

OWNERS: CONDOMINIUM PLAN NO. 9611131

A BARE LAND CONDOMINIUM CORPORATION

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OWNERS: CONDOMINIUM PLAN NO. 9611131

BY-LAWS OF THIS BARE LAND CONDOMINIUM CORPORATION

1. APPLICATION, DEFINITIONS AND INTERPRETATION

These By-laws have been passed by Owners: Condominium Plan No. 9611113 for the purpose of repealing, replacing and substituting the By-laws set out in Appendix 1 of the *Condominium Property Act* being Chapter C-22 of the Revised Statutes of Alberta, 2000, and amendments thereto. 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, 2000, Chapter C-22, as amended from time to time or any statute or statutes passed in substitution or replacement therefor;
- (b) **"Architectural Standards"** means those specifications of colours, shades, textures, finishes, materials, hues, design, dimensions, appearances and criteria prescribed for the construction, replacement, or modification of any and all structures of any and all kinds situate on the Parcel. See Schedule "A";
- (c) **"Board"** means the Board of Directors of the Corporation;
- (d) **"Board Member"** means a duly elected member of the Board;
- (e) **"Buildings"** means collectively all of the Dwelling Houses shown within the Condominium Plan and any other structure constructed on the Common Property;
- (f) **"By-laws"** means the By-laws of the Corporation, as amended from time to time;
- (g) **"Capital Replacement Reserve Fund"** means the fund established by the Board to be used for the repair or replacement of the Common Property and any real and personal property owned by the Corporation, or any real and personal property required to be maintained by the Corporation;
- (h) **"Capital Replacement Reserve Fund Plan"** means the plan adopted by the Board to establish a Capital Replacement Reserve Fund to provide sufficient funds which can realistically be expected to cover the cost of major repairs, maintenance, or replacement of the Common Property and the Managed Property or any of the components thereof, or any real and personal property required to be maintained by the Corporation;
- (i) **"Capital Replacement Reserve Fund Study"** means the study to be undertaken by the Board which shall serve as the basis for a report determining the life expectancy or reasonable working life in respect of all aspects of the Common Property or the components thereof, or any real and personal property required to be maintained by the Corporation;
- (j) **"Common Expenses"** mean the cost of performance of the objects and duties of the Corporation and expenses specified as Common Expenses in these By-laws;

(k) **"Common Property"** means:

- (i) so much of the Parcel as is not comprised in or does not form part of any of the Units, as registered on the Owners: Condominium Plan No. 9611131, and includes all Infrastructure as defined in these definitions and situated within the Parcel, any part of the Buildings or Units as may be designated by the Corporation as Common Property for the purposes of maintaining or replacing the same to meet standards determined by the Corporation from time to time;
- (ii) the personal property and equipment owned by the Corporation; and
- (iii) the Managed Property, or the components thereof, and any real or personal property required to be maintained by the Corporation;

Without limiting the generality of the foregoing, the entrance features, the security gates, the cement pathway and chain-link fence located between Units 23 and 24, the mailboxes and the mailbox building, and the Infrastructure, as defined in these By-laws, shall be deemed to be included in the definition of Common Property;

- (l) **"Condominium Fees"** means the monthly fees charged by the Corporation to an Owner on account of Common Expenses or other charges payable by the Owner pursuant to these By-laws, and includes Special Assessments or other levies payable by the Owner in respect of extraordinary expenses of a non-recurring nature necessary to pay for any repair, replacement or renewal of Common Property or Managed Property not anticipated or budgeted for in calculation of the monthly Condominium Fees;
- (m) **"Condominium Plan"** means the bare land condominium plan registered in the Land Titles Office for the South Alberta Land Registration District under the Act as: "Owners: Condominium Plan No. 9611131";
- (n) **"Corporation"** means the Corporation constituted under the Act by the registration of the Condominium Plan whose legal name is : "Owners: Condominium Plan No. 9611131";
- (o) **"Dwelling House"** means the dwelling or residence constructed on a Unit and includes the attached garage;
- (p) **"Improvements"** means any alterations, changes, additions, betterments, or updates to the base Unit (including the Dwelling House) as originally sold by the developer to the first Owner;
- (q) **"Infrastructure"** means the care and management of all electrical, gas, water, sewer, storm sewer, telephone, cable television, or other utility lines, (up to property line of each Unit), as well as all street lighting, water hydrants, community mailboxes, and roadways that exist within the Parcel;
- (r) **"Insurance Trustee"** means an entity authorized to carry on the business of a trust company under the laws of Alberta selected from time to time by Ordinary Resolution of the Board, whose duties shall include the receiving, holding and disbursing of proceeds of policies of insurance pursuant to these By-laws and the Act. If no Insurance Trustee is appointed, then the Insurance Trustee shall be the Board;
- (s) **"Insured"** shall be deemed to include the Corporation, the Board, the Manager, and Owners and their families, Tenants, guests or invitees, as appropriate, to allow coverage for any losses incurred which are covered by any policy of insurance taken or maintained by the Corporation, or by any other party on behalf of the Corporation or upon which the Corporation may rely in

order to permit recovery of an insured loss;

- (t) **"Insured Hazard"** means fire, flood, tempest, storm, act of God or other hazard required hereunder to be insured against by the Corporation;
- (u) **"Interest Rate"** means that rate of interest per annum established by the Board from time to time, which may be or shall become payable hereunder by an Owner in respect of monies owing by such Owner to the Corporation, and shall in no case be less than the commercial prime rate in Lethbridge, Alberta, of the bank with which the Corporation conducts its banking business plus four (4%) percent, accruing from the earliest date on which any portion of the said monies becomes payable by an Owner;
- (v) **"Managed Property"** means all those parts of the Infrastructure and Common Property pursuant to the By-laws or by contract, that the Corporation is required to administer, maintain, repair or replace in such a manner as though it were Common Property, or as otherwise agreed, for the common benefit of all Owners;
- (w) **"Manager"** means a person, firm or corporation appointed as Manager or contractually appointed by the Board;
- (x) **"Mortgagee"** means the holder of a mortgage registered against the title to one or more Units;
- (y) **"Owner"** means a person who is registered as the owner of the fee simple estate in a Unit and where the context so requires the term "Owner" shall be deemed to include a Tenant or Occupier;
- (z) **"Parcel"** means all of the Units and all of the Common Property and all of the land comprised in the Condominium Plan;
- (aa) **"Parking Space"** means any unit or space designated by the Corporation as such;
- (bb) **"Parking Space Owner"** means the Owner of a Parking Space;
- (cc) **"Person"** includes a corporation or other legal entity, and the heirs, executors, administrators or other legal representatives of an individual, or a corporation and its successors;
- (dd) **"Privacy Area(s)"** means the balcony, deck, or patio areas immediately adjacent to and affixed to a Unit to which such Unit Owner has sole access notwithstanding that such area may form part of a Unit, the Common Property, or the Managed Property;
- (ee) **"Project"** means all of the real and personal property and fixtures comprising the Parcel, land and buildings which constitute the Units and Common Property;
- (ff) **"Resolutions":**

"Ordinary Resolution" means a resolution:

- (i) passed at a properly convened meeting of the Corporation by a majority of not less than fifty-one percent (51%) of all the persons present at such meeting and entitled to exercise the power of voting conferred under the Act or these By-laws; or

- (ii) in writing signed by not less than fifty-one percent (51%) of all of the persons who, at a properly convened meeting of the Corporation, would be entitled to exercise the power of voting conferred by the Act or these Bylaws and representing not less than fifty-one percent (51%) of the Unit Factors for all of the Units;

"*Special Resolution*" means:

- (iii) a resolution passed at a properly convened meeting of the Corporation, of which at least seven (7) days' notice specifying the proposed resolution has been given, by a majority of not less than seventy-five percent (75%) of all the persons entitled to exercise the power of voting conferred under the Act or these By-laws and representing not less than seventy-five percent (75%) of the Unit Factors for all the Units; or
- (iv) a written resolution signed by not less than seventy-five percent (75%) of all of the persons who, at a properly convened meeting of the Corporation, would be entitled to exercise the power of voting conferred by the Act or these By-laws and representing not less than seventy-five (75%) of the total Unit Factors for all the Units;

"*Unanimous Resolution*" means a resolution:

- (v) passed unanimously at a properly convened meeting of the Corporation by all the persons entitled to exercise the power of voting conferred by the Act or these By-laws representing the total Unit Factors for all Units; or
 - (vi) signed by all person who, at a properly convened meeting of the Corporation, would be entitled to exercise the powers of voting conferred by the Act or these By-laws;
- (gg) "**Restrictive Covenant**" means that Restrictive Covenant and Easement as registered against the title of all of the Units;
 - (hh) "**Special Assessment**" means a charge or levy imposed by the Corporation on an Owner for the payment of costs or expenses of a non-recurring nature that were not otherwise budgeted for in the calculation of monthly Condominium Fees;
 - (ii) "**Spouse**" includes a person who holds that position usually enjoyed by a spouse whether or not he or she is legally married and includes persons of the same sex;
 - (jj) "**Tenant**" or "**Occupier**" means a person residing in a Dwelling House owned by another person under either a lease agreement, or with the permission of the Owner;
 - (kk) "**Unit**" means land that is situated within the Parcel and is described as a Unit in the condominium plan by reference to boundaries governed by monuments placed pursuant to the provisions of the Surveys Act respecting subdivision surveys;
 - (ll) "**Unit Factor**" means the unit factor for each Unit as more particularly specified or apportioned and described in and set forth on the Condominium Plan, and which shall be used as the basis for determining the respective proportion of Condominium Fees or Special Assessments payable by the Owners;

Definitions-Interpretation

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 these 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* (Alberta) or the *Law of Property Act* (Alberta), as amended from time to time or in any statute or statutes passed in substitution therefore.

Words importing the singular number also 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. MISCELLANEOUS PROVISIONS

- (a) **Headings:** 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.
- (b) **Rights of Owners:** The rights and obligations given or imposed on the Corporation or the Owners under these By-laws are in addition to any rights or obligations given or imposed on the Corporation or the Owners under the Act.
- (c) **Conflict with Act:** If there is any conflict between these By-laws and the Act, the Act prevails.
- (d) **Extended Meanings:** If and whenever reference hereunder is made to "repair", it is hereby implied and extended to include in its meaning the making of improvements or betterments or the enhancement or replacement with a better thing of or for anything to which such repair could be made.
- (e) **Severability:** The provisions of these By-laws shall be deemed independent and severable, and the invalidity in whole or in part of any article, section, part, or provision herein, shall not affect the validity of the whole or remaining articles, parts, sections, or provisions herein contained, which shall continue full force and effect as if the invalid portion had never been included herein.

3. DUTIES OF THE OWNERS

An Owner SHALL:

- (a) **Permit Access:**

Subject always to the Act, the Owner shall permit the Corporation and its agents, at all reasonable times on a minimum of twenty-four (24) hours notice (except in case of emergency when no notice is required), to enter a Unit for the purpose of protecting the reasonable interests of the Corporation and the interests of adjacent Owners of Units within the Project, to:

- (i) maintain, repair, or renew the Common Property or the Managed Property, or to mitigate or prevent further damage caused by fire, flood, noise or other risks from affecting neighboring Owners;
- (ii) ensure that the By-laws are being observed;
- (iii) do any work for the benefit of the Corporation generally;

- (iv) allow access to meters monitoring the use of any utility.

In the event that the Corporation must gain access for the aforesaid purposes by using a locksmith, the cost of such locksmith shall be borne by the Unit Owner.

The quality of the repair and maintenance conducted either by the Corporation or by an Owner shall be consistent with the standards of design, quality, and state of repair of the adjoining Dwelling Houses on the Parcel, and the standards of repair and maintenance shall also comply with any rules or regulations made by the Corporation in regards to the standards of repair and maintenance from time to time; provided, however, that the Corporation or its agents shall cause as little disruption, noise, or inconvenience to the Owners as may be reasonable in fulfilling the same;

(b) Comply With Governmental Orders or Requirements:

The Owner shall forthwith, as required:

- (i) carry out all work that may be ordered by any municipality or public authority in respect of the Unit or Dwelling House, and the Owner shall be responsible for the purchase of all municipal permits, licenses, and inspections as required by the City of Lethbridge;
- (ii) pay all rates, taxes, charges, outgoings and assessments that may be payable in respect of the Unit or Dwelling House;

(c) Maintain, Repair, and Replacement of any part of the Unit and Dwelling House:

The Owner shall be responsible to maintain, repair, or replace any part of the Unit and Dwelling House in accordance with the standards established by the Corporation from time to time, and shall duly and properly clean, wash, maintain, repair or replace any aspects of the Unit and Dwelling House that require maintenance, repair, or replacement, at the sole expense of the Owner.

The Owner shall maintain and keep in a neat, clean, and tidy state and appearance consistent with and in total integrity with the balance of the Parcel, his Unit and buildings, improvements and additions thereon,

If any Owner fails to maintain any part of his Unit to the standards established by the Corporation from time to time, the Corporation may give ten (10) days' notice to the Owner to affect such repairs or conduct such maintenance as may be required, and if such notice has not been complied with at the end of that period, then the Corporation may carry out such work at the expense of the Owner.

The Owner shall be responsible to keep the Unit and all portions thereof (including the Dwelling House) in a state of good repair, excepting such maintenance, repairs and damage as are provided by the Corporation or for which the Corporation is responsible pursuant to these Bylaws. Where there is any doubt as to the respective responsibilities of the Owner and the Corporation in respect to repairs and maintenance or otherwise as set out in these By-laws or arising from any rule, regulation or direction issued by the Corporation, or in respect of the standards established by the Corporation from time to time, then unless or until determined in writing by the Corporation, the Owner shall be deemed to be primarily responsible for ensuring that reasonable standards in respect to his Unit are maintained, and for the payment of all costs of all repairs or maintenance associated with maintaining such standards.

