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CHAPARRAL ESTATES

BY-LAWS OF CONDOMINIUM CORPORATION NO. 9811079

SUMMARY OF CONTENTS

IN TOTAL SUBSTITUTION AND REPLACEMENT FOR ALL THE BY-LAWS
REGISTERED AT THE LAND TITLES OFFICE INCLUDING THOSE BY-LAWS

REGISTERED AS NO. 991 029 192

24 November 2003

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NOTE: These By-Laws have been passed by Condominium Corporation No. 9811079 for the purpose of repealing, replacing and substituting all the By-Laws registered in the South Alberta Land Registration District including those By-Laws registered on February 2, 1999 as No. 991 029 192.

DEFINITIONS AND INTERPRETATION

1. In these by-laws unless the context or subject matter requires a different meaning:
- (a) "Act" means the CONDOMINIUM PROPERTY ACT, Revised Statutes of Alberta, 2000, Chapter C-22, and, where the context so requires, the Regulation, as amended, from time to time, or any statute or statutes or Regulation or Regulations passed in substitution therefore or amendment thereof;
 - (b) "Architectural Standards" means those standards, guidelines and specifications for design and appearance governing the buildings and units set and approved by the Board, from time to time, in consultation with its architectural control consultant and subject always to the terms of any restrictive covenant, easement or caveat registered against titles to the Units dealing with architectural control guidelines referred to therein;
 - (c) "Board" means the Board of Directors of the Corporation;
 - (d) "building" means any residential dwelling, including any internalized garage, constructed on a bare land unit and forming an integral part thereof;
 - (e) "by-laws" means the registered by-laws of the Corporation, as amended from time to time;
 - (f) "common expenses" mean the expense of performance of the objects and duties of the Corporation and any expenses specified as common expenses in these by-laws;
 - (g) "common property" means the internal roadway system and so much of the parcel which is designated as common property on the condominium plan and all of the parcel that is not comprised in or does not form part of any building, including internal access roadway common property Unit 57, with landscaped areas, walkways and other amenities and improvements located on any portion of that Unit, light standards, perimeter fencing, any retaining walls and all utilities and shall be deemed to include the "managed property". As the project is a bare land condominium project and the boundaries of a unit are not described by reference to a wall, floor or ceiling as predicated in section 9 of the Act, all doors and windows (including sliding glass doors and garage doors) located on the exterior walls of a building including the glazing, the window frame, the window assembly components, the window casing, trim and mouldings and the door frame, door assembly components, door casing, trim and mouldings of such exterior doors and windows are consequently part of the unit, not part of the common property;
 - (h) "condominium plan" means the bare land condominium plan registered at the Land Titles Office under the Act as No. 9811079;
 - (i) "Corporation" means the condominium corporation constituted under the Act by the registration of the condominium plan whose legal name has been changed to "Condominium Corporation No. 9811079";
 - (j) "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 on resolution of the Board, whose duties 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 is the Board;
 - (k) "Interest Rate" means that rate of interest per annum which may be or shall become payable hereunder by an owner in respect of monies owing by him to the Corporation and shall be equal to the commercial prime rate in Calgary of the Canadian chartered bank with which the Corporation conducts its banking business at that time plus Four (4%) percent PROVIDED THAT such Interest Rate shall not exceed Eighteen (18%) percent per annum or such greater

or lesser rate established, from time to time, by the Regulation, on the earliest date on which any portion of the said monies becomes due and payable by an owner;

- (l) "managed property" includes access, roadway, walkway and open area common property Unit 57 and also means all those parts of the bare land units including the portions of the buildings thereon which, pursuant to these by-laws, the Corporation is required to administer, control, manage, maintain, repair and replace as if the same were traditional or conventional common property as provided for in these By-Laws and the Party Wall Agreement and more particularly described in By-Law 61.2;
- (m) "Manager" means the professional property manager contractually appointed by the Board to manage the day-to-day business of the Corporation;
- (n) "occupant" or "tenant" means a person present in or a person in possession of a unit or of the real property of the Corporation or the common property with the permission of an owner or the Corporation, as the case may be, whether or not the occupant or tenant is an owner, and includes all family members, invitees, licensees, servants, customers and guests of such occupant or tenant;
- (o) "ordinary resolution" means a resolution:
 - (i) passed at a properly convened meeting of the Corporation by a majority of not less than 50% of all the persons present or represented by proxy at such meeting and entitled to exercise the powers of voting conferred by the Act or these by-laws, or
 - (ii) signed by a majority of all of the persons 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 and representing more than 50% of the total unit factors for all of the units;
- (p) "owner" means a person who is registered as the owner of the fee simple estate in a unit and where the term "owner" is used in By-Law 60, that term includes an occupant or a tenant;
- (q) "parcel" means the land comprised in the condominium plan;
- (r) "Party Wall Agreement" means the Party Wall Agreement registered against title to the units, except Units 48 and 57, as #981 155 180 which provides for certain rights, charges and encroachments on the party walls between the units, except Units 48 and 57;
- (s) "privacy area(s)" means those areas, being part of the managed property and common property, which comprise any wing wall, partially enclosed rear yard and cement patio blocks therein and front and rear building entrance areas and associated landings and steps, adjacent and affixed to the building on a unit and the paved area in front of the garage portion of the building on a unit bordering and adjacent to the common driveway (garage pad) available for the sole purpose of parking a maximum of a private passenger automobile thereon provided no part of such automobile extrudes onto the common driveway or any landscaped area, and any other portion of the common property or the managed property as may be designated by the Corporation for the exclusive use of any owner pursuant to By-Law 5(f) and which the Board deems suitable for use in conjunction with a unit;
- (t) "project" means all of the real and personal property and fixtures comprising the parcel, land and buildings which constitute the units, common property and managed property, except those chattels which are the separate property of the owners or occupants of the units;
- (u) "Regulation" or "Regulations" means the Condominium Property Regulation, currently being Alberta Regulation 168/2000, and any other Regulation made from time to time in

substitution, replacement or addition therefore by the Lieutenant Governor in Council for Alberta pursuant to the Act;

(v) "special resolution" means a resolution:

- (i) 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 75% of all the persons entitled to exercise the powers of voting conferred by the Act or these by-laws and representing not less than 7500 of the total unit factors for all the units; or
- (ii) agreed to in writing by not less than 75% of all 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 7500 of the total unit factors for all the units;

(w) "spouse" includes a person who holds that position usually enjoyed by a spouse whether or not he or she is legally married;

(x) "unit" means an area described as a unit in the bare land condominium plan by reference to boundaries governed by monuments placed or to be placed pursuant to the provisions of the **Surveys Act** respecting subdivision surveys, including all buildings and improvements thereon, and all the units, except Unit 57, are "residential units" as defined in the Act;

(y) "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;

(z) "utilities" means all shallow and deep utilities as are installed for the use and enjoyment of the units including, but not limited to, all mains, pipes, wires, sewers, ducts and cables related to the provision of all sewage, water, sanitation, gas, electrical transmission, telephone, telecommunication and cable television facilities to the units;

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** of Alberta or the **LAW OF PROPERTY ACT** of 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.

MISCELLANEOUS PROVISIONS

2. (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) SEVERABILITY

The provisions of these by-laws shall be deemed independent and severable and the invalidity, in whole or in part, of any by-law, section, part or provision herein, shall not affect the validity of the whole or remaining sections, parts or provisions herein contained, which shall continue in full force and effect as if the invalid portion had never been included herein;

(e) 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 any thing to which such repair could be made.

DUTIES OF THE OWNERS

3. An owner SHALL:

- (a) subject always to the Act and, in particular, subsections (6) and (7) of section 24 thereof, permit the Corporation and its agents, at all reasonable times, on a minimum of Twenty-Four (24) hours written notice (except in case of emergency when no notice is required), to enter his unit and to enter any building for the purpose of inspecting the unit and building and maintaining, repairing, restoring, renewing, operating common property or managed property or to ensure the operation of the common property and the managed property, including all pipes, wires, cables, ducts, conduits, light standards, plumbing, sewers and other facilities for the furnishing of utilities and capable of being used in connection with the enjoyment of any unit or common property or managed property or for the purpose of maintaining, repairing, replacing, restoring or renewing party walls, or for the purpose of ensuring that the by-laws are being observed, or for the purpose of doing any maintenance and repair work for the benefit of the Corporation generally, or for the purpose of monitoring the use of any utilities. The written notice must state the reason for the entry and name both a date and time of entry that complies with section 24(7) of the Act. In the event the Corporation must gain access to a unit or building for the aforesaid purposes by using a locksmith, the cost of such locksmith shall be borne by the owner;
- (b) forthwith carry out all work that may be ordered by any municipality or public authority in

respect of his unit and pay all rates, taxes, charges, outgoings and assessments that may be payable in respect of his unit;

