

ALBERTA GOVERNMENT SERVICES LAND TITLES OFFICE

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**FORM 3
CONDOMINIUM PROPERTY ACT
SECTION 32**

NOTICE OF CHANGE OF BY-LAWS

CONDOMINIUM CORPORATION NO. 1014767, hereby certifies that, by a special resolution passed on the 15 day of March, 2011, the by-laws applicable to the Corporation were added to, amended or repealed as follows: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to Condominium Plan No. 1014767, being the by-laws set forth in Appendix I of the Condominium Property Act, are hereby repealed and the by-laws attached to this Notice are passed in substitution and replacement therefor, effective as of the date on which the Registrar of the Land Titles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 Alberta Land Titles Office has made a memorandum of the filing hereof on the said Condominium Plan."

The seal of Condominium Corporation No. 1014767 was hereunto affixed on the 15 day of March, 2011 in the presence of Ian Kennedy, Director.

**CONDOMINIUM CORPORATION
NO. 1014767**

Per: _____

Ian Kennedy, Director

c/s

BY-LAWS**CONDOMINIUM CORPORATION NO. 1014767****1. DEFINITIONS AND APPLICATION**

In these By-Laws unless the context or subject matter requires a different meaning:

- (a) **"Act"** means the *Condominium Property Act*, R.S.A. 2000, Chapter C-22 and accompanying Regulation;
- (b) **"Arriva Easement, Co-operation and Cost-Sharing Agreement"** means that agreement which governs, among other things, the sharing of common expenses between certain elements of the Residential Building and the Commercial Building registered at the Alberta Land Titles Office as instrument no. 081 163 434;
- (c) **"Board"** means the Board of Directors of the Corporation;
- (d) **"By-Laws"** means the By-Laws of the Corporation, as amended or substituted from time to time;
- (e) **"Common Expenses"** (elsewhere commonly referred to as "Condominium Fees" or "Special Assessments") means all expenses of performing the objects and duties of the Corporation and any other expenses specified as Common and reserve expenses in these By-Laws and may include expenses incidental to the property of the Corporation or the Common Property or expenses incurred by the Corporation on behalf of all Owners and includes, without limitation, any costs for which the Corporation is liable pursuant to the terms of the Arriva Easement, Co-operation and Cost-Sharing Agreement;
- (f) **"Commercial Building"** means that commercial/retail/office building constructed and located on the Parcel;
- (g) **"Common Property"** means so much of the Parcel as is not comprised in or does not form part of any Unit shown on the Condominium Plan. For greater certainty, any Unit owned by the Corporation shall be deemed Common Property;
- (h) **"Condominium Plan"** means the plan registered at the Alberta Land Titles Office under the Act as Plan No. 1014767;
- (i) **"Condominium Project"** means the Residential Building and Commercial Building as a simultaneous project but as separate Condominium Plans;
- (j) **"Corporation"** means the Corporation constituted under the Act by the registration of the Condominium Plan;
- (k) **"Developer"** means 1457354 Alberta Ltd. and its successors and assigns;
- (l) **"General Meeting"** including both Annual and Extraordinary General Meetings, means those meetings, held upon notice to all members of the Corporation of whom the Corporation has notice, at which all such members or their proxies are entitled to be present, and if otherwise qualified, to vote;

