Application and By-laws and any registered owner of Residential Property who is 18 years of age.

2.2 Membership Fees

The Board shall from time to time prescribe annual and other fees payable by the Members to the Association; and

The Board shall fix the due date for payment of any annual and other fees by the Members to the Association, and all Members shall pay their fees on or before the due date for payment; and

If a member shall fail to pay any fees on the day appointed for payment thereof, the Board may at any time thereafter, and during such time as the fees are owing by the Member to the Association, serve a notice on the Member requiring him to immediately pay the outstanding fees together with interest, and other costs (including solicitor-client costs) incurred by the Association by reason of such non-payment. The Board shall be entitled to register against title to the Residential Property owned by the defaulting Member, an encumbrance, instrument (as defined in the Land Titles Act, RSA 2000, c. S-14 Chap. L-5, or caveat with respect to any outstanding monies owed to the Association, and shall be entitled to take steps and proceedings in order to collect the outstanding monies owed to the Association.

2.3 Notice of Voting Rights of Members

a) A Member shall be entitled to:

notice of and to attend all Annual General Meetings and Special Meetings, and

all voting and membership privileges or powers in the Association as provided in these By-laws;

Each Residential Property shall carry with it the right to one (1) vote at all Annual General Meetings and Special Meetings notwithstanding more than one Member resides upon a Residential Property. The registered owner of a Residential Property may cast one (1) vote on behalf of the Residential Property he owns. If there is more than one registered owner of a Residential Property and a dispute arises over who has the right to vote, the person named first on the Certificate of Title with respect to that Residential Property shall only be entitled to vote;

Where there is a difficulty or dispute in determining which Member is entitled to vote the Board shall, in its absolute discretion, determine who has the right to vote, which decision shall be final; and

A Member shall automatically lose its entitlement to vote if:

- I) the Member has failed to pay in full all fees or other sums levied by the Association including all costs, interest, fees and expenses associated therewith on the date any such fees or sums were to have been paid in full to the Association; or

- ii) he ceases to be the registered owner of the Residential Property.

2.4 Members Register

The Association shall keep a register of its Members, in a form determined by the Board and in accordance with the Act. Notwithstanding anything contained in these By-laws, a Member=s name and municipal address must appear in the register in order for a Member to be entitled to vote at Annual General Meetings or Special Meetings. If a Member=s name and municipal address does not appear in the register, the Board, in its sole discretion, may allow the Member to vote if the member provides evidence to the Board that it is an owner of Residential Property and the Board is satisfied with the evidence provided.

2.5 Removal of Members

- a) A member shall automatically cease to be a Member if the Member ceases to be the registered owner of the Residential property.
- b) No Member shall be expelled from the Association nor shall any Member have the ability to withdraw from the Association so long as he continues to be a registered owner of Residential Property.

3.

ASSOCIATION MEETINGS

3.1 The Annual General Meeting

- a) An Annual General Meeting of the Association shall be held in the year of incorporation and each calendar year thereafter at Hausers Cove, at Buck Lake, Alberta, on a day to be fixed by the Board.
- b) At least fourteen (14) days (which includes weekends and statutory holidays) prior to an Annual General Meeting, the secretary of the Association shall mail or deliver to the last known address of each Member a notice setting forth the date, place and time of the Annual General Meeting;
- c) At the Annual General Meeting the Members shall:
 - I) review the audited financial statement setting out the Association=s income, disbursements, assets and liabilities for the previous fiscal year as reported on by the Association=s Auditor or Treasurer,
 - ii) elect Directors of the Association; and
 - iii) transact such other business as may be properly put before the Members;
- d) Ten of the Members, personally present, shall constitute a quorum for an Annual General Meeting;
- e) Unless a majority of the Members present at the meeting demand a ballot vote, all voting at an Annual General Meeting shall be done by a show of hands. If a ballot is demanded in the aforesaid manner, the ballot shall be taken at such time and place and in such manner as the person presiding at the Annual General Meeting may direct, and the result of the ballot shall be deemed to be the resolution of the Annual General

