

BY-LAWS OF THE OWNERS: CONDOMINIUM PLAN NO.

SUMMARY OF CONTENTS
FOR
SCHEDULES "A" AND "B" BY-LAWS

Schedule "A" By-Laws

<u>Number</u>		<u>Page</u>
1.	DEFINITIONS & INTERPRETATION	1
2.	HEADINGS	2
3.	DUTIES OF OWNERS	2
4.	DUTIES OF CORPORATION	2
5.	POWERS OF CORPORATION	3
6.	THE CORPORATION AND THE BOARD	4
7.	NUMBER ON BOARD	4
8.	RETIREMENT FROM BOARD AT ANNUAL GENERAL MEETING	4
9.	ELIGIBILITY FOR RE-ELECTION	4
10.	REMOVAL FROM BOARD	4
11.	CASUAL VACANCY	4
12.	QUORUM FOR BOARD	4
13.	CHAIRMAN OF THE BOARD	4
14.	WHERE CHAIRMAN ABSENT VICE-CHAIRMAN ACTS	4
15.	DUTIES OF OFFICERS	4
16.	MAJORITY VOTE REQUIRED FOR BOARD	4
17. (a)	BOARD MEETINGS	4
(b)	BOARD MAY EMPLOY AGENTS OR SERVANTS	4
(c)	BOARD DELEGATION OF AUTHORITY	5
(d)	BOARD MAY APPOINT MANAGER	5
18.	ADDITIONAL DUTIES OF BOARD	5
19.	DEFECTS IN APPOINTMENTS TO BOARD	5
20.	VACATING OFFICE OF BOARD MEMBER	5
21.	SIGNING AUTHORITIES FOR CERTAIN DOCUMENTS	5
22.	CORPORATE SEAL	5
23.	FIRST ANNUAL GENERAL MEETING	6
24.	EXTRAORDINARY GENERAL MEETING	6
25.	CONVENING EXTRAORDINARY GENERAL MEETINGS	6
26.	NOTICE OF GENERAL MEETINGS	6
27.	SPECIAL BUSINESS	6
28.	QUORUM FOR GENERAL MEETINGS	6
29.	ADJOURNMENT FOR LACK OF QUORUM	6
30.	CHAIRMAN FOR GENERAL MEETINGS	6
31.	ORDER OF BUSINESS FOR GENERAL MEETINGS	7
32.	VOTING BY SHOW OF HANDS	7
33.	POLL	7
34.	ONE VOTE PER OWNER	7
35.	VOTES PERSONALLY OR BY PROXY	7
36.	PROXIES	7
37.	ELIGIBILITY TO VOTE	7
38.	PROXY VOTE BY CO-OWNERS	7
39.	POLL VOTE BY CO-OWNERS	7

40.	SUCCESSIVE INTERESTS	8
41.	TRUSTEE VOTE	8
42.	OWNER'S INTEREST SUBJECT TO MORTGAGE	8
43.	VIOLATION OF BY-LAWS	8
44.	DEVELOPER'S RIGHTS TO DISPLAY UNIT	8
45.	DAMAGE OR DESTRUCTION	8
46.	INSURANCE	9
47.	ASSESSMENTS FOR COMMON EXPENSES AND BUDGETS	10
48.	SPECIAL ASSESSMENTS	12
49.	DEFAULT IN PAYMENT OF ASSESSMENTS; LIEN	12
50.	ESTOPPEL CERTIFICATES	13
51.	LEASING OF UNITS	13
52.	PROVISIONS SEVERABLE	13
53.	NOTICES	13
54.	NOTICE OF DEFAULT TO MORTGAGEES	14
55.	DEBT RETIREMENT ON TERMINATION	14
56.	COMPANY MAY APPOINT PERSONAL REPRESENTATIVE TO BOARD	14
57.	ALTERNATE BOARD REPRESENTATIVE	14
58.	PRIVACY AREA	14
59.	AMENDMENT OF BY-LAWS	14
60.	REALTY TAXES	15
61.	INDEMNIFICATION OF OFFICERS AND MANAGERS	15
62.	NONPROFIT CORPORATION	15

Schedule "B" By-Laws

1.	RULES AND REGULATIONS	16
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SCHEDULE "A" - BY-LAWS

DEFINITIONS AND INTERPRETATION

1. In these by-laws, unless the context or subject matter requires a different meaning:
 - (a) "Act" means The Condominium Property Act, Revised Statutes of Alberta, 1970, Chapter 62, as amended from time to time, or any statute or statutes passed in substitution therefor;
 - (b) "Board" means the Board of Managers of the Corporation;
 - (c) "by-laws" mean the by-laws of the Corporation, as amended from time to time;
 - (d) "common expenses" means the expenses of performance of the objects and duties of the Corporation and any expenses specified as common expenses in these by-laws;
 - (e) "common property" means so much of the parcel as is not comprised in any unit shown in the condominium plan;
 - (f) "condominium plan" means the plan registered by the Developer under the Act as No. ;
 - (g) "Corporation" means the corporation constituted under the Act by the registration of the condominium plan;
 - (h) "Developer" means Engineered Homes Limited
 - (i) "Manager" means the professional manager first retained by the Developer or any successor contractually appointed by the Board;
 - (j) "owner" means the owner of a unit;
 - (k) "parcel" means the land comprised in the condominium plan;
 - (l) "special resolution" means:
 - (i) A resolution passed at a general meeting, of which at least fourteen (14) days' notice specifying the intention to propose the resolution has been given, by owners representing a majority of not less than three-fourths (3/4) of the total unit factors; or
 - (ii) A resolution consented to in writing by all persons entitled to exercise the powers of voting conferred by the Act or by these by-laws;
 - (m) "unanimous resolution" means a resolution:
 - (i) unanimously passed at a properly convened meeting of the Corporation at which all persons entitled to exercise the powers of voting conferred by this Act or the by-laws are present personally or by proxy at the time of the motion; or
 - (ii) signed by all persons who, at a properly convened meeting of the Corporation, would be entitled to exercise the powers of voting conferred by the Act or the by-laws;
 - (n) "unit" means an area designated as a unit by the condominium plan;
 - (o) "unit factor" means the unit factor for each unit as more particularly described in and set forth on the condominium plan.