- (m) **"Insurance Trustee"** means a trust company authorized to carry on the business of a trust company under the laws of Alberta selected from time to time by Ordinary Resolution of the Corporation;
- (n) **"Interest Rate"** means twelve percent (12%) per annum as may be charged pursuant to Section 40 of the Act;
- (o) **"Manager"** means the person or corporation contractually appointed by the Board, to carry out some or most of its financial and administrative functions hereunder, while acting under the Board's authority;
- (p) **"Municipal Authority"** means any governmental authority having jurisdiction over development matters in respect of the Parcel;
- (q) **"Ordinary Resolution"** means a resolution passed by a simple majority of persons entitled to vote or similar resolution made in writing and signed by a majority of persons who would have been entitled to vote on such resolution at a General Meeting;
- (r) **"Owner"** means a person who is registered as the Owner, or one of the Owners, of the fee simple estate Unit and is a member of the Condominium Corporation, or a person entitled to become such an Owner and where the term "Owner" is used in By-Law 65, that term includes a tenant;
- (s) **"Parcel"** means the land comprised in Condominium Plan No. 1014767;
- (t) **"Project"** means all of the real and personal property and fixtures comprising the Parcel and including all buildings and the Common Property;
- (u) **"Privacy Areas"** means a portion of the Project designated by the Corporation for exclusive use of a Unit Owner, including, without limitation, a parking stall or stalls;
- (v) **"Qualified Person"** means, in respect of the depreciating capital components of the Corporation, an individual who, based on reasonable and objective criteria, is knowledgeable with respect to:
 - (i) the depreciating property or that type of depreciating property,
 - (ii) the operation and maintenance of the depreciating property or that type of depreciating property, and the costs of replacement of, repairs to or the refurbishment of, as the case may be;
- (w) **"Regulation"** means the *Condominium Property Regulation*, Alta. Reg. 168/2000;
- (x) **"Residential Building"** means the high-rise, apartment-style building constructed on the Residential Parcel, which comprises 164 apartment-style Residential Units in the aggregate, and 266 parking and other units including all common property all of which is more particularly set forth on the Residential Condominium Plan;
- (y) **"Residential Condominium Plan"** means the Residential Condominium Plan for the Residential Building registered the Alberta Land Titles Office as Condominium Plan No. 0812315;

- (z) **"Residential Corporation"** means the corporation constituted under the Act by the registration of the Residential Condominium Plan;
- (aa) **"Residential Parcel"** means the land which comprises the Residential Condominium Plan;
- (bb) **"Special Business"** means any resolution to be voted upon at a General Meeting of the Owners of which advance notice is required to be given under these By-Laws; Special Business may or may not be required to be passed by a Special Resolution;
- (cc) **"Special Resolution"** means:
 - (i) a resolution passed at a properly convened meeting of the Corporation, of which at least fifteen (15) days' notice specifying the proposed resolution has been given, by a majority of not less than 75% of all the persons entitled under the Act or these By-Laws to exercise the voting powers in the Corporation and representing not less than 75% of the total Unit Factors for all Units; or
 - (ii) a written resolution signed by not less than 75% of all persons who, at a properly convened meeting of the Corporation, would be entitled to vote conferred by the Act or these By-Laws and representing not less than 75% of the total Unit Factors for all the Units;
- (dd) **"Unit"** means a space that is situated within that portion of the Commercial Building containing the Condominium Plan and described in the Condominium Plan by reference to floors, walls and ceilings within the said building; and
- (ee) **"Unit Factor"** means that fraction expressed in ten-thousandth shares that each Unit bears in relation to all the Units in the Parcel, as more particularly specified or apportioned and described in and set forth on the Condominium Plan.

Words and expressions which have a special meaning assigned to them in the Act and Regulation have the same meaning in these By-Laws, and other expressions used in these By-Laws and not defined in the Act and Regulation or in these By-Laws have the same meaning as may be assigned to them in the *Land Titles Act* (Alberta) or the *Law of Property Act* (Alberta). Words importing the singular number also include the plural and vice versa, and words importing the masculine gender also include the feminine gender or neuter and vice versa and words importing persons include firms and corporations and vice versa, where the context so requires.

2. MISCELLANEOUS PROVISIONS

- (a) The headings used throughout these By-Laws are inserted for reference purposes only and are not to be considered or taken into account in constructing the terms or provisions of any By-Law.
- (b) 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 Owners under the Act and Regulation.
- (c) If and whenever there is a conflict between this By-Law, or any part thereof, and the Act and Regulation, the Act and Regulation prevails.

- (d) The Condominium Project is a project consisting of a Residential Building and a Commercial Building and the owners of the Residential Building have agreed to co-operate with the Owners of the Commercial Building in the allocation of any expenses that are common to both the Residential Units and the Commercial Building, all of which are more particularly set forth in the Arriva Easement, Co-operation and Cost-Sharing Agreement. Subject always to the Act and the Regulations, in the event of any conflict between the provisions of the Arriva Easement, Co-operation and Cost-Sharing Agreement or any other agreement between the Residential Corporation and the Corporation relating to the Condominium Project and these By-laws, the Arriva Easement, Co-operation and Cost-Sharing Agreement or any other agreement between the Residential Corporation and the Corporation relating to the Condominium Project shall prevail; and
- (e) Any reference to a statute includes and is a reference to such statute and to the regulations made pursuant thereto, and unless otherwise expressly provided herein, also refers to all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which supplements or supercedes such statute or regulation.