- (c) duly and properly clean, wash, repair, maintain and, when required, replace:
1. the interior of the building on his unit, all windows, which includes sliding glass doors, including the glazing, frames, seals, caulking, sash, sills, the window frame and the window assembly components and the window casing, trim or mouldings, if any, that are located on the interior and exterior walls of the building on his unit including the washing thereof, and all interior improvements, betterments and additions thereto including, without limiting the generality of the foregoing, his ensuite furnace and hot water tank;
 2. the doors (including the door frames, the door assembly components, the door casing, trim and mouldings and all hardware and locks relating to such doors) that are located on the interior and exterior walls of the building on his unit including all wood, patio, metal and garage doors EXCLUDING ALWAYS the painting, staining or similar refurbishment of the exterior finishing of the access doors which provide the means of ingress to and egress from a building;
 3. any screen or storm doors and all components thereof affixed to the building on his unit with the prior written consent of the Board;
 4. his mailbox;
 5. his door bell buttons;
 6. all light bulbs in light fixtures attached to the exterior of the building on his unit including any deck or patio unit light fixture;
 7. any interior wall or ceiling mounted, self-contained, heating, ventilation, or air conditioning/cooling systems located in the building on his unit and installed by or at the request of an owner after written approval from the Board;
 8. strictly comply with the Architectural Standards and keep in a neat, clean and tidy state and appearance consistently with and in total integrity with the balance of the project that part of his unit not occupied by a building, all privacy areas which are located on or which comprise any part of the common property or managed property to which the owner has been granted exclusive use pursuant to By-Law 5(f) or By-Law 56, including any plants, trees, bushes or other landscaping therein, except the mowing of grassed areas, which shall be the responsibility of the Corporation, and if the owner shall not maintain his unit and privacy areas to a standard similar to that of the remaining managed property or common property, the Corporation may give ten (10) days' notice to the owner to that effect and if such notice has not been complied with at the end of that period, then the Corporation may carry out such work and the provisions of By-Law 56 shall apply; and
 9. use any gas fireplace within the building on his unit in a safe manner and periodically clean, sweep, repair and maintain any fireplace flues, including zero clearance fireplace exhausts and chimneys on his unit;

and keep his unit and building in a state of good repair, except such maintenance, repairs

and damage as are insured against by the Corporation or for which the Corporation is responsible pursuant to these By-Laws;

but excluding other outer boundaries, walls, fences and other outside surfaces and roofs and eaves troughs and all other outside hardware and accoutrements affecting the appearance, usability, value or safety of any building;

- (d) not place bed sheets, towels, foil, opaque materials, political signs, "For Sale" signs or advertising notices in or on any exterior window of a building without the express written consent of the Board first had and obtained;
- (e) except as otherwise specifically permitted herein, not do or permit anything to be done that may cause damage to or that will alter the appearance of the common property or managed property (including any privacy area to which the owner has been granted exclusive use) and not make any repairs, additions or alterations to the exterior of the building (including the structure and all interior and exterior load bearing and partition walls) of which his unit forms a part or to the plumbing, mechanical or electrical systems within the building on his unit which do not comply with the Architectural Standards and without first obtaining the written consent of the Corporation therefore and the owner shall be responsible for the maintenance and repair of any such changes or additions to the original construction made by the owner with the consent of the Corporation;
- (f) not do any act or permit any act to be done or alter or permit to be altered, his unit (except as otherwise specifically permitted herein), or any building, in any manner whatsoever, or which will alter either of the appearance or level or grade of his unit or privacy areas or of any other units or the appearance of any building thereon and similarly not permit the established surface contours and surface drainage system to be altered in any manner whatsoever;
- (g) use and enjoy his unit, the common property and the managed property in accordance with these by-laws and all rules and regulations prescribed by the Corporation and in such a manner as to not unreasonably interfere with the use and enjoyment thereof by other owners, their families or visitors and to be respectful and courteous to and respect the rights of such other owners, their families and visitors;
- (h) not use his unit or permit it to be used in any manner for any purpose which may be illegal, injurious or that will cause nuisance or hazard to any occupant of another unit (whether an owner or not) or the family of such an occupant;
- (i) notify the Corporation forthwith upon any change of ownership or of any mortgage, lease or other dealing in connection with his unit;
- (j) comply strictly with these by-laws, the Architectural Standards and with such rules and regulations as may be adopted pursuant thereto from time to time and cause all adult occupants of and visitors to his unit to similarly comply;
- (k) 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;
- (l) if he wishes the Corporation to respond to his suggestions, questions or complaints, express them, in writing, placed in an envelope delivered to a Board Member. 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;
- (m) deposit with the Corporation, if requested, twelve (12) duly executed, post-dated cheques or an automatic monthly bank debit for duly assessed condominium contributions;
- (n) pay to the Corporation on demand any bank or Corporation charges for any "NSF" cheque written

by such owner.

DUTIES OF THE CORPORATION

4. In addition to the duties of the Corporation set forth in the Act, the Corporation, through its Board SHALL:
- (a) control, manage, maintain, repair and administer the common property, the managed property (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;
 - (b) do all things required of it by the Act, these by-laws and any other rules and regulations in force from time to time;
 - (c) maintain and repair (including renewal where reasonably necessary) all pipes, wires, cables, ducts, conduits, plumbing, sewers and other facilities for the furnishing of utilities for the time being existing in the parcel and capable of being used in connection with the enjoyment of one or more units or common property;
 - (d) provide and maintain in force all such insurance as is required by the Act 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, purchaser or mortgagee of a unit, or the duly authorized agent of such owner, purchaser or mortgagee, produce to the owner, purchaser or mortgagee, a certified copy of the policy or policies of insurance effected by the Corporation or a certificate or memorandum thereof and the receipt or receipts for the last premium or premiums in respect thereof within the times specified in the Act;
 - (e) subject to any obligations imposed by these By-Laws or by the Corporation upon any owner to care for and maintain any part of the common property, managed property or a unit, or privacy areas to which such owner has been granted exclusive use, maintain and repair the exterior or outside surfaces (INCLUDING foundations, roofing materials and exteriors of roofs, eaves troughs, exterior drains, exterior beams and trim of exterior access doors) of all buildings (EXCLUDING windows and the washing thereof which the owner is required to repair, maintain and replace under By-Law 3(c), AND EXCLUDING that maintenance, repair or replacement of those parts of exterior access doors and other exterior accoutrements, such as screen doors, door bell buttons, the mailbox, light bulbs in light fixtures attached to the exterior of the building, which are the responsibility of the owner under By-Law 3(c), (all of which shall be the responsibility of an owner), BUT INCLUDING all other outside accoutrements affecting the appearance, usability, value or safety of the parcel or the buildings and the structural maintenance of all privacy areas including any patios, the parking areas, the entrance areas, landings and steps, any private and common walkway areas, and maintain and repair all fencing, railings and posts and retaining walls, including any wing walls, fencing, railings or posts bordering any privacy areas and all utilities within, on, in, under or running through the units, common property and managed property PROVIDED THAT the general cleaning, care and maintenance of any privacy area shall be the prime responsibility of the owner to which such privacy area has been assigned;
 - (f) collect or cause to be collected and receive or cause to be received all contributions towards the common expenses and deposit same in a separate trust account with a chartered bank or trust company or Province of Alberta Treasury Branch or Credit Union incorporated under the Credit Union Act within the times required by the Act;
 - (g) subject always to and in accordance with the Act and the Regulation, conduct or cause to

be conducted and prepared a reserve fund study, a reserve fund report and, by and under a reserve fund plan approved by the Board, establish and maintain out of the contributions to be levied by the Corporation towards the common expenses, or otherwise, such amounts as the Board may, considering the requirements of the Act and the Regulation, determine from time to time to be fair and prudent for 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 any real and personal property owned by the Corporation and the common property and managed property, where the repair or replacement is of a nature that does not occur annually and:

- (1) Such funds shall be kept in a separate trust account registered in the name of the Corporation and shall not be commingled with any other funds of the Corporation or any other condominium corporation;
 - (2) Monies shall not be taken from a capital replacement reserve fund for the purposes of making capital improvements or additions not contemplated in or provided for in a reserve fund study or report unless such improvements or additions are authorized by special resolution and then only if there are sufficient funds remaining in the fund to meet the requirements of subsection (g) above;
 - (3) 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;
 - (4) Subject always to and in accordance with the Act and the Regulation, the Corporation shall continue to maintain the funding of its capital replacement reserve fund at an amount sufficient and appropriate enough to meet its legal obligations;
 - (5) The Corporation shall, for each fiscal year ending after September 1, 2002, prepare an annual report of the capital replacement reserve fund in accordance with the Regulation and provide a copy of such report to each owner before or with its notice of the next annual general meeting of the Corporation. The annual report shall set out: the amount of the reserve fund as of the last day of the immediately preceding fiscal year, all payments made into and out of the reserve fund for that year and the sources and uses of those payments and a list of the depreciating property that was repaired or replaced during the year and the costs incurred in respect of the repair or replacement of that property;
 - (6) The Corporation shall carry out a new reserve fund study, prepare a new reserve fund report and approve a new reserve fund plan every five (5) years or at such other intervals as prescribed in the Regulation;
 - (7) Within ten (10) days of receipt of a written request from an owner, purchaser or mortgagee of a unit provide to the person making the request a copy of the most recent reserve fund report, reserve fund plan or annual report;
- (h) 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 project, the Corporation and the owners as to the Board may seem justifiable in the management or administration of the entire project;
- (i) make a reasonable effort to remove ice, snow, slush and debris from and keep and maintain in good order and condition all areas of the parcel designated for vehicular or pedestrian traffic or parking, including unit driveways and unit walkways, patios, front entrances, landings and steps and to keep and maintain in good order and condition all

grassed and landscaped areas of the common property and the managed property PROVIDED THAT the care and maintenance of any privacy area shall be the prime responsibility of the owner to whom such privacy area has been assigned;

- (j) provide adequate garbage collection receptacles or containers on the common property for use by all the owners and provide for regular collection there from;
- (k) 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 pursuant to section 46 of the Act;
- (l) not plant any trees or substantial landscaping or make any unauthorized grade changes within any lands which are the subject of any easement, restrictive covenant, caveat or similar grant to any utility company, municipality or local authority and comply with the terms of any restrictive covenants, utility rights-of-way or easements, grants or other interests applicable to the parcel and registered against any unit title;
- (m) establish and maintain hard surfacing on all areas of the parcel designated for vehicular traffic or outside parking and establish and maintain the original Developer prescribed lawns, trees and shrubs on the common property and maintain any other property adjacent or related to the parcel as designated by the City of Calgary for maintenance by the Corporation, either alone or jointly with others, and promptly replace on a continuing basis, any such lawns, trees or shrubs for which it is responsible which die.

