

A BYLAW RELATING GENERALLY TO THE TRANSACTION  
OF THE BUSINESS AND AFFAIRS OF  
THE CAMERON HEIGHTS HOMEOWNERS ASSOCIATION

ARTICLE I - INTERPRETATION, DEFINITIONS, AND INCORPORATION  
OF "RESTRICTIVE COVENANT, EASEMENT AND ENCUMBRANCE AGREEMENT"

1.01 These Bylaws shall be construed with reference to the provisions of the Societies Act, R.S.A. 2000, c. S-14, as amended from time to time (or any subsequent governing legislation), and terms used in these Bylaws shall be taken as having the same respective meanings as they have when used in that Act. Notwithstanding anything else herein contained, these By-laws shall be read subject to the restrictions upon their scope and effect contained in the Societies Act and other applicable statutes and rules of law and equity, and any provisions herein repugnant to such restrictions shall, wherever possible, be severed from these By-laws, in order that the rest may stand.

1.02 In the interpretation of these By-laws (including this Article 1.02), except where excluded by the context,

- a. words importing the singular number shall also include the plural and vice versa;
- b. words importing the masculine gender shall also include the feminine;
- c. words importing persons shall include corporations;
- d. the headings herein are given for convenience only, and shall not affect the interpretation of these Bylaws;
- e. these By-laws shall be interpreted in a large and liberal sense so as to give effect thereto wherever possible;
- f. "Act" shall mean the Societies Act R.S.A. 2000, c. S-14, as amended, and any statute that may be substituted therefor;
- g. "Association" shall mean the Cameron Heights Homeowners Association;
- h. "the Board" means the Board of Directors of the Association;
- i. "By-laws" shall mean the By-laws of the Association as amended from time to time;
- j. "Developer" means jointly 831614 Alberta Ltd. and 831031 Alberta Ltd.;
- k. "Director" shall mean any person who has been duly elected or appointed to the

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Board of Directors by whatever name called;

- l. "General Meeting" shall mean an annual general meeting or special general meeting;
- m. "Member" shall mean a member of the Association unless the context requires otherwise;
- n. "Registered Office" shall mean the registered office for the Association;
- o. "Restrictive Covenant" and "Schedule "A"" shall each mean the Restrictive Covenant and Encumbrance Agreement, to be recorded on the titles within the Cameron Heights Subdivision, as it may be amended or extended from time to time, the initial form of which is annexed hereto as Schedule "A";
- p. "Special Resolution" shall have the meaning provided in the Act;

1.03 These By-laws are subject to and are to be construed with the Restrictive Covenant, which governs in the event of any conflict with these By-laws. The purpose and objects of the Association are to carry out the duties and functions provided for in Schedule "A" to be performed or done by the Association and generally to provide for care and maintenance of Subdivision Features in the Cameron Heights Subdivision as defined in Schedule "A".

## ARTICLE II - MEMBERS OF THE SOCIETY AND VOTING RIGHTS

2.01 Article 3.1 in Schedule "A" are incorporated into these By-laws and are made a part hereof.

Without limitation:

- a. The Members of the Association shall be those entitled to membership under said Article 3.1 paragraphs 3.1.1 and 3.1.3; provided that, the five signatories to the application for incorporation of the Association and substitutions therefor (if any) made by the Developer shall, notwithstanding Schedule "A", and notwithstanding anything herein contained, be and continue to be members whether or not they own any interest in any Subdivided Lots. Such signatories shall only cease to be members when the Developer no longer owns title to any parcel of land within the Cameron Heights Subdivision or earlier at their discretion upon service of an appropriate notice upon the Association. Save for the said five signatories and substitutions therefore, ownership (which may be beneficial ownership) in fee simple of a Subdivided Lot or Multi-Family Land, or a fractional or joint tenant interest therein, is a prerequisite to membership in the Association. No one (save for the said five signatories or other representatives of the Developer appointed hereunder) who is not an owner in fee simple as aforesaid shall be eligible for membership; and everyone

who has been but ceases to be such an owner shall ipso facto cease to be a Member. An owner shall be entitled to become a Member forthwith on becoming registered (which may include registration by caveat) as an owner as aforesaid, and his membership shall be recorded by the Secretary upon his providing to the Association's Board satisfactory evidence of such ownership, or the Board otherwise being satisfied of such ownership;

- b. Voting rights shall be as set out in said Article 3 in Schedule "A";
- c. No owner shall be expelled from the Association as long as he continues to be a registered owner of a Subdivided Lot or Multi-Family Land (as defined in Schedule "A").

#### 2.02 Membership Year

Membership year shall be from January 1<sup>st</sup> to December 31<sup>st</sup> of each year.

#### 2.03 Notice of Meeting

A Member shall be entitled to notice of and to attend at all meetings of the Members of the Association. Where two or more persons own a Subdivided Lot, a notice given to one such owner shall be deemed to have been given to all such owners. Notices may be delivered or mailed to the addresses of members' properties within the Cameron Heights Subdivision. Alternatively, notice may be given by advertisement in a local newspaper (which may be a newspaper such as the Edmonton Examiner).

