

# **CRYSTAL RIDGE GOLF CLUB SOCIETY**

## **BY-LAWS**

BY-LAWS OF  
CRYSTAL RIDGE GOLF CLUB SOCIETY

INDEX

- PART I INTERPRETATION
- 1.01 DEFINITIONS
  - 1.02 SINGULAR AND PLURAL
  - 1.03 HEADINGS
  - 1.04 SECTION, ETC.
- PART II TERMS OF ADMISSION OF MEMBERS AND THEIR RIGHTS AND OBLIGATIONS
- 2.01 PRINCIPAL MEMBERS OF THE SOCIETY
  - 2.02 ADMISSION OF A PRINCIPAL MEMBER
  - 2.03 LIMITED MEMBERSHIP
  - 2.04 NUMBERING OF MEMBERS
  - 2.05 CORPORATE MEMBER
  - 2.06 NOMINAL MEMBER
  - 2.07 MULTIPLE MEMBERSHIP
  - 2.08 EVIDENCE OF MEMBERSHIP
  - 2.09 TRANSFERABILITY OF MEMBERSHIP
  - 2.10 INITIAL MEMBERSHIP FEE
  - 2.11 LEVIES
  - 2.12 LIMITED LIABILITY OF MEMBERS
  - 2.13 REDEMPTION OF MEMBERSHIPS
  - 2.14 DESIGNATION OF OTHERS TO USE MEMBERSHIP GOLFING PRIVILEGES
  - 2.15 NO DISTRIBUTION OF INCOME TO SOCIETY MEMBERS
  - 2.16 DISSOLUTION OR WINDING-UP OF THE SOCIETY
  - 2.17 PARTICIPATION OF VENTURERS
  - 2.18 MEMBERSHIP ENTITLEMENTS
- PART III CONDITIONS OF WITHDRAWAL OF MEMBERS AND MANNER IN WHICH A MEMBER MAY BE EXPELLED
- 3.01 FAILURE TO PAY LEVIES, FEES OR CHARGES
  - 3.02 EXPULSION OF A MEMBER
  - 3.03 TERMINATION OF MEMBERSHIP
  - 3.04 RESALE OF TERMINATED MEMBERSHIP

PART IV MEETINGS OF THE MEMBERS

- 4.01 ANNUAL GENERAL MEETING
- 4.02 SPECIAL GENERAL MEETING
- 4.03 NOTICE OF MEETINGS
- 4.04 QUORUM
- 4.05 PERSONS ENTITLED TO BE PRESENT
- 4.06 CHAIRMAN, SECRETARY AND SCRUTINEERS
- 4.07 PROCEDURES
- 4.08 VOTES TO GOVERN
- 4.09 SHOW OF HANDS
- 4.10 BALLOTS
- 4.11 RESOLUTION IN LIEU OF GENERAL MEETING

PART V APPOINTMENT AND REMOVAL OF DIRECTORS AND OTHER OFFICERS AND THEIR DUTIES, POWERS AND REMUNERATION

- 5.01 BOARD OF DIRECTORS
- 5.02 ELECTION OF DIRECTORS
- 5.03 REMOVAL OF A DIRECTOR
- 5.04 POWERS OF DIRECTORS
- 5.05 DUTIES OF THE DIRECTORS
- 5.06 VACANCIES ON THE BOARD OF DIRECTORS
- 5.07 VACATING OFFICE
- 5.08 QUORUM
- 5.09 MEETINGS OF DIRECTORS
- 5.10 RESOLUTION IN WRITING
- 5.11 ERRORS IN NOTICE
- 5.12 OFFICERS
- 5.13 REMUNERATION OF OFFICERS AND DIRECTORS
- 5.14 DELEGATION OF AUTHORITY
- 5.15 EXECUTION OF DOCUMENTS
- 5.16 CONFLICT OF INTEREST OF A DIRECTOR
- 5.17 INDEMNITY

PART VI SIGNING AUTHORITY

- 6.01 CHEQUES AND OTHER INSTRUMENTS

PART VII ACCOUNTING

- 7.01 APPOINTMENT OF ACCOUNTANTS
- 7.02 ANNUAL FINANCIAL STATEMENT
- 7.03 FISCAL YEAR

PART VIII CUSTODY AND USE OF THE SEAL OF THE SOCIETY

8.01 FORM OF THE SEAL

8.02 DIRECTORS TO CONTROL USE OF THE SEAL

PART IX MANNER OF MAKING, ALTERING AND RESCINDING BY-LAWS

9.01 AMENDMENT OF THE BY-LAWS

PART X BOOKS AND RECORDS OF THE SOCIETY

10.01 BOOKS AND RECORDS

10.02 MINUTES

PART XI TIME AND PLACE AT WHICH THE BOOKS AND RECORDS  
OF THE SOCIETY MAY BE INSPECTED BY MEMBERS

11.01 INSPECTION OF BOOKS BY MEMBERS

11.02 COPY OF THESE BY-LAWS

11.03 REGISTERED OFFICE

11.04 REGISTER OF MEMBERS

PART XII MISCELLANEOUS

12.01 NOTICES

12.02 RESPONSIBILITY FOR LOSS

12.03 MATERIAL AGREEMENTS

**BY-LAWS OF  
CRYSTAL RIDGE GOLF CLUB SOCIETY**

**PART I  
INTERPRETATION**

**1.01 DEFINITIONS:**

"**Act**" shall mean the *Societies Act* (Alberta), as amended.