Words and expressions which have a special meaning assigned to them in the Act have the same meaning in these by-laws and other expressions used in the by-laws and not defined in the Act or in these by-laws have the same meaning as may be assigned to them in The Land Titles Act of

Alberta, as amended from time to time or in any statute or statutes passed in substitution therefor. Words importing the singular number only include the plural, and vice versa and words importing the masculine gender include the feminine gender or neuter, and vice versa, and words importing persons include firms and corporations and vice versa, where the context so requires.

2. The headings used throughout these by-laws are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms or provisions of any by-law.

DUTIES OF THE OWNERS

3. An owner shall:

- (a) permit the Corporation and its agents, at all reasonable times on notice (except in case of emergency when no notice is required), to enter his unit for the purpose of inspecting the unit and maintaining, repairing or renewing pipes, wires, cables, ducts, conduits, plumbing, sewers and other facilities for the furnishing of utilities for the time being existing in the unit and capable of being used in connection with the enjoyment of any other unit or common property, or for the purpose of maintaining, repairing or renewing common property, or for the purpose of ensuring that the by-laws are being observed;
- (b) forthwith carry out all work that may be ordered by any municipality or public authority in respect of his unit and pay all rates, taxes, charges, outgoings and assessments that may be payable in respect of his unit;
- (c) repair and maintain his unit, including all windows and doors, and keep it in a state of good repair, reasonable wear and tear and such damage as is insured against by the Corporation excepted; and shall maintain in a reasonable manner any area which is located on any part of the common property to which the owner has been granted exclusive use pursuant to By-Law 58 or which area is not accessible, in the sole opinion of the Board of the Corporation, for cutting by power mowers, and the plants and landscaping, if any therein, and if the owner shall not maintain such lawn, the plants and landscaping to a standard similar to that of the common property the Corporation may give one month's notice to the owner to this effect and if such notice has not been complied with at the end of that month, then the Corporation may carry out such work and the provisions of By-Law 58 shall apply;
- (d) use and enjoy the common property in such a manner as to not unreasonably interfere with the use and enjoyment thereof by other owners or their families or visitors;
- (e) not use his unit or permit it to be used in any manner for any purpose which may be illegal, injurious or that will cause nuisance or hazard to any occupier of a unit (whether an owner or not) or the family of such an occupier;
- (f) notify the Corporation forthwith upon any change of ownership or of any mortgage or other dealing in connection with his unit;
- (g) comply strictly with these by-laws and with such rules and regulations as may be adopted pursuant thereto from time to time.

FURTHER DUTIES AND POWERS OF THE CORPORATION

4. In addition to the duties of the Corporation set forth in the Act the Corporation, through its Board, shall:
 - (a) control, manage, maintain and administer the common property for the benefit of all of the owners and for the benefit of the entire condominium project;

- (b) do all things required of it by the Act, these by-laws and any other rules and regulations in force from time to time;
- (c) maintain and repair (including renewal where reasonably necessary) pipes, wires, cables, ducts, conduits, plumbing, sewers and other facilities for the furnishing of utilities for the time being existing in the parcel and capable of being used in connection with the enjoyment of more than one unit or common property;
- (d) on the written request of an owner or registered mortgagee of a unit, produce to the owner or mortgagee, or a person authorized in writing by the owner or mortgagee, the policy or policies of insurance effected by the Corporation and the receipt or receipts for the last premium or premiums in respect thereof;
- (e) maintain and repair the exterior of the buildings (excluding windows and doors unless insured by the Corporation);
- (f) collect and receive all contributions towards the common expenses and deposit same in a separate account with a chartered bank or trust company;
- (g) pay all sums of money properly required to be paid on account of all services, supplies and assessments pertaining to or for the benefit of the parcel, the Corporation and the owners as to the Board seem justifiable in the management or administration of the entire project;
- (h) remove ice, snow, slush and debris from and keep and maintain in good order and condition all common walkways and areas designated for vehicular traffic EXCEPT the removal of ice, snow, slush and debris from the front steps and front walkway of all units and connecting walks between an owner's unit and his designated parking area;

5. In addition to the powers of the Corporation set forth in the Condominium Property Act the Corporation through its Board, may:

- (a) purchase, hire or otherwise acquire personal property for use by owners in connection with their enjoyment of common property;
- (b) borrow monies required by it in the performance of its duties or the exercise of its powers provided that each such borrowing has been approved by special resolution;
- (c) secure the repayment of monies borrowed by it, and the payment of interest thereon, by negotiable instrument, or mortgage of unpaid contributions (whether levied or not), or mortgage of any property vested in it, or by combination of those means;
- (d) invest as it may determine any contributions toward the common expenses;
- (e) make an agreement with an owner or occupier of a unit for the provision of amenities or services by it to the unit or to the owner or occupier thereof;
- (f) grant to an owner the right to exclusive use and enjoyment of part of the common property, or special privileges in respect thereof, the grant to be determinable on reasonable notice, unless the Corporation by special resolution otherwise resolves;
- (g) make such rules and regulations as it may deem necessary or desirable from time to time in relation to the use, enjoyment and safety of the common property and do all things reasonably necessary for the enforcement of the by-laws and for the control, management and administration of the common property generally;
- (h) provide and maintain out of the contributions to be levied by the Corporation towards the common expenses or otherwise, such amount as the Board may determine from time to time to be fair and prudent for a contingency reserve fund and the contingency reserve fund shall be an asset of the Corporation;
- (i) determine from time to time the amounts to be raised and collected for the purposes hereinbefore mentioned;