### ARTICLE III - MEETINGS OF THE ASSOCIATION

#### 3.01 The Annual General Meeting

- a. An Annual General Meeting of the Association shall be held in each calendar year after 2003 in the City of Edmonton, in the Province of Alberta, on a day to be fixed by the Board from time to time;
- b. At least fourteen (14) days prior to the Annual General Meeting the Secretary shall give to each Member a notice setting forth the date, place and time of the Annual General Meeting;
- c. The Annual General Meeting shall consider the report of the President, review of financial statements, (which shall set out the Association's income, disbursements, assets and liabilities, and shall comply with the requirements of the Societies Act), appoint such auditors or accountants as may be desired, elect the Board, and

transaction such other business as may be put before the meeting;

- d. A quorum for the Annual General Meeting of the Association shall be the attendance of persons collectively entitled to cast five (5) or more votes;
- e. Unless any two Members demand a ballot vote, all voting at the Annual General Meeting shall be done by a show of hands;
- f. Each Member may vote by proxy. Such proxy should himself be a Member of the Association or an officer or employee of a corporate member, but before voting must produce and deposit with the Secretary a sufficient appointment in writing. The Secretary or in his absence the Chairman of the meeting shall have complete discretion to determine whether an appointment or proxy is valid and sufficient;
- g. Except as to a Special Resolution, each issue and Resolution shall be decided by a majority of the votes of the Members present or in person or represented by a proxy;
- h. Accidental omission to give any notice to any Member or the non-receipt of any notice by any Member or any error in any notice not affecting the substance thereof shall not invalidate any action taken at a meeting held pursuant to such notice or otherwise founded thereon; and
- i. At the Annual General Meeting there shall be elected as many Directors as shall be required to fill the vacancies of the Board.

### 3.02 Special General Meetings of the Association

- a. Special general meetings of the Association shall be called at the direction of the President or upon request in writing of any twenty-five (25) Members in good standing, stating the object of the special meeting;
- b. At least fourteen (14) days prior (and if a Special Resolution is proposed at least twenty-one (21) days prior) to the special general meeting, the Secretary shall mail or deliver to each Member a notice setting forth the date, place, time and purpose of the special general meeting. Notices may be delivered or mailed to the addresses of members' properties within the Cameron Heights Subdivision. Alternatively, notice may be given by advertisement in a local newspaper (which may be a newspaper such as the Edmonton Examiner).;
- c. The method of voting, the use of proxies and the quorum required for any special general meeting shall be the same as for the Annual General Meetings;

- d. Accidental omission to give any notice to any Member or the non-receipt of any notice by any Member or any error in any notice not affecting the substance thereof shall not invalidate any action taken at a meeting held pursuant to such notice or otherwise founded thereon.

3.03 Proceedings at Annual General and Special General Meetings

- a. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of the Members, shall be dissolved, but in every other case it shall stand adjourned to the same day in the following week at the same time and place;
- b. The President, or in his absence, a Vice-President, shall preside at every General Meeting of the Society. If neither the President nor a Vice-President be 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 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. At every General Meeting every question shall be decided in the first instance by a show of hands, unless before or upon the declaration of the result of the show of hands, a ballot be demanded by at least two (2) Members personally present and entitled to vote. A declaration by the person presiding that a resolution has been carried or carried by a particular majority, or lost, shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour or against any such resolution. If a ballot be demanded in the manner above mentioned, it shall be taken at such time and place and in such manner as the person presiding may direct, and the result of the ballot shall be deemed to be the resolution of the General Meeting at which the ballot was demanded. A demand for a ballot may be withdrawn;
- e. 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;
- f. Notwithstanding anything to the contrary in these By-laws a resolution assented to and adopted in writing under the hands of sixty-five (65%) percent of all the Members entitled to vote thereon, provided they represent at least sixty-five (65%) percent of the votes, though not passed at a General Meeting, shall be of the same

force and effect as if it had been duly passed at a General Meeting duly convened, and no previous notice, or convening of any General Meeting for the purpose of passing such resolution shall in such case be deemed to have been necessary, whether the business transacted thereat is special or not, and a Member may signify his assent to such resolution in writing under his hand or by telegram or cable, and such resolutions shall be deemed to have been passed on any dated therein stated to be the date thereof;

- g. Co-owners may vote by proxy jointly appointed by them, and in the absence of such proxy are entitled to vote on a show of hands; but on any vote by ballot each co-owner is entitled to such part of the vote applicable to the Parcel he co-owns as is proportionate to his interest in the Parcel.

3.04 In determining the identity or addresses of Members the Secretary shall be entitled to rely upon either (or both) title searches and notifications of ownership given to the Board by Members or their representatives.

#### ARTICLE IV - THE GOVERNMENT OF THE ASSOCIATION

##### 4.01 The Board of Directors

- a. Until the first Annual General Meeting of the Association, the following shall constitute the entire Board:

(i) J. CAMERON ALLARD

11290 - 100 AVENUE, EDMONTON, AB T5K 0J1

(ii) BRAD CLOUGH

11219 - 100 AVENUE, EDMONTON, AB T5K 0J1

(iii) PAUL ALLARD

11219 - 100 AVENUE, EDMONTON, AB T5K 0J1

(iv) MIKE MARTIN

11219 - 100 AVENUE, EDMONTON, AB T5K 0J1

(v) BRENDA FRALICK

11219 - 100 AVENUE, EDMONTON, AB T5K 0J1

- b. Those persons listed in paragraph (a) above shall be entitled to continue to be Board Members as long as the Developer shall continue to be an owner of at least one Subdivided Lot, provided that the Developer shall be at liberty from time to time to select and designate other persons to replace those (or some of those) listed above, and on its so doing the replacement persons shall take the place of those above-named who are so replaced;
- c. If an owner of a Subdivided Lot or Multi-Family Land is a corporation, any one officer, director or other designates of the corporation is eligible to become a member of the Board, except in the case of the Developer, who shall have the right to designate five (5) members to the Board so long as the Developer remains owner of at least one Subdivided Lot or Multi-Family Land, as aforesaid;
- d. With the exception of paragraphs (a), (b) and (c) above, each Board member must be a Member (or designates of a corporate Member) in good standing of the Association at the time of his election and throughout his term of office; and a Board member shall ipso facto cease to be a Board member if he dies, is convicted of an indictable offence or is declared mentally incompetent by a court of law, or if he ceases to be a Member (or designate of a corporate member);
- e. Board membership shall commence upon election or appointment to the Board and shall expire at the next succeeding Annual General Meeting, unless prior thereto the Board member resigns, becomes disqualified under paragraph (d) hereof or is removed under paragraph (f) hereof. Board members may be re-elected, but no member shall sit on the Board for longer than three (3) successive terms of office. The signatories to the application for incorporation are hereby appointed as, and shall form the first Board of Directors of the Association; and their term of office shall expire on the date of the next Annual General Meeting of the Association (unless, and to the extent that, any are then re-elected);
- f. Casual vacancies in the Board may be filled by appointment by the remaining Board members to serve until the next Annual General Meeting, provided that a Board member (other than a representative of the Developer) may be removed prior thereto by resolution of the Members of the Association at any Special Meeting of the Members duly called for such purpose;
- g. The affairs of the Association shall be managed by the Board consisting of not less than three (3) nor more than seven (7) persons;