"**Annual General Meeting**" shall mean the regular annual General Meeting of the Society pursuant to Section 4.01.

"**Board**" shall mean the Board of Directors of the Society.

"**By-Laws**" shall mean these by-laws and any amendments hereto.

"**Corporate Designee**" shall mean an individual designated as the person entitled to enjoy the rights of membership attributable to a membership in the Society held by a corporation or a partnership pursuant to Section 2.05.

"**Corporate Member**" shall mean a corporation or partnership who becomes a Member of the Society pursuant to Section 2.05.

"**Extraordinary General Meeting**" shall mean any General Meeting other than an Annual General Meeting.

"**General Meeting**" shall mean a meeting of the Members of the Society.

"**Golf Club**" shall mean the Crystal Ridge Golf Club including the Golf Club Lands.

"**Golf Club Lands**" shall mean the lands legally described as Plan 0312040, Block 1, Lots 3 and 4 in the Province of Alberta, excepting thereout all mines and minerals, or any additions thereto, on which the Society may from time to time have the right to carry on its activities.

"**Improvements**" means any levies that relate directly to an increase in the value of the Golf Club memberships.

"**Manager**" shall mean Crystal Ridge Golf Club Ltd.

"**Member**" shall mean those persons who are Principal Members or Corporate Members of the Crystal Ridge Golf Club Society.

"**Ordinary Resolution**" shall mean:

- (i) A resolution passed at a General Meeting by a vote of not less than 51% of those Members who are present and entitled to vote; or
- (ii) A resolution consented to in writing by all the Members who would have been entitled at a General Meeting to vote on the Resolution.

"**person**" shall mean not only individuals, but also corporations and partnerships.

"**Principal Member**" shall mean an individual who becomes a Principal Member of the Society pursuant to Section 2.01.

**"register"** shall mean the Register of Members to be kept and maintained by the Society in accordance with section 11.04.

**"seal"** shall mean the corporate seal of the Society or any official facsimile thereof.

**"Society"** shall mean Crystal Ridge Golf Club Society, a society incorporated under the Act.

**"Special Resolution"** shall mean:

- (i) A resolution passed:
  - (A) at a General Meeting of which not less than 21 days notice specifying the intention to propose the resolution has been duly given; and
  - (B) by the vote of not less than 75% of those Members who are present and entitled to vote;
- (ii) A resolution proposed and passed as a special resolution at a General Meeting of which less than 21 days notice has been given, if all the Members entitled to attend and vote at the General Meeting so agree; or
- (iii) A resolution consented to in writing by all the Members who would have been entitled at a General Meeting to vote on the resolution.

**"Subscribers"** shall mean the five persons who have signed the application for Incorporation of the Society.

**"Venturer"** shall mean the equity participants in the Golf Club, and their designees, pursuant to the terms of a Joint Venture Agreement dated November 10, 2004 between Lynx Lake Golf Inc., 1020603 Alberta Ltd., 1032008 Alberta Ltd., 728667 Alberta Ltd., 1071016 Alberta Ltd., 1137380 Alberta Ltd. and Crystal Ridge Golf Club Ltd.

**"year"** shall mean the calendar year.

## **1.02 SINGULAR AND PLURAL**

In these By-Laws, unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender or neuter and vice versa.

## **1.03 HEADINGS**

The headings used throughout these By-Laws are for convenience of reference only and shall not be relied upon in the interpretation hereof.

## **1.04 SECTION, ETC.**

The terms "Section, subsection" and "Part" followed by a number and/or a letter refer to the specified Section, subsection or Part of these By-Laws and "hereof", "herein", "hereunder" and similar expressions refer to these By-Laws and not to any particular Section, subsection or Part hereof.

**PART II**  
**TERMS OF ADMISSION OF MEMBERS**  
**AND THEIR RIGHTS AND OBLIGATIONS**

**2.01 PRINCIPAL MEMBERS OF THE SOCIETY**

The Principal Members of the Society shall comprise the Subscribers (or the corporations or partnerships of which they are the Corporate Designees, as the case may be) and those persons who become Principal Members pursuant to Section 2.02.

**2.02 ADMISSION OF A PRINCIPAL MEMBER**

Subject to Section 2.03, a person, by submitting an application for membership in writing to the Society in the form approved by the Board together with payment of the Initial Membership Fee referred to in Section 2.10 and any accumulated capital pursuant to Section 2.11, may, if accepted by the Board, become a Principal Member of the Society.

