

BY-LAW NUMBER ONE
OF
CHURCH RANCHES HOMEOWNERS ASSOCIATION

PART I - INTERPRETATION

1.01 DEFINITIONS

In these By-Laws, unless the context otherwise requires:

- a. "Annual General Meeting" means the annual meeting of the Members referred to in Clause 5.01 hereof;
- b. "Association" means the Church Ranches Homeowners Association;
- c. "Common Lands and Amenities" means the parks and landscaping thereon, and all other amenities located in the subdivision which are owned or controlled by the Association and which are designated by the Board of Directors, in its sole discretion, as common lands and amenities;
- d. "the Developer" means Church Ranches Ltd.;
- e. "Directors" means the Directors of the Association for the time being;
- f. "Encumbrance" means the encumbrance to secure a monthly charge of the amount therein stipulated against Residential Properties in the forms or alternatively in the form of Schedule "A" attached hereto;
- g. "Family Member" includes the members of the household of a Member;
- h. "Fees" means any fee, dues or other sum, including interest and expenses, owing by a Member to the Association, whether under the encumbrance or otherwise;
- i. "Member" means a person referred to in Clause 2.01 hereof;
- j. "Residential Property" means any individual lot or unit situated in the Subdivision and intended for use for a dwelling unit, including any lots belonging to the Developer and each unit in a multi-family building is deemed to be a Residential Property;
- k. "Societies Act" means the Societies Act for the Province of Alberta from time in force and all amendments to it;

- l. "Special Resolution" means the resolution passed:
 - i. at a meeting of Members of which not less than twenty-one (21) days notice specifying the intention to propose the resolution has been duly given, by a vote of not less than seventy-five percent (75%) of the Members who, if entitled to do so, vote in person or by proxy; or
 - ii. as a Special Resolution at meeting of the Members of which less than twenty-one (21) days notice has been given, if all the Members entitled to attend and vote at the meeting so agree, or
 - iii. a resolution consented to in writing by all of the Members who would have been entitled at meeting of the Members to vote on the resolution in person or by proxy.
- m. "Subdivision" means Whole of Section 31-25-2-W5M
 Excepting the Easterly 150 Feet throughout
 the North East Quarter and the South East Quarter

 Excepting thereout all mines and minerals
 and the right to work same.

1.02 *NUMBER AND GENDER*

In these By-Laws, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural or the feminine gender, as the case may be, and vice versa, and references to persons shall include firms and corporations.

PART II - MEMBERSHIP

2.01 *MEMBERS*

The subscribers hereto shall be Members until they resign. Every person owning a Residential Property in the Subdivision shall ipso facto be a Member as long as such person owns such Residential Property and shall forthwith cease to be a Member at any time a Residential Property in the Subdivision is not owned by such person, AND FURTHERMORE:

- a. Where there is more than one such owner, the Member shall be the person designated as Member by all the owners of that Residential Property. In the absence of such designation, the first person named as owner in the Certificate of Title or as Purchaser in an Agreement for Sale, shall be the Member;
- a.1 Where the residential property is occupied by the owner of the property and/or the owner's spouse or partner, and if the owner of the property designates the owner's spouse or partner as the Member then such spouse or partner shall be the Member while so designated.
- b. Except for the subscribers hereto or other Developer designates, where a Residential Property is owned by a corporation the Member shall be a person resident in the Residential Property and designated by the corporation as Member;
- c. When a Residential Property is occupied by a tenant, such tenant may be designated as Member by and instead of the owner of such property;
- d. The Developer shall be a Member in respect of each Residential Property in the Subdivision owned by the Developer.
- e. In the event of difficulty or dispute in determining the Member, the Directors in their absolute discretion may designate the Member, the intention being that there be one Member from each Residential Property in the subdivision and that the Member be a natural person resident in the Subdivision;
- f. Membership is not transferable by a Member but is appurtenant to ownership or residence or payment of fees as herein set out; and
- g. The Association shall not invite the public to subscribe for membership in this private Association.

2.02 ANNUAL FEES

Annual fees for the Members and Family Members of the Association shall be established at the Annual General Meeting by ordinary resolution of the Members. The Member shall pay such fee on the day appointed and any arrears are deemed to be a charge on the Residential Property of the Member.