- h. The Officers shall consist of a President, Vice-President, Secretary and Treasurer, and they shall be appointed by the Board from amongst Board members; and the Board may appoint one person to more than one position, and the Board may also remove any officer from office;
- i. The number of Board members shall be five (5) for the initial Board and thereafter the number (not to be less than three (3) nor more than seven (7)) shall be fixed at each Annual General Meeting;
- j. The Board, at any Board meeting following the Annual General Meeting of the Association, may appoint not more than two (2) persons to the Board in the event that at the Annual General Meeting of the Association there are an insufficient number of persons elected to the Board;
- k. Any member of the Board shall be eligible for re-election to the Board, subject to the limitation set out in Section 4.01 (e);
- l. The Board shall subject to these By-laws and any directions given it by majority vote at any General Meeting properly called and constituted, have full control and management of the affairs of the Association, and meetings of the Board shall be held as often as may be required, but at least once every twelve (12) months, and shall be called by the President or on the instructions of any two (2) members of the Board provided they request the President in writing to call such meeting, and state the business to be brought before the meeting;
- m. Meetings of the Board shall be called by ten (10) days notice in writing and mailed to each member or by three (3) days notice by telephone unless waived by all of the members of the Board;
- n. A majority of the members of the Board, personally present, shall constitute a quorum at any meeting of the Board; provided that as long as the Developer is a Member, attendance of at least one (1) of its representatives is necessary for there to be a quorum;
- o. Subject to Article 2.01, each member of the Board including the President shall have one (1) vote. In the case of an equality of votes, the President shall not have a second or casting vote and the motion will be deemed defeated;
- p. A resolution of the Board in writing signed by all of the members of the Board shall be as effective as a resolution passed at a meeting of the Board duly convened and held.



4.02 Duties and Powers of the Board

- a. Except as provided in the Act and otherwise in these By-laws, the powers of the Association shall be exercised by the Board, and without restricting the generality of the foregoing, the duties of the Board shall include the responsibilities set out in Article III of Schedule "A" together with the following:
- (i) To facilitate and promote the objects of the Association;
  - (ii) To create and define categories of Members;
  - (iii) To engage, hire and discharge any employees including administrative employees, in respect to the operation of the Association;
  - (iv) To maintain and properly protect the assets and properties of the Association;
  - (v) To prepare and approve an annual budget consistent with the good management of the Association;
  - (vi) To pay all expenses of and incidental to the operation and management of the Association;
  - (vii) To remunerate or indemnify any persons for services rendered or liabilities incurred in connection with the affairs of the Association;
  - (viii) To maintain all accounting and financial records of the Association;
- b. In addition, the Board shall have the following powers:
- (i) To invest and deal with the monies of the Association not immediately required in such securities and in such manner as from time to time may be determined by the Board;
  - (ii) To finance the operations of the Association and to borrow, raise or secure the payment of moneys in such manner as the Board may, from time to time, think fit; provided that no borrowing in excess of \$20,000.00 shall be made without prior authorization of the Members in General Meeting, and no debenture shall be granted unless authorized by Special Resolution;
  - (iii) To appoint legal counsel and auditors from time to time;
  - (iv) To make rules and regulations for the operation of the Association and the use of its facilities and assets;

- (v) Without in any way abrogating or limiting the general responsibility of the Board, to delegate its powers and duties to any person engaged as a manager of the Association in accordance with Article 3.2, paragraph 3.2.2 of Schedule "A", and without limitation to retain the Developer as Manager; and to delegate functions to community leagues or associations as contemplated in Schedule "A";
- (vi) To set, levy, issue and collect levies for the Rent Charges provided for in Schedule "A";
- (vii) To issue certificates as to a Member's position with regard to Rent Charges, any such certificate to be signed by at least two members of the Board; and any certificate so issued shall estop the Association and all Members from denying the accuracy of such certificate as against any mortgagee, purchaser or other person dealing with the owner of the Parcel of land to which the certificate relates (but shall not be an estoppel as against the owner of such Parcel); and
- (viii) To place and maintain third party liability insurance in such amounts and on such terms as the Board may from time to time select, insuring the Members and Board members in respect of the actions and omissions of the Association.

#### 4.03 Board Committees

- a. The Board may appoint committees to advise the Board from time to time in respect to the various duties and responsibilities of the Board;
- b. Each committee created by the Board shall be headed by one of its members appointed by the President to be Chairman of that committee;
- c. Each committee created by the Board shall meet at the call of the Chairman, record minutes of its proceedings, and distribute such minutes to the members of the committee and to the Chairman of all other committees and furnish reports at the request of the President prior to each Board meeting. Unless waived by all of the members of the committee, not less than two (2) days prior notice of the date, place and time of a committee meeting shall be mailed or delivered to each member of the committee;
- d. A majority of the members of any committee personally present at a meeting shall constitute a quorum; and
- e. Each member of the committee including the Chairman shall have one (1) vote at

the meeting of the committee but in case of an equality of votes there shall be no casting vote.

