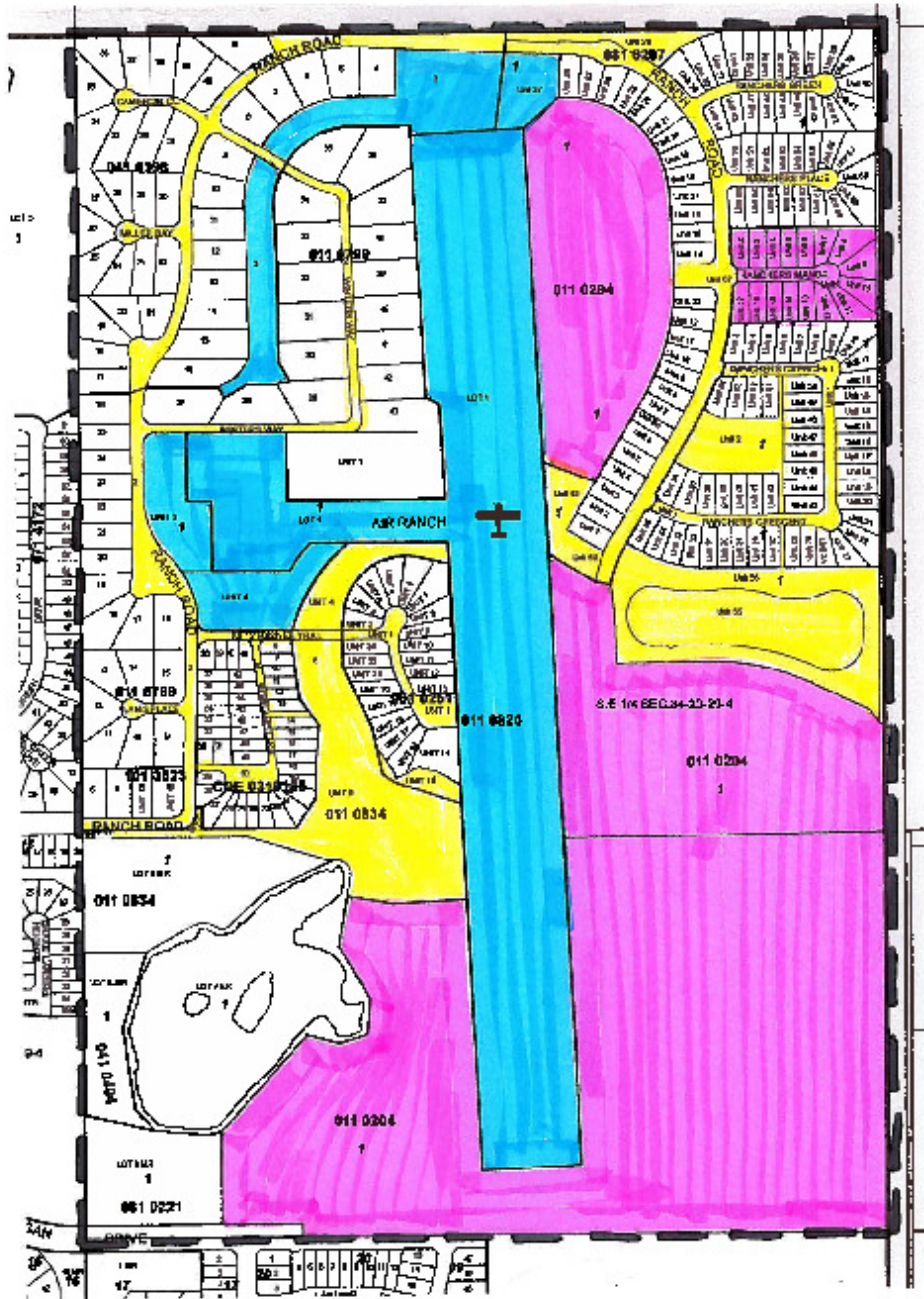


SCHEDULE 1

Development Map



- |   |                   |   |                 |
|---|-------------------|---|-----------------|
|  | Development Area  |  | Aerodrome Lands |
|  | Remaining Parcels |  | Community Lands |



## SCHEDULE 2

### Aerodrome Lands

The Aerodrome Lands are municipally located at 2 Winters Way, Okotoks, Alberta and legally described as:

- Lot 1, Block 1, 011 0820 (the airport including building, apron, taxiway, airstrip)
- Unit 3, Plan 011 0799 (Phase 1)
- Unit 4, Plan 011 0799 (Phase 1)
- Unit 2, Plan 0410198 (Phase 4)
- Unit 3, Plan 0410198 (Phase 4)
- Unit 6, Plan 0810297 (Phase 6)



SCHEDULE 3

Community Lands

<b>Phase</b>	<b>Legal</b>	<b>Purpose</b>	<b>Owner as of August, 2012</b>
<b>Phase 1</b>	<b>Unit 2, Plan 0110799</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Condo Corp. 0110799</b>
<b>Phase 2</b>	<b>Unit 1, Plan 0110834</b>	<b>Condo Utilities</b>	<b>Okotoks Air Ranch Inc.</b>
	<b>Unit 3, Plan 0110834</b>	<b>Condo Road</b>	<b>Okotoks Air Ranch Inc.</b>
	<b>Unit 4, Plan 0110834</b>	<b>Condo Storm Water Facility</b>	<b>Okotoks Air Ranch Inc.</b>
	<b>Unit 5, Plan 0110834</b>	<b>Condo Storm Water Facility</b>	<b>Okotoks Air Ranch Inc.</b>
<b>Phase 3<sup>1</sup></b>	<b>Unit 50, Plan 0310135</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Condo Corp. 0310135</b>
<b>Phase 4</b>	<b>Unit 1, Plan 0410198</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Condo Corp. 0410198</b>
<b>Phase 5</b>	<b>Unit 1, Plan 0610251</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Condo Corp. 0610251</b>
	<b>Unit 15, Plan 0610251</b>	<b>Condo Storm Water Facility</b>	<b>Condo Corp. 0610251</b>
<b>Phase 6</b>	<b>Unit 28, Plan 0810207</b>	<b>Condo Open Space</b>	<b>Okotoks Air Ranch Inc.<sup>2</sup></b>
	<b>Unit 67, Plan 0810207</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Okotoks Air Ranch Inc.<sup>2</sup></b>
	<b>Unit 69, Plan 0810207</b>	<b>Condo Open Space</b>	<b>Okotoks Air Ranch Inc.<sup>2</sup></b>
<b>Phase 9</b>	<b>Unit 1, Plan 1210740</b>	<b>Condo Road</b>	<b>Okotoks Air Ranch Inc.<sup>3</sup></b>
	<b>Unit 2, Plan 1210740</b>	<b>Condo Open Space</b>	<b>Okotoks Air Ranch Inc.<sup>3</sup></b>
	<b>Unit 55, Plan 1210740</b>	<b>Condo Storm Water Facility</b>	<b>Okotoks Air Ranch Inc.<sup>3</sup></b>
	<b>Unit 56, Plan 1210740</b>	<b>Condo Open Space</b>	<b>Okotoks Air Ranch Inc.<sup>3</sup></b>

<sup>1</sup> Redivision of Unit 2, Plan 0110834

<sup>2</sup> Intended to be transferred to Condo Corp. 0810207

<sup>3</sup> Intended to be transferred to Condo Corp. 1210740



SCHEDULE 4

COMMUNITY FEATURES AGREEMENT

THIS COMMUNITY FEATURES AGREEMENT is effective as of \_\_\_\_\_, 2012,

AND IS AMONG:

OKOTOKS AIR RANCH INC.;  
OKOTOKS AIR RANCH GENERAL PARTNER HOLDING COMPANY INC.;  
OKOTOKS AIR RANCH LIMITED PARTNER INC.; and  
OKOTOKS AIR RANCH GENERAL PARTNER INC.,  
Alberta Corporations whose registered offices are located at  
110, 7330 Fisher Street S.E.  
Calgary, Alberta T2H 2H8  
(and collectively referred to as the "Developer")

- and -

CONDOMINIUM CORPORATION 0110799 ("Phase 1");  
CONDOMINIUM CORPORATION 0110834 ("Phase 2");  
CONDOMINIUM CORPORATION 0310135 ("Phase 3");  
CONDOMINIUM CORPORATION 0410198 ("Phase 4");  
CONDOMINIUM CORPORATION 0610251 ("Phase 5");  
CONDOMINIUM CORPORATION 0810207 ("Phase 6"); and  
CONDOMINIUM CORPORATION 1210740 ("Phase 9")  
All of which have been incorporated pursuant to the provisions of the  
Condominium Property Act of Alberta  
(and collectively referred to as the "Condo Corporations")

- and -

OKOTOKS AIR RANCH COMMUNITY ASSOCIATION,  
an Alberta Society, to be incorporated  
on or about the time this Community Features Agreement is signed  
(the "Community Association")

WHEREAS:

- A. The Developer has since acquiring the lands known by the parties as the "Okotoks Air Ranch" taken steps to develop the lands as a series of bareland condominiums, with the Condo Corporations each representing individual phases of the development;
- B. In proceeding with the development the Developer had believed that upon completion of the development, the existing and future Condo Corporations would
  - (i) form a commonly held entity to administer and manage all of the Common Property owned by each of the Condo Corporations; and
  - (ii) hold a beneficial ownership interest in the airport lands (the "Aerodrome");

- C. The members of the Condo Corporations have advised the Developer that there is little or no interest in holding a beneficial ownership interest in the Aerodrome lands;
- D. Having understood the position of the Condo Corporations regarding the Aerodrome lands; having received interest from various home builders looking to purchase and build homes on portions of the remaining lands held in the name of the Developer, and with the conditional approval of the Town of Okotoks, the Developer has taken steps to develop the remaining Okotoks Air Ranch lands such that:
- (i) all of the existing Common Property that is being individually managed by the Condo Corporations be managed by a single entity (being the Community Association);
  - (ii) new land features in its remaining lands are created with a view of having a single entity (the Community Association) manage and administer such new land features so that all residents of the Okotoks Air Ranch, including without limitation all members of the Condo Corporations, can enjoy and benefit from such land features; and
  - (iii) no Condo Corporations nor their members shall have any ongoing ownership interest in the Aerodrome lands.
- E. Having reached an agreement in principle, the Developer and each of the Condo Corporations (on behalf of themselves and their members), wish to confirm their understandings, in writing, by way of this Community Features Agreement.

NOW IN CONSIDERATION OF the mutual promises and obligations contained in this Community Features Agreement and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties, intending to be legally bound, agree as follows:

#### **ARTICLE 1 – DEFINITIONS**

- 1.1 In this Community Features Agreement, the following definitions shall apply:
- a) “Aerodrome” shall mean the lands held in the name of Okotoks Air Ranch General Partner Inc. on behalf of its limited partner, Okotoks Air Ranch Limited Partnership Inc., and its shareholder, Okotoks Air Ranch General Partner Holding Company Inc.;
  - b) “Agreement” shall mean this Community Features Agreement, including all schedules, appendixes, and any amendments that may be in writing and signed by the parties;
  - c) “Bylaws” shall mean the draft bylaws attached as Schedule “D” that the Developer intends to file with Alberta Corporate Registry to create the Community Association under the *Societies Act* of Alberta;
  - d) “Common Property” shall mean all of the property managed by each and every Condo Corporation for the benefit of its members, including without limitation the green spaces, parks, pathways, roadways, drainage ways, street lights and any



other property located within a Condo Corporation's boundaries that is administered, managed, maintained, repaired, replaced and otherwise serviced by a Condo Corporation, with the such Common Property shown in the Community Map and, in the case of lands with separate legal descriptions, such Common Property identified in Schedule "B";

- e) "Community Features" shall collectively mean the Common Property, the ponds currently held in the name of the Developer and any new green spaces, parks, pathways, roadways, drainage ways that are for the enjoyment and benefit of all current and future residents of the Okotoks Air Ranch develop, including without limitation, all members of each of the Condo Corporations;
- f) "Community Fees" shall mean the fees assessed by the Community Association and thereafter paid by each of the Condo Corporations (on behalf of each of their members) and each owner of the lands acquired from the Developer in the future for the Community Association's administration, management and servicing of the Community Features and any other initiatives that the Community Association and its Members may wish to undertake;
- g) "Community Map" shall mean the map shown in Schedule "A" that delineates the Common Property, property that the Developer has designated as common property in the pending condominium corporations, the Community Features that are the subject of this Agreement and the Aerodrome;
- h) "Developer Lands" shall mean all of the lands held in the name of the Developer as of the date of this Agreement as shown in the Community Map, including the Aerodrome and the Developer's Remaining Lands, with the related legal descriptions identified in Schedule "C";
- i) "Members" shall mean all residents of the Okotoks Air Ranch community that are entitled to use, enjoy and benefit from the Community Features, with such Members including members of each of the Condo Corporations that have collectively had their Community Fees paid on their behalves by their Condo Corporation;
- j) "Remaining Lands" shall mean the Developer Lands that have been designated for future development, including Phase 8 and Phase 10 (all of which are being developed as bareland condominiums) and the balance of the lands to be created for fee simple ownership;
- k) "Service Agreement" shall mean the Service Agreements to be entered into between the Community Association and each of the Condo Corporations for the supply of the Services required for the Community Features located in each Condo Corporation, a copy of which is attached as Schedule "E";
- l) "Services" shall mean all of the administration, management services supplied by the Community Association, with such services to include without limitation the

administration, management, maintenance, repair, replacement and other servicing reasonably required in relation to the Community Features; and

- m) "Share Interests" shall mean the shareholder opportunities that the Developer has previously offered to each of the Condo Corporations in Okotoks Air Ranch General Partner Holding Company Inc. and Okotoks Air Ranch Limited Partner Inc., and for which only Phase 1 (with its Fifteen (15%) percent) and Phase 6 (with its Eleven (11%) percent) have been accepted and have had share certificates issued to each of them in both companies.

**ARTICLE 2 – OBLIGATIONS OF THE DEVELOPER**  
**Re: Community Association**

- 2.1 In consideration of the commitments made by all of the Condo Corporations in Article 3 below, the Developer shall:

Formation of Community Association

- (a) Establish the Community Association as an Alberta society by:
- i. inviting interested Members to be part of the Community Association's initial Board of Directors; and thereafter
  - ii. filing the Bylaws in the form that they have been substantially presented with Alberta Corporate Registry.
- (b) Upon registration of the Community Association, deliver to each of the Condo Corporation's a notarized copy of the documentation accepted by Alberta Corporate Registry.
- (c) Provide the Services required by the Community Association in accordance with the Bylaws, the Service Agreements and this Agreement until such time as the Community Association is in a reasonable position to provide the Services on its own. Notwithstanding that the Developer has an obligation to supply such Services, it shall be entitled to contract out some or all such Services to others that are qualified to provide such Services on behalf of the Community Association.

Common Property / Community Feature Transfers

- (d) At its sole expense, transfer the legal title it holds in and to the Common Property it holds in various Condo Corporations into the name of the Community Association;
- (e) Thereafter, as the Remaining Lands are developed to assign any and all Community Features, including without limitation all Common Property attributable to Condominium Corporation 1210740 (Phase 9 – that has been created on or about the date of this Agreement, the management of which is under the direction of the Developer) and the Developer's Phase 8 and Phase 10

- developments, to transfer all such Community Feature titles into the name of the Community Association;
- (f) Provide the Community Association with the documentation that the Community Association requires to supply the Services for each such new Community Feature; and
  - (g) Cause Condominium Corporation 1210740 (Phase 9) and each of the pending Phase 8 and Phase 10 condominium corporations, and all fee simple home owners in future phases of the development to:
    - i. Pay Community Fees to the Community Association; and
    - ii. Enter into Service Agreements with the Community Association for the supply of Services to the new Community Features, including without limitation the Common Property located within each new condominium corporation.

### **ARTICLE 3 – OBLIGATIONS OF CONDO CORPORATIONS**

#### **Re: Community Association**

- 3.1 In consideration of the commitments made by the Developer in Article 2 above, each of the Condo Corporations shall:

#### Community Fees

- (a) Upon its receipt of written notice from the Developer on behalf of itself and the Community Association, the Condo Corporations shall start to remit the Community Fees that are attributed to all of the members of each Condo Corporations. Until such time as the Community Fees are established by the Community Association, the remittances of Community Fees to the Community Association shall be the lesser of the monthly condominium fees paid by its members in relation to the Services supplied to the Common Property of each Condo Corporation or the amount negotiated between the Community Association (with such negotiated amount to represent the costs that each Condo Corporation may continue to incur due to third party service contracts that cannot be immediately terminated with little or no cost being incurred by the Condo Corporation).