2.03 REGISTER OF MEMBERS

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 and former Members. The register shall

be amended from time to time so that all current Members are listed in the register of Members. Such amendments 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. Upon amendment of the Register, there may be charged a fee not exceeding TEN DOLLARS (\$10.00) as set by the Board from time to time. Membership shall be evidenced by a membership card in such form as is designated by the Board.

2.04 REGISTER OF FAMILY MEMBERS

A register of Family Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Family Members and former Family Members. The register shall be amended from time to time so that all current Family Members are listed in the register of Family Members. Such amendments 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. Upon amendment of the Register there may be charged a fee not exceeding TEN DOLLARS (\$10.00) as set by the Board from time to time. Family Membership shall be evidence by a membership card in such form as is designated by the Board.

2.05 RIGHTS AND PRIVILEGES OF MEMBERS AND FAMILY MEMBERS

Subject to the Rules and Regulations as may be passed from time to time by the Board of Directors pursuant to Clause 3.13 hereof, each Member and Family Member shall have access to and be entitled to the use of the Common Lands and Amenities in common with all other Members and Family Members and each Member (but no Family Member) shall have one vote at any general and special meeting of the Association, subject to suspension of such rights under Clauses 2.06 and 2.07 hereof.

2.06 SUSPENSION FOR NON-PAYMENT OF FEES

A Member's right to use of the Common Lands and Amenities and the right to vote shall be suspended in the following cases, namely:

- a. for default in payment of the pro-rata amount payable by each Member under any Encumbrance registered against the Member's Residential Property;

- b. for default by the Member or Family Member in payment of any fee.

2.07 *SUSPENSION FOR BREACH OF RULES*

The rights of Members and Family Members to use the Common Lands and Amenities may be suspended by the Board of Directors for breach of any rule or regulation for the conduct of Members and Family Members.

2.08 *NON PAYMENT OF FEES*

If any Member shall fail to pay any fee on the day appointed for the payment thereof, the Board may at any time thereafter during such time as the fees remain unpaid serve notice on the Member requiring him to pay the fees together with interest and any expenses that may have occurred by reason of such non-payment. The suspension of a Member's rights and privileges pursuant to Clauses 2.06 or 2.07 does not relieve the Member of the obligation to pay the pro rata amount payable by each Member under the Encumbrance or any fee levied by the Association.

PART III - DIRECTORS

3.01 *BOARD OF DIRECTORS*

The affairs of the Association shall be managed by the Board of Directors and the Directors shall exercise all of the powers and do all the acts and things that the Association may exercise and do, and which are not by these By-Laws or by statute or otherwise lawfully directed or required to be exercised or done by the Association in a general meeting of the members.

3.02 *FIRST DIRECTORS*

The subscribers hereto shall be the first Directors of the Association and they shall hold office until the first meeting of Directors appointed pursuant to Clause 3.04 hereof.

3.03 *NUMBER*

The Board of Directors shall consist of ten (10) Directors.

3.04 APPOINTMENT OF DIRECTORS

The Board of Directors shall be appointed at the Annual General Meeting of the Members in the manner hereinbefore provided.

With respect to the appointment of Directors at the Annual General Meeting in the year 2000 the following appointments shall be made:

Five Directors shall be appointed to hold office until the next annual general meeting, and Five Directors shall be appointed to hold office until the second annual general meeting following their appointment.

With respect to the appointment of Directors at all annual general meetings subsequent to the year 2000 each Director shall be appointed to hold office until the second annual general meeting following his appointment.

3.05 QUALIFICATION

A director must be a Member of the Association.

3.06 VACANCIES

Vacancies on the Board of Directors may be filled by the Board from the membership at large upon a majority vote of the Directors at a duly constituted meeting of the Directors held for this purpose. The replacement Directors shall hold office for the unexpired term of the Director who ceased to be a Director and who caused such vacancy. If as a result of vacancies there is not a quorum of Directors, the remaining Directors shall forthwith call a meeting of the Members to fill the vacancies.

3.07 REMOVAL OF DIRECTORS

A Director may be removed from office by a Special Resolution passed by the Members at a meeting called for such purpose.