4.04 Officers

- a. President: the President shall supervise the affairs of the Association, and be ex-officio a member of all committees. He shall when present, preside at all meetings of the Association and of the Board. In his absence the Vice-President shall preside at any such and in the absence of both a chairman may be elected by the meeting to preside thereat;
- 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 meetings of the Association and of the Board, and to keep accurate minutes of the same. He shall have charge of the Seal of the Association. In case of the absence 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 the correspondence of the Association and be under the direction of the President and the Board. The Secretary shall also keep a record of all the Members of the Association and their addresses, send all notices of the various meetings as required, and shall collect and receive the Rent Charge assessments levied under Schedule "A" hereto or annual dues levied by the Association, such moneys to be promptly turned over to the Treasurer;
- d. Treasurer: the Treasurer shall receive all moneys paid to the Association and shall deposit the same in whatever chartered bank, treasury branch or trust company the Board may order. He shall present a full detailed account of receipts and disbursements to the Board whenever requested and shall prepare for submission to the Annual Meeting a statement duly audited as hereinafter set forth of the financial position of the Association;
- e. The officers of the Association shall be appointed for a term of one (1) year or until the next Annual General Meeting whichever first occurs; and
- f. Any vacancy arising in any office shall except as otherwise provided herein, be filled by the appointment by the Board of another member of the Board who shall hold such office until the next Annual General Meeting of the Association.

ARTICLE V - BOOKS AND RECORDS AUDITING

5.01 The books and records of the Association may be inspected by any Member of the Association at the annual meeting provided for herein or at any other time upon giving reasonable

notice and arranging a time satisfactory to the officer or officers having charge of the same. Each member of the Board shall at all times have access to such books and records.

5.02 The books, records and financial statements shall be audited by an auditor appointed from time to time by the Board. Such auditor may be two (2) Members and need not be a Chartered Accountant; but they shall not be a member of the Board, which financial statements shall be prepared once a year for presentation at the Annual General Meeting in accordance with Bylaw 3.01 hereof.

#### ARTICLE VI - VOTING

6.01 Any Member shall have the right to vote at any meeting of the Association. The number of votes available to Members is to be determined in accordance with Schedule "A" and these By-laws (Schedule "A" to take precedence in the event of conflict).

#### ARTICLE VII - MINUTES OF THE PROCEEDINGS

7.01 The Secretary shall maintain and have charge of a copy of the Minute Books, the original Minute Books being maintained at the Registered Office of the Association and shall record in the copy or cause to be recorded in the original minutes of all proceedings of all meetings of the Members and of the Board.

7.02 The Board shall see that all necessary books and records of the Association required by the By-laws of the Association are by any applicable statute or laws are regularly and properly kept and filed.

#### ARTICLE VIII - SEAL OF THE ASSOCIATION

8.01 The Board may, in the name of the Association adopt a seal which shall be the common seal of the 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 Association on all contracts of the Association required to be executed under the Seal of the Association.

#### ARTICLE IX - REMUNERATION

9.01 Unless authorized at any General Meeting and after notice of same shall have been given, no

Director, Officer or Member of the Association shall receive any remuneration for services performed in his or her capacity as a Member, Officer or Director. Nothing herein shall derogate from or affect the right of the Developer to receive compensation as manager for the Association or in respect of the Developer's performance of any Association duties or transactions.

#### ARTICLE X - INDEMNITY

10.01 Each member of the Board, officer and employee shall be indemnified by the Association against any and all liability and reasonable expenses in connection with or resulting from any claim, action, suit or proceeding in which he may become involved as a party, or otherwise, by reason of his having been a Director of the Board, officer or employee of the Association except in relation to matters as to which he shall be adjudged with respect to such claim, action or proceeding to be liable for gross negligence or wilful misconduct in the performance of his duty to the Association.

#### ARTICLE XI - BYLAWS

11.01 The by-laws may be rescinded, altered or added to by a Special Resolution of the Association, at a General Meeting of which at least twenty-one (21) days written notice specifying the intention to propose the resolution as a Special Resolution has been duly given.

#### ARTICLE XII - WINDING UP

12.01 In the event the 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 may from time to time determine. In no event shall the Members or any of them become entitled to any of the assets of the Association.

#### ARTICLE XIII - SIGNATORIES

13.01 The signatories to the Association are hereby ratified and confirmed as subscribers to the incorporation of the Association.

#### ARTICLE XIV - NOTICES

14.01 Notices to Members may be given by delivery to, or by prepaid ordinary mail addressed to, the address of the Member's Parcel; and Notices to Board members may be given by delivery to, or, by prepaid ordinary mail addressed to the Board member's last known address notified to the Association. Notices to the Association shall be given by personal delivery to a member of the Board.

DATED at the City of Edmonton, in the Province of Alberta, this 25 day of July 2003.

Witness: *L M Knox*

Signature: *C Allard*

J. CAMERON ALLARD  
11219 - 100 AVENUE  
EDMONTON, AB T5K 0J1

Witness: *L M Knox*

Signature: *Brad Clough*

BRAD CLOUGH  
11219 - 100 AVENUE  
EDMONTON, AB T5K 0J1

Witness: *L M Knox*

Signature: *Paul Allard*

PAUL ALLARD  
11219 - 100 AVENUE  
EDMONTON, AB T5K 0J1

Witness: L M Knox

Signature: Mike Martin

MIKE MARTIN

11219 - 100 AVENUE

EDMONTON, AB T5K 0J1

Witness: L M Knox

Signature: Brenda Fralick

BRENDA FRALICK

11219 - 100 AVENUE

EDMONTON, AB T5K 0J1

Witness Name: LYNNE KNOX

Witness Address: 11219-100 Ave

Edmonton AB

T5K 0J1

**RESTRICTIVE COVENANT, EASEMENT AND ENCUMBRANCE AGREEMENT**

MADE THIS 10<sup>th</sup> day October, 2003.