- (j) raise amounts so determined by levying assessments on the owners in proportion to the unit factors for their respective units or as otherwise herein provided;

THE BOARD

6. The powers and duties of the Corporation shall, subject to any restriction imposed or direction given at a general meeting, be exercised and performed by the Board.
7. Until the first annual general meeting of the owners, the Board shall consist of three nominees of the Developer. Thereafter the Board shall consist of not less than three nor more than seven owners and shall be elected at each annual general meeting.
8. At each annual general meeting of the Corporation all the members of the Board shall retire from office and the Corporation shall elect a new Board.
9. A retiring member of the Board shall be eligible for re-election.
10. Except where the Board consists of all owners, the Corporation may, by resolution at an extraordinary general meeting, remove any member of the Board before the expiration of his term of office and appoint another owner in his place, to hold office until the next annual general meeting.
11. Any casual vacancy of the Board may be filled by the remaining members of the Board.
12. Except where there is only one owner and except during the period before the first annual general meeting, a quorum of the Board is two where the Board consists of four or less members, three where the Board consists of five or six members and four where it consists of seven members.
13. At the first meeting of the Board held after each annual general meeting of the Corporation the Board shall elect from among its members a Chairman, a Vice-Chairman, Treasurer and a Secretary who shall hold their respective offices until the conclusion of the next annual general meeting of the Corporation or until their successors are elected or appointed. The chairman of the Board shall have a casting vote in addition to his original vote.
14. Where the Chairman is absent from any meeting of the Board, or vacates the chair during the course of any meeting, the Vice-Chairman shall act as the Chairman and shall have all the duties and powers of the Chairman while so acting. In the absence of both the Chairman and the Vice-Chairman the members present shall from among themselves appoint a Chairman for that meeting who shall have all the duties and powers of the Chairman while so acting.
15. The other duties of the officers of the Board shall be as determined by the Board from time to time.
16. At meetings of the Board all matters shall be determined by simple majority vote;
17. The Board may:
 - (a) meet together for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit, and it shall meet when any member of the Board gives to the other members of said Board not less than three (3) days' notice of a meeting proposed by him, specifying the reason for calling the meeting provided that the Board shall meet at the call of the Chairman on such notice as he may specify without the necessity of the Chairman giving reasons for the calling of the meeting;
 - (b) appoint or employ for and on behalf of the Corporation such agents and servants as it thinks fit in connection with the control, management and administration of the common property and the exercise and performance of the powers and duties of the

- (c) subject to any restriction imposed or direction given at a general meeting of owners, delegate to one or more of members of the Board such of its powers and duties as it thinks fit, and at any time revoke such delegation;
- (d) obtain and retain by contract the services of a Manager or of any professional real property management firm or professional real property manager or agent for such purposes and upon such terms as the Board may from time to time decide PROVIDED THAT at all times when the Board consists only of nominees of the Developer no such contract shall be executed by such Board that provides for an initial term in excess of two (2) years.

18. The Board shall:

- (a) keep minutes of its proceedings and upon request provide copies thereof to first mortgagees;
- (b) cause minutes to be kept of general meetings and upon request provide copies thereof to first mortgagees;
- (c) cause proper books of account to be kept in respect of all sums of money received and expended by it and the matters in respect of which receipt and expenditure shall take place;
- (d) prepare proper accounts relating to all monies of the Corporation, and the income and expenditure thereof, for each annual general meeting;
- (e) on application of an owner or mortgagee, or any person authorized in writing by him, make the books of account available for inspection at all reasonable times;
- (f) cause to be prepared and distributed to each owner a financial statement of the receipts of contributions of all owners towards the common expenses and disbursements made by the Corporation within ninety (90) days of the end of the fiscal year of the Corporation.

19. All acts done in good faith by the Board are, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any member of the Board, as valid as if the member had been duly appointed or had duly continued in office.

20. The office of member of the Board shall be vacated if the member:

- (a) by notice in writing to the Corporation resigns his office; or
- (b) becomes bankrupt; or
- (c) is found lunatic or becomes of unsound mind; or
- (d) in the case of a company which is a member of the Board if the company shall become bankrupt or make an assignment for the benefit of creditors or if proceedings are commenced to wind up the company, otherwise than for the purpose of amalgamation or reconstruction.

SIGNING AUTHORITIES

21. The Board shall determine, by resolution from time to time, which officer or officers shall sign cheques, drafts, notes and other instruments and documents, including banking forms and authorities not required to be under corporate seal.

CORPORATE SEAL

22. The Corporation shall have a common seal, which shall at no time be used or affixed to any instrument except in the presence of at least two members of the Board or in the presence of any one or more members of the Board as may be authorized from time to time by resolution of the Board, except that where there is only one member of the

Corporation his signature shall be sufficient for the purpose of this by-law, and if the only member is a company the signature of its appointed representative on the Board shall be sufficient for the purpose of this by-law.

GENERAL MEETINGS

23. The first annual general meeting shall be called by the Board at such time as the Board shall in its sole discretion deem advisable and such meeting need not be held until at least 90% of the units have first been sold by the Developer, provided that not more than 18 months shall elapse between the date of the registration of the condominium plan and the date of the first meeting. Subsequent annual general meetings shall be held once in each calendar year, and not more than 15 months shall elapse between the date of one annual general meeting and that of the next.
24. All general meetings other than the annual general meetings shall be called extraordinary general meetings.
25. The Board may whenever it thinks fit and shall upon a requisition in writing by owners representing not less than 25% of the total unit factors for all the units or upon the request in writing from mortgagees holding registered mortgages against units in respect of which corresponding unit factors represent not less than 25% of the total unit factors under the condominium plan or a combination of such owners or mortgagees entitled to vote with respect to 25% of the total unit factors convene an extraordinary general meeting.

