



BEARSPAW COUNTRY ESTATES
HOMEOWNERS ASSOCIATION (HOA) BY-LAWS
(Adopted April 15, 2014)

INTERPRETATION:

1. In these By-Laws words referring to a singular number of the masculine gender shall include plural numbers of the feminine gender, as the case may be, and vice-versa, and references to persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

MEMBERSHIP:

2. Each person who is from time to time registered at the Land Titles office for the South Alberta Land Registration District as an owner of any one of more "lots" in Bears paw Country Estates on those lands generally described as:

PLAN 0611351
BLOCK 1
BLOCK 7
EXCEPTING THEREOUT ALL MINES AND MINERALS

is, on and from the date of registration as an owner of any of the Lands, a Member of the HOA (a "**Member**", or collectively, "**Members**"). Where the lot contains a residence that is occupied by the Member and the Member's spouse or partner, or adult child, the Member may designate the spouse or partner or adult child to be the Member for that lot for the purposes of these By-Laws.

3. A Member who ceases to be registered at the Land Titles Office for the South Alberta Land Registration District as an owner of any of the Lands shall cease to be a Member on and from the date on which he ceases to be registered as owner of any of the lands.

HOA MEETINGS:

4. The Directors of the HOA shall call a general meeting of Members to be held on or before April 30 in each calendar year (the "**Annual General Meeting**"). Annual General Meetings shall be held once in each calendar year and not more than fifteen (15) months shall elapse between the date of one Annual General Meeting

and the next. The Directors may at any time call a special meeting of Members (a "**Special Meeting**"). Members may require the President to call a Special Meeting as set out in Section 9.

5. Any Annual General Meeting or Special Meeting called at any time by the HOA or upon request by Members, as applicable, shall be called by sending a written notice of the time and place of such meeting not less than 21 days before the meeting to:
 - a. each Member at the last known address of the Member as indicated on the records of the HOA;
 - b. each Director; and
 - c. the Auditor of the HOA.

Notice of a meeting of Members may either be sent by mail or hand delivered to the residence of a Member. The notice shall be deemed to be sent to the Member on the day on which it is deposited in the mail. Additionally, notice of a meeting of Members may be sent by e-mail, however, e-mail shall not be an official means of delivery. **No error or inadvertent omission in giving notice of any Annual General Meeting or Special Meeting, or any adjourned meeting shall invalidate such meeting or render void any proceeding taken thereat.**

6. All business transacted at a Special Meeting is deemed "special business." All business transacted at the Annual General Meeting, other than the consideration of the financial statements and Auditor's Report, the election of Directors and the appointment of the Auditor, is deemed to be "special business."
7. Notice of a meeting of Members at which "special business" is to be transacted shall state:
 - a. The nature of that business in sufficient detail to permit the Member to form a reasoned opinion in regard to the proposed "special business"; and
 - b. The text of the proposed special resolution to be submitted to the meeting.
8. Notice of a meeting at which "special business" is to be transacted shall be delivered in the manner as stated in Section 5.
9. A Special meeting of Members shall be called by the President or the Secretary of the HOA within 60 days of receipt of a petition signed by not less than one-third of the Members in good standing (calculated as to one Member per lot), which petition shall set out the information required under Section 7.
10. Fifteen percent (15%) of Members (calculated as to one Member per lot), all in good standing with the HOA, shall constitute a quorum at any Annual General Meeting or Special Meeting. If a quorum is present at the opening of a meeting, the Members present may, unless the By-laws otherwise provide, proceed with the

business of the meeting, notwithstanding that a quorum is not present throughout the entire meeting. If within one-half (1/2) hour from the time appointed for an Annual General Meeting or Special Meeting, as applicable, a quorum is not present, the persons entitled to vote who are present shall be deemed to constitute a quorum.