#### Common Property

- (b) Transfer the day-to-day administration and management of their Common Property to the Community Association. In transferring such administration and management, the parties acknowledge that there may be some third party service contracts that a Condo Corporation may have entered into with outside contractors. To minimize the costs that a Condo Corporation and its members may incur, the Condo Corporation shall take such steps necessary to terminate the third party service agreements in a manner that results in nominal costs being incurred by the Condo Corporation.

- (c) Enter into Service Agreements with the Community Association (as attached in Schedule “D”) for the Community Association’s supply the Services required in relation to each Condo Corporation’s Common Property.
- 3.2 To assist and facilitate the orderly transfer of each Condo Corporation’s Common Property to the Community Association, each Condo Corporation shall either deliver the Common Property to the Community Association in an ‘as new’ condition OR deliver to the Community Association copies of any and all reserve fund studies pertaining to the Condo Corporation’s Common Property along with payment of the funds held by each Condo Corporation that are attributable to the maintenance/replacement of such Condo Corporation’s Common Property as identified in each Condo Corporation’s reserve fund study/studies.

#### **ARTICLE 4 – SHARE INTERESTS AND THE AERODROME LANDS**

##### Beneficial Ownership

- 4.1 In accordance with its offering to each buyer of a unit within a Condominium Corporation, the Developer hereby offers to each Condo Corporation the opportunity to:
- (a) participate in the ownership of the Aerodrome lands and the operation of the airport through the acquisition of Share Interests; or
  - (b) waive any and all rights that a Condo Corporation may have in and to the Aerodrome lands as of the date of this Agreement and thereafter.
- 4.2 Should a Condo Corporation wish to participate in the ownership of the Aerodrome lands as per the terms of Paragraph 4.1(a) above, a Condo Corporation shall provide the Developer with written notice of its intention to maintain and/or acquire its respective Share Interests in both Okotoks Air Ranch General Partner Holding Company Inc. and the Okotoks Air Ranch Limited Partner Inc., with each such Condo Corporation acknowledging that as a holder of Share Interests, it shall share in risks and rewards incurred by Okotoks Air Ranch General Partner Inc. in its operation of the airport on a proportionate basis with the Developer and other holders of Share Interests. In receiving written notice from a Condo Corporation, the Developer shall cause Okotoks Air Ranch General Partner Holding Company Inc. and Okotoks Air Ranch Limited Partner Inc. to issue share certificates representing such Condo Corporation’s proportionate Share Interests in each corporation.
- 4.3 Should a Condo Corporation not wish to participate in the ownership of the Aerodrome lands in accordance with Paragraph 4.1(b) above, such Condo Corporation shall provide the Developer with written notice that it does not want to maintain and/or acquire its respective Share Interests in both Okotoks Air Ranch General Partner Holding Company Inc. and the Okotoks Air Ranch Limited Partner Inc.. In the case of the Condo Corporations representing Phase 1

and Phase 6, such written notice shall also authorize the Developer to cancel the share certificates issued to each Condo Corporation in both Okotoks Air Ranch General Partner Holding Company Inc. and the Okotoks Air Ranch Limited Partner Inc. without payment owed by either corporation to the Condo Corporation. In accepting of all such notices, each Condo Corporation shall forfeit any and all existing and future rights of ownership in the Aerodrome lands and the operation of the airport and the Developer shall forever release each such Condo Corporation from and against any and all amounts that such Condo Corporation may proportionately owe to the Developer for capital improvement and operating costs incurred by the Developer since the date such Condo Corporation came into legal existence.

- 4.4 In the event that at least Seventy-Five (75%) percent of the members of a Condo Corporation instruct their Condo Corporation's Board of Directors to confirm in writing the Condo Corporation's waiver of its rights to acquire or maintain a Share Interest in the Aerodrome and the operation of the airport, the Developer hereby offers to those members of the Condo Corporation the right to personally acquire a Share Interest in the Aerodrome lands and the operation of the airport, with such Share Interest to be issued to any such interested individuals, without charge and in a percentage equal to their unit factor in their Condo Corporation multiplied by the Condo Corporation's area percentage in the Okotoks Air Ranch development. (For example, a unit owner in Phase 1 with a unit factor of 201, would be entitled to receive 30.15 shares in each of Okotoks Air Ranch General Partner Holding Company Inc. and Okotoks Air Ranch Limited Partnership Inc. (201 x Phase 1's area percentage of 15% = 30.15 shares) with such shares to be part of the 10,000 shares that Okotoks Air Ranch General Partner Holding Company Inc. and Okotoks Air Ranch Limited Partner Inc. have available.) In holding a Share Interest in the two companies, the individual shall share in the risks and rewards incurred by Okotoks Air Ranch General Partner Inc. in its operation of the airport on a proportionate basis with the Developer and other holders of Share Interests. In receiving written notice from an interested individual member, the Developer shall cause Okotoks Air Ranch General Partner Holding Company Inc. and Okotoks Air Ranch Limited Partner Inc. to issue share certificates representing such individual member's proportionate Share Interests in each corporation.
- 4.5 The parties hereby acknowledge that the offer made by the Developer in this Article 4 are restricted to the Condo Corporations (and their respective members) only. The Developer may subsequently entertain offers to acquire Share Interests from persons in the future, including persons who may become residents of units in any of the existing (and future) Condo Corporations and owners of fee simple lots, but any such offers shall:
- (a) specifically exclude all of the Condo Corporations, including without limitation Condominium Corporation 1210740 (Phase 9), who have provided their notice under Paragraph 4.3 above and the condo corporations that would govern Phase 8 and Phase 10; and

- (b) be subject to additional terms and costs that may be imposed by the Developer.

#### The Aerodrome Lands

- 4.6 In receiving any or all of the responses outlined in Paragraphs 4.2, 4.3 and 4.4. above, the Developer hereby confirms that it:
  - (a) has taken the steps necessary to secure funds from the purchasers of all new units and lots for the purpose of funding future capital improvements, maintenance and repairs that become necessary to operate the airport; and
  - (b) shall not seek any further funding from any of the Condo Corporations that have waived their rights to their Share Interests in Paragraph 4.2 above.

#### Operation of the Airport

- 4.7 Having finalized the ownership of the Aerodrome lands in accordance with Paragraphs 4.1 to 4.4 above, the Developer hereby agrees that it shall:
  - (a) manage and administer the Aerodrome lands and operate airport business in compliance with the federal regulations to maintain federal regulatory approval for the operation of a private airport;
  - (b) maintain the insurance policies required by the federal regulators and the Town of Okotoks;
  - (c) complete the registration of the restrictive covenant on the title to the Aerodrome lands to prevent the lands from being used for purposes other than an airport in accordance with the Town of Okotoks requirements; and
  - (d) not seek or solicit any further financial contributions from all Condo Corporations that has waived their rights to holding Share Interests in Okotoks Air Ranch General Partner Holding Company Inc. and Okotoks Air Ranch Limited Partner Inc..

### **ARTICLE 5 – GENERAL PROVISIONS**

- 5.1 The parties agree that they shall, at the request and expense of the other party, execute and deliver any further and additional documents deemed necessary by the solicitors for such parties to properly create or confirm title or security according to the true intent and meaning of this Agreement.
- 5.2 No amendment or variation of the terms, conditions, warranties, covenants, agreements and undertakings identified in this Agreement shall be of any force or effect unless they are reduced to writing and duly executed by the parties in the same manner and with the same formality as this Agreement is executed.

- 5.3 This Agreement shall enure to the benefit of and be binding upon each of the parties and each of their respective representatives, successors, administrators and assigns.
- 5.4 This Agreement may be assigned by the Purchaser to a corporation controlled by either or both of the individual Purchasers. Such consent shall not require the Vendor's consent. This Agreement shall not be assigned by the Vendor without the express written consent of the Purchaser, such consent may be arbitrarily withheld.
- 5.5 This Agreement constitutes the entire agreement between the parties and supersedes all previous verbal or written agreements, options, assurances and undertakings by the parties relating to the sale and purchase contemplated by this Agreement, and there are not any other representations, warranties, collateral agreements or conditions to which the parties have relied upon.
- 5.6 This Agreement shall in all respects be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta. Each party accepts the jurisdiction of the Courts of the Province of Alberta.
- 5.7 Should any portion of this Agreement be judicially held to be invalid, or wholly or partially unenforceable, such holding shall not invalidate or void the remainder of this Agreement, the parties hereby agreeing that parts held to be invalid or unenforceable shall be deemed to have been struck from the Agreement, leaving the remaining terms of this Agreement in force and effect.
- 5.8 All dates and times identified in this Agreement shall be strictly adhered to.
- 5.9 This Agreement may be executed and delivered in counterparts with the same effect as if all parties had executed and delivered the same copy, and when each and every party has executed and delivered a counterpart, all counterparts together shall constitute one Agreement.

Having agreed to the provisions of this Agreement, the parties, by their duly authorized representatives, hereby sign this Community Features Agreement as of the date written above.

Okotoks Air Ranch Inc.

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Okotoks Air Ranch General Partner Inc.

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Okotoks Air Ranch General Partner Holding Company Inc.

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Okotoks Air Ranch Limited Partner Inc.

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Condominium Corporation 0110799

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Condominium Corporation 0110834

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Condominium Corporation 0310135

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Condominium Corporation 0410198

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Condominium Corporation 0610251

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Condominium Corporation 1210740

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Okotoks Air Ranch Community Association

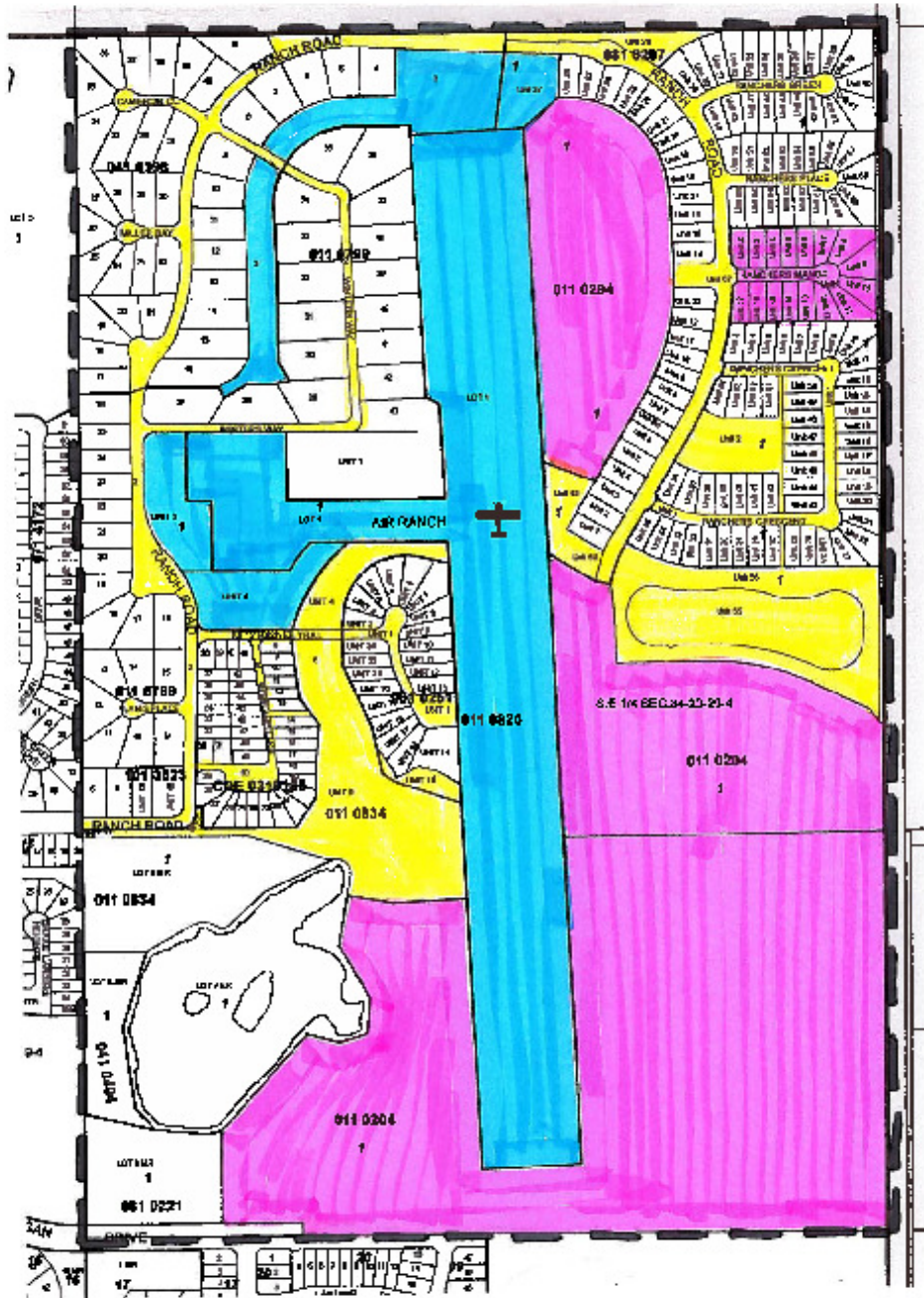
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We, the above hereby confirm that we are part of the initial directors of the Okotoks Air Ranch Community Association and have the authority to have this Agreement accepted by the Okotoks Air Ranch Community Association as a pre-incorporation contract.

# SCHEDULE A

## Community Map



Development Area

Remaining Parcels



Aerodrome Lands



Community Lands



SCHEDULE B

Community Lands

<b>Phase</b>	<b>Legal</b>	<b>Purpose</b>	<b>Owner as of August, 2012</b>
<b>Phase 1</b>	<b>Unit 2, Plan 0110799</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Condo Corp. 0110799</b>
<b>Phase 2</b>	<b>Unit 1, Plan 0110834</b>	<b>Condo Utilities</b>	<b>Okotoks Air Ranch Inc.</b>
	<b>Unit 3, Plan 0110834</b>	<b>Condo Road</b>	<b>Okotoks Air Ranch Inc.</b>
	<b>Unit 4, Plan 0110834</b>	<b>Condo Storm Water Facility</b>	<b>Okotoks Air Ranch Inc.</b>
	<b>Unit 5, Plan 0110834</b>	<b>Condo Storm Water Facility</b>	<b>Okotoks Air Ranch Inc.</b>
<b>Phase 3<sup>1</sup></b>	<b>Unit 50, Plan 0310135</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Condo Corp. 0310135</b>
<b>Phase 4</b>	<b>Unit 1, Plan 0410198</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Condo Corp. 0410198</b>
<b>Phase 5</b>	<b>Unit 1, Plan 0610251</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Condo Corp. 0610251</b>
	<b>Unit 15, Plan 0610251</b>	<b>Condo Storm Water Facility</b>	<b>Condo Corp. 0610251</b>
<b>Phase 6</b>	<b>Unit 28, Plan 0810207</b>	<b>Condo Open Space</b>	<b>Okotoks Air Ranch Inc.<sup>2</sup></b>
	<b>Unit 67, Plan 0810207</b>	<b>Condo Road and Landscaping Feature(s)</b>	<b>Okotoks Air Ranch Inc.<sup>2</sup></b>
	<b>Unit 69, Plan 0810207</b>	<b>Condo Open Space</b>	<b>Okotoks Air Ranch Inc.<sup>2</sup></b>
<b>Phase 9</b>	<b>Unit 1, Plan 1210740</b>	<b>Condo Road</b>	<b>Okotoks Air Ranch Inc.<sup>3</sup></b>
	<b>Unit 2, Plan 1210740</b>	<b>Condo Open Space</b>	<b>Okotoks Air Ranch Inc.<sup>3</sup></b>
	<b>Unit 55, Plan 1210740</b>	<b>Condo Storm Water Facility</b>	<b>Okotoks Air Ranch Inc.<sup>3</sup></b>
	<b>Unit 56, Plan 1210740</b>	<b>Condo Open Space</b>	<b>Okotoks Air Ranch Inc.<sup>3</sup></b>

