

RECEIVED

DEC 17 2008

Corporate Registry

ARTICLES OF ASSOCIATION
OF
WILLOW CREEK HOMEOWNERS ASSOCIATION LTD.

Dated the 1st day of December, 2008

FILED 201

DEC 17 2008

Registrar of Corporations
Province of Alberta

TABLE "A"

1. The regulations contained in Table "A" of the first schedule of the *Companies Act* (Alberta) shall not apply to the Company. Each of the provisions hereof is for the express purpose of maintaining the property values and preserving the property of the Company and is intended to be for the express benefit of the Company, the present and future owners and occupants of Residential Property and all their respective successors and assigns in title and interest. In order to maintain and enforce such provisions each such person, as an incidental part of the present and future ownership or occupancy, agrees to be bound by such provision.

INTERPRETATION

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

- (a) "Act" means the *Companies Act* (Alberta), the regulations passed pursuant thereto, and every statute incorporated therewith, or any statute substituted therefor;
- (b) "Articles" means these Articles of Association;
- (c) "Company" means Willow Creek Homeowners Association Ltd.;
- (d) "Board" means the Board of Directors of the Company;
- (e) "Common Facilities" means all ponds, wetlands, trails, greenspaces, watermain, sanitary sewers, storm sewers, sanitary service connections, water service connections, entrance signs and bollards (including security system);
- (f) "Developer" means Encore Prime Developments Corporation;
- (g) "Director" means a director of the Company as elected pursuant to these Articles;
- (h) "Encumbrance" means the encumbrance to secure annual rent charge of not less than \$1,200, registered against each parcel in the Willow Creek Development in the form or substantially in the form registered in the Land Titles Office for the South Alberta Land Registration District as Instrument Number 08 _____, and the monies secured thereby;

- (i) "Member" means a person defined in Article 3 hereof and entered into the Register of Members from time to time;
- (j) "Month" means a calendar month;
- (k) "Ordinary Resolution" means a resolution that has been passed by a simple majority of Members being entitled to vote, in person or by proxy (where proxies are allowed), at an ordinary meeting or extraordinary general meeting;
- (l) "Permitted Encumbrances" means those Encumbrances registered against the Willow Creek Development or any Residential Property and such other Easements as may be reasonably be required by the Developer;
- (m) "Registered Owner" means any owner from time to time of Residential Property;
- (n) "Registered Office" means the registered office of the Company;
- (o) "Residential Property" means any lands situate in the Willow Creek Development used as a residence;
- (p) "Special Resolution" means a resolution that has been passed by 3/4 of Members being entitled to vote, in person or by proxy (where proxies are allowed), at an ordinary meeting or extraordinary general meeting;
- (q) "Subdivision" means the subdivision of the Willow Creek Development into Residential Property;
- (r) "Willow Creek Development" means those lands legally described as follows: PLAN 08_____; BLOCK 1; LOTS 1-9: PLAN 08_____; BLOCK 2; LOTS 1-5, 7-17, and 19-24: PLAN 08_____; BLOCK 3; LOTS 1-4 and 6-11: PLAN 08_____; BLOCK 4; LOTS 1-2 and 4-6: PLAN 08_____; BLOCK 5; LOTS 1-3 and 5-7.

All terms which are contained in these Articles and which are not defined herein, but defined in the Act, shall have the meanings given to such terms in the Act unless the context otherwise requires. Words importing the singular number include the plural and vice versa. Words importing gender include the masculine, feminine and neuter genders and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

MEMBERS

3. The subscribers hereto shall be members until the divesting of each parcel in the Willow Creek Development by the Developers, at which time the subscribers shall resign. Every person owning a Residential Property in the Subdivision shall *ipso facto* be a Member as long as such person so owns such Residential Property and shall forthwith cease to be a Member at any time a Residential Property in the Subdivision is not owned by such person; PROVIDED ALWAYS:

