

TRANQUILITY BAY RV PARK
COOPERATIVE BYLAWS

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DEFINITIONS

In these bylaws the following terms shall have the following meaning:

1. “Affairs” means the relationship between a cooperative and its affiliates and their members, shareholders, directors and officers, but does not include the business carried on by those corporations.
2. “Affiliate” means an affiliated corporation within the meaning of Section 2 of the Cooperatives Act, R.S.A. 2001 C-28.1;
3. “Articles” means the articles of incorporation of the cooperative and amendments to them;
4. “auditor” includes a firm of accountants;
5. “audit committee” means the persons who are elected to serve on the committee and review the financial documents of the Cooperative;
6. “auxiliary member” means a person who is not, or who is no longer, a full member of a cooperative but has an association with it, as determined by the articles or the bylaws;
7. “bearer”, in respect of a security, means the person who is in possession of a security that is payable to bearer or endorsed in blank;
8. “beneficial ownership” includes ownership through a trustee, legal representative, agent or other intermediary;
9. “Commission” means the Alberta Securities Commission;
10. “cooperative” means a cooperative incorporated under this Act;
11. “cooperative basis” has the meaning given to it by section 2 of the Cooperatives Act R.S.A. 2001 C-28.1;
12. “cooperative entity” means a corporation that, by the law under which it is organized and operated, must be organized and operated on, and is organized and operated on, a cooperative basis;
13. “corporation” means a corporate entity, however incorporated;
14. “Court” means the Court of Queen’s Bench;
15. “debt obligation” means a bond, debenture, note or other evidence of indebtedness or guarantee of an entity, whether secured or unsecured;
16. “delegate” means an individual who is appointed or elected to represent a member at a meeting of members;
17. “director” means a member of the board of directors of a cooperative by whatever name the director or board is called;
18. “distributing cooperative” means a cooperative any of whose issued securities, other than membership shares, investment shares issued to members or member loans, are or were part of a distribution to the public and remain outstanding and are held by more than one person;
19. “entity” means a corporation, a trust, a partnership, a fund or an unincorporated organization;
20. “Executive Director” means the Executive Director of the Alberta Securities Commission as defined in the Securities Act;
21. “extra-provincial cooperative” means a cooperative entity that is incorporated as a cooperative otherwise than by or under an enactment of Alberta;
22. “federation” means a cooperative whose membership is composed wholly or substantially of other cooperatives;

23. “firm of accountants” means a professional accounting firm engaged in a professional accounting practice or public accounting practice registered under the Chartered Professional Accountants Act, or a corporation that is incorporated by or under an Act of the legislature of a province other than Alberta and is engaged in a professional accounting practice or a public accounting practice;
24. “holder” means
 - i. in respect of a security certificate, the person in possession of the certificate issued or endorsed to the person or to bearer or in blank;
 - ii. in respect of the ownership of a membership share, the person referred to in section 102(2) of the Cooperatives Act of Alberta, and
 - iii. in respect of the ownership of an investment share, the person referred to in section 108(2) of the Cooperatives Act of Alberta,;
25. “individual” means a natural person;
26. “investment share” means a share in the capital of a cooperative that is not a membership share;
27. “investment shareholder” means the person referred to in section 108(2) of the Cooperatives Act of Alberta;
28. “issuer”, in respect of a security, means the entity that issues the security;
29. “meeting of the cooperative” means
 - i. a meeting of members or of a class of member, or
 - ii. a meeting of holders of investment shares or of holders of any class or series of investment shares of a cooperative, as the context requires;
30. “member” means a member of a cooperative other than an auxiliary member;
31. “member loan” means a loan required by the cooperative from its members as a condition of membership or to continue membership in the cooperative and, if a cooperative is incorporated without membership shares, a member loan is deemed to be a membership share issued at par value for the purpose of Parts 5, 12, 14 and 16 and section 144(2) of the Cooperatives Act of Alberta;
32. “membership share” means a share described in section 102;
33. “Minister” means the Minister determined under section 16 of the Government Organization Act as the Minister responsible for this Act;
34. “officer” includes the chair of the board of directors, a vice-chair of the board of directors, the president, a vice-president, the secretary, an assistant secretary, the treasurer, an assistant treasurer and the general manager of a cooperative and any other individual designated as an officer of the cooperative by bylaw or by resolution of the directors, or any other individual who performs functions for the cooperative similar to those normally performed by an individual occupying any such office;
35. “ordinary resolution” means a resolution that is submitted to a meeting of the cooperative or a meeting of the directors and passed at the meeting by a majority of the votes cast;
36. “patronage return” means an amount that the cooperative allocates among and credits or pays to its members or to its member and non-member patrons based on the business done by them with or through the cooperative, and includes patronage dividends or bonus payments issued to members who hold investment shares issued by a cooperative referred to in Part 18, Division 4 of the Cooperatives Act of Alberta;
37. “person” means an individual or an entity and includes a legal representative;