NOTICE OF GENERAL MEETINGS

26. Seven days' notice of every general meeting specifying the place, the date, and the hour of meeting, and in the case of special business the general nature of such business, shall be given to all owners and first mortgagees who have notified their interests to the Corporation.

Notice shall be given to the owner or to a mortgagee in the manner prescribed in these by-laws, but the accidental omission to give notice to an owner or mortgagee or non-receipt by an owner or mortgagee does not invalidate the meeting or any proceedings thereat.

In computing the number of days notice of a general meeting required under these by-laws, the day on which the notice is deemed to have been received and the day of the meeting shall be counted.

PROCEEDINGS AT GENERAL MEETINGS

27. All business shall be deemed special that is transacted at an annual general meeting, with the exception of the consideration of accounts and election of members to the Board, or at any extraordinary general meeting.
28. Save as in these by-laws otherwise provided, no business shall be transacted at any general meeting unless a quorum of persons entitled to vote is present at the time when the meeting proceeds to business and one-half of the persons entitled to vote present in person or by proxy shall constitute a quorum.
29. If within one-half hour from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time; and if at the adjourned meeting a quorum is not present within one-half hour from the time appointed for the meeting, the persons entitled to vote who are present shall be a quorum.
30. The Chairman of the Board shall be the Chairman of all general meetings or in his absence from the meeting or in case he shall vacate the chair, the Vice-Chairman of the Board shall act as Chairman provided always

that if the Chairman and Vice-Chairman be absent or shall vacate the chair or refuse to act, the meeting shall elect a Chairman.

31. The Order of Business at general meetings, and as far as is appropriate at all extraordinary general meetings, shall be:
- (a) if the Chairman or the Vice-Chairman of the Board shall be absent the election of the Chairman of the meeting;
 - (b) calling of the roll and certifying the proxies;
 - (c) proof of notice of meeting or waiver of notice;
 - (d) reading and disposal of any unapproved minutes;
 - (e) report of committees;
 - (f) consideration of the accounts;
 - (g) election of Board;
 - (h) unfinished business;
 - (i) new business;
 - (j) adjournment.

32. At any general meeting a resolution by the vote of the meeting shall be decided on a show of hands, unless a poll is demanded by any owner or registered mortgagee present in person or by proxy. Unless a poll be so demanded, a declaration by the Chairman that a resolution has, on the show of hands, been carried is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour or against the resolution. A demand for a poll may be withdrawn.
33. A poll, if demanded, shall be taken in whatever manner the Chairman thinks fit, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In the case of equality in the votes, whether on a show of hands or on a poll, the Chairman of the meeting is entitled to a casting vote in addition to his original vote.

VOTES OF OWNERS

34. On show of hands, each owner shall have one vote; on a poll, the votes of owners shall correspond with the unit factors of their respective units.
35. On a show of hands or on a poll, votes may be given either personally or by proxy.
36. An instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney, and may be either general or for a particular meeting. A proxy need not be an owner.
37. Except in cases where, by or under the Act, a unanimous resolution is required, no owner is entitled to vote at any general meeting unless all contributions payable in respect of his unit have been duly paid to the date of such meeting.
38. Co-owners may vote by proxy but only if the proxy is jointly appointed by them or by one of the co-owners appointed by the other or all others, as the case may be, and in the absence of such proxy, co-owners are not entitled to vote separately on a show of hands except when a unanimous resolution is required by the Act, but any one co-owner may demand a poll.
39. On any poll, each co-owner is entitled to such part of the vote applicable to a unit as is proportionate to his interest in the unit. The joint proxy (if any) on a poll shall have a vote proportionate to the interest in the unit of the joint owners as do not vote personally or by individual proxy.

40. Where owners are entitled to successive interests in a unit, the owner entitled to the first interest is alone entitled to vote, whether on a show of hands or a poll.
41. Where an owner is a trustee, he shall exercise the voting rights in respect of the unit to the exclusion of persons beneficially interested in the trust, and those persons shall not vote.
42. Notwithstanding the provisions of these by-laws with respect to appointment of a proxy where the owner's interest is subject to a registered mortgage and where the mortgage or these by-laws or any statute provides that the power of vote conferred on an owner may or shall be exercised by the mortgagee and where the mortgagee has given written notice of his mortgage to the Corporation no instrument or proxy shall be necessary to give the mortgagee the said power to vote and the mortgagee's power to vote shall not be limited or proscribed by the owner's failure to pay assessments.

VIOLATION OF BY-LAWS

43. 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 an owner, his servants, agents, licensees, invitees or tenants may be corrected, remedied or cured by the Corporation and any costs or expenses incurred or expended by the Corporation 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 the assessment 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 Corporation and shall become due and payable on the date of payment of such monthly assessment and shall bear interest at the rate of 12% per annum until paid.

The Corporation may recover from an owner by an action for debt in any court of competent jurisdiction any sum of money which the Corporation is required to expend as a result of any act or omission by the owner, his servants, 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 judgment, all costs of such action including costs as between solicitor and client. Nothing herein shall be deemed to limit any right of any owner to bring an action or proceeding for the enforcement and protection of his rights and the exercise of his remedies.

DEVELOPER'S RIGHTS

44. During such time as the Developer or the Corporation is the owner of one or more units, it shall have the right to maintain a reasonable number of units whether owned or leased by it as display units and to carry on all sales functions it considers necessary from such units.