Meeting at which the ballot was demanded;

- f) In case of a tie vote, the chairman of the Annual General Meeting shall have a second or casting vote;
- g) No Member may vote by proxy;
- h) Each matter to be voted on at an Annual General Meeting (excepting those requiring a Special Resolution) shall be decided by a simple majority vote of the Members voting on the matter; and
- I) The president of the Association, or in his absence the vice-president of the Association, or in his absence the secretary of the Association shall be the chairman at Annual General Meeting. If the president, vice-president or secretary are not present within fifteen (15) minutes after the time appointed for holding such a meeting, the Board members present shall select one from among them to preside as chairman.

3.2 Special Meetings of the Association

- a) Special Meetings of the Association may be called at the direction of the president of the Association or upon the request in writing of twenty (20) Members, stating the object of the Special Meeting;
- b) At least fourteen (14) days (includes weekends and statutory holidays) prior to the Special Meeting, the secretary of the Association shall mail or deliver to each Member a notice setting forth the date, place and time of the Special Meeting;
- c) Twenty (20) of the Members, personally present, shall constitute a quorum for a Special Meeting;
- d) Unless a majority of the Members present at the meeting demand a ballot vote, all voting at a Special Meeting shall be done by a show of hands;
- e) In case of a tie vote, the chairman of the Special Meeting shall have a second or casting vote;
- f) Each matter to be voted on at a Special Meeting (excepting those requiring a Special Resolution) shall be decided by a majority vote of the Members voting on the matter; and
- g) The president of the Association, or in his absence the vice-president of the Association, or in his absence the secretary of the Association shall be the chairman at a Special Meeting. If the president, vice-president or secretary are not present within fifteen (15) minutes after the time appointed for holding such a meeting, the Board members present shall select one from among them to preside as chairman.

4.

THE GOVERNMENT OF THE ASSOCIATION

4.1 The Board

- a) The affairs of the Association shall be managed by the Board consisting of not less than three (3) nor more than nine (9) Members each of whom at the time of his election and throughout his term of office shall be a Member;
- b) Until the first Annual General Meeting of the Association, the initial Board shall be

comprised of six (6) Members who shall be the initial subscribers to these By-laws and their term of office shall expire on the date of the first Annual General Meeting of the Association (unless, and to the extent that, any are then re-elected).

- c) One Half (2) of the Members of the Board elected at the first Annual General Meeting of the Association shall be elected to sit on the Board for a one (1) year term and the other half (2) of the Members of the Board elected at the first Annual General Meeting of the Association shall be elected to sit on the Board for a two (2) year term. Thereafter, Board membership shall commence upon election or appointment to the Board and shall expire at the second Annual General Meeting thereafter such election or appointment, unless prior to such meeting the Board member's office has been vacated pursuant to paragraph 4.4 herein, at which time his Board membership shall be deemed to have expired.
- d) A Board member is eligible for re-election to the Board at the next succeeding Annual General Meeting following his election or appointment to the Board. A Board member shall not be eligible for re-election to the Board if his office has been vacated pursuant to paragraph 4.4 herein unless a majority of Members present at an Annual General Meeting or Special Meeting approve of his re-election;
- e) The Board shall subject to these By-laws or directions given to it by a majority vote at any meeting properly called and constituted, have full control and management of the affairs of the Association;
- f) Board meetings shall be held as often as may be required, but at least once every twelve (12) months, and shall be called by the president of the Association, or on the instructions of any two (2) Board members, provided the two (2) Board members requesting the Board meeting address their request in writing to the president of Association and state the business to be brought before the meeting;
- g) The secretary of the Association shall mail or deliver to each Board member five (5) days (which includes weekends and statutory holidays) prior to a Board meeting a notice in writing setting forth the date, place and time of the Board meeting;
- h) A majority of the Board members, personally present at a Board meeting, shall constitute a quorum;
- I) If within half an hour from the time appointed for a Board meeting a quorum is not present, the Board meeting shall be adjourned to the same time and place in the next week. If within a half hour from the time appointed for the adjourned Board meeting a quorum is not present, the Board members present shall constitute a quorum;
- j) Each Board member shall have one (1) vote at all Board meetings and all matters brought before the Board must be decided by a majority vote;
- k) The president of the Association, or in his absence the vice-president of the Association, or in his absence the secretary of the Association shall be the chairman at a Board meeting. If the president, vice-president or secretary are not present within fifteen (15) minutes after the time appointed for holding such a meeting, the Board members present shall select one from among them to preside as chairman;
- l) In the case of a tie vote at a Board meeting, the chairman of the meeting shall have a second or casting vote; and