Notwithstanding the above, the Owners shall share in common the responsibility to maintain, repair and replace the Common Property plus such parts of the Buildings and adjacent yards as may be reasonable to preserve and protect the respective investments of the Owners in their Unit. In general, all maintenance, repairs or replacement of any element of the interior of a Dwelling House or exclusive to a Unit, shall be the sole responsibility of the Owner.

The Corporation shall be empowered from time to time to determine what elements of any Unit or Units constitutes Managed Property, and whether the responsibility for specific items of maintenance, repairs or replacement shall be borne by the Corporation or by one or more Owners, and in making such determination, the Corporation may consider whether such repairs are a result of an intentional acts or omission, negligence, or wanton disregard of one or more Owners of the interests of the others.

(d) Alterations, Additions, and Renovations:

The Owner shall not embark upon any alterations, additions, or renovations to a Unit or Dwelling House without a written request from the Owner to the Board describing all changes he wishes to make, and a written consent from the Board to the Owner is required before any changes can begin. In all circumstances, any action requiring City of Lethbridge permits of any type, and inspection by the appropriate City of Lethbridge inspection authority for the project, the Owner must obtain the necessary permits and the Owner will be responsible for all costs of the permits and inspections. Copies of all permits must be provided to the Board prior to the commencement of any construction, and copies of all satisfactory inspection reports must be provided to the Board upon completion of the project.

(e) Signage:

No signage may be placed on a Unit or Dwelling House without the expressed written approval of the Board.

(f) Insurance:

It is the Owners responsibility to purchase a "Condominium Unit Owners" insurance policy for their Unit. A "Homeowners" insurance policy is not allowable or acceptable coverage for their Unit. Please refer to Section 50 of these By-Laws for an understanding of the Owner's responsibility and requirements regarding insuring their Unit in this bare land condominium development.

It is recommended that each Owner purchase coverage for all betterments and improvements that have been made to their Unit.

It is also recommended that each owner provide for an "inflation guard" endorsement for automatic increase of their policy limits in accordance with the total replacement costs of all items covered by their Condominium Unit Owners insurance policy.

(g) Use of Units, Common Property, or Privacy Areas

(i) *Quiet Possession*-The owner shall use and enjoy his or her Unit, the Dwelling House and the Common Property in accordance with these By-laws and all the rules, policies, and regulations prescribed by the Corporation in such a manner as to not unreasonably interfere with the use and enjoyment thereof by other Owners, their families or invitees;

- (ii) *Health* – No Owner shall do anything or permit anything to be done within the Parcel that may injuriously affect the health or safety of other Owners. Units and Dwelling Houses shall be kept clean, in good condition and free of insects or vermin. No Owner shall do or permit anything that may be illegal, injurious, or will cause nuisance or hazard to anyone within the Parcel.
- (iii) *Personal Belongings* – Owners shall cause all articles within their Ownership, care or custody, including bicycles, toys, and all other items other than patio furniture, to be appropriately kept or stored within their respective Dwelling House. No items may be stored under any patio decks or stairways or in any way as would be conspicuous to neighbors and passers-by;
- (iv) *Water* - Outside water shall not be left running and unattended by any Owner;
- (v) *Trespass* - No Owner shall trespass upon or permit any visitor or occupant of his or her Unit to trespass upon any part of any Unit or Dwelling House of another Owner;
- (vi) *Access to Utility/Storage Areas* - No Owner shall have access to those parts of the Common Property which are used as utilities rooms, storage operating machinery room, or any part of the Common Property or Managed property used for or in connection with the care, maintenance or operation of the Parcel or the Common Property, except with the express written permission of the Board;
- (vii) *Single Family Residence* - The Owner shall not use or permit the use of his or her Unit or Dwelling House for any purpose other than a single-family residence, and without limiting the generality of the foregoing, shall not construct or permit the use of more than one kitchen in a Unit;
- (viii) *Pets* - The Owner shall not keep any animals or any pets in his Dwelling Unit or upon the Unit, except as may be permitted by these By-laws (Section 63) and only then with the written permission of the Board;
- (ix) *Commercial Uses* - Nor shall any Owner use or permit any portion of his or her Unit to be used for any commercial or professional business (even if the same may be permitted by municipal land use or zoning By-laws) unless such use is permitted by the expressed written permission of the Board;
- (x) *Electrical Circuits* – Owners shall be responsible for all electrical circuits within their Unit or Dwelling House, and the Owners shall not overload electrical circuits in any manner that might adversely affect the operation of common utilities;
- (xi) *Sewer Systems* - Toilets, sinks, tubs, drains, sumps, and any other water or sewer apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, garbage, rubbish, rags, ashes, disposable diapers or other substances shall be thrown or placed therein, and no chemicals, paints, oil, fuel, or any other noxious substance shall be introduced into the sewer system;
- (xii) *Antennae* - No television antenna, tower, satellite dish (other than a digital satellite dish the size and location of which are subject to the prior written approval of the Board, acting reasonably and which comply with the By-laws of the City of Lethbridge) or similar structure or appurtenance thereto shall be erected on or fastened to any Dwelling

House or Unit, except by the Corporation upon the Common Property in connection with a common television cable or satellite system or other distribution or reception system. In no case will any antenna be allowed to be installed on or through any roof surface;

- (xiii) *Laundry* - No laundry shall be hung outside a Dwelling House or hung inside or within a Dwelling Unit in such manner that it is unsightly or conspicuous to neighbors or passersby;
- (xiv) *Awnings* - Except with the written consent of the Board, no screen, barrier, awning, shade, partition or air conditioning unit shall be erected unless the same is entirely within a Dwelling House, or adequately screened from other Dwelling Houses, and not unsightly or conspicuous to neighbors or passers-by;
- (xv) *Hot Tubs*, no hot tub, sauna, swimming pool, or bathing apparatus shall be located on the exterior of a Dwelling House;
- (xvi) *Private Vehicle Parking* – Except with the prior written consent of the Corporation, no Owner shall park any motor vehicle outside of their Unit for a continuous period exceeding seventy-two (72) hours. Owners shall ensure that all vehicles associated with their Unit shall be routinely parked within the garages, or on the driveway of their respective Unit;
- (xvii) *Vehicle Repairs* – Except in the case of emergency or temporary repairs due to cold weather, no Owner shall undertake repairs to any motor vehicle on the driveway area in front of their respective Unit. No repairs to any motor vehicle shall be permitted on or within the Common Property;
- (xviii) *Day Care Facilities* – No Owner shall permit his or her Unit or Dwelling House to be used as a childcare or daycare center except with the express written consent of the Corporation, which consent shall not be unreasonably withheld, but which may be withdrawn arbitrarily by the Corporation at any time, and the Corporation shall not be prevented or estopped from withdrawing any such consent;
- (xix) *Damages to Common Property* – Owners and their families, guests, Tenants, visitors and servants shall not harm, mutilate, destroy, waste, alter or litter any part or parts of the Common Property or Managed Property, or any Unit, or any property of the Corporation or property owned by another Owner, and the costs of cleaning or repair arising from such actions may be charged by the Corporation against the Owner of a Unit in the same manner as any other charge payable by an Owner, whether the Owner was aware of or directly involved in the cause of such damages;

(h) **Lawful Use:**

The Owner shall not use a Dwelling House or Unit or permit it to be used in any manner for any purpose which may be illegal, injurious, or that may cause noise, nuisance or hazard to any Owner or Occupier of another Dwelling House or Unit or the family, visitors or invitees of such Owner or Occupier.

No Owner shall do or permit anything to be done on the Parcel or bring anything thereon which in any way may increase the risk of fire, theft, or vandalism, or any other Insurable Hazard, or which may affect the premium rate or availability of insurance for any Insurable Hazard on the Common Property, any Dwelling House, the Unit, or the Managed Property or on any property

kept therein or thereon, or obstruct or interfere with the rights of other Owners or in any way injure or annoy them or conflict with the laws relating to fires or with regulations of the local municipality or fire department, or with any policy of insurance upon any of the Buildings comprising part of the Common Property or any part thereof, or conflict with any of the rules or ordinances of the municipality health department or with any statute or municipal By-law or with any other law whatsoever, and no Dwelling House or Unit shall be occupied or used by anyone in such manner as to result in the cancellation, or threat of cancellation, of any policy of insurance maintained by the Corporation;

(i) Notification of Ownership, Use, and Encumbrances:

The Owner shall notify the Corporation forthwith (and provide reasonable particulars) upon any change of Ownership of the Unit, or of any leasing of the Dwelling House to an Occupier (or otherwise), or of any use of the Unit that is not residential in nature, or of any hobbies or uses from within a Unit that may create noise, or noxious fumes, or which may create a threat of fire, flood, or any other risk, or if a business is being operated from such Unit, or of any mortgage, lease or other dealing in connection with the Unit;

(j) Compliance With The By-Laws:

The Owner shall comply strictly with these By-laws and with such rules and regulations as may be adopted by the Corporation from time to time, and abide by all directions of the Corporation, and cause all Occupiers of and visitors to his Unit to similarly comply with the same;

(k) Pay Levies and Assessments to Corporation:

The Owner shall pay to the Corporation (or if requested, to the Manager), when due, all contributions levied or assessed against his Unit together with interest on any arrears thereof at the Interest Rate calculated from the due date; including the payment of all Common Expenses levied by the Corporation in respect of a Unit and/or Dwelling House, and all other monies payable to the Corporation hereunder, including costs of maintenance and repair of the Common Property, the Managed Property, and taxes or assessments against the Common Property, whether or not that Unit and/or Dwelling House is occupied by the Owner, a Tenant, or other Occupant; and also to pay to the Corporation the costs of any repairs or other work required to be done by the Corporation on behalf of an Owner in order to ensure compliance with these By-laws or such rules and regulations as may be adopted by the Corporation from time to time, as well as the costs incurred by the Corporation to comply with any direction of the Corporation in respect thereof;

(l) Costs of Action by Corporation:

The Owner shall pay to the Corporation all legal and other expenses incurred as a result of having to take proceedings to collect any Condominium Fees, Special Assessments, or Common Expenses levied or assessed against his Unit, and legal expenses shall be paid on solicitor and his own client indemnification basis;

(m) Access by Corporation for Repairs:

The Owner shall permit the Corporation, its representatives and persons authorized by the Corporation, to enter the Unit and/or the Dwelling House to carry out maintenance and repair work required to be performed in the maintenance and betterment of the Project generally;

(n) Correspondence to Corporation:

The Owner shall prepare all correspondence and all items of business to the Corporation in writing. If an Owner wishes to ask a question of, or to raise a concern about, or to file a complaint with the Corporation, and if such Owner wishes the Corporation to respond or to take any action with respect to such suggestions, questions or complaints, the Owner shall express the same in writing and deliver the same in a timely fashion to the Board, or to the Manager. The Board shall not be required to act on any suggestion, complaint or question that is not in writing and properly submitted to the Board;

(o) Landscaping:

The Owner shall permit the Corporation, to install landscaping of such quality and design as is consistent with the standards established by the Corporation from time to time, and shall also comply with any rules or regulations made by the Corporation in regard to landscaping. The Owner shall be responsible for the proper maintenance of all landscaping located on a Unit that is not cared for by the Corporation;

(p) Fencing:

The Owner shall refrain from constructing outdoor fences and structures. No fencing or other structures shall be constructed by an Owner except with the express written permission of the Corporation. Where such requests are approved by the Corporation, the Owner shall construct in strict accordance with the approval granted by the Corporation, and shall be responsible for the payment of all costs associated with such construction unless otherwise agreed in writing with the Corporation. Notwithstanding the above, the Owner shall permit the Corporation, to install rear boundary perimeter fencing and to maintain the same to such standards as may be established by the Corporation from time to time. The Owners acknowledge and agree that no front fencing shall be permitted except with the Unanimous Resolution of the Owners, and that the construction or placement of all other outdoor structures shall be determined by Ordinary Resolution;

(q) Clearing of Snow and Debris:

Each owner, where possible, shall assist in the clearing of any ice, snow, or debris that has accumulated on his Unit between the scheduled snow maintenance services provided by the Corporation, realizing that contracted snow services may only occur once in any given twenty-four (24) hour period of time;

(r) Payment of Condo Fees or Special Assessments:

The Owner shall deposit with the Corporation, if requested, twelve (12) duly executed post-dated cheques or monthly bank debit for duly assessed condominium contributions. Each post-dated cheque must be dated for the first day of each month for which the cheque is issued. i.e.: January 1, 20XX, February 1, 20XX, March 1, 20XX, etc...

4. DUTIES OF THE CORPORATION

In addition to the duties of the Corporation set forth in the Act, the Corporation, through its Board SHALL:

(a) Manage Common Property and Infrastructure:

The Corporation shall control, manage, maintain, repair, replace and administer the Common Property and Infrastructure (except as hereinbefore and hereinafter set forth) and all real property, chattels, personal property or other property owned by the Corporation for the benefit of all of the Owners and for the benefit of the entire Project and to do all things required of it by the Act, these By-laws, and any other rules and regulations in force from time to time and shall take all necessary steps it sees fit to uphold these By-laws;

(b) Maintain and Repair Common Property and Infrastructure:

The Corporation shall maintain, repair and replace (where necessary) such elements of the Common Property and Infrastructure as may be necessary to keep them in a reasonable state of repair. The Corporation shall keep in a state of good and serviceable repair and properly control, manage, administer, repair and maintain the fixtures and fittings used in connection with the Common Property, the Managed Property and all other property both real and personal owned by the Corporation.