DAMAGE OR DESTRUCTION

45. (a) In the event of damage or destruction as a result of fire or other casualty, the Board shall determine within thirty days of the occurrence whether there has been substantial damage. For the purpose of this paragraph, substantial damage shall mean damage to the extent of 50% or more of the replacement value of all units and common property immediately prior to the occurrence. If there has been substantial damage the Board shall convene an extraordinary general meeting and give at least ten (10) days' notice thereof to all registered first mortgagees. Unless there has been substantial damage and the owners by special resolution resolve not to proceed with repair or restoration within 100 days after the damage or destruction, the Board shall arrange for prompt repair and restoration using proceeds of insurance for that purpose. The obligation to repair hereunder is mutually exclusive of the general obligation to maintain and does not include the repair of improvements made to any unit by any owner after registration of the condominium plan. The Board shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any costs of such repairs and restoration in excess of the insurance proceeds shall constitute a common expense and the Board may assess all the

unit owners for such deficiency as part of the common expense.

Where there has been substantial damage and the owner or owners resolve by special resolution within one hundred (100) days after the damage or destruction not to repair, the Board shall on behalf of the owners make application to terminate the condominium status of the parcel in accordance with the provisions of the Act, and each of the owners shall be deemed to consent to such application. Upon termination of the condominium status:

- (i) any liens or charges affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the interests of the respective owners in the parcel; and
- (ii) the proceeds of insurance shall be paid to the owners and mortgagees as their respective interests any appear in proportion to their respective interests in the parcel;
- (b) No owner shall be entitled to claim any compensation from the Corporation for any loss or damage to the property or person of the owner arising from any defect or want of repair of the common property or any part thereof.
- (c) Where the Corporation is required to enter a unit for the purpose of maintaining, repairing or renewing pipes, wires, cables and ducts for the time being existing in the unit and capable of being used in connection with the enjoyment of any other unit or the common property, the Corporation and its servants, employees and agents shall in carrying out any work or repairs do so in a proper and workmanlike manner and shall make good any damage to the unit occasioned by such works and restore the unit to its former condition, leaving the unit clean and free from debris.
- (d) An owner shall indemnify and save harmless the Corporation from the expense of any maintenance, repair or replacement rendered necessary to the common property or to any unit by his act or omission or by that of any member of his family or his or their guests, servants, agents, invitees, licensees or tenants, but only to the extent that such expense is not met by the proceeds of insurance carried by the Corporation.

INSURANCE

46. The Board, on behalf of the Corporation, shall obtain and maintain subject always to the Act at all times, to the extent obtainable, the following insurance:

- (a) Fire insurance with extended coverage endorsement insuring the common property and all of the units (including the bathroom and kitchen fixtures, installed by the Developer therein, but not including furnishings or other personal property installed by unit owners) for the full replacement value thereof, without deduction for depreciation, and covering the interests of all owners and their mortgagees and the Corporation, as their respective interests may appear and each policy shall provide for a separate loss payable endorsement in favour of the mortgagee or mortgagees of any unit against which a mortgage is registered, and, if possible, each policy shall provide that the proceeds on loss are to be paid, and the mortgagee or mortgagees shall assign the proceeds of insurance, to the Board as trustee for the mortgagees and owners as their respective interests may appear;
- (b) Boiler insurance if any boilers or pressure vessels exist;
- (c) Such other insurance as the Board may determine or as may be determined by special resolution.

All policies shall provide that they may not be cancelled or substantially modified without at least sixty (60) days' prior written notice to all of the insureds, including all mortgagees of units who have given prior

written notice to the Corporation of their interests. Prior to obtaining any policy of fire insurance or any renewal thereof and at least annually, the Board shall obtain an appraisal from a fire insurance company of the full replacement value of the buildings including all of the units and the common property.

Exclusive authority to adjust losses and settle proceeds under policies hereinafter in force in the project shall be vested in the Board or its authorized representative.

In no event shall the insurance coverage obtained and maintained by the Board be brought into contribution with insurance purchased by owners or their mortgagees.

The Board shall also obtain and maintain public liability insurance insuring the Board and the owners against any liability to the public or to the owners and their invitees, licensees or tenants, incident to the ownership or use of the project. Limits of liability under such insurance shall be not less than \$500,000.00 for any one person injured or for any one accident and shall not be less than \$100,000.00 for property damage per occurrence. The limits and coverage shall be reviewed at least annually by the Board and increased in its discretion. The policy or policies shall provide cross liability endorsement wherein the rights of a named insured under the policy or policies shall not be prejudiced as respects its, his, her or their action against another named insured.

Each insurance policy shall provide for:

- (a) a waiver by the insurer of its subrogation rights against the Corporation and the owners, except for arson and fraud;
- (b) a waiver by the insurer of any defence based on co-insurance or of invalidity arising from the conduct of or any omission or act or breach of a statutory condition by any insured;
- (c) a waiver of the insurer's option to repair, rebuild or replace in the event that after damage the condominium status is terminated.

A certificate or memorandum of all insurance policies and endorsements thereto shall be issued as soon as possible to each owner and a duplicate original or certified copy of the policy to each registered mortgagee; renewal certificates or certificates of new insurance policies shall be furnished to each owner and renewal certificates or certified copies of new insurance policies to each registered mortgagee not later than ten (10) days before the expiry of any current insurance policy. The master policy for any insurance coverage shall be kept by the Corporation in its offices, available for inspection by an owner or registered mortgagee on reasonable notice to the Corporation.

Notwithstanding the foregoing, the owners may, and upon the written request of any mortgagee the owners shall, carry insurance on their own units as permitted by the Act provided that the liability of the insurers issuing insurance obtained by the Board shall not be affected or diminished by reason of insurance carried by any unit owner.