38. “prescribed” means prescribed by regulation;
39. “proxy” means a completed and executed form of proxy by means of which an investment shareholder appoints a proxyholder to attend and act on the investment shareholder’s behalf at a meeting of the investment shareholders;
40. “record date” means the date fixed or determined as the record date by the regulations;
41. “redeemable”, with respect to a share, means
 - i. that the cooperative may acquire or redeem the share on the demand of the cooperative, or
 - ii. that the cooperative is required by its articles to acquire or redeem the share at a specified time or on the demand of the holder;
42. “security” includes an investment share, a debt obligation of a cooperative and a certificate evidencing such a share or debt obligation and, for the purposes of Part 16 of the Cooperatives Act, includes a membership share;
43. “security interest” means an interest in or charge on property of a cooperative to secure payment of a debt or the performance of an obligation of the cooperative.
44. “send” includes deliver;
45. “series”, in respect of investment shares, means a division of a class of those shares;
46. “share” means a membership share or an investment share;
47. “special resolution” means a resolution that is submitted to a meeting of the cooperative or a meeting of the directors and passed at the meeting by at least 2/3 of the votes cast;
48. “spouse” means the spouse of a married person but does not include a spouse who is living separate and apart from the person if the person and spouse have separated pursuant to a written separation agreement or if their support obligations and family property have been dealt with by a court order;
49. “unanimous agreement” means a written agreement to which all the members and investment shareholders, if any, of a cooperative are or are deemed to be parties, whether or not any other person is also a party, that provides for any of the matters listed in Part 4, Division 10 of the Cooperatives Act of Alberta.

COOPERATIVE PRINCIPLES

Tranquility Bay RV Park Cooperative intends to form a Cooperative under the Cooperative's Act of Alberta R.S.A. 2001 C-28.1 and to incorporate the Cooperative pursuant to that act. At all times it is the goal of Tranquility Bay RV Park Cooperative ("The Cooperative") to be in full compliance with the Cooperative Act as enacted and amended from time to time.

The Cooperative hereby confirms the Cooperative Principles as enacted in the Cooperatives Act such that it confirms that the Cooperative is and will be organized and operated and shall carry on business on a cooperative basis and will make membership available to persons who can use the services of the Cooperative and who are willing and able to accept the responsibilities of and abide by the terms of membership as enumerated in the Bylaws, Rules and Regulation and other acts or amendments pursuant to the Bylaws and Rules and Regulations. The Cooperative further confirms that it understands as a Cooperative that each member or delegate has only one vote, no member or delegate may vote by proxy, interest on any member loan is limited to a maximum rate fixed in the articles of incorporation and the dividends on any membership share are limited to the maximum rate fixed in the articles and that to the extent possible members shall provide the capital required for the Cooperative and that surplus funds shall be used as set out in the Cooperatives Act and bylaw contained herein and amended from time to time.

1. NAME OF THE COOPERATIVE

The incorporators have agreed that the Cooperative shall be incorporated as Tranquility Bay RV Park Cooperative.

2. REGISTERED OFFICE

The incorporators further agree that the Cooperatives registered office shall be a law firm that the Directors of the Cooperative retained for that purpose as chosen by the Directors from time to time and recorded in the Cooperatives' Minute Book. At this time the Directors have chosen the Firm of Jenkins & Jenkins, Suite 200, 9906-102 Street, Fort Saskatchewan, Alberta T8L 2C3. However, the Directors shall be able to change the Cooperatives' registered office from time to time. The Directors shall be able to approve any lawyer in good standing with the Law Society of Alberta as their registered office at any Directors meeting. The Cooperative must send to the Director, within 15 days after any change of address of its registered office, a notice in a form set by the Directors.

3. MAXIMUM AND MINIMUM AMOUNT OF DIRECTORS

The Cooperative shall at all times have a minimum of three Directors and a maximum of nine Directors.

4. NATURE OF BUSINESS

Tranquility Bay RV Park Cooperative is intended to be incorporated and will be incorporated under the Cooperatives Act of Alberta so that it can own and operate, maintain and manage an RV Park for the benefit of the Cooperatives Members and their guests and to perform such other services as the members so desire from time to time. Furthermore, it is intended that Tranquility Bay may acquire, either by lease or purchase, real estate and other properties or facilities necessary or desirable in the conduct of its business and or to mortgage, sell, lease and convey such properties; and to purchase, hold, sell, assign, or transfer the shares of capital stock of other cooperative Associations. It shall also enjoy all other rights and privileges consistent with the laws of the Province of Alberta, governing Cooperatives.

5. RESTRICTIONS ON THE BUSINESS OF THE COOPERATIVE

The only restriction that the incorporators wish to put on the business of Tranquility Bay RV Park Cooperative is that the business must be carried out for the benefit of the Cooperative's members and guests.

6. INITIAL MEMBERSHIP SHARE CAPITAL

There are an unlimited number of Class "B" membership shares. Each of the Class "B" membership shareholders shall pay the sum of \$1.00 per share and have share capital in Tranquility Bay RV Park Cooperative.

The Class “B” membership shares can be purchased only by persons who have purchased or been transferred the right to exclusively use a lot at Tranquility Bay RV Park Cooperative. These shares cannot be split but may have multiple owner names on the share certificate and can be transferred.

7. CLASSES OF SHARES AND MAXIMUM NUMBER OF SHARES

The Cooperative is authorized to issue the following shares:

- a. Ninety-seven (97) Class “A” Investment Shares for \$5,000. There are 97 Class “A” investment shares issued to the original 97 members of Tranquility Bay Trailer Park Association, which are transferable. Class “A” investment shareholders are automatically members of the Cooperative and are issued the same number of Class “B” membership shares as they have Class “A” investment shares. Class “A” investment shares can only be transferred to members of the Cooperative. There are no investment shares in addition to Class “A” investment shares. Each of the Class “A” investment shareholders have share capital in Tranquility Bay RV Park Cooperative in the sum of \$5,000 per share and each of the Class “A” investment shareholders have paid the sum of \$5,000 per share. If circumstances arise that the Tranquility Bay RV Park Cooperative is dissolved, either by court order or otherwise, if after all outstanding liabilities are met there are surplus funds, those funds shall be distributed to the Class “A” investment shareholders such that they will receive their original \$5,000 investment.
- b. An unlimited number of Class “B” Membership Shares for \$1.00. The Class “B” membership shares can be purchased only by persons who have purchased or been transferred the right to exclusively use a lot at Tranquility Bay RV Park Cooperative. There are an unlimited number of Class “B” membership shares. Each of the Class “B” membership shareholders shall pay the sum of \$1.00 per share and have share capital in Tranquility Bay RV Park Cooperative. These shares cannot be split but may have multiple owner names on the share certificate and can be transferred. Some, but not all, Class “B” membership shareholders also hold Class “A” investment shares.

