

ARTICLES OF ASSOCIATION

-OF-

BLACKBURNE CREEK HOMEOWNERS ASSOCIATION LTD.

TABLE "A"

1.01 The requirements contained in Table "A" in the First Schedule to the Companies Act do not apply to this Company.

1.02 The headings used throughout these Articles shall not affect the construction hereof. In these Articles and the Memorandum of Association of this Company, unless the context otherwise requires, expressions defined in The Companies Act or any statutory amendment or modification thereof, shall have the meaning so defined, and:

- (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 also include corporations;
- (d) the headings herein are given for convenience only, and shall not affect the interpretation of these Articles;
- (e) these Articles shall be interpreted in a large and liberal sense so as to give effect thereto wherever possible;
- (f) "Act" shall mean the Companies Act R.S.A. 1980 as amended, and any statute that may be substituted therefor;
- (g) "Articles" shall mean the Articles of the Homeowners Association as amended from time to time;
- (h) "Homeowners Association" shall mean the Blackburne Creek Homeowners Association Ltd.;
- (i) "Board" shall mean the board of directors of the Homeowners Association;
- (j) "Director" shall mean any person who has been duly elected or Appointed to the Board;
- (k) "Lot" shall mean any lot registered at the Land Titles Office of the North Alberta Land Registration District within the Subdivision;
- (l) "Member" shall mean a person who is the registered owner of a home that is legally encumbered in Blackburne Creek;

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(m) "Officer" shall mean "an officer elected in accordance with these Articles;

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(n) "Special Resolution" shall have the meaning given to it in the Act.

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(o) "Subdivision" shall mean the Blackburn Creek subdivision as registered in a plan of subdivision at the Land Titles office of the North Alberta Land Registration District and as legally described in Schedule "A" hereto.

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(p) "Unit" shall mean any unit registered at the Land Titles Office of the North Alberta Land Registration District pursuant to a Condominium Plan within the Subdivision;

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ARTICLE II - MEMBERS OF THE HOMEOWNERS ASSOCIATION
AND VOTING RIGHTS

2.01 Article 2 -The Homeowners Association
Membership

2.1 Subject to the provisions of Article 2.3 herein, membership in the Homeowners Association shall be appurtenant to and shall not be separated from ownership of any Lot and every registered fee simple owner of a Lot shall be a member of the Homeowners Association and as such shall be entitled to exercise the votes attached to such Lot and shall be subject to assessment in respect of such Lot pursuant to the provisions of this agreement.

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2.2 Holders of less than a fee simple interest in a Lot or Unit except as stated in Article 2.3, such as a leasehold or mortgage interest, shall not be members of the Homeowners Association.

2.3 Membership in the Homeowners Association shall in the instance of Condominium Units located within the Subdivision and registered pursuant to a Condominium Plan shall be appurtenant to and shall not be separated from ownership of any Condominium Unit and every owner of a Condominium Unit shall be a member of the Homeowners Association and as such shall be entitled to exercise the votes attached to such Unit and shall be subject to assessment in respect of such Unit pursuant to the provisions of this agreement.

2.4 When there is more than one fee simple owner of a Lot or a owner of a Condominium Unit such persons shall together be the collective member with respect to such Lot or Unit and shall exercise their membership as they among themselves shall in writing agree, or failing such agreement, by the first of them to appear on the certificate of title to their Lot or Unit.

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2.5 Each Lot or Unit shall have attached to it:

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2.5.1 Each encumbered home or lot that has currently paid the Association's annual fee in the Blackburne Creek Subdivision, shall have attached to it one (1) vote in the Homeowner's Association.

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2.6 Votes in the Homeowners Association shall be exercised in the manner set out in these Articles.

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2.6.1 If any Member of the Homeowners Association shall fail to pay any fees on the day appointed for the payment therefor, the Board may at any time thereafter during such time as the fees remain unpaid serve a notice on the Member requiring him to pay fees together with interest and any expenses that may have accrued by reason of such non-payment.