ASSESSMENTS FOR COMMON EXPENSES AND BUDGETS

47. (a) The common expenses of the Corporation shall, without limiting the generality hereof, include the following:
- (i) all levies or charges on account of electricity, water, gas and fuel service supplied to the Corporation for the project and for the benefit of all owners;
 - (ii) management fees, if any, wages, salaries, taxes and other expenses payable to or on account of employees of the Corporation;
 - (iii) all the charges on account of lawn maintenance and for ice, snow and debris removal from common property not designated as a privacy area under By-Law 58;

- (iv) all charges on account of lighting fixtures situated on common property;
 - (v) all charges on account of maintenance for those portions of a unit for which the Corporation is responsible under these by-laws;
 - (vi) all charges on account of maintenance for common property for which the Corporation is responsible under these by-laws;
 - (vii) all insurance costs in respect of the insurance for which the Corporation is responsible under these by-laws and/or the Act.
- (b) Fifteen (15) days prior to the end of each fiscal year the Corporation shall deliver or mail to each owner at the municipal address of his unit:
- (i) a copy of the budget for the ensuing fiscal year; and
 - (ii) a notice of the assessment for his contribution towards the common expenses for said ensuing fiscal year. Said assessment shall be made to the owners in proportion to their unit factors as shown in the condominium plan.
- (c) Budget Procedure: The budget shall set out by categories an estimate of the common expenses of the Corporation for the next fiscal year. The budget shall include a reasonable provision for contingencies and replacements.
- (d) The common expenses set forth in each assessment shall be payable to the Corporation, or to any other person, firm or corporation to whom the Corporation shall direct payment to be made from time to time, in twelve equal consecutive monthly instalments payable, in advance, on the first day of each month, the first instalment to be made on the 1st day of the month immediately following receipt of such notice of assessment.
- (e) All payments of whatsoever nature required to be made by each owner and not paid within ten (10) days from the due date for payment shall bear interest at the rate of 12% per annum from the date when due until paid. All payments on account shall first be applied to interest and then to the assessment payment first due.
- (f) Within thirty (30) days following written application therefor by the owner the Corporation shall furnish to the owner a statement setting forth as of its date the amount of any unpaid assessments then due from such owner.
- (g) Notwithstanding anything to the contrary hereinbefore contained, during the initial stages of development and before 90% of the units have been occupied or sold by the Developer of the project and prior to the first annual general meeting being convened and the fiscal year of the Corporation established, the following provisions will apply:
- (i) The Developer will cause to be prepared an interim statement of anticipated common expenses, which may be revised and sent to the owners every three (3) months;
 - (ii) The owner or occupier of a unit shall pay to the Developer on the first day of each month, commencing on the first day of the month next following receipt by the owner or occupier of Notice of Estimated Monthly Assessment, the amount of the estimated monthly assessment towards common expenses for which his unit is responsible, based on the unit factor for his unit, and the Developer shall likewise pay the same amount to the Corporation for each of the units owned by it.
- (h) The omission by the Board or the Developer to affix the assessments hereunder for the next ensuing fiscal year or other period provided for herein, shall not be deemed a waiver or

modification in any respect of the provisions of these by-laws, or release of the owner or owners from their obligation to pay the assessments or special contributions, or any instalments thereof for any year or period, but the assessments fixed from time to time shall continue until new assessments are fixed. No owner can exempt himself from liability for his contributions toward the common expenses by waiver of the use or enjoyment of any of the common property or by vacating or abandoning his unit.

SPECIAL ASSESSMENTS

48. If at any time it appears that the annual assessment or contribution towards the common expense will be insufficient to meet the common expenses, the Corporation may assess and collect a special contribution or contributions against each unit in an amount sufficient to cover the additional anticipated common expense. The Corporation shall give notice of such further assessment to all owners which shall include a written statement setting out the reasons for the assessment and each assessment shall be due and payable by each owner in the manner and on the date or dates specified in the notice. Each such special contribution shall be determined and assessed against the owners in proportion to their unit factor as shown in the condominium plan. All such special contributions shall be payable within ten (10) days of the due date for payment as specified in the notice and if not paid shall bear interest at the rate of 12% per annum from the due date until paid.
49. Default in payment of assessments and lien for unpaid assessments, instalments and payments:
 - (a) The Corporation shall and does hereby have a lien on and a charge against the estate or interest of any owner for any unpaid assessment, instalment or payment due to the Corporation, which lien shall be a first, paramount lien against such estate or interest subject only to the rights of any registered first mortgagee and any municipal or local authority in respect of unpaid realty taxes, assessments or charges of any kind against the unit title or interest of such owner. The Corporation shall have the right to file a caveat or encumbrance against the unit title or interest of such owner in respect of the lien or charge for the amount of such unpaid assessment, instalment or payment as hereinbefore mentioned, and for so often as there shall be any such unpaid assessment, instalment or payment, provided that each such caveat or encumbrance shall not be registered until after the expiration of thirty (30) days following the due date for the first payment in arrears. As further and better security each owner, responsible for any such unpaid assessment, instalment or payment, which is in arrears for more than thirty (30) days, shall give to the Corporation a mortgage or encumbrance for the full amount thereof and all assessments, instalments and/or payments, and interest thereon at the rate of 12% per annum for the due date or dates for payment of the same, and the Corporation shall be entitled to enforce its lien, charge and security and pursue such remedies as may be available to it at law or in equity, from time to time.
 - (b) Any other owner or person, firm or corporation whatsoever may pay any unpaid assessment, instalment or payment after the expiration of thirty (30) days following the due date for payment by the owner in default, with respect to a unit, and upon such payment, such party, person, firm or corporation shall have a first, paramount lien, subject to the estates or interests hereinbefore mentioned and shall be entitled to file a caveat or encumbrance in respect of the amount so paid on behalf of the owner in default, and shall be entitled to enforce his lien, thereby created, in accordance with the other terms and conditions of this provision.
 - (c) Notwithstanding and in addition to any other term, condition or provision herein contained or implied, each unpaid assessment,

instalment or payment shall be deemed a separate, distinct and personal debt and obligation of the owner against whom the same is assessed and collectible as such. Any action, suit or proceeding to recover such debt or to realize on any judgment therefore shall be maintainable as a separate action, suit or proceeding without foreclosing or waiving the lien, charge or security, securing the same.