- m) Board members shall serve without remuneration but shall be reimbursed for expenses reasonably incurred in performing their duties on the Board, which the Board must have pre-approved prior to the expense having been incurred.

4.2 Duties of the Board

Without limiting the generality of the foregoing, the duties of the Board shall include the following:

- a) To facilitate and promote the objects of the Association as set forth in the Application;
- b) To engage, hire and discharge any agents, contractors or employees with respect to the operations of the Association;
- c) To prepare and approve an annual budget consistent with the good management of the Association;
- d) To pay all expenses of and incidental to the operation and management of the Association;
- e) To remunerate or indemnify any person for services rendered or liabilities incurred in connection with the affairs of the Association;
- f) Ensure all necessary books and records (including all accounting and financial records) of the Association required by the By-laws, the Act and by any applicable statute or law are regularly and properly kept and filed; and
- g) To place and maintain liability insurance as determined by the Board members in such amounts and on such terms as the Board may from time to time determine.

4.3 Powers of the Board

The powers of the Association shall be executed by the Board, and, without limiting the generality of the foregoing, the powers of the Board shall include the following:

- a) To invest and deal with the monies of the Association not immediately required by the Association in such a manner as the Board may, from time to time, determine;
- b) To finance the operations of the Association and to borrow, raise or secure the payment of money in such a manner as the Board may determine from time to time;
- c) To elect an Auditor and legal counsel, from time to time, to act on behalf of the Association and the Members;
- d) To make rules and regulations pertaining to the operation of the Association and the use of its facilities and assets;
- e) To appoint and remove officers of the Association;
- f) To set, levy, issue, collect any sums, fees or assessments the Board has determined are owing by the Members to the Association pursuant to these By-laws or with respect to the Encumbrance. Without limiting the generality of the foregoing the Association may take all steps necessary to ensure all sums owing to the Association are paid when due, which includes registering a caveat or financial encumbrance against title to a defaulting Member=s Residential Property and taking all legal measures to enforce

collection of all outstanding amounts;

- g) To assist any Member in enforcing compliance with the Restrictive Covenant;
- h) To provide and arrange for the care and maintenance of the Common Facilities;
- i) To issue certificates about a Member outlining whether the Member has paid in full all monies owing to the Association, as determined by the Board. Any certificates so issued shall estop the Association and all Members from denying the accuracy of such a certificate as against any mortgagee, purchaser or other person dealing with a Member to which the certificate relates. Such a certificate must be signed by two (2) Board members;
- j) To provide any first mortgagee with a postponement of the Encumbrance to a first specific mortgage charge granted to the mortgagee in respect of the Residential Property provided that the first mortgagee has executed and delivered to and in favour of the Association a Non Disturbance Agreement in respect to the Encumbrance in the form prescribed by the directors of the Association; and
- k) Without in any way abrogating or limiting the general responsibility of the Board, to delegate its powers and duties to any person engaged as a manager of the Association.