POWERS OF THE CORPORATION

5. 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) 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, the managed property or the common property, or the units or any of them, provided that real property shall only be acquired or disposed of by special resolution;
- (b) borrow monies required by it in the performance of its duties or the exercise of its powers provided that each such borrowing in excess of 15% of the current year's common expenses budget has been approved by special resolution;
- (c) secure the repayment of monies borrowed by it, and the payment of interest thereon, by negotiable instrument, or mortgage of unpaid contributions (whether levied or not), or mortgage of any property vested in it, or by any combination of those means;
- (d) invest as it may determine any contributions towards the common expenses SUBJECT TO the restrictions set forth in section 35 of the Act;
- (e) make an agreement with an owner, tenant or other occupant of a unit for the provision of amenities or services by it to the unit or to the owner, tenant or occupant thereof;
- (f) generally assign or designate to an owner privacy areas and the right to exclusive use and enjoyment of part of the common property and the managed property in respect of areas adjoining or relating to such owner's unit, or special privileges in respect thereof, for such consideration and on such terms and conditions as it deems requisite, and, except for the provisions of these by-laws relating to the privacy areas assigned to each unit, any such grant to be terminable on such reasonable notice or as may be determined by the Board, unless the Corporation by special resolution otherwise resolves, and the Corporation may delegate its responsibility to care for and maintain all those privacy areas, assigned,

designated or granted hereunder to the appropriate owner or owners;

- (g) make such rules and regulations as it may deem necessary or desirable from time to time in relation to the use, enjoyment and safety of the managed property and the common property and do all things reasonably necessary for the enforcement of these by-laws and for the control, management and administration of the managed property and the common property generally, including the commencement of an action under section 29 of the Act and all subsequent proceedings relating thereto;
- (h) determine from time to time the amounts to be raised and collected for the purposes hereinbefore mentioned;
- (i) raise amounts so determined by levying contributions on the owners in proportion to the unit factors for their respective units or as otherwise herein provided;
- (j) charge interest under section 40 of the Act on any arrears contribution or common expenses owing to it by an owner at the Interest Rate;
- (k) 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;
- (l) join any organization serving the interests of the Corporation and assess the membership fee in such organization as part of the common expenses;
- (m) 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;
- (n) subject to any limitations and prohibitions contained in the Act, these by-laws and otherwise by law, have such powers and do all such things which any body corporate shall be empowered and authorized to do under the **Business Corporations Act** of Alberta (as amended and replaced from time to time) and do all things and have such rights, powers and privileges of a natural person;
- (o) purchase, acquire, own and operate real property (provided such real property is a unit) for the general use or benefit of some or all of the owners, and acquire and grant (as the case may be) rights to joint access or mutual use (including entering into and observing and performing any agreement for joint or mutual administration and management thereof) to shared roadways, utilities, services or facilities;
- (p) levy penalties by way of monetary sanctions or commence such other proceedings as may be available for the contravention of any by-law.

THE CORPORATION AND THE BOARD

6. The powers and duties of the Corporation shall, subject to any valid restriction imposed or direction given pursuant to a resolution passed at a general meeting, be exercised and performed by the Board and, where applicable, by the Manager, under the direction and supervision of the Board.

NUMBER ON BOARD

7. The Board shall consist of not less than three nor more than seven persons PROVIDED THAT all members 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 adopted just prior to the election of the Board. A Board member must be 18 years of age or older. Where a unit has more than one owner, only one owner in respect of that unit may sit on the Board at any point in time.

RETIREMENT FROM BOARD

8. At each annual general meeting of the Corporation all the members of the Board shall be deemed to have retired from office and the owners shall elect new members accordingly.

ELIGIBILITY FOR ELECTION TO BOARD

9. 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 relationship he or she may have with the Corporation either contractual, financial or employment related. A retiring member of the Board shall be eligible for re-election.

REMOVAL FROM BOARD

10. Except where the Board consists of all of the owners, the Corporation may, by ordinary resolution at an extraordinary general meeting, remove any or all members of the Board before the expiration of his or their term of office and appoint another owner(s) in his or their place(s), to hold office until the next annual general meeting.

CASUAL VACANCY ON BOARD

11. Where a vacancy occurs on the Board under By-Law 20, 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 pursuant to By-Law 7.

QUORUM FOR BOARD

12. Except where there is only one owner, 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.

OFFICERS OF THE CORPORATION

13. At the first meeting of the Board held after each annual general meeting of the Corporation, the Board shall elect from among its members a President, a Vice-President, a Treasurer and/or a Secretary who shall hold their respective offices until the conclusion of the next annual general meeting of the Corporation or until their successors are elected or appointed. The 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 that person 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 or more offices.

CHAIRMAN OF BOARD MEETINGS

14. 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. All meetings of the Board shall be held within the City of Calgary unless the owners agree, by ordinary resolution, to hold the meetings in another location.

DUTIES OF OFFICERS

15. The other duties of the officers of the Board shall be as determined by the Board from time to time.

VOTES OF BOARD

16. 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.

Where a member of the Board has a material interest in any agreement, arrangement or transaction to which the Corporation is or is to become a party, that person:

- (1) shall declare to the Board that person's interest in the agreement, arrangement or transaction;
- (2) shall not vote in respect of any matter respecting that agreement, arrangement or transaction; and
- (3) shall not be counted when determining whether a quorum exists when a vote or other action is taken in respect of the agreement, arrangement or transaction.

FURTHER POWERS OF BOARD

17. The Board MAY:
- (1) meet together for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit, and it shall meet when any member of the Board gives to the other members of 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. All meetings of the Board shall be held at the City of Calgary PROVIDED THAT the Board may hold meetings by telephone conference call, video conferencing, or such similar method as will permit all Board members to hear all other participants in the meeting;
 - (2) 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 managed property and the common property and the exercise and performance of the powers and duties of the Corporation;

- (3) subject to any valid restriction imposed or direction given pursuant to a resolution passed 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;
- (4) 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 decide 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 the 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 and 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:
 - (1) the total amount of any replacement reserve funds in the hands of or controlled by the Manager;
 - (2) one month's total condominium contributions of the Corporation or 1/12 of the total annual condominium contributions for all units in the project (excluding any special contributions) whichever is greater; and
 - (3) a sum representing the average monthly amount of cash in the control of the Manager;
- (5) enter into an insurance trust agreement in the form and on the terms as required by any Insurance Trustee;
- (6) 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.

ADDITIONAL DUTIES OF THE BOARD

18. The Board for the benefit of the Corporation and the owners, shall have vested in it the powers of the Corporation and shall enforce the provisions of these By-Laws.

The Board SHALL:

- (a) subject to any valid restriction imposed or direction given pursuant to a resolution passed at a general meeting of the owners, carry on the day-to-day business and affairs of the Corporation and every member of the Board shall exercise the powers and discharge the duties of the office of member of the Board honestly and in good faith;
- (b) keep minutes of its proceedings and, upon written request at the expense of the person requesting, provide copies thereof to owners and to mortgagees who have notified their interests to the Corporation;
- (c) cause minutes to be kept of general meetings of the owners and, upon the written request and at the expense of the person so requesting, provide copies thereof to owners and to mortgagees who have notified their interests to the Corporation;
- (d) (i) 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;

- (ii) deposit all money paid to the Corporation, except as otherwise authorized, in writing, pursuant to a resolution of the Board, to a separate trust account registered in the name of the Corporation within two (2) banking days of receipt and all money paid to the Corporation is deemed to be held in trust for the performance of the duties and obligations of the Corporation in respect of which the payment was made;
- (iii) keep all such trust money intact and not withdraw, convert, direct, borrow or commingle such money with other funds except as otherwise authorized, in writing, pursuant to a resolution of the Board;
- (e) prepare or cause to have prepared financial statements comprising proper accounts relating to all monies of the Corporation, and the income and expenditure thereof, for each annual general meeting and distribute copies thereof to each owner and to each mortgagee who has notified its interest to the Corporation. Such financial statements shall be prepared in accordance with generally accepted accounting principles;
- (f) maintain financial records of all the assets, liabilities and equity of the Corporation;
- (g) on written application of an owner or mortgagee, or any person authorized in writing by him, within twenty-eight (28) days, make the books of account available for inspection at a time reasonably convenient to such party;
- (h) at least once a year, cause the books and accounts of the Corporation to be audited by an independent chartered accountant or certified general accountant to be selected at each annual general meeting of the Corporation, UNLESS the selection power is delegated to the Board, and cause to be prepared and distributed to each owner and to each mortgagee who has notified its interest to the Corporation a copy of the audited 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 at the annual general meeting or thirty days prior to the annual general meeting and, in any event, within one hundred and fifty (150) days of the end of the fiscal year of the Corporation SUBJECT ALWAYS to any other accounting reporting requirements of the Act and the Regulation. The report of the Auditor shall be submitted to each annual general meeting of the Corporation;
- (i) keep a register noting the names and addresses of all owners and mortgagees who have notified their interests to the Corporation;
- (j) within thirty (30) days from the conclusion of the Corporation's annual general meeting, file or cause to be filed at the Land Titles Office a notice in the prescribed form stating the names and addresses of the members of the Board;
- (k) 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 adopted by resolution of the Board;
- (l) file or cause to be filed at the Canada Customs and Revenue Agency office a statement of GST, if required, and an annual notice of the non-profit status of the Corporation.