**2.03 LIMITED MEMBERSHIP**

There shall not at any time be more than 250 Principal and Corporate Members of the Society.

**2.04 NUMBERING OF MEMBERS**

Each membership shall be designated by a number. Each number, once used to designate a membership, shall not be used again.

**2.05 CORPORATE MEMBER**

- (a) Any Corporation or partnership may be a member of the Society by paying the Initial Membership Fee established for Corporate Members and upon being approved as a Principal Member of the Society in accordance with the provisions of Section 2.02. A Corporate Member shall be entitled at its option to designate in writing an individual (the "Corporate Designee") who will be entitled to receive all rights accruing to a Principal Member and such other or alternate rights to utilize the facilities of the Golf Club as shall be established from time to time by the Board or the Manager, and agreed to by the Manager.
- (b) A corporation or a partnership may once annually, prior to January 31 of the following year, change the Corporate Designee, by written notice to the Society together with payment of \$100 plus applicable taxes.

**2.06 NOMINAL MEMBER**

Any person may hold a membership in the Society as the nominee or trustee for any other person, provided however that under such circumstances the Society shall have no obligation whatever to acknowledge any such trust nor to deal with any person other than the person who is registered with the Society as the holder of the membership. The Society shall be entitled to treat

the registered holder of a membership as the absolute owner thereof and shall not be bound to recognize any equitable or other claim to or interest in such membership on the part of any other person.

## **2.07 MULTIPLE MEMBERSHIP**

A Member may from time to time be registered with the Society as the holder of more than one membership in the Society.

## **2.08 EVIDENCE OF MEMBERSHIP**

Upon a person becoming a Member of the Society, the Society shall provide him with a certificate or other evidence of membership. Any document provided to the Member in this regard shall indicate the number of the membership in question.

## **2.09 TRANSFERABILITY OF MEMBERSHIP**

Subject to Section 2.13, the memberships in the Society shall not be transferable, except to a lineal descendant of the Member desiring to transfer his or her membership or to such Members' spouse (as the term is defined in the *Income Tax Act* (Canada)).

## **2.10 INITIAL MEMBERSHIP FEE**

The Initial Membership Fee to be paid by a person who becomes a Principal or Corporate Member of the Society pursuant to Section 2.02 shall be as determined by the Manager from time to time.

## **2.11 LEVIES**

Each Principal or Corporate Member shall pay when due all amounts by way of levies as may from time to time be assessed by the Board. Levies assessable by the board of directors pursuant to this paragraph 2.11 shall include such items as Alberta Golf Association levies and "hole-in-one" recognition items and shall not exceed a maximum of \$100 per year. Any levies in excess of the \$100 per calendar year maximum must be related to Improvements and must be approved by Special Resolution of the Society. Notice of all such levies shall be given in writing to each Principal or Corporate Member at least 30 days prior to the due date of the assessment.

## **2.12 LIMITED LIABILITY OF MEMBERS**

No Member of the Society shall in his individual capacity have any liability whatsoever for any debt or liability of the Society.

## **2.13 REDEMPTION OF MEMBERSHIPS**

- (a) A Principal or Corporate Member may, at any time after a minimum of 250 Principal and Corporate Members, or such lesser amount as the Manager may determine, have paid the Initial Membership Fee referred to in Section 2.10, if he is not in default of any payments required hereunder and if there is no outstanding



levy which he has not paid in full, redeem a membership registered in his name by notice to the Society of his desire to do so.

- (b) It shall be a condition precedent of any redemption of a membership that the Principal or Corporate Member wishing to redeem the membership (the "Retiring Member") shall submit to the Society, together with the notice referred to in Subsection 2.13(a) above, an application in writing of a person who wishes to acquire a membership in the Society (the "Sponsored Member"), together with payment of a redemption fee of \$250 (the "Redemption Fee"), plus any applicable taxes. Subject to the foregoing provisions of this Section 2.13, the Society shall accept the Sponsored Member as a new Member of the Society effective as of the date of receipt by the Society of the payment referred to above (the "Redemption Date").
- (c) Upon a Sponsored Member becoming a Member of the Society he shall have all of the rights and obligations ordinarily attributable to a Member of the Society.

## **2.14 DESIGNATION OF OTHERS TO USE MEMBERSHIP GOLFING PRIVILEGES**

Upon payment of an annual fee of \$100 plus applicable taxes, a Principal or Corporate Member of the Society shall be entitled to designate in writing a person to assume all of the rights and privileges of a Principal or Corporate Member to golf at the Golf Club for the year next following the receipt by the Society of such written notice as may be stipulated in such notice by such Principal or Corporate Member.

## **2.15 NO DISTRIBUTION OF INCOME TO SOCIETY MEMBERS**

No income shall be distributed or paid to Principal or Corporate Members excepting only on the winding-up or dissolution of the Society as provided in Section 2.16.