4.4 Vacancy

A board member's office shall be vacated immediately if the Board member:

- a) becomes bankrupt or insolvent;
- b) is declared to be incapacitated or of unsound mind;
- c) resigns his office by notice in writing to the Board;
- d) is removed by a majority vote of the Members;
- e) is convicted of an indictable offence;
- f) ceases to be a Member;
- g) dies.

4.5 Filling Vacancies

A Board vacancy, however caused, may be filled by the Board from among the Members. If the Board does not fill the vacant office of a Board member within ten (10) days of the vacancy, the remaining Board members shall call a Special Meeting for the Members to elect a Member to fill the vacancy.

4.6 Offices

- a) The officers of the Association shall be Members and shall be comprised of a president, vice-president, secretary, treasurer (or secretary treasurer which may be filled by one person), and such other officers as the Board may determine from time to time;
- b) The officers of the Association shall be appointed by the Board to hold office for one (1) year or until the next Annual General Meeting, whichever occurs first;

- c) The president shall:
 - I) supervise the affairs of the Association;
 - ii) preside as chairman at all Annual General Meetings, Special Meetings and Board meetings;
 - iii) make recommendations and report to the Board and Members at the Annual General Meeting;
 - iv) perform such other duties as may from time to time be determined by the Board; and
 - v) be ex-officio a member of all committees;
- d) The vice-president shall:
 - I) assist the president and preside at any Association meetings or Board meetings the president does not attend,
 - ii) keep the seal of the Association, unless otherwise directed by the Board, and
 - iii) perform such other duties as may from time to time be determined by the Board;
- e) The secretary shall:
 - I) maintain the original minute book(s) which are being held at the Registered Office and be the custodian of all books, papers, records, contracts, and other documents belonging to the Association;
 - ii) attend all Association and Board meetings and cause to be recorded in the original minute book, minutes of all proceedings of all Association and Board meetings;
 - iii) cause notices of all Annual General Meetings, Special Meetings and Board meetings to be mailed or delivered,
 - iv) keep a current record listing of every past and current Member, their respective addresses and telephone and facsimile (if available) numbers; and
 - v) perform such other duties as may from time to time be determined by the Board;
- f) The treasurer shall:
 - I) keep full and accurate accounts of all receipts and disbursements of the Association and keep the financial records of the Association in a proper manner,
 - ii) shall coordinate the conduct of the audit of the Association=s financial statements,
 - iii) shall report the Association=s financial position to the Board and Members at the Annual General Meeting or whenever requested to do so by the president

of the Association,

- iv) collect and receive all annual and other fees payable by the Members to the Association,
 - v) disburse the Association's monies under the direction of the Board,
 - vi) deposit all Association monies in whatever Bank, Trust Company, Credit Union or Treasury Branch the Board may direct, and
 - vii) perform such other duties as may from time to time be determined by the Board;
- g) Any vacancy arising in any office shall, except as otherwise provided herein, be filled by the Board; and
- h) The officers of the Association shall serve without remuneration but shall be reimbursed for expenses incurred while fulfilling their duty as an officer, which the Board must have pre-approved.

4.7 Committees

The Board may appoint such committees as it from time to time considers advisable.

4.8 Committee Powers

No committee shall have the power to act for or on behalf of the Association or otherwise commit or bind the Association to any course of action. Committees shall only have the power to make recommendations to the Board, or to the Members, as the Board may from time to time direct.

4.9 Committee Memberships

Members of committees shall be appointed by, and hold office at the pleasure of, the Board.

4.10 Committee Reports

Each committee shall submit to the Board such reports as the Board may from time to time request, but in any event, each committee shall submit an annual report to the Board at such time as the Board may from time to time determine.

5.

BORROWING AND LEGAL POWERS

5.1 For the purpose of carrying out the object of the Association as set out in the Application, the Association may borrow, raise or secure the payment of money in such manner as the Board thinks fit and in particular by the issue of the debentures, provided however, that such debenture shall not be issued without the sanction of a Special Resolution.