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Rights and Obligations of the Homeowners Association

2.7 The Homeowners Association shall have the following duties:

2.7.1 to maintain and repair all exterior grounds as elected to by the Homeowners Association including but not limited to grassed areas, flower gardens, shrubs, trees, plants, including boulevards, parks and utility right of ways, fences, entrance structures and treatments;

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2.7.2 to pay any and all taxes that may be levied by municipal, provincial and federal taxing authorities on property that may be owned by the Homeowners Association;

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2.7.3 to obtain and provide such insurance as is deemed necessary by the Homeowners Association;

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2.7.4 to employ a reputable contractor to restore, reconstruct, replace or repair any building or grounds which the Homeowners Association deems necessary for the good and benefit of the community, and which has been completely or partially damaged or destroyed by fire or any other hazard or occurrence, and to pay for any such work from any insurance proceeds and to collect any excess of the cost of any such work over such insurance proceeds;

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2.7.5 to on the written request of an Owner, a Purchaser of a Lot or Unit or a Mortgagee of a Lot or Unit provide to the person making the request one or more of the following as requested by that person:

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2.7.5.1 a statement setting forth the amount of any assessments, both general and special, due and payable in respect of a Lot or Unit;

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2.7.5.2 a copy of any subsisting management agreement,

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2.7.5.3 a copy of the most recent budget of the Homeowners Association, if any,

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2.7.5.4 a copy of the most recent financial statement of the Homeowners Association, if any;

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2.7.5.5 such other documentation as the Homeowners Association may deem necessary to provide from time to time.

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2.8. to enforce to the best of its ability the restrictive covenant and restrictive covenant caveat that is registered at the Office of the North Alberta Land Registration District by the Developer against the titles of the Lots and Units located in the Subdivision.

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2.9. to do such other matters as may from time to time be necessary to maintain the aesthetic quality and appearance of the Subdivision and any adjacent lands thereto.

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2.10 The Homeowners Association shall have the following powers:

2.10.1 to fix, levy and collect assessments, both general and special, against each Lot or Unit in the manner herein provided in order to perform its duties hereinbefore outlined;

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2.10.2 to employ a manager or management company to perform in whole or in part its duties hereinbefore outlined provided that the selection of a manager or management company must be ratified by a simple majority of owner a such management agreement must be terminable for cause upon thirty (30) days notice, be for a term not to exceed one year, and be renewable only upon mutual consent of the parties to such management agreement:

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2.10.3 to employ or retain employees or contractors to perform in whole or in part its duties hereinbefore outlined;

2.10.4 to perform, install, build, operate and maintain any recreational facilities, measures and items and all other functions deemed necessary by the Homeowners Association for the convenience, benefit and enjoyment of the Members.

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2.02 A Member shall be entitled to notice of and to attend all general meetings of the Homeowners Association.

2.03 A Member shall be entitled to vote at any annual general meeting or special general meeting of the Homeowners Association and the number of votes available to any Member shall be determined in accordance with Article 2.6 herein.

ARTICLE III -MEETINGS OF THE HOMEOWNERS ASSOCIATION

3.01 The Annual General Meeting

- (a) An annual general meeting of the Homeowners Association shall be held in each calendar year in the City of Edmonton, in the Province of Alberta, on a day to be fixed by the Board from time to time;
- (b) The Secretary shall give to each Member a notice of the annual general meeting setting forth the date, place, time and purpose of the annual general meeting at least fourteen (14) days prior to the meeting unless a Special Resolution is proposed in which case the notice shall be given at least twenty-one (21) days prior to the meeting.
- (c) The annual general meeting shall consider the report of the president, review the financial statement (which shall set out the Homeowners Associations income, disbursements, assets and liabilities, and shall comply with the requirements of the Act), appoint such auditors or accountants as may be desired, elect the Board, and transact such other business as may be put before the meeting.
- (d) A quorum for the Annual General Meeting of the Homeowners Association shall be the attendance of 25 members.
- (e) No proxy voting is allowed at an annual general meeting or a special general meeting of the association.
- (f) Accidental omission to give notice of any annual general meeting to any Member or the non-receipt of any such notice by any Member or any error in such notice not affecting the substance thereof shall not invalidate any action taken at an annual general meeting held pursuant to such notice or otherwise founded thereon.