8. MAXIMUM RATE OF RETURN THAT MAY BE PAID ON MEMBER LOANS

The maximum rate of return that may be paid to member loans is twelve (12%) subject to any restrictions under the Cooperatives Act of Alberta or such other laws applicable to Cooperatives and member loans in Alberta from time to time.

9. MAXIMUM DIVIDEND THAT MAY BE PAID ON MEMBERSHIP SHARES

The maximum dividend that may be paid on membership shares is the maximum allowable subject to any restrictions under the Cooperatives Act of Alberta or such other laws applicable to Cooperatives and dividend payments on Cooperative Shares in Alberta from time to time.

10. FORMULA TO BE USED FOR THE ISSUANCE OF INVESTMENT SHARES AND THE REDEPTION OF REDEEMABLE INVESTMENT SHARES

The formula to be used for the issuance of investment shares and the redemption of redeemable investments shall be determined in the future prior to such shares being issued.

11. CONSTRAINTS ON INVESTMENT SHARES

At this time there are no constraints on investment capital except those constraints placed on the same by the applicable laws of the Province of Alberta and the Government of Canada.

12. MEMBER CLASSES

The Member Classes shall reflect the same structure as the share structure stated in paragraph 7 herein.

13. PASSING THE BYLAWS

The Directors must hold a meeting of members within 180 days of the issuance of the certificate of incorporation to pass these bylaws as the bylaws for the Cooperative.

14. AMENDMENT OF BYLAWS

- A. The members shall be entitled to make, amend or repeal any bylaw by ordinary resolution.
- B. The Directors may by ordinary resolution, make a bylaw or amend a bylaw of the Cooperative on the terms and conditions set out herein, but the bylaw must not be contrary to a bylaw made by the membership.
- C. The Directors must present a bylaw or an amendment to a bylaw made by them to the members at the next meeting of the members and the members may confirm or amend it. If the bylaw or an amendment to a bylaw made by the directors is not submitted to the members, or is not confirmed by the members with or without amendments then that bylaw or amendment is repealed as of the date of the meeting of the members at which it was not confirmed.
- D. A member may make a proposal for a bylaw or amendment to a bylaw and it shall be voted on by the membership at the next meeting so long as the member follows the procedures set out in the bylaws and the rules and regulations.
- E. A member shall provide at least 45 days' notice prior to any meeting to the board of directors of any proposed bylaw or amendment which the member wishes to

- propose at the next meeting. The Directors then shall provide the membership with the proposed bylaw at least 30 days in advance of the meeting.
- F. All members shall provide an email address for receipt of Notice from the Board of Directors.

15. EFFECTIVE DATE OF BYLAWS

A bylaw or an amendment to a bylaw comes into force on the day on which the bylaw or amendment is made, or on any later date specified in the bylaw or amendment or in the resolution adopting either of them.

16. DEEMED KNOWLEDGE OF ARTICLES AND BYLAWS

A member of a Cooperative is deemed to have knowledge of the contents of the articles and bylaws of the Cooperative and also to have knowledge of the rules and regulations of the Cooperative. Furthermore, members shall adhere to the Articles, Bylaws and Rules and Regulations and encourage and support the Board in administering and enforcing the same.

17. BINDING EFFECT OF ARTICLES AND BYLAWS

The articles and bylaws of a Cooperative bind it and its members to the same extent as if the articles and bylaws had been signed by the Cooperative and every member and, contained undertakings by all members and their successors, assigns, and legal representatives to observe all the provisions of the articles and bylaws.

18. REQUIREMENT TO FILE BYLAW OR AMENDMENTS

The Cooperative must file a bylaw or an amendment to a bylaw with the Director within 60 days of the date the bylaw or amendment comes into force.

19. COPIES OF ARTICLES AND BYLAWS

Every member and investment shareholder is entitled to receive free of charge from the Cooperative, on request, not more than once in each calendar year, one copy of the Cooperatives Articles, Bylaws and any unanimous agreement, and one copy of any amendments to them. The Cooperative must, on payment of a reasonable fee, provide each creditor and, where the Cooperative is a distributing cooperative, any other person, with a copy of the Cooperative's Articles, Bylaws, and any unanimous agreement and any amendments to them.

20. LIABILITY OF MEMBERS

The members and holders of shares of the Cooperative are not liable, by reason only of being members or holders of shares, for any liability, act or default of the Cooperative except as provided for in the Cooperatives Act of Alberta as enacted or as amended from time to time.

21. LEGAL CAPACITY OF COOPERATIVE

Subject to the Cooperatives Act (Alberta) the Cooperative has the capacity and the rights, powers and privileges of a natural person and may carry on business in accordance with the Cooperatives Act and the Cooperatives Articles and Bylaws.

