

**A BYLAW RELATING GENERALLY TO THE TRANSACTION OF THE
BUSINESS AND AFFAIRS OF THE
DESROCHERS HOMEOWNERS ASSOCIATION**

PART 1: INTERPRETATION AND DEFINITIONS

- 1.1 These Bylaws 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 Bylaws shall be taken as having the same respective meanings as they have when used in that Act. Notwithstanding anything else herein contained, these Bylaws 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 Bylaws, in order that the rest may stand.
- 1.2 In the interpretation of these Bylaws (including this Section 1.2), except where excluded by the context:
- (a) words importing the singular number shall also include the plural, and vice-versa;
 - (b) words importing the masculine gender shall also include the feminine;
 - (c) words importing persons shall include corporations;
 - (d) the headings herein are given for convenience only, and shall not affect the interpretation of these Bylaws;
 - (e) a Member shall be considered to be in "good standing" if the Member has paid, in accordance with these Bylaws, all amounts due and owing under these Bylaws or the Residents' Covenants, including the Dues, on or before the date the amounts become due, and if the Member is not in breach of any of the terms and conditions of these Bylaws or the Residents' Covenants;
 - (f) a Member shall be considered "personally present" at any meeting called pursuant to these Bylaws if they attend a meeting in person, or if they attend a meeting by electronic means in accordance with these Bylaws, provided that the meeting allowed for attendance by electronic means;
 - (g) these Bylaws shall be interpreted in a large and liberal sense so as to give effect thereto wherever possible;
 - (h) "Act" shall mean the *Societies Act*, R.S.A. 2000, c. S-14 as amended, and any statute that may be substituted therefor;
 - (i) "Annual General Meeting" means the Annual General Meetings held by the Association from time to time;
 - (j) "Application" shall mean the Application for Incorporation creating the Association;
 - (k) "Association" shall mean the Desrochers Homeowners Association;



- (l) **"Board"** means the Board of Directors of the Association;
- (m) **"Bylaws"** shall mean the Bylaws of the Association as amended from time to time;
- (n) **"Developer"** means HV Nine Ltd.;
- (o) **"Directors"** shall mean any person who has been duly elected or appointed to the Board, including the First Directors, and **"Director"** means any one of the Directors;
- (p) **"Dues"** shall have the meaning ascribed to it in Section 7.2(f);
- (q) **"First Directors"** means the Subscribers and **"First Director"** means any one of them;
- (r) **"Members"** shall mean a member of the Association, unless the context requires otherwise, and **"Member"** means any one of the Members;
- (s) **"Multi-Family Lands"** means the parcel or parcels of land within the Subdivision that are now or may in future be developed as multi-family housing properties;
- (t) **"Officers"** shall mean any person who has been duly appointed as an officer of the Association, and **"Officer"** means any one of the Officers;
- (u) **"Owner"** means a person who is registered as the owner of the fee simple estate of a Subdivided Lot;
- (v) **"Register of Members"** means the register of Members of the Association to be established and maintained in accordance with these Bylaws;
- (w) **"Registered Office"** shall mean the registered office for the Association;
- (x) **"Residents' Covenants"** shall each mean such restrictive covenants and easements, leases and encumbrance agreements, as are or may be placed and recorded on the titles within the Subdivision by the Developer, as they may be amended, assigned or extended from time to time;
- (y) **"Single-Family Building Lot"** means:
 - (i) A detached single-family residential lot;
 - (ii) A semi-detached (duplex) residential lot; or
 - (iii) A bare-land condominium unit suitable for a single-detached or semi-detached residence, if any, in the Subdivision.
- (z) **"Special Resolution"** shall have the meaning provided in the Act;
- (aa) **"Subdivision"** means the Desrochers subdivision, developed or to be developed on the lands described in Schedule "A" hereto and such other lands as may hereafter be added to the Residents' Covenants hereafter by amendment or extension thereof;

- (bb) **"Subdivided Lot"** means:
 - (i) A Single-Family Building Lot;
 - (ii) A Multi-Family Land; or
 - (iii) A Unit.
- (cc) **"Subscribers"** means the persons making and subscribing to the Application, and **"Subscriber"** means any one of them;
- (dd) **"Unit"** means, excepting the bare-land condominium units referred to in paragraph 2(y)(iii) hereof, a condominium unit situated in the Subdivision.