DEFECTS IN APPOINTMENT TO BOARD

19. All acts done in good faith by the Board are, notwithstanding it be afterwards discovered that

there was some defect in the appointment or continuance in office of any member of the Board, as valid as if the member had been duly appointed or had duly continued in office.

VACATING OFFICE OF BOARD MEMBER

20. The office of a member of the Board shall be vacated if the member:
- (a) by notice in writing to the Corporation resigns his office; or
 - (b) dies; or
 - (c) is in arrears more than thirty (30) days of any contribution, levy or assessment required to be made by him as an owner; or
 - (d) becomes bankrupt; or
 - (e) is found lunatic or becomes of unsound mind, or is the subject of a Certificate of Incapacity issued under the MENTAL HEALTH ACT or a guardianship order; or
 - (f) is convicted of an indictable offence for which he is liable to imprisonment; or
 - (g) is absent from meetings of the Board for a continuous period of three (3) months or three (3) consecutive meetings without the consent of the remaining members of the Board and a majority of the remaining members of the Board resolve at the next subsequent meeting of the Board that his office be vacated; or
 - (h) ceases to qualify for membership pursuant to By-Law 7; or
 - (i) in the case of a company which is a member of the Board, if the company shall become bankrupt or make an assignment for the benefit of creditors or if proceedings are commenced to wind up the company, otherwise than for the purpose of amalgamation or reconstruction; or
 - (j) commences any legal proceedings against the Board or the Corporation; or
 - (k) is refused bonding, at a reasonable premium, by a recognized bonding institution.

SIGNING AUTHORITIES

21. 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 or without co-signing by any such officer or officers.

CORPORATE SEAL

22. The Corporation shall have a common seal, which shall be adopted by Board 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 purposes 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.

ANNUAL GENERAL MEETINGS

23. 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. All such meetings shall be held within the City of Calgary unless the owners agree, by ordinary resolution, to hold the meetings in another location.

EXTRAORDINARY GENERAL MEETINGS

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

CONVENING EXTRAORDINARY GENERAL MEETINGS

25. The Board may whenever it thinks fit and shall upon a requisition in writing by owners representing not less than 15% of the total unit factors for all the units or upon the request in writing from mortgagees holding registered mortgages (and who have notified their interests to the Corporation) against units in respect of which corresponding unit factors represent not less than 15% of the total unit factors or a combination of such owners or mortgagees entitled to vote with respect to 15% of the total unit factors convene an extraordinary general meeting, which meeting shall be held within thirty (30) days of the Board's receipt of the said requisition. The agenda for such meeting shall include; any legally valid items specified by the requisitioners. All such meetings shall be held within the City of Calgary unless the owners agree, by ordinary resolution, to hold the meetings in another location.

NOTICE OF GENERAL MEETINGS

26. A minimum of seven (7) days' notice of every general meeting specifying the place, the date and the hour of meeting (and, in the case of special business, the general nature of such business), shall be given to all owners and mortgagees who have notified their interests to the Corporation. The Notice shall include the financial statements for the Corporation's preceding fiscal year and an annual report respecting the reserve fund. 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 the 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.

PROCEEDINGS AT GENERAL MEETINGS

27. (a) All business that is transacted at an annual general meeting, or at any extraordinary general meeting, with the exception of the consideration of accounts and financial statements, appointment of auditors and solicitors, election of members to the Board, election of the Chairman, calling of the roll and certification of proxies and proving notice of meeting, shall be deemed to be special business;

- (b) the nature of such special business and the text of any resolution to be submitted to the meeting shall be set out in sufficient detail in the notice of the meeting so as to permit an owner or mortgagee to form a reasoned judgment on the nature of that business;
- (c) no such item of special business shall be effective to direct or limit the exercise by the Board of any authority or power vested in it under the Act or these by-laws;
- (d) unless otherwise specifically required by the Act and these by-laws, all business may be conducted or approved by ordinary resolution.

QUORUM FOR GENERAL MEETINGS

28. Save as in these by-laws otherwise provided, no business shall be transacted at any general meeting unless a quorum of persons entitled to vote is present at the time when the meeting proceeds to business and 25% of the persons entitled to vote representing not less than 2500 of the unit factors present in person or by proxy shall constitute a quorum.

ADJOURNMENT FOR LACK OF QUORUM

29. If within one-half hour from the time appointed for a general meeting a quorum is not present, the meeting shall be terminated and deemed to be of no effect.

CHAIRMAN FOR GENERAL MEETINGS

30. The President of the Board shall be the Chairman of all general meetings or in his absence from the meeting or in case he shall vacate the chair, the Vice-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.

ORDER OF BUSINESS FOR GENERAL MEETINGS

31. The Order of Business at general meetings, and as far as is appropriate at all extraordinary general meetings, shall be:
- (1) if the President or 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;
 - (2) calling to order by the Chairman and establish quorum;
 - (3) proof of notice of meeting or waiver of notice;
 - (4) reading and disposal of any unapproved minutes of general meetings;
 - (5) reports of officers;
 - (6) reports of committees;
 - (7) consideration of financial statements and annual report respecting the reserve fund;
 - (8) appointment of auditors and solicitors;
 - (9) resignation of Board;
 - (10) election of Board;

- (11) unfinished business;
- (12) new business;
- (13) any special business;
- (14) adjournment.

VOTING BY SHOW OF HANDS

32. At any general meeting a resolution by the vote of the meeting shall be decided on a show of hands, unless a poll is demanded by any owner or registered mortgagee present in person or by proxy PROVIDED THAT the voting for election of members of the Board may be conducted by written secret ballot in such manner as the Chairman deems fit that is consistent with and in compliance with these By-Laws and the Act. Unless a poll be so demanded, a declaration by the Chairman that a resolution has, on the show of hands, been carried is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour or against the resolution. Except for matters requiring a special resolution, all matters shall be determined by ordinary resolution.

POLL VOTES

33. A poll, if demanded, shall be taken in whatever manner the Chairman thinks fit, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In the case of equality in the votes, whether on a show of hands or on a poll, the Chairman of the meeting is entitled to a casting vote in addition to his original vote. A demand for a poll may be withdrawn.

VOTING CALCULATION

34. On a show of hands, each unit shall have one vote. On a poll, the votes of persons entitled to vote for such unit shall correspond with the number of unit factors for the respective units owned or mortgaged to them.

VOTES PERSONALLY OR BY PROXY

35. On a show of hands or on a poll, votes may be given either personally or by proxy.

PROXIES

36. An instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney, and may be either general or for a particular meeting. A proxy need not be an owner. Any proxy may be revoked by notice in writing filed with the Board before the time of the meeting or by the appointer's attendance at the meeting. The Chairman of the meeting shall rule on the validity of any proxy.

ELIGIBILITY TO VOTE

37. Except in cases where by or under the Act a special resolution is required, no owner or mortgagee is entitled to vote at any general meeting unless all contributions payable in respect of the owner's

unit or any other obligation owing to the Corporation in respect of the owner's unit or the common property have been duly paid or met 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 constitution purposes pursuant to By-Law 28.

VOTE BY CO-OWNERS

38. (a) 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 special resolution is required by the Act, but any one co-owner may demand a poll;
- (b) On any poll, each co-owner is entitled to such part of the vote applicable to a unit as is proportionate to his interest in the unit. The joint proxy (if any) on a poll shall have a vote proportionate to the interests in the unit of the joint owners as do not vote personally or by individual proxy.

SUCCESSIVE INTERESTS

39. 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.

TRUSTEE VOTE

40. 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.

VOTING RIGHTS OF MORTGAGEE

41. 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 SUBJECT TO the priority provisions of section 26 of the Act with respect to the voting rights of first mortgagees, owners and second and subsequent mortgagees, and where the mortgagee has given written notice of its mortgage to the Corporation, no instrument or proxy shall be necessary to give the mortgagee the said power to vote. A mortgagee is not entitled to vote if any contribution payable in respect of the owner's unit or any other obligation owing to the Corporation in respect of the owner's unit or the common property is in arrears for more than thirty (30) days prior to the date that the power of voting may be exercised.