The office of a Director shall be vacated:

- a. if he is found to be a person of unsound mind;

- b. if by giving 5 days notice in writing to the Association he resigns his office upon expiration of such notice or the earlier acceptance of same;
- c. if he becomes bankrupt;
- d. if he personally fails to attend four consecutive directors meetings unless otherwise determined by ordinary resolution by the Board at which such director shall not be entitled to vote; or
- e. if he is convicted of an indictable criminal offence and has not served his sentence.

3.08 CONSENT

No election or appointment of a person as a Director shall be effective unless:

- a. He is present at the meeting when he was elected or appointed and did not refuse to act as a Director;
- b. He consents in writing to act as a Director before his election or appointment or within ten (10) days thereafter;
- c. He acts as a Director pursuant to the election or appointment.

3.09 COMMITTEES

The Directors may appoint from among their number one or more committees of Directors, and may delegate to any such committee any of the powers of the Directors. A committee so formed shall, in the exercise of the power delegated to it, conform to any rules imposed on the committee by the Directors, and shall report every act or thing done in exercise of its powers to the earliest meeting of the Directors to be held next after it has been done. The members of the Committee may meet and adjourn as they think proper.

3.10 REMUNERATION

The Directors shall not be paid for being or acting as a Director but, by resolution of the Board of Directors, Directors may be reimbursed for all expenses necessarily and reasonably incurred by them while engaged in the affairs of the Association.

3.11 LIABILITY

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

3.12 REGISTER OF DIRECTORS AND MANAGERS

The directors shall duly comply with the provisions of The Societies Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the keeping of the registers of the directors and managers and their addressees and occupations, the signing of the balance sheet, the filing with the Registrar of Corporations an annual report and copies of special and other resolutions and of any change in the registered office or of Directors.

3.13 POWERS OF DIRECTORS

Without restricting the generality of Clause 3.01 hereof, the Directors shall exercise general supervision of the affairs of the Association and may from time to time make rules and regulations in relation to the Association and may at any time in like manner annul or vary any rules and regulations so made, and all rules and regulations so made and the from the time being in force shall be binding on the Members of the Association and shall have full effect accordingly and it is expressly declared that the following shall be deemed to be rules and regulations in relation to the Association within the meaning of this clause, that is to say, regulations:

- a. As to proof required from persons claiming to be eligible to be Members and Family Members;
- b. As to honorary Members (if any) and visitors and guests;

- c. As to the manner in which a Member's or Family Member's use of the Association's facilities and Common Lands and Amenities may be suspended;
- d. As to the use of the Association's facilities and Common Lands and Amenities by Members and Family Members; and
- e. As to committees of Members in connection with the management of the Association, and as to the appointment, removal, qualification, disqualification, duties, functions, powers and privileges of members of such committee.

3.14 MEMBER APPROVAL

Notwithstanding the foregoing, the Board of Directors:

1. may not sell any land belonging to the Association unless the Members have approved such sale by Special Resolution, or
2. may not approve any development within the Common Lands and Amenities subsequent to February 28, 2001 unless the Members have approved such development by a Special Resolution. For purposes of this clause the removal of any existing structures does not constitute "development", or
3. may not approve any discharge of water or other substance of any kind whatsoever into the lakes, streams or other waterway within the Common Lands and Amenities after February 28, 2001 unless the Members have approved such discharge by a Special Resolution.

PART IV - MEETINGS OF DIRECTORS

4.01 PLACE OF MEETING

The Board of Directors may hold its meetings at such place or places as it may determine from time to time.

4.02 NOTICE OF MEETING

Directors' Meetings may be formally called by the President or Vice-President or by the Secretary on direction from the President or Vice-President or by the Secretary on direction in

writing by two (2) Directors. Notice of such meeting shall be delivered, telephoned, sent by telecopier or sent by electronic mail to each Director not less than two (2) days before the meeting is to take place or shall be mailed to each Director not less than four (4) days before the meeting is to take place.. The statement of the Secretary or President that notice has been given pursuant to this By-Law shall be sufficient and conclusive evidence of the giving of such notice. A notice of meeting of the Directors need not specify the purpose of or the business to be transacted at the meeting except in the case of any proposal to do any of the following things (which are hereinafter referred to as "Special Business"):

- a) Borrow money;
- b) Issue securities;
- c) Approve any annual financial statements;
- d) Suspend any Member; and
- e) Approve operating budgets.