- (a) Where there is more than one such owner the Member shall be the person designated as Member by the majority of owners of the said Property. In the

absence of such designation the eldest person named as owner in the applicable Certificate of Title shall be the Member;

- (b) ✕ Where a Residential Property is owned by a corporation the Member shall be a person resident in said Property and designated by the Corporation as a Member;
- (c) ✕ Where a Residential Property is occupied by a tenant such tenant may be designated as a Member by and instead of the owner of such Property;
- (d) ✕ In the event of difficulty or dispute in determining the Member, the Directors in their absolute discretion may designate the Member, the intention being that there be 1 Member from each such Residential Property in the Subdivision and that the Member be a natural person resident in the Subdivision;
- (e) There shall only be 1 vote per Residential Property; and
- (f) Membership is not transferable by a Member but is appurtenant to the ownership and residence as herein set out.

REGISTER OF MEMBERS

4. A register of Members shall be maintained in such form as the Board may approve, in which shall be recorded the names and addresses of all Members. The register shall be amended from time to time so that all Members are listed in the Register of Members. 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 Company of evidence acceptable to the Board. Upon amendment as aforesaid there may be charged a fee not exceeding \$1.00 as set by the Board from time to time.

MEMBERSHIP CARDS

5. Every Member shall be issued a Membership Card from time to time as determined by the Board. If proof to the satisfaction of the Board shall be furnished that a Membership Card has been destroyed, lost or stolen, such Membership Card may be renewed or replaced on payment of such sum as the Board may prescribe. The Board may as a condition of renewal or replacement of destroyed, lost or stolen Membership Cards require the applicant therefor to furnish a bond of indemnity in such form as the Board may prescribe or approve.

6. <intentionally deleted>

MEMBER MEETINGS and VOTING MEMBERS

7. The first annual general meeting of the Company shall be held at such time, within 16 Months from the date of the registration of the Memorandum of Association, and at such place in the City of Calgary, in the Province of Alberta as the Directors may determine. Subsequent annual meetings shall be held at least once in every calendar year and not more than 16 months after the holding of the last preceding annual general meeting at such time and place as may be determined by the Board. All other meetings of Members, whether ordinary or extraordinary, shall be held within the City of Calgary, in the Province of Alberta unless all Voting Members entitled to be present and to vote at any such meeting agree to the holding of such meeting elsewhere.

8. The annual general meetings shall be called "ordinary meetings" and all other general meetings shall be called "extraordinary general meetings".

9. The Board may whenever it thinks fit convene an extraordinary general meeting at such time and place as they may determine. The Board shall upon the requisition of not less than 1/10 of the Voting Members, at the time of the requisition, of the Company forthwith proceed to convene an extraordinary general meeting of the Company and at an extraordinary meeting called in pursuance of a requisition, unless such Meeting shall have been called by the Board, no business other than that stated in the requisition as the objects of the Meeting shall be transacted thereat.

10. Where it is proposed to pass a Special Resolution at a general meeting such notice as is required to be given by the Act and in all other cases at least 7 days' notice specifying the day, hour and place of such meeting and, in the case of special business, the general nature of such business shall be served in one of the manners hereinafter provided on the Voting Members registered in the Members Register at the time such notice is served or if a record date has been fixed by the Directors, on the Members registered in the Members Register at the record date so fixed; provided always that a Members Meeting may be held for any purpose at any time and at any place without notice, if all the Members entitled to notice of such meeting are present in person or represented thereat by proxy or if the absent Members shall have signified (whether before or after the meeting) their assent in writing to such meeting being held.

11. Notice of any meeting or any irregularity in any meeting or in the notice thereof may be waived by any Members or the duly appointed proxies of any Members. It shall not be necessary to give notice of any adjourned meeting.

PROCEEDINGS AT MEETINGS

12. All business that is transacted at an annual general meeting or at an extraordinary general meeting shall be deemed ordinary and be transacted by ordinary resolution of the Company, except for business that by the laws of Alberta, or these Articles, must be transacted by Special Resolution.