22. RECORD KEEPING

The Cooperative must prepare and maintain the following records at its registered office or at any other place in Alberta designated by the directors:

- A. The Cooperative's Articles and Bylaws, including any amendments, and a copy of any unanimous agreement;
- B. The Minutes of meetings of the members and investment shareholders;
- C. Copies of all notices of who is a director and notices of change of directors;
- D. A list of its members in a members register, setting out their names, and addresses, the number of any membership shares owned and the amount of any member loans;
- E. A list of investment shareholders, setting out their names, and addresses and the number of investment shares owned;
- F. A register of its directors, setting out the names and addresses of the individuals who are or who have been directors and the dates on which they became or ceased to be directors;
- G. If the Cooperative issues securities in registered form a securities register that complies with the Cooperative Act;
- H. Accounting Records;
- I. Records containing minutes of meetings and resolutions of directors and any committee of directors, and
- J. Records sufficient for the purpose of calculating patronage returns that show for each member particulars of the transactions between the Cooperative and the member;

Furthermore, the Cooperative must keep and retain this records pursuant to the Section 28 of the Cooperatives Act (Alberta) and must make them accessible to members, creditors, investors, and other third parties as required under the act and amendments thereto.

23. FORM OF RECORDS

Any register or record required to be kept by the Cooperative pursuant to the Cooperatives Act (Alberta) or these bylaws must be prepared and maintained in a form that is capable of reproducing any required information in legible written form within a reasonable time. Furthermore, the Cooperative and its agents must take reasonable precautions respecting the registers and records required to be kept under the Cooperatives Act and these bylaws to prevent their loss or destruction, to prevent the falsification of entries in them and facilitate the detection and correction of inaccuracies in them.

24. LIST OF MEMBERS AND SHAREHOLDERS

Members and investment shareholders of a cooperative and their legal representatives and, when the cooperative is a distributing cooperative, any other person may, in accordance with and for the reasons specified in the bylaws, request that the cooperative provide them with a list of members or investment shareholders.

- a. The request for the list must be accompanied by
 - i. a reasonable fee set by the cooperative, if any;
 - ii. the name and address of the applicant;
 - iii. an undertaking that the list of members or investment shareholders obtained will not be used except as permitted in the bylaws.
- b. The cooperative must provide the list no later than 10 days after the cooperative receives a complete and valid request under this section.
- c. Where a list is provided under this section, it may be used by the person to whom it was provided for the following purposes:
 - i. to carry out, in relation to the affairs of the cooperative, efforts to influence the voting of members or investment shareholders of the cooperative;
 - ii. to carry out activities to promote an offer to acquire shares of the cooperative;
 - iii. to carry out any activity or matter, not referred to in clause (i) or (ii), relating to the affairs of the cooperative.
 - iv. Unless the bylaws provide otherwise, a member or investment shareholder may advise the cooperative in writing that that person's name is not to be included in a list referred to in this section, in which case the cooperative must delete that name from the list and must mention on the list that the list is incomplete.

25. CORPORATE SEAL

The Cooperative may, but need not, adopt a corporate seal and may change a corporate seal that is adopted without need to amend the bylaws.

26. BECOMING A MEMBER

Membership in the Cooperative is governed by its bylaws unless the Cooperatives Act or the articles provide otherwise. The following shall be the application process for membership in the Cooperative:

- a. A person may become a member of the Cooperative if they:
 - i. Purchase exclusive use of a lot at Tranquility Bay RV Park Cooperative;
 - ii. Are over 18 years of age;
 - iii. Pay the required membership fee and transfer;
 - iv. Agree to abide by the rules and regulations as well as the bylaws of Tranquility Bay RV Park Cooperative;
 - v. Sign all required documents; and
 - vi. Are approved as members.

- b. The directors may delegate the approval power noted in provision 27(2) herein and any of the powers vested by that subsection to one or more members or officers of the Cooperative.
- c. Subject to the bylaws, 2 or more persons may hold a joint membership.
- d. Subject to the bylaws, where a membership is jointly held, the membership may be held as a joint tenancy or a tenancy in common, but where the members do not specify to the Cooperative how the membership is to be held, the membership is deemed to be held as a joint tenancy and the joint members are jointly and severally liable for all obligations proposed or payable by members.

27. RIGHTS AND OBLIGATIONS OF MEMBERS

For the purposes of this section the term ‘PARK’ refers to all land owned by the Cooperative.

- a. Members are entitled to:
 - i. Use of any of the public areas of the Park;
 - ii. Exclusive use of the lot assigned to them; and
 - iii. Participate in the decision making at the annual general meeting and at any special meeting of the Cooperative.
- b. Members have an obligation to:
 - i. Abide by all rules and regulations imposed by the Park;
 - ii. Comply with all financial obligations imposed upon them by the Cooperative; and
 - iii. Respect the rights of other members.
- c. The rights and obligations with respect to a member’s use of the services of the Cooperative shall be as defined in the Park Rules.

28. RIGHT TO VOTE AND VOTING

- A. The holders of Class “A” and Class “B” shares shall be entitled to vote at all meetings of the members of the Cooperative except a meeting at which only holders of a specified class of shares are, by the provisions of the Cooperatives Act (Alberta), entitled to act.
- B. Voting
 - i. All meetings must meet the quorum of member shareholders for any voting to take place. A quorum consists of the members present at the start of the meeting.
 - ii. All members in good standing and present at a meeting are entitled to vote at that meeting subject to the restrictions in section (iv) below.
 - iii. Electronic voting may be held in a manner set out by the Board.
 - iv. Voting at meetings of the Cooperative must be by show of voting cards. One voting card per share will be distributed. In the case of joint memberships, only one member may vote.
 - v. Authorization of voting by mail or email ballot on any matter may be set by the Board of Directors. All ballots would be kept on file or attached to the minutes they refer to.