The Board of Directors may appoint a day or days in any month or months for regular meetings at an hour and a place to be named and of such regular meetings no notice need be given or sent provided that no Special Business will be dealt with at the meeting unless notice of such Special Business was provided. A Directors' meeting may also be held, without notice, immediately following the Annual General Meeting of the Association, and Special Business may be dealt with at such meeting.

4.03 CHAIRMAN

The President of the Association shall be the Chairman of all meetings of the Directors, but if at the meeting the President is not present within fifteen (15) minutes after the time appointed for the holding of the meeting, the Vice-President shall act as Chairman, but if neither is present, the Directors present may chose one of their number to be Chairman of the meeting.

4.04 VOTING

Questions arising at any meeting of the Directors or any committee of the Directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairman shall not have a second or casting vote.

4.05 *QUORUM*

The quorum for the transaction of business at any meeting of the Directors shall consist of not less than half the Directors holding office or such greater number of Directors as the Board may determine.

4.06 *RESOLUTION IN LIEU OF MEETING*

Notwithstanding any of the foregoing provisions of this By-Law, a resolution in writing signed by all of the Directors entitled to vote on that resolution at a meeting of the Directors or a committee of Directors, if any, is as valid as if it had been passed at a meeting of the Directors or a committee of the Directors, if any.

4.07 *ERRORS IN NOTICE*

No error or inadvertent omission in a notice of a meeting of Directors shall invalidate such meeting or invalidate or make void any proceedings taken or had at such meeting and the Directors may at any time waive notice of any such meeting and may ratify and approve any and all proceedings taken or had thereat.

4.08 *MEETING BY TELEPHONE*

If all of the Directors of the Association consent, a Director may participate in a meeting of the Board or Committee of the Board by means of such telephone or other communication facilities as permit all persons participating at the meeting to hear each other, and a Director participating in such meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or during the meeting to which it relates and may be given with respect to all meetings of the Board and Committees of the Board.

4.09 *MINUTES*

The Directors shall cause minutes to be duly entered in books provided for the purpose:

- a. of all appointments of officers;
- b. of the names of Directors present at each meeting of the Directors and of any Committee of Directors;
- c. of all resolutions made by the Directors and Committees of Directors;
- d. of all resolutions and proceedings of general meetings.

And any such minutes of any meetings of the Directors or of any Committee of Directors, or of the Association, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as prima facie evidence of the matters stated in such minutes.

PART V - MEETINGS OF MEMBERS

5.01 ANNUAL MEETINGS

The Annual General Meeting of the Members shall be held at such time and on such day in each year as the Board of Directors may from time to time determine, for the purpose of considering and approving the financial statements and reports required by the Societies Act to be placed before the Annual General Meeting, electing Directors, appointing the Auditor and for the transaction of such other business as may properly be brought before the meeting. Notwithstanding the foregoing, an Annual General Meeting shall be held in each year not later than fifteen (15) months after the last preceding Annual General Meeting.

5.02 SPECIAL MEETINGS

The Board of Directors or the President shall have the power to call a special meeting of the Members at any time and shall call such meeting as soon as possible, when requested to do so in writing by twenty (20) Members. Such special meeting shall be called and held only for the purpose stated in such requisition and no other business shall be transacted.

5.03 PLACE OF MEETING

Meetings of the Members shall be held at such place within Alberta and at such time as the Directors may by resolution determine.

5.04 NOTICE

Notice in writing stating the day, hour and place of each meeting of the Members shall be given no less than twenty-one (21) days nor more than fifty (50) days before the date of the meeting to each Director and to each Member. No Family member shall be entitled to notice of any meeting, general, special or otherwise of the Association. Notice may be provided by one or more of the following methods, namely:

- a. Notice published in the Newsletter of the Association;
- b. Written notice mailed or delivered to the Members;
- c. Telephone notice to the Members.
- d. Electronic mail

5.05 ERROR OR OMISSION IN NOTICE

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 make void any proceedings taken thereat and the Members may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat.