## **2.16 DISSOLUTION OR WINDING-UP OF THE SOCIETY**

On the dissolution or winding-up of the Society, after payment of all outstanding liabilities of the Society, any refund of membership fees of the Society shall be distributed to the Members of the Society on a pro rata basis in accordance with the number of Principal or Corporate Members outstanding as at the date of dissolution, and the balance of any assets of the Society shall be distributed to a charitable organization as designated by the Members of the Society.

## **2.17 PARTICIPATION OF VENTURERS**

The Society acknowledges that Venturers shall receive privileges otherwise reserved for the Members including, but not limited to, participation in all Members' events and tournaments. The Venturers shall not be able to attend or vote at any Meetings of the Members pursuant to Part IV hereof.

## **2.18 MEMBERSHIP ENTITLEMENTS**

Subject to the rules and regulations from time to time established by the Manager, the following entitlements and rights shall apply to the Subscribers and the Members of the Society:

- (a) each Subscriber, Principal Member and Corporate Designee, shall be entitled to purchase packages of 20 non-transferable green fee passes of any category ("Passes") at a reduced rate to be determined from time to time by the Manager, such rate not to be less than a 10% discount to the green fee payable by the general public for a green fee of the same nature (i.e. regular, junior or senior green fees). Passes may also be used by guests of Subscribers, Principal Members and Corporate Designees when the guests play along with such Subscriber, Principal Member and Corporate Designee. Passes are subject to the rules and restrictions applicable to users of the Golf Club generally;
- (b) each Subscriber, Principal Member and Corporate Designee shall be entitled to reserve tee times at the Golf Club, as provided in the rules and regulations from time to time established by the Manager, seven (7) days in advance, with a balloting option for weekend tee times. This will be prior to the time that others given the right to use the Golf Club by the Manager are entitled to reserve tee times;
- (c) notwithstanding Section 2.18(b), the Manager has the right to reserve tee times for group golf outings (including, but not limited to, corporate golf tournaments) in advance of the Subscribers, the Principal Members and the Corporate Designees; and
- (d) each Subscriber, Principal Member and Corporate Designee shall be entitled to full use of the practice facilities, access to a Golf Club charge account and discounted rates for cart rental, such discount to be determined by the Manager.

### **PART III**

#### **CONDITIONS OF WITHDRAWAL OF MEMBERS AND MANNER IN WHICH A MEMBER MAY BE EXPELLED**

##### **3.01 FAILURE TO PAY LEVIES, FEES OR CHARGES**

Upon the failure of a Member to pay any indebtedness to the Society or the Manager, the Society may, in addition to all other legal remedies available to it, terminate the membership in question at any time after 30 days written notice to the Member. Interest payments on all indebtedness shall accrue at a rate to be determined by the Manager, acting reasonably.

##### **3.02 EXPULSION OF A MEMBER BY THE BOARD**

The directors of the Society shall have the power, by a 75% vote of those present at a meeting of the directors, to expel or suspend any Member who willfully commits a breach of these By-Laws or whose conduct shall have been determined by the Board to be improper, unbecoming, or likely to endanger the interests or reputation of the Society and/or the Golf Club. Without limiting the generality of the foregoing, a Member may be expelled by the Board, in its sole discretion, for the following reasons:

- (a) the Member fails to meet or maintain his eligibility for membership;

- (b) the Member submits false information to the Society on his application for membership or otherwise;
- (c) the Member exhibits unsatisfactory behaviour, deportment or appearance;
- (d) the Member engages in any conduct determined by the Board, in its sole discretion, to be inappropriate; or
- (e) the Member fails to control the conduct of his guests, designates, or family members, or prevent such individuals from engaging in conduct that would be cause for suspension or expulsion of the Member.

No Member shall be expelled or suspended hereunder without first being given prior written notice of the charge or complaint against him and without having first being given an opportunity to be heard by the directors at a meeting called for that purpose.

### **3.03 EXPULSION OF A MEMBER BY THE MANAGER**

The Manager shall have the power, acting reasonably, to expel or suspend any Member who willfully commits a breach of these By-Laws or whose conduct shall have been determined by the Manager to be improper, unbecoming, or likely to endanger the interests or reputation of the Society and/or the Golf Club. Without limiting the generality of the foregoing, a Member may be expelled by the Manager, in its sole discretion, acting reasonably, for the following reasons:

- (a) the Member fails to meet or maintain his eligibility for membership;
- (b) the Member exhibits unsatisfactory behaviour, deportment or appearance;
- (c) the Member engages in any conduct determined by the Manager, in its sole discretion, to be inappropriate; or
- (d) the Member fails to control the conduct of his guests, designates, or family members, or prevent such individuals from engaging in conduct that would be cause for suspension or expulsion of the Member.