Subject to the obligations imposed by these By-laws or by the Corporation upon any Owners in respect of any part of the Common Property over which such Owners are granted exclusive rights of use by the Corporation, the Corporation shall maintain and keep in a state of good repair the Common Property notwithstanding that maintenance may be required only as a result of reasonable wear and tear, or otherwise, including without limitation the provision and maintenance of entrance features, fences, stairs and railings, lighting, landscaping, and other common facilities on the Common Property, or on Units where notwithstanding that the same are the property of an Owner, such have been designated as part of the Managed Property.

(c) Maintenance of Managed Property and Infrastructure:

The Corporation shall maintain the Managed Property in the same manner as it shall maintain the Common Property and Infrastructure, and for the purposes of maintaining standards established by the Corporation from time to time, at all reasonable times on twenty-four (24) hours notice (except in case of an emergency, in which case no notice is required), enter a Unit and/or a Dwelling House to maintain the Managed Property. The Corporation will provide lawn maintenance including mowing, trimming, fertilizing, and weed control; snow clearing maintenance to sidewalks, driveways, and roadways; maintenance and replacement of lawn irrigation lines, sprinklers, and controls, and the fall blow-out of sprinkler lines; large tree trimming and tree pest control; and replacement of lawns and large trees that have died of natural causes and not as the result of mistreatment, abuse, or other physical harm caused by any Owner, Occupier, or Tenant. The quality of repair and maintenance shall be consistent with the standards established by the Corporation from time to time, and in all matters are to be conducted in good and workmanlike fashion.

Subject to the duty of the Owners, where possible, to promptly remove all accumulations of ice, snow, slush and debris in order to provide safe access and egress, the Corporation shall provide scheduled service for the clearing of snow, slush and debris from and keep and maintain in good order and condition all areas of the Common Property designated for vehicular or pedestrian

traffic and keep and maintain in good order and condition the mailboxes, security systems, fire service access box, the fire hydrants, the sidewalks, the driveways, all grassed or landscaped areas of the Common Property; PROVIDED THAT the general cleaning and maintenance of any Unit shall be the prime responsibility of the Owner of the Unit.

(d) Garbage:

All garbage must be placed within bags capable of being tied or sealed. The bag is then to be placed in the garbage receptacle provided by the City of Lethbridge. The receptacle is to be kept within the Dwelling House garage and placed outside only on the scheduled day of garbage removal by the City of Lethbridge.

(e) Insurance:

The Corporation shall provide and maintain in force all such insurance as is required by the Act relating to a bare land condominium parcel and by the provisions of these By-laws and enter into any insurance trust agreements from time to time as required by any Insurance Trustee and approved by the Board and, on the written request of an Owner or registered Mortgagee of a Unit (or the duly authorized agent of such Owner or Mortgagee), produce for them for a nominal charge or administrative fee a certified copy of the policy or policies of insurance maintained by the Corporation, or a certificate or memorandum thereof and the receipt or receipts for the last premium or premiums in respect thereof.

Upon written request by an Owner or a Mortgagee (or the duly authorized agent of such Owner or Mortgagee), the Corporation shall provide, at a nominal fee or administrative charge, either a duplicate, original, or certified copy of all fire and other perils and all liability insurance policies and endorsements maintained by the Corporation, as well as renewal certificates or certified copies of replacing policies.

(f) General Meetings:

In accordance with the Act, the Corporation shall call a general meeting of the Owners at least once in each calendar year, and no two successive meetings may be more than fifteen (15) months apart.

(g) Conduct Capital Replacement Reserve Fund Study:

The Corporation shall authorize and conduct, on behalf of the Owners, a Capital Replacement Reserve Fund Study, and to repeat the same every five (5) years thereafter, in order to prepare a report in regards to the Common Property and the Managed Property and any other property owned, controlled or managed by the Corporation (collectively for the purposes hereof the "Common Property"), in order to:

- (i) identify what Common Property may be needed to be repaired or replaced within the next twenty-five (25) years;
- (ii) assess the present condition of the Common Property and estimate when the Common Property will need to be replaced or repaired;
- (iii) estimate the cost of repair or replacement of the Common Property at no less than replacement cost;

- (iv) identify the life expectancy of the components of the Common Property when the components are replaced or repaired;
- (v) identify the current levels of funds in the Capital Replacement Reserve Fund (if any);
- (vi) recommend the amount of money, if any, that should be included in or added to the Capital Replacement Reserve Funds; and
- (vii) describe the basis for making the recommendation;

(h) **Establish Capital Replacement Reserve Fund Plan:**

The Corporation shall from time to time as required prepare and adopt a Capital Replacement Reserve Fund Plan based upon the recommendations contained in the Capital Reserve Fund Study and to present the Capital Replacement Reserve Fund Plan to the Owners;

(i) **Establish Capital Replacement Reserve Fund:**

The Corporation shall establish and maintain a Capital Replacement Reserve Fund to be used to provide sufficient funds that can reasonably be expected to provide for major repairs and replacements of:

- (i) any real and personal property owned by the Corporation;
- (ii) the Common Property; and
- (iii) the Managed Property,

where such repair or replacement is of a nature that cannot otherwise be adequately budgeted for or which does not normally occur annually.

The Capital Replacement Reserve Fund shall maintain separate and designated accounts for the Capital Replacement Reserve Fund. These funds shall not be commingled with other funds of the Corporation. The Board shall prepare and present to the Owners before each Annual General Meeting a report of the Capital Replacement Reserve Fund including the opening and closing balances, and the usage of any funds for the repair or replacement of listed property.

(j) **Compliance by Corporation:**

The Corporation shall do all things required of it by the Act, the regulations to the Act, the Bylaws, and any other rules and regulations of the Corporation in force from time to time;

(k) **Collect Fees and Levies:**

The Corporation shall collect or cause to be collected and receive or cause to be received all contributions towards the Common Expenses and deposit same into a separate account with a chartered bank, trust company, Alberta Treasury Branch, or credit union incorporated under the *Credit Union Act* (Alberta).

Subject always to and in accordance with the Act and any Regulation passed pursuant thereto, the Corporation shall establish 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 Capital Replacement Reserve Fund, as aforesaid, to be used to provide sufficient funds that can reasonably be expected to provide for

major repairs and replacements of any real and personal property owned by the Corporation and the Common Property and the Managed property where the repair or replacement is of a nature that does not occur annually. Funds shall not be taken from a Capital Replacement Reserve Fund for the purposes of making capital improvements unless such additions are authorized by Special Resolution. The Capital Replacement Reserve Fund shall be an asset of the Corporation and no part of that money shall be refunded or distributed to any Owner of a Unit except where the Project ceases to be governed by the Act;

(l) Pay Accounts on Behalf of Corporation:

The Corporation shall 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 the Board may seem justified in the prudent management or administration of the Project;

(m) Easements, Restrictive Covenants and Rights of Way:

The Corporation shall not plant any trees or construct substantial landscaping or make any unauthorized grade changes within any lands which are the subject of an easement, restrictive covenant or similar grant to any person, utility company, municipality or local authority, and shall comply with and enforce all such agreements in respect to adjoining lands;

(n) Landscaping:

The Corporation shall establish and maintain lawns, trees and shrubs and other landscaping on the Common Property and the Managed Property and promptly replace on a continuing basis, any lawns, trees or shrubs that may die;

(o) Fire Suppression:

The Corporation shall, repair, replace and maintain all fire hydrants on the Parcel;

(p) Miscellaneous

The Corporation shall at all times keep and maintain for the benefit of the Corporation and all Owners copies of all warranties, guarantees, drawings and specifications, plans, written agreements, certificates and approvals provided to the Corporation.

5. POWERS OF THE CORPORATION

In addition to the powers of the Corporation set forth in the Act, the Corporation through its Board, may and is hereby authorized to:

- (a) Acquire Property** – to purchase, hire or otherwise acquire personal property and/or real property for use by Owners in connection with the maintenance, repair, replacement or enjoyment of the real and personal property of the Corporation or the Common Property, or their Units or any of them, provided that real property shall only be acquired or disposed of by Special Resolution;
- (b) Borrow** – to borrow monies required by it in the performance of its duties or the exercise of its powers, provided that each such requirement for borrowing in excess of 15% of the current year's Common Expenses budget has been approved by Special Resolution;

- (c) **Pledge** – to 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 any combination of those means;
- (d) **Invest** – to invest as it may determine any contributions towards the Common Expenses, subject to the restrictions set forth in the Act;
- (e) **To Make Agreements** – to make an agreement with an Owner, Tenant or other Occupier of a Unit or Dwelling House for the provision of amenities or services by it to the Unit or Dwelling House, or to the Owner, Tenant or Occupier thereof;
- (f) **Right of Access or Egress Over Common Property** – The Corporation hereby grants the Owner, Tenant or Occupier of a Unit, such right of access or egress over those portions of the Common Property as is necessary in order that the Owner, Tenant or Occupier of a Unit has free and unrestricted access or egress to or from the Common Property to or from the Unit;
- (g) **Privacy / Exclusive Use Areas** – to grant to an Owner the right to exclusive use and enjoyment of part of the Common Property or special privileges in respect thereof, and, except for the provisions of these By-laws relating to parking privileges attached to each Unit, any such grant to be determinable on reasonable notice, unless the Corporation by Special Resolution otherwise resolves;
- (h) **Authority to Make Rules and Regulations** – to 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 for the designation of Managed Property, and to do all things reasonably necessary for the enforcement of these By-laws and for the control, management and administration of the Common Property and Managed Property generally including the commencement of an action under Section 36 of the Act and all subsequent proceedings relating thereto;
- (i) **Determination of Fees & Levies** – to determine from time to time the amounts to be raised and collected for the purposes hereinbefore mentioned;
- (j) **Collection of Contributions** – to raise the amounts of money so determined by levying contributions on the Owners in proportion to the Unit Factors for their respective Units or as otherwise herein provided. The Corporation shall collect the contributions of Owners on account of Common Expenses for the Common Property and/or the Managed Property (including any taxes or other levies assessed against the Common Property), to collect the contributions of Owners in order to maintain the Capital Replacement Reserve Fund, and/or other obligations of the Corporation, including Special Assessments approved by the Board, by monthly installments , and in that regard will require of Owners that they provide post-dated cheques or pre-authorized direct bank payments;
- (k) **Enforce By-laws** – to do all things reasonably necessary for the enforcement of the By-laws and the control, management and administration of the Common Property, and any part of the Units or Dwelling Houses with which it may be concerned, including, without limitation, the following:
 - (i) commence and prosecute proceedings under Section 36 of the Act (or any provision passed in substitution therefor);

- (ii) impose, collect and deal with deposits under section 53 of the Act (or any provision passed in substitution thereof) provided that deposits required shall not exceed one month's rent for any Unit; and
 - (iii) give notices to give up possession of Units pursuant to section 54 and make applications to the Court under sections 55 and 56 of the Act (or any provisions passed in substitution for the said sections);
- (l) **Sanctions For Failure To Comply With By-Laws** – to impose monetary or other sanctions on Owners, Tenants or Occupiers of a Unit who fail to comply with the By-laws. In the event that it becomes necessary to enforce the By-laws or to apply the sanctions against the Owner, Tenant, or Occupier of a Unit, the Corporation shall be entitled to proceed with court application for enforcement of the sanctions (in a court having the appropriate jurisdiction), and the Corporation shall be entitled to recover all of its costs of enforcement on a solicitor and his own client basis from the Owner, Tenant or Occupier, and to charge the title of the Owner for any such unpaid sanctions and costs;
- (m) **Dispute Resolution** – Any dispute respecting any matter arising under the By-laws may, with the agreement of the parties to the dispute:
 - (i) be dealt with by means of mediation, conciliation, or similar techniques to encourage settlement of the dispute; or
 - (ii) be arbitrated under the Arbitration Act (Alberta);

provided, however, that notwithstanding whether the parties have agreed to such dispute resolution, where the Corporation determines that a matter shall be resolved in order to better conduct its business, the Corporation may refer any matter to alternate dispute resolution, but the Corporation shall not be bound to resort to the same if it prefers instead to exercise the authority given by these By-laws to determine such issues in such manner as the Board itself may direct;
- (n) **Interest** – to charge interest under Section 40 of the Act on any contribution or Common Expenses owing to it by an Owner at the Interest Rate;
- (o) **Stipends to Board** – to pay an annual honorarium, stipend or salary to members of the Board in the manner and in the amounts as may be from time to time determined by Ordinary Resolution at a general meeting;
- (p) **Affiliations** – to join any organization serving the interests of the Corporation and assess the membership fee in such organization as part of the Common Expenses;
- (q) **Appointment Of Auditors** – to appoint an auditor or auditors who must be an Alberta registered and licensed accountant, and who may be an Owner;
- (r) **Other Acts** - do all things, which are, either or both, incidental or conducive to the exercise of its powers granted under the Act and the By-laws;
- (s) **Powers of a Corporation** - subject to any limitations and prohibitions contained in the Act, these By-laws and otherwise by law, to have such powers and do all such things which any corporate body shall be empowered and authorized to do under the *Business Corporations Act (Alberta)* (as

amended and replaced from time to time) and do all things and have such rights, powers and privileges of a natural person.

6. THE CORPORATION AND THE BOARD

The powers and duties of the Corporation shall, subject to any restriction imposed or direction given by the Owners at a general meeting, be exercised and performed by the Board.

7. VOTING

At any election of Board Members, each person entitled to vote shall be entitled to vote for as many nominees as there are vacancies to be filled on the Board.

8. ELIGIBILITY

Ownership of a Unit is not necessary for election or membership on the Board

provided: (a) all Board members must be 18 years of age or older;

(b) if a Unit is owned by more than one Owner, only one such Owner may sit on the Board at any one time; and

(c) no Owner who is indebted to the Corporation for contributions levied and which are overdue by more than sixty (60) days shall be eligible for election or membership on the Board.