5.06 QUORUM

A quorum for the transaction of business at any meeting of the Members shall consist of ten (10) Members present in person or by proxy. No business other than the election of a Chairman and the adjournment or termination of the meeting shall be conducted at any meeting at any time when a quorum is not present. If at any time during a meeting there ceases to be a quorum present, business then in progress shall be suspended until there is a quorum present or until the meeting is adjourned or terminated in accordance with Clause 5.07.

5.07 ADJOURNMENT

If within one hour from the time appointed for a meeting of the Members a quorum is not present, the meeting, if convened on the requisition of the Members, shall be terminated but in any other cases, it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within fifteen (15) minutes from the time appointed for the meeting, the Members present shall constitute a quorum. No notice of an adjourned meeting is required. No business, other than the business left unfinished at the meeting, may be transacted the adjourned meeting.

5.08 CHAIRMAN

The President of the Association or, in the President's absence, the Vice-President or, in the absence of both, one of the other Directors present shall preside as Chairman of a meeting of the Members, or if all the Directors present decline to take the chair, then the Members present shall choose one of their number to be Chairman. The Chairman at any meeting of Members may appoint one or more persons who are Members to act as scrutineers.

PART VI - VOTES OF MEMBERS

6.01 VOTING

Any question at a meeting of Members shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person, including a proxyholder or representative of a Member, who is present and entitled to vote shall have one vote for each proxy. On the demand of any person entitled to vote, the Chairman may require a ballot be taken in respect of any question posed for consideration at a meeting of the Members. No Family Member shall be entitled to vote in person or by proxy.

The Developer shall be entitled to one vote for each Residential Property owned by the Developer.

6.02 APPOINTMENT OF PROXY

A proxy shall in writing in an effectual form under the hand of the Member or of his attorney duly authorized in writing, and need not be attested. A person appointed proxyholder need not be a Member. No proxy shall be valid after the expiration of 12 months from the date of its execution unless it is otherwise specified in the instrument.

6.03 *DEPOSIT OF PROXY*

The proxy shall be deposited at the registered office of the Association or such other place as may be specified in the notice of meeting not less than 24 hours before the time of holding the meeting at which the person named in the instrument proposes to vote. In any default of such deposit the proxy shall not be treated as valid.

6.04 *VALIDITY OF PROXY*

A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy with respect to which the vote is given, provided no notification in writing of the death or revocation shall have been received before the meeting at the place where the proxies are to be deposited.

6.05 *SUSPENSION OF RIGHT TO VOTE*

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 special meeting or upon a ballot, or to be included in a quorum while any fee shall be due or payable to the Association by such Member.

6.06 *RESOLUTION IN WRITING*

A resolution in writing signed by all the Members entitled to vote thereon is as valid and effective as if regularly passed at a meeting of the Members.

6.07 *RECORD DATE*

The Directors may fix a time in the future not exceeding 30 days proceeding the date of any meeting of Members as a record date for the determination of the Members entitle to notice of and vote at any such meeting, and only the Members of record in the Register of Members at the close of business on that date so fixed shall be entitled to such notice of, and to vote at, such meeting, notwithstanding any change of Members on the Register of Members after any such record date so fixed.

PART VII - OFFICERS

7.01 OFFICERS

There shall be a President, a Vice-President, a Secretary and a Treasurer 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. One person may hold more than one office except the offices of the President and Vice-President. The officers shall be members of the Board of Directors.

7.02 PRESIDENT

The President shall, when present, preside at all meetings of the Members and the Board of Directors. The President shall also be responsible for the general management and supervision of the affairs and operations of the Association. The President with the Secretary or other officer appointed by the Board of Directors for the purpose shall sign all resolutions and membership cards.

7.03 VICE-PRESIDENT

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 on him by the Board.