PART 2: MEMBERS OF THE ASSOCIATION AND VOTING RIGHTS

- 2.1 The following persons shall be Members of the Association:
 - (a) The Subscribers shall be Members; and
 - (b) Every Owner shall be a Member so long as that person is an Owner, and shall immediately cease to be a Member if at any time they cease to be an Owner.
- 2.2 Every Owner shall be subject to and bound by the Application, Bylaws, Residents' Covenants, and the Association's rules and regulations, if any. For clarity, the Residents' Covenants shall run with the lands and the Owner, and any subsequent owners, shall be bound by the Residents' Covenants.
- 2.3 Notwithstanding anything else contained in these Bylaws:
 - (a) Where there is more than one Owner of a Subdivided Lot, each Owner shall be a Member, but they shall have voting rights limited as herein set out;
 - (b) Where the Owner of a Subdivided Lot is a corporation, the Member shall be the person resident in the Subdivided Lot and designated by the corporation as the Member;
 - (c) Where the Owner of a Subdivided Lot is the Developer, the Member shall be the person designated by the Developer who need not be resident in the Subdivision, it being agreed that the Developer shall have and is entitled to exercise one vote for each Subdivided Lot owned by the Developer, with each such individual vote being considered for the purposes of determining quorum. For clarity, the Developer shall be entitled to be a Member in respect of the lands within the Subdivision which remain owned by the Developer;
 - (d) The Subscribers shall be Members, regardless of whether they are an Owner or not. In the event a Subscriber withdraws from membership in the Association, the Developer may select and designate a substitute for the Subscriber that has withdrawn. The Subscribers, and any substitutions thereof, shall continue to be Members until the first Annual General Meeting, except that, if the Subscriber is

entitled to be a Member by way of ownership, the Subscriber will continue to be a Member;

- (e) In the event of difficulty or a dispute in determining the Member, the Directors in their absolute discretion may designate the Member with the intention that, subject to Section 2.3(c), there be a Member from each Subdivided Lot and that the Member be a natural person resident in the Subdivision;
- (f) Subject to Section 2.3(c), membership in the Association is not transferrable but is determined by ownership and residence as herein set forth and does not include persons or entities who hold a leasehold interest or interest merely as security for the performance of an obligation; and
- (g) All Members shall, subject to Section 2.3(c), be residents of the Subdivision who are eighteen (18) years of age or older.

2.4 The Association shall have three classes of voting membership: Class A, Class B and Class C. All votes shall be cast in the manner provided in these Bylaws. When more than one person or entity holds an interest in any Subdivided Lot, the vote for such Subdivided Lot shall be exercised (as between them) as provided for in these Bylaws; but in no event shall more than the number of votes hereinafter designated be cast with respect to any such Subdivided Lot. The three classes of voting memberships, and voting rights related thereto, are as follows:

(a) Class A: The Class A Members shall be:

- (i) The Subscribers who shall be entitled to one (1) vote each; and
- (ii) The owners of Single-Family Building Lots who shall be entitled to one (1) vote for each Single-Family Building Lot owned;

(b) Class B: The Class B Members shall be:

- (i) The owners of Multi-Family Lands who shall, for as long as the Multi-Family Lands remain unsubdivided, be entitled to a number of votes in respect of each Multi-Family Land parcel equal to fifteen (15) multiplied by the number of acres within the Multi-Family Land parcel.

(c) Class C: The Class C Members shall be:

- (i) The owners of Units who shall be entitled to half (½) a vote for each Unit owned.