11. Each Member in good standing is entitled to one vote at an Annual General Meeting or Special Meeting and where more than one person is registered as an owner of any individual lot within the Lands such owners shall collectively have only one vote.
12. If a body corporate or other association of persons is a Member, the HOA shall recognize any individual authorized by a resolution of the directors or governing body of the body corporate or other association of persons to represent it at meetings of Members.
13. An individual authorized under Section 12 may exercise on behalf of the body corporate or association of persons he or she represents all the powers it could exercise as if it were an individual Member.
14. Voting at an Annual General Meeting or Special Meeting shall be conducted by a show of hands, except where a ballot (poll) is demanded by a Member entitled to vote at the meeting. A Member may demand a ballot either before or on the declaration of the result of any vote by show of hands.
15. A general resolution of Members must be passed by 50% plus one of the votes cast by Members in good standing present in person at the meeting. A special resolution of Members must be passed by at least 75% of the votes cast by Members in good standing present in person at the meeting.
16. Conduct of all meetings shall be subject to Parliamentary Rules as defined by Roberts Rules of Order.

BOARD OF DIRECTORS

17. There shall be a minimum of three (3) and no more than seven (7) directors elected or appointed to the Board of Directors of the HOA. A Director of the HOA may be removed from office by a majority vote of Members at a duly constituted Special Meeting.
18. Members shall, by ordinary resolution at each Annual General Meeting (or Special Meeting, as applicable) elect Directors of the HOA, each of whom must be a Member in good standing, to hold office for a term expiring not later than the close of the next Annual General Meeting following the election.

19. A simple majority of Directors shall constitute a quorum for the transaction of business at any meeting of Directors of the HOA. Meetings of Directors of the HOA may be held without notice if a quorum is present, provided, however, that any business transacted at such meetings shall be ratified at the next regularly called meeting of the Directors, failing which such business shall be null and void.
20. If the Members fail to elect the minimum number of Directors required by these By-laws by reason of the disqualification or death of any candidate, the Directors elected at that meeting may fill the vacancy created thereby by a Member in good standing.
21. The Board of Directors shall, subject to these By-laws, have full control and management of the business and affairs of the HOA.
22. Meetings of the Directors of the HOA shall be held as often as the business of the HOA shall require.
23. Meetings of the Directors of the HOA shall be held at such time, place and on such day as the President or any two Directors may determine. Written notice of meetings of the Directors (which may include via email) shall be given to each Director not less than forty-eight hours before the time when the meeting is to be held, unless such meeting needs to be held on an urgent basis. Each newly elected Board may, without notice, hold its first meeting for the purposes of organization and the election and appointment of officers immediately following the meeting of Members at which such Board was elected, provided a quorum of Directors of the HOA is present.
24. At all meetings of the Directors of the HOA every question shall be decided by a majority of the votes cast on the question, and in case of an equality of votes the President shall be entitled to a second or casting vote.

OFFICERS

25. The Directors shall appoint from among themselves, a President, a Vice President, a Secretary and a Treasurer of the HOA, or in lieu of a Secretary and a Treasurer, a Secretary/Treasurer and such other officers as the Board of Directors may determine from time to time. All officers shall be members of the Board of Directors. A Director may be appointed to any office of the HOA, and two (2) or more offices of the HOA may be held by the same person.
26. The President shall be responsible for the general management and supervision of the affairs and operations of the HOA. The President shall, when present, preside as the chairman of all meetings of the HOA and of the Board of Directors of the HOA. In the absence of the President, a chairman for that particular meeting may be elected by the meeting providing a quorum of Members and or Directors, as applicable, is present.