- (d) Mortgage protection: Notwithstanding all other provisions hereof the lien, charge or security created, as hereinbefore mentioned, and referred to in the preceding paragraphs, shall be subject always and subordinate to, and shall not affect the rights of the holder of, any indebtedness secured by any registered first mortgage and the Corporation or other party shall, upon the request of such first registered mortgagee, at the expense of such other party or the Corporation, as the case may be, execute and deliver such postponements, agreements or instruments of subordination as the said mortgagee shall reasonably require to fully and effectively establish or maintain its priority as a first registered mortgagee in respect of a unit title against which it has registered its mortgage.

ESTOPPEL CERTIFICATES

50. Any certificate as to an owner's position with regard to expense assessments or otherwise, issued by an officer of the Corporation or the managing agent shall be deemed an estoppel certificate and the Corporation and all of the owners shall be estopped from denying the accuracy of such certificate against any mortgagee, purchaser or other person dealing with the unit owner; but this shall not prevent the enforcement against the unit owner incurring the said expense of all obligations of the said unit owner whether improperly stated in such estoppel certificate or not.

LEASING OF UNITS

51. In the event that any owner desires to lease or rent his unit he shall furnish to the Corporation an undertaking, in form satisfactory to the Corporation, signed by the proposed lessee or occupant, that the proposed lessee or occupant of the unit will comply with the provisions of the Act and of the by-laws of the Corporation. The owner shall not be released of any of his obligations and shall be jointly and severally liable with the proposed lessee or occupant with respect to such obligations.

SEVERABILITY

52. The provisions hereof shall be deemed independent and severable and the invalidity in whole or in part of any by-law does not affect the validity of the remaining by-laws, which shall continue in full force and effect as if such invalid portion had never been included herein.

NOTICES

53. Unless otherwise expressly provided in these by-laws, service of any notice required to be given under the Act or under these by-laws shall be well and sufficiently given if sent by prepaid registered mail to the owner at the address of his unit or if left with him or some adult person at the said address or to the Corporation at its address for service shown on the condominium plan, or to a mortgagee at its address supplied to the Corporation. Any notice given by post shall be deemed to have been sent and received 48 hours after it is posted. An owner or a mortgagee may at any time in writing advise the Corporation of any change of address at which notices shall be served or given and thereafter the address specified therein shall be deemed to be the address of such owner or a mortgagee, as the case may be for the giving of notices. The word "notice" shall include any request, statement or other writing required or permitted to be given hereunder or pursuant to the Act by these by-laws.

NOTICE OF DEFAULT OF MORTGAGAGES

54. Where a mortgagee has notified the Corporation of its interest, any notice of default sent to an owner shall also be sent to the mortgagee.

DEBT RETIREMENT ON TERMINATION

55. Subject to the provisions of the Act, upon termination of the condominium status for any purpose, all debts of the Corporation shall first be paid out of the assets, and the balance of the assets, if any, shall be distributed to the owners in proportion to their unit factors.

COMPANY WHICH IS MEMBER OF BOARD

56. A company which is a member of the Board may by proxy, power of attorney or resolution of its directors appoint such person as it thinks fit to act as its representative on the Board and to attend meetings thereof and vote as such meetings on behalf of the company and such representative shall be entitled to so act provided notice in writing thereof shall have been given to the Board. Where a company is the only member of the Board a minute or resolution signed by its representative or by the alternate of its representative duly appointed pursuant to the paragraph next following shall be deemed to be a resolution of the Board.
57. A representative of a company on the Board may appoint any person whether another owner or not and whether a member of the Board or not to serve as his alternate representative on the Board and as such to attend and vote in his stead at meetings of the Board and to do anything specifically provided for in these by-laws. Such alternate shall, if present, be included in the count for quorum and if he be a member of the Board he shall be entitled to two votes, one as a member of the Board and the other as an alternate representative of a member of the Board. If the representative so directs, notice of meetings of the Board shall be sent to the alternate representative and not to the appointing representative. An alternate representative shall ipso facto vacate office as an alternate representative of a member of the Board if and when the appointing representative vacates the office of a representative of a member of the Board or removes the alternate representative from the office as alternate representative, and any appointment or removal under this by-law shall be made in writing under the hand of the representative making the same.

PRIVACY AREA AND PARKING STALLS

58. The Developer may originally assign portions of the common area to an owner as a privacy area or parking stall at the time of sale, subject to amendment by the Board and the Board may, from time to time, designate and assign to an owner a portion of the common property to be used exclusively by such owner as a patio, back yard or front yard area which is sometimes referred to herein as a privacy area and also a parking stall or stalls. While neither such privacy area nor parking stall is included in the registered condominium plan as part of a condominium unit the privacy area and parking stall shall be maintained at the sole expense of the owner to whom it has been assigned for the duration of the term it is so assigned. If the owner shall fail to properly maintain the privacy area and parking stall assigned to him after ten (10) days' notice to him to correct any maintenance problem set forth in said notice from the Board, then the Board or its representative may order the maintenance corrected and the owner affected shall reimburse the Board for all monies expended and all costs incurred in correction in order to rectify said maintenance problem and pay interest thereon at the rate of 12% per annum after demand for payment.

AMENDMENT OF BY-LAWS

59. The Schedule "A" by-laws may be added to, amended or repealed by unanimous resolution of the Corporation and not otherwise. The Schedule "B" by-laws may be added to, amended or repealed by special resolution of the Corporation and not otherwise.

REALTY TAXES

60. The realty taxes and other municipal and governmental levies or assessments against land, including improvements, comprising all or any part of the units and the common property comprising the condominium project shall be assessed and imposed in accordance with provisions of the Act, but until such time as the assessing authority assesses each unit and the share in the common property appurtenant thereto pursuant to the Act such realty taxes and other municipal and governmental levies or assessments shall be apportioned and adjusted amongst all the owners according to their respective unit factors.