Upon expulsion pursuant to this Section 3.03, the Society shall pay to the Member an amount equal to the average of the last 5 initial membership fees sold by the Society within 14 days of expulsion.

### **3.04 TERMINATION OF MEMBERSHIP**

Subject to Section 3.03, if applicable, any Member who resigns, withdraws or is expelled from the Society or whose membership in the Society is terminated, shall forthwith be deemed to have relinquished all right, claim and interest in and to the membership in question without further payment by the Society or the Manager.

### **3.05 RESALE OF TERMINATED MEMBERSHIP**

If a membership in the Society is terminated pursuant to Section 3.04 above, the membership shall be deemed null and void for all purposes whatsoever, and such membership may be resold as an initial membership in accordance with the terms of these By-Laws.

## **PART IV** **MEETINGS OF THE MEMBERS**

### **4.01 ANNUAL GENERAL MEETING**

The Society shall hold an Annual General Meeting between the months of February and April of each year at such time and such place within the Province of Alberta as shall be determined by the Board. The Board shall at the Annual General Meeting present an audited financial statement setting out the Society's income, disbursements, assets and liabilities, signed by the auditors appointed by the Society.

### **4.02 SPECIAL GENERAL MEETING**

The Board may from time to time call a special General Meeting of the Members of the Society at such time and at such place within the Province of Alberta as shall be determined by the Board.

### **4.03 NOTICE OF MEETINGS**

Written notice of all General Meetings of the Society shall be given to all persons registered as Principal Members or Corporate Designees of the Society at least 21 days prior to the date of the meeting.

### **4.04 QUORUM**

A quorum for the transaction of business at any Meeting shall be five individuals present in person, each being a Member or a Corporate Designee entitled to vote at the General Meeting.

### **4.05 PERSONS ENTITLED TO BE PRESENT**

The only persons entitled to be present at a General Meeting shall be those entitled to vote at the Meeting and the accountants appointed by the Board. Any other person may be admitted only on the invitation of the President of the Society or with consent of the General Meeting.

### **4.06 CHAIRMAN, SECRETARY AND SCRUTINEERS**

The President of the Society or, in his absence, the Vice-President of the Society, shall be the Chairman of any General Meeting. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote may choose one of their number to be the Chairman. If the Secretary of the Society is absent, the Chairman shall

appoint some person, who need not be a Member, to act as the Secretary of the General Meeting. The Chairman may appoint one or more persons to act as scrutineers at any General Meeting.

#### **4.07 PROCEDURES**

Subject to these By-Laws, the Chairman of any General Meeting shall conduct the proceedings thereat in all respects, and his decision in any matter or thing shall be conclusive and binding upon the Members.

#### **4.08 VOTES TO GOVERN**

At any General Meeting every question shall, unless otherwise required by these By-Laws or by law, be determined by an Ordinary Resolution. In case of an equality of votes either upon a show of hands or upon a ballot, the Chairman of the General Meeting shall be entitled to a second or casting vote in addition to his original vote.

#### **4.09 SHOW OF HANDS**

Any question at a General Meeting shall be decided in the first instance by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present shall have one vote for each membership registered in his name and each Corporate Designee shall have one vote for each membership with respect which he is named as the Corporate Designee. Whenever a vote by show of hands is taken upon a question, unless a ballot thereon is required or demanded, a declaration by the Chairman of the Meeting that the vote upon the question has been carried by a particular majority or not carried, and an entry to that effect is made in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number of votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Members upon the question.

#### **4.10 BALLOTS**

On any question proposed for consideration at a General Meeting, a Member or a Corporate Designee may demand, and the chairman may require, that a ballot be taken either before or upon the declaration of the result of any vote by show of hands. If a ballot is demanded on the election of a Chairman or on the question of adjournment, it shall be taken forthwith without an adjournment. A ballot demanded or required on any other question shall be taken in such a manner as the Chairman shall direct. A demand or requirement for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken, each Member present is entitled to one vote for each membership registered in his name and each Corporate Designee is entitled to one vote for each membership with respect to which he is named as the Corporate Designee. The result of the ballot so taken shall be the decision of the Members upon the question.

#### **4.11 RESOLUTION IN LIEU OF GENERAL MEETING**

A resolution in writing in one or more counterparts by all the Members and Corporate Designees entitled to vote on the resolution is as valid and binding as if it had been passed at a

General Meeting and shall be effective as of the date stated in such resolution to be the effective date hereof.

**PART V**  
**APPOINTMENT AND REMOVAL OF DIRECTORS AND OTHER OFFICERS**  
**AND THEIR DUTIES, POWERS AND REMUNERATION**

**5.01 BOARD OF DIRECTORS**

The affairs of the Society shall be administered by a Board of Directors consisting of between three and seven individuals, each of whom at the time of his election and throughout his term of office shall be a Principal Member of the Society or a Corporate Designee. A director shall cease to be a director of the Society at the time he ceases to be a Principal Member or a Corporate Designee.