13. No business shall be transacted at a general meeting unless a quorum is present at the time the meeting proceeds to business. A quorum shall be a majority of the Members of the Company. - + 50%

14. No business shall be transacted at a general meeting unless the quorum requisite shall be present at the commencement of the meeting.

15. If within 1/2 hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place; and if at such adjourned meeting a quorum is not present, the Voting Members present shall be a quorum.

16. The President of the Company shall preside as Chairman at every general meeting of the Company. Failing the President, a Vice-President shall preside.

17. If there be no President or Vice-President or if at any meeting any one of them be not present within 15 minutes after the time for holding the meeting, the Members present shall choose someone of their number to be chairman.

18. The Chairman may with the consent of the meeting adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

19. Every question submitted to a Meeting shall be decided in the first instance by a show of hands unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman, or by one or more Voting Members personally present or represented by proxy and entitled to vote, or as may in special instances be required by law. The Chairman shall not, either on a show of hands or on a poll, have a casting vote in the case of an equality of votes.

20. At any general meeting, unless a poll is demanded by the Chairman or by Voting Members entitled to at least 1/10 of all the votes personally present or represented by proxy and entitled to vote at the meeting, a declaration of the Chairman that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book of proceedings of the Company 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.

21. 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, and the result of such 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. In case of a dispute as to the admission or rejection of a vote the Chairman shall determine the same and such determination made in good faith shall be final and conclusive.

22. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting and without adjournment.

23. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

24. A resolution in writing, signed by all the Voting Members or their duly appointed proxy or representative, shall be valid and effectual as if it had been passed at a meeting of the Members duly called and constituted, and shall be held to relate back to any date therein stated to be the effective date thereof.

VOTE OF MEMBERS

25. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may only vote, whether on a show of hands or on a poll, by his/her trustee, guardian, curator bonis or other person in the nature of a trustee, guardian or curator bonis appointed by the Court, and any such trustee, guardian, curator bonis or other person may on a poll vote by proxy.

26. The Board may allow any person or persons upon being satisfied that such person or persons is or will be entitled to become registered as executor or executors, or administrator or administrators of any deceased person to vote in the name of the deceased person at any meeting.

27. Votes may be given either personally or by proxy, and in the case of a corporation, by a representative duly authorized.

PROXIES

28. The instrument appointing a proxy shall be in writing, in common form or in such form as may be approved by the Board, and shall be signed by the appointer or his/her attorney duly authorized in writing and need not be attested.

29. A person may be appointed a proxy although not a Voting Member of the Company.

30. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution unless it is otherwise specified in the instrument.

31. The instrument appointing a proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that Power of Attorney shall be delivered to the Secretary or deposited at the Registered Office 24 hours prior to or at the same meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy; provided no intimation in writing of the death, revocation, or transfer shall have been received at the registered office of the Company before the meeting at which the vote is given.

32. The Directors may from time to time make regulations regarding the lodging of instruments appointing a proxy at some place or places other than the place at which a meeting or adjourned meeting of Voting Members is held and for particulars of such instruments to be cabled or telegraphed before the meeting or adjourned meeting to the Company, and that instruments appointing a proxy so lodged may be voted upon as though the instruments themselves were produced at the meeting or adjourned meeting, and votes given in accordance with such regulations shall be valid and shall be counted. Pending the making of such regulations the Chairman of any meeting of Members may in his/her discretion accept telegraphic or cabled communications as to the authority of anyone claiming to vote on behalf of and to represent a Member notwithstanding that no instrument of proxy conferring such authority has been lodged with the Company, and votes given in accordance with such telegraphic or cabled communication accepted by the Chairman shall be valid and shall be counted.

33. No Member shall be entitled to be present or to vote on any question, either personally or by a nominee appointed by 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 while any Fees shall be due or payable to the Company by such Voting Member.

DIRECTORS

34. The number of the Directors shall be no fewer than 3 and no more than 9, and shall consist of those persons elected pursuant to the procedures set out in Article 38.