9. NUMBER ON BOARD

The Board shall consist of not less than three (3) nor more than seven (7) persons; PROVIDED THAT at least one-half of the membership of the Board shall be Owners or representatives of Mortgagees who have notified their interests to the Corporation and the Board shall be elected at each annual general meeting (although members may also be elected at an extraordinary general meeting). The number of members of the Board for the next ensuing year shall be fixed by resolution at the annual general meeting held just prior to the election of the Board.

10. BONDING

Where the Board has appointed a Manager, the Manager shall be bonded by a recognized bonding institution unless absolved of this requirement by Special Resolution. For the purposes of this By-law, the amount of the bonding shall be the greater of either \$10,000 or the combined totals of the annual budget, plus the Capital Replacement Reserve Fund, plus any liquid assets of the Corporation, unless otherwise resolved by Special Resolution of the Corporation, with the amount of bonding in any event to be reviewed annually by the Corporation.

11. INDEMNITY OF BOARD

Every member of the Board and his or her personal representatives and estate shall from time to time and at all times be indemnified and saved harmless out of the funds of the Corporation from and against all costs, charges, losses and expenses whatsoever which such member may incur or become liable for by

reason of any contract entered into or for any act or omission or thing whatsoever made or done or permitted by him or her as a Board Member or in any way associated with the discharge of his or her duties, except such costs, charges, losses and expenses as are occasioned by or arising from his or her dishonestly, willful neglect or willful default.

12. REMOVAL OF MEMBER OF BOARD

Except where the Board consists of all the Owners, the Corporation may by Ordinary Resolution at an extraordinary general meeting remove any member of the Board before the expiration of his term of office and appoint another person in his place to hold office until the next annual general meeting. No grounds for removal shall be required for removal of a Member of the Board pursuant to this By-law. Where the Board consists of all Owners, he or she may be removed prior to the end of his or her term by a Special Resolution at a duly convened extraordinary general meeting.

13. GROUNDS FOR REMOVAL OF MEMBER OF BOARD

The office of a Board Member shall be deemed to be vacated:

- (a) if he or she resigns their office in writing duly served on the Corporation, effective from the date thereof;
- (b) if he or she becomes bankrupt or insolvent, or is more than sixty (60) days in arrears in any payment to the Corporation required to be made as an Owner as herein set forth, and failing to remedy such default within ten (10) days after written notice from any other Board Member requiring him to remedy such default;
- (c) if he or she dies or becomes the subject of a Certificate of Incapacity issued under the Mental health Act or Dependant Adult Act;
- (d) if he or she is convicted of an indictable criminal offence, or an offence involving financial theft, fraud, breach of fiduciary duties, or moral turpitude;
- (e) if he or she is absent from three (3) consecutive meetings of the Board without prior written notice to and approval of the Board; or
- (f) if he or she commences any legal action against the Corporation.

14. RETIREMENT FROM BOARD

Board members will be elected for a period of two years. At each annual general meeting, when the Board is comprised of five (5) members, either two or three members will be retired from the Board. If two (2) members retire, the remaining three (3) members will serve one more year. At the next annual general meeting those three serving members will then retire, and the remaining two (2) members will serve one more year.

15. ELIGIBILITY FOR ELECTION TO BOARD

A retiring member of the Board shall be eligible for re-election. Any prospective member of the Board shall, as a condition of his nomination, make full disclosure of any potential conflict of interest and any

direct or indirect relationships he or she may have with the Corporation either contractual, financial or employment related.

16. CASUAL VACANCY ON BOARD

Where a vacancy occurs on the Board, the remaining members of the Board may appoint a person to fill that office for the remainder of the former member's term provided such person qualifies for membership to the Board.

17. QUORUM FOR BOARD

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. Any member of the Board may waive notice of a meeting before, during or after the meeting and such waiver shall be deemed the equivalent of receipt of due and proper notice of the meeting.

18. OFFICERS OF THE CORPORATION

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 President, a Vice-President, a Treasurer and/or a Secretary who shall (subject to removal) 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 President shall be the Chairman of the Board and shall have a casting vote in addition to his original vote. A person ceases to be an officer of the Corporation if he ceases to be a member of the Board. Where a person ceases to be an officer of the Corporation, the Board shall designate from its members a person to fill that office for the remainder of the term. A person may simultaneously hold two offices.

19. DUTIES OF OFFICERS

The duties of the officers shall be determined by the Board from time to time but without limiting the generality of the foregoing, the following shall apply:

- (a) the President, and in his absence or disability the Vice-President shall be charged with the general organization and administration of the business and affairs of the Corporation;
- (b) the Secretary-Treasurer, and in his absence or disability, such officer or Board Member as may be appointed by the Board, shall accurately keep all necessary minutes and shall have charge of all correspondence of the Corporation and be under the direction of the President. The Secretary shall also keep records of the Corporation and shall send and receive all notices and correspondences as required;
- (c) where no Manager has been appointed by the Board, the Secretary Treasurer shall receive all monies paid to the Corporation and shall be responsible to deposit the same in such bank or banking institution as the Board shall direct, and shall properly, accurately and in a timely fashion maintain the financial and banking records of the Corporation and present a fully detailed account of receipts and disbursements to the Board whenever requested to do so; and if a Manager is appointed, the Secretary-Treasurer shall be responsible to assist and to ensure that the Manager performs these functions, and to present or cause to be presented a financial

summary based on all such records together with audited financial statements to the Owners at each Annual General Meeting or otherwise as directed by the Board.

20. CHAIRMAN OF BOARD MEETINGS

The President shall act as Chairman of every meeting of the Board where he is present. Where the President is absent from any meeting of the Board or vacates the chair during the course of any meeting, the Vice-President 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 President and the Vice-President the members present shall from among themselves appoint a Chairman for the meeting who shall have all the duties and powers of the Chairman while so acting. Each meeting of the Board shall be held within the municipality in which the Units are located unless the Owners agree, by ordinary resolution, to hold the meeting in another location.

21. VOTES OF BOARD

At meetings of the Board all matters shall be determined by simple majority vote. A resolution of the Board in writing signed by all of the members shall have the same effect as a resolution passed at a meeting of the Board duly convened and held.

22. POWERS OF BOARD

The Board MAY:

- (a) meet together for the conduct of business, adjourn and otherwise regulate its meetings as it sees fit, and it shall meet when any member of the Board gives to the other members of the 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 President on such notice as he may specify without the necessity of the President giving reasons for the calling of the meeting;
- (b) appoint or employ for and on behalf of the Corporation such agents or 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 Corporation;
- (c) subject to any valid restriction imposed or direction given at a general meeting of Owners, delegate to one or more 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 (including but not so as to limit the generality of the foregoing the supervision, management and performance of any or all of the duties of the Corporation) and upon such terms as the Board may from time to time decided SUBJECT ALWAYS to the control and direction of the Corporation and the Board, such Manager to be reasonably fit and suited to perform such duties. The Manager employed by the Board need not devote its full time to the performance of duties of the Corporation so long as those duties are performed in a good and sufficient fashion. If under such contract the Manager holds funds for the Corporation, the contract shall require the Manager to arrange or maintain a fidelity bond owned by and in the name of the Corporation and for the benefit of the Corporation and such bond shall be in an amount required by the Corporation but in any event not less than:

- (i) the total amount of any Replacement Reserve Funds in the hands of or controlled by the Manager; and
 - (ii) one month's total condominium contributions of the Corporation or one-twelfth (1/12) of the total annual condominium contributions for all Units in the Project (excluding any special contributions) whichever is greater; and
 - (iii) a sum representing the average monthly amount of cash in the control of the Manager.
- (e) enter into an insurance trust agreement in form and on terms as required by any Insurance Trustee; and
- (f) set and charge for and on behalf of the Corporation reasonable fees to compensate the Corporation for expenses it incurs in producing and providing any documents or copies required to be issued by it under the Act or pursuant to these By-laws.

23. ADDITIONAL DUTIES OF THE BOARD

The Board SHALL:

- (a) subject to any valid restrictions or directions given at a general meeting of the Owners, carry on the day to day business and affairs of the Corporation;
- (b) keep minutes of its proceedings and, upon written request at the expense of the person requesting, provide copies thereof to Owners and Mortgagees who have notified their interests to the Corporation;
- (c) cause minutes to be kept of general meetings of the Owners and, upon written request at the expense of the person requesting, provide copies thereof to Owners and Mortgagees who have notified their interests to the Corporation;
- (d) 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;
- (e) prepare proper accounts relating to all monies of the Corporation, and the income and expenditure thereof, for each general meeting;
- (f) maintain financial records of all the assets, liabilities and equity of the Corporation;
- (g) on written application or an Owner or mortgagee, or any person authorized in writing by him, make the books of account available for inspection at a time convenient to such Board member;
- (h) at least once a year, cause the books and accounts of the Corporation to be audited (or reviewed) by a qualified accountant to be selected at each annual general meeting of the Corporation and cause to be prepared and distributed to each Owner and each Mortgagee who has, in writing, notified its interest to the Corporation, a copy of the audited (or reviewed) Financial Statements of the receipts of contributions of all Owners towards the Common Expenses and disbursements made by the Corporation and a copy of the Auditor's Report within ninety (90) days of the end of the fiscal year of the Corporation. The report of the Auditor shall be submitted to each annual

general meeting of the Corporation. Any obligations under this paragraph may be waived upon the passing of an ordinary resolution to that effect;

- (i) keep a register noting the names and addresses of all Owners and any Mortgagees who have given notice of their interests to the Corporation;
- (j) at all times, keep and maintain in force, all insurance required hereunder and by the Act to be maintained by the Corporation;
- (k) create, maintain and exact by assessment or contribution, a Capital Replacement Reserve Fund for the purpose of repair, replacement and refurbishment of the Common Property, the Managed Property (including any portion of the Unit or the Dwelling House) which, pursuant to these Bylaws the Corporation is responsible to maintain, and apply such funds and the proceeds thereof from time to time for such purposes. The amount of the levy made each year for the Capital Replacement Reserve Fund shall be no less than the amount set out in the Act or as such higher amount as may be set out in the Capital Replacement Reserve Fund Plan;
- (l) where required for the purpose of either the maintenance or repair of Common Property, the Managed Property, or to assist in the establishment, maintenance or replenishment of the Capital Replacement Reserve Fund, the Board shall have the power and authority and the duty to levy and collect Special Assessments, and shall have the power and the duty to collect the Special Assessments in the same manner as any other assessment levied by the Board;
- (m) within thirty (30) days from the conclusion of the Corporation's annual general meeting, file and cause to be filed at the Land Titles Office a notice in the prescribed form stating the name and address of that person and the day that the person became or ceased to be, as the case may be, a member of the Board;
- (n) file or cause to be filed at the Land Titles Office a notice in the prescribed form of any change in the address for service of the Corporation.

24. DEFECTS IN APPOINTMENT TO BOARD

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

25. SIGNING AUTHORITIES

The Board shall determine, by resolution from time to time, the manner and 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 and may authorize the Manager to sign the same with co-signing by any officer or officers.

26. CORPORATE SEAL

The Corporation shall have a common seal, which shall be adopted by resolution and which shall at no time be used or affixed to any instrument except in the presence of at least one member of the Board or by the persons 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.

27. ANNUAL GENERAL MEETINGS

Annual general meetings shall be held once in each calendar year, and not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next. Each such meeting shall be held within the municipality in which the Units are located unless the Owners agree, by ordinary resolution, to hold the meeting in another location. The meetings of the Board and general meetings of the Owners shall be conducted in accordance with parliamentary rules of procedure set out in the most recent (from time to time) edition of Robert's Rules of Order.

28. EXTRAORDINARY GENERAL MEETINGS

All general meetings other than annual general meetings shall be called extraordinary general meetings.

29. CONVENING EXTRAORDINARY GENERAL MEETINGS

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 or upon the request in writing from Mortgagees holdings registered mortgages (and who have prior to the request notified the Corporation of their interests) against Units in respect of which corresponding Unit Factors represent not less than 25% of the total Unit Factors 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 which shall be held within thirty (30) days of the Board's receipt of the said requisition. The agenda for such meeting shall include any items specified by the requisitioners.

30. NOTICE OF MEETINGS

A minimum of seven (7) days' notice of every general meeting or extraordinary 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 Mortgagees who have notified the Corporation of their interests. Notice shall be given to the Owners and to such Mortgagees 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 of 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. Notice of any meeting may be waived either at, before or after the meeting by persons entitled to vote at the meeting and such waiver shall be deemed the equivalent of receipt of due and proper notice of the meeting.

31. PROCEEDINGS AT MEETINGS

With the exception of the consideration of accounts, reports of the officers, election of members to the Board, and ratification of prior acts and proceedings of the Board (which shall be by Ordinary Resolution), all business proposed to be transacted at an annual general meeting or at any extraordinary general meeting, shall be deemed special and shall require a Special Resolution to be adopted.

32. QUORUM FOR GENERAL MEETINGS

Except as set out in these By-laws, no business shall be transacted at any general meeting or any extraordinary meeting unless a quorum of persons entitled to vote is present at the time when the meeting proceeds to business. Persons entitled to vote representing no less than one-quarter (1/4) of the Units representing not less than twenty-five percent (25%) of the Unit Factors present in person or by proxy shall constitute a quorum.

33. ADJOURNMENT FOR LACK OF QUORUM

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, then the persons entitled to vote who are present shall be a quorum.