**5.02 ELECTION OF DIRECTORS**

The Subscribers shall select the initial directors of the club and such persons or their nominees shall continue to serve as directors until the Annual General Meeting but may resign earlier at the discretion of the Subscribers. After the term ends or early resignation occurs, as the case may be, such directors shall thereafter also no longer be considered Members under the terms of these By-Laws. Thereafter each director shall serve until the first Annual General Meeting after his election or until his successor shall have been duly elected and qualified. The entire Board shall retire at each Annual General Meeting but shall be eligible for re-election.

**5.03 REMOVAL OF A DIRECTOR**

The Society may by Special Resolution remove any director before the expiration of his term of office, and may by Ordinary Resolution elect any individual in his place and stead for the remainder of his term.

**5.04 POWERS OF DIRECTORS**

- (a) The Board, in administering the affairs of the Society, may exercise all such powers, do all such acts and things and enter into all such contracts as may be exercised or done by the Society and are not by these By-Laws or by the Act expressly required to be done by a General Meeting of the Members.
- (b) Without in any way restricting the generality of subsection 5.04(a) above, the Board shall have the power to cause the Society to enter into:
  - (i) a Lease Agreement with the present owner of an interest in the Golf Club Lands on such terms and conditions and upon the payment by the Society, on such terms and conditions as the directors shall consider appropriate;
  - (ii) any agreement or declaration for the appointment of an agent and/or an attorney by power of attorney for the Society; and

- (iii) any agreement or instrument by the terms of which all or any of the functions and duties of the Board are delegated to a person who is to serve as the manager and/or attorney by power of attorney of the Society.
- (c) Without in any way restricting the generality of subsection 5.04(a) above, the Board shall not have the power or authority to borrow monies on the account or on behalf of the Society.

#### **5.05 DUTIES OF THE DIRECTORS**

It shall be the duty and responsibility of the directors of the Society to exercise the powers set forth in Section 5.04 for and in the best interests of the Society, and generally to see to the conduct of the affairs and actions of the Society.

#### **5.06 VACANCIES ON THE BOARD OF DIRECTORS**

Vacancies on the Board, however caused, may, so long as a quorum of directors remains in office, be filled by the directors from among the qualified Members of the Society and Corporate Designees, if they shall see fit to do so, otherwise such vacancy shall be filled at the next Annual General Meeting. If there is not a quorum of directors at any time, the remaining directors shall forthwith call a General Meeting to fill the vacancies.

#### **5.07 VACATING OFFICE**

If any director shall resign his position as a director of the Society, or without reasonable excuse absent himself from at least three directors' meetings within a one year period, or if a director ceases for any reason to be a Principal Member of the Society or a Corporate Designee, the directors shall declare a vacancy on the Board and may appoint a successor in his place to hold office until the next Annual General Meeting.

#### **5.08 QUORUM**

A majority of the number of directors constitutes a quorum at any meeting of the Board and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all of the powers of the directors.

#### **5.09 MEETINGS OF DIRECTORS**

Meetings of directors may be held at such times and at such places as the directors may from time to time determine. A meeting of the directors may be convened at any time by the President or by any two directors. Notice of a meeting shall be communicated to each director not less than 48 hours before the meeting is to take place; provided however that meetings of the directors may be held at any time without formal notice if all of the directors are present or if those absent have waived notice or have signified their consent in writing to the meeting being held in their absence. The President of the Society or, in his absence, the Vice-President of the Society or, in the absence of both of them, any other director shall serve as the Chairman of a meeting of the Board. The Secretary of the club or, in his absence, any other director as may be determined by the Board, shall serve as the Secretary of a meeting of the Board and shall keep

minutes of the meeting. All questions arising at any meeting of the directors shall be decided by a majority of votes. In the case of an equality of votes, the Chairman of the meeting, in addition to his original vote, shall have a second or casting vote.

#### **5.10 RESOLUTION IN WRITING**

A resolution in writing, signed by all of the directors entitled to vote on that resolution at a meeting of directors, is as if it had been passed at a duly called and constituted meeting of the Board.

#### **5.11 ERRORS IN NOTICE**

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

#### **5.12 OFFICERS**

Each Board of Directors of the Society shall, promptly after the election of the Board at an Annual General Meeting, appoint a President, a Vice-President and a Secretary of the Society. Similarly, the Board may appoint any of the directors to any other office or position with the Society as the Board from time to time decide. All officers of the Society are subject to removal from office by the Board at any time with or without cause and with or without notice to the person so removed.

#### **5.13 REMUNERATION OF OFFICERS AND DIRECTORS**

No member of the Board shall receive any remuneration from the Society for services rendered as a member of the Board or as an officer of the Society.

#### **5.14 DELEGATION OF AUTHORITY**

The Board may at any time and from time to time delegate to any person the authority to manage and direct the business and affairs of the Society by contract or otherwise and for whatever consideration the Board may consider appropriate.