35. The first Directors of the Company shall be the signatories hereto. ✕

36. Save for the first Directors of the Company who are signatories hereto a Director must be a Member of the Company.

37. There shall be no power in the Directors or the Company to add to their numbers or appoint additional Directors.

ELECTION OF DIRECTORS

38. At the first annual general meeting, and at every succeeding annual general meeting, all of the Directors, however appointed or elected, shall retire from office. A retiring Director shall retain office until the dissolution of the meeting at which his/her successor is elected. A retiring director shall be eligible for re-election. If at any meeting at which an election of Directors ought to take place, no such election or appointment 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.

CASUAL VACANCIES and RESIGNATION OF DIRECTORS

39. A Director may retire from his/her office upon giving notice in writing to the Company of his/her intention to do so and such resignation shall take effect upon the date stipulated in such notice; provided that the Board of Directors may accept such resignation prior to the said date in such notice and in such event the resignation shall take effect upon such acceptance by the Board. The continuing Directors or a continuing Director may act notwithstanding any vacancy in their body, so long as there remains a quorum of the Board of Directors qualified to act.

DISQUALIFICATION OF DIRECTORS

40. The office of a Director shall be vacated:

- (a) If he/she is found to be a lunatic or become of unsound mind;
- (b) If by notice to the Company he/she resigns his/her office;
- (c) If he/she is removed from office by the Company by Special Resolution at a special general meeting specially called for the purpose;
- (d) If he/she becomes bankrupt or makes an authorized assignment or suspends payment with his/her creditors;
- (e) If he/she personally fails to attend more than 3 consecutive Directors Meetings or 6 Directors Meetings out of a total of 12 consecutive Directors Meetings unless

otherwise determined by ordinary resolution of the Board at which such Directors shall not be entitled to vote.

41. No Director shall be disqualified by his/her office from holding any office or place of profit under any association in which the Company shall be a member or otherwise interested, or from contracting with the Company either as a seller, buyer or otherwise howsoever, nor shall any such association in which any Director shall be in any way interested either personally or as a member of a firm or syndicate or any other association whatsoever, or as a member or Director of an association or in any manner whatsoever be avoided, nor shall any Director be liable to account to the Company for any profit arising from any such office or place of profit, or realized by him/her under any such contract or agreement by reason of such Director holding that office or of the fiduciary relationship thereby established but the Director must declare that he/she has an interest and the nature thereof at the meeting of Directors at which the contract or arrangement is determined on, if his/her interest then exists, or in any case at the first meeting of the Directors at which he/she is present after the acquisition of his/her interest. A Director may not, as a Director, vote in respect of any contract or arrangement in which he/she is so interested as aforesaid. A general notice that a Director is a member of any specified firm, syndicate, company or any association whatsoever, and is to be regarded as interested in all transactions with that firm, syndicate, company or other association shall be sufficient disclosure under this clause as regards such Director and the said transactions, and after such general notice it shall not be necessary for such Director to give a special notice relating to any particular transaction with that firm, syndicate, company or other association. The Directors shall not be paid out of the funds of the Company by way of remuneration for their services as Directors.

REMOVAL OF DIRECTORS

42. The Company in a general meeting may by Special Resolution of the Voting Members remove any Director before the expiration of his/her period of office and may by Ordinary Resolution of the Voting Members appoint another person in his/her stead; the person so appointed shall hold office during such time only as the Director in whose place he/she is appointed would have held the same if he/she had not been removed.

POWERS OF DIRECTORS

43. The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by these Articles or otherwise expressly conferred on them, may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by statute expressly directed or required to be exercised or done by the Voting Members in a general meeting or require consent under Article 37 hereof. Without restricting the generality of the foregoing, the Directors shall exercise general supervision of the affairs of the Company and may from time to time make rules and regulations in relation to the Company, 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 of the Company and shall have full effect accordingly. It is expressly declared that the following shall be deemed to be rules and regulations in relation to the Company within the meaning of this Article, that is to say, regulations:

- (a) As to proof required from any persons claiming to be eligible to be Members; and

- (b) As to committees of Members in connection with the management of the Company and as to the appointment, removal, qualification, disqualification, duties, functions, powers and privileges of Members of such committees.