3.02 Special General Meetings of the Homeowners Association

- (a) Special general meetings of the Homeowners Association shall be called by the Secretary at the direction of the President or upon the request in writing to the Secretary of any twenty five (25) Members which request shall state the business proposed to be discussed at the special general meeting.

3.03 Proceedings at Meetings of the Membership

- (a) If within half an hour from the time appointed for a General Meeting of the Homeowners Association a quorum is not present, the meeting shall be rescheduled for a future date in the same calendar year.
- (b) The President, or in his absence, the Vice-President, shall preside at every general meeting of the Homeowners Association. If neither the President nor the Vice-

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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.

- (c) The person presiding may, with the consent of the majority of the Members present 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.
- (d) ~~Each issue shall be decided by a majority of the votes of the Members present at an annual general meeting. Special resolutions brought forward at a special general meeting require the approval of a minimum of two-thirds of those present.~~
- (e) At every general meeting every question shall be decided in first instance by a show of hands, unless before or upon the declaration of the result of the show of hands, a ballot is 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 of proportion of the votes recorded in favour or against any such resolution. If a ballot is 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 general meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.
- (f) 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.
- ~~(g) Where two or more persons together constitute one Member either of them may vote and the first of them to appear on the certificate of the title to their Lot or Unit shall be entitled to exercise the vote attached to their Lot or Unit.~~
- ~~(h) In determining the identity or address of a Member, the secretary shall be entitled to rely upon a title search of the Lot or Unit owned by such Member.~~

ARTICLE IV - THE GOVERNMENT OF THE HOMEOWNERS ASSOCIATION

4.01 The Board of Directors

- (a) ~~If a corporation is a Member anyone officer, director or other designatee of the corporation is eligible to become a Director.~~
- (b) ~~Except as provided in paragraph (a) above, each Director must be a Member of the Homeowners Association at the time of his election and throughout his term of office and a Director shall ipso facto cease to be a Director if he dies, convicted of~~

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Name: Blaine Usenik .
Name: Phil Lanni .
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an indictable offence, is declared mentally incompetent by a Court of Law, or if he ceased to be a Member or a designatee of a corporate Member.

- (c) A Director's term of office shall commence upon election or appointment to the Board and shall expire at the next annual general meeting of the Homeowners Association, unless prior thereto the Director resigns, becomes disqualified under subparagraph 4.01 (f) of these Articles.
- (d) A Director may be re-elected to the Board for as many consecutive terms as he or she and the members may desire.
- (e) Casual vacancies in the Board may be filled by appointment by the remaining Directors to serve until the next annual general meeting of the Homeowners Association.
- (f) A Director may be removed at any time by a resolution of the Homeowners Association at any special general meeting of the Homeowners Association duly called for such purpose.
- (g) The Board shall consist of ~~five (5)~~ to nine (9) Directors.
- (h) The Board shall, subject to these Articles, have full control and management of the affairs of the Homeowners Association, and meeting 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 Secretary at the direction of the President or any two (2) Directors.
- (l) A majority of the Directors personally present shall constitute a quorum at any meeting of the Board.
- (i) 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 ceasing vote and the motion will be deemed defeated.
- (k) 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.