VIOLATION OF BY-LAWS

42. (a) Any infraction or violation of or default under these by-laws or any rules and regulations established pursuant to these by-laws on the part of 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 indemnification basis, in correcting, remedying or curing such infraction, violation or default shall be charged to such owner and shall be added to and become part of the

- assessment of such owner for the month next following the date when such costs or expenses are expended or incurred (but not necessarily paid) by the Corporation and shall become due and payable on the date of payment of such monthly assessment and shall bear interest both before and after judgment at the Interest Rate until paid;
- (b) 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 such action including legal expenses and costs as between a solicitor and his own client indemnification basis. 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 its remedies;
- (c) In addition to, but not so as to limit the powers of the Corporation under paragraphs (a) and (b) of this By-Law, the Corporation may impose monetary and non-monetary sanctions on owners, tenants, and invitees of the owners who fail to comply with these by-laws pursuant to section 35 of the Act. The Corporation shall use its discretion in determining the severity or seriousness of each violation and impose monetary and non-monetary sanctions, which it considers reasonable in the circumstances. Such monetary sanctions shall not be less than Twenty-Five (\$25.00) Dollars or greater than the amount that may be granted in damages under the Provincial Court Act. If the Corporation elects to take proceedings in the Court of Queen's Bench, it may seek to recover a monetary sanction of not more than Ten Thousand (\$10,000.00) Dollars and/or an injunction. The Corporation may impose the non-monetary sanction of prohibiting a defaulting owner from exercising any power to vote conferred on such owner by the Act or these by-laws until such time as the default has been remedied to the satisfaction of the Board. The Corporation may only impose other, non-monetary, sanctions if directed to do so by ordinary resolution, which ordinary resolution shall specify the general nature of such non-monetary sanctions. In imposing sanctions, the Corporation shall be guided by rules of natural justice including giving the violating owner, tenant, occupant or invitee the right, on adequate notice, to appear before the Board of the Corporation to answer the by-law violation allegations of the Corporation;
- (d) Where a person fails to abide by a sanction or to pay to the Corporation a monetary sanction imposed hereunder, the Corporation may proceed under section 36 of the Act to enforce the sanction. Where the Corporation takes such proceedings, the defendant shall pay the Corporation's legal and other related expenses in respect of the proceeding;
- (e) A sanction may not be imposed that has the effect of prohibiting or restricting the devolution of units or any transfer, lease, mortgage or other dealing with the units or of destroying or modifying any easement implied or created by the Act.

DAMAGE OR DESTRUCTION

43. (a) 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 buildings on units, managed property 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;

- (b) Unless there has been substantial damage and the owners by special resolution resolve not to proceed with repair or restoration within 100 days after the damage or destruction, the Board shall arrange for prompt repair and restoration using proceeds of insurance for that purpose. The Board shall cause the proceeds of all insurance policies to be disbursed to the contractors engaged in such repair and restoration in appropriate progress payments. Any costs of such repairs and restoration in excess of the insurance proceeds shall constitute common expenses and the Board may assess all the owners for such deficiency as part of the common expenses;
- (c) 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 to have consented to such application. Upon termination of the condominium status:
 - (1) 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
 - (2) the proceeds of insurance shall be paid to the Insurance Trustee, the owners and mortgagees, as their respective interests may appear, in proportion to their respective interests in the parcel in accordance with the terms of any insurance trust agreement in effect;
- (d) The Corporation is not responsible for any damage or loss whatsoever caused by or to any personal property or contents of any nature of kind in or upon any unit or in or upon any part of the common property or managed property designated as a privacy area or any other area granted for the exclusive use of any owner;
- (e) 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;
- (f) Subject always to section 24 of the Act, where the Corporation is required to enter a unit for the purpose of maintaining, repairing or renewing pipes, wires, cables and ducts for the time being existing in the unit and capable of being used in connection with the enjoyment of any other unit, building, the common property or the managed property, the Corporation and its servants, employees and agents shall in carrying out any work or repairs do so in a proper and workmanlike manner and shall make good any damage to the unit or building occasioned by such work and restore the unit or building to its former condition, leaving the unit or building clean and free from debris;
- g) Each owner shall be responsible for damage caused to all grassed and landscaped areas of his unit and all outside surfaces of the building on his unit, including, without limiting the generality of the foregoing, exteriors of doors and locks and hardware, including garage doors, roofing materials, eaves troughs, exterior drains, exterior beams and trim, all fencing, posts, unit driveways and all other outside hardware and accoutrements on his unit arising from any willful, careless or negligent acts of himself, his family members, his guests, servants, agents, tenants, invitees, contractors or licensees that are not required by these by-laws to be insured against by the Corporation. Should an owner fail to repair such damage in a manner satisfactory to the Board or its representative, the Board may

do or cause to be done such repairs and the owner affected agrees to and shall reimburse the Corporation for all monies expended for labour, materials, normal overhead and profit and all costs incurred in collection with respect to the doing of such repairs and the Board or its representative may use all or any of the remedies available to it as herein set out to recover such monies for the Corporation and such monies shall be a charge upon the owner's unit to the same extent as they would be if they were common expense charges assessed upon his unit;

- (h) Each owner shall also indemnify and save harmless the Corporation from the expenses of any maintenance, repair or replacement rendered necessary to the common property, the managed property or to any unit or building by his act or omission or by that of any member of his family or his or their guests, servants, agents, invitees, licensees or tenants, but only to the extent that such expense is not met by the proceeds of insurance carried by the Corporation.

INSURANCE

44. (a) The Board, on behalf of the Corporation, shall obtain and maintain, subject always to the Act and the Regulation, and, in particular, section 47 of the Act and Part 6 of the Regulation, to the extent available thereof, the following insurance:
- (1) Fire insurance with extended coverage endorsement for such perils as the Board shall deem advisable (the perils insured against shall be "all risks" as that term is generally understood in the insurance industry, and, in any event, not less than any and all of the perils prescribed or otherwise required to be insured against by the Regulation of physical loss or damage) insuring: (A) all of the insurable managed property and common property; (B) all insurable property of the Corporation, both real and personal of any nature whatsoever; (C) all of the units, buildings, including the bathroom and kitchen fixtures initially installed therein, 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; (D) all owners from time to time; (E) all mortgagees who have given written notice of their interests to the Corporation; (F) the Corporation; and (G) the Board and any person referred to in By-Law 17(5) hereof (hereinafter collectively called the "Insureds") as their respective interests may appear;
 - (2) Public liability insurance, including any liability incurred by the Corporation arising out of a breach of duty as the occupier of the common property and arising out of the ownership, use, or operation of any machinery, equipment, pressure vessels and vehicles, insuring the Insureds against their liability for bodily injury, death and damage to property, to third parties or to owners and their invitees, licensees or tenants incidental to the enforcement of these by-laws and the control, management and administration of the common property and the Corporation's property and such insurance shall have limits of liability in amounts not less than \$2,000,000.00 inclusive for bodily injury and/or property damage per occurrence;
 - (3) Liability insurance, including errors and omissions coverage, in such amounts and with such deductibles as the Board may determine, insuring the Board and every member and officer thereof from time to time and each employee of the Corporation from and against all liabilities, charges, 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 member, employee or officer of the Corporation or arising out of any act or omission of that member, officer or employee with respect to carrying

out the functions of a member, officer or employee, 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 ;

- (4) Such other insurance and coverage for such other risks or causes as the Board may determine or as may be determined by ordinary resolution;
- (b) Each and every said policy of insurance shall name the Insureds and shall, as available and where applicable, provide:
- (1) that the policy may not be cancelled or substantially modified without at least sixty (60) days' prior written notice to all Insureds;
 - (2) that in no event shall insurance coverage be brought into contribution with insurance purchased by any owner or mortgagee and such insurance shall be deemed to be primary insurance;
 - (3) standard mortgage endorsements (IBC 3000 or its equivalent) attached to each such policy;
 - (4) a waiver by the insurer of its rights of subrogation against the Corporation, the Board, 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;
 - (5) 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;
 - (6) all insurance coverage dealt with in this By-Law may be subject to any reasonable deductible that is imposed or otherwise requested by the insurer;
 - (7) a cross liability endorsement wherein 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;
- (c) At least every five 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, units, buildings, managed property and all of the property of the Corporation. A copy of such appraisal or appraisal update shall be delivered to each mortgagee who has given written notice of its mortgage to 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, units, buildings, managed 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 project is situate;
- (d) A certificate or memorandum of all insurance policies and endorsements thereto shall be issued by the Board, or by the Manager on its behalf, within Ten (10) days from the day of receiving a request therefore from a purchaser, owner or mortgagee of a unit and a

duplicate original or certified copy of each such policy shall be forwarded within Thirty (30) days from the day of receiving that request from a purchaser, owner or mortgagee of a unit. Further, a renewal certificate or memorandum of any new insurance policy shall be furnished to each Insured. The original policies 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;

- (e) Notwithstanding anything aforesaid, but subject to the terms of any Insurance Trust Agreement, all proceeds of insurance on loss or claim shall be paid to the Insurance Trustee 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; provided that any expense of the Insurance Trustee shall be treated as common expenses of the Corporation;
- (f) 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 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 for their belongings, contents or other personal property. The insuring of any contents within a unit is the sole responsibility of the owner, tenant or occupant 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;
- (g) In the event an owner incurs or suffers damage or loss to any interior finishing or improvements of the building on his unit and/or the common property adjacent thereto that is covered or insured under any insurance policy of the Corporation and such owner elects to pursue recovery of such loss or damage under any insurance policy of the Corporation, such owner shall be responsible for and pay the full amount of any deductible on such claim 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 and such amount shall be recoverable by the Corporation as a contribution from such owner for all other costs, charges, and liabilities arising out of any such loss that may be sustained or incurred by the Corporation.

