

# BY-LAW

The Name of the Society is:

## GLENEAGLES Community ASSOCIATION

(the "Society")

### OBJECTS

1. The objects for which the Society has been established are as follows:
  - a. To promote the recreational and environmental aspects of the Gleneagles Residential Subdivision located in the Town of Cochrane, Alberta, and to maximize the quality of life of the members and their families;
  - b. To maintain and repair entry features of the common improvements in order to enhance the environmental and recreational aspects of the Gleneagles Residential Subdivision;
  - c. To construct, maintain and repair any community facilities, including landscaping within the Gleneagles Residential Subdivision. It is not the intention or the expectation for the Society to act as a facility operator with the implied responsibilities associated with such a role;
  - d. To provide a meeting place for the consideration and discussion of questions affecting the interests of the Gleneagles Residential Subdivision;
  - e. To engage in any lawful act or activity for which societies may be organized under the Societies Act and other laws of the Province of Alberta and the Dominion of Canada;
  - f. To represent members on issues deemed to affect the socioeconomic, physical, and recreational well-being of the Gleneagles Residential Subdivision.

### DEFINITIONS

- 2 a) "Act" means the *Societies Act*, R.S.A. 1980, as amended;
- b) "Amenities" means all such property/capital that might include landscaped areas,

"Amenities" means all such property/capital that might include landscaped areas, parklands, improvements, recreational areas and all other amenities that are negotiated under contract between the Town of Cochrane, the Society and the Developer.

- c) "Developer" means Gleneagles Development Corporation;
- d) "Directors", "Board" and "Board of Directors" means the directors of the Society for the time being;
- e) "Encumbrance" means an instrument to secure the annual rent charge agreed to be paid by the Members and registered or to be registered against the Lots;
- f) "Member" means a homeowner who is a resident of the Gleneagles Residential Subdivision, or homeowner who rents the property to another person, who has had his/her name entered in the register of members to be maintained in accordance with section 4 hereof;
- g) "Lot" or "Lots" means one or more of those lots or condominium units located in the Subdivision which has been developed or is proposed to be developed with a residential dwelling;
- h) "Office" means the registered office of the Society for the time being;
- i) "Secretary" includes any person appointed to perform the duties of secretary;
- j.) "Society" means Gleneagles Community Association;
- k) "Special Resolution" means a special resolution under the Act;

- “Subdivision” means the entire Gleneagles residential subdivision, excluding the golf course, in the Town of Cochrane, in the Province of
- l) Alberta

## BY-LAWS AND REGISTERED OFFICE

3. These By-Laws may only be changed by Special Resolution. The Society may, by ordinary resolution of the Directors change from time to time the place where the registered office of the Society is to be situated.

## MEMBERS

4. a) Every registered homeowner who is a resident of the Gleneagles Residential Subdivision, or homeowner who rents the property to another person, shall be deemed to have agreed to become a Member and shall become a Member upon becoming registered at the Land Titles office as owner of the Lot.  
  
b) A Member may be expelled from membership by special resolution for any reason which the Society may deem reasonable.  
  
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 Amenities in common with all other Members, subject to suspension of such rights:
  - i. for breach of any rule or regulation for the conduct of Members or their respective invitees; and
  - ii. for default by any Member in payment of the Encumbrance or any other fees, dues or sums owing to the Society.

b) Each Member acknowledges and agrees that the right to vote herein as a Member shall be suspended for a period of time they are in arrears in payment of the Encumbrance.

## MEMBERS' MEETINGS

7. The first annual general meeting of the Members shall be held at such time, within sixteen (16) months from the date on which the Society is incorporated and at such place as the Directors 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.
9. Notice of any annual general meeting or any special general meeting shall be given in writing to all Members at the 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%) of the Lots, either personally present or represented by proxy shall be a 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 in the first instance 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 providing the registered member(s) are in good standing.

15. Votes may be given either personally or by a nominee appointed by a proxy. No Member may carry more than two proxies.

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. A person appointed proxy must be a Member.

17. No proxy shall be valid after the meeting for which the proxy was designated.

18. The proxy or a copy thereof shall be presented at the meeting, failing which, it shall not be treated as valid.

19. No Member shall be entitled to be present or to vote on any question, 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 whilst any sum due or 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.