RESERVES AND FUNDS

44. The Directors may set aside any of the profits of the Company to create a reserve or reserves to provide for maintaining the property of the Company, replacing the wasting assets, meeting contingencies, forming an insurance reserve or for any other purposes whatsoever for which the profits of the Company may be lawfully used. 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 to reserve.

45. The Directors may create a fund or funds out of the assets of the Company not greater in amount than the reserve or reserves as hereinbefore provided for and may apply the fund or funds either by employing them in the business of the Company 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 Company for the year in which such income arose. Such funds may be applied for the purpose of maintaining the property of the Company, replacing the wasting assets, meeting contingencies, forming an insurance fund or for any other purpose for which the profits of the Company may lawfully be used.

✱ 46. The Directors may from time to time increase, reduce or abolish any reserve or reserve fund in whole or in part and may transfer the whole or any part to surplus.

OFFICERS

47. The executive officers of the Company shall be the President, a Treasurer and a Secretary. The President, Treasurer and Secretary shall be elected or appointed by the Board at its first meeting after the first meeting of the Voting Members and thereafter at the first or any subsequent meeting of the Board held after each annual meeting of the Voting Members. The Board may also elect or appoint at any time and from time to time as officers or executive officers a Chairman of the Board, one or more Vice-Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers or executive officers as the Board of Directors from time to time deems expedient. All officers and executive officers of the Company shall hold office until their successors are chosen and, when necessary, qualified in their stead, subject always to removal as provided in the Articles of Association. All officers and executive officers shall respectively perform such duties, in addition to those specified in the Articles of Association, as shall from time to time be prescribed by the Board. The same person may hold more than one office, provided, however, that the offices of President and Vice-President shall not be held by the same person. None of such officers or executive officers of the Company except the Chairman of the Board and the President need be a Director of the Company.

- (a) Chairman of the Board

The Chairman of the Board shall be chosen from among the Directors. He/She shall preside at all meetings of Members and at all meetings of Directors and he/she shall have such other powers and duties as the Board of Directors may determine from time to time by resolution.

(b) President

The President shall be chosen from among the Directors. In the absence of a Chairman of the Board, he/she shall preside at all meetings of the Members and at all meetings of the Board of Directors. He/She shall be the chief executive officer of the Company and shall exercise a general control of and supervision over its affairs. He/She shall have such other powers and duties as the Board of Directors may determine from time to time by resolution

(c) Vice-President or Vice-Presidents

The Vice-President or Vice-Presidents shall have powers and duties as may be assigned to him/her or them respectively by resolution of the Board of Directors. In case of absence or disability of the Chairman of the Board and the President, one of the Vice-Presidents may exercise the powers and perform the duties of the Chairman of the Board and the President and, if such Vice-President exercises any of the powers and performs any of the duties of the Chairman of the Board and the President, the absence or disability of the Chairman of the Board shall be presumed.

(d) Treasurer and Assistant Treasurer

The Treasurer shall have general charge of the finances of the Company. He/She shall deposit all monies and other valuable effects of the Company in the name and to the credit of the Company in such banks or other depositories as the Board shall direct. The Treasurer shall render to the Board of Directors whenever directed by the Board of Directors an account of the financial condition of the Company and of all his/her transactions as Treasurer, and as soon as possible after the close of each financial year he/she shall make and submit to the Board of Directors a like report for such financial year. He/She shall have charge and custody of and be responsible for the keeping of the books of account required to be kept pursuant to the laws governing the Company. He/She shall perform all acts incidental to the office of Treasurer subject to the control of the Board of Directors.

Assistant Treasurers may perform any of the duties of the Treasurer delegated to them, from time to time, by the Board of Directors or by the Treasurer.