CONTRIBUTIONS FOR COMMON EXPENSES AND BUDGETS

45. (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:
- (1) 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;
 - (2) 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;
 - (3) All the charges on account of cleaning or sweeping of parking areas, lawn maintenance and landscaping of common property and managed property, the mowing of grassed area portions of privacy areas as provided for in By-Law 3(c)(8), and for ice, snow and debris removal from common property and managed property except from patios, front entrance areas and associated steps and landings;

- (4) All charges on account of any light standards or poles and related fixtures located on the common property including the light fixtures attached to the exterior of the building of a unit, excluding the bulbs of those exterior fixtures;
 - (5) All charges on account of maintenance for those portions of a unit, building, managed property and common property for which the Corporation is responsible under these by-laws;
 - (6) All costs of furnishings, tools and equipment for use in and about the project facilities or amenities including the repair, maintenance or replacement thereof;
 - (7) All insurance costs in respect of the insurance for which the Corporation is responsible under these by-laws and the Act;
 - (8) 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, all replacement reserve fund studies, reserve fund reports, reserve fund plans and annual reserve fund reports, including fees and disbursements related to any such services;
 - (9) All reserves for repairs and replacement of common property, managed property and portions of units or buildings the repair or replacement of which is the responsibility of the Corporation;
 - (10) Maintenance of the exterior walls and other structural costs of maintaining the buildings;
 - (11) The cost of maintaining fidelity bonds as provided in these by-laws;
 - (12) The cost of borrowing money for the purpose of carrying out the duties and objects of the Corporation;
 - (13) The allocable or pro rata portion of the 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 purposes of operating or maintaining common property;
 - (14) Any GST on condominium contributions as required by Canada Customs and Revenue Agency;
 - (15) Municipal taxes, levies or assessments on Unit 57 and any other unit owned by the Corporation;
 - (16) All costs whatsoever of the Corporation incurred in connection with the common property or in furtherance of any valid purpose of the Corporation or in the discharge of any obligation of the Corporation;
- (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:
- (1) a copy of the budget for the ensuing fiscal year which has been adopted by resolution of the Board;
 - (2) a notice of the assessment for his contribution towards the common expenses for said ensuing fiscal year;

- (c) The budget shall be determined on a reasonable economic basis, be prepared in accordance with generally accepted accounting principles and 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 ("replacement reserve fund");
- (d) The replacement reserve fund may be used for the repair or replacement of any real and personal property owned by the Corporation, the buildings, the managed property and the common property but 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;
- (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 installments payable, in advance, on the first day of each month, the first installment to be made on the 1st 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 contribution payment first due;
- (g) The Corporation shall, on the application of an owner, purchaser or mortgagee or the solicitor of an owner, purchaser or mortgagee or any person authorized in writing by any of those persons, certify, within ten (10) days:
 - (1) the amount of any contribution determined as the contribution of the owner;
 - (2) the manner in which the contribution is payable;
 - (3) the extent to which the contribution has been paid by the owner; and
 - (4) the interest owing, if any, on any unpaid balance of a contribution;and, in favour of a person dealing with that owner the certificate is conclusive proof of the matters certified in it;
- (h) Upon the written request of an owner, purchaser or mortgagee of a unit the Corporation shall, within ten (10) days of receiving that request, provide to the person making the request one or more of the following as requested by that person:
 - (1) a statement setting forth the amount of any contributions due and payable in respect of a unit;
 - (2) the particulars of
 - (A) any action commenced against the Corporation and 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;
 - (3) the particulars of or a copy of any subsisting management agreement;

- (4) the particulars of or a copy of any subsisting recreational agreement;
 - (5) a copy of the current budget of the Corporation;
 - (6) a copy of the most recent financial statement of the Corporation;
 - (7) a copy of the by-laws of the Corporation;
 - (8) a copy of any minutes of proceedings of a general meeting of the Corporation or of the Board;
 - (9) a copy of any subsisting lease or exclusive use agreement with respect to the possession of any portion of the managed property or the common property;
 - (10) a statement setting forth the amount of the replacement reserve fund;
 - (11) a statement setting forth the unit factors and the criteria used to determine unit factor allocation;
 - (12) a statement setting forth the amount of the monthly contributions and the basis on which that amount was determined;
 - (13) a statement setting forth any structural deficiencies that the Corporation has knowledge of at the time of the request in any of the buildings that are included in the condominium plan;
 - (14) the particulars of any post-tensioned cables that are located anywhere on or within the parcel;
 - (15) in the case of a mortgagee, the records pertaining to the management or administration of the Corporation, the minutes of meetings of the Board and the minutes of any general or similar meeting of the owners, all 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 a 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 under section 44 of the Act, shall be entitled to charge a reasonable fee for the production thereof.

SPECIAL CONTRIBUTIONS

46. If at any time it appears that the annual contributions towards the common expenses will be insufficient to meet the common expenses, the Corporation may assess and collect a special contribution or assessment against each unit in an amount sufficient to cover the additional anticipated common expenses PROVIDED THAT before assessing a special contribution or assessment to pay for the cost of a structural addition, the cost of which exceeds Ten Thousand (\$10,000.00) Dollars, the Corporation shall first secure a special resolution approving such

expenditure. 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. Unless otherwise provided, all such special assessments shall be payable within ten (10) days of the due date for payment specified in the notice and, if not paid, shall bear interest at the Interest Rate from the due date until paid.

DEFAULT IN PAYMENT OF CONTRIBUTIONS

47. (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 or interest. 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 be deemed to have given 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 remedies as may be available to it at law or in equity, from time to time including the recovery by the Corporation of its reasonable costs, including legal expenses and fees incurred by the Corporation in collecting the amount owing and disbursements on a solicitor and his own client indemnification basis from such defaulting owner. The Corporation shall ensure that; in commencing legal proceedings to collect amounts owing to it by an owner, it complies with any applicable time limit provisions of the **LIMITATIONS ACT** so as to preclude such owner raising a defense of Immunity from liability in respect of the Corporation's claim;
- (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 for payment by the owner in default, with respect to a unit, and upon such payment, such party, person, firm or corporation shall have a 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 By-Law;
- (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 ninety (90) 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 contribution, assessment against or installment or payment due from an owner remaining due and unpaid for a period of thirty (30) days, the Board, at its election, may accelerate the remaining monthly contributions, assessments, installments and 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;
- (f) All reasonable costs of the Manager and reasonable expenses, legal costs and disbursements incurred by the Corporation (including costs on a solicitor and his own client indemnification basis) in registering and discharging a caveat which either the Manager or the Corporation expends as a result of any act or omission of an owner, his servants, agents, licensees, invitees or tenants which violates these by-laws or any rules or regulations established pursuant thereto or incurred in any way for securing or enforcing its interests hereunder or the taking of any remedies to cure any default hereunder shall constitute a payment due the Corporation
- (g) Any payments made by an owner shall be applied firstly to any costs or expenses incurred by the Corporation, secondly to any interest owing and lastly to any contributions due to the Corporation.

ESTOPPEL CERTIFICATE

48. 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 owner but this shall not prevent the enforcement against the owner incurring the said expense of all obligations of the said owner whether improperly stated in such estoppel certificate or not.

LEASING OF UNITS

49. (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:
- (1) impose and collect deposits under section 53 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. The Corporation is entitled to retain any interest earned on any deposit provided pursuant to this By-Law;
 - (2) give notices to give up possession of units under section 54 of the Act; and
 - (3) make applications to the Court under sections 55 and 56 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 or building is in arrears of payment of contributions, in which case the tenant shall, upon request by the Corporation, deduct from the rent payable to the owner, such arrears contributions and shall pay the same to the Corporation for the

purposes of applying that rent against the monthly contributions that are in arrears. Any such payment by the tenant shall be deemed to be a rental payment made to the owner.

SEVERABILITY

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

NOTICES

51. Unless otherwise expressly provided in these by-laws, service of any notice required to be given under the Act or under these by-laws shall be well and sufficiently given if sent by prepaid mail to the owner at the address of his unit or other known address or if left with him or some adult person at the said address or to the Corporation at its address for service shown on the condominium plan, or to a mortgagee at its address supplied to the Corporation. Any notice given by post shall be deemed to have been sent and received forty eight (48) hours after it is posted. An owner or a mortgagee may at any time, in writing, advise the Corporation of any change of address at which notices shall be served or given and thereafter the address specified therein shall be deemed to be the address of such owner or a mortgagee, as the case may be, for the giving of notices. The word "notice" shall include any request, statement or other writing required or permitted to be given hereunder or pursuant to the Act or these by-laws. No form of notice under these by-laws shall be deemed invalid solely because telecopier or e-mail transmitted it.

NOTICE OF DEFAULT TO MORTGAGEES

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

DEBT RETIREMENT ON TERMINATION

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

COMPANY, WHICH IS MEMBER OF BOARD

54. 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. Where a company is the only member of the Board, a minute or resolution signed by its representative or by the alternate of its representative duly appointed pursuant to the By-Law next following shall be deemed to be a resolution of the Board.

ALTERNATE BOARD REPRESENTATIVE

55. A representative of a company on the Board may appoint any person whether another owner or not and whether a member of the Board or not to serve as his alternate representative on the Board and as such to attend and vote in his stead at meetings of the Board and to do anything

specifically provided for in these bylaws. Such alternate shall, if present, be included in the count for quorum and if he be a member of the Board he shall be entitled to two votes, one as a member of the Board and the other as an alternate representative of a member of the Board. If the representative so directs, notice of meetings of the Board shall be sent to the alternate representative of a member of the Board. If and when the appointing representative vacates the office of a representative of a member of the Board or removes the alternate representative from 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.