BETWEEN:

**831614 ALBERTA LTD. and 831031 ALBERTA LTD.**  
bodies corporate incorporated under the laws of the  
Province of Alberta (hereinafter jointly called the  
"Developer")

OF THE FIRST PART,

- and -

**CAMERON HEIGHTS HOMEOWNERS ASSOCIATION**  
incorporated under the Societies Act of Alberta with  
registered office at #400, 10235 – 101<sup>st</sup> Street, in the City of  
Edmonton, in the Province of Alberta (hereinafter called "the  
Homeowners Association")

OF THE SECOND PART.

WHEREAS:

(a) The Developer is registered as owner of lands in the City of Edmonton, in the Province of Alberta described in Schedule "A" hereto (each lot within the said lands being hereinafter referred to as a "Subdivided Lot" and all the said lands collectively being hereinafter described as the "Stage One Lands");

(b) The Stage One Lands are part of a planned development in stages of adjacent lands that are herein described as the "Cameron Heights Subdivision";

(c) The Developer wishes to develop on the Stage One Lands a residential development for single-family homes, and on later stages of development of the Cameron Heights Subdivision wishes to develop single-family homes and multi-family homes or condominiums, special aspects of which are to be:

- i. development control;
- ii. the sharing of the construction costs and maintenance of Subdivision Features by and through the Homeowners Association; and



- iii. the right to construct capital projects through and at the cost of the Homeowners Association;
- (d) The Homeowners Association is (or will be) the holder of leases, easements and other rights, which from time to time may include
- i. easements for Subdivision Fences;
  - ii. easements or leases for the following subdivision common elements:
    - a. Entrance Features, and
    - b. Landscaping:
 

including without limitation the lease and easement provided for in Article 2 hereof;
  - iii. easements and other rights for maintenance of Subdivision Features, and
  - iv. such other leases and easements as the Homeowners Association deems appropriate for the overall benefit of the Subdivision Features;

NOW THEREFORE THE PARTIES HERETO AGREE AS FOLLOWS:

1. **DEFINITIONS**

IN THIS INSTRUMENT the following items have the following meanings:

1.1 **"Approving Authority"** means:

1.1.1 The Developer, if the Developer shall remain the legal or beneficial owner of any Subdivided Lots or other parcels within the Cameron Heights Subdivision, or

1.1.2 If the Developer shall no longer own any Subdivided Lot or other parcel within the Cameron Heights Subdivision, the Homeowners Association.

1.2 **"Architectural Guidelines"** means the architectural guidelines as apply to each particular stage of the Cameron Height Subdivision as established by the Approving Authority from time to time.

1.3 **"Cameron Heights Subdivision"** means the Stage One Lands and such additional Subdivided Lots and/or Multi-Family Land which, with the

approval of the Homeowners Association, are added and form part of the Cameron Heights Subdivision from time to time.

- 1.4 **"Capital Project"** means the addition of new (or major repair/rebuild of existing) Facilities within the Cameron Heights Subdivision.
- 1.5 **"Entrance Features"** means any entry monument or structure and appurtenant landscaping and lighting now or hereafter constructed on or adjacent to any roadway entrance to any part of the Cameron Heights Subdivision.
- 1.6 **"Facilities"** means an improvement of or equipment for amenities, such as but not limited to, community halls, playgrounds, playground equipment, swimming pools, skating and hockey rinks and tennis courts for common use.
- 1.8 **"Homeowners Association Land Interests"** means
  - 1.8.1 the leasehold interest or interests held by the Homeowners Association as tenant as to the area or areas containing the Entrance Features located thereon for the benefit of the Cameron Heights Subdivision;
  - 1.8.2 the easement held by the Homeowners Association on the Subdivided Lots within the Stage One Lands being the easement provided in Article 2 hereof; and
  - 1.8.3 such other leases and easements within the Cameron Heights Subdivision as the Homeowners Association hereinafter acquires.
- 1.9 **"Homeowners Association Costs"** means for any period any and all costs incurred or to be incurred in such period (including, without limitation, reasonable reserves for future maintenance, repair and replacement costs) by the Homeowners Association in and in respect of carrying out its rights, duties and obligations hereunder, as determined by the board of directors of the Homeowners Association from time to time.
- 1.10 **"Landscaping"** means such gardens, trees and landscaped areas attended to by the Homeowners Association whether on private or public areas.
- 1.11 **"Material Alteration"** means:
  - 1.11.1 any addition to a building situate on a Subdivided Lot or Multi-Family Land, or

- 1.11.2 any change in the materials or colors or textures utilized in the roofing or exterior cladding of a building that significantly affect the style or appearance of the building and is inconsistent with the styles or appearances provided for in the Architectural Guidelines, as determined by the Approving Authority.
- 1.12 **"Multi-Family Land"** means any land within the Cameron Heights Subdivision which is zoned for multi-family residential use, provided that upon registration of a condominium plan in relation to such land, each residential unit shall be considered a Subdivided Lot.
- 1.13 **"Multi-Family Land Factor"** is:
- 1.13.1 the number of residential units actually constructed upon the Multi-Family Land in question; or,
- 1.13.2 prior to the construction of residential units upon the Multi-Family Land, the maximum number of residential units that may be constructed on the Lands in compliance with zoning regulations.
- 1.14 **"Public Lands"** means public roadways, municipal parks, school sites, environmental reserve, lakes, dry ponds and other lands from time to time dedicated to the City of Edmonton for public use.
- 1.15 **"Rent Charge"** means such amount as is assessed and levied by the Homeowners Association from time to time against a particular Subdivided Lot or Multi-Family Land by multiplying the Rent Charge Proportion applicable thereto by the Homeowners Associations Costs.
- 1.16 **"Rent Charge Proportion"** means:
- 1.16.1 as to all Subdivided Lots, the fraction equal to one (1) divided by the Rent Charge Subdivision Factor; and,
- 1.16.2 as to the Multi-Family Land, the fraction equal to the Multi-Family Land factor divided by the Rent Charge Subdivision Factor. :
- 1.17 **"Rent Charge Subdivision Factor"** means the aggregate of:
- 1.17.1 the number of Subdivided Lots from time to time situate within the Cameron Heights Subdivision; plus,