7.04 SECRETARY

The Secretary shall:

- a. conduct all correspondence of the Association;

- b. issue notices of meetings of the Association and Directors;
- c. record all votes and attend and keep minutes of all meetings of the Association and the Directors in the books to be kept for such purpose;
- d. have custody of all records and documents of the Association except those required to be kept by the Treasurer;
- e. have custody of the common seal of the Association;
- f. maintain the registers of Members, Family Members, Directors and Officers; and
- g. perform all other duties from time to time imposed on him by the Board.

In the absence of the Secretary from a meeting, the Directors shall appoint another person to act as Secretary at the meeting.

7.05 *TREASURER*

The Treasurer shall:

- a. have the custody of the funds and securities of the Association and shall keep full and accurate accounts of all assets, liabilities, receipts and disbursements of the Association in the books belonging to the Association and shall deposit all monies, securities and other valuable effects in the name and to the credit of the Association in a chartered bank or trust company;
- b. disburse the funds of the Association as may be directed by the proper authority, taking voucher for these disbursements;
- c. render to the President and Directors at regular meetings of the Board, or whenever the Directors may require it, an accounting of all transactions and statements of financial position of the Association;
- d. keep such financial records, including books of account, as are necessary to comply with the Securities Act;
- e. render financial statements to the Directors, Members and others when required; and
- f. perform all other duties from time to time imposed on him by the Board.

PART VIII - SEAL

8.01 *SEAL*

The Directors may provide a corporate seal for the Association and they shall have power from time to time to destroy it and substitute a new seal in place of the seal destroyed.

8.02 EXECUTION OF INSTRUMENTS

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall, subject as herein provided, be signed on behalf of the Association by any two of the President, the Secretary, the Vice-President and the Treasurer. In addition, the Board may from time to time authorize and direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed provided that at least two signatories are required. Any person authorized to sign an instrument on behalf of the Association may affix the corporate seal thereto.

PART IX - FINANCES

9.01 BANK ACCOUNT

The Association shall maintain one or more bank accounts at a bank and/or trust company and all expenditures shall be by cheque. All cheques written on the Association's accounts must be signed by any two (2) of the President, Vice-President, Secretary and Treasurer.

9.02 BORROWING

In order to carry out the objects of the Association, the Directors may, on behalf of and in the name of the Association, borrow money from time to time in such amounts as they may deem proper and by way of overdrafts or otherwise; to grant securities by way of mortgage, hypothecation, debenture or pledge covering all or any of the property and assets of the Association as security for all or any monies so borrowed and interest on them; and generally to raise or secure the payment or repayment of money in the manner they decide, **PROVIDED HOWEVER THAT** in no case shall debentures be issued without the sanction of a Special Resolution of the Members.

9.03 RESTRICTIONS

The Members, by Special Resolution, may restrict the borrowing powers of the Directors.

PART X - AUDITOR

10.01 AUDITOR

The first Auditor shall be appointed by the Directors. The Members shall, at each Annual General Meeting, appoint an auditor or auditors to audit the accounts of the Association, to hold office until he is re-elected or his successor is elected at the next Annual General Meeting. An Auditor may be removed by ordinary resolution of the Members of the Association. An Auditor shall be promptly informed in writing of his appointment or removal. No Director and no employee of the Association shall be Auditor. The Directors may fill any casual vacancy in the office of Auditor. The remuneration of the Auditor shall be fixed by the Directors. The Auditor may attend meetings of the Members.

10.02 QUALIFICATION OF AUDITOR

The Auditor shall either be chartered accountant, a certified general accountant or two members of the Association elected for that purpose at the Annual General Meeting, or in the case of the first auditor, appointed by the Directors.

10.03 FISCAL YEAR

The fiscal year of the Association shall begin on January 1 of each year and shall end on December 31 of each year.

PART XI - BY-LAWS

11.01 COPIES OF BY-LAWS

On being admitted to membership, a Member is entitled to, and the Association shall, if so requested, give him, without charge, a copy of the Application for the formation of the Society under the Societies Act and the By-Law of the Association. The books and records of the Association may be inspected by any Member in good standing at the Annual General Meeting of the Association or at any time upon giving reasonable notice to the Secretary and the Treasurer.