(e) Secretary and Assistant Secretaries

The Secretary shall attend to the giving and service of all notices of the Company and shall keep the minutes of all meetings of the Members and of the Board of Directors in a book or books to be kept for that purpose. He/She shall keep in safe custody the corporate seal of the Company. He/She shall have charge of the records of the Company including books containing the names and addresses of the Members of all classes and the Owners of all classes and members of the Board of Directors of the Company, together with copies of all reports made by the Company, and such other books and papers as the Board of Directors may direct. He/She shall be responsible for the keeping and filing of all books, reports, certificates and other documents required by law to be kept and filed by the Company. He/She shall perform such other duties as appertain to his/her office or as may be required by the Board of Directors.

Assistant Secretaries may perform the duties of the Secretary delegated to them, from time to time, by the Board of Directors or by the Secretary.

(f) Secretary Treasurer

Whenever the Secretary shall also be the Treasurer he/she may, at the option of the Board of Directors, be designated as the "Secretary-Treasurer".

PROCEDURE OF DIRECTORS

48. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings.

49. Unless all of the members of the Board of Directors agree in writing to meetings being held elsewhere, all meetings of the Board of Directors shall be held in Calgary, Alberta. The Directors may make regulations with regard to the manner and time that notice shall be given of such meetings. Until such regulations are made, meetings of the Board may be held at any time without 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. Notice of any meeting where notice has not been dispensed with, delivered, mailed or telegraphed to each Director at his/her ordinary address 2 days prior to such meeting, shall be sufficient notice of any Meeting of the Directors. In computing such period of 2 days the day on which the notice is delivered, mailed or telegraphed shall be included and the day for which notice is given shall be excluded. Notice of any meeting or irregularity in any meeting or in the notice thereof may be waived by a Director either before or after the meeting. The Directors may by resolution appoint a regular time and place for meetings, and no further or other notice of such time and place than the entry of such resolution upon the minutes of the meeting at which the resolution was passed shall be necessary. Immediately upon the conclusion of the annual general meeting a meeting of the newly elected Directors shall be held and no notice of such meeting shall be necessary.

50. The President may, or the Secretary shall at the request of any two Directors at any time, convene a meeting of Directors.

51. Except where stipulated herein to the contrary, questions arising at any meeting of Directors may only be decided by a majority vote, 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 number fixed by or pursuant to regulations of the Company as the necessary quorum of Directors, the continuing Directors may act only for the purpose of increasing the number of Directors to that number or summoning a general meeting of the Company, but for no other purpose.

COMMITTEES

53. The Directors may delegate any of their powers to committees consisting of one or more of their body as they think fit. Any committee formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.

54. The meetings and proceedings of any such committee consisting of 2 or more Members of the Board shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, including the appointment of a quorum, so far as the same are applicable thereto and not superseded by any regulations made by the Directors under the past preceding clause.

55. The Design Committee shall be a permanent committee of the Company. Until January 10, 2010 the Design Committee consisting of one to three persons shall be designated by the Developer and thereafter the Design Committee shall consist of three individuals selected by the Company and designated the "Design Committee". Construction of any residential building, structure, improvement or premises on or excavation of any portion of a Residential Property or any material change or alteration to any buildings, structures, improvements or premises constructed on a Residential Property, including landscaping, shall not be permitted unless the plans and specifications thereof have been submitted to the Design Committee and approved by the Design Committee in writing. In the event that a member of the Design Committee resigns or otherwise becomes unable or unwilling to continue to act as a member of the Design Committee, the remaining members of the Design Committee may fill the vacancy by the appointment of a new member pending a decision by the Board to appoint a new member of the Design Committee

56. All acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be valid as if every such person had been duly appointed and was qualified to be a Director.

RESOLUTIONS IN WRITING

57. A resolution in writing, signed by all the Directors without their meeting together, shall be as valid and effectual as if it has 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.