#### **5.15 EXECUTION OF DOCUMENTS**

All deeds, contracts, leases, transfers, licenses and any other instrument or document whatsoever to be executed by the Society may be signed by the President and any other director or by any two directors as may be designated from time to time by the Board, and in such case the seal of the Society may be affixed by such persons.

#### **5.16 CONFLICT OF INTEREST OF A DIRECTOR**

A director shall not be disqualified as such, nor be required to vacate his position as a director of the Society, by reason only that he is a party to, or is a director or officer of or has a



material interest in any person who is a party to, a contract or proposed contract with the Society.

Such a director shall, however, disclose the nature and extent of his interest in the contract, and shall be counted to determine the presence of a quorum at any meeting of the Board at which such a contract or proposed contract may be authorized or approved.

### **5.17 INDEMNITY**

Except in respect of an action by or on behalf of the Society to obtain a judgment in its favour, the Society shall indemnify all directors and all former directors of the Society, their heirs, executors, administrators, successors and assigns, against all costs, damages, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any action or proceeding in which he is made a party by reason only of being or having been a director or officer of the Society if:

- (a) he acted honestly and in good faith with a view to the best interests of the Society; and
- (b) he had reasonable grounds for believing that his conduct was lawful.

## **PART VI SIGNING AUTHORITY**

### **6.01 CHEQUES AND OTHER INSTRUMENTS**

All cheques, bills of exchange, promissory notes and other evidences of indebtedness issued in the name of the Society, shall be signed by any two directors or officers or agents of the club as may be from time to time determined by the Board and any such directors or officers or agents may endorse notes and drafts for collection on account of the Society and endorse notes and cheques for deposit with the Society's bankers for the credit of the Society.

## **PART VII ACCOUNTING**

### **7.01 APPOINTMENT OF AUDITORS**

The Board may from time to time appoint an auditor for the Society for such period of time as the directors may determine.

### **7.02 ANNUAL FINANCIAL STATEMENT**

The accountants of the Society or a representative thereof shall be entitled to attend each Annual General Meeting of the Society and shall be responsible to present at the Annual General Meeting an audited financial statement setting out the Society's income, disbursements, assets and liabilities, signed by the accountants. Each such financial statement shall be with respect to the Society's previous fiscal year. The annual accounts of the Society shall be audited by a qualified auditor engaged by the Society as per paragraph 7.01 above or by any two officers or directors of the Society.

### **7.03 FISCAL YEAR**

The fiscal year of the Society shall end on December 31 of each calendar year.

## **PART VIII CUSTODY AND USE OF THE SEAL OF THE SOCIETY**

### **8.01 FORM OF THE SEAL**

The Board shall adopt a seal which shall be the common seal of the Society.

### **8.02 DIRECTORS TO CONTROL USE OF THE SEAL**

The seal of the Society shall be under the control of the Board and the responsibility for its custody and use shall be from time to time determined by the directors.

## **PART IX MANNER OF MAKING, ALTERING AND RESCINDING BY-LAWS**

### **9.01 AMENDMENT OF THE BY-LAWS**

These By-Laws may be altered, rescinded or otherwise amended from time to time by Special Resolution of the Members, subject to the approval of the Manager, which approval shall not be unreasonably withheld.

## **PART X BOOKS AND RECORDS OF THE SOCIETY**

### **10.01 BOOKS AND RECORDS**

The Board shall be responsible to see that all books and records of the Society as may be from time to time reasonably required are regularly and properly kept.

### **10.02 MINUTES**

The Secretary, or any other director specifically charged by the Board with the responsibility, shall prepare, keep and maintain, or shall cause to be prepared, kept and maintained, at the registered office of the Society, an official minute book which shall include:

- (a) an original filed copy of the Application for the Incorporation of the Society;
- (b) a filed copy of the By-Laws;
- (c) the original of the minutes of all General Meetings (including the financial statements of the auditors of the Society presented at each Annual General Meeting);

- (d) the original of the minutes of all meetings of the Board;
- (e) all notices concerning the registered office of the Society;
- (f) filed copies of all annual returns made to the Registrar of Corporations pursuant to the Act;
- (g) a register of Directors of the Society;
- (h) a register of officers of the Society;
- (i) a register of all Mortgages and other security documents granted by the Society.

**PART XI**  
**TIME AND PLACE AT WHICH THE BOOKS AND RECORDS OF THE SOCIETY**  
**MAY BE INSPECTED BY MEMBERS**

**11.01 INSPECTION OF BOOKS BY MEMBERS**

The regulations, accounts and records of the Society or any of them shall be open to the inspection of Members at the registered office of the Society during regular business hours.

**11.02 COPY OF THESE BY-LAWS**

The Society shall furnish to a Member, at his request, a copy of these By-Laws and of the Application for Incorporation of the Society.