29. MEETINGS

1. Board of Director Meetings

- a. Location of the Director's meetings can be determined by the current Board of Directors.
- b. Board members will be normally given a 10-day notice period for the Director's Meetings.
- c. In an emergency, the Chair of the Board of Directors may call a meeting without a normal 10-day notice. If such a meeting is called a minimum of 50% of the Board of Directors must be present in order to transact any business.
- d. In accordance with the Cooperatives Act, a majority of directors constitutes a quorum at any meeting of directors or of a committee of directors.

2. General Meeting and Information Meetings

- a. One General Meeting per year shall be held in May and such other times and places as called under these bylaws.
- b. The Board of Directors may call a special meeting of the Cooperative at any time.
- c. Location of meetings will be determined by the current Board of Directors.
- d. Notice of the date, time and place of a meeting of the cooperative must be given not less than 10 days and not more than 60 days before the date of the meeting,
 - i. To each person who is entitled to vote at the meeting
 - ii. To each director, and
 - iii. In each case of an annual meeting, to the auditor of the Cooperative, if any.
- e. A notice must:
 - i. Be posted on the board at the Owls Nest in the Park and available in the office.
 - ii. Be given to each person who is entitled to vote at the meeting. This notice may be sent electronically.
 - iii. Failure to receive notice of a meeting does not deprive a person of a right to vote at the meeting at which the person is entitled to vote.
- f. Members are required to submit a written proposal for agenda items not less than 14 days prior to the meeting for preparation. Any proposals brought to the meeting may be tabled to the next meeting for time to investigate further.
- g. Participation in a meeting by electronic means may be allowed at the discretion of the Board of Directors.
- h. In accordance with the Cooperatives Regulation, one tenth of members constitutes a quorum at any meeting of members.

30. DIRECTORS AND OFFICERS OF COOPERATIVES

1. BOARD OF DIRECTORS

- a. The existing members of the Board of Directors will serve as the first directors of the Cooperative. An election will be held at the first AGM in accordance with clause 30 to determine the new directors. The first election will be by written ballot. The members with the five (5) highest numbers of votes will serve for two

- (2) years. The remaining four (4) will serve a one year term. At each subsequent AGM those elected shall be for a period of two years and the voting may be as defined in c) below
- b. The affairs for the Cooperative shall be managed by a board of not less than three (3) directors and not more than nine (9) directors, each of whom at the time of election and throughout the term of office shall be a member in good standing members of the Cooperative;
 - c. The directors can be elected from those nominated by a nominating committee appointed by the Board. Directors may also be nominated from the floor. The election may be a show of hands unless a ballot is demanded by a majority of the members present. The membership shall also elect the following officers from the members elected to the Board, President, Vice-President, Secretary, Treasurer;
 - d. The members of the Cooperative may, by resolution passed by at least two-thirds (2/3) of the votes cast at a meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of the director's term of office and may, by a majority of votes cast at the meeting, elect an qualified person for the remainder of the term;
 - e. If any member of the Board of Directors resigns from office, or without reasonable excuse is absent from three (3) or more Board meetings, or whose membership is suspended, the Board shall declare this director's office to be vacated and may appoint a successor to hold the office until the next Annual General Meeting;
 - f. No remuneration shall be paid directly or indirectly to any director, but the directors are entitled to be reimbursed for out-of-pocket expenses. Remunerations to be paid to any employee of the Cooperative shall be such amounts as the directors by resolution may determine from time to time;
 - g. All directors of the Cooperative are deemed to have assumed office on the express agreement and condition that they and their heirs, executors, administrators and estate and effects respectively shall from time to time and at all times be indemnified and saved harmless out of the funds of the Cooperative from and against all costs, charges and expenses which such directors sustain or incur or about any action, suit or proceeding which is brought, commenced, or prosecuted against them for and in respect of any act, deed, matter of things made, done or permitted by them or any other director or directors in or about the execution of the duties of their office, and also from and against all other costs, charges, or expenses as are occasioned by their own neglect or default;
 - h. In addition to the powers and authorities by these bylaws or otherwise expressly conferred upon, the directors may exercise all such powers to do all such acts and things as may be exercised or done by the Cooperative and are not hereby or by statue expressly directed or required to be exercised or done by the Cooperative in general meetings or with the sanction of special resolution, subject however to the provision of The Cooperatives Act and these bylaws and to any regulations made from time to time by the Cooperative in general or special meetings provided that no regulation so made shall invalidate any prior act of the directors which would have been valid if such regulations had not been made;

- i. The directors may delegate any of their powers to committees consisting of such members of their body or people from outside the Board, as they see fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations which may be imposed upon it by the Board of Directors. Any committees so formed shall have no decision making powers and ultimate authority and responsibility for the committee's actions shall, at all time, rest with the Board;
- j. The Board of Directors shall cause all necessary books and records of the Cooperative required by law and the by-law of the Cooperative to be regularly and properly kept.
- k. Questions arising at any meeting of the Board shall be decided by a majority of votes.
- l. The directors shall meet a minimum of twice a year at a location of their choosing.

2. PRESIDENT

The President shall be ex-officio a member of all Committees. The President may, when present, preside at all meetings of the Cooperative and of the Board. In the President's absence, the Vice-President may preside at any such meetings and in the absence of both, a chair may be elected by the meeting to preside thereat.