## 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 FIVE THOUSAND (\$5,000) DOLLARS at any one time.

## DIRECTORS

21. Unless otherwise determined by a general meeting, the number of Directors shall not be less than five (5) or more than nine (9).
22. The nominees of the Developer shall be the first Directors of the Society, until the first annual general meeting of the Society at which time a new slate of Board of Directors shall be elected which may include nominees of the Developer.
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 at any time exceed the maximum number fixed by these Articles or by a general meeting.
24. A Director, after October 1, 1997, or Ninety (90) days after the date on which the Developer has sold more than two thirds (2/3) of the Lots, whichever is sooner, must be a Member of the Society.
25. The Directors shall not be paid for their services as Directors.
26. A Director may retire from the 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. A Director of Office of the Society may be removed from their position for failure to fulfill their duties on Special Resolution of the Members.
27. The Directors of the Society shall be elected at each annual general meeting of the Society subject to Bylaw 23.

## PROCEEDINGS OF DIRECTORS

28. 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 (5) Directors shall be a quorum.
29. 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 the meeting.

30. The President may, or the Secretary shall at the written request of not less than Twenty- Five (25%) percent of the Directors, at any time convene a meeting of Directors.
31. Questions arising at the meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall have a second or casting vote.
32. The Directors shall choose one of their numbers to be President of the Board of Directors.
33. 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 discretions by or under the regulations of the Society for the time being vested in or exercisable by the Directors generally.
34. A resolution in writing, signed by all the Directors 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 Directors duly called and constituted, and shall be held to relate back to any date therein stated to be the effective date thereof.

## MINUTES

35. It shall be the duty of the Secretary to attend all meetings of the members of the Society and of the Board of Directors and to take minutes of all such meetings and maintain a Minute Book of all such meetings and distribute same as required by the Board of Directors. The Secretary shall also be responsible for preparing and retaining all other books and records of the Society except to the extent the Directors require such records to be prepared and retained by the Treasurer.

## POWERS OR DIRECTORS

36. 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 Society and are not hereby or by statute expressly directed or required to be exercised by the Members in general meetings.

## DEVELOPER TURN OVER OF AMENITIES

37. The Society acknowledges that the Subdivision and Amenities are being developed in multiple phases. The Society also acknowledges that the responsibilities for maintaining applicable amenities will be turned over to the Society by the Developer in phases as mutually agreed upon by contract between the Society, Town of Cochrane, and the Developer.

## OFFICERS

38. The Board shall, from amongst their number, elect a President, a Vice-President, a Secretary, and a Treasurer, or a Secretary-Treasurer and such other officers as the Directors may from time to time appoint.

## SEAL

40. The Society shall have a corporate seal which shall be of 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 shall be responsible for retaining custody of the corporate seal.

## RESERVES AND FUNDS

41. The Directors may set aside any revenues of the Society to create a reserve or reserves to provide for maintaining the Amenities, 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.

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

## OPERATING COSTS OF SOCIETY



43. The Directors shall implement a procedure to monitor and to determine the costs of owning, operating, and maintaining the Amenities, including, the preparation in each year of a budget for the upcoming year and financial statements for the most recent fiscal period (the "Costs").

## ENCUMBRANCE

44. The Costs as set forth in such budget to be prepared from year to year shall be collected by assessing against the Members an annual rental charge as has been provided for in the Encumbrances. The Members may, by ordinary resolution, increase, but not decrease, the annual rental charge to be collected from year to year. Neither the Society nor the Member may discharge the Encumbrances, or any one of them. The Encumbrances shall secure equal contributions from each of the Lots.
45. 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 rental charges to the Members;
  - c) if they determine that addressing such deficiency should not await the next ensuing Annual Meeting, they shall call an extraordinary meeting of the Society to consider the matter;
  - d) any increase in the annual rent charges shall be the same for all Lots;
  - e) the Members shall be bound by the decision of the Members 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

46. 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.

47. The books and accounting records shall be kept at the registered office of the Society or, at such place or places as the Directors think fit and shall be open to inspection of the Directors and Members. The fiscal year of the association shall be the calendar year.
48. The Directors shall lay before each annual meeting of the Members a financial statement and the report of the auditor to the Members thereon.

## NOTICES

49. Any notice may be serviced 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 Receipt of such notice shall be deemed five (5) business days after mailing.
50. 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

## INDEMNITY

51. 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 of thing done by him in his capacity as a director or officer, or in any way in the discharge of his duties.
52. Any person made a party to any action, suit or proceedings by reason of the fact that he, is or was a Director or officer of the Society, or of any corporation 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 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 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 indemnity with or for the benefit of any Director or officer in any proper case not provided for herein.

53. 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 or other act for 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 part, or for any other loss, damage or misfortune whatever shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty, or unless it is otherwise provided in a contract of service with such Director or officer.