**11.03 REGISTERED OFFICE**

The Society shall at all times maintain a registered office in the Province of Alberta to which all communications and notices may be sent and at which all process may be served. The registered office shall initially be located at 9 Crystal Greens Lane, P.O. Box 7, Okotoks, Alberta T1S 1A4, and may be changed from time to time by the Board.

**11.04 REGISTER OF MEMBERS**

The Society shall keep a register of its members containing the names of the Subscribers and the name of every other person who is from time to time a Member of the Society, together with the following particulars of each person:

- (a) full name, occupation and residential address;
- (b) date on which the person is admitted as a Member;
- (c) if the Member is a corporation or a partnership, the Corporate Designee with respect to that membership;
- (d) number of the membership as required by Section 2.04;

- (e) date on which the person ceases to be a Member.

**PART XII**  
**MISCELLANEOUS**

**12.01 NOTICES**

Any notice, request, demand or other instrument which may be required or permitted to be delivered, given, sent or served by the Society upon a Member shall be sufficiently delivered, given, sent or served upon the Member, if in writing and if either delivered by hand to the Member as the case may be, at the address of the Member as recorded in the register as maintained by the Society pursuant to Section 11.04 above. A Member may change such address on the Register at any time and from time to time by written notice to the Society. In the case of the Society, any such notice, request, demand or other instrument may be mailed by ordinary mail addressed to the Society its registered office. Any document delivered by hand shall be deemed to have been received on the date of actual receipt and any document mailed as aforesaid shall be deemed to have been received on the fourth day after mailing, excluding Saturdays, Sundays and statutory holidays. Notwithstanding the foregoing, if there is a strike, lockout, threatened strike or lockout or similar disruption in the Canadian postal service at the time of mailing any notice hereunder, or within 5 days either before or after the date of such mailing, then notice hereunder shall be effected by delivery only.

**12.02 RESPONSIBILITY FOR LOSS**

Upon becoming a Member of the Society, each Member shall be conclusively deemed to have agreed that neither the Society, the Manager nor any director, officer, employee, agent or manager thereof shall be responsible in any way whatsoever for any loss of any property nor for any damage, injury or loss whatsoever sustained by a Member, or their guests in or about the facilities of the club or elsewhere on the Golf Club Lands or arising directly or indirectly from the use or occupation of the Golf Club Lands or any adjacent lands.

**12.03 MATERIAL AGREEMENTS**

The Society has entered into a 40-year lease agreement (the "Lease Agreement") with Crystal Ridge Golf Club Ltd. which provides the members with the right to use the golf course lands. The lease includes a renewal option after 40 years.

The Society has entered into a management agreement (the "Management Agreement") with Crystal Ridge Golf Club Ltd. which allows the Manager to operate as an agent for the Society in collecting fees and setting and enforcing the policies and rules of the Society and the Golf Club.

Copies of the Lease Agreement and the Management Agreement are available for review at the offices of the Manager.

DATED this 25<sup>th</sup> day of January, 2005.

\_\_\_\_\_  
**GARRY COOK**

Address: \_\_\_\_\_  
\_\_\_\_\_

Occupation: \_\_\_\_\_

\_\_\_\_\_  
Witness to signature

\_\_\_\_\_  
Name of Witness (*please print*)

\_\_\_\_\_  
Address of Witness  
\_\_\_\_\_

\_\_\_\_\_  
Occupation of Witness

\_\_\_\_\_  
**STEVEN MCGURK**

Address: \_\_\_\_\_  
\_\_\_\_\_

Occupation: \_\_\_\_\_

\_\_\_\_\_  
Witness to signature

\_\_\_\_\_  
Name of Witness (*please print*)

\_\_\_\_\_  
Address of Witness  
\_\_\_\_\_

\_\_\_\_\_  
Occupation of Witness

\_\_\_\_\_  
**TREVOR REDMAN**

Address: \_\_\_\_\_  
\_\_\_\_\_

Occupation: \_\_\_\_\_

\_\_\_\_\_  
Witness to signature

\_\_\_\_\_  
Name of Witness (*please print*)

\_\_\_\_\_  
Address of Witness

\_\_\_\_\_  
Occupation of Witness

\_\_\_\_\_  
**SHARRON TAYLOR**

Address: \_\_\_\_\_  
\_\_\_\_\_

Occupation: \_\_\_\_\_

\_\_\_\_\_  
Witness to signature

\_\_\_\_\_  
Name of Witness (*please print*)

\_\_\_\_\_  
Address of Witness

\_\_\_\_\_  
Occupation of Witness

\_\_\_\_\_  
**JOHN BARNES**

Address: \_\_\_\_\_  
\_\_\_\_\_

Occupation: \_\_\_\_\_

\_\_\_\_\_  
Witness to signature

\_\_\_\_\_  
Name of Witness (*please print*)

\_\_\_\_\_  
Address of Witness

\_\_\_\_\_  
Occupation of Witness