<sup>1</sup> Redivision of Unit 2, Plan 0110834

<sup>2</sup> Intended to be transferred to Condo Corp. 0810207

<sup>3</sup> Intended to be transferred to Condo Corp. 1210740



SCHEDULE "C"

LEGAL DESCRIPTIONS OF DEVELOPER'S LANDS

Plan 011 0204

Block 1

(and newly registered Phase 9 Condominium Plan 1210740 – being lands controlled by the Developer as of the date of this Agreement)



SCHEDULE D

Okotoks Air Ranch Community Association Bylaws

Okotoks Air Ranch Community Association

April 17, 2012

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BYLAWS OF THE

OKOTOKS AIR RANCH COMMUNITY ASSOCIATION

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## INTERPRETATION

1. The headings used throughout these Bylaws shall not affect the construction hereof. In these Bylaws, unless the context otherwise requires, expressions defined in the *Societies Act* (Alberta) or any statutory amendment or modification thereof, shall have the meaning so defined, and the following terms shall have the following meanings:
  - (a) "Act" means the Societies Act R.S.A. 2000, c. S-14, as amended or any substitution therefore from time to time;
  - (b) "Amenities" means the improvements described in Schedule "A" attached hereto and any additional improvements constructed from time to time by the Association together with the lands upon which the improvements are located to the extent separate title(s) are obtainable therefore;
  - (c) "Association" means Okotoks Air Ranch Community Association, a society incorporated under the Act;
  - (d) "Bylaws" means these bylaws of the Association, as amended from time to time;
  - (e) "Condominium Corporation" shall mean each of the bareland condominium corporations that comprise a portion of the development known as Okotoks Air Ranch, identified in Schedule "B";
  - (f) "Directors", "Board" and "Board of Directors" means the Directors of the Association as they are elected from time to time;
  - (g) "Encumbrance" means an instrument (including any amendments thereto) which is registrable against the title to a Lot and which secures the payment of an annual Membership Charge (determined from time to time by the Board) and any usage based charges (plus any interest arising on any arrears for non-payment of the Membership Charge and applicable usage based charges to be received by the Association by the registered Owner(s) of that Lot, for the purpose of forming an enforceable encumbrance pursuant to the provisions of the Land Titles Act (Alberta); the amount of such Membership Charge may vary according to the location of the Lot within the Subdivision;
  - (h) "Facilities" means all real and personal property now and hereafter owned or leased by the Association, including any rights that the Association and its Members have to use the Amenities;
  - (i) "Family Members" means, in respect to each Lot or Unit, each of the following persons:
    - (i) if a Lot or Unit is owned by more than one person, the registered owner(s) of the Lot or Unit who is not designated as the Homeowner Member provided the

registered owners of the Lot or Unit have not designated a tenant of the Lot or Unit to be the Homeowner Member;

- (ii) the spouse (whether legally married to or not) of the Homeowner Member;
- (iii) the unmarried children of the Homeowner Member; and
- (iv) the unmarried children of the persons described in (i) and (ii) immediately above;

provided such registered owner(s), spouse and children are actually residing upon the Lot or Unit of the Homeowner Member, and provided such membership shall only be in effect during such periods that the Homeowner Member is not in breach of the Bylaws and is not in arrears of any sums due to be paid to the Association;

(j) "Homeowner Member" means, in respect to each Lot or Unit, one of the following persons:

- (i) the registered owner of the Lot or Unit, if there is only one such registered owner, and if such registered owner is not an individual then the only person entitled to enjoy the benefits of being a Homeowner Member shall be the individual appointed by the registered owner by notice in Writing to the Association which individual shall reside upon the Lot or Unit; or
- (ii) if there is more than one registered owner of the Lot or Unit, the registered owner that has been designated (by notice in Writing to the Association) by those registered owners to be the Homeowner Member, and, in the absence of such designation the first person named as owner in the certificate of title for the Lot or Unit, and if such registered owner is not an individual then the only person entitled to enjoy the benefits of being a Homeowner Member shall be the individual appointed by that registered owner by notice in Writing to the Association which individual shall reside upon the Lot or Unit; or
- (iii) a tenant residing upon the Lot or Unit who has been designated (by notice in Writing to the Association) by the registered owner(s) of the Lot or Unit to be the Homeowner Member and which designation has not been revoked (by notice in Writing to the Association) by the registered owner(s) of the Lot or Unit, provided, however, no tenant designation shall be effective during any period that there are any outstanding sums due to the Association which are or should be secured by an Encumbrance respecting the Lot or Unit, in which case the Homeowner Member shall be the registered owner of the Lot or Unit described under the applicable subparagraph (i) or (ii) immediately above;

(k) "Lot" means a lot located within the Subdivision, the zoning for which would permit construction of a residential dwelling thereon and such construction would not be prohibited by any restrictive covenant affecting the title to such lot;

- (l) "Member" means a Family Member; and "Members" means collectively all of the Homeowner Members and Family Members of the Association, and expressly excludes any Condominium Corporation in its capacity as an owner of any one or more Unit(s) within its boundaries;
- (m) "Membership Charge" shall mean the annual fee to be paid to the Association by the registered Owner(s) of a Lot as may be identified in any registered Encumbrance, and in the case of an owner of a Unit in a Condominium Corporation, the annual fee to be paid by the Condominium Corporation on behalf of each and every Unit owner. In receiving each such Membership Charge payment, the Owner(s) of a Lot or Unit shall be a Member of the Association. The amount of such Membership Charge may vary:
- (i) in the case of a Lot, according to the location of the Lot within the Subdivision; and
  - (ii) in the case of a Unit, and subject to any agreement between the Association and the Condominium Corporation and subject to the Bylaws of the Condominium Corporation, the annual fee payable by the Condominium Corporation shall be allocated amongst each of the Units on a proportionate unit factor basis, or as may be otherwise provided in the Bylaws of the Condominium Corporation, and that amount shall constitute the Membership Charge for each Unit. The annual fee payable by the Condominium Corporation shall be based on the location of the Condominium Corporation's lands; the number of Units within the Condominium Corporation; and the area captured within the Condominium Corporation's lands in relation to the total area of the Okotoks Air Ranch community.
- (n) "month" means calendar month;
- (o) "Ordinary Resolution" means a resolution:
- (i) passed at a properly convened meeting of the Voting Members by a simple majority of the number of votes cast by the person(s) present who are entitled to exercise the powers of voting; or
  - (ii) agreed to in Writing by more than fifty (50%) percent of all of the person(s) who, at a properly convened meeting of the Voting Members, would be entitled to cast more than fifty (50%) percent of the total votes at such meeting;
- (p) "Owner" shall mean an owner of a Lot or Unit but expressly excludes a Condominium Corporation in its capacity as the registered owner of one or more Unit(s) within its boundaries;

- (q) "Rules and Regulations" means the rules and regulations made by the Board from time to time governing, inter alia, the use of the Facilities, whether or not the Members have actual notice of the same;
- (r) "Special Resolution" means a resolution:
- (i) passed at a properly convened meeting of the Voting Members by at least seventy-five percent (75%) of the votes cast by the person(s) present who are entitled to exercise the powers of voting; or
  - (ii) agreed to in Writing by at least seventy-five percent (75%) of all of the person(s) who, at a properly convened meeting of the Voting Members, would be entitled to cast more than seventy-five (75%) percent of the total votes at such meeting;
- (s) "Subdivision" means the lands described in Schedule "C" attached hereto;
- (t) "These Presents" means and includes these Bylaws of the Association, and any modification thereof or substitution therefore, for the time being in force;
- (u) "Unit" means any Unit within a Condominium Corporation;
- (v) "Voting Members" means with respect to each Lot or Unit, one (if any) of the following persons:
- (i) the registered owner of the Lot, if there is only one such registered owner, provided an Encumbrance (and any amendments thereto as required by the Board from time to time) is registered against title to the Lot and the Membership Charge secured thereby is not in arrears;
  - (ii) the registered owner of a Unit within a Condominium Corporation, expressly excluding a Condominium Corporation in its capacity as an owner of one or more Units within its boundaries;
  - (iii) if there is more than one registered owner of a Lot or Unit, the registered owner that has been designated (by notice in Writing to the Association) by those registered owners to be the Voting Member, and, in the absence of such designation the first person named as owner in the certificate of title for the Lot or Unit; or
  - (iv) a tenant residing upon the Lot or Unit who has been designated (by notice in Writing to the Association) by the registered owner(s) of the Lot or Unit to be the Voting Member and which designation has not been revoked (by notice in Writing to the Association) by the registered owner(s) of the Lot or Unit;

; and

- (w) "Writing" and "Written" includes printing, typewriting, lithographing, and other modes of representing or reproducing words in visible form which, without restricting the generality of the foregoing shall include telecopy.

Words importing the singular number include the plural number and vice versa, words importing the masculine gender shall include the feminine and words importing persons shall include corporations and companies.

### REGISTERED OFFICE

2. The Association shall at all times maintain a registered office in the Town of Okotoks to which all communications and notices may be sent or served. The registered office is currently located at \_\_\_\_\_, Alberta, and may be changed from time to time by the Board.

### MEMBERS

3. Each person who owns a Lot or Unit shall *ipso facto* be entitled to become a Member, and shall not be entitled to resign as a Member, for as long as such person owns such Lot or Unit, provided, however, such person shall automatically cease to be a Member during such period of time as a tenant of his Lot or Unit is a Homeowner Member as provided in Bylaw 1(j)(iii), and provided that any rights or benefits of being a Member (but not the obligations associated with being a Member) may be suspended as provided in these Bylaws, PROVIDED ALWAYS with reference to all Lots and Units;
- (a) except as otherwise provided herein, in respect to each Lot or Unit, the Voting Member shall be entitled to one (1) vote;
  - (b) where a Voting Member owns more than one Lot or Unit, that Voting Member shall be entitled to one (1) vote for each such Lot or Unit owned by that Voting Member;
  - (c) where a Lot or Unit is owned by a corporation, the Voting Member's right to vote shall only be exercised by an individual resident upon the said Lot or Unit and designated as the Voting Member by notice in Writing to the Association at least five (5) days before the meeting;
  - (d) where there is any difficulty or dispute in determining a Voting Member, the Directors in their absolute discretion may designate the Voting Member, the intention being that the Voting Member be an individual resident in the Subdivision or any Condominium Corporation; and
  - (e) membership is not transferable by a Member but is appurtenant to ownership of a Lot or Unit or as otherwise herein set out.

**REGISTER OF MEMBERS**

4. A Register of Homeowner Members in such form as the Board may approve, shall be maintained in which shall be recorded the names and addresses of all Homeowner Members. The register shall be amended from time to time so that all Homeowner Members are listed in such register. Amendments to such register 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 as aforesaid there may be a reasonable fee charged to the Homeowner Member requesting such amendment as set by the board from time to time. Each Homeowner Member shall notify the Association of any changes in his address for service of notice, or of any change in the number of and the names of the persons residing upon the Lot or Unit who qualify as Family Members, and the basis for such qualification, or of the sale of or transfer of title to the Lot or Unit, within fifteen (15) days of such change.
5. A Register of Voting Members, in such form as the Board may approve, shall be maintained in which shall be recorded the names and addresses of all Voting Members. The register shall be amended from time to time so that all Voting Members are listed in such register. Amendments to such register 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 as aforesaid there may be a reasonable fee charged to the Voting Member requesting such amendment as set by the Board from time to time. Each Voting Member shall notify the Association of any changes in his address for service of notice or of the sale of or transfer of title to the Lot or Unit, within fifteen (15) days of such change.
6. A Register of Family Members, in such form as the Board may approve, shall be maintained in which shall be recorded the names and addresses of all Family Members. The register shall be amended from time to time so that all Family Members are listed in such register. Such amendment may be made by the Board at any time and from time to time of its own volition or upon presentation to the Association of evidence acceptable to the Board. Upon amendment as aforesaid there may be a reasonable fee charged to the Homeowner Member in respect to such amendments requested by him or his Family Members as set by the Board from time to time.

**MEMBERSHIP CARDS**

7. Every Member shall be periodically issued a membership card as determined by the Directors, which may specify the type of membership held by that Member. The membership cards shall remain the property of the Association. If a membership card is lost it shall be replaced by the Association, provided however that there may be charged a reasonable fee as set by the Board from time to time, as a condition to delivery of such replacement membership card.

**RIGHTS OF ALL MEMBERS**

8. Members shall have access to and be entitled to the use of the facilities or services provided by the Association in common with all Members subject to suspension of such rights by notice from the Board:

- (a) for breach of any of these Bylaws or the Rules or Regulations for the conduct of Members;

and in the case of Owners of Lots:

- (b) for failure to maintain an Encumbrance (including any amendments thereto as required by the Board from time to time) against the title to the Lot through which membership is derived as required under these Bylaws; or
- (c) for default by any Member in payment of any fees, dues, deposits or other sums owing to the Association, including any monies secured by an Encumbrance.

**OBSERVANCE OF BYLAWS/SEVERANCE**

9. The Association, the Board and all Members, tenants and other occupants of the Lots and Units shall observe and obey all such Bylaws and Rules and Regulations as are applicable to each of them and as amended from time to time whether or not such Bylaws, Rules and Regulations, or any parts thereof are filed with the Government of Alberta. If any one or more provision of these Bylaws is or becomes illegal or not enforceable, such provision(s) shall be deemed to be separate and severable from these Bylaws and the remaining provisions of these Bylaws shall remain in full force and effect as if the severed provision(s) had not been included in these Bylaws. If any one or more provision of the Rules and Regulations is or becomes illegal or not enforceable, such provision(s) shall be deemed to be separate and severable from the remaining provisions of the Rules and Regulations which shall remain in full force and effect as if the severed provision(s) had not been included in the Rules and Regulations.

**MEETINGS OF VOTING MEMBERS**

10. Annual general meetings shall be held at least once in every calendar year, and not more than fifteen (15) months after the holding of the last preceding general meeting, at such time and place as may be determined by the Directors.
11. The general meetings referred to in the preceding bylaw shall be called "annual general meetings", and all other meetings of the Association shall be called "special general meetings". All meetings of Voting Members shall be held in the Town of Okotoks, in the Province of Alberta.
12. No Homeowner Members or Family Members shall be entitled to notice of or to attend any meeting, general, special or otherwise, of the Association.

13. Only Voting Members shall be entitled to vote on, or propose, or second resolutions at meetings of the Voting Members.
14. The order of business at any properly convened annual general meeting of the Voting Members, unless altered by a majority of those in attendance who are entitled to vote, shall be as follows:
  - (a) call to order by the Chairman;
  - (b) call the roll and certify proxies;
  - (c) proof of notice of meeting or waiver of notice;
  - (d) reading and disposal of any unapproved minutes;
  - (e) reports of officers;
  - (f) reports of committees;
  - (g) financial report/budget and appointment of auditors;
  - (h) unfinished business;
  - (i) ratification of past acts of Board Members and officers;
  - (j) new business;
  - (k) election of members of the Board; and
  - (l) adjournment of the annual general meeting.
15. The Directors may, whenever they deem necessary, proceed to call a special general meeting of the Association.
16. At least ten (10) days' Written notice (or such longer period as may be required by the Act) specifying the day, hour and place of every Voting Members' meeting, and in case of special business the general nature of such business, shall be served in one of the manners hereinafter provided on the Voting Members at the time such notice is served or if a record date has been fixed by the Directors, on the voting Members registered in the Register of Voting Members as Voting Members at the record date as so fixed; PROVIDED ALWAYS that a meeting of the Voting Members may be held for any purpose, at any time and at any place without notice, if all of the Voting Members entitled to notice of such meeting are present in person or represented thereat by proxy or if the absent Voting Members shall have signified their consent in Writing to such meeting being held. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived



at any time by any Voting Member or the duly appointed proxy of a Voting Member. It shall not be necessary to give notice of any adjourned meeting.

17. Accidental irregularities in the notice of any meeting or in the giving thereof or the accidental omission to give notice of any meeting or the non-receipt of any notice by any Voting Member or Voting Members, shall not invalidate any resolution passed or any proceedings taken at any meeting and shall not prevent the holding of such meeting.
18. The Board shall call a special general meeting of the Voting Members when required to do so by those person(s) who provide a Written request to the Board specifying the nature of business to be transacted at the meeting and who hold ten percent (10%) or more of the votes entitled to be cast at a meeting of the Voting Members.