3. SECRETARY

It shall be the duty of the Secretary to attend all meetings of the Cooperative and of the Board, and to keep accurate minutes of the same. The Secretary shall have charge of the Seal of the Cooperative. Whenever used, it shall be authenticated by the signature of the Secretary and the President, or in the case of the death or inability of either to act, be discharged by such officer as may be appointed by the Board. The Secretary shall have charge of all the correspondence of the Cooperative and take direction from the President and the Board. The Secretary shall also keep a record of all the Members of the Cooperative and their addresses; send all notices of the various meetings as required.

4. TREASURER

The Treasurer shall collect and receive the annual dues, assessments and all monies paid to the Cooperative. The Treasurer or Designate shall be responsible for the deposit of same in whatever financial institution the Board may order. The Treasurer or Designate shall properly account for the funds of the Cooperative and keep such books as may be directed. The Treasurer shall present a full detailed account of receipts and disbursements to the Board whenever requested. The Treasurer shall prepare for submission to the Annual General Meeting a statement duly audited as hereafter set forth of the financial position of the Cooperative and submit a copy of the same to the Secretary for the records of the Cooperative.

31. LIABILITY OF DIRECTORS

General liability

(1) All directors who vote for or consent to a resolution authorizing the issue of a share in exchange for a thing or service other than money are jointly and individually liable to the cooperative for any amount by which the consideration received is less in value than the money that the cooperative would have received if the share had been issued for money on the date of the resolution.

(2) A director is not liable under subsection (1) if the director proves that the director did not know and could not reasonably have known that the share was issued for consideration less in value than the money that the cooperative would have received if the share had been issued for money on the date of the resolution.

(3) All directors who vote for or consent to a resolution authorizing any of the following matters are jointly and individually liable to the cooperative for any amounts so distributed or paid and not otherwise recovered by the cooperative:

- (a) a redemption of shares or other acquisition of investment shares or the repayment of member loans contrary to the Cooperatives Act;
- (b) a commission contrary to the Cooperatives Act;
- (c) a payment of a dividend, a patronage return or interest contrary to the Cooperatives Act;
- (d) financial assistance contrary to the Cooperatives Act;
- (e) a payment of an indemnity contrary to the Cooperatives Act;
- (f) any other payment contrary to the Cooperatives Act.

(4) A director is not liable under subsection (3) if the director proves that the director did not know and could not reasonably have known that the amounts so distributed or paid were paid contrary to the Cooperatives Act.

(5) A director who satisfies a judgment for a debt owed under this section is entitled to contribution from the other directors who were liable for the debt.

(6) A director who is liable under subsection (3) may apply to the Court for an order to recover any money or property referred to in subsection (3).

(7) The Court may, if it is satisfied that it is equitable to do so,

- (a) order any person to pay or deliver to the director any money or property referred to in subsection (3) that was paid or distributed to that person;
- (b) order a cooperative to return or issue shares to a person from whom the cooperative redeemed or otherwise acquired shares;
- (c) order any person to repay to the cooperative the amount of a member loan that was repaid;

(d) make any further order that it thinks fit.

(8) An action to enforce a liability imposed by this section may not be commenced more than 2 years after the date of the resolution authorizing the action complained of.

32. DISCLOSURE OF INTEREST

Any Director or officer shall disclose any conflict of interest to the member and other director pursuant to the Cooperatives Act.

33. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Nature of indemnification

(1) A cooperative may indemnify an individual who is or was a director or officer of the cooperative or who at the cooperative's request acts or acted

- (a) as a director or officer of the cooperative,
- (b) as a director or officer of another entity, or
- (c) as an individual in a similar capacity for the cooperative or other entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a claim reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved by reason of the individual's association with the cooperative or entity.

(2) A cooperative may advance money to a director, officer or other individual for the costs of a proceeding referred to in subsection (1), but the individual must repay the money if the Court determines that the individual did not fulfil the conditions of subsection (3), unless the members and investment shareholders decide, by separate resolutions, that the individual need not repay the money.

(3) A cooperative may not indemnify an individual under subsection (1) unless the individual:

- (a) acted honestly and in good faith with a view to the best interests of the cooperative or, as the case may be, to the best interests of the entity for which the individual acted as director or officer or in a similar capacity at the cooperative's request, and
- (b) in the case of a criminal or administrative proceeding, had reasonable grounds for believing that the individual's conduct was lawful.

(4) A cooperative may not indemnify an individual under subsection (1) or advance money for costs under subsection (2) in respect of an action by or on behalf of the cooperative or entity, unless the Court so orders.

(5) An individual referred to in subsection (1) is entitled to indemnity from the cooperative for the costs, charges and expenses referred to in that subsection if the individual

- (a) was judged by the Court not to have committed any fault or omitted to do anything that the individual ought to have done,
 - (b) fulfils the conditions in subsection (3), and
 - (c) is fairly and reasonably entitled to indemnity.
- (6) A cooperative may purchase and maintain insurance for the benefit of an individual referred to in subsection (1) against any liability incurred by the individual by reason of being or having been

- (a) a director or officer of the cooperative,
- (b) a director or officer of another entity, or
- (c) an individual that has acted in a similar capacity for the cooperative or other entity, if the individual acts or acted in that capacity at the cooperative's request.

34. ISSUE OF MEMBERSHIP CERTIFICATES

The Cooperative shall issue membership certificates in numerical and sequential order.

35. RIGHTS OF SPECIFIC SHAREHOLDERS ON AMENDMENTS OF ARTICLES

If the rights of a specific class of shareholders is affected by a proposed amendment the Cooperative shall comply with those procedural steps set out in the Act to ensure that the specific class of shareholder is treated fairly.

36. DELEGATES

Proxies and delegates shall be allowed.