- 1.17.2 the total of all of the Multi-Family Land Factors for all Multi-Family Lands situated from time to time within the Cameron Heights Subdivision.
- 1.18 **"Special Treatments"** includes patterned sidewalks, decorative street lamps, landscaped cul-de-sac islands, walkways, playgrounds, electrical power and lighting, gardens, flower beds and landscaping and other facilities now or hereafter constructed on private or public lands in the Cameron Heights Subdivision or on lands adjacent thereto, the care or maintenance of which may be undertaken from time to time by the Homeowners Association.
- 1.19 **"Stage One Lands"** means all those lands described in Schedule "A" hereto.
- 1.20 **"Subdivided Lot"** means a single-family residential lot, a semi-detached residential lot or a condominium unit.
- 1.21 **"Subdivision Features"** means the Entrance Features, the Subdivision Fences, Facilities and special treatments, whether on public lands or otherwise, or any other element of the subdivision determined to be a Subdivision Feature or Facility by the Homeowners Association from time to time.
- 1.22 **"Subdivision Fences"** means such fences as are constructed by or on behalf of the Developer in connection with the Cameron Heights Subdivision.
- 1.23 **"Term"** means the period commencing on the date hereof and expiring on the 99<sup>th</sup> anniversary of the date hereof.

## 2. EASEMENTS AND RESTRICTIVE COVENANT

### 2.1 Easement to Developer and Homeowners Association

- 2.1.1 The Developer, as owner of all the Subdivided Lots in the Stage One Lands, for itself and its successors and assigns, hereby grants to itself as owner of all of the Stage One Lands and its successors and assigns, and further grants to the Homeowners Association as the holder of the Homeowners Association land interests, and its successors and assigns, an easement in fee simple over all the Stage One Lands for the purpose of maintaining, repairing and replacing the Subdivision Fences and Entrance Features in such form and of such construction and design as the Developer may determine. Such easement shall be held for use is common with

the owners of the Stage One Lands.

- 2.1.2 The Developer shall have the right to construct and maintain Subdivision Fences of such type, construction and design as the Developer may determine and the Homeowners Association shall have the right to and shall be responsible to maintain and keep that side of the Subdivision Fence facing a roadway or other public lands (the "Public Side") at all times in good and substantial repair and condition. For greater certainty, the owner of the Subdivided Lot or Multi-Family Land on which the Subdivision Fence is located shall remain liable and responsible for the maintenance of the other side of the Subdivision Fence which faces the balance of such owner's Subdivided Lot.
- 2.1.3 In exercising its right of access, the Developer and Homeowners Association shall cause as little damage as reasonably possible and will repair any damage caused.

## 2.2 Restrictive Covenant

THE DEVELOPER, as registered owner in fee simple of all of the Stage One Lands, and each of the Subdivided Lots within the Stage One Lands, in consideration of the premises and the mutual covenants herein contained, on its own behalf and on behalf of their respective successors in title to each such Subdivided Lot, does accordingly covenant and agree with itself as registered owner of each of the remainder of the Subdivided Lots within the Stage One Lands described in Schedule "A" hereto, and with the Homeowners Association as the holder of the Homeowners Association Land Interests, and with each of their successors in title thereto that:

- 2.2.1 The land use and occupancy restrictions hereinafter described as being applicable to the Stage One Lands shall be and be deemed to be covenants running with the Stage One Lands and each Subdivided Lot therein and shall ensure to the benefit of all other Subdivided Lots in the Stage One Lands, and may accordingly be enforced in respect of any Subdivided Lot for the benefit of which they have been granted by the owner of such Subdivided Lot and by the Homeowners Association.
- 2.2.2 The said covenants and conditions shall not be personally binding upon or ensure to the benefit of the Developer except while it remains the registered or beneficial owner or owners of any of the said Subdivided Lots and then only in respect of such Subdivided Lots as are owned by it or them.

2.2.3 The restrictions that shall apply to each Subdivided Lot within the Stage One Lands are the following:

- 2.2.3.1 No building or material alteration shall be constructed on any Subdivided Lot unless the plans and specifications therefore shall meet the Architectural Guidelines as they may exist from time to time applicable to the Stage One Lands and shall first have been approved in writing by the Approving Authority. Further, no Material Alteration shall be made to any building constructed on a Subdivided Lot without prior written approval by the Approving Authority.
- 2.2.3.2 The Approving Authority may designate a person, firm or corporation to act as its agent in carrying out its functions as the Approving Authority.
- 2.2.3.3 Approval by the Approving Authority may not be obtained unless plans and specifications of the building or the addition or alterations are first provided to the Approving Authority. Nothing in this paragraph 2.3 shall prevent any owner or occupant of a Subdivided Lot from effecting repairs to a building restoring the same to substantially the same state of appearance, design and use applying after its initial construction (or approved alteration).
- 2.2.3.4 No outdoor clothes-handing devices and no outdoor communication or other satellite dishes, (except for satellite dishes having an overall diameter of 36 inches or less) or aerials or similar devices shall be placed or kept on any Subdivided Lot without the prior written approval of the Approving Authority.
- 2.2.3.5 No recreational vehicles or trailers shall be parked or kept on any Subdivided Lot (unless inside a garage) for more than forty-eight (48) hours, without the prior written approval of the Approving Authority.
- 2.2.3.6 No signs or advertising material, other than "for sale" or "for rent" signs not exceeding four square feet in area shall be placed or kept on any Subdivided Lot, without the prior written approval of the Approving Authority.
- 2.2.3.7 No side or rear fences shall be constructed other than

in accordance with the architectural guidelines for fences in place in connection with the Stage One Lands from time to time.