27. The Vice President shall, in the absence or disability of the President, carry out the duties of the President and shall perform all other duties from time to time imposed upon the Vice President by the Board of Directors.
28. The Secretary shall except to the extent otherwise determined by the Board of Directors: (a) conduct all correspondence of the HOA; (b) issue notices of meetings of the HOA and Directors; (c) record all votes and attend to and keep accurate minutes of all meetings of the HOA and the Directors in the minute book to be kept for such purpose; (d) have custody of all records and documents of the HOA except those required to be kept by the Treasurer; (e) maintain the registers of Members, Directors and Officers; and (f) perform all other duties imposed on the Secretary by the Board of Directors. In case of the absence of the Secretary, the Secretary's duties shall be discharged by such officer as may be appointed by the Directors.
29. The Treasurer (or appointed property manager) shall: (a) have custody of the funds and securities of the HOA and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the HOA in the records belonging to the HOA and shall cause to be deposited all monies in a chartered bank or trust company; (b) disburse the funds of the HOA as may be directed by the Board of Directors; (c) render to the Board of Directors a regular accounting of all the transactions and statements of financial position of the HOA; (d) prepare for submission to the Annual General Meeting, or as soon as may be practicable, a statement duly audited, as set out in the By-laws, of the financial position of the HOA and submit a copy of same to the Secretary for the records of the HOA; and (e) perform all other duties imposed upon the Treasurer by the Board of Directors.
30. A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of the Board of Directors is as valid as if it had been passed at the meeting.
31. If all of the Directors consent, a Director may participate in a meeting of the Board of Directors by means of telephone or other electronic communication as permit all persons participating to hear each other, and such person is deemed to be present at the meeting.
32. Unless authorized at any duly constituted meeting of the Members, no Officer, Director or Member of the HOA shall receive any remuneration for his or her services as such. Directors may be reimbursed by the Board of Directors for all expenses necessarily and reasonably incurred by them while engaged in the affairs of the HOA. In addition, Directors, Officers and Members may provide other services to the HOA and be compensated in accordance with an agreement governing such services, however, the Director, Officer or Member, as applicable, shall declare his or her interest and abstain from voting on the decision regarding his or her engagement.

33. Every Director and Officer of the HOA shall be deemed to have assumed office on the express understanding and agreement and condition that every Director and Officer of the HOA, his or her heirs, executors and administrators, respectively, shall from time to time and at all times be indemnified and saved harmless out of the funds of the HOA from and against all costs, charges and expenses whatsoever, which such Directors and Officers sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against a Director or Officer in respect of any act, deed, matter or thing whatsoever made, done or permitted by such Director or Officer in or about the execution of the duties of his or her office, and also from and against all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs thereof, except as are occasioned by his or her own wilful neglect, default, fraud or dishonesty.

AUDIT

34. The books, accounts and records of the Treasurer (or appointed property manager), shall be audited at least once each year by a duly qualified accountant. If practicable, a complete and proper statement of the standing of the books for the previous year shall be submitted by such auditors at the Annual General Meeting. December 31st each year shall be the end of the fiscal year of the HOA.
35. The books and records of the HOA may be inspected by any Member of the HOA at the Annual General Meeting or at any time upon giving reasonable notice and arranging a time satisfactory to the Officer or Officers having charge of same. Each Member of the Board of Directors shall at all times have access to such books and records.

MEMBER IN GOOD STANDING

36. The Board of Directors may suspend from Membership in the HOA any Member who is in default of any of his obligations of that Member to the HOA, and such suspension shall continue in effect until such default is remedied.
37. Any Member against whose lands the HOA has registered any lien or charge in accordance with any agreement to which such lands are subject and to which the HOA is a party shall be suspended from Membership in the HOA without further act of the Directors and such suspension shall continue until such lien or charge is discharged.