2.5 An Owner shall be entitled to become a Member forthwith on becoming registered (which may include registration by caveat) as an owner as aforesaid, and their membership shall be recorded by the Secretary upon the providing the Board satisfactory evidence of such ownership, or the Board otherwise being satisfied of such ownership.

2.6 Voting rights shall be as set out above.

2.7 A Register of Members in such form as the Board may approve, from time to time, shall be

maintained to record the names and address of all current Members. The Register of Members shall be amended from time to time so that all current Members are listed in the Register of Members. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Association of evidence acceptable to the Board.

PART 3: MEETINGS OF MEMBERS OF THE ASSOCIATION

- 3.1 An Annual General Meeting shall be held at least once in every calendar year. An Annual General Meeting will be held at such time and at such place in the City of Edmonton as the Board may determine from time to time. At least fourteen (14) days prior to the Annual General Meeting the Secretary shall give to Members a notice in manner and by means provided for in the Bylaws setting forth the date, place and time of the Annual General Meeting.
- 3.2 Only Members in good standing shall be entitled to attend, vote, propose, or second resolutions at an Annual General Meeting.
- 3.3 At the Annual General Meeting the Members shall:
- (a) consider the report of the President;
 - (b) review the financial statements (which shall set out the Association's income, disbursements, assets and liabilities, and shall comply with the requirements of the Act);
 - (c) appoint such auditors or accountants as may be desired;
 - (d) elect as many Directors as shall be required to fill the vacancies of the Board; and
 - (e) transact such other business as may be put before the meeting.
- 3.4 A quorum for the Annual General Meeting shall be the attendance of ten (10) or more Members collectively entitled to cast ten (10) or more votes excepting the first Annual General Meeting which shall only require a quorum of five (5) Members.
- 3.5 Unless any two Members demand a ballot vote, and subject to Section 3.9 hereof, all voting at the Annual General Meeting shall be done by a show of hands.
- 3.6 Excepting in respect of co-owners as set out in Section 5.7 hereof, no Member may vote by proxy.
- 3.7 Except as to a Special Resolution, each issue and resolution shall be decided by vote of fifty-one (51%) percent or more of the Members present or in person or represented by a permitted proxy.
- 3.8 Accidental omission to give any notice to any Member or the non-receipt of any notice by any Member or any error in any notice not affecting the substance thereof shall not invalidate any action taken at a meeting held pursuant to such notice or otherwise founded thereon.

- 3.9 If the circumstances require, any meeting of the Association, the Board or any other meeting to be called pursuant to the Bylaws, including a special meeting, may be held entirely or partially by electronic means in accordance with the Act, in which case voting may be done via an online poll if so determined by the person presiding at the meeting. For clarity, any meeting may be a hybrid meeting where the participants attend the meeting in person or by electronic means.

PART 4: SPECIAL MEETINGS OF THE ASSOCIATION

- 4.1 Special meetings of the Association shall be called at the direction of the President or upon request in writing of any twenty-five (25) Members in good standing, stating the object of the special meeting.
- 4.2 At least seven (7) days prior (and if a Special Resolution is proposed at least twenty-one (21) days prior) to the special meeting, the Secretary shall give to Members a notice in manner and by means provided for in the Bylaws setting forth the date, place and time of the special meeting.
- 4.3 The method of voting, the use of proxies and the quorum required for any special meeting shall be the same as for an Annual General Meeting.
- 4.4 Accidental omission to give any notice to any Member or the non-receipt of any notice by any Member or any error in any notice not affecting the substance thereof shall not invalidate any action taken at a meeting held pursuant to such notice or otherwise founded thereon.