### 3. THE HOMEOWNERS ASSOCIATION

#### 3.1 Membership and Voting Rights

3.1.1 Every owner in fee simple of lands within the Cameron Heights Subdivision shall be a member of the Homeowners Association, subject to and bound by the Homeowners Association's Application for Incorporation, By-laws, Rules and Regulations, and this Agreement. The Developer shall be and is entitled to be a member in respect of each Subdivided Lot as to which the Developer is and remains the owner until such time (in respect of each Subdivided Lot respectively) as the Subdivided Lot is transferred to a purchaser who buys the Subdivided Lot from the Developer or transferred to a builder in order to construct a building for resale. The Developer shall also be entitled to be a member in respect of such of the lands within the Cameron Heights Subdivision as remain owned by the Developer, including both Subdivided Lots and unsubdivided portions of the Cameron Heights Subdivision. The foregoing does not include persons or entities who hold a leasehold interest or interest merely as security for the performance of an obligation. Ownership, as defined above, shall be the sole qualification for membership. When any lands are owned by two or more persons or other legal entity, all such persons or entities shall be members but they shall have voting rights limited as herein set out. An owner of more than one Subdivided Lot shall be entitled to membership in respect of each Subdivided Lot owned by him. Save as provided in paragraph 3.1.3. hereof, membership shall be appurtenant to and may not be separated from ownership of any Subdivided Lot, and entitlement to it shall be automatically transferable by conveyance or other transfer of that Subdivided Lot. Anyone who ceases to be an owner of a Subdivided Lot shall ipso facto cease to be a member. This provision shall not apply to the Developer who shall also be a member so long as the Developer legally or beneficially owns one or more Subdivided Lots or unsubdivided lands with Cameron Heights Subdivision.

3.1.2 The Homeowners Association shall have three classes of voting membership, Class A, Class B and Class C. All votes shall be cast in the manner provided in the By-laws. When more than one person or entity holds an interest in any Subdivided Lot, the vote for such Subdivided Lot shall be exercised (as between them) as provided for in the By-laws; but in no event shall more than the

number of votes hereinafter designated be cast with respect to any such Subdivided Lot. The three classes of voting memberships, and voting rights related thereto, are as follows:

3.1.2.1 Class A. Class A members shall be:

3.1.2.1.1 the subscribers to the Homeowners Association's incorporation and charter documents (and substitutions therefore made by the Developer); and

3.1.2.1.2 all owners other than the Developer of Subdivided Lots;

Class A owners shall be entitled to one (1) vote for each subscriber and one (1) vote for each Subdivided Lot owned;

3.1.2.2 Class B. The owners of Multi-Family Land shall be the only Class B members. As long as the Developer owns Multi-Family Land, the Developer shall be a Class B member. Such Class B members shall, be entitled to such number of votes as equals the Multi-Family Land Factor.

3.1.2.3 Class C. The Developer shall be the only Class C member. The Class C members (the Developer) shall have fifty (50) votes for each Subdivided Lot which the Developer owns legally or beneficially and one hundred and fifty (150) votes for each Multi-Family Land which the Developer owns legally or beneficially within the Cameron Heights Subdivision.

3.1.3 Notwithstanding the foregoing, the subscribers to the Homeowners Association's incorporation and charter documents are entitled to be and shall be members, whether or not they shall own any Subdivided Lots, until such time as the Developer no longer owns title to any Subdivided Lot or Multi-Family Land within the Cameron Heights Subdivision. Further, the Developer may select and designate and retain as members substitutions for such subscribers (who may be officers, directors or employees of the Developer) who shall be eligible to be members even though they do not own any Subdivided Lots. Such persons who are members pursuant to this clause 3.1.3 shall each and all be entitled to continue to be members until the Developer no longer owns title to any Subdivided



Lot or Multi-Family Land within the Cameron Heights Subdivision. Thereafter, they shall automatically cease to be members. They shall, notwithstanding their ceasing to be members, nonetheless be entitled to serve as members of the Board of Directors and/or officers of the Homeowners Association.

### 3.2 Rights and Obligations of the Homeowners Association

3.2.1 Responsibilities. The Homeowners Association shall be responsible for the management and control of all Subdivision Features and Special Treatments, directing and carrying out all Capital Projects, and shall keep the same in good, clean and proper condition, order and repair.

3.2.2 Manager. The Homeowners Association may obtain, employ and pay for the services of any entity or person (hereinafter called the "Manager") to assist in managing its affairs and carrying out its rights and obligations hereunder to the extent it deems advisable, as well as such other personnel as the Homeowners Association shall determine to be necessary or desirable, whether such personnel are furnished or employed directly by the Homeowners Association or by the Manager. Without limitation, the Homeowners Association may contract with or employ the Developer or an associated company to perform and exercise (any such contract shall in no way restrict the voting rights of the Developer) its rights and obligations or to act as Manager for any period. Any management agreement must be terminable for cause, be for a term not to exceed one year, but may be renewable upon mutual consent of the parties.

3.2.3 Implied Rights. The Homeowners Association may exercise other rights or privileges given to it expressly by this Agreement, its Articles or By-laws, or by law.

## 4. COVENANT FOR MAINTENANCE ASSESSMENTS

4.1 There shall be payable by the registered owner in fee simple of each Subdivided Lot or Multi-Family Land to the Homeowners Association such Rent Charge as is assessed and levied against such lands by the Homeowners Association from time to time.