11.02 AMENDMENTS

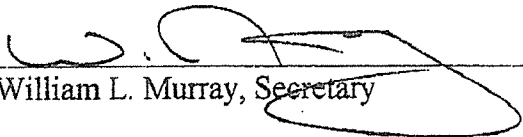
These By-Laws may be amended, added to or repealed by a special resolution of the Members. The enactment, amendment or repeal of any By-Law shall not be enforced or acted upon until notice of such enactment, amendment or repeal has been filed with the Alberta Registrar of Corporations. Notice of any meetings of Members called to consider the enactment, amendment or repeal of any By-Law shall set out the substance of the proposed enactment, amendment or repeal in full.

PART XII - CONDUCT OF MEETINGS

12.01 ROBERTS RULES

Conduct of all meetings shall be subject to Parliamentary Rules as defined by Roberts Rules of Order.

AMENDED AND DATED this 31st day of January 2002.



William L. Murray, Secretary

PROVINCE OF ALBERTA
BUSINESS CORPORATIONS ACT

SPECIAL RESOLUTION OF THE MEMBERS
OF CHURCH RANCHES HOMEOWNERS ASSOCIATION
(the "Association")

RESOLUTION

BE IT RESOLVED that By-Law Number One of the Association be amended as follows:

Section 4.04: Quorum for a Director's Meeting to be amended from "a majority of Directors" to "not less than half the Directors".

Section 5.04: Remove the words "or to attend" from the sentence "No family Member shall be entitled to notice of or to attend any meeting, general, special or otherwise of the association."

I, RON LEFEBVRE, certify the above to be an extract of a Special Resolution passed at a meeting of the members of CHURCH RANCHES HOMEOWNERS ASSOCIATION held on May 12, 1998.



RON LEFEBVRE

NOTICE OF CHANGE OF BY-LAWS
(SOCIETIES ACT, s. 15)

I hereby certify that the following special resolution was passed at a meeting of the members of Church Ranch Homeowners Association on March 1, 2000. The Bylaws were changed as follows:

Section 2.01 was amended by adding the following paragraph "a.1" immediately following paragraph "a"

Where the residential property is occupied by the owner of the property and/or the owner's spouse or partner, and if the owner of the property designates the owner's spouse or partner as the Member then such spouse or partner shall be the Member while so designated.

Section 3.03 was deleted and replaced with the following:

The Board of Directors shall consist of ten (10) Directors.

Section 3.05 was deleted and replaced with the following:

The Board of Directors shall be appointed at the Annual General Meeting of the Members in the manner hereinbefore provided.

With respect to the appointment of Directors at the Annual General Meeting in the year 2000 the following appointments shall be made:

Five Directors shall be appointed to hold office until the next annual general meeting, and Five Directors shall be appointed to hold office until the second annual general meeting following their appointment.


With respect to the appointment of Directors at all annual general meetings subsequent to the year 2000 each Director shall be appointed to hold office until the second annual general meeting following his appointment

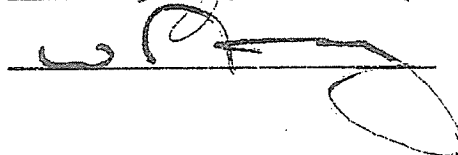
Section 8.02 was deleted and replaced with the following:

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall, subject as herein provided, be signed on behalf of the Association by any two of the President, the Secretary, the Vice-President and the Treasurer. In addition, the Board may from time to time authorize and direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed provided that at least two signatories are required. Any person authorized to sign an instrument on behalf of the Association may affix the corporate seal thereto.

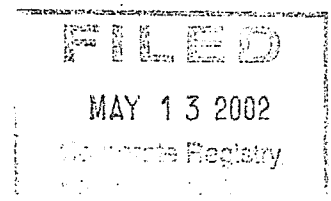
Signed and sealed this 19 day of April, 2002

CHURCH RANCHES HOMEOWNERS ASSOCIATION





PRESIDENT
SECRETARY



NOTICE OF CHANGE OF BY-LAWS
(SOCIETIES ACT, s. 15)

I hereby certify that the following special resolution was passed at a meeting of the members of Church Ranch Homeowners Association on February 28, 2001. The Bylaws were changed as follows:

Section 3.14 was deleted and replaced with the following:

Notwithstanding the foregoing, the Board of Directors:

1. may not sell any land belonging to the Association unless the Members have approved such sale by Special Resolution, or
2. may not approve any development within the Common Lands and Amenities subsequent to February 28, 2001 unless the Members have approved such development by a Special Resolution. For purposes of this clause the removal of any existing structures does not constitute "development", or
3. may not approve any discharge of water or other substance of any kind whatsoever into the lakes, streams or other waterway within the Common Lands and Amenities after February 28, 2001 unless the Members have approved such discharge by a Special Resolution.