#### **PROCEEDINGS AT VOTING MEMBERS' MEETINGS**

19. All business shall be deemed special that is transacted at a special general meeting. All business shall be deemed special that is transacted at an annual general meeting, with the exception of consideration and approval of the matters described in Bylaw 14. All meetings of the Voting Members shall be conducted according to Robert's Rules of Order.
20. No business shall be transacted at a general meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, ten percent (10%) of the Voting Members either personally present or represented by proxy shall be a quorum.
21. The President, or in his absence the Vice-President (if any), shall be entitled to take the chair at every general meeting, or if there be no President or Vice-President, or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding such meeting, the Voting Members present shall choose another Director as chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the Voting Members present shall choose one of their number to be chairman. The chairman at any meeting of Voting Members may appoint one or more persons who are Voting Members to act as scrutineers.
22. If within fifteen (15) minutes from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned for a further fifteen (15) minutes and if after the fifteen minute adjournment a quorum is not present, the Voting Members either personally present or who are represented by proxy shall be a quorum.
23. At a meeting of the Association, a majority of the votes cast by the Voting Members shall determine all questions, except when a Special Resolution is required.
24. Every question submitted to a meeting shall be decided in the first instance by a show of hands or otherwise as the chairman may direct and in the case of an equality of votes the chairman shall, both on a show of hands or otherwise, not have a casting vote in addition to the vote to which he may be entitled as a Voting Member.

25. At any meeting, unless a poll is demanded by the chairman or by ten percent (10%) of the Voting Members present, a declaration by the chairman that a resolution has been carried or carried by the requisite number for an Ordinary Resolution or Special Resolution, as the case may be, and an entry to that effect in the book of proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. If a poll is demanded as aforesaid it shall be taken in such manner and at such time and place as the chairman of the meeting directs and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.
26. The chairman of a general meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
27. On a show of hands every Voting Member present in person, including the proxy or representative of a Voting Member, shall be entitled to the number of votes allocated to that Voting Member pursuant to the provisions hereof.
28. Votes may be given either personally or by a nominee appointed by proxy; PROVIDED HOWEVER no person shall be entitled to hold proxies made in his favour by more than five (5) Voting Members for any given meeting.
29. A proxy shall be dated and be in Writing in any effectual form under the hand of the appointer or of his attorney duly authorized in Writing, and need not be attested. A person who holds a proxy must be a Voting Member.
30. No proxy shall be valid after the expiration of twelve (12) months from the date of its execution unless otherwise specified in the instrument of proxy.
31. The proxy shall be presented at the meeting or deposited at the registered office of the Association at least forty-eight (48) hours before the time for holding the meeting at which the person named in the instrument proposes to vote. If there is any default in this procedure for the deposit of such proxy it shall not be treated as valid.
32. 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 intimation in Writing of the death or revocation shall have been received by the Directors before the meeting.
33. No Voting 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 Voting Member at any general meeting, or upon a poll, or to be reckoned in a quorum whilst any sum due or payable to the Association by such Voting Member shall

remain unpaid for at least forty-five (45) days following a Written request by the Association for payment of same.

### **BORROWING POWERS**

34. The Directors may from time to time at their discretion raise or borrow money from any person for the purposes of the Association's objects PROVIDED HOWEVER the amounts so borrowed in aggregate do not exceed two hundred and fifty thousand dollars (\$250,000.00) at any one time. As permitted by Special Resolution, the Directors may grant debentures issued by the Association to secure all or any portion of such borrowed funds.

### **DIRECTORS**

35. No person shall be qualified for election or appointment as a Director if, at the time of election or appointment, as the case may be, he:
- (a) is less than eighteen (18) years of age;
  - (b) is a dependent adult as defined in the Dependent Adults Act of Alberta (as amended or substituted) or is the subject of a certificate of incapacity under that Act;
  - (c) is a formal patient as defined in the Mental Health Act of Alberta (as amended or substituted);
  - (d) is the subject of an order under The Mentally Incapacitated Persons Act of Alberta (as amended or substituted) appointing a committee of his person or estate or both;
  - (e) has been found to be a person of unsound mind by a court elsewhere than in Alberta;
  - (f) is not an individual;
  - (g) has the status of a bankrupt;
  - (h) is not a Voting Member or the appointee of a corporate Voting Member;
  - (i) has been on the Board for more than six (6) consecutive years and two (2) years has not lapsed since he was last on the Board; or
  - (j) has been convicted of an indictable offence.
36. Until otherwise determined by a general meeting and without limiting the Board's power to appoint a maximum of two (2) additional persons to the Board pursuant to bylaw 61 below, the number of Directors shall be not less than three (3) or more than fifteen (15). The most recent past President of the Association shall automatically be deemed appointed and elected as a member of the Board for a term expiring at the end of the

next annual general meeting provided such past President is qualified to be elected and to remain as a Director as provided in bylaws 35 and 40.

37. The Directors shall have power from time to time and at any time, to appoint any other person or persons as Directors, either to fill a casual vacancy or vacancies or as addition or additions to the Board, but so that the total number of Directors shall not at any time exceed the lower of the maximum number fixed by these Bylaws or the maximum number fixed by an Ordinary Resolution.
38. The Directors shall not be paid out of the funds of the Association by way of remuneration for their services as Directors.
39. A Director may retire from office upon giving at least five (5) days' notice in Writing to the Association of his intention to do so, and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.
40. The office of a Director shall *ipso facto* be vacated if:
- (a) he ceases to be qualified for election as a Director (except by reason of Bylaw 35(i));
  - (b) any sum due or payable to the Association by him (or the corporate Voting Member which designated him as its appointee) shall remain unpaid for at least forty-five (45) days following a Written request by the Association for payment of same;
  - (c) he is absent from three (3) consecutive meetings of the Board without permission of the Board and it is resolved at the subsequent meeting of the Board that his office be vacated;
  - (d) he dies; or
  - (e) he is removed by Special Resolution of the Association, as hereinafter provided.
41. A Director shall not be disqualified solely by his office as a Director from holding any other office with the Association and from contracting with the Association either as a vendor, purchaser or otherwise howsoever.
42. At the first annual general meeting and at every succeeding annual general meeting held prior to November 1, 2012, all of the Directors, howsoever appointed or elected, shall retire from office. At every succeeding annual general meeting held after October 1, 2013, all of the Directors whose terms of office are due to expire on or about the time of the annual general meeting, howsoever appointed or elected, shall retire from office. A retiring Director shall retain office until the dissolution of the meeting at which his successor is elected or appointed. If at any general meeting at which an election of Directors ought to take place, no such election takes place, the retiring Directors shall continue in office until the annual general meeting in the next year, and so on from year to year until their places are filled up, unless it shall be determined at such meeting to

reduce the number of Directors. At the time of election of Directors, nominees for a two year term, as well as nominees (if any) for a one year term, shall be sought and voted upon such that one-half (plus or minus one in the event of an odd number on the Board) of the Board (after the date of such elections) shall be directors with a term expiring two years after such election (or at the time of the next annual general meeting, whichever is later), and one-half (plus or minus one in the event of an odd number on the Board) of the Board (after the date of such elections) shall be Directors with a term expiring one year after such elections (or at the time of the next annual general meeting, whichever is later). The Board, in exercising its powers under bylaw 37 above shall fill a vacancy for only such period of time as the vacating director would have been in office had he not vacated.

43. Subject to Bylaw 35(i), a retiring Director shall be eligible for re-election.
44. The Association at every annual general meeting shall fill up the vacated offices by electing a like number of persons to be Directors, or in case any change in the number of Directors is made at any such meeting, by electing the number of persons to be Directors as may be fixed by such meeting.
45. The Association may, by Special Resolution, at any time remove any or all of the Directors before the expiration of his or their period of office and may by Ordinary Resolution appoint another qualified person or persons in his or their stead; and the person or persons so appointed shall hold office during such time only as the Director or Directors in whose place he is or they are appointed would have held the same if he or they had not been removed.

#### **REGISTER OF DIRECTORS AND MANAGERS**

46. The Directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force. The Directors shall keep a register of the Directors and officers and managers of the Association and their addresses and occupations.

#### **PROCEEDINGS OF DIRECTORS**

47. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings in a manner consistent with these Bylaws. No less than one half of the number of Directors shall be the quorum necessary for a meeting of the Directors to proceed.
48. Meetings of the Board of Directors shall be held in the Okotoks, Alberta unless all the Directors otherwise agree upon a different location in the Province of Alberta. Meetings of the Board may be held at any time without any formal notice if all the Directors are present or those absent have signified their consent in Writing to the meeting being held in their absence; and ten (10) days prior Written notice of any meeting where notice has not been dispensed with, to each Director at his ordinary address, shall be sufficient

notice of any meeting of the Directors. In computing such period of ten (10) days the day on which such notice is given shall be included, and the day for which such notice is given shall be excluded. Notice of any meeting, or accidental irregularity in any meeting or in the notice thereof, may be waived by any Director. The Directors may by resolution appoint a regular time and place for meetings, and no further or other notice of such time and place, other than the entry of such resolution upon the minutes of the meeting at which it was passed, shall be necessary. A meeting of the Directors shall be held at least quarterly throughout the calendar year, and a meeting of the Directors shall be held within twenty one (21) days following the day of the annual general meeting at a place agreed to by at least seventy five percent (75%) of the elected Directors and failing such agreement shall be held on such date, twenty one (21) days after said annual general meeting, at the Residents Association house located at \_\_\_\_\_, Alberta at 7:00 pm. All meetings of the Board shall be conducted according to Robert's Rules of Order.

49. Any Director may participate in a meeting of the Board of Directors by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and a Director participating in a meeting pursuant to this Bylaw shall be deemed to be present in person at that meeting and the meeting shall be deemed to have been held at such place in Alberta as the Directors may from time to time determine.
50. The President may, or the Secretary shall, at the Written request of not less than twenty five percent (25%) of the Directors, at any time call a meeting of Directors within fourteen (14) days of such request.
51. Questions arising at any meeting of Directors shall be decided by a majority of votes, and in case of an equality of votes, the chairman shall not have a second or casting vote.
52. The continuing Directors may act notwithstanding any vacancy in their number; but if and so long as their number is reduced below the minimum number fixed by or pursuant to these Bylaws, the continuing Directors may act only for the purpose of increasing the number of Directors to that number or of summoning a general meeting of the Association, but for no other purpose.
53. The Directors may approach one of their members to be chairman of the Board of Directors, and in the absence of such appointment the President for the time being of the Association shall be chairman of the Board. If the chairman is not present at any meeting at the time appointed for holding the same, the Vice-President shall act as chairman of the meeting unless the Directors present choose one of their members to be chairman of such meeting.
54. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations of the Association for the time being vested in or exercisable by the Directors generally.

55. All acts done at any meeting of the Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
56. A resolution in Writing, signed by all the Directors without their meeting together (which may be executed in several counterparts) shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, and shall be held to relate back to any date therein stated to be the effective date thereof.

### MINUTES

57. The Directors shall cause minutes to be duly entered in books provided for the purpose of:
- (a) all appointments of officers;
  - (b) the names of Directors present at each meeting of the Directors;
  - (c) all resolutions made by the Directors; and
  - (d) all resolutions and proceedings of general meetings

and any such minutes of any meetings of the 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.

### POWERS OF DIRECTORS

58. The management of the business and affairs of the Association shall be vested in the Directors who, in addition to the powers and authorities by These Presents or otherwise expressly conferred upon them, may exercise, by resolution passed at a meeting at which a quorum is present or by resolution signed in Writing by all Directors, all such powers and do all such acts and things as may be exercised or done by the Association; and without restricting the generality of the foregoing 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 for the time being in force shall be binding on the Members, and shall have full effect accordingly; irregularities in the giving of notice of the Rules and Regulations and any amendments thereto or the accidental omission to give notice of the same or the non-receipt of any notice by any Member, shall not relieve that Member from observing the said Rules and Regulations which shall at all times be available upon request made to

the Board and payment of the prescribed fee therefore; and without limiting the generality of the foregoing it is expressly declared that the following shall be deemed to be within the subject matter that may form part of the Rules and Regulations in relation to the Association within the meaning of this clause, that is to say, Rules and Regulations as to the:

- (a) proof required from persons claiming to be eligible to be Voting Members, Homeowner Members and Family Members;
- (b) annual Membership Charges to be payable by the Owner of a Lot and the Condominium Corporations;
- (c) use of the Facilities by the Members
- (d) usage or non-usage of the Facilities by visitors, guests and pets;
- (e) conditions upon which a Member shall be entitled to obtain and continue to benefit from any service provided by or on behalf of the Association; and
- (f) manner in which and circumstances under which use of the Facilities by Members or delivery of any service by the Association to Members may be suspended.

#### **DUTY OF DIRECTORS**

59. Each of the Directors shall act honestly and in good faith and with a view to the best interests of the Association when exercising any of his rights and duties under these Bylaws or in connection with the Association.

#### **OFFICERS**

60. The officers of the Association shall consist of a President, a Vice-President, a Secretary and a Treasurer, Chair of the Operations Committee and Chair of the Social Committee and such other officers as the Directors may from time to time appoint. One person may fill the positions of Secretary and Treasurer. Nothing in these bylaws prevents the Chair of the Operations Committee and Chair of the Social Committee from holding a second office. Such persons holding such offices, besides fulfilling any duties assigned to them by the Directors, shall have such powers as are usually incidental to such offices, including without limitation, the following duties:

- (a) the President, or in the event of his absence or disability, the Vice-President:
  - i. is responsible for the daily execution of the business of the Association;
  - ii. shall act as chairman of the meetings of the Board (if no other appointment for chairman is made by the Board) and of the Association;



- (b) the Vice-President shall be responsible for such other duties as the Board may designate;
  - (c) the Secretary, or in the event of his absence or disability, another member of the Board designated by the Board:
    - i. shall record and maintain all the minutes of the Board, and all meetings of the Association and shall record votes for and against on all decisions;
    - ii. is responsible for all the correspondence of the Association; and
    - iii. shall carry out his duties under the direction of the President and the Board;
  - (d) the Treasurer, or, in the event of his absence or disability, another member of the Board designated by the Board:
    - i. shall receive all monies paid to the Association and deposit them as the Board may direct;
    - ii. properly account for the funds of the Association and keep such books as the Board may direct;
    - iii. present to the Board when required to do so by the Board, a full detailed account of receipts and disbursements of the Association;
    - iv. prepare for submission to the Board and for the information of the Voting Members at the annual general meeting, a budget for the forthcoming fiscal year of the Association and an audited statement for the most recently completed fiscal year of the Association.
61. The President, Vice-President, Secretary and the Treasurer or Secretary-Treasurer, Chair of the Operations Committee and the Chair of the Social Committee of the Association shall be elected by the Board from amongst their number. Notwithstanding the foregoing, if the Board wishes to appoint a person to the Chair of the Operations Committee or the Chair of the Social Committee who is not currently a Board member, then the Board may additionally appoint such person to the Board provided such person would qualify for election as a director pursuant to bylaw 35 and would not be immediately vacated from the position of director pursuant to bylaw 41. The Board may appoint an Assistant Secretary, who shall be empowered to act in the absence of or under the direction of the Secretary in the performance of the duties of the Secretary. The Directors may appoint a temporary substitute for any of the above officers, who shall for the purposes of these presents be deemed to be the officer for the position he occupies. Any executive officer of the Association shall be entitled to attend any meeting of Members or Voting Members.
62. The Board shall have the authority to establish and disband committees from time to time, to determine the mandate of each committee, and to appoint a chair for each committee established and to remove and re-appoint a chair for each such committee, in furtherance of the business and undertakings of the Association as the Board deems necessary in their sole discretion. The Board shall review and consider any committee reports that the Board has requested be prepared as well as any recommendations

contained therein. No committee shall have any power to bind the Association to any matter, agreement, settlement or otherwise unless expressly authorized by the Board. Any policies or operational directives which have been recommended by a committee shall require the approval of the Board (which approval may be withheld in the sole discretion of the Board) before such policies or directives shall be binding upon the Association or its Members.