INDEMNITY

58. Except as otherwise hereinafter provided every director, manager, secretary and other officer, servant or agent of the Company shall be indemnified by the Company and it shall be the duty of the directors, out of the funds of the Company, to pay all leases and expenses which any such director, manager, officer, agent or servant shall incur or become liable for by reason of any contract entered into or act or thing done by him/her as such director, manager, officer, agent or servant, or in any way in the discharge of his/her duties.

59. Any person made a party to any action, suit or proceedings by reason of the fact that he/she, his/her testator or intestate, is or was a Director, manager, secretary or other officer, agent or servant of the Company, or of any corporation which has served as such at the request of the Company, shall be indemnified by the Company against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him/her in connection with the defence of such action, suit or proceedings, or in connection with any appeal therein, except in relation to matters as

to which it shall be adjudged in such action, suit or proceeding that such director, manager, secretary or other officer, agent or servant is liable for negligence or misconduct in the performance of his/her duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such director, officer or employee may be entitled. None of the provisions hereof shall be construed as a limitation upon the right of the Company to exercise its general power to enter into a contract or undertaking of indemnity with or for the benefit of any director, manager, secretary or other officer, agent or servant in any proper case not provided for herein.

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

MINUTES

61. The Directors shall cause minutes to be entered into books provided for the purposes:

- (a) of all appointments of officers;
- (b) of all names of all the Directors present at each Board meeting of and any committee of the Board;
- (c) of all orders made by the Board and committees of the Board; and
- (d) of all resolutions and proceedings of general meetings and meetings of the Board and committees.

Any such minutes of any meeting of the Board or of any committee, or of the Company, 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.

REMOVAL OF OFFICERS AND EMPLOYEES

62. The Board by an affirmative vote of the majority of the Board may remove and discharge any or all of the executive officers, other officers or employees, either with or without cause, at any meeting called for that purpose and may elect or appoint others in their place or places. Any officer or employee of the Company, not being an executive officer or a member of the Board of Directors, may also be removed or discharged, either with or without cause, by the President or any Vice-President. If, however, there be no cause for such removal or discharge and there be a special contract derogating from the provisions of this Article, such removal or discharge shall be subject to the provisions of such contract, and subject to approval of the Board.

DEEDS AND DOCUMENTS

63. All deeds and documents executed on behalf of the Company may be in such form and contain such powers, provisions, conditions, covenants, clauses and agreements as the Directors shall think fit and in addition to being sealed with the seal of the Company shall be signed by either the President or the Secretary, or may be executed in such manner as the Directors may by resolution prescribe.

ACCOUNTS

64. The Directors shall cause true accounts to be kept of the assets and stock-in-trade of the Company, of the sums of money received and expended by the Company and the matter in respect of which such receipts and expenditures take place, and of the credits and liabilities of the Company.

65. The accounts shall be kept in such books and in such manner as the Directors think fit and to the satisfaction of the auditors and shall at all times be open to the inspection of the Directors.

66. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the Members; and no Member shall have any right of inspecting any account, book or document of the Company except as conferred by statute or authorized by the Directors, and no Member not being a Director shall be entitled to require or receive any information concerning the business, trading or customers of the Company or any trade secret or secret process of or used by the Company.

67. At least once every year the Directors shall lay before the Company in a general meeting a statement of the income and expenditures for the past year made up to date not more than four months before such meeting.

68. The statement so made shall show arranged under the most convenient heads the amount of gross income distinguishing the several sources from which it has been derived and the amount of gross expenditure distinguishing the expenses of establishment, and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of profit and loss may be laid before the meeting and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in one year the whole amount of such item shall be stated with the addition of the reason why only a portion of such expenditure is charged against the income of the year.

69. A balance sheet shall be made out every year and laid before the Company in a general meeting and such balance sheet shall contain a summary of the property and liabilities of the Company.

70. A copy of such balance sheet shall, seven days previous to such meeting, be served on every Member in the manner in which notices are directed to be served.