Section 4.02 was amended by deleting the second sentence of the first paragraph and replacing it with the following:

Notice of such meeting shall be delivered, telephoned, sent by telecopier or sent by electronic mail to each Director not less than two (2) days before the meeting is to take place or shall be mailed to each Director not less than four (4) days before the meeting is to take place.

Section 5.04 was amended by adding the following immediately following paragraph (c):

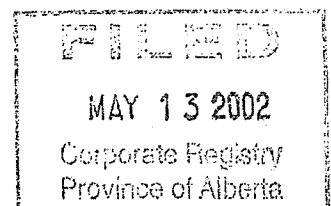
(d): Electronic mail

Signed and sealed this 1st day of April, 2002.

CHURCH RANCHES HOMEOWNERS ASSOCIATION

 _____ PRESIDENT

 _____ SECRETARY



NOTICE OF CHANGE OF BY-LAWS
(SOCIETIES ACT, ALBERTA)

I hereby certify that the following special resolutions were passed at a meeting of the members of the Church Ranch Homeowners Association on May 8, 2003. The By-Laws were changed as follows:

Sections 3.03 and 3.04 of the by-laws be deleted and replaced with the following:

3.03 *Number*

The Board of Directors shall consist of nine (9) Directors.

3.04 *Election and Term of Directors*

The Board of Directors shall be elected at the Annual General Meeting of the Members in the manner herein provided.

With Respect to the election of the Directors at the Annual General Meeting in the year 2003, the following elections shall take place:

Three Directors shall be elected to hold office until the second Annual General Meeting following the 2003 Annual General Meeting and Three Directors shall be elected to hold office until the third Annual General Meeting following the 2003 Annual General Meeting.

With respect to the election of Directors at all Annual General Meetings subsequent to the year 2003, each Director shall be elected to hold office until the third Annual General Meeting following their election.

The board proposes that at the 2003 AGM the election of three directors to hold office for the two year term be first and the election of three directors to hold office for the three year term be second.

Sub paragraph "d" of section 3.07 be amended by replacing the word four (4) with the word two (2) such that the amended section will read as follows:

The office of a Director shall be vacated... :

- d. if he personally fails to attend two (2) consecutive directors meetings unless otherwise determined by ordinary resolution by the Board at which such director shall not be entitled to vote; or*

A second paragraph to section 4.05 be added as follows:

"If, within one-half (1/2) hour from the time appointed for a meeting of the Directors, a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within ten (10) minutes from the time appointed for the meeting, the directors present shall constitute a quorum. No notice of an adjourned meeting is required and no business, other than the business left unfinished at the meeting, may be transacted at the adjourned meeting."

Signed and sealed this 17 day of June, 2003.

CHURCH RANCHES HOMEOWNERS ASSOCIATION

Per: 
President

Per: 
Secretary

NOTICE OF CHANGE OF BY-LAWS
(SOCIETIES ACT, ALBERTA)

I hereby certify that the following special resolutions were passed at a meeting of the members of the Church Ranch Homeowners Association on February 3, 2005. The By-Laws were changed as follows:

Subsection (a) of Section 3.08 of the by-laws be deleted and replaced with the following:

- a. *He is present at the meeting when he was elected or appointed and did not refuse to act as a Director, or, if not present, he has provided the board with a letter, at least twenty four hours in advance of the meeting in which new directors are to be elected or appointed, stating his reasons that he cannot attend such meeting and that he request his name be put forward for election or appointment to the board;*

Signed and sealed this 22nd day of February, 2005.

CHURCH RANCHES HOMEOWNERS ASSOCIATION

Per: _____
President

Per: _____
Secretary