### **SEAL**

63. The Association shall have a corporate seal which shall be of such form and device as may be adopted by the Directors, and the Directors may make such provisions as they see fit with respect to the affixing of the said seal and the appointment of a Director, or Directors or other persons, to attest by their signatures that such seal was duly affixed. The corporate seal of the Association will be kept at the registered office of the Association, or at such other place or places as the Directors think fit and specify from time to time.

### **EXECUTION OF DOCUMENTS**

64. All deeds, transfers, assignments, contracts, obligations, certificates and other instruments of the Association shall be signed by at least two (2) Directors.

### **REAL PROPERTY**

65. Except for regular or scheduled maintenance of the Amenities, the Association shall not acquire or dispose of any real property or take down or make any improvements to real estate which improvements had or have a value in excess of fifty thousand (\$50,000.00) dollars, except in accordance with a Special Resolution of the Voting Members. Further, the Association shall not alter the structure or functionality of any of the Facilities or terminate any utility service provided to its Members except in accordance with a Special Resolution of the Voting Members.

### **NO SHARE CAPITAL OR DIVIDENDS**

66. There shall be no share capital of the Association. As the Association is formed primarily for the purposes of promoting recreation for and social communication amongst its Members and it is the intention of the Association to apply the profits, if any, or any other income of the Association, in promoting its objects, and as the Association is not formed with gain for its object, no dividend whatsoever and no part of the income of the Association shall be divided among, payable to, or be available for the personal benefit of any of the Members of Voting Members of the Association.

## RESERVES AND FUNDS

67. (a) The Directors shall budget for and shall set aside a portion of the profits or revenues of the Association each year to create and maintain a reserve or reserves to provide for the costs that do not normally occur on an annual basis respecting the repair and, where appropriate, replacement of any parks, pathways, green spaces, roadways and utilities owned and operated by the Association, and such reserve(s) shall be maintained in amounts determined in accordance with generally accepted accounting principles. Such reserve funds shall only be used for such purposes and shall be maintained in a separate account of the Association and shall not be commingled with any other funds of the Association or of any other person.
- (b) The Directors may budget for and may set aside any of the profits or revenues of the Association to create a reserve or reserves to provide for maintaining any other property of the Association, replacing wasting assets, meeting contingencies, forming an insurance reserve or for any other purposes whatsoever for which the profits or revenues of the Association may lawfully be used.
- (c) The Directors may also carry forward to the accounts of the succeeding year or years any profit or balance of profit which they shall not think fit to place in any of such reserves.
68. The Directors may create a fund or funds out of the assets of the Association not greater in amount than the reserve or reserves as hereinbefore provided for and may apply the fund or funds either by employing them for the purpose for which they were established or investing them in such manner as they shall think fit, and the income arising from such fund or funds shall be treated as part of the profits of the Association for the year in which such income arose. The income arising from such reserve funds may be applied for the purpose of maintaining the property of the Association, replacing wasting assets, meeting contingencies, forming an insurance fund or for any other purpose for which the profits of the Association may lawfully be used.
69. The Directors may not abolish any reserve or reserve fund established under Bylaw 67(a) above but may reduce the same to extent the reduction in such fund is applied against the maintenance or replacement of any parks, pathways, green spaces, roadways or utilities owned and operated by the Association. The Directors may from time to time increase, reduce or abolish any reserve or reserve fund established under Bylaw 67(b) above in whole or in part and may transfer the whole or any part to surplus.

## OPERATING COSTS OF ASSOCIATION

70. The Directors shall implement a procedure to monitor and to determine:
- (a) the amount of the annual costs of operating the Facilities and providing services to the Members, including without limitation the following costs:

- 
- (i) all levies or charges or costs on account of electricity, water, sewer, garbage removal, gas and other utility services supplied to or by the Association or billed to the Association;
  - (ii) the cost of and charges for all management fees, salaries and other benefits for services of any caretakers or maintenance personnel;
  - (iii) all costs of and charges for maintenance, repair, and replacement of any property owned or managed by or registered in the name of or used by the Association for its own benefit or for the benefit of the Members;
  - (iv) all costs and charges on account of landscaping, removal of snow and garbage from the property owned or managed by the Association;
  - (v) all costs of and charges for all consultation, professional and servicing assistance required by the Association including without limiting the generality of the foregoing all auditing, accounting, engineering and legal costs;
  - (vi) the Association's administration costs (which administration costs may include the cost of determining the eligibility of Members and Voting Members);
  - (vii) all fees and charges for insurance maintained by the Association and payment of any deductibles there under;
  - (viii) the cost of performing all obligations of the Association or the Board or the officers of the Association created by the Act or these Bylaws or pursuant to any contract between the Association and the Town of Okotoks;
  - (ix) all newsletters, memberships, subscriptions, office equipment, supplies, printing and postage costs;
  - (x) the cost of borrowing money for the purpose of carrying out the objects and duties of the Association and the Board; and
  - (xi) any taxes payable by the Association in respect to property owned by it or in connection with the foregoing or in performing its obligations under the Act or the Bylaws;

(b) the amount for covering prior operating deficits; and

(c) the amount for establishing and continuing the reserves described in Bylaw 61;

(which amounts are herein referred to collectively as the "Costs").

71. The net amount of these Costs (after deduction of all anticipated surplus and revenue from sources other than the annual Membership Charges received from owners of Lots

and Condominium Corporations) shall be collected by assessing the Homeowner Members and each Condominium Corporation. At least thirty (30) days prior to the beginning of each fiscal year of the Association, the Board shall estimate the amount of the Costs that will be incurred or required in such fiscal year less any expected income and unallocated surplus from funds collected in the previous fiscal year. Each fiscal year's estimated Costs (less any aforesaid income or surplus and less any portion thereof to be recouped by way of usage charges as hereinafter provided) shall be apportioned, levied and assessed to and upon each Lot owner and each Condominium Corporation. Notwithstanding that the Association has levied a Membership Charge against each Lot owner and Condominium Corporation, the Association shall be entitled to recover a portion of the Costs by way of a reasonable usage charge for services provided by or on behalf of the Association charged to those Homeowner Members and Family Members who benefit from such services. Subject to the provisions hereof, the amounts of such assessments and/or usage charges shall be those amounts determined by the Directors from time to time and the owners of Lots and each Condominium Corporation (and in the case of usage charges, Members and the Family Members) shall pay such amounts in the manner and at the times determined by the Directors. In the Board's discretion, the principal amount of the annual Membership Charge may be more or less than the principal amounts stated in the Encumbrances registered against each Lot and any prior year's Membership Charge paid by a Condominium Corporation. The Board may establish from time to time the interest to be charged on all arrears of such Membership Charges by Lot owners and any Condominium Corporation (and in the case of usage-based charges, arrears attributed to any Homeowner Members or their Family Members, as the case may be). Further, the Board shall be entitled to collect from any Member who is in breach of any of these Bylaws or the Rules and Regulations, and such Member shall pay, any and all legal costs incurred by the Association on a solicitor and his own client basis (being on a full indemnification basis) in pursuing any remedy available to it at law or in equity (including enforcement of the annual Membership Charge) to ensure observance by that Member of these Bylaws and the Rules and Regulations or to collect losses, damages and expense suffered by the Association as a result of such non-observance by that Member. The omission by the Board before the expiration of any fiscal year, to fix the assessments hereunder for that year or for the next year, shall not be deemed a waiver or modification in any respect of the provisions of these Bylaws, or release of the owner of a Lot or a Condominium Corporation from their obligations to pay the annual Membership Charge (and in the case of usage based charges, the obligation of Homeowner Members and their Family Members from their obligations to pay the usage charges) or any installments thereon for that or any subsequent year, but the annual Membership Charge for the preceding fiscal year shall continue (on the anniversary of the assessment of the Membership Charge) until a new annual Membership Charge assessment is fixed. No Homeowner Member can exempt himself from liability for his contributions towards the Costs by waiver of use or enjoyment of any property owned or managed by the Association or service provided by the Association or by vacating or abandoning his Lot or Unit.

72. If the resulting contributions received from the Homeowner Members and Family Members, including without limitation contributions attributable to annual Membership

Charges, do not result in sufficient income to pay the costs of the Association, then the Directors shall increase the Association's income in the following manner:

- (a) if necessary, they shall borrow, on a short term basis, any funds required to meet the operating cash deficiency being experienced;
- (b) they shall present a full report on the operating cash deficiency to the next annual general meeting of the Association together with their recommendations for increasing the income of the Association including, if so determined by the Directors, increasing the annual Membership Charges, or increasing or implementing usage charges for services provided by or on behalf of the Association;
- (c) if they determine that addressing such deficiency should not await the next ensuing annual general meeting, they shall call a special general meeting of the Association to consider the matter;
- (d) any increase in the annual Membership Charges must be approved by an Ordinary resolution at a meeting of the Association;
- (e) the Homeowner Members and Family Members shall be bound by the decision of the Voting Members passed in accordance with these Bylaws; and,
- (f) in the case of a Lot on which an Encumbrance has been registered, if such Encumbrance has been foreclosed off of or is otherwise removed from the title to a Lot or has otherwise been taken off such title or if pursuant to a meeting of the Voting Members, it has been agreed to register a new Encumbrance or a caveat giving notice of the change in the amount to be secured by the Encumbrance, the Member or the Voting Member or each of them who is registered as the owner of that Lot shall enter into (or cause to be entered into by the registered owner(s) of that Lot) any requested new Encumbrance to be registered against the title to that Lot or shall agree (or cause the registered owner(s) of that Lot to agree) to the filing of a caveat as referred to above and if he delays, fails, or refuses to execute and deliver (or to cause to be executed and delivered) the new Encumbrance the Association is hereby irrevocably appointed as his attorney on his behalf and for the Association's use and benefit, to sign and deliver such new Encumbrance in his place and stead.

### ACCOUNTS

- 73. The Directors shall cause true accounts to be kept of the sums of money received and disbursed by the Association and the manner in respect of which said receipts and disbursements take place, of all sales and purchases by the Association and of the assets and liabilities of the Association and of all other transactions affecting the financial position of the Association.
- 74. The books of account and accounting records shall be kept at the registered office of the Association or, subject to the limitations of the Act in this regard, at such other

place or places as the Directors think fit, and shall be open to inspection of the Directors and the auditor of the Association.

75. The Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Association, or any of them, shall be open to the inspection of any of the Members not being Directors, and none of the Members (not being a Director) shall have any right of inspecting any account or book or document of the Association except as conferred by law or authorized by the Directors or by Ordinary Resolution of the Association.
76. The Directors shall make the financial statements and the related report of the auditor available for review by Members before each annual meeting of the Voting Members. The financial statements shall:
- (a) be approved by the board of Directors and signed by two (2) of them;
  - (b) be for a period that ended not more than six (6) months before the annual meeting;
  - (c) contain a comparative statement (except in the case of the first statement) relating separately to the latest completed financial year preceding it; and
  - (d) made up of:
    - (i) a statement of profit and loss for each period;
    - (ii) a statement of surplus for each period;
    - (iii) a statement of source and application of funds for each period; and
    - (iv) a balance sheet as at the end of each period
- all made in accordance with generally accepted accounting principles.
77. A copy of the financial statements and a copy of the auditor's report shall be sent to each Voting Member, by prepaid post, ten (10) days or more before the date of the annual meeting.

#### NOTICES

78. Any notice may be served by the Association on any of the Members or Voting Members either personally or by sending it through the post (provided a pending or threatened mail strike does not then exist) in a prepaid envelope or wrapper addressed to such Member or Voting Member at his address as the same appears in the books of the Association, or if no address is given therein, to the last address of such person known to the Secretary of the Association. If no address is known to the Secretary a notice posted up in the registered office of the Association shall be deemed to be well served on such person upon it being so posted up, and any notice sent by post shall be deemed to have been served on the day on which the envelope or wrapper containing the same is posted. With respect to every notice sent by post, it shall be sufficient to prove that

the envelope or wrapper containing the notice was properly addressed and put into one of Canada Post Corporation's letter boxes.

79. Any notice or document delivered or sent by post or left at the address of any of the Members or Voting Members as the same appears on the books of the Association or posted in the registered office of the Association as hereinbefore provided shall, notwithstanding such person be then deceased and whether or not the Association has notice of his decease, be deemed to have been duly served until some other person is entered in his stead in the books of the Association as one of the Members or Voting Members, as the case may be, and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons interested with any one of such Members or Voting Members.
80. Notwithstanding the notice requirements identified in Paragraphs 78 and 79 above, the Association may also "deliver" notices by email to those Members and Voting Member who have provided the Secretary of the Association a written request to have their notices delivered to them by email. In delivering any such notice by email, such notice shall be deemed to have been delivered to such Member or Voting Member if the Secretary can provide electronic confirmation of such email delivery and the Member or Voting Member shall be deemed to have viewed such email delivered notice within three (3) days of the date of the electronically confirmed delivery.
81. The signature on any notice (including any email notice) to be given by the Association may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.
82. Where a given number of days' notice or a notice extending over any other period is required to be given, the day of service of the notice and the day for which notice is given shall, unless it is otherwise provided, be counted in such number of days or other period.
83. A certificate of the Secretary or other duly authorized officer of the Association in office at the time of the making of the certificate as to the facts in relation to the mailing or delivery or posting up of any notice to any Member, Voting Member, Director or officer or publication of any notice, shall be *prima facie* evidence thereof and shall be binding on every one of the Members, Voting Members, and a Director or officer of the Association, as the case may be.
84. It shall not be necessary for any notice to set out the nature of the business which is to come before a meeting of the Directors and it shall not be necessary for any notice to set out the business which is to come before a meeting of the Voting Members unless the same is special business.
85. A special general meeting and the annual general meeting may be convened by one and the same notice, and it shall be no objection to the said notice that it only convenes



the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

#### **RECORD DATE**

86. The Directors may fix a time in the future not exceeding thirty (30) days preceding the date of any meeting of Voting Members as a record date for the determination of the Voting Members entitled to notice of, and to vote at, any such meeting, and only the Voting Members of record in the Register of Voting 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 Voting Members on the Register of Voting Members after any such record date is fixed as aforesaid.

#### **AMENDMENT OF BYLAWS**

87. These Bylaws may be added to, replaced, amended, or repealed by Special Resolution of the Association and not otherwise.

#### **INDEMNITY**

87. Except as otherwise hereinafter provided, every Director and officer of the Association shall be indemnified by the Association against, and it shall be the duty of the Directors, out of the funds of the Association to pay all losses and expenses which any such Director or officer shall incur or become liable to by reason of any contract entered into or act or thing done by him as such Director or officer at the request of the Association, or in any way in the discharge of his duties.
88. Any person made a party to any action, suit or proceedings by reason of the fact that he, his testator or intestate, is or was a Director or officer of the Association, or of any corporation which is served by such Director or officer as such at the request of the Association, shall be indemnified by the Association against the reasonable expenses, including solicitor's fees, actually and necessarily incurred by him in connection with the defense of such action, suit or proceeding, or in connection with any appeal therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceedings that such Director or officer is liable for gross negligence or similar misconduct in the performance of his duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director or officer may be entitled. None of the provisions hereof shall be construed as a limitation upon the right of the Association to exercise its general power to enter into a contract or undertaking of indemnity with or for the benefit of any Director or officer in any proper case not provided for herein.
89. The Association may purchase and maintain such insurance for the benefit of its Directors and officers as such, as the Board may from time to time determine.

90. No Director or officer of the Association shall be liable for the acts, neglects or defaults of any other Director or officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Association through the insufficiency or deficiency of title to any property acquired by order of the Directors, for or on behalf of the Association, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Association shall be invested, or for the loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty, or unless it is otherwise provided in a contract of service with such Director or officer.

**SCHEDULE "A"**

## Amenities

The Amenities referred to in the Bylaws shall be comprised of all of the features of the Okotoks Air Ranch Community that are intended to be for the benefit and enjoyment of the Members and Family Members, with such features to included, without limitation, the following:

- parks and green spaces;
- sidewalks and pathways;
- water features including overland drainage systems and ponds;
- playgrounds;
- roadways;
- street lighting; and
- any other feature that the Association and its Voting Members may recognize upon the passing of a Special Resolution.