5.2 All contracts to be entered into by the Association must be pre-approved by the Board.

5.3 All contracts with the Association that have been pre-approved by the Board and all cheques shall be signed by any two (2) officers of the Association.

6.

AUDITOR

6.1 The Board shall elect an Auditor to hold office until the next Annual General Meeting and area authorized to fill any vacancy in the office of the Auditor.

6.2 The books, accounts and records of the secretary and treasurer of the Association shall be audited at least once a year by the Auditor.

6.3 The Auditor shall submit at every Annual General Meeting an audited statement of the Association's financial position;

6.4 Remuneration (if any) of the Auditor of the Association shall be determined by the Board.

7.

SEAL OF THE ASSOCIATION

7.1 The seal of the Association shall be under the control of the Board. The responsibility for its custody and use from time to time shall be determined by the Board. In the absence of any specific determination by the Board, the seal shall be held by the vice-president of the Association who, together with the president of the Association, shall execute and affix the seal of the Association of all contracts entered into by the Association required to be executed under seal.

8.

INSPECTION OF BOOKS AND RECORDS BY MEMBERS

8.1 The books and records of the Association may be inspected by Members at the Registered Office by appointment during such times as the office is normally open.

9.

RESOLUTIONS IN WRITING

- 9.1 A resolution in writing signed, or signed in counterpart, by all Members entitled to vote on that resolution at an Annual General Meeting or Special Meeting is as valid as if it had been passed at such meeting, and shall be effective as of the date stated in the resolution. A resolution in writing of the Board signed, or signed in counterpart, by all the Board members shall be as effective as a resolution passed at a meeting of the Board duly convened and held.

10.
INDEMNITY

- 10.1 Each Board member and officer of the Association and their heirs, executors/executrixes, representatives and estates shall be indemnified and saved harmless by the Association from having to pay any insurance deductible and insurance premiums under any insurance policy established for the protection of a Board member or officer, and from any and all debts, suits, sums of money, claims, liabilities, losses, costs, including legal costs on a solicitor-client full indemnity basis, damages, expenses and demands of every nature and kind whatsoever (including all equitable, common law and statutory relief) incurred in connection with or resulting from any claim, action suit or proceeding in which he may become involved as a party, or otherwise, while acting reasonably in the ordinary course of his duties with the Association. However, no Board member or officer of the Association shall be indemnified by the Association for any of the foregoing arising from his own willful misconduct in the performance of his duties with the Association.

11.
WINDING UP

- 11.1 In the event the Association is wound up or dissolved, all of its remaining assets after payment of its liabilities shall be paid to an incorporated not-for-profit or charitable organization or organizations as the Members so determine. In no event shall the Members or any of them become entitled to any of the assets of the Association.

12.
NOTICES

- 12.1 All notices to Members may be made by personal delivery, prepaid ordinary mail or electronic facsimile transmission addressed to the last known address of the Member as stated in the Association records and shall record the date sent. All notices to the Association shall be made by personal delivery, prepaid ordinary or electronic facsimile transmission addressed to the secretary of the Association. All notices mailed by ordinary mail shall be deemed to have been received within five (5) business days of mailing. All notices sent by electronic facsimile transmission shall be deemed to have been received on the same day upon which they were sent provided they are dated. The facsimile transmission date which appears on the facsimile sender's confirmation of transmission shall be deemed evidence that the transmission was received by the party to whom it was sent.

13.
AMENDMENT OF BYLAWS

- 13.1 The By-laws of the Association shall not be altered, rescinded or added to except by a Special Resolution at an Annual General Meeting or Special Meeting of which one (1) month's written notice specifying the intention to propose the resolution as a special resolution has been duly given.

14.

SIGNATURES

14.1 The signatures to the Association are hereby ratified and confirmed as subscribers to the incorporation of the Association.

DATED at Buck Lake, in the Province in Alberta this ___ day of December, 2007.

Witness to all signatures:

_____	_____
Name: _____	
Address: _____	

Occupation: _____	_____