37. VIOLATION OF BYLAWS

- a) Any infraction or violation of, or default under these by-laws or any rules and regulations established pursuant to these By-laws on the part of a member, agents, or invitees may be corrected, remedied or cured by the Cooperative and any costs or expenses incurred or expended by the Cooperative in correcting, remedying, or curing such infraction, violation or default shall be charged to such Owner and shall be added to and become part of assessments of such Owner for the month next following the date when such costs or expenses are expended or incurred (but not necessarily paid) by the Cooperative and shall become due and payable on the date of payment of such monthly assessment and shall bear interest at the interest rate noted in our Rules and Regulations until paid.
- b) The Board in its power may levy fines, suspensions, and or actions it deems appropriate for any By-law or Rules and Regulation infractions incurred by any member, agents, licensees or invitees. These actions may be conveyed to the membership at the following years AGM.
- c) The Cooperative may recover from a member by an action for debt in any court of competent jurisdiction any sum of money which the Cooperative is required to expend as a result of any act or omission by the Member, the Members agents,

licensees, invitees or tenants, which violates these By-Laws or any rules or regulations established pursuant to these By-laws and there shall be added to any judgement, all costs of such action including costs as between solicitor and client. Nothing herein shall be deemed to limit any right of any Member to bring an action or proceeding for the enforcement and protection of the members' rights and the exercise of the Members remedies.

- d) In addition, the Cooperative may exercise the powers provided for in the Act.

38. EXCLUSIVE USE OF LOT

Any person owning a membership shall have the exclusive right to use of their specific lot.

39. PROHIBITION ON RENTING OR LEASING MEMBER LOTS

Members are hereby prohibited from renting or leasing out their lots.

40. LOT IMPROVEMENTS

Members may improve their lot in accordance with the development By-laws set down by the County, the Cooperative By-laws, and Rules and Regulations adopted by the members.

41. YEARLY DUES

- a. Yearly fees are critical to the operation and viability of the Cooperative. Members shall pay their yearly fees required to succeed in this task. Members who fail to submit yearly dues in a timely matter are subject to interest and actions as set out in the Rules and Regulations. These interest and actions may be adjusted from time to time to reflect changing conditions.
- b. In the event that a Member defaults on any membership obligation, including but not restricted to failure to pay any maintenance fees, costs or other levies payable pursuant to the bylaws, then the parties membership and all privileges relating thereto shall immediately be suspended.
- c. In the event of a default by the Member, the Cooperative may take possession of, collect, demand, sue on, enforce, recover and receive the collateral. The Cooperative may sell, lease or otherwise dispose of the collateral in such manner, at such time and place or places, for such consideration and upon such terms and conditions as the Cooperative may seem reasonable and any surplus shall be accounted for by the Cooperative to the Member as required by law.
- d. The Board reserves the right to exercise compassion where circumstance warrant, and is free to exercise this right at its discretion depending on the circumstance involved with any given situation relating to member in arrears.
- e. Any Member who loses their membership shall automatically lose the use of or interest in any RV site(s) previously held. The Member shall be required to remove any personal property from the RV site within 30 days of being given notice of the loss of membership. Failing to comply, the Board may order the property removed and disposed of at the former member's risk and expense.

- f. Any fees or assessments that remain unpaid pursuant to these By-laws, shall constitute a lien and encumbrance on the property situated on the Cooperative's premises, of the member in arrears, and the member grants to the Cooperative the right to distraint the goods and chattels so situated for the monies then unpaid together with interest and costs, and grants to the Cooperative the right, power and authority to have said goods seized and sold pursuant to the provisions of the Civil Enforcement Act, RSA 2000, Chapter C-15 of the Statutes of Alberta as amended.

42. RESPONSIBILITY FOR VISITORS

Members are responsible to ensure their conduct and that of their guests are conducive to a harmonious environment to be enjoyed by all members. All members have the right to use and enjoy all areas of the Park which are not designated for exclusive use for any member or employee.

43. BREACH OF CRIMINAL CODE OF PROVINCIAL OR FEDERAL LEGISLATION

Any member found breaking any federal, provincial, or municipal law inside the Park boundaries is subject to disciplinary action including but not limited to suspension of Park access.

44. WITHDRAWAL AND TERMINATION OF MEMBERSHIP

When a member sells or transfers their membership share(s) in Tranquility Bay RV Park Cooperative they concurrently withdraw and terminate their membership.

45. APPEAL

The member has the right to appeal suspension to the membership at a general meeting. The following process shall be used to appeal any suspension of a member:

- a. The member shall bring an application for appeal detailing the reasons for their appeal. The member shall include in their application for appeal all of the materials they will rely on for their application for appeal. This application and all materials shall be served on the board;
- b. A general meeting shall be scheduled within 90 days of the member bringing an application for appeal;
- c. The board may submit a reply statement to the application for appeal detailing the reasons that the appeal should be dismissed within 30 days of receiving the member's application for appeal. The board shall include all of the materials they will rely on for their reply statement. The reply statement and all materials shall be served on the member;
- d. The member may provide a statement in response to the board's reply statement within 30 days of receiving the board's reply statement. The member shall include all of the materials they intend to rely on. This statement in response shall be served on the board;

- e. The appeal shall be held at the designated general meeting of the membership as outlined in paragraph 45(b). The membership shall be provided with copies of the application for appeal, board's reply statement and member's statement of response no less than 30 days before the general meeting.