**SCHEDULE "B"****Condominium Corporations**

- Condominium Corporation 0110799 (representing approximately 15% of the Okotoks Air Ranch Community lands);
- Condominium Corporation 0110834 (representing approximately 3% of the Okotoks Air Ranch Community lands);
- Condominium Corporation 0310135 (representing approximately 3% of the Okotoks Air Ranch Community lands);
- Condominium Corporation 0410198 (representing approximately 14% of the Okotoks Air Ranch Community lands);
- Condominium Corporation 0610251 (representing approximately 3% of the Okotoks Air Ranch Community lands);
- Condominium Corporation 0810207 (representing approximately 11% of the Okotoks Air Ranch Community lands);
- Condominium Corporation 1210740 (representing approximately 6% of the Okotoks Air Ranch Community lands);
- Phase 8 of the Okotoks Air Ranch community development but for which a Condominium Corporation has as of the date of these Bylaws has yet to be established; and
- Phase 10 of the Okotoks Air Ranch community development but for which a Condominium Corporation has as of the date of these Bylaws has yet to be established

\*All percentage areas are subject to final adjustment when the Developer has completed the development of the remaining lands.

**SCHEDULE "C"**

**SUBDIVISION**

Shall be the remaining lands in the Okotoks Air Ranch community, comprised of fee simple ownership of Lots, the legal descriptions for which will be established in the future and thereafter added to this Schedule "C".

SCHEDULE "E"  
SERVICE AGREEMENT

## SERVICE AGREEMENT

THIS SERVICE AGREEMENT is dated \_\_\_\_\_, 2012, and is  
BETWEEN:

OKOTOKS AIR RANCH COMMUNITY ASSOCIATION  
(the "Community Association")

- and -

CONDOMINIUM CORPORATION \_\_\_\_\_  
(the "Condo Corporation")

### WHEREAS:

- A. The Community Association is the owner of various lands throughout the Okotoks Air Ranch development, including without limitation, the lands within the boundaries of the Condominium Corporation (the legal descriptions of which are identified in Schedule "A");
- B. The Community Association through its bylaws, through contracts with other condominium corporations and other agreements between the parties, has been organized and authorized to provide various services for the benefit of owners of property within the Okotoks Air Ranch development, including services within the boundaries of the Condo Corporation;
- C. The Condo Corporation, through its property manager, provides various services in relation to the Common Property located within the boundaries of the Condo Corporation for the benefit of owner/members;
- D. The Community Association and the Condo Corporation have held various discussions whereby the Community Association would provide the services required to repair, replace, maintain and service the lands it hold in the Condo Corporation and the remaining Common Property of the Condo Corporation (if any), with all such services described in Schedule "B" (being collectively described as the "Services"); and
- E. Having reached an agreement in principle, the parties wish to confirm their respective understandings, in writing, by way of this Service Agreement (the "Agreement").

NOW THEREFORE IN CONSIDERATION OF the mutual promises and obligations contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties, intending to be legally bound, agree as follows:

### Community Association Obligations:

1. The Community Association hereby offers to supply all of the Services required by the Condo Corporation in relation to both the Common Property of the Condo

Corporation and the lands held in the name of the Community Association that are located within the boundaries of the Condo Corporation.

2. In supplying the Services, the Community Association hereby confirms that such Services shall be provided in a professional manner, in a timely fashion as such Services may be warranted and with the same standard of care that the Condo Corporation (or its property manager) may be reasonably be expected to provide.
3. The Community Association shall be entitled to use the services of others (which may include any Services offered by the Town of Okotoks) in its supply of the Services.

Condo Corporation Obligations:

4. The Condo Corporation hereby accepts the Community Association's offer to supply the Services required by the Condo Corporation in relation to its Common Property.
5. In accepting the Community Association's offer, the Condo Corporation (through its property manager) shall take the steps necessary to provide the Community Association with copies of all documentation it holds in relation to;
  - (a) the locations of the Common Property;
  - (b) any and all existing agreements the Condo Corporation has entered into with others to provide services for the Common Property;
  - (c) copies of any reserve fund studies pertaining to the Common Property; and
  - (d) any other documentation that would assist the Community Association with its supply of the Services required for the Common Property.

Community Fees:

6. The Condo Corporation hereby further agrees to remit to the Community Association, on a monthly basis, the portion of the monthly condominium fees owed by its members that are attributable to Services provided by the Community Association (and would have otherwise been paid to other suppliers of such Services).
7. The parties hereby agree that with the Condo Corporation's remittance of the fees identified in Paragraph 6 above (along with any other amounts that may be reasonably assessed by the Community Association in accordance with its bylaws, if any), all of the members of the Condo Corporation shall be deemed to be Members of the Community Association, all of whom to have all of the rights and benefits afforded to every other Member of the Community Association.

Snow Removal:

8. Notwithstanding that the Services to be supplied by the Community Association include the obligation to remove snow from the roadway portion of the Common Property that is not otherwise serviced by the Town of Okotoks, nothing in this



Agreement shall prevent the Condo Corporation from supplying additional snow removal services (at the Condo Corporation's expense) for such roadways should the members of the Condo Corporation wish to have snow removed in special circumstances. In such special circumstances, the Condo Corporation shall be entitled to retain the services of others for snow removal on the basis that the Condo Corporation shall be solely liable for any and all costs associated with the repair, etc. of the Common Property arising from such third party snow removal services.

#### Street Lighting

9. The Community Association shall be solely responsible for the repair, replacement and servicing of the street lights and related electrical systems located within the Condo Corporation's boundaries.

#### Agreement Term

10. The parties acknowledge and agree that as this Agreement is intended for the benefit of the Condo Corporation and its members and every other resident/owner in the Okotoks Air Ranch development, the Term of this Agreement shall be Ninety-nine (99) years from the date of this Agreement unless otherwise limited by the *Perpetuities Act* of Alberta.

#### Dispute Resolution

11. In the spirit of community, and for the benefit of all of the Members of the Community Association and the members of the Condo Corporation, the parties hereby agree that in the event of a dispute that cannot be amicably resolved by the parties, the parties agree to retain the services of a mediator to assist them in the resolution of their dispute with both parties being responsible for Fifty (50%) percent of the mediator's fees and solely responsible for any costs that they may incur on their own behalf in their preparation and attendance at such mediation.
12. In the event that mediation fails to resolve the matter, the parties hereby agree to submit the matter to arbitration, with such arbitration to be held in accordance with the *Arbitration Act* of Alberta, before a single arbitrator who shall either be agreed to by the parties, acting reasonably, or by a Justice of the Court of Queen's Bench, Judicial District of Calgary. The parties further agree to be equally responsible for the costs associated with the arbitration and the arbitrator and solely responsible for their own costs incurred in the preparation and attendance at the arbitration hearing. The parties further agree that the decision of the arbitrator shall be final and binding on the parties and not subject to further appeal.

#### General Provisions

13. The parties agree that they shall, at the request and expense of the other party, execute and deliver any further and additional documents deemed necessary by the solicitors for such parties to properly create or confirm title or security according to the true intent and meaning of this Agreement.

14. No amendment or variation of the terms, conditions, warranties, covenants, agreements and undertakings identified in this Agreement shall be of any force or effect unless they are reduced to writing and duly executed by the parties in the same manner and with the same formality as this Agreement is executed.
15. This Agreement shall enure to the benefit of and be binding upon each of the parties and each of their respective representatives, successors, administrators and assigns.
16. This Agreement constitutes the entire agreement between the parties and supersedes all previous verbal or written agreements, options, assurances and undertakings by the parties relating to the sale and purchase contemplated by this Agreement, and there are not any other representations, warranties, collateral agreements or conditions to which the parties have relied upon.
17. This Agreement shall in all respects be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta. Each party accepts the jurisdiction of the Courts of the Province of Alberta.
18. Should any portion of this Agreement be judicially held to be invalid, or wholly or partially unenforceable, such holding shall not invalidate or void the remainder of this Agreement, the parties hereby agreeing that parts held to be invalid or unenforceable shall be deemed to have been struck from the Agreement, leaving the remaining terms of this Agreement in force and effect.
19. All dates and times identified in this Agreement shall be strictly adhered to.
20. This Agreement may be executed and delivered in counterparts with the same effect as if all parties had executed and delivered the same copy, and when each and every party has executed and delivered a counterpart, all counterparts together shall constitute one Agreement.

Having agreed to the provisions of this Agreement, the parties, by their duly authorized representatives, hereby sign this Service Agreement as of the date written above.

Okotoks Air Ranch Inc.

Condominium Corporation \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

SCHEDULE "A"

COMMUNITY ASSOCIATION LANDS  
WITHIN CONDO CORPORATION BOUNDARIES

- CONDOMINIUM PLAN 0  
UNIT  
AND ONE UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE  
COMMON PROPERTY  
EXCEPTING THEREOUT ALL MINES AND MINERALS

## SCHEDULE "B"

### SERVICES SUPPLIED BY COMMUNITY ASSOCIATION

The Community Association shall be responsible for all services associated with the maintenance, repair, replacement and servicing of the following Community Features, some or all of which are within the boundaries of the Condo Corporation:

- parks and green spaces;
- sidewalks and pathways;
- water features including overland drainage systems and ponds;
- playgrounds;
- roadways;
- street lighting; and
- any other feature that the Association and its Voting Members may recognize upon the passing of a Special Resolution.

The Services shall include without limitation:

- Landscaping
- Snow removal
- Garbage removal
- Street cleaning
- Park and pathway maintenance
- Clearing of debris/particulate materials limiting the flow of water in the drainage ways and ponds
- Electrical services as such services pertain to the street lighting
- And such other services that the Community Association and its Members may subsequently agree upon

SCHEDULE 5

Community Features Right of Way and Maintenance Agreement

RIGHT OF WAY AND  
MAINTENANCE AGREEMENT  
PURSUANT TO SECTION 69 OF THE LAND TITLES ACT (ALBERTA)

BETWEEN:

OKOTOKS AIR RANCH COMMUNITY ASSOCIATION an association created pursuant to the laws of the Province of Alberta,

(hereinafter referred to as the "Grantor"),

OF THE FIRST PART

-AND-

THE TOWN OF OKOTOKS, a Municipal Corporation, incorporated pursuant to the laws of the Province of Alberta,

(hereinafter referred to as the "Municipality")

OF THE SECOND PART

GRANT:

The Grantor, being the registered owner of all those certain lands situate in the Province of Alberta, and more particularly described as follows, namely:

[legal description]

does hereby, in consideration of the sum of One dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, GIVE GRANT, TRANSFER AND MAKE OVER unto The Town of Okotoks (hereinafter referred to as the "Municipality") under and by virtue of section 69 of the Land Titles Act, 2000 R.S.A. c. L-4, as amended, a right (hereinafter called "the Right of Way") on, over or under:

[legal description]

for the purpose(s) of:

a. [purpose]

Air Ranch  
Community Features Right of  
Way and Maintenance  
Agreement

(hereinafter individually and collectively called the "Community Feature") such Right of Way being subject to the following terms and conditions which are agreed to by and between The Town of Okotoks and the Grantor:

1. The term "Municipality" wherever used in these presents shall include and shall be interpreted to mean the Municipality defined on Page 1 of this Right of Way and the assignees, nominees or appointees of the Municipality.
2. The Grantor grants to the Municipality, for the use and benefit of the Municipality, the public, or both, as circumstances require, the right in accordance with the terms of this agreement of access, egress and regress and to pass and repass from time to time or at any time to and from the Community Feature.
3. The Term of the grant in clause 2 shall be for such length of time as the Community Feature is required by the Municipality or its assignees, nominees or appointees.
4. The Municipality, its tenants, contractors, subcontractors, officers, servants, agents and workmen shall have the full and free right and liberty to have ingress, egress and to pass and repass on the Right of Way either on foot or by means of motor vehicles or necessary machines whatsoever, and to remain on the Right of Way for all purposes of digging, putting down, taking up, relaying, connecting, disconnecting, constructing, repairing, replacing, maintaining, inspecting and operating the Community Feature.
5. The initial Term of the grant in clause 4 is for a period of fifty (50) years and shall thereafter renew for twenty (20) year periods unless earlier terminated by either party by written notice of one party to the other party. Either party may terminate this agreement upon five (5) years written notice to the other party.
6. The Municipality in carrying out any of the aforesaid operations will do so in a good and workmanlike manner and will cause or do as little damage and inconvenience to the owner or occupier of the said Lands, as is possible, and any excavations or workings made or done in connection therewith shall, so far as is reasonably practicable, be restored to its former condition. The replacement of trees, shrubs and landscaping other than grass shall be deemed to be impracticable.
7. The Grantor covenants that it will not build, erect or maintain nor permit or suffer to be built, erected or maintained on the Right of Way any building or structure, nor will it plant or maintain, nor allow or suffer to be planted or maintained thereon any trees, shrubs or landscaping which would or could prevent or hinder the exercise by the Municipality of any of the rights hereinbefore granted.
8. During the Term of this Agreement, provided the municipal taxes due and payable by the Grantor are paid in a timely manner, and provided the Community Feature has been municipally approved, the Municipality agrees to provide, at no additional cost to the Grantor, for the operation, management, maintenance, repair and replacement of the Community in the same manner and to the same extent as similar Local Improvements located within the Municipality.
9. For the purposes of this agreement, "municipally approved" means, where applicable, that the Municipality approved the engineering standards and plans for the construction of the Community Feature, inspected the Community Feature upon completion, issued a construction completion certificate in writing confirming that the Community Feature appeared to have been constructed to acceptable municipal standards and, following a warranty period of not less than one (1) year, issued a final acceptance certificate confirming that the Municipality agreed to accept the responsibility for the operation, management, maintenance, repair and replacement of the Community Feature.
10. Where applicable, the Municipality's duty and standard of repair of the Community Feature and liability for breach of this contract, negligence, nuisance or any other tort that does not require a finding of

Air Ranch  
Community Features Right of  
Way and Maintenance  
Agreement

intention or negligence, misfeasance or nonfeasance in the conduct of the operation, management, maintenance, repair and replacement of the Community Feature shall be limited to that of Sections 527.2, 528, 529, 530, 531, 532, 533, 534 and 535 of the Municipal Government Act, 2000 R.S.A. c.M-26 or any legislation passed in amendment or substitution therefore. It is the specific intention and agreement of the Municipality and the Grantor that, where applicable, the Municipality's rights, duties and obligations to operate, manage, maintain, repair and replace the Community Feature shall be exactly the same as if the Community Feature was a municipal public utility.

12. This agreement does not nor is it intended to fetter the Municipality's power to levy municipal taxes against the property of the Grantor including, without restricting the generality of the foregoing, municipal taxes levied solely against the Grantor for the purpose, in whole or in part, of financing the operation, management, repair and replacement of the Community Feature in the same manner and to the same extent as other similar lands and developments within the Municipality.
13. The Grantor, during the Term of this Agreement, shall not operate, manage, repair or replace any portion of the Community Feature except in accordance with a written plan approved by the Municipality; which approval may not be unreasonably withheld. The Grantor may at its sole cost, expense and responsibility, during the Term of this Agreement, maintain, repair and replace the carriageway, sidewalks, curbs and gutters in addition to any such operations conducted by the Municipality provided such maintenance, repair and replacement is conducted in accordance with the written plan approved by the Municipality. It is the intention and agreement of the parties that the Grantor shall be entitled to provide to the condominium corporation within which the Local Improvements are located a higher standard of roadway maintenance, repair and replacement than the Municipality might generally provide within the Municipality.
14. This Right of Way and covenants herein granted are and shall be covenants running with the land.
15. The Municipality may assign its interests pursuant to this Right of Way, either in whole or in part, to any person or entity providing roadway maintenance or other services to any area within The Town of Okotoks.
16. The rights, privileges and obligations hereunder shall extend to and shall be binding upon the Municipality, and its successors and assigns.

IN WITNESS WHEREOF the Municipality has hereunto caused its corporate seal to be affixed, attested by the hands of its proper officers in this behalf and the Grantor has hereunto caused its corporate seal to be affixed, attested by the hands of its proper officers in this behalf, at the City of Calgary, in the Province of Alberta, this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

TOWN OF OKOTOKS

OKOTOKS AIR RANCH COMMUNITY ASSOCIATION

Per:

(Seal)

Per:

(Seal)

Municipal Manager

Per:

Per:

Municipal Secretary

## SCHEDULE 7

### Summary of Existing Right of Way Agreements

The tables below summarize the documents the Town of Okotoks is party to that have been registered with each phase of the Okotoks Air Ranch. Some documents that are the same for each subdivision phase have not been listed with every phase (e.g. the noise caveat) even though they may be registered with each phase.