PRIVACY AREAS

56. (a) The Board shall be deemed to have designated and assigned to each owner the exclusive use of privacy areas related to his unit, all of which shall constitute privacy areas granted to an owner in accordance with the terms of By-Law 5(f). Any landscaping or decoration of patios and rear yards may only be carried out after the express written consent of the Board has been obtained therefore and the maintenance of any such patio and rear yard 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 privacy area assigned or designated by it under these by-laws;
- (c) Any privacy area shall be kept in a clean and slightly condition at the sole expense of the owner to whom it has been assigned PROVIDED THAT the Board shall be responsible for repairing and maintaining the parking areas and making a reasonable effort to remove ice, slush, snow and debris from the driveways and parking access areas, mowing grassed areas of the common property which are, in the sole discretion of the Board, accessible for cutting with power mowers and for structurally maintaining steps, walkways, fences and patios to a standard considered reasonable by the Board. If an 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 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. The term privacy area does not include any fence, rail, concrete, asphalt or similar structure or material bordering any designated privacy area;
- (d) The Corporation and its servants and agents shall, notwithstanding the grant of any right, licence or privilege of exclusive use of any privacy 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 areas for the purpose of carrying out any of the duties or functions of the Corporation.

REALTY TAXES

57. 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 project shall be assessed and imposed in accordance with provisions of the Act, but during any period of time that the assessing authority does not assesses each unit and the share in the common property appurtenant thereto pursuant to the Act, such realty taxes and other municipal and governmental levies or assessments shall be apportioned and adjusted amongst all the owners according to their respective unit factors.

INDEMNIFICATION OF OFFICERS AND MANAGERS

58. The Corporation shall indemnify every member of the Board, and any 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, employee 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 or for failing to discharge the duties of the office of a member of the Board honestly and in good faith or is found in breach of section 28(3) of the Act. 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 (\$10,000.00) Dollars, the cost of such bonding to constitute a common expense of the Corporation.

NON-PROFIT CORPORATION

59. The Corporation is not organized for profit. No owner or member of the Board 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(k).

USE AND OCCUPANCY RESTRICTIONS

60. (a) An owner SHALL NOT:
- (1) use his unit or building, the managed property, the common property, or any part thereof, for any commercial, professional or other business purpose or for a purpose involving the attendance of the public at such area, unless such use constitutes an authorized, permitted or discretionary use or approved "home occupation" as defined in the relevant City of Calgary Municipal By-Law as long as such home occupation does not require deliveries or public visits to the unit and the owner provides to the Board satisfactory proof of liability insurance and any licensing related to the use; or use any such areas for any purpose which may be illegal or injurious to the reputation of the project;
 - (2) make or permit noise, including without limitation pet noise within or about any building or unit or the managed property or the common property which, in the opinion of the Board, constitutes a nuisance or unreasonably interferes with the

use and enjoyment of a unit, the managed property or the common property by any other owner or occupant. No instrument or other device shall be used within a building or unit, which, in the opinion of the Board, causes a disturbance or interferes with the comfort of other owners. No contractor or workman 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 8:30 a.m. or on Saturdays, Sundays or legal holidays without the prior consent of the Board;

- (3) keep or allow any animal, livestock, fowl or pet of any kind (other than birds, fish or small animals restrained at all times in enclosures inside a building) at any time to be within his unit, the managed property 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. The Board shall not consent to or approve of any owner keeping a dog weighing over Thirty-Five (35) pounds. All approved dogs and cats must be hand leashed and kept under control and in the custody of a responsible person at all times who shall not allow the animal to defoul or defecate on any landscaped area of the project. The owner shall be solely responsible to the Corporation for and shall pay for the repair of any landscaping damage caused by his dog or cat. Any Municipal By-Law in effect in the City of Calgary with regard to pets at any 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;
- (4) use or permit the use of his unit other than for residential purposes except as may be permitted under any relevant City of Calgary Municipal By-Law as per subparagraph (i) hereof;
- (5) permit the building on his unit to be occupied as a place of residence other than by one family and by more than four (4) adult persons at any given time without the consent in writing of the Board nor shall the number of adults occupying a unit, exceed the numbers permitted by any Municipal or Provincial law or authorities;
- (6) do any act or permit any act to be done, or alter or permit to be altered the building on his unit in any manner, which will alter the exterior appearance of the structure comprising his or any other units except in accordance with the Architectural Standards and without the prior written approval of the Board;
- (7) permit laundry to be hung other than inside the building on his unit;
- (8) erect or place any building, structure, tent, or trailer, recreational vehicle (either with or without living, sleeping or eating accommodation) on his unit, the managed property, the common property, or on any privacy area assigned to him, including, but not so as to limit the generality of the foregoing, on his garage pad, without the prior written approval of the Board;
- (9) permit, erect or hang over or cause to be erected or to remain outside any window or door or any other part of the building on his unit, or on the managed property, 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 PROVIDED THAT an owner may put up Christmas lights and similar decorations on his privacy areas or on the exterior portion of the building on his unit from the 1st day of November to the 21st day of March, at his sole expense, if he agrees to restore and refurbish any managed property or common property damaged by him as a

result of such installation.

- (10) 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 building, unit or the common property by any owner without the prior consent, in writing, of the Board, which consent may be withheld or, if given, withdrawn on reasonable notice. No satellite dish greater than Thirty (30") inches in diameter shall be approved. The Board shall always have the final say as to the location of the satellite dish. The installation and removal of any satellite dish is to be carried out by a qualified person, approved by the Board, who must provide the Board with proof of his or her qualifications, as well as appropriate insurance coverage. Upon removal of the satellite dish, the Board may arrange for an inspection with the cost of the inspection and any resulting repairs being the sole responsibility of the owner.
- (11) overload existing electrical circuits or store any combustible, inflammable or offensive goods, provisions or materials in the building on his unit, in the garbage bin enclosures, or on the managed property or common property, normal cleaning products and related household goods excepted;
- (12) do anything or permit anything to be done within his unit, building or the managed property or 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;
- (13) do anything or permit anything to be done by any occupant of his unit or within his building or managed property or the common property that is contrary to any statute, ordinance, by-law or regulation of any government authority whether Federal, Provincial, Municipal or otherwise;
- (14) 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 of the managed property or common property 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;
- (15) deposit customary household refuse and garbage outside the building on his unit other than in the common property receptacles or containers provided by the Board.. All bulk waste items, such as discarded household furnishings, which the City of Calgary Sanitation Department will not normally collect, shall be removed from the project by the owner at his sole cost and expense;
- (16) erect, place, allow, keep or display signs, billboards, advertising matter, "For Sale" signs, realtor lock boxes or other notices or displays of any kind on any part of the managed property or the common property or in or about any building on a unit in any manner which may make the same visible from the outside of the unit or the building without the prior written approval of the Board, excepting signs permitted under an applicable City of Calgary By-Law;
- (17) allow any articles to be hung or placed on any outside window sill without the consent of the Board being first had and obtained and, similarly, mailboxes shall be used for a receptacle for daily mail delivery only and no articles shall be placed or hung upon them;
- (18) suffer or permit dirt, loam, gravel, paper or other debris, weeds, snow, ice or

slush to fill or accumulate or remain on or upon his unit and which material would:

- (1) alter the level or grades of the unit as established by the Building Grade Plan filed with the City Engineer of the City of Calgary, or
 - (2) restrict, impair, impede, alter or otherwise interfere with the drainage across the units including, without limiting the generality of the foregoing, drainage through or around any drainage gutter or other drainage control structure which may be erected on the units;
- (19) alter, remove, damage or otherwise interfere with any drainage control fence, grass swale, concrete or asphalt drainage gutter or other drainage control structure which may be erected on the units;
- (20) suffer or permit the restriction, impairment, impediment, alteration or other interference with any underground sprinkler system that may be constructed on the project in the future;
- (21) without the express written consent of the Board first had and obtained, erect a fence on or along the side lot line of any unit except such fence as exists as at the date of first possession of each unit;
- (22) permit any member of his household, guests or visitors to trespass on that part of the parcel to which another owner is entitled to exclusive occupation;
- (1) use the lanes, common driveways or roadways or any part of the common property other than parking areas designated to him under By-Law 5 or By-Law 56 for the parking of any motor vehicles except in accordance with permission in writing from the Board;
 - (2) park or store any vehicle or allow any member of his household to park or store any vehicle on those areas of the common property designated for visitor parking without the express consent of the Board first had and obtained;
 - (3) allow a visitor to his unit to park his motor vehicle anywhere on the parcel except in an area designated for visitor parking;
 - (4) wash cars other than in a privacy area assigned to him and in such a manner as will not cause nuisance or annoyance to other owners;
 - (5) carry out any repairs or adjustments to motor vehicles on the project;
 - (6) bring onto the project any vehicles other than private passenger automobiles, light trucks or sports utility vehicles without the written consent of the Board or the Manager, or duly authorized nominee thereof, save in the course of delivery to or removal from the respective premises;
 - (7) allow trailers, campers, boats, snowmobiles, trail bikes, all terrain vehicles, buses or any type of motor home, recreational vehicle or equipment to be parked or stored anywhere on the managed property, his garage pad or the common property, save in the course of loading or unloading such vehicles for any period established by the Board but not to exceed Twenty-Four (24) hours;
 - (8) keep on the parcel any private passenger automobile which is not currently licensed, not in operating condition and not being used from day