PART 5: PROCEEDINGS AT MEETINGS

- 5.1 If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the Members, shall be dissolved, but in every other case it shall stand adjourned to a future date as determined by the Board, provided that notice of the adjourned meeting is provided in accordance with the Bylaws.
- 5.2 The President, or in his absence, a Vice-President, shall preside at every Annual General Meeting. If neither the President nor a Vice-President is present within a half an hour from the time appointed for the holding of the meeting, the Members present shall choose one of the Members to preside at such meeting. Notwithstanding the above, at the first Annual General Meeting any one of the First Directors, or such other person as the First Directors may direct, shall preside at said first Annual General Meeting.
- 5.3 The person presiding may, upon a motion of the Members in attendance at the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business unfinished at the meeting from which the adjournment took place.
- 5.4 At every Annual General Meeting every question shall be decided in the first instance by a show of hands, unless before or upon the declaration of the result of the show of hands, a ballot be demanded by at least two (2) Members personally present and entitled to vote. A declaration by the person presiding that a resolution has been carried or carried by a particular majority, or lost, shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour or against any such resolution (including if the

voting is done via an online poll). If a ballot be demanded in the manner above mentioned, it shall be taken at such time and place and in such manner as the person presiding may direct, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

- 5.5 In case of any dispute as to the admission or rejection of any vote, the person presiding shall determine the same, and such determination made in good faith shall be final and conclusive.
- 5.6 Notwithstanding anything to the contrary in these Bylaws a resolution assented to and adopted in writing under the hands of fifty-one (51%) percent of all the Members entitled to vote thereon, though not passed at an Annual General Meeting, shall be of the same force and effect as if it had been duly passed at an Annual General Meeting duly convened, and no previous notice, or convening of any meeting for the purpose of passing such resolution shall in such case be deemed to have been necessary, whether the business transacted thereat is special or not, and a Member may signify his assent to such resolution in writing under his hand or by letter or facsimile or e-mail, and such resolutions shall be deemed to have been passed on any date therein stated to be the effective date thereof.
- 5.7 One of any co-owners may vote by proxy appointed by them, and in the absence of such proxy are entitled to vote on a show of hands; but on any vote by ballot each co-owner is entitled to such part of the vote applicable to the Subdivided Lot they co-own as is proportionate to their interest in the Subdivided Lot.
- 5.8 In determining the identity or addresses of members the Secretary shall be entitled to rely upon either (or both) title searches and notifications of ownership given to the Board by Members or their representatives.

PART 6: BOARD OF DIRECTORS

- 6.1 Excepting the First Directors and excepting as set out in Section 6.2 below, each Director must be a Member in good standing at the time of their election and throughout their term of office; and a Director shall ipso facto cease to be a Director if they die, are convicted of an indictable offence or are declared mentally incompetent by a court of law, or if they cease to be a Member.
- 6.2 If an Owner is a corporation, any one officer, director or other designee of the corporation is eligible to become a Director.
- 6.3 A Director's membership on the Board shall commence upon election or appointment to the Board. Appointments to the Board shall be for staggered terms of one (1) year and two (2) years, with an equal number of Directors (or as close as possible) being appointed for each term period, as determined by the Board, and each Director shall continue to be a Director for their term unless prior thereto the Director resigns, becomes disqualified under Section 6.1 hereof or is removed pursuant to Section 6.4. Directors may be re-elected upon expiry of their term. The First Directors are hereby appointed as, and shall form the first Board; and their term of office shall expire on the date of the first Annual General Meeting (unless, and to the extent that, any are then re-elected).
- 6.4 Casual vacancies on the Board may be filled by appointment by the remaining Directors to serve until the next Annual General Meeting; provided that a Director may be removed prior

thereto by resolution of the Members at any special meeting duly called for such purpose.