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4.02 Duties and Powers of the Board

- (a) Except as provided in the Act and otherwise in these Articles, the powers of the Homeowners Association shall be exercised by the Board, and without restricting the generality of the foregoing, the duties and powers of the Board shall include those set out in Article 2 herein together with the following additional duties:
 - (i) to protect the assets of the Homeowners Association;

- (ii) to prepare and approve an annual operating budget for the Homeowners Association;
- (iii) to pay all expenses of and incidental to the operation and management of the Homeowners Association;
- (iv) to remunerate or indemnify any persons for services rendered or liabilities incurred by such persons incurred in connection with the affairs of the Homeowners Association;
- (v) to maintain all corporate, accounting and financial records of the Homeowners Association;
- (vi) to elect from amongst the Directors a President, a Vice-president, a Secretary and a Treasurer as soon as possible after each annual general meeting of the Homeowners Association;

and the following additional powers:

- (i) to invest the monies of the Homeowners Association in such investments and in such manner as the Board may, from time to time, determine; and
- (ii) to finance the operations of the Homeowners Association and to borrow, raise or secure the payment of monies in the name of the Homeowners Association and in such manner as the Board may, from time to time, determine; provided that the Board shall not borrow in excess of \$10,000.00 without the prior authorization of the Members in a general meeting, and the Board shall not permit the Homeowners Association to grant a debenture unless the granting of such debenture has first been authorized by a Special Resolution.

4.03

Officers

- (a) President: The President shall supervise the affairs of the Homeowners Association. He shall, when present preside at all general meetings of the Homeowners Association and at all meetings of the Board. In' is absence the Vice-President shall preside at any such meeting, and in the absence of both, a chairman may be elected by the meeting to preside at such meeting.
- (b) Vice-President: The Vice-President shall assist the President and preside at meetings in the absence of the President.
- (c) Secretary: It shall be the duty of the Secretary to attend all general meetings of the Homeowners Association and all meetings of the Board, and to keep accurate minutes of such meetings. In case of the absence of the Secretary, his duties shall be discharged by such person as may be appointed by the Board. The Secretary shall have charge of all

correspondence of the Homeowners Association subject to the direction of the President and the Board. The Secretary shall keep a record of all the Members and their addresses, send out notices of the various meetings as required, and be responsible for collecting and delivering to the Treasurer the assessments levied under the provisions of the charging encumbrance against the Lots or Units.

- (d) Treasurer: The Treasurer shall receive all monies paid to the Homeowners Association and shall deposit them in whatever chartered bank, treasury branch or trust company the Board may direct. He shall present a full and detailed account of receipts and disbursements to the Board whenever requested and shall cause to be prepared for submission to the annual general meeting financial statement which accurately reflect the financial position of the Homeowners Association.
- (e) A Director may be elected to hold more than one office.
- (f) The Officers of the Homeowners Association shall be appointed to hold office until the next annual general meeting of the Homeowners Association.
- (g) An Officer may be removed from office at any time by a resolution of the Board at a meeting of the Board duly called for such purpose.
- (h) 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 of the Homeowners Association.

ARTICLE V -BOOKS AND RECORDS AUDITING

5.01 The books, records and financial statements of the Homeowners Association shall be kept by the Treasurer and may be inspected by any Member at any annual general meeting or at any other time upon such Member giving reasonable notice to the Treasurer of his desire to do so and arranging a time and place satisfactory to the Treasurer.

5.02 The books, records and financial statements may at the discretion of the Directors be audited by a Chartered Accountant appointed from time to time by the Board who may be a Member but who shall not be a Director.

ARTICLE VI -MINUTES OF THE PROCEEDINGS

6.01 The Secretary shall maintain the minute book of the Homeowners Association and shall record in such minute book minutes of all proceedings at all meetings of the Homeowners Association and at all meetings of the Board.

6.02 The Secretary shall ensure that all necessary books and records of the Homeowners Association required by these Articles or by any applicable statute or laws are regularly and properly kept and filed.

ARTICLE VII -SEAL OF THE HOMEOWNERS ASSOCIATION

7.01 The Board may, in the name of the Homeowners Association, adopt a seal which shall be the common seal of the Homeowners Association and which shall be under the control of the Board and the responsibility for its custody and use from time to time shall be determined by the Board, but in the absence of any specific determination, the seal shall be preserved by the Secretary who together with the President shall execute and affix the seal of the Homeowners Association on all contracts of the Homeowners Association required to be executed under the seal of the Homeowners Association.