#### **Phase 1 – Plan 011 0799**

<b>Doc Reg #</b>	<b>Against</b>	<b>Title</b>	<b>Description</b>
011 077 158	Unit 2, Plan 011 0799 Roadway Phase 1	Right of Way Agreement	Use & benefit of roadway to public Town to maintain in the same manner a conventional subdivision Term 50 years - 2051
011 077 159	Unit 2, 011 0799 Roadway Phase 1 No Plan	General Utility Right of Way	Standard General URW – gives Town a right over Unit 2 to all utilities
011 077 160	Balance of the lands at registration Phase 1 and Unit 1-43 No Plan	Utility Right of Way	Blanket URW To Town and Air Ranch
011 0765 524 (too many numbers but as stamped) Plan 011 0800	Balance and Units 4-43	General Utility Right of Way	Standard General URW 3.5 over front of lots for shallows
011 076 525 Plan 011 0801 Plan excludes Unit 2	Units 1-28 Plan 011 0799 and balance – which would include runway	ODRW	Standard Document Runs with the land not to be discharged from future phases unless replaced
011 078 450	All lands	Easement Agreement regarding Noise	Town not party to agreement registered by Town Caveat – Runs with the land not to be removed unless replaced
011 078 447	Plan 011 0826	Access Right of Way	Emergency Access from 48 <sup>th</sup> Street to Aerodrome Air Ranch to construct & maintain if they do not Town can and charge back



**Phase 2 – Plan 011 0834**

Doc Reg #	Against	Title	Description
011 079 194	Unit 3, Plan 011 0834 Roadway Billy Hanes Trail	General URW	Standard General URW – gives Town a right over Unit 2 to all utilities
011 079 195	Unit 3 Roadway	Right of Way Agreement	Use & benefit of public Town to maintain in the same manner a conventional subdivision Term 50 years – 2051
011 079 079	Units 4 & 5, Plan 011 0834 Stormponds – blanket no plan	URW	Standard General URW needs to be amended to provide the Town the right but not the obligation and ability to charge back as taxes – not changed to date

\*No shallow utilities in this phase

**Phase 3 “Dakotas” – R-2 Unit 2, Plan 011 0834  
Redivision Units 8-50, Plan 031 0135**

Doc Reg #	Against	Title	Description
031 019 471 Plan 031 0137	Units 13,14,30, 31, 45 to 50	Right of Way Agreement	For maintaining and operating a Sanitary Sewer Main when FAC issued and the main has been connected to future development Term 50 years – 2053 (will be connected with Phase 5)
031 019 474	Units 27,28 & 29	Caveat & RC as to use of land to restrict access	Restricting access from the named units so there is no vehicular access to Unit 2, Plan 011 0799 – Ranch Road

\*The Town will not maintain utilities or roads within Plan 031 0135 except the Sanitary Sewer Main that services Phases 1, 5 and future phases

**Phase 4 – Plan 041 0198**

Doc Reg #	Against	Title	Description
041 031 245	Units 2-41 Plan 041 0198 Plan 041 0199	General URW	Standard document for Shallows
041 031 246	Units 17-41 Plan 041 0198 Plan 041 0200	ODRW	Standard document
041 031 247	Unit 1, Plan 041 0198 Roadway	Right of Way Agreement	Use & benefit of public Town to maintain in the same manner a conventional subdivision Term 50 years – 2053

**Phase 5 – Plan 061 0251**

Doc Reg #	Against	Title	Description
061 030 569	Units 2-13, Unit 14 and Units 16 to 23 Plan 0610251	General URW	Standard document for Shallows and Deeps
061 030 571	Lot 1, Block 1, Plan 011 0820 (Aerodrome)	General URW	Over runway
061 030 568	Unit 5, Plan 011 0834	General URW	Over Stormpond
011 076 525	Lot 1, Block 1, Plan 011 0820	ODRW	Standard document blanket over Aerodrome lands
061 030 578	Units 1 to 23, Plan 061 0251	Fencing & setback RC	Fencing & 10m setback restricting height on lots adjacent to runway
011 078 450	Carries over to all	Caveat & Easement re Noise	Notification of proximity to airport and related noise
061 030 570	Unit 1, Plan 061 0251	General URW	URW over roadway
061 030 572	Unit 1, Plan 061 0251 Roadway	Right of Way Agreement	Use & benefit of public Town to maintain in the same manner a conventional subdivision Term 50 years – 2055 Clause 8 excludes traffic islands
061 030 575	Unit 1, 7 to 14, Plan 061 0251	Caveat & RC	Prohibits access to Lot 1, Block 1, Plan 011 0820 (runway)
061 030 576	Units 1 to 14 and Units 16 to 23, Plan 061 0251	Caveat & RC Aerodrome Transitional Surface	Restricts height on all units in accordance with Aerodrome
061 030 577	Unit 15, Plan 061 0251 and Units 4 & 5, Plan 011 0834	Caveat & RC	Restricting use to stormpond
061 030 574	Units 14 & 16, Plan 061 0251	Restricted Access right of Way	Access over Units 14 & 16 to stormpond
061 030 573	Units 5, Plan 011 0834	Access Right of Way	Access over Unit 5 to stormpond
061 030 579	Units 1 to 23, Plan 061 0251	Caveat for S & C	Caveat for Servicing and Construction Agreement
011 076 525 061 030 560	From Phase 5	Partial withdrawal & discharge	ODRW Plan 011 0801 does not affect Phase 5
041 031 250 061 030 564	From Phase 5	Access right of way for turn arounds Phase 4	
011 078 452 061 030 561	From Phase 5	Deferred Reserve Caveat	
061 030 563	Partial surrender FORTIS of URW Town not party		

**Phase 6 –Plan 081 0207**

Doc Reg #	Against	Title	Description										
081 079 490 Plan 081 0208	Units 1-26, 29-66 and 68, Plan 081 0207	General URW (shallows)	Standard for Shallows										
081 019 491 Plan 081 0209	Units 1-69, Plan 081 0207; and Block 1, Plan 011 0204	Overland Drainage Right of Way	Standard OD document does not obligate the Town to maintain. Clause 7 – owner of land responsible for maintenance & repair Clause 10 – gives Town right but no obligation										
081 019 492	Unit 67 (roadway), Plan 081 0207	Right of Way Agreement	Use & benefit of roadway to public Town to maintain in the same manner a conventional subdivision Term 50 years – 2057 Includes clause that Town will not maintain any roadway enhancements – e.g. islands, traffic calming areas landscaping										
081 019 493 Plan 081 0210	Units 27 & 28 Plan 081 0207; & Unit 3, Plan 041 0198	Access ROW Areas A & B	Sidewalk & access to transformer Owner responsible for maintenance										
081 019 494	Unit 69, Plan 081 0207	RC – Access to runway	Prohibits access to runway unless granted by owner of runway Town not party										
081 019 495	Units 39 to 41 and 57 to 59, Plan 081 0207	RC – Access to 48 <sup>th</sup> Street	Prohibits access to runway										
081 019 497 Plan 081 0213	Units 1 & 3, Plan 041 0198; Units 27, 28, 67 & 69, Plan 081 0207	Height Restriction	Restricts height to 3m within 10m URW parallel with and abutting Lot 1, Block 1 Plan 011 0820 – Town not party										
081 019 498	Units 1 to 69, Plan 081 0207	Water Conservation	Standard document										
081 019 499	<table border="1"> <thead> <tr> <th>Units</th> <th>Spillover</th> </tr> </thead> <tbody> <tr> <td>28 &amp; 29</td> <td>1095.26</td> </tr> <tr> <td>15-19, 50 &amp; 66</td> <td>1093.95</td> </tr> <tr> <td>13 &amp; 14</td> <td>1093.68</td> </tr> <tr> <td>1 &amp; 69</td> <td>1088.66</td> </tr> </tbody> </table>	Units	Spillover	28 & 29	1095.26	15-19, 50 & 66	1093.95	13 & 14	1093.68	1 & 69	1088.66	Trap Low Right of Way Agreement	Restricts development Gives Town the right but not the obligation
Units	Spillover												
28 & 29	1095.26												
15-19, 50 & 66	1093.95												
13 & 14	1093.68												
1 & 69	1088.66												
081 019 500	Units 1 to 69, Plan 081 0207	RC Re: Fencing	Fence design and heights Town not party										
081 019 501	Unit 27, Plan 081 0207	Deferred Servicing Agreement	Deferred Servicing and Acreage Assessments owing										
081 019 502	Units 1 to 69, Plan 081 0207	S & C Agreement	Can be discharge upon sale to third party										
081 019 503	Units 1 to 16, Plan 081 0207	Unserviced Lots Caveat & RC	Prohibits construction until all lots serviced Can be discharged when all lots serviced										
081 019 504	Units 28, 68 & 69, Plan 081 0207; & Lot 1, Plan 011 0204	Offsite URW (Deeps)	General URW doc with Right of Way clause for maintenance 50 years upon issuance of FAC										

081 019 505	Block 1, Plan 011 0204	Right of Way Agreement (stormpond)	URW doc used includes clauses 3(a) & (b) that owner is responsible Town has right but not obligation – charge back as tax
081 019 506	Block 1, Plan 011 0204	Temporary Access Right of Way	From MR to east side of runway
081 178 145	Unit 67 (roadway), Plan 081 0207	General URW	Standard document
011 078 450	Will carry over to all units	NEF	Noise easement- Notice of noise from Airport activities

SCHEDULE 8

**AERODROME RESTRICTIVE COVENANT**

**THIS RESTRICTIVE COVENANT made this \_\_\_\_\_ day of July, 2012.**

BETWEEN:

**OKOTOKS AIR RANCH GENERAL PARTNER INC.**

a body corporate incorporated according to the  
laws of the Province of Alberta

(the "Grantor")

- and -

**INSERT THE NAMES OF THE AFFECTED CONDOMINIUM CORPORATIONS  
and THE TOWN OF OKOTOKS**

a body corporate incorporated according to the  
laws of the Province of Alberta

(collectively the "Grantee")

**PREAMBLE**

**WHEREAS:**

- A. Okotoks Air Ranch Inc. ("OAR") has been the developer of a residential development known as Air Ranch (the "Development") which Development has been ongoing since 1999 and has been referenced in various municipal plans, including the Municipal Development Plan, the Northeast Okotoks Area Structure Plan, a Concept Plan and an Outline Plan all as amended from time to time;
- B. A unique feature of the Development is an Aerodrome consisting of a runway, taxiway and related facilities which are being used for the purpose of the operating a private airport, where the original concept was that the Aerodrome would be a central benefit for the surrounding existing and proposed residential developments;
- C. OAR and other parties comprising the developers of the Development (the "Developers"), have caused or agreed to cause the lands comprising the Aerodrome to be consolidated (the "Aerodrome Lands" or the "Burdened Lands") and have transferred or have agreed to transfer legal and beneficial ownership of the Aerodrome Lands to the Grantor;
- D. The Developers and the Grantor have agreed that the Aerodrome Lands will be used for the purpose of a private airport and for no other purpose and that no application will be made to rezone the Aerodrome Lands or to change their use from that of a

private airport without the prior written consent of the Town of Okotoks (the "Town") to the making of the application. The consent of the Town to the making of the application may be withheld in the Town's sole and absolute discretion;

- E. The Developers and the Grantor have agreed to enter into this Restrictive Covenant, to be registered against the Burdened Lands, which Restrictive Covenant shall be for the benefit of all lands other than the Burdened Lands shown in Schedule A attached hereto (the "Benefitted Lands").

**NOW THEREFORE** in consideration of the sum of One (\$1.00) Dollar and other good and valuable consideration paid by the Town to the Grantor, the receipt and sufficiency of which is hereby acknowledged, the covenants, terms and conditions contained herein, and the recitals which are incorporated herein and form a part hereof, the Grantor, as registered owner in fee simple of the Burdened Lands, covenants and agrees for itself and its successors and assigns, with the Grantee for the benefit of the Benefitted Lands that:

1. The Burdened Lands will be not be used for any purpose other than the operation of a private airport.
2. No application will be made to rezone the Burdened Lands or to change their use from that of a private airport without the prior written consent of the Town of Okotoks (the "Town") to the making of the application. The consent of the Town to the making of the application may be withheld in the Town's sole and absolute discretion.
3. The waiver by the Grantee of any breach of these covenants shall not constitute a continuing waiver of these covenants or affect any subsequent breach thereof.
4. The burden of these covenants will run with and bind the Burdened Lands and the benefit of these covenants will be annexed to and run with the Benefitted Lands.
5. These covenants shall enure to the benefit of the Grantee and their respective heirs, personal representatives, executors, administrators, successors, and assign and shall be binding upon the Grantor and the successors of the Grantor and all future assigns of the Burdened Lands or any part thereof or of any interest therein.
6. Where the Grantee is comprised of more than one person, then any one of the persons comprising the Grantee will be entitled to enforce and receive the benefit of the covenants and obligations on the part of the Grantor hereunder. The rights and interests of the Grantee under this instrument may be held by the Grantee on its own behalf and from time to time on behalf of an entity or entities (which may include a partnership) affiliated or associated with the Grantee, or both on the Grantee's behalf in part and on behalf of such affiliated or associated entity or entities. The Grantor agrees that the rights and interests of the Grantee under this instrument will enure to the benefit of and will be enforceable by the Grantee and such affiliated or associated entity or entities. Upon the request from time to time of the Grantee, and, where the Grantee is comprised of more than one person, upon the request from time to time of any one of the persons comprising the Grantee, the Grantor

will execute and deliver all such further documents and instruments and give all such further assurances (in registrable form if so requested and under seal as a deed if so requested) as may be necessary or desirable to give effect to this instrument and to confer the benefits of this instrument to the Grantee and all such persons comprising the Grantee and all such affiliated or associated entity or entities.

7. Should any provision of this Restrictive Covenant become illegal, invalid, or unenforceable, it shall be considered separate and distinct from this Restrictive Covenant and the remaining provisions shall remain in force and be binding upon the parties.
8. This Restrictive Covenant shall be construed in accordance with the laws of the Province of Alberta.
9. Where the context so requires, the singular number shall be read as if the plural were expressed and the masculine or neuter gender as if the masculine, feminine or neuter were expressed.
10. Time shall, in all respects, be of the essence of this Restrictive Covenant.
11. Any notice, communication or request to be given to the Grantor or the Grantee hereunder shall be in writing by registered mail, postage prepaid or by personal delivery to such person at the address for such person currently shown on the title to the lands in the Alberta Land Titles Office, provided that if postal service is interrupted by strikes, slowdown or other cause, the notice, communication or request shall be personally delivered to ensure prompt receipt.
12. This Restrictive Covenant may be registered by way of caveat or otherwise against the title to the Grantor's Lands in the Land Titles Office for the South Alberta Land Registration District.