- 6.5 The affairs of the Association shall be managed by the Board consisting of not less than three (3) nor more than seven (7) Directors and the number of Directors shall be fixed at each Annual General Meeting.
- 6.6 The Officers shall consist of a President, Vice-President, Secretary and Treasurer, and they shall be appointed by the Board from amongst the Directors; and the Board may appoint one person to more than one office, and the Board may also remove any Officer from office.
- 6.7 The Board, at any meeting of the Board following an Annual General Meeting, may appoint not more than two (2) persons to the Board in the event that at an Annual General Meeting there are an insufficient number of persons elected to the Board.
- 6.8 Any Director shall be eligible for re-election to the Board, subject to the limitation set out in Section 6.3.
- 6.9 The Board shall, subject to these Bylaws and any directions given it by majority vote at any meeting properly called and constituted, have full control and management of the affairs of the Association, and meetings of the Board shall be held as often as may be required, but at least once every twelve months, and shall be called by the President or on the instructions of any two (2) Directors provided they request the President in writing to call such meeting, and state the business to be brought before the meeting.
- 6.10 Meetings of the Board shall be called on seven (7) days' notice in writing and delivered or mailed to each Director or by three (3) days' notice by telephone unless waived by all of the Directors.
- 6.11 A majority of the Directors, personally present, shall constitute a quorum at any meeting of the Board.
- 6.12 Each Director including the President shall have one (1) vote. In the case of an equality of votes, the President shall not have a second or casting vote and the motion will be deemed defeated.
- 6.13 A resolution of the Board in writing signed by all of the Directors shall be as effective as a resolution passed at a meeting of the Board duly convened and held.

PART 7: POWERS OF THE BOARD

- 7.1 Except as provided in the Act and otherwise in these Bylaws, the powers of the Association shall be exercised by the Board, and without restricting the generality of the foregoing, the duties of the Board shall include the responsibilities set out in the Application and those undertaken in any Residents' Covenants, together with the following:
- (a) To facilitate and promote the objects of the Association;
 - (b) To create and define categories of Members;
 - (c) To engage, hire and discharge any agents, contractors, or employees including

administrative employees, in respect to the operation of the Association;

- (d) To maintain and properly protect the assets and real and personal property of the Association;
- (e) To prepare and approve an annual budget consistent with the good management of the Association;
- (f) To pay all expenses of and incidental to the operation and management of the Association;
- (g) To remunerate or indemnify any persons for services rendered or liabilities incurred in connection with the affairs of the Association; and
- (h) To maintain all accounting and financial records of the Association.

7.2 In addition, the Board shall have the following powers:

- (a) To invest and deal with the monies of the Association not immediately required in such securities and in such manner as from time to time may be determined by the Board;
- (b) To finance the operations of the Association and to borrow, raise or secure the payment of moneys in such manner as the Board may, from time to time, think fit; provided that no borrowing in excess of \$30,000.00 shall be made without prior authorization of the Members in an Annual General Meeting, or by signed resolution, provided no debenture shall be granted unless authorized by Special Resolution, and further provided that no further borrowing shall be permitted until the then current outstanding loan is paid back in full, unless otherwise authorized by Special Resolution;
- (c) To appoint legal counsel and auditors from time to time;
- (d) To make rules and regulations for the operation of the Association and the use of its facilities and assets;
- (e) 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;
- (f) To set, levy, issue and collect levies for the charges and dues provided for in any Residents' Covenants (the "Dues");
- (g) To enter into the leases and easements provided for in any Residents' Covenants;
- (h) To issue certificates as to Members' position with regard to the Dues, any such certificate to be signed by at least two Directors; and any certificate so issued shall estop the Association and all Members from denying the accuracy of such certificate as against any mortgagee, purchaser or other person dealing with the owner of the parcel of land to which the certificate relates (but shall not be an estoppel as against the owner of such parcel);