4.2 The Board of Directors of the Homeowners Association shall (subject to the limitation stated in paragraph 4.3 hereof) be the sole determiner of the Homeowners Association's Costs, the Rent Charge Proportion, the amount of the Rent Charges from time to time and the dates on which they are payable; and a certificate stating the same and signed by two or more Directors of the Homeowners Association, or signed by an officer of the Developer if the Developer is then a member of the Homeowners

Association, shall be conclusive and binding on all owners within the Cameron Heights Subdivision (including without limitation the owners of the Subdivided Lots in the Stage One Lands). The Board of Directors of the Homeowners Association shall, for and on behalf of the Homeowners Association, determine the Subdivided Lots and Multi-Family Lands in addition to the Stage One Lands that fall within the Cameron Heights Subdivision from time to time; and the foregoing certificate provisions shall apply as to such determination.

4.3 Notwithstanding paragraph 4.2 hereof, the Rent Charge for a Subdivided Lot or any Multi-Family Land shall not exceed the maximum of :

(a) for a Subdivided Lot, the maximum of Two Hundred and Forty (\$240.00) Dollars per annum; and,

(b) for any Multi-Family Land, a maximum calculated by multiplying Two Hundred and Forty (\$240.00) Dollars per annum by the Multi-Family Land Factor,

unless authorized by a special resolution of the Homeowners Association.

4.4 The Developer hereby, as registered owner in fee simple of each of the Subdivided Lots within the Stage One Lands (as described in Schedule "A" hereto), subject to such liens, encumbrances and interests as are endorsed thereon, grants to the Homeowners Association a Rent Charge as against and in respect of each such Subdivided Lot, equal as to each such Subdivided Lot within the Stage One Lands, to the lesser of:

4.4.1 The maximum Rent Charge as determined in accordance with paragraph 4.3 hereof; or,

4.4.2 The actual Rent Charge as determined by the board of directors of the Homeowners Association from time to time;

and encumbers, mortgages and charges each such Subdivided Lot as security for payment of the Rent Charge applicable to each such Subdivided Lot (respectively), and grants also to the Homeowner's Association a right of distress in respect of the Rent Charge.

4.5 The registered fee simple owner from time to time of each Subdivided Lot and of each Multi-Family Land shall pay the Rent Charge applicable to his Subdivided Lot or Multi-Family Land as and whenever required by the Homeowners Association. The Board of Directors of the Homeowners Association shall from time to time estimate the Homeowners Association's Costs for such period as it deems convenient to its

administration and shall notify each owner of the amount of such estimate and the owner's share thereof (that is, his Rent Charge) by notice in writing delivered to or on, or mailed by ordinary mail to the address of any dwelling situate on, each Subdivided Lot or Multi-Family Land. Each such estimate shall state an annual amount for the Rent Charge payable for the period such as will (if paid) pay the full amount of such estimate within the period. The Rent Charge for each Subdivided Lot or Multi-Family Land shall be the sum so notified by the Homeowners Association as applicable to the Subdivided Lot or Multi-Family Land and the annual amount shall be due and payable in advance on the 1<sup>st</sup> day of March of each year.

- 4.6 The Rent Charge shall be and is hereby made an encumbrance upon each respective Subdivided Lot or Multi-Family Land within the Cameron Heights Subdivision and the Homeowners Association shall have and be entitled to enforce such Rent Charge against each such (respective) Subdivided Lot or Multi-Family Land in the same manner as provided for an Encumbrance under the Land Titles Act of Alberta.
- 4.7 The said Rent Charge shall run with and bind the title to each such respective Subdivided Lot or Multi-Family Land.
- 4.8 Notwithstanding anything herein contained no Rent Charge shall be levied, assessed or payable for any period prior to February 28, 2005; and the Developer shall provide all duties and functions of the Homeowners Association at the Developer's sole cost and expense to such date. The Developer shall, as shall all owners, be subject to all Rent Charges levied on Subdivided Lots owned by them (respectively) from and after February 28, 2005.
- 4.9 Any Rent Charge not paid when due shall bear interest (and the owner of the Subdivided Lot in default shall pay interest on the Rent Charge in default) at the rate of SIXTEEN (16%) per cent per annum calculated monthly, not in advance, from the date due until paid; and such interest shall be and is hereby made a charge upon the said Subdivided Lot or Multi-Family Land.
- 4.10 The Homeowners Association shall be at liberty, in its sole discretion, to postpone the Rent Charge only herein provided for, in respect of any Subdivided Lot, to a registered first mortgage of such Subdivided Lot, on such terms and conditions as the Homeowners Association may require provided however that the mortgagee or its foreclosure buyers are liable for post title transfer Rent Charges.

5. TERM

5.1 This Agreement and the rights, licenses, interests, privileges and charges hereby granted shall be for a term of ninety-nine (99) years commencing on the date hereof and expiring on the ninety-ninth (99<sup>th</sup>) anniversary of such date.

6. MISCELLANEOUS

6.1 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

6.2 If any part of this Agreement shall be void, unlawful or unenforceable for any reason whatsoever, such part shall be severable from this agreement without affecting or derogating from the validity and enforceability of the remainder hereof.

IN WITNESS WHEREOF the parties have each hereunto affixed its respective seal as witnessed by the hands of its proper officers duly authorized in that behalf as of the day and year first above written.

831614 ALBERTA LTD.

PER: Brad Clegh

831031 ALBERTA LTD.

PER: Dennie Flynn  
Dennie Flynn

CAMERON HEIGHTS HOMEOWNERS ASSOCIATION

PER: Brad Clegh

PER: \_\_\_\_\_

SCHEDULE "A" TO  
RESTRICTIVE COVENANT AND ENCUMBRANCE AGREEMENT

STAGE ONE LANDS

(A)

PLAN 0323979

BLOCK 3

LOTS 1 TO 54 INCLUSIVE

EXCEPTING THEREOUT ALL MINES AND MINERALS

(B)

PLAN 0323979

BLOCK 5

LOTS 1 TO 81 INCLUSIVE

EXCEPTING THEREOUT ALL MINES AND MINERALS