**IN WITNESS WHEREOF** the parties have executed this Restrictive Covenant as of the date first above written.

**OKOTOKS AIR RANCH GENERAL PARTNER INC.**

Per: \_\_\_\_\_  
AUTHORIZED SIGNATORY

**INSERT NAMES OF CONDOMINIUM CORPORATIONS**

Per: \_\_\_\_\_  
AUTHORIZED SIGNATORY

**TOWN OF OKOTOKS**

Per: \_\_\_\_\_  
AUTHORIZED SIGNATORY



## SCHEDULE A

### Burdened Lands

The Burdened Lands are municipally located at 2 Winters Way, Okotoks, Alberta and legally described as:

- Lot 1, Block 1, 011 0820 (the airport including building, apron, taxiway, airstrip)
- Unit 3, Plan 011 0799 (Phase 1)
- Unit 4, Plan 011 0799 (Phase 1)
- Unit 2, Plan 0410198 (Phase 4)
- Unit 3, Plan 0410198 (Phase 4)
- Unit 6, Plan 0810297 (Phase 6)



SCHEDULE 9

**AERODROME RIGHT OF FIRST REFUSAL AGREEMENT**

**THIS AGREEMENT made this \_\_\_\_\_ day of July, 2012.**

**BETWEEN:**

**TOWN OF OKOTOKS**

a municipal corporation within the meaning of the  
***Municipal Government Act***, R.S.A. 2000, Chapter M-26

(the "Town")

- and -

**OKOTOKS AIR RANCH GENERAL PARTNER INC.**

a body corporate incorporated according to the  
laws of the Province of Alberta

(the "Aerodrome Company")

**PREAMBLE**

**WHEREAS:**

- A. Okotoks Air Ranch Inc. ("OAR") has been the developer of a residential development known as Air Ranch (the "Development") which Development has been ongoing since 1999 and has been referenced in various municipal plans, including the Municipal Development Plan, the Northeast Okotoks Area Structure Plan, a Concept Plan and an Outline Plan all as amended from time to time;
- B. A unique feature of the Development is an Aerodrome consisting of a runway, taxiway and related facilities which are being used for the purpose of the operating a private airport, where the original concept was that the Aerodrome would be a central benefit for the surrounding existing and proposed residential developments;
- C. OAR and other parties comprising the developers of the Development (the "Developers"), have caused or agreed to cause the lands comprising the Aerodrome to be consolidated (the "Aerodrome Lands") and have transferred or have agreed to transfer legal and beneficial ownership of the Aerodrome Lands to the Aerodrome Company;

- D. The Developers and the Aerodrome Company have agreed that in the event the Aerodrome Company wishes to dispose of any part of or all of the Aerodrome Lands, the Town will have a right of first refusal in respect of such disposition;
- E. The Developers and the Aerodrome Company have agreed to enter into this Right of First Refusal Agreement and the Town shall be entitled to register a caveat against the Aerodrome Lands to protect this Right of First Refusal Agreement.

**NOW THEREFORE** in consideration of the sum of One (\$1.00) Dollar and other good and valuable consideration paid by the Town to the Aerodrome Company, the receipt and sufficiency of which is hereby acknowledged, the mutual covenants, terms and conditions contained herein, and the recitals which are incorporated herein and form a part hereof, the parties hereto agree as follows:

## **1 DEFINITIONS**

1.1 In this Agreement unless the context otherwise requires:

- (a) "Aerodrome" means the area as outlined in Schedule A attached hereto and includes all hangars located on the Aerodrome Lands;
- (b) "Aerodrome Lands" means the lands legally described in Schedule B attached hereto;
- (c) "Disposition" means the conveyance, sale, transfer, assignment or any other disposition whatsoever, either directly or indirectly, including without limitation, any of the type or nature referred to in section 1.1(d) hereof, of all or any portion of the Aerodrome Company's interest in the Aerodrome Lands, whether its legal or beneficial interest or both;
- (d) "First Refusal Offer" means any offer to sell, purchase or lease, agreement to lease, offer to purchase, or any other agreement of whatsoever kind or nature whereby the Aerodrome Company disposes of or conveys or agrees to dispose of or convey, either directly or indirectly, all or any portion of the Aerodrome Lands or all or any portion of its interest therein.

## **2 RIGHT OF FIRST REFUSAL**

2.1 The Aerodrome Company hereby grants to the Town a right of first refusal to acquire the Aerodrome Lands, or any portion thereof, or interest therein, on the terms and conditions set out in this Agreement.

- 2.2 The Aerodrome Company shall not permit a Disposition of the Aerodrome Lands to occur until it has first offered the Town the right to acquire the interest in the Aerodrome Lands contained in the First Refusal Offer on the identical terms and conditions set out therein. Upon receipt of any First Refusal Offer the Aerodrome Company shall immediately deliver to the Town at its address set out in this Agreement a complete and true originally executed copy thereof.
- 2.3 Upon receipt of the First Refusal Offer, the Town shall have sixty (60) days to advise the Aerodrome Company in writing whether it elects to acquire the interest in the Aerodrome Lands contained in the First Refusal Offer on the same terms and conditions set out therein. If the Town does not advise the Aerodrome Company in writing within the required time that it elects to acquire the interest in the Aerodrome Lands contained in the First Refusal Offer on the terms and conditions set out therein, the Town shall be deemed to have rejected such offer.
- 2.4 If the Town notifies the Aerodrome Company that it does not elect to acquire the interest in the Aerodrome Lands contained in the First Refusal Offer or is deemed to have rejected such offer, the Aerodrome Company may then proceed with the Disposition of the interest in the Aerodrome Lands as contained in the First Refusal Offer, but only upon and subject to the terms and conditions contained therein and not otherwise. For greater certainty the parties acknowledge and agree that if the terms and conditions of the First Refusal Offer are at any time changed, altered or amended in any way whatsoever following the Town's rejection or deemed rejection of the First Refusal Offer, the Aerodrome Company shall not permit a Disposition of the Aerodrome Lands to occur unless it has first complied on all such occasions with the requirements of this Agreement.
- 2.5 If the Town does not elect to acquire the interest in the Aerodrome Lands contained in the First Refusal Offer or is deemed to have rejected such offer and the transaction contemplated by the First Refusal Offer does not close in accordance with the terms and conditions thereof, the Town's right of first refusal with respect to the Aerodrome Lands shall survive. For greater certainty and without limiting any provisions relating to the Town's right of first refusal, it is acknowledged that if the First Refusal Offer is only with respect to a portion of the Aerodrome Lands or the Town's interest therein, the right of first refusal granted pursuant to this Agreement shall apply with respect to the remainder of the Aerodrome Lands and the Aerodrome Company's interest therein.
- 2.6 If the Town does not elect to acquire the interest in the Aerodrome Lands contained in the First Refusal Offer or is deemed to have rejected such offer and the

transaction contemplated by the First Refusal Offer closes in accordance with the terms and conditions thereof, the Town's right of first refusal shall survive and remain in full force and effect against the Aerodrome Company's successors in title to the Aerodrome Lands from time to time in accordance with the provisions hereof for a period of ninety nine (99) years from the date hereof. The Aerodrome Company agrees to require as a condition of any First Refusal Offer that the party acquiring any interest in the Aerodrome Lands thereunder shall agree directly with the Town to be bound by the terms and conditions of this Agreement.

- 2.7 If the Town advises the Aerodrome Company that it elects to acquire the interest in the Aerodrome Lands contained in the First Refusal Offer then the transaction contemplated therein shall close and be completed subject to and in accordance with the terms and conditions of the First Refusal Offer.
- 2.8 Notwithstanding anything to the contrary expressed or implied in sections 2.2 or 2.3 or elsewhere in this Agreement, the Aerodrome Company agrees that if the First Refusal Offer contains any conditions which are required to be met or satisfied by or on behalf or in favour of the party acquiring the interest in the Aerodrome Lands pursuant to the First Refusal Offer (collectively called the "Buyer's Conditions") the Aerodrome Company shall also provide to the Town at the time of delivery of the First Refusal Offer to it, evidence that the Buyer's Conditions have been met and satisfied. The Aerodrome Company agrees that the Town shall not be required to make its election to acquire the interest in the Aerodrome Lands contained in the First Refusal Offer on the terms and conditions set out therein and the provisions of section 2.3 of this Agreement, including any deemed rejection of the First Refusal Offer, shall not apply until the Buyer's Conditions have been met and evidence thereof provided to the Town at the time and in the manner required pursuant to this clause.
- 2.9 A Disposition of the Aerodrome Lands to a third party not dealing at arm's length (within the meaning attributed to such term pursuant to the *Income Tax Act [Canada]*) with the Aerodrome Company, shall be deemed not to be a bona fide Disposition within the meaning of this Agreement, nor shall any Disposition be deemed to be a bona fide Disposition unless it is for a purchase price payable in lawful money of Canada and relates only to the Aerodrome Lands and no other property.

### **3 WAIVER**

- 3.1 No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance by the other party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of obligations hereunder by such party hereunder. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

### **4 UNENFORCEABILITY**

- 4.1 If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement or application of such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

### **5 ENTIRE AGREEMENT**

- 5.1 This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no general or specific warranties, representations or other agreements by or among the parties in connection with the entering into of this Agreement or the subject matter hereof except as specifically set forth herein.

### **6 AMENDMENTS**

- 6.1 This Agreement may be altered or amended in any of its provisions when any such changes are reduced to writing and signed by the parties hereto, but not otherwise.

### **7 FURTHER ASSURANCES**

- 7.1 The parties hereto and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.

## 8 NOTICES

8.1 Whether or not so stipulated herein, all notices, communications, requests and statements (the "Notice") required or permitted hereunder shall be in writing. Notice shall be served by one of the following means:

- a) Personally, by delivering it to the party on whom it is to be served at the address set out herein, provided such delivery shall be during normal business hours. Personally delivered Notice shall be deemed received when actually delivered as aforesaid; or
- b) By facsimile or by any other electronic method by which a written or recorded message may be sent and a copy may be made of the document from the electronic means of sending the notice, directed to the party on whom it is to be served at that address set out herein. Notice so served shall be deemed received on the earlier of:
  - i) upon transmission with answer back confirmation if received within the normal working hours of the business day; or
  - ii) at the commencement of the next ensuing business day following transmission with answer back confirmation thereof; or
- c) By mailing via first class registered post, postage prepaid, to the party on whom it is served. Notice so served shall be deemed to be received seventy-two (72) hours after the date it is postmarked. In the event of postal interruption, no notice sent by means of the postal system during or within seven (7) days prior to the commencement of such postal interruption or seven (7) days after the cessation of such postal interruption shall be deemed to have been received unless actually received.

8.2 Except as herein otherwise provided, Notice required to be given pursuant to this Agreement shall be deemed to have been received by the addressee on the date received when served by hand or courier, or five (5) days after the same has been mailed in a prepaid envelope by single registered mail to:

**Okotoks Air Ranch General Partner Inc.:**

c/o Okotoks Air Ranch Inc.  
110 7330 Fisher Street S.E.  
Calgary, Alberta  
T2H 2H8  
Phone: (403) 259-3044  
Fax: (403) 206-7255  
Attention: Bryce Medd



**the Town:**

Town of Okotoks  
P.O. Box 20, Station M  
5 Elizabeth Street  
Okotoks, Alberta  
T1S 1K1  
Phone: (403) 938-8900  
Fax: (403) 938-7387  
Attention: Municipal Manager

or to such other address as each party may from time to time direct in writing.

**9. HEADINGS**

- 9.1 The headings in this Agreement have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.

**10 SINGULAR, PLURAL AND GENDER**

- 10.1 Wherever the singular, plural, masculine, feminine or neuter is used throughout this Agreement the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one party.

**11 ASSIGNMENT**

- 11.1 This Agreement shall not be assignable by either party to any other person, firm or corporation without the prior written consent of the other party.

**12 ENUREMENT**

- 12.1 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns and the successors in title from time to time to the Lands, it being the intention of the parties that the

covenants contained herein are agreed to and shall be deemed to be covenants running with the Lands.

**13 GOVERNING LAW AND SUBMISSION TO JURISDICTION**

13.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereto hereby submit to the jurisdiction of the Courts in the Province of Alberta.

**14 SURVIVAL**

14.1 The parties acknowledge and agree that the provisions of this Agreement which, by their context, are meant to survive the termination of this Agreement or expiry of the Term shall survive the termination of this Agreement or expiry of the Term and shall not be merged therein or therewith.

**15 TIME**

15.1 Time shall be and remain of the essence of this Agreement.

**IN WITNESS WHEREOF** the parties have set their seals and hands of their proper officers in that behalf on the day and year first above written.

**TOWN OF OKOTOKS**

Per: \_\_\_\_\_  
MAYOR

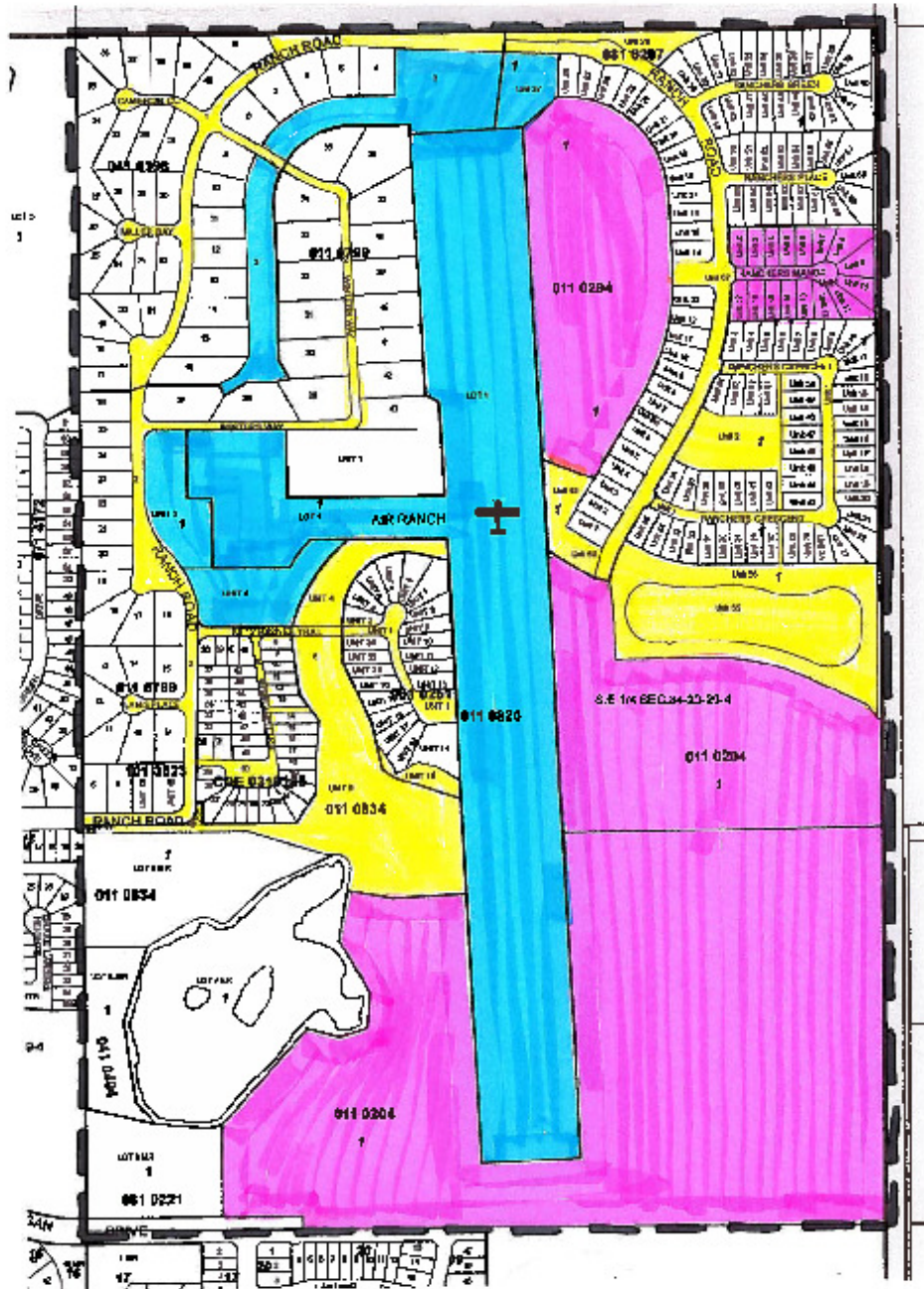
\_\_\_\_\_  
MUNICIPAL MANAGER

**OKOTOKS AIR RANCH GENERAL PARTNER INC.**

Per: \_\_\_\_\_  
AUTHORIZED SIGNATORY

SCHEDULE A

Aerodrome



-  Development Area
-  Remaining Parcels
-  Aerodrome Lands
-  Community Lands



## SCHEDULE B

### Aerodrome Lands

The Aerodrome Lands are municipally located at 2 Winters Way, Okotoks, Alberta and legally described as:

- Lot 1, Block 1, 011 0820 (the airport including building, apron, taxiway, airstrip)
- Unit 3, Plan 011 0799 (Phase 1)
- Unit 4, Plan 011 0799 (Phase 1)
- Unit 2, Plan 0410198 (Phase 4)
- Unit 3, Plan 0410198 (Phase 4)
- Unit 6, Plan 0810297 (Phase 6)