34. CHAIRMAN FOR MEETINGS

The President of the Board shall be the Chairman of all general meetings or extraordinary meetings, or in his absence from the meeting or in case he shall vacate the chair, the Vice-President of the Board shall act as Chairman provided always that if the President and Vice-President be absent or shall vacate the chair or refuse to act, the meeting shall elect a Chairman as its first item of business.

35. ORDER OF BUSINESS FOR GENERAL MEETINGS

The Order of Business at general meetings, and as far as is appropriate at all extraordinary general meetings, shall be:

- (a) if the President and Vice-President of the Board shall be absent or elects to vacate the chair or refuses to act, the election of the Chairman of the meeting;
- (b) call to order by the Chairman and establish quorum;
- (c) proof of notice of meeting or waiver of notice;
- (d) reading and disposal of any unapproved minutes;
- (e) reports of officers;
- (f) reports of committees;
- (g) financial report;
- (h) appointment of auditors and solicitors;
- (i) resignation of old Board;
- (j) election of new Board;
- (k) unfinished business;
- (l) new business;
- (m) adjournment.

36. VOTING BY SHOW OF HANDS

At any general meeting or extraordinary meeting a resolution by the vote of the meeting shall be decided on a show of hands, unless a poll is demanded by an Owner or registered Mortgagee present in person or by proxy. Unless a poll is 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 favor or against the resolution. Except for matters required by the Act or these By-laws to require a higher threshold, all matters shall be determined by Ordinary Resolution.

37. POLL VOTES

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. A demand for a poll may be withdrawn.

38. VOTING CALCULATION

On a show of hands, each person entitled to vote shall have one vote. On a poll, the votes of persons entitled to vote shall correspond with the number of Unit Factors for the respective Units owned or mortgaged to them. Units 1 through 33, inclusive, will each have one vote. Units 34, 35, and 36 have no voting privileges.

39. VOTES PERSONALLY OR BY PROXY

Votes at any general meeting may be given either personally or by proxy.

40. PROXIES

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.

41. ELIGIBILITY TO VOTE

Except in cases where by or under the Act a Unanimous Resolution or Special Resolution is required, no person is entitled to vote at any general meeting or at any extraordinary meeting unless all assessments payable in respect of his Unit have been duly paid to the date thirty (30) days prior to the date of such meeting, but the presence of any such defaulting Owner shall be included in the count for quorum purposes.

42. VOTES BY CO-OWNERS

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. But any one co-Owner may demand a poll.

On any poll, each co-Owner is entitled to cast such part of the vote applicable to a Unit as is proportionate to his or her interest in the Unit. The joint proxy (if any) on a poll shall have a vote proportionate to the interests in the Unit of the joint Owners as do not vote personally or by individual proxy. Unless otherwise indicated, joint Owners of a Unit shall in a vote by poll be entitled to vote an equal number of the Unit Factors of their Unit in proportion to the number of joint owners, while Owners as Tenants in common shall be entitled to vote Unit Factors proportionate to their undivided interests as shown on the records of the Corporation.

43. RESOLUTION OF THE OWNERS

A resolution of the Owners in writing signed by each Owner or his duly appointed proxy shall have the same effect as a resolution passed at a meeting of the Owners duly convened and held.

44. SUCCESSIVE INTERESTS

Where Owners are entitled to successive interests in a Unit, the Owner entitled to the first interest (or if his interest is mortgaged by registered first mortgage notified to the Corporation, the Mortgagee under such mortgage) is alone entitled to vote, whether on a show of hands or a poll.

45. TRUSTEE VOTE

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.

46. VOTING RIGHTS OF MORTGAGEE

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 contributions.

47. SIGNED RESOLUTION

A resolution of the Board in writing signed by all Board members shall be as effective as a resolution passed at a meeting of the Board duly convened and held. Subject to the Act, any resolution of the Corporation determined upon or made without a general or extraordinary meeting and evidenced in writing signed in person or by proxy shall be as valid and effectual as a resolution duly passed at a meeting of the Corporation and shall take effect as and be an Ordinary Resolution, Special Resolution or Unanimous Resolution, as the case may be.

48. VIOLATION OF BY-LAWS

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 that has not been corrected, remedied or cured within ten (10) days of having received written notification from the Corporation to do so, may be corrected, remedied or cured by the Corporation, and any costs or expenses incurred or expended by the Corporation including costs as between a solicitor and his own client in correcting, remedying or curing such infraction, violation or default shall be charged to such Owner and shall be addressed 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 the payment of such monthly assessment and shall bear interest both before and after judgment at the Interest Rate until paid.

- (a) 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 for which ten (10) days prior written notice has been given by the Corporation and there shall be added to any judgment, all costs of any action including costs as between a solicitor and his own 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; and
- (b) In addition, the Corporation may exercise the powers provided for in Section 36 of the Act.

If the Board determines that a breach of any By-law is occurring, it may, by resolution, cause a notice to be delivered to the Owner alleged to be in breach specifying the nature and the particulars of the breach and specifying a reasonable time in which the breach is to be rectified. The time specified shall be no earlier than ten (10) days from the date the notice is delivered to the Owner alleged in breach. Upon resolution, the Board may impose a reasonable penalty by fine, the minimum fine to be ONE HUNDRED (\$100.00) DOLLARS to a maximum fine of TEN THOUSAND (\$10,000.00) DOLLARS, to be leviable upon the expiry of the time specified to rectify the breach if the breach has not been rectified. The notice alleging the breach shall also specify the fine to be levied if the breach is not rectified in the time specified. If a Tenant or an Owner is alleged to be in breach, the notice shall also be served on a Tenant and it shall specify whether the Owner, the Tenant, or both are liable for payment of the penalty. Each day of a continuing breach shall be deemed a contravention of a By-law.

49. DAMAGE OR DESTRUCTION

In the event of damage or destruction as a result of fire or other casualty, the Board shall determine within thirty (30) 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 25% or more of the replacement value of all Units and Common Property immediately prior to the occurrence. Prior to making any determination under this subparagraph the Board shall obtain the opinion of an independent insurance appraiser to the effect that substantial damage has or has not occurred. If there has been substantial damage the Board shall convene an extraordinary general meeting and give at least ten (10) days notice by registered mail to all registered Mortgagees;

Where there has been substantial damage and the 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 by consent to such application. Upon termination of the condominium status:

- (a) any liens or charges affecting any of the Units shall be deemed to be transferred in accordance with their existing priorities to the interests of the respective Owners in the Parcel; and
- (a) The Corporation is not responsible for any damage or loss whatsoever caused by or to any property or contents of any nature or kind in or upon a Unit or in or upon any part of the Common Property designated for the exclusive use of any Unit Owner;
- (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, unless such loss or damage is covered by the insurance held or required to be held by the Corporation pursuant to the Act or these By-laws, whichever is the greater;

- (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, 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 work 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 expenses 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;
- (e) Except for negligence of the Board, its employees, agents, or servants, the Corporation will not be responsible for any damage or loss whatsoever caused by or to any property of any kind or nature whatsoever from any loss or damage to a Dwelling House, a Unit, the Common Property or the Managed Property, nor will it be responsible for any loss or damage from any cause whatsoever to any Dwelling House or any contents in any Dwelling House. The insuring of each Unit including the personal contents within a Dwelling House is the sole responsibility of the individual Owners.

50. INSURANCE

- (a) The Board shall on behalf of the Corporation obtain and maintain at all times, subject always to the Act, and in an amount sufficient to cover the full replacement value of all Dwelling Houses, Buildings on the Parcel, perimeter fences and privacy fences, and to the full extent obtainable (within reason), insurance on all the insurable Common Property (both real and personal of any nature whatsoever), and insurance against loss resulting from destruction or damage caused by any peril prescribed by or otherwise required by the regulations to the Act to be insured against without deduction for depreciation, and without restricting the generality of the foregoing such insurance shall provide for the following:
- (b) Fire insurance with extended coverage endorsement for such perils as required by the Act (the perils insured against shall be "all risks" as that term is generally understood in the insurance business, of physical loss or damage) insuring:
 - (i) all the insurable Common Property;
 - (ii) all the insurable property of the Corporation, both real and personal of any nature whatsoever;
 - (iii) all of the Units and Dwelling Houses, and all bathroom and kitchen fixtures (but excluding furnishings and other personal property of each Owner whether or not installed in the Unit), for the full replacement cost thereof, without deduction for depreciation; and insuring the interests of and naming as insureds:
 - (iv) all Owners from time to time;
 - (v) all Mortgagees who have given written notice to the Corporation;
 - (vi) the Corporation; and
 - (vii) the Board of Directors and Manager;
 - (viii) (hereinafter collectively called the "Insureds") as their respective interests may appear.
- (c) Public liability insurance insuring the Insureds against any liability to the public and/or to the Owners and their invitees, licensees or Tenants, incidental to the Ownership and/or use of the

Common Property and Units and such insurance shall be limited to liability in an amount not less than \$2,000,000.00 inclusive for bodily injury and/or property damage per occurrence;

- d) Liability insurance, including errors and omissions coverage, in such amounts and with such deductible as the Board may determine, insuring the Board and every member thereof from time to time and all employees of the Corporation from and against all loss, costs, and expenses, 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 fines or penalties imposed in a criminal suit or action or for unjustified profit or advantage or for any wrongful act done or attempted in bad faith or dishonesty or for failing to discharge the duties of the office of a member of the Board honestly and in good faith;
- (e) Coverage to the full replacement value of any building and any other fixed improvements belonging to the Corporation, and all chattels and other property belonging to the Corporation or forming part of the Common Property;
- (f) Board of Directors insurance including, without restricting the generality of the foregoing, the following:
 - (i) directors and officers liability insurance (including errors and omissions insurance);
 - (ii) public liability insurance on behalf of the Corporation in regard to the Common Property and the Managed Property;
 - (iii) any loss or damage arising from the Ownership, use or operation of any machinery, equipment, pressure vessels, sprinklers or fire suppression systems, or of vehicles;
 - (iv) director's and officer's indemnity regarding the procurement of insurance for any Dwelling House on the Parcel, which is the sole responsibility of the Unit owner.
- (g) Provision that no breach of any statutory condition or other condition of any policy by any Owner or the Corporation shall invalidate the insurance or forfeit the insurance and in the event of such breach by any Owner or the Corporation the insurance may only be subject to forfeiture or defence of breach of condition insofar as the separate interest of the person or party in breach are concerned;
- (h) That no breach of any statutory condition or other condition of any policy by the Corporation or the Owner shall invalidate the policy as against any Mortgagee in any way or to any extent;
- (i) An inflation guard endorsement providing for automatic increase of the policy limits in accordance with increases in replacement costs; and
- (j) Such other insurance and coverage for such other risks or causes as the Board may determine or as may be determined by special resolution.
- (k) Each and every said policy of insurance shall name the Insureds and shall, as available and where applicable provide:
 - (i) that the policy may not be cancelled or substantially modified without at least sixty (60) days' prior written notice to all Insureds;
 - (ii) that in no event shall insurance coverage be brought into contribution with

insurance purchased by an Owner or mortgagee, and the Owner insurance shall be deemed as primary insurance;

- (iii) a waiver by the insurer of its rights of subrogation against the Corporation, its Manager, agents, employees and servants, and the Owners and any member of the household or guests of any Owner, except for arson, fraud, and vehicle impact;
 - (iv) a waiver by the insurer of any defence based upon co-insurance (provided that policies of physical damage insurance may contain co-insurance on a stated amount basis so long as the appraisal provisions of this By-law are met) or of invalidity arising from the conduct of or any omission or act or breach of a statutory condition by any Insured;
 - (v) that the Corporation or the Insurance Trustee (as the case may be) shall have the right, at its sole option, to obtain a cash settlement (without deduction for depreciation) in the event of substantial damage to the property insured and a waiver of the insurer's options to repair, rebuild or replace in the event, that after damage, the status of the condominium is terminated.
 - (vi) a cross liability endorsement where the rights of any Insured shall not be prejudiced with respect to another Insured and the insurance indemnifies each insured as if a separate policy had been issued to each Insured.
- (l) At least once every five (5) years, the Board shall obtain an appraisal or appraisal update from a duly qualified appraiser setting out the full replacement cost of the Common Property, and all of the property of the Corporation. The Board shall forthwith obtain insurance coverage under any and all such policies of insurance in accordance with such appraisal or appraisal update to insure the full replacement value as set forth in such appraisal or appraisal update. In addition to such insurance coverage for the replacement value of the Common Property, and any other property of the Corporation, the Board shall review and adjust the level of insurance coverage for other risks (including liability) to such amounts and levels required by and as would be maintained by an Owner of similar property in the locality in which the condominium property is situate.
- (m) A certificate or memorandum of all insurance policies and endorsements thereto shall be issued by the Board, or by the Manager on its behalf, as soon as practicable to each of the Insureds immediately upon written request therefore. The Master Policy of all insurance coverage shall be retained by the Corporation in its offices, and shall be available for inspection by any and all of the Insureds upon reasonable request.
- (n) Notwithstanding anything aforesaid, all proceeds of insurance on loss or claim shall be paid to the Insurance Trustee (if any), and exclusive authority to adjust losses and settle proceeds under all insurance policies shall be vested in the Board or its authorized representative, and the Insurance Trustee (if any) and any expenses of the Insurance Trustee shall be treated as Common Expenses of the Corporation.
- (o) The Owners may, and upon written request of any Mortgagee 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 hereunder shall not be affected or diminished by reason of insurance so carried by any Unit Owner; AND PROVIDED FURTHER that neither the Corporation nor the Board shall be required or have any duty to insure the interests of Tenants against liability or the interests of Tenants or Owners for their belongings, contents or other property. The insuring of the Unit, any contents within a Unit is the sole responsibility of the Owner, Tenant or Occupier of the Unit and they shall not require the Corporation or the Board to repair any damage to any contents or personal property within or to the Unit however caused.