DIVIDENDS

71. As the Company is formed solely for the purpose of maintaining the property values and preserving the property of the Company and it is the intention of the Company to apply the profits, if any, or any other income of the Company in promoting its objects and as the Company is not formed

with gain for its object, no dividend whatsoever and no part of the income of the Company shall be divided among, payable to or be available for the personal benefit of any Member of the Company.

SEAL

72. The Company shall have a seal which shall be of such form and device as may be adopted by the Directors and the Directors may make such provisions or regulations 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. In the absence of such provisions or regulations the seal shall be affixed in the presence of and attested by the President and Secretary of the Company.

FACSIMILE SEAL

73. The Company may have and use in any other province, state or country an official seal which shall be a facsimile of the common seal of the Company with the addition on its face of the name of the province, state or country where it is to be used, and may by writing under its common seal authorize any person appointed for the purpose in any province, state or country outside of Alberta to affix the same to any deed or other document to which the Company is a party in that province, state or country.

NOTICES and REGISTERED OFFICE

74. The registered office of the Company shall be situate in Calgary, Alberta and at such place in the said City as the Directors may from time to time by resolution prescribe.

RECORD DATE

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

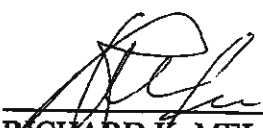
MISCELLANEOUS

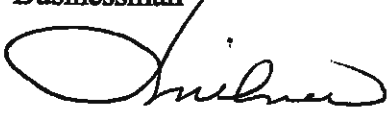
76. The Company may by ordinary resolution or by resolution of the Directors increase the maximum price or consideration for which Membership Cards may be issued where such maximum price or consideration has been stated in the Memorandum of Association of the Company or in these Articles.

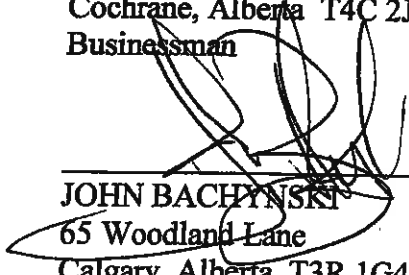
76.1 The Company shall be subject to the Private Company restrictions and provisions as set out hereto as Schedule A.

77. A Member of any class shall not transfer his/her Membership to another person. When a person ceases to be a Member of any class or Family Member his/her rights as set out in these Articles shall cease and shall become null and void, and after ceasing to be a Member of such class or Family Member the said person shall surrender his/her Membership Card forthwith to the Company for cancellation.

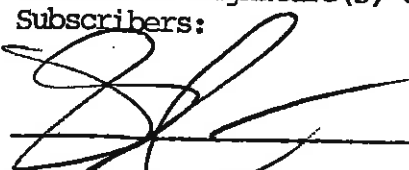
NAME, ADDRESS AND OCCUPATION OF EACH SUBSCRIBER:


 RICHARD K. MELCHIN
 13, 2200 Varsity Estates Drive N.W.
 Calgary, Alberta, T3B 4Z8
 Businessman


 JOE MILNER
 8 Glensummit Close
 Cochrane, Alberta T4C 2J9
 Businessman


 JOHN BACHYNSKI
 65 Woodland Lane
 Calgary, Alberta T3R 1G4
 Businessman

Witness to signature(s) of
 Subscribers:


 Douglas V. Allison
 #1250, 639 - 5th Avenue SW
 Calgary, AB T2P 0M9

December 1st, 2008

Schedule A

The three private company provisions as contained in the Companies Act, RSA 2000, Section 1 (r) (ii) shall apply to the Company and are as under:

- (a) Limits the number of its members to 50 or less (exclusive of persons who are in the employment of the company, and of persons who, having been formerly in the employment of the company, were while in that employment and have continued after the determination of that employment to be members of the company),
- (b) Prohibits any invitation to the public to become members or to subscribe for debentures of the company, and
- (c) Restricts or prohibits any transfer of the interest of a member in the company.