OBLIGATIONS OF MEMBERS UNDER EXISTING AGREEMENTS

38. The HOA entered into an agreement dated December 19, 2005, which binds all Members, wherein it was provided that:

- a. Members grant to the HOA an interest in the Lands of the nature and to the extent necessary to: (i) place such insurance as shall be required to assist the HOA in fulfilling its obligations under the agreement; and (ii) allow the HOA, its Members, agents, employees and contractors (inclusive of subcontractors) to enter upon the Lands or any part to effect and carry out its obligations under the agreement;
- b. Members agree to pay to or reimburse the HOA (as the HOA shall from time to time determine in its unfettered discretion) all dues as established from time to time, all costs as actually incurred, expenses (including, without limitation, all administrative expenses) and outgoings of the HOA incurred by the HOA in fulfilling its obligations under the agreement;
- c. the HOA shall assess and charge as dues on an annual basis, such costs, expenditures and outgoings among Members (the owner of each lot comprising the Lands sharing equally), provided that the HOA may where it deems reasonable and prudent, assess the Members or any one or more Member, individually for a cost, expense or outgoing of the HOA relating to such Member;
- d. Members agree that any dues, assessments or charges for such costs, expenditures and outgoings unpaid when due shall bear interest as from time to time determined by the HOA (but in any event at a rate not less than 18% per annum) until paid, and such assessment or charge, together with any interest and all costs incurred in connection with the collection of such dues and interest, including legal costs on a full-indemnity basis, shall be a charge against the Lands or lot to which such unpaid assessment or charges relate as the HOA shall deem fit or appropriate;
- e. Members agree to pay the HOA such sums as the HOA may from time to time determine in its sole discretion are required to establish a reserve fund to meet the obligations of the HOA. Such sums when due shall bear interest as from time to time determined by the HOA (but in any event at a rate not less than 18% per annum) until paid, and such assessment or charge, together with any interest and all costs incurred in connection with the collection such dues and interest, including legal costs on a full-indemnity basis, shall be a charge against the Lands, or such lot to which such unpaid assessment or charges relate, as the HOA shall deem fit or appropriate; and
- f. Members and the HOA acknowledge that Members shall from time to time vary both in number and constituency as the Lands or parts or lots are sold, transferred and conveyed, and it is expressly agreed that this agreement shall run with the Lands and shall be binding upon and shall continue for the benefit the parties to this agreement and the Members and their respective heirs, executors, administrators, successors, assigns and successors-in-title to the Lands.

39. A restrictive covenant dated April 18, 2006 containing restrictions, conditions, covenants, requirements, rules and regulations, was registered against the Lands and binds all Members. The role of the initial developer under the restrictive covenant was irrevocably assigned to the HOA on July 9, 2013. The restrictive covenant provides as follows and these restrictions, conditions, covenants, requirements, rules and regulations form a party of these By-Laws:
- a. no lot shall be used for any purpose other than a site for a single family dwelling and such ancillary activities related thereto as are not otherwise prohibited or restricted by this restrictive covenant;
 - b. no excavation shall be made on a lot except for the purpose of building or for the improvement of the gardens and grounds thereof. No soil, sand or gravel shall be removed from a lot except for the purpose of building or for the improvement of the gardens or grounds thereof;
 - c. a lot shall not be used as a site for storage or parking of commercial vehicles, machinery, equipment, stock piling materials, supplies, stock-in-trade or products except where the presence of commercial vehicles, equipment, materials or products is temporary and associated with the construction, maintenance or repair of a dwelling or its utilities. A lot shall not be used as a site for storage of hay or feed, gasoline tanks or other bulk fuel tanks or stands except within a structure designed to conceal their view from any other lot;
 - d. no lot shall be used as a site for storage of garbage and any unsightly materials except under controlled conditions in covered containers and out of sight in enclosures so as not to be offensive to neighbouring lots and shall be removed on a regular basis;
 - e. no lot shall be used as a site for the use or discharge of firearms, hunting bows, crossbows, or any other weapons, whether or not otherwise permitted by law;
 - f. no activity shall be permitted on any lot which causes offensive noise, dust, smell, smoke, traffic generation or other nuisance;
 - g. no septic systems or disposal field shall be installed on any lot other than in compliance with the requirements of the public authority having jurisdiction over such works;
 - h. no fence may be constructed on any lot without the consent of the HOA;
 - i. no signs may be placed or maintained on any lot as a form of advertisement or promotion except a sign which indicates a lot is for sale;
 - j. no water well may be drilled on any lot after the date of this restrictive covenant; and

- k. no toilets, faucets, showerheads or other water applications shall be used or installed on any lot other than: (i) toilets which are of a low-consumption toilets, (ii) showerheads and faucets of a low-flow type, and (iii) outside taps fitted with CSA approved back flow preventers.