INDEMNIFICATION OF OFFICERS AND MANAGERS

61. The Corporation shall indemnify every manager or officer, and his or her heirs, executors and administrators against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a manager or officer of the Corporation, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. All liability, loss, damage, costs and expense incurred or suffered by the Corporation by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Corporation as common expenses.

NONPROFIT CORPORATION

62. The Corporation is not organized for profit. No member, member of the Board or person from whom the Corporation may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Corporation be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board. The foregoing, however, shall neither prevent nor restrict the following:
- (a) reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Corporation for services rendered in effecting one or more of the purposes of the Corporation; and
 - (b) any member or manager may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Corporation.

SCHEDULE "B" - BY-LAWS

RULES AND REGULATIONS

1. An owner shall not:

- (a) use his unit for commercial or professional purposes or for any purpose which may be illegal or injurious to the reputation of the condominium project;
- (b) make or permit noise in or about any unit or the common property which in the opinion of the Board is a nuisance or unreasonably interferes with the use and enjoyment of a unit or the common property by any other owner. No instrument or other device shall be used within a unit which in the opinion of the Board causes a disturbance or interferes with the comfort of other owners;
- (c) keep any animal or pet of any kind in his unit or the common property unless specifically approved in writing by the Board, which approval the Board may arbitrarily withhold and may, if given, withdraw anytime on seven (7) days notice to that effect.
- (d) use or permit the use of his unit other than as a single family dwelling;
- (e) permit his unit to be occupied as a place of residence by more than seven (7) persons (whether adult or minor) at any given time without the consent in writing of the Board;
- (f) do any act or permit any act to be done, or alter or permit to be altered his unit in any manner, which will alter the exterior appearance of the structure comprising his or any other units;
- (g) permit laundry to be hung other than inside the unit;
- (h) permit, erect or hang over or from or cause to be erected or to remain outside any window or door or any other part of a unit or on the common property, fences, barriers, partitions, awnings, shades or screens or any other matter or thing without the consent in writing of the Board first had and obtained. No television antenna or similar structure or appurtenances thereto shall be erected on or fastened to any unit except in connection with a common television antenna or cable system as authorized by the Board and then only in accordance with the regulations therefor which may be established by the Board;
- (i) do anything or permit anything to be done in his unit or the common property which will or would tend to increase the risk of fire or the rate of fire insurance premiums with respect thereto;
- (j) do anything or permit anything to be done by any occupier of his unit in his unit, the common property that is contrary to any statute, ordinance, by-law or regulation of any government authority whether Federal, Provincial, Municipal or otherwise;
- (k) do or permit anything to be done that may cause damage to trees, plants, bushes, flowers or lawns and shall not place chairs, tables, children's play things, devices or toys or other objects on the lawns and grounds so as to damage them or to prevent growth or to interfere with the cutting of the lawns or the maintenance of the grounds generally;
- (l) deposit household refuse and garbage outside his unit other than in the manner prescribed by the Board;
- (m) erect, place, allow, keep or display signs, billboards, advertising matter or other notices or displays of any kind on the common property or in or about any unit in any manner which may make the same visible from the outside of the unit without the prior approval of the Board;

- (n) use any part of the common property other than designated parking stall or stalls or privacy areas, which may be designated for and assigned to an owner by the Board, for the parking or operation of any motor vehicles except in accordance with permission in writing from the Board nor shall he obstruct or permit any sidewalk, walkways, passages or driveways, or parking areas to be obstructed by his family, guests, or visitors;
- (o) shake mops or dusters of any kind nor throw anything out any windows in his unit or on common property, nor permit anything of this kind to be done;
- (p) allow his unit or privacy area to become unsanitary or unsightly in appearance;
- (q) make or cause to be made any structural alteration or addition to his unit without first having the design and specifications of such alteration or addition approved in writing by the Board. Any alteration or addition made by an owner without such approval may be restored or removed by the Board or its duly authorized representative or representatives and any costs incurred by the Corporation as a result thereof shall forthwith be paid by such owner to the Corporation and shall bear interest at the rate of 12% per annum from the time such costs are incurred until paid;
- ↘ (r) permit any member of his household, guests or visitors to trespass on the part of the parcel to which another owner is entitled to exclusive occupation;
- (s) when the purpose for which a unit is intended to be used is shown expressly or by necessary implication on or by the registered condominium plan, use his unit for any other purpose or permit the same to be so used;
- (t) wash cars except in such a manner as will not cause nuisance or annoyance to other owners and in such place and at such times as the Board may from time to time by regulation set forth or direct and no repairs or adjustments to automobiles shall be carried out on the project, nor shall any commercial vehicles be brought on to the project without the written consent of the Board or a manager or nominee thereof save in the course of delivery to or removal from the respective premises;
- ↘ (u) allow the area around his premises to become untidy. The Board shall be at liberty to remove any rubbish or clean up the common property in close proximity to an owner's premises to its satisfaction and charge the expense to the owner;
- (v) do any act or thing or neglect or fail to do any act or thing which would render invalid any insurance in force and maintained by the Corporation or which would increase the premium therefor;
- (w) be responsible for ice and snow removal other than from the front steps and front walkway of his own unit and connecting walks to designated parking area;
- (x) allow trailers, campers, boats, snowmobiles, trail bikes, all terrain vehicles or similar vehicles or equipment to be parked or stored other than in an area designated by the Board;
- (y) allow or cause any household or personal effects or articles belonging to him to be kept anywhere except inside his respective unit when not in actual use, and each owner will comply with all reasonable requests of the Board or its representatives that all household or personal effects or articles, including bicycles, toys and like things belonging to an owner's household be put away inside such unit when not in actual use; and
- ↘ (z) prevent or prohibit access to and use of exterior water taps on his unit for purposes of maintaining common property.