- (i) To place and maintain third party liability insurance in such amounts and on such terms as the Board may from time to time select, insuring the Members and the Directors in respect of the actions and omissions of the Association;
 - (j) To place and maintain third party liability insurance in such amounts and on such terms as the Board may from time to time determine, insuring the personal and real property of the Association, including, without limitation, insuring any risks related to the use of any personal or real property of the Association; and
 - (k) To provide any first mortgagee with a postponement of the Residents' Covenants to a first specific mortgage charge granted to the mortgagee in respect of a Subdivided Lot provided that the first mortgagee has entered into a required form of non-disturbance agreement and has delivered same, properly executed, to the Association or the Association's agent.
- 7.3 A Director who is directly or indirectly interested in a proposed contract or transaction with the Society shall disclose to the Board fully and promptly the nature and extent of their interest and shall leave the meeting of the Board while the proposed transaction is being discussed or voted upon, unless required to remain present by the other Directors at the meeting, and shall abstain from voting on issues pertaining to the proposed contract or transaction and shall not be counted in the quorum for the vote.

PART 8: BOARD COMMITTEES

- 8.1 The Board may appoint committees to advise the Board from time to time in respect to the various duties and responsibilities of the Board.
- 8.2 Each committee created by the Board shall be headed by a Director appointed by the President to be chairman of that committee (the "Chairman").
- 8.3 Each committee created by the Board shall meet at the call of the Chairman, record minutes of its proceedings, and distribute such minutes to the members of the committee and to the Chairman of all other committees and furnish reports at the request of the President prior to each meeting of the Board. Unless waived by all of the members of the committee, not less than two (2) days prior notice of the date, place and time of a committee meeting shall be mailed or delivered to each member of the committee.
- 8.4 A majority of the members of any committee personally present at a meeting shall constitute a quorum.
- 8.5 Each member of the committee including the Chairman shall have one (1) vote at the meeting of the committee but in case of an equality of votes there shall be no casting vote.

PART 9: OFFICERS

- 9.1 **President:** the President shall supervise the affairs of the Association, and be ex-officio a member of all committees. With the exception of the first Annual General Meeting, the President shall, when present, preside at all meetings of the Association and of the Board. In the case of the absence of the President, the Vice-President shall preside at any such meetings, and in the absence of both a chairman may be elected by the meeting to preside thereat.
- 9.2 **Vice-President:** the Vice-President shall assist the President and preside at meetings in the absence of the President.
- 9.3 **Secretary:** it shall be the duty of the Secretary to attend all meetings of the Association and of the Board, and to keep accurate minutes of the same. The Secretary shall have charge of the seal of the Association. In case of the absence of the Secretary, their duties shall be discharged by such person as may be appointed by the Board. The Secretary shall have charge of all the correspondence of the Association and be under the direction of the President and the Board. The Secretary shall also keep the Register of Members, send all notices of the various meetings as required, and shall collect and receive the Dues, assessments or annual dues levied by the Association, such moneys to be promptly turned over to the Treasurer.
- 9.4 **Treasurer:** the Treasurer shall receive all moneys paid to the Association and shall deposit the same in whatever chartered bank, treasury branch or trust company the Board may order. They shall present a full detailed account of receipts and disbursements to the Board whenever requested and shall prepare for submission to the Annual General Meeting a statement duly audited as hereinafter set forth of the financial position of the Association.
- 9.5 The Officers of the Association shall be appointed for staggered terms of one (1) year and two (2) years, with an equal number of Officers (or as close as possible) being appointed for each term period, as determined by the Board.
- 9.6 Any vacancy arising in any office shall, except as otherwise provided herein, be filled by the appointment by the Board of another Director who shall hold such office until the next Annual General Meeting.

PART 10: BOOKS AND RECORDS AUDITING

- 10.1 The books and records of the Association may be inspected by any Member at an Annual General Meeting provided for herein or at any other time upon giving reasonable notice and arranging a time satisfactory to the Officer or Officers having charge of the same. Each Director shall at all times have access to such books and records.
- 10.2 The books, accounts, and records of the Secretary and Treasurer shall be audited at least once each year by a duly qualified accountant or by two members of the Association elected for that purpose at an Annual General Meeting. A complete and proper statement of the standing of the books for the previous year shall be submitted by such auditor(s) at the Annual General Meeting. The fiscal year end of the Association in each year shall be December 31st.