OPERATING COSTS OF HOA

- 40. The Board of 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 recently completed fiscal period.

RESERVES AND FUNDS

- 41. The Board of Directors may set aside any dues or other revenues of the HOA to create a capital reserve fund to provide for capital improvements and repair and replacement of amenities. The Board of Directors may also carry forward to the accounts of the succeeding year or years any profit or positive balance which they shall not think fit to place in such reserve fund.

VEHICLES, TRAILERS, BOATS AND OTHER RECREATIONAL OBJECTS

- 42. To the extent a recreational vehicle, trailer, boat or other recreational object, is not stored or parked in a garage or fully enclosed in an accessory building, it shall be parked or stored in close proximity to an exterior wall of the main residence or of an outbuilding.
- 43. Subject to receiving prior approval from the Board of Directors, no Member shall park or permit to be parked more than two recreational vehicles, trailers, boats and other recreational objects, except in a garage or fully enclosed accessory building or suitable privacy fencing.
- 44. All motor vehicles that are not stored or parked in a garage or fully enclosed in an accessory building must be licensed.

ARCHITECTURAL GUIDELINES

- 45. Pursuant to a restrictive covenant, the HOA amended and restated the Architectural Guidelines in November 2013. The guidelines also contain information relating to permitted fencing. A copy may be obtained from the HOA's website at www.bearspawcountryestates.com.

LANDSCAPING AND FIRE RISK

- 46. While there is no time limit by the end of which a Member is required to commence construction of a principal residence or complete landscaping on his or her lot, each Member of a vacant lot shall be required to keep the lot free of garbage,

unsightly objects and overgrown grasses and weeds. To the extent this is not done by a Member of a vacant lot on a regular basis, the HOA will provide notice to the Member and require the matter be addressed in a specified time. If the matter is not addressed as specified, the HOA will conduct the necessary mowing and charge back the cost to the Member as provided for in the agreement referenced in Section 38.

47. So as to mitigate the risk of grass fires, the HOA shall maintain the boulevards and other green spaces by cutting the wild grasses thereon and keeping same free of debris.

CHANGES TO THE BY-LAWS

48. These By-Laws may only be repealed, amended or added to by a special resolution passed by not less than 75% of the Members in good standing. Such resolution may be passed at a duly constituted meeting, of which 21 days' written notice has been given specifying the intention to propose a resolution as a special resolution, or by a written resolution signed by 75% of Members in good standing.

ENFORCEMENT OF BY-LAWS

49. The Board of Directors is empowered to enforce non-compliance penalties for failure to comply with these By-Laws. These actions are taken through a process of warning notices and notices of fines as follows. Any notice shall be sent to the last known address for the Member maintained by the HOA:
- a. first violation requires a warning notice, a description of the non-compliance be submitted to the offending Member and a specified period of time in which to rectify the non-compliance;
 - b. a failure to rectify the non-compliance in the time specified requires an additional notice advising of a final deadline for rectifying the non-compliance and indicating a penalty of the greater of \$200.00 and the HOA's cost to rectify the non-compliance will be assessed;
 - c. a failure to pay the penalty by a specified date will result in the filing of a caveat against the title to the lot and such steps to enforce same as the Board of Directors may determine in its sole discretion; and
 - d. there is no upper limit to the amount of penalties that may be assessed against a Member for repeated violations of these By-Laws.

Approved by the Board of Directors on March 21, 2014.

Approved by the Members on April 15, 2014.