- to day without the prior written consent of the Board;
- (9) drive any motor vehicle on the parcel at a speed in excess of 30 kilometers per hour;
 - (10) use any assigned parking area other than for parking vehicles described in (6) above;
 - (11) carry on any type of business in an assigned parking area;
 - (12) erect any structures, improvements or fixtures on or add to his assigned parking area in any manner without the prior written consent of the Board;
 - (13) park more than two automobiles on his assigned parking area and shall not use portions of common property adjacent to his assigned parking areas other than for access to and egress from such area;
 - (14) park any automobile in his assigned parking area which leaks excessive amounts of oil or grease or leaks any gasoline or which is in any other way, offensive or hazardous;
 - (15) allow his assigned parking areas to become or remain in an untidy or unsightly condition PROVIDED THAT the Corporation shall be responsible for structurally maintaining such assigned parking areas to a standard considered reasonable by the Corporation and the Corporation shall have the right of entry and access to any such assigned parking area as may be necessary to permit repairs or maintenance thereof or to give access to the utility and service areas adjacent thereto;
 - (23) obstruct or permit any passage or driveways or parking areas to be obstructed by any occupant, his family, guests or visitors or their vehicles;
 - (24) shake mops or dusters of any kind nor throw anything out of any windows of the building on his unit or on the managed property or the common property, nor permit anything of this kind to be done;
 - (25) allow his unit, or any privacy areas assigned to him to become unsanitary or unsightly in appearance;
 - (26) make or cause to be made any structural, mechanical, plumbing, drainage, gas system or electrical alterations or additions to the building or his unit, or any structural alterations to be made to the outer boundary of the building on his unit including any load bearing or partition wall or any ceiling or floor thereof, without first having the design and specifications of such alteration or addition approved in writing by the Board. 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 and ensure they comply with the Architectural Standards. Any alteration or addition made by an owner without such approval may be restored or removed by the Board or its duly authorized representative or representatives and any costs incurred by the Corporation as a result thereof shall forthwith be paid by such owner to the Corporation and shall bear interest at the Interest Rate from the time such costs are incurred until paid. Any changes to a building or unit must comply with all Municipal, Provincial and Federal laws and any required permits must be secured by the owner from the appropriate authority;
 - (27) use a toilet, sink, tub, drain or other plumbing fixture for a purpose other than

that for which it is constructed;

- (28) allow the area around his building, managed property or privacy area to become untidy. The Board shall be at liberty to remove any rubbish or clean up a unit, managed property or the common property in close proximity to an owner's premises to its satisfaction and charge the expense to the owner;
 - (29) allow or cause any household or personal effects or articles belonging to him to be kept anywhere except inside the building on his unit when not in actual use, and each owner will comply with all requests of the Board or its representatives that all household or personal effects or articles, including bicycles, toys and like things belonging to an owner's household be put away inside such building when not in actual use;
 - (30) prevent or prohibit access to and use of exterior water taps or electrical plugs on the building of his unit for purposes of maintaining managed property or common property;
 - (31) without the prior written approval of the Board, have any right of access to those portions of the common property or managed property used from time to time for utilities areas, buildings maintenance, storage areas, operating machinery or any other parts of the common property used for the care, maintenance or operation of the project generally;
 - (32) render a unit unfit for human habitation;
 - (33) paint, decorate or otherwise alter any portion of a unit, managed property or common property required to be maintained by the Corporation without the express, prior, written consent of the Board;
 - (34) allow his heating system to be rendered inoperable during the heating season;
- (b) An owner shall be financially responsible for any damage or costs related to forcible entry into the building on his unit by the Corporation or the Board or any of its servants, agents or nominees in the event of their having to deal with a fire, gas, water leakage or other emergency situation for the purpose of protecting the property of other owners and the Corporation, as the case may be;
- (c) The restrictions in use of units have the following purposes:
- (1) to provide for the health and safety of condominium occupants;
 - (2) to maintain the managed property, common property and units in such a manner as to preserve property values;
 - (3) to provide for the peace, comfort and convenience of the owners and occupants;
 - (4) to develop a sense of community;
- (d) The Board may make policy statements and rules as it deems appropriate, including motions passed at Board meetings, to clarify the general restrictions set forth in sub clauses (a), (b), and (c) hereof and those policy statements and rules shall have the same force and effect as any by-law once the Board has given written notice to all owners and occupants through such means as the Board deems proper;
- (e) An owner shall ensure that his occupants comply with those requirements that the owner must comply with under subsection (a) and (b) hereof and, upon the 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, the managed property and all the 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."

MANAGED PROPERTY

61.1 Restricted Development, Architectural Standards and Restrictive Covenant

- (a) No Owner shall improve, develop, construct upon or otherwise modify his building or bare land unit unless such development or improvement strictly complies with any and all development restrictions imposed upon that unit by the Municipal Authority (whether disclosed on title to the unit or not) 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 subparagraph (a) hereof and enforce the Architectural Standards (enforcement to be limited to the extent it is limited by law);

61.2 Elements of Managed Property

Without limiting the definition thereof in By-Law 1(l), "managed property" shall be comprised of Unit 57 and those portions of all other units comprised of land within the boundaries of the units, lawns (excepting any owner landscaped areas), walkways, driveways, fences, the exterior of any and all buildings on the units (excluding doors, but not the exterior finish of exterior access doors, and windows which are the responsibility of the owner), including party walls, patios, roofs, foundations and structural elements built in accordance and in compliance with the Architectural Standards, this By-Law and all municipal and provincial requirements, codes and standards. Subject to the foregoing, "managed property" shall also include all parts of each unit up to, but not including, the interior finishing of the floors, walls and ceilings in all buildings on the units and all utilities and service lines and all irrigation systems and common light standards serving any bare land unit or the common property;

61.3 Duties and Restrictions on Owners regarding Managed Property

Each owner shall, in respect to the managed property on, relating to or in his bare land unit:

- (a) permit the Corporation (and anyone who is agent for or authorized or directed by the Corporation) to enter his unit for any and all purposes of inspection, maintenance, repair, upkeep, cleaning and control of the managed property as if the same were common property;
- (b) adhere to, comply with and strictly observe this By-Law and all rules, regulations, by-laws, resolutions and other requirements of the Corporation and its Insurers as same relate to the 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

- (d) except as otherwise specifically provided herein, shall, not in any manner whatsoever without first obtaining the consent of the Board, change, improve, alter, adjust, remove, disfigure or otherwise disturb the managed property or any part or component thereof.

61.4 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 common property, be empowered to:
- (1) enact rules and regulations relating to the management and control of the managed property;
 - (2) employ and contract for services for repair, maintenance, replacement, cleaning and other similar services (including painting, gardening, lawn mowing and ice and snow removal) necessary to properly maintain the managed property;
 - (3) as part of and in accordance with its general power of levying assessments, assess the owners for their respective shares of the costs of the Corporation in the carrying out of its duties hereunder; and
 - (4) generally manage, operate and control the managed property as if and to same extent as if the managed property was common property;
- (b) shall, in addition to and without limiting its obligations generally relating to the maintenance, management, repair and control of common property, control, manage, maintain, repair and administer the managed property unless otherwise directed by special 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 same) by special resolution of the Corporation. If, pursuant to special 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 owners and these by-laws shall be interpreted accordingly PROVIDED NEVERTHELESS THAT the Corporation shall continue to be responsible for and perform its insurance and replacement reserve fund obligations under these by-laws and its duties to maintain, repair, replace and manage Unit 57;
- (c) to the extent that the Board shall determine practicable, shall insure the managed property (or such part or parts thereof as the Board determines is reasonable, feasible and economic) as the Board is otherwise required to do by this By-Law.

AMENDMENT OF BY-LAWS

62. These by-laws, or any of them, may be added to, amended or repealed by special resolution of the Corporation and not otherwise and the Corporation shall cause to be prepared and distributed to each 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.

CHANGE OF LEGISLATION

63. 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.

ARBITRATION AND MEDIATION

64. Any dispute respecting any matter arising under the Act or 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 as provided in section 69 of the Act.

1000-511-0000-7110

CHAPARRAL ESTATES

NOTICE OF CHANGE OF BYLAWS

(CONDOMINIUM PROPERTY ACT s. 32)

THE OWNERS: CONDOMINIUM PLAN NO. 9811079 hereby certifies that by a special resolution passed as of the 25th. day of February 2004, the By-Laws applicable to the aforesaid condominium plan were added to, amended or repealed as follows:

"UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED THAT the By-laws applicable to Condominium Plan No. 9811079 being the By-laws registered as instrument #991029192 on January 29th, 2002, are hereby repealed and the By-laws attached to this Notice are passed in substitution and replacement therefor, effective as of the date on which the Registrar of the Land Titles Office for the South Alberta Land Registration District has made a memorandum of the filing hereof on the said Condominium Plan".

The seal of The Owners: Condominium Plan No. 9811079 was hereunto affixed on the 25th day of February 2004.

THE OWNERS: CONDOMINIUM PLAN
NO. 9811079


Vice President


Secretary



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COBL - CHANGE OF BY-LAWS

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