- (p) In the event an Owner incurs or suffers damage or loss to the windows or Unit access doors or to any exterior finishing or improvements of his Unit and/or the Common Property adjacent thereto, not covered by Condominium Corporation insurance perils, the Owner shall be responsible for and shall pay the full amount of all replacement costs. If, in the sole opinion of the Board, such damage or loss was caused by or arose out of any act or omission by such Owner, his servants, agents, licensees, invitees or Tenants, any loss to Common Property shall be recoverable by the Corporation as a contribution against all other costs, charges and liabilities incurred by the Corporation.
- (q) Each Unit Owner shall purchase "Condominium Unit Owner" insurance for coverage of all betterments and improvements, made by themselves or by any previous owner(s), and for their personal possessions contained within their Unit.
- (r) It is recommended to all Owners that an "inflation guard" endorsement be provided for the automatic increase of their policy limits in accordance with increases in replacement costs of any item included in their "Condominium Unit Owner" insurance policy coverage.
- (s) In the event of partial or complete destruction of a Dwelling House, the Owner shall commence repair and or renovation of the partial or complete destruction of the Dwelling Unit in a timely and reasonable manner, and complete the reconstruction as soon as practicable.
- (t) Nothing in this By-law shall restrict the right of Owners to obtain and maintain insurance of any kind in respect of the Ownership or use or occupation of their Unit or Dwelling House, or their personal liability as permitted by the Act, or otherwise as may be permitted by law.
- (u) An Owner shall carry personal liability insurance on his or her own Unit and Dwelling House, and insurance (including theft and other perils) on his or her personal possessions and chattels.
- (v) In no event shall the insurance coverage obtained and maintained by the Board be brought into contribution with insurance purchase by the Owners or their Mortgagees.
- (w) All fire and extended peril policies must insure the interest of the Owners and the Corporation as their respective interests may appear, with standard Mortgagee endorsements attached, and shall also contain the following provisions:
 - (i) waivers of subrogation against the Corporation, its Manager(s), agents, employees, and servants against the Owners and any member of the household or guests of the Owner, Tenant or Occupant of a Unit, except for arson or fraud;
 - (ii) waivers of any defence based on co-insurance (provided that policies of physical damage insurance may contain co-insurance on a stated amount basis as long as the following appraisal requirements hereinafter stated are met), or of invalidity arising from the

conduct of or any Act of omission or breach of statutory condition of any insurance policies;

- (iii) all policies of insurance of any Owner shall provide that the same shall be considered secondary insurance in respect of any other insurance carried by the Corporation;
- (x) Subject to the appointment of an Insurance Trustee, the Corporation and the Board shall have the right on behalf of itself and as agent for the Corporation and the Owners, to adjust any loss and settle and claims with respect to all Common Property loss insurance placed by the Corporation, and give such releases as are required.
- (aa) The Board shall obtain and maintain public liability insurance insuring the Corporation, the Boards and the Owners against liability to third parties or to the Owners and their invitees, licensees or Tenants, incident to the Ownership or use of a Unit, the Dwelling Houses, and the Common Property. Limits of liability under such insurance shall be not less than Two Million (\$2,000,000) Dollars for any one person insured or for any one accident. The limits and coverage shall be reviewed at least annually by the Board and increased at its discretion. The policy or policies shall provide cross-liability endorsements whereby the rights of the named insured under the policy or policies shall not be prejudiced as respects its, his, her, or their action against another insured.
- (bb) All Corporation policies of insurance shall name as "Insureds" both the Corporation (i.e., "Owners Condominium Corporation No. 9611131") and the Owners from time to time of all Units within the Parcel, and the Board shall also (as aforesaid) be covered under the liability policy.
- (cc) All Corporation policies of insurance shall provide that such policies may not be cancelled or substantially amended or modified without at least sixty (60) days prior notice in writing to all Insureds.
- (dd) The limits of coverage of all policies of insurance obtained and maintained by the Corporation shall be reviewed at least annually by the Board and increased at its discretion.
- (ee) In the event that a claim is made under any policy of insurance maintained by the Corporation and the cause of the loss for which the claim is made is due, in the opinion of the Board, acting reasonably, to an act or omission of an Owner, occupier, or Tenant of an Owner or members of their families or guests, invitees or licensees of such Owner or resident, then the Owner shall immediately reimburse the Corporation for any insurance deductible paid (or payable) by the Corporation with respect to the loss for which the claim is made, the amount of the same to be recovered by the Corporation as a contribution towards all other costs, charges, liabilities arising out of the loss that may be sustained or incurred by the Corporation.

51. CONTRIBUTIONS FOR COMMON EXPENSES AND BUDGETS

- (a) The Common Expenses of the Corporation shall be paid by the Owners in proportion to the Unit Factors for their respective Units and, without limiting the generality hereof, shall include the following:
 - (i) All levies or charges on account of garbage removal, electricity, water, sewer, gas, and fuel services and television antenna or cable services (if any) supplied to the Corporation

for the Project and for the benefit of all Owners and not charged directly to any one Owner either by meter or otherwise;

- (ii) Management fees and Insurance Trustee fees, if any, wages, salaries, taxes and other expenses payable to or on account of employees or independent contractors of the Corporation;
 - (iii) All charges on account of cleaning or sweeping of parking areas, lawn maintenance, maintenance of Managed Property, and landscaping, and for snow and debris removal from the Managed Property and Common Property and driveways and walkways of the Units;
 - (iv) All charges on account of lighting fixtures situated on any Unit owned by the Corporation or on Common Property;
 - (v) All charges on account of maintenance for any Unit owned by the Corporation, or those portions of a Unit or Common Property for which the Corporation is responsible under these By-laws;
 - (vi) All costs of furnishings, tools and equipment for use in and about the project facilities or amenities including the repair, maintenance and replacement thereof;
 - (vii) All insurance costs in respect of the insurance for which the Corporation is responsible under these By-laws and/or the Act;
 - (viii) All costs of and charges for all manner of consultation, professional and servicing assistance required by the Corporation including without limiting the generality of the foregoing all legal, accounting, auditing and engineering (including replacement reserve fund studies) fees and disbursements;
 - (ix) All reserves for repairs and replacement of Common Property and Infrastructure, the repair and replacement of which is the responsibility of the Corporation as defined in these By-laws;
 - (x) The cost of maintaining fidelity bonds as provided in these By-laws;
 - (xi) The cost of borrowing money for the purpose of carrying out the duties and objects of the Corporation;
 - (xii) The allocable or pro rata portion of any cost of any electricity taken from any exterior plug which is billed directly to an Owner by the provider of such electricity and which is used by the Corporation for the purposes of operating or maintaining Common Property.
- (b) At least 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 proposed 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. Such assessment shall be made to the Owners in proportion to their Unit Factors.

- (c) 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 (see: "Capital Replacement Reserve Fund").
- (d) The Capital Replacement Reserve Fund may be used for the repair or replacement of any real and personal property owned by the Corporation and the Common Property and Managed Property and is not intended to be used to cover annually recurring maintenance and repair costs which are to be set out and provided for in the annual budget. The Corporation may by resolution determine the maximum amount that may be paid from the Capital Replacement Reserve Fund in respect of a single expenditure.
- (e) The Common Expenses set forth in each contribution 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 (12) equal consecutive monthly installment payable, in advance on the first day of each month, the first installment to be made on the first day of the month immediately following receipt of such notice of assessment, or such other time as may be prescribed by the Corporation.
- (f) 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 Interest Rate 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.
- (g) The Corporation shall, on the application of an Owner, purchaser or mortgagee or solicitor for an Owner, purchaser or mortgagee or any person authorized in writing by any of those persons, certify within twenty (20) days receipt of such application, signed by the officers or the Manager under corporate seal and certifying all those matters provided for in section 39(6) and section 44 of the Act:
 - (i) the amount of any contribution determined as the contribution of the Owner;
 - (ii) the manner in which the contribution is payable;
 - (iii) the extent to which the contribution has been paid by the Owner; and
 - (iv) the interest owing, if any, on any unpaid balance of a contribution;and, in favour of any person dealing with that Owner the certificate is conclusive proof of the matters certified therein, and the Corporation and all Owners shall be estopped from denying the accuracy of such certificate against any mortgagee, purchaser or other person dealing with the Owner, but this shall not prevent the enforcement against the Owner of all or any obligations of the Owners whether improperly stated in the Certificate or not.
- (h) Upon the written request of an Owner, purchaser or mortgagee of a Unit the Corporation shall, within twenty (20) days of receiving that request, provide to the person making the request one or more of the following as required by that person:
 - (i) a statement setting forth the amount of any contributions due and payable in respect of a Unit;
 - (ii) the particulars of;

- A. any action commenced by or against the Corporation and particulars of any documents served upon the Corporation;
 - B. any unsatisfied judgment or order for which the Corporation is liable; and
 - C. any written demand made upon the Corporation for an amount in excess of \$5,000.00 that, if not met, may result in an action being brought against the Corporation;
- (iii) the particulars of or a copy of any subsisting management agreement;
 - (iv) a copy of the current budget of the Corporation;
 - (v) a copy of the most recent financial statement of the Corporation;
 - (vi) a copy of the By-laws of the Corporation;
 - (vii) a copy of any minutes or proceedings of the most recent general meeting of the Corporation or of the Board;
 - (viii) the amount held in any Capital Replacement Reserve Fund;
 - (ix) the Unit Factors and the criteria used to determine Unit Factor allocation;
 - (x) any structural deficiencies in the project;
 - (xi) in the case of a mortgage, the records pertaining to the management or administration of the Corporation as prescribed in Section 45 of the Act.
- (i) The omission by the Board to fix the contributions 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 contributions or special assessments, or any installments thereof for any year or period, but the contributions fixed from time to time shall continue until new contributions 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.
 - (j) The Board or the Manager supplying any documents required to be provided in these By-laws or by the Act, shall be entitled to charge a reasonable fee for the production thereof.

52. SPECIAL ASSESSMENTS

If at any time it appears that the annual contributions towards the Common Expenses will be insufficient to meet those expenses, the Corporation may assess and collect a special contribution of assessment against each Unit in an amount sufficient to cover the additional anticipated Common Expenses. 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 assessment shall be determined and assessed against the Owners in proportion to their Unit Factors. All such special

assessments 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 Interest Rate from the due date until paid.

53. DEFAULT IN PAYMENT OF ASSESSMENTS

Default in payment of assessments and lien for unpaid assessments, installments 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 contribution, assessment, installment or payment due to the Corporation, which lien shall be a lien against such estate of interest subject only to the rights of any registered mortgagee and any municipal or local authority in respect of unpaid realty taxes, assessments or charges of any kind against the Unit title of 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 contribution, assessment, installment or payment as hereinbefore mentioned, and for so long as such unpaid contribution, assessment, installment or payment remains unpaid, 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 contribution, assessment, installment 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 contributions, assessments, installments and/or payments, and interest thereon at the Interest Rate from 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 other remedies as may be available to it at law or in equity, from time to time including the recovery by the Corporation of its legal fees and disbursements on a solicitor and his own client basis from such defaulting Owner.
- (b) Any other Owner or person, firm, or Corporation whatsoever may pay any unpaid contribution, assessment, installment or payment after the expiration of thirty (30) days following the due date of the payment by the Owner in default with respect to a Unit, and upon such payment, such party, person, firm or Corporation shall have a 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 contribution, assessment, installment 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) In the event of any assessment against or installment or payment due from an Owner remaining due and unpaid for a period of thirty (30) days, the Board shall give notice of such default to all Mortgagees having an interest in such Owner's Unit who have notified their interests to the Corporation.
- (e) In the event of any assessment against or installment or payment due from an Owner remaining due and unpaid for a period of ninety (90) days, the Board, at its election, may accelerate the remaining monthly contributions, assessments, installments or payments for the fiscal year then current upon notice to the Owner in arrears, and thereupon all such unpaid and accelerated

monthly contributions, assessments, installments and payments shall become payable on and as of the date of the said notice. PROVIDED THAT no such acceleration shall affect the interests of or be binding upon any registered mortgage.

- (f) 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 mortgage and the Corporation or other party shall, upon the request of such 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 registered mortgagee in respect of a Unit title against which it has registered its mortgage.
- (g) All reasonable costs of the Manager and legal costs and disbursements incurred by the Corporation (including costs on a solicitor and his own client basis) in registering and discharging a Caveat which either the Manager of the Corporation expends as a result of any act or omission of the Owner, his servants, agents, licensees, invitees or Tenants which violates these By-laws or any rules or regulations established pursuant thereto or incurred or in any way for securing or enforcing its interests hereunder of the taking of any remedies to cure any default hereunder shall constitute a payment due the Corporation.

54. ESTOPPEL CERTIFICATE

Any certificate as to an Owner's position with regard to contributions, expense assessments or otherwise, issued by an officer of the Corporation or the Manager shall be deemed to be 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. Fees will apply for this service.

55. LEASING OF UNITS

- (a) 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.
- (b) The Corporation is authorized to:
 - (i) impose and collect deposits under Section 53 or its successor of the Act. If any deposit is used in accordance with the Act or these By-laws, the Owner shall replace that portion of the deposit used within ten (10) days of being notified, in writing, by the Board of its use;
 - (ii) give notices to give up possession of residential Units under Section 54 or its successor of the Act; and
 - (iii) make applications to the Court under Sections 55 and 56 or their successors of the Act.

- (c) No Tenant shall be liable for the payment of contributions or assessments or Common Expenses under these By-laws unless notified by the Corporation that the Owner from whom he rents the Unit is in default of payment of contributions, in which case the Tenant shall deduct from rent payable to the Owner, such default contributions and shall pay the same to the Corporation. Any such payment by the Tenant shall be deemed to be a rental payment made to the Owner.