ARTICLE VIII -REMUNERATION

8.01 Unless authorized at any general meeting after notice of such meeting shall have been given, no Director, Officer or Member of the Homeowners Association shall receive any remuneration for services performed in his capacity as a Member, Officer or Director.

ARTICLE IX -INDEMNITY

9.01 Except as otherwise hereinafter provided every Director, Manager, Secretary, Treasurer and other Officer or servant of the Homeowners Association shall be indemnified by the Homeowners Association against, and it shall be the duty of the Directors, out of the funds of the Homeowners Association, to pay, all losses and expenses which any such Director, Manager, Treasurer, Secretary, Officer or servant shall incur or become liable to by reason of any contract entered into or act or thing done by him as such Director, Manager Secretary, Treasurer, Officer or servant, or in any way in discharge of his duties.

9.02 Any person made a party to any action, suit or proceedings by reason. of the fact that he, his testator or intestate, is or was a Director, Manager, Secretary, Treasurer, or other Officer, agent or servant of the Homeowners Association, or of any corporation which is served as such at the request of the Homeowners Association, shall be indemnified by the Homeowners Association against the reasonable expenses, including solicitor's fees, actually and necessarily incurred by him in connection with the defence of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matter as to which it shall be adjudged in such action, suit or proceedings that such Director, Manager, Treasurer, Secretary, or other Officer, agent or servant is liable for negligence or misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director, Officer or Employee may be entitled. None of the provision hereof shall be construed as a limitation upon the right of the Homeowners Association exercise its general power to enter into a contract or undertaking of indemnity with or for the benefit of any Director, Manager, Secretary, Treasurer, or other Officer, agent or servant in any proper case not provided for herein.

9.03 No Director or other Officer of the Homeowners Association 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 Homeowners Association through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Homeowners Association, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Homeowners Association shall be invested, or for the loss or damage arising from the bankruptcy or insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited, or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.

ARTICLE X -ARTICLES

10.01 These Articles may be rescinded, altered or added to by a Special Resolution at an annual general meeting or special general meeting of the Homeowners Association of the which at least twenty-one (21) days' written notice specifying the intention to propose amendments to these Articles as a Special Resolution has been duly given.

ARTICLE XI -DIVIDENDS

11.01 As the Homeowners Association is formed solely for a nonprofit purpose of promoting recreation and enhancement of the community and it is the intention of the Homeowners Association to apply the profits, if any, or any other income of the Homeowners Association in promoting its objects and as the Homeowners Association is not formed with gain for its object no dividend whatsoever and no part of the income of the Homeowners Association shall be divided among, payable to or be available for the personal benefit of any Member of the Homeowners Association.

ARTICLES XII -WINDING UP

12.01 In the event that the Homeowners Association is wound up or dissolved, any surplus of funds shall be paid to such registered and incorporated charitable organizations as the Members by Special Resolution shall determine. In no event shall the Members or any of them become entitled to any of the assets of the Homeowners Association.

12.02 A Member shall not transfer his Membership to another person. When a Member ceases to be a Member his rights as set out herein shall cease and shall become null and void.

ARTICLE XIII -NOTICES

13.01 Notice to a Member may be given by delivery to, or by prepaid ordinary mail addressed to the Member in care of either the municipal address of such Member's Lot or Unit or the address for service shown on the certificate of the title to the Member's Lot or Unit. Where two

or more registered Owners together constitute one Member a notice given to one such Owner shall be deemed to have been given to all such Owners.

13.02 Notice to a Director may be given by delivery to, or, by prepaid ordinary mail addressed to the Director's last known address as notified by such Director to the Homeowners Association.

13.03 Notice to the Homeowners Association may be given by personal delivery to any Director.

DATED at the City of Edmonton, in the Province of Alberta, this day of, 1991.

Witness

Name

Witness

Name

Witness

Name

Amended by the 2013 Annual General Meeting – November 4, 2013