46. LOT DEVELOPMENT

- f. Development restrictions for lots are contained in the Rules and Regulations of the Cooperative. All costs for development as decided by a member are the responsibility of the member not the Cooperative.
- g. Members must obtain a development permit from the Cooperative before commencing any construction, fencing, or landscaping. Members shall ensure that any alteration complies with the Rules and Regulations and Bylaws of the Cooperative. If a member is uncertain as to whether they require a permit they shall check with a Director before proceeding.
- h. All construction, including fences and landscaping must conform to the Bylaws and Rules and Regulations of the Cooperative in place at the time of construction.

47. ELECTRICAL

- a) The electrical distribution system, from the utility supply pedestal to the receptacle designated for the member's use, is owned by the Cooperative and shall not be altered, modified or relocated by any member.
- b) All RV units will be connected to the designated receptacle utilizing approved RV cord caps and cable. Members requiring power supply to their areas on the lot (ie: add on, shed, etc) must utilize an approved Park panel and/or exterior RV plug ins. Any expenses incurred with the connection of the RV unit to the designated receptacle will be the responsibility of the member.
- c) All electrical cable buried underground must be in conduit and must conform to the Province of Alberta Electrical Code.
- d) All electrical installations must be installed under a Provincial Electrical Permit by a licensed electrical contractor to ensure compliance with Alberta Safety Code Act.
- e) Each lot has a holding tank already installed. It is the member's responsibility for any maintenance of this tank and to pay any tank clean out costs as required.

48. DEPOSIT ACCOUNTS

- a. Any member may deposit with the Cooperative such funds as they desire from which may be drawn amounts for purchase payments from day to day.
- b. The Board of Directors may from year to year credit the member's Deposit Account with interest at a rate not exceeding FIVE (5%) per cent per annum on the average of the minimum monthly balance for the year.
- c. The member may at any time withdraw his balance from his deposit account, provided only that where withdrawal is in excess of FIFTY (\$50.00) Dollars, the Board may require thirty days' notice of such intention to withdraw money.

- d. The Board of Directors may permit a member's Loan Capital Account to be used as a Deposit Account

49. LOAN CAPITAL ACCOUNTS

- A. Any member may lend to the Cooperative such sums of money as they may see fit and these sums shall be placed in the member's Loan Capital Account, and be subject to the provisions of the Act.
- B. Provided further that the Board may from year to year credit the member's Loan Capital Account with interest on the average monthly balances of such accounts at a rate determined by the Board.
- C. A member may not withdraw any sums from the member's Loan Capital Account unless the Board of Directors approves the withdrawal.

50. EXECUTION OF CERTAIN DOCUMENTS

All cheques, notes, bills of exchange and other financial documents shall require 2 signatures from two board members serving on the Board of Directors at the time the signature is required. The appointment of the two board members can change from time to time based on what is determined appropriate by the Board of Directors through a motion passed by the Board of Directors. The Board of Directors shall be entitled to delegate the day to day bookkeeping to a bookkeeper and grant the bookkeeper authority to pay the Cooperatives day to day bills including the authority to write and sign cheques so long as the Cooperative has taken out fraud insurance to cover the actions of the bookkeeper.

51. PARK RULES

- a. Park Rules and Regulations will be issued from time to time by the Board of Directors and distributed to the members of the Cooperative as deemed appropriate by the Board of Directors. These rules are to be followed by anyone staying at the Park.
- b. If a member permits a guest to utilize the Park in anyway, the member is fully responsible for their guest and is to inform the guest of the Park Rules and Regulations and conduct. The guest can include anyone what joins the member at the Park or is utilizing the Member's site with permission from the Member.
- c. Any Rules and Regulations adopted by the Board are required to be submitted for approval to the members at the next annual general meeting. Any action resulting from the enactment of the interim rules and regulations shall be allowed to stand.

52. DISSOLUTION OF THE TRANQUILITY BAY RV PARK COOPERATIVE ASSOCIATION

If circumstances arise that the Tranquility Bay RV Park Cooperative is dissolved, either by court order or otherwise, if after all outstanding liabilities are met there are surplus funds, those funds shall be distributed to the Class “A” investment shareholders such that they will receive their original \$5,000 investment and thereafter such remaining funds shall be distributed to all Class “B” membership shareholders on an equitable, per share basis.

- a. Court Ordered Dissolution: If Circumstances arrive that cause a Court to order the dissolution of the Tranquility Bay RV Park Cooperative, the following apply:
 - i. In addition to the steps set out in section 323 of the Act, the liquidator must notify each affected person by registered mail to the last known address;
 - ii. If after all outstanding liabilities are met there are surplus funds those funds shall be distributed to the Class “A” investment shareholders such that they will receive their original \$5,000 investment and thereafter such remaining funds shall be distributed to all Class “B” membership shareholders on an equitable, per share basis; and
 - iii. Tranquility Bay RV Park Cooperative will not act as an agent for any member or investment shareholder during any liquidation.
- b. Voluntary Dissolution: If a meeting is held to discuss and approve the voluntary dissolution of Tranquility Bay RV Park Cooperative, the following apply.
 - i. The quorum for such a meeting must be members representing 75% of the membership shares.
 - ii. A minimum of 75% of the member held shares is required to approve a motion to dissolve the Cooperative. The voting process may occur after the meeting with members’ votes being submitted by mail or email if desired.
 - iii. Every reasonable effort must be taken to ensure that all members of the Cooperative are aware of the meeting.
 - iv. Every reasonable means must be employed to get the largest possible number of members’ votes.

Signature of Incorporators:

Dave Bouchard

Dave Murray

Craig Smith

Signed in the Presence of:

Terri-Lynn McLaughlin
Barrister and Solicitor

Date