56. SEVERABILITY

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.

57. NOTICES

Unless otherwise expressly provided in the 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 other known address or if left with him or some other 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 mail shall be deemed to have been sent and received forty eight (48) hours after it is mailed. 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 or these By-laws.

58. NOTICE OF DEFAULT TO MORTGAGEES

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.

59. DEBT RETIREMENT ON TERMINATION

Subject to the provisions of the Act, upon termination of the condominium status, 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 subject to the interests of any Mortgagees.

60. COMPANY WHICH IS MEMBER OF BOARD

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 at 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.

61. ALTERNATE BOARD REPRESENTATIVE

A representative of a company on the Board may appoint any person whether another Owner or not and where 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 the meetings of the Board shall be sent to the alternate representative of a member of the Board. If and when the appointing representative vacates his the office of a representative of a member of the Board or removes the alternate representative from office as alternate representative, any appointment or removal under this By-law shall be made in writing under the hand of the representative making the same.

62. NO RECREATIONAL FACILITIES

No portion of the Common Property has been designated for recreational use, and no portion of the Common Property shall be used by any Owner for recreational use.

63. PETS

An Owner shall be entitled to keep in a Dwelling House or Unit a maximum of 1 dog or 1 cat, each weighing less than twenty (20) pounds when fully grown, or one of each, provided that the pets do not create any unreasonable disturbance to neighbors or constitute a hazard to or are harmful to any Common Property or to other Owners. In no event shall an Owner be entitled to keep an aggressive or noisy animal. An Owner of a pet shall be required to keep the Unit in a clean and reasonable state of cleanliness (i.e., attend to the routine collection and removal of excrement from animal litters within the boundaries of a Unit) and the Owner of a pet shall keep the Common Property clean of all excrement which the pet litters on the Common Property or the Managed Property, or if the pet causes damage to the Unit or Common Property or the Managed Property, the Owner shall be responsible for costs of repair for such damage. If an Owner has a pet that is aggressive or noisy, or if an Owner fails to maintain and control his pet in a reasonable manner, in the opinion of the Board, acting reasonably, on notice from the Board, the Owner may be required to either contain the pet within the confines of the Unit or the Dwelling House (as the case may be), or alternatively, to remove the pet from the Unit or Dwelling House. No pet of any kind shall be allowed to run at large over any portion of the Common Property. All pets must be kept on leash in the control of a responsible adult person when present on all Common and Managed Property. All owners shall treat their pets at all times with dignity and respect and provide all the necessary care and attention that the pet may require.

64. EASEMENTS

Each Owner acknowledges and agrees that he or she is bound by certain easements respecting the Parcel. In addition, each Owner further agrees that there is implied, in respect of each Unit, the following:

- (a) in favor of the Corporation and Owner of each Unit, and as appurtenant to the Unit, easements for the passage or provision of water, sewerage, drainage, gas, electricity, garbage, air and other services including telephone, radio, television or telecommunication services through or by means of any pipes, wires, cables or ducts for the time being existing in the Parcel to the extent to which those pipes, wires, cables or ducts are capable of being used in connection with the enjoyment of the Dwelling House, the Unit, or the Common Property;
- (b) as against the Owner of the Unit, easements to the extent that any portion or part of the driveway, porch, patio, deck, eaves, eaves troughs, footings or such other structure shall encroach upon any Unit, Dwelling House or garage;

- (c) in favor of the Corporation, or the Manager, its employees, agents, and servants, the right to access and egress, the Unit or the Dwelling House together with all necessary equipment for the purposes of maintenance and repair of the Managed Property, of the fencing and lawn maintenance, on the Unit or the Dwelling House;
- (d) in favor of the Owner of the Unit, and as appurtenant to the Unit, the right of access and egress in, through, or over the Common Property, or the Unit, as the case may be for the purpose of ingress and egress to and from the Unit.

The proprietor of any utility service that provides service to the Parcel, to any Unit or Dwelling House on it, is entitled to the benefit of any of the easements contained in this By-law that are appropriate to the proper provision of that service, but not to the exclusion of the proprietor of any other utility service.

All ancillary rights and obligations reasonably necessary to make an easement effective apply in respect of easements set out herein, including the right of an Owner of any dominant tenement to enter a servient tenement and to replace, renew or restore anything the dominant tenement is entitled to benefit from, subject to the obligation of the Owner of the dominant tenement to use best efforts to maintain the utility service in the originally designated area where reasonably possible.

65. PARTY WALL AGREEMENT

Each Owner of a duplex (semi-detached Dwelling House) acknowledges that each Dwelling House on each Unit has at least one common wall for a portion of its length with a Dwelling House constructed on an adjoining Unit and that the common wall is located as nearly as practicable upon the property line between the two adjoining Units. Each Owner agrees with each other Owner as follows:

- (a) The common wall constructed on the lot line between the adjoining Units has been constructed as a party wall to be used for the joint purposes of the Dwelling House and the adjoining Dwelling House(s) so erected by the Developer and shall be used and maintained as a party wall in such manner as to ensure to each Owner in respect of their adjoining Dwelling Houses the enjoyment of a right to support and use, all to the intent that no portion or part of the party wall erected shall for any purpose be construed or deemed to be an encroachment on any adjoining Unit and shall continue as a party wall perpetually and to the extent that any portion or part of the party wall shall encroach upon any Unit, the Owner of such Unit grants and conveys to each adjoining Owner an easement for the purpose of such encroachment;
- (b) Each Owner grants and conveys to each adjoining Owner an easement in support of the party wall and of any vertical or linear extension thereof in respect of width of the party wall constructed upon that Owner's Unit, with the intent that such easement shall be annexed to and run with the land of such Unit in accordance with the provisions herein set forth;
- (c) If the party wall at any time following construction requires any repair or maintenance (either external or internal) to ensure any Owner the right to the convenient enjoyment of his or her right to support and use, either of the adjoining Owners shall be at liberty to cause the party wall to be repaired or maintained and each of the adjoining Owners shall be responsible for and shall forthwith pay for one-half (1/2) of the cost of such repairs or maintenance provided that notwithstanding the foregoing, in the event such repair or maintenance (either external or internal) is required or necessitated due to damage to such party wall caused by the willful or wanton act or acts of any Owner or invitee or licensee thereof whose willful or wanton act or acts required or necessitated the repair or maintenance, then the costs of such repair shall be paid entirely by such owner;

- (d) Each Owner shall afford any adjoining Owner and that Owner's agent or workmen all such reasonable access as may be necessary to enable the party wall to be speedily and effectively built and/or repaired and/or maintained (provided that in connection with such access reasonable notice shall be given and as little damage as possible will be occasioned to the property of the other Owner(s) and that in the event that any such damage is done, such will be repaired to the satisfaction of the other Owner(s) at no cost to the other Owner);
- (e) Notwithstanding the obligation of adjoining Owners to maintain their Party Wall(s) as provided herein, the Corporation may, if called upon by any Owner to do so, conduct the repairs as if the same pertain to Common Property or Managed Property, and to allocate the costs of such repairs to the adjoining Owners and to assess their respective Units accordingly;
- (f) The Board of Directors has the power on behalf of the Corporation and on behalf of the Owners to direct that this Party Wall Agreement and any Easement Agreement may be registered against title to the Units located on the Parcel. Each Owner hereby acknowledges their consent to the registration of such Party Wall Agreement or Easement against the title to their Unit, in the event that it is so directed by the Board of Directors.
- (g) In the case of semi-detached Units, where there is one sump pump servicing both Units, if the sump pump requires replacement the cost is to be shared equally between the two semi-detached Units.

66. RESTRICTED DEVELOPMENT OF UNITS, ARCHITECTURAL STANDARDS, AND RESTRICTIVE COVENANT

- (a) No Owner shall improve, develop, construct upon or otherwise modify the exterior of his Dwelling House or Unit unless such development or improvement strictly complies with any and all developmental restrictions imposed upon the Unit by the City of Lethbridge (whether disclosed on the title to the Unit or not), the Restrictive Covenant (the terms of which are hereby incorporated in this By-Law), the Corporation, and the Architectural Standards;
- (b) The Corporation is hereby empowered, and the Board is authorized on behalf of the Corporation, to take whatever procedures are reasonably necessary, in the Board's opinion to ensure compliance with By-law 73(a) hereof and enforce the Restrictive Covenant and the Architectural Standards (enforcement to be limited to the extent it is limited by law), including the imposition of sanctions;
- (c) The provisions of this Restrictive Covenant have been implemented to ensure the regular maintenance and upkeep of all Units and the Dwelling Houses within the Parcel, and to ensure continuity and consistency in the construction and maintenance of Units and the Dwelling Houses, and therefore shall not be altered or changed unless by the Owners pursuant to a special resolution passed pursuant to the provisions of these By-laws.
- (d) The Board of Directors has the power on behalf of the Corporation to direct that this Restrictive Covenant may be registered against the title to the Units located within the Parcel. Each Owner hereby acknowledges their consent to the registration of such Restrictive Covenant against the title of their Unit, in the event it is so directed by the Board of Directors.

67. MANAGED PROPERTY

Duties and Restrictions on Owners regarding Managed Property Each

owner shall, in respect to the Managed Property on or in his Unit:

- (a) Permit the Corporation (and anyone authorized or directed by the Board) to enter his Unit for any and all purposes of inspection, maintenance, repair, upkeep, cleaning and control of the Managed Property as if it were Common Property;
- (b) Adhere to, comply with, and strictly observe these By-Laws and all rules, regulations, By-Laws, resolutions and other requirements of the Corporation and its insurers as same relate to Managed Property; provided that in the absence of anything expressly to the contrary. The rules, regulations, By-laws, resolutions and other requirements as shall apply to the Common Property shall apply to the Managed Property;
- (c) Shall not, in any manner whatsoever, interfere with, prohibit, or hinder the Corporation in carrying out its duties, powers, obligations, and responsibilities arising hereunder or in connection with any of the Corporation's inspection, maintenance, repair, upkeep, cleaning, or control of the Managed Property; and shall, not in any manner whatsoever without first obtaining the consent of the Board, change, improve, alter, adjust, remove, disfigure or otherwise disturb any part or component of the Managed Property.

Powers, Duties and Restrictions of the Corporation

The Corporation:

- (a) Shall, in addition to and without limiting its powers relating to the management and control of the Common Property, be empowered to:
 - (i) enact rules and regulations relating to the management and control of the Managed Property;
 - (ii) employ and contract for services for repair, maintenance, replacement, cleaning and other similar services (including painting, pruning, lawn maintenance, snow maintenance, or other services) necessary to maintain the Managed Property;
 - (iii) as part of and in accordance with its general power of levying assessments, assess the owners for their representative shares in the costs of the Corporation carrying out its duties;
 - (iv) manage, operate and control the Managed Property as if and to the same extent that it was Common Property.
- (b) Shall, in addition to and without limiting its obligations generally relating to the maintenance, management, repair, and control of the Common Property, control, manage, maintain, repair, and administer the Managed Property unless otherwise directed by ordinary resolution of the Corporation, provided that such duties and obligations may, from time to time, be amended and adjusted (including without limitation, by increasing or reducing the same) by ordinary resolution of the Corporation. If, pursuant to ordinary

resolution, it is resolved that the Corporation shall be relieved and is not from the effective date thereof, to be responsible for the management, repair, maintenance, upkeep, replacement and control of the Managed Property, all such duties and responsibilities shall there forth be performed by the Unit Owners and these By-laws shall be interpreted accordingly PROVIDED NEVERTHELESS THAT the Corporation shall be responsible for and perform its' Insurance and Capital Reserve Replacement Fund replacement obligations under these By-laws and its duties to maintain, repair, replace and manage Units 34, 35, and 36 (access , roadways, and open area respectively).

68. PRIVACY AREAS AND PARKING AREAS

- (a) The Owner of a Unit shall have the exclusive use of any balcony or patio area immediately adjacent and affixed to his Unit to which he has sole access and the same shall constitute a Privacy Area granted to an Owner. Any landscaping or decoration of balconies or patios may only be carried out after the express written consent of the Board has been obtained therefore and the maintenance of such approved landscaping or decoration shall be the sole responsibility of those Owners who have their exclusive use.
- (b) The Board may, in addition to other restrictions set out in these By-laws, specify and limit the nature and extent of the use or uses of any such Privacy Area assigned or designated by it hereunder.
- (c) Even though such Privacy Area may be included in the condominium plan as part of a condominium unit, and not an area leased pursuant to Section 50 of the Act or its successor, any such Privacy Area shall be maintained in a clean and tidy condition at the sole expense of the Owner to whom it has been assigned; PROVIDED THAT the Board may, in addition to the responsibilities of the Owner, share responsibility with such Owner for removing ice, slush, snow and debris from the driveway, common walkways and roadways and structurally maintaining fences, balconies, patios and walkways located in Privacy Areas to a standard considered reasonable by the Board.
- (d) If the Owner shall fail to properly maintain any such Privacy Area 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 problem corrected and the Owner affected shall reimburse the Board for all monies expended and all costs incurred in order to rectify said maintenance problem and pay interest thereon at the Interest Rate after demand for payment.
- (e) The term "Privacy Area" does not include any fence, rail or similar structure bordering any designated exclusive use area.
- (f) The Corporation and its servants and agents shall, notwithstanding the grant of any right, license or privilege of exclusive use of any area to any Owner, have and enjoy free and uninterrupted right at any and all times and from time to time to enter upon, pass and repass over, and occupy any and all parts of such privacy area for the purpose of carrying out any of the duties of functions of the Corporation.

69. REALTY TAXES

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 the 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.

70. INDEMNIFICATION OF OFFICERS AND MANAGERS

The Corporation shall indemnify every member of the Board, manager, officer or employee 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 Board member, 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 fines or penalties imposed in a criminal suit or action or for unjustified profit or advantage or for any illegal act done or attempted in bad faith or dishonesty. All liability, loss, damage, costs and expenses 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. The Corporation may by ordinary resolution, require that all members of the Board be bonded by a recognized bonding institution in an amount not less than ten thousand (\$10,000) dollars, the cost of such bonding to constitute a common expense of the Corporation.

71. NON-PROFIT CORPORATION

The Corporation is not organized for profit. No Owner, member of the Board or person from whom the Corporation may receive any property or funds or shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof. The foregoing, however, shall neither prevent nor restrict the following:

- (a) reasonable compensation may be paid to any member of the Board or Owner 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 of the Board or Owner 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;
- (c) members of the Board may receive an annual honorarium, stipend or salary established pursuant to By-law 5 (o), or its successor.

72. USE AND OCCUPANCY RESTRICTIONS

- (a) In this By-law:
 - (i) "Occupant" means a person present in a Unit or in or upon the real or personal property of the Corporation or the Common Property with the permission of an Owner;
 - (ii) "Owner" includes a Tenant.

(b) An Owner shall not:

- (i) use his Unit or any part thereof, for any commercial, professional or other business purposes or for any purpose involving the attendance of the public at such Unit unless such use constitutes an authorized, permitted or discretionary use or approved "home occupation" as defined in the relevant City of Lethbridge Municipal By-law or for any purpose which may be illegal or injurious to the reputation of the project, and only then with the approval and written consent and permission of the Board;
- (ii) make or permit noise within or about any Unit or on the Common Property, or allow any odor to emanate or escape from his Unit which, in the opinion of the Board, constitutes a nuisance or unreasonably interferes with the use and enjoyment of a Unit or the Common Property by any other Owner or Occupant. No instrument or other device shall be used within a Unit that in the opinion of the Board causes a disturbance or interferes with the comfort of other Owners. No workmen or contractor shall be permitted to do any work in any Unit that would disturb any other residents between the hours of 6:00 p.m. and 8:00 a.m. on weekdays or at any time on Saturdays, Sundays or legal holidays without the prior consent of the Board;
- (iii) keep or allow any animal, snake, reptile, livestock, fowl or pet of any kind (other than birds, fish or small animals restrained at all times inside the Unit) at any time to be in his Unit or on the Common Property without the specific approval in writing of the Board, which approval the Board may arbitrarily withhold and may, if given, be withdrawn anytime on seven (7) days notice to that effect. All dogs approved must be hand leashed and kept under control at all times. Any municipal By-laws in effect in the City of Lethbridge with regard to animals at any point in time shall have effect within the Common Property and municipal officers are hereby authorized and are permitted to enforce City By-laws on the Common Property;
- (iv) use or permit the use of his Unit for other than as a single family dwelling or for a purpose other than for residential purposes without the expressed written permission of the Board;
- (v) permit his Unit to be occupied as a place of residence by more than five (5) persons (whether adult or minor) without the written approval and consent of the Board, and never exceeding the numbers permitted by any Municipal or Provincial law of authority;
- (vi) do any act or permit any act to be done, or alter or permit to be altered his Unit or residence in any manner, which will alter the exterior appearance or the structure comprising his or any other Units without the prior written approval and consent of the Board;
- (vii) permit laundry to be hung other than inside the Unit;
- (viii) erect or place any building, structure, tent or trailer (either with or without living, sleeping or eating accommodation) on any parking Unit or on the Common Property or on any privacy area assigned to him without the prior written consent of the Board;
- (ix) permit, erect or hand over or cause to be erected or to remain outside any window or door or any other part of the Unit, residence or on the Common Property or on the real property of the Corporation, clothes lines, garbage disposal equipment, recreational or

athletic equipment, fences, hedges, 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 or mobile telephone or radio antenna, tower or similar structure or appurtenances thereto or satellite dish shall be erected on or fastened to any Unit or on the Common Property except as authorized by the Board and then only in accordance with the regulations which may be established by the Board;

- (x) overload existing electrical circuits or store any combustible inflammable or offensive goods, provisions or materials in his Unit, his residence or on the Common Property, normal cleaning products and related household goods exempted;
- (xi) do anything or permit anything to be done in his Unit or upon the Common Property or the real or personal property of the Corporation or fail to do any act or thing which will or would tend to increase the risk of fire or the rate of fire insurance premiums with respect thereto or which would render invalid any insurance maintained by the Corporation;
- (xii) do anything or permit anything to be done by any occupier of his Unit in his Unit, or upon the Common Property that is contrary to any statute, ordinance, By-law or regulation or any government authority whether Federal, Provincial, Municipal or otherwise;
- (xiii) 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;
- (xiv) place customary household refuse and garbage outside his Unit other than in proper secure garbage bags placed in the receptacles provided by the City of Lethbridge. All bulk waste items such as discarded household furnishings, which the City of Lethbridge Sanitation Department will not normally collect, shall be removed from the Project by the Owner at his sole cost and expense;
- (xv) erect, place, allow, keep or display signs, billboards, advertising matter, realtor lock boxes or other notices or displays or any kind on the Common Property including any privacy area assigned to him or in or about any Unit in any manner which make the same visible from the outside of the Unit without the prior written consent of the Board;
- (xvi) 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;
- (xvii)
 1. use the common driveway or roadway or any part of the Common Property and Managed Property other than for ingress to and egress from a Unit;
 2. wash motor vehicles other than on his Unit in such a manner as will not cause nuisance or annoyance to other Owners, and except in such a manner and at such times as the Board may from time to time by regulation set forth or direct;
 3. carry out any repairs or adjustments to motor vehicles on the project;
 4. bring onto the Parcel any vehicles other than private passenger automobiles or private (non-commercial) trucks not exceeding one (1) ton size without the

written approval and consent of the Board or the Manager or duly authorized nominee thereof, except in the course of delivery to or removal of materials from the respective premises:

5. allow cars, trucks, trailers, campers, boats, snowmobiles, trail bikes, all terrain vehicles, or any type of motor home or recreational vehicle or equipment to be parked or stored on the Common Property except for loading or unloading, and only then for a period of no more than seventy-two (72) continuous hours.
 6. drive any motor vehicle on the Common Property at a speed in excess of 15 kilometers per hour or in any manner that the Board, in its sole discretion, deems to be hazardous or dangerous;
 7. allow any propane powered motor vehicle to be brought into, kept or stored in a garage;
 8. keep on the Parcel any vehicle that is not currently licensed, and is not in operating condition without the written approval and consent of the Board:
- (xviii) obstruct or permit any walkway, passage or driveways or parking areas to be obstructed by his family, guests or visitors or their vehicles;
- (xix) allow his Dwelling House, Unit, or privacy area assigned to him to become unsanitary or unsightly in appearance;
- (xx) make or cause to be made any structural, mechanical, plumbing, drainage, gas system or electrical changes, alterations or additions to his residence or any structural alterations to be made to the outer boundary or any residence including load bearing walls or any ceiling or floor without first having the design and specifications of such alteration or addition approved in writing by the Board and with the necessary permits and inspections of the City of Lethbridge. The Owner requesting such approval agrees to pay the cost of any engineer or architect engaged by the Board to review the design and specifications. 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 result thereof shall forthwith be paid by such Owner to the Corporation and shall bear interest at the Interest Rate from the time such costs are incurred until paid. Any changes, alterations or additions must be in accordance with all City of Lethbridge Construction By-laws and all permits, licenses, and inspections will be at the Owners expense.
- (xxi) use a toilet, sink, tub, drain or other plumbing fixture for a purpose other than that for which it is constructed;
- (xxii) 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;
- (xxiii) use the balcony, deck, or patio or other areas outside his building for the storage of personal belongings or other goods and chattels or 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 requests of the Board or its representatives that all household and personal effects or articles belonging to an Owner's household be put away inside the Unit when not in actual use, however, lawn furniture or a barbecue on a balcony, deck, or patio is permitted. Bicycles are to be placed in the Owners' respective garages;

- (xxiv) feed or harbor pigeons, gulls or other birds from the balcony, deck, or windows of his Unit or on the Common Property;
 - (xxv) render a Unit unfit for human habitation;
 - (xxvi) paint, decorate or otherwise alter any portion of the building or a Unit required to be maintained by the Corporation without the express, prior, written consent of the Board;
 - (xxvii) cook on a balcony other than using a gas or propane barbecue; or install any wood burning fireplace on a deck, balcony, or patio;
 - (xxviii) prevent or prohibit access to and the use of exterior water taps and electrical plugs on a Unit for the purpose of maintaining the Common Property;
 - (xxix) without the written consent of the Board, have any right of access to those portions of the Common Property used from time to time for mechanical systems, utilities areas, building maintenance, storage areas not specifically assigned to him, operating machinery or any other parts of the Common Property used for the care, maintenance or operation of the project generally;
 - (xxx) use or permit to be used any blinds that are visible from the exterior of the building unless such blinds are of a neutral, white, off-white or ivory shade, or are so lined, and shall not use foil or other opaque material on any window;
 - (xxxi) use or permit any member of his household, guests, visitors to use any of the recreational facilities or amenities or any portion of the Common Property except in strict accordance with any rules and regulations which may be established by the Board from time to time and upon publication of a rule or regulation so made by the Board, the same shall be binding upon each occupier of a Unit, his visitors and guests and any violation of such rules or regulations may result in the loss of use of the recreational amenities for a period as decided by the Board.
 - (xxxii) paint, decorate or otherwise alter any portion of his Unit that is Managed Property of the Corporation without the written approval and consent of the Board;
- (c) An Owner shall ensure that his occupants comply with those requirements that the Owner must comply with under Subsection (a) and (b) hereto and, upon request of the Corporation, obtain from the Tenants or have the Manager who leases the Units on behalf of the Owners obtain from the Tenants an undertaking, in writing, to the following effect:
- "I, _____, covenant and agree that I, the members of my household and my guests from time to time will, in using the Unit rented by me, any privacy areas relating to the Unit and all Common Property, comply with the Condominium Property Act, the By-laws and all rules and regulations of the Corporation during the term of my tenancy."
- (d) The restrictions in use of Units shall have the following purposes:

- (i) to provide for the health and safety of condominium occupants;
- (ii) to maintain the Common Property and Units in such a manner as to preserve property values; and
- (iii) to develop a sense of community.

73. AMENDMENT OF BY-LAWS

These By-laws, or any of them, may be added to, amended or repealed by special resolution of the Corporation and not otherwise. The Corporation shall cause to be prepared and distributed to each Owner and Mortgagee who has notified its interest to the Corporation, a notice or memorandum of any proposed amendments, additions or repeal thirty (30) days prior to the date of any such special resolution and thereafter provide each such mortgagee with a copy of any registered amendment, addition or repeal.

74. CHANGE OF LEGISLATION

Should the Act be amended and changed in the future, then these By-laws shall be deemed to have been amended accordingly to adopt any and all such changes to the Act which are required to be adopted to enable the Corporation to operate at all times with the full powers of the Act and to use all remedies available to it under the Act.

75. MEDIATION AND ARBITRATION

Any dispute respecting any matter arising under these By-laws may, with the agreement of the parties to the dispute, be dealt with by means of mediation, conciliation or similar techniques to encourage settlement of the dispute or be arbitrated under the *Arbitration Act (Alberta)*

76. CONSENTS AND ASSURANCES BY CORPORATION

Subject to compliance with any requirements imposed by the City of Lethbridge for the development of the Parcel, and of the Bare Land Units, as well as design and construction of the Dwelling Houses, the design and construction of the Common Property shall be within the sole control and discretion of the Corporation.

CERTIFICATION

I _____, President of Owners: Condominium Plan No. 9611131

certify these By-laws to be the authorized By-laws of the Corporation. These By-laws come into effect at 12:01 a.m. on the First (1st) day of January, 2016.

DATED at Lethbridge, Alberta, this _____ day of _____, 2015

President

Corporate Seal

Witness

Schedule "A"

Exterior Architectural Standards and Finishes

1. Roof: 30 year warranty, architectural style, IKO Cambridge shingles applied over 15 pound felt installed over the entire roof surface. Thirty-six inch Ice and Weather Shield barrier applied at all roof perimeters and in all valleys and around all sky-lights. All shingles are to be individually glued.
2. Walls: Sheathing covered by black tar paper, stucco wire, one rough coat of Stucco, and one finish coat of Imasco stucco "Light Santa-Fe 6-24".
3. Fascia/Soffit: Pre-finished white aluminum material.
4. Eaves trough: Pre-finished 5 inch aluminum material.
5. Windows: Insulated glass panes in white molded PVC frames with 6½ inch jambs.
6. Decks/Railings: 2X6 spruce deck boards finished in light cedar colour, with spruce posts, palings, and rails painted in white colour.
7. Doors: Steel insulated white doors enclosed in a steel frame.
8. Garage Doors: Steel insulated white overhead garage door, with top panel windows.
9. Front Entry Steps: Poured concrete with broom finish, or 2X6 spruce painted light cedar on Units with covered decks.
10. Driveways/Sidewalks: Poured concrete with broom finish.
11. Perimeter Stucco Fence: Timber studs covered by 10mm plywood sheathing, building paper, mesh stucco wire, one rough coat of stucco, and one finish coat of Imasco stucco "Light Santa Fe 6-24". The fence is 1.5 metres high and stucco finished columns are placed on 9000mm centres.

Restrictive Covenant and Easement

The Restrictive Covenant and Easement as registered on all lands within the Parcel in the Land Titles Office for the Southern Alberta Land Registration District.