3. DUTIES OF OWNERS

An Owner Shall

- (a) permit the Corporation and its agents, at all reasonable times on 24 hours written notice (except in case of a real or apprehended emergency when no notice is required), to enter Owner's Unit for the purpose of inspecting the Unit and maintaining, repairing or renewing components, which by these By-Laws or the Act, are the responsibility of the Corporation including, but not limited to, exterior windows, pipes, wires, cables, ducts, conduits, plumbing, sewers and other facilities for furnishing of utilities for the time being existing in the Project, or for the purpose of accessing meters monitoring the usage of any utility, or for the purpose of ensuring that the By-Laws are being observed, or for the purpose of doing any work for the benefit of the Corporation generally;
- (b) forthwith carry out all work that may be ordered by any Municipal Authority or other public authority in respect of Owner's Unit, other than such work as may be for the benefit of the Commercial Building generally, and pay all taxes, charges, outgoings and assessments that may be payable in respect of Owner's Unit;
- (c) as more particularly set forth in By-Law 64, repair, maintain and keep in a state of good repair every part of the Unit, including the interior trim, molding and hardware of any window, or entrance door, attached to the Unit, and as more particularly set forth in By-Law 60, maintain to the standard established by the Board from time to time any Privacy Areas, designated, granted, leased or assigned to him or Owner's Unit;
- (d) not make repairs, additions or alterations to the exterior of Owner's Unit, the Common Property, any interior or exterior walls, including floors and floor coverings, or the Commercial Building (including interior load bearing and the partition walls) of which Owner's Unit forms a part, or to the plumbing, heating, ventilating, air-conditioning, or electrical systems contained within Owner's Unit without first obtaining the written consent of the Corporation;

- (e) pay to the Corporation when due, all Common Expenses and other obligations levied or assessed against Owner's Unit together with interest on arrears thereon at the Interest Rate calculated from the due date and the Corporation is hereby permitted to charge such interest in accordance with Section 42 of the Act;
- (f) comply with these By-Laws and with such rules and regulations as may be adopted pursuant thereto from time to time and cause all occupiers, visitors, guests, servants, agents, invitees, licensees and tenants of Owner's Unit to simply comply;
- (g) as more particularly set forth in By-Law 60 and 65, not use and enjoy the Common Property except in accordance with these By-Laws and such rules and regulations as may be adopted pursuant thereto from time to time, and except in such manner as will not unreasonably interfere with the use and enjoyment thereof by other Owners or their visitors, guests, servants, agents, invitees, licensees or tenants;
- (h) indemnify the Corporation for damage to or the cost of repairing or replacing damage to any part of the Common Property or any Unit caused or aggravated by the act or omission of such owner, his occupants, invitees, or by any default under these By-Laws by such owner, his occupants and invitees;
- (i) as more particularly set forth in By-Law 65, not use Owner's Unit or permit it to be used in any manner or for any purpose which may be illegal, injurious or likely to cause nuisance or hazard to any occupier of another Unit, or which may unduly impair the enjoyment of other occupiers;
- (j) use and enjoy the Common Property in such a manner as not to unreasonably interfere with the use and enjoyment thereof by other Owners or occupiers.

4. DUTIES OF THE CORPORATION

In addition to the duties of the Corporation set forth in the Act and Regulation, the Corporation, through its Board shall, subject to the Arriva Easement, Co-operation and Cost-Sharing Agreement:

- (a) control, manage, maintain, repair and administer as herein provided the Common Property, and all real and personal property of the Corporation for the benefit of the Owners collectively;
- (b) do all things required of it by the Act, these By-Laws, the Arriva Easement, Co-operation and Cost-Sharing Agreement, and any other rules and regulations enforced from time to time;
- (c) maintain and repair (including renewal where reasonably necessary) pipes, wires, cables, ducts, conduits, plumbing, sewers and other facilities for the furnishing of utilities for the time being existing in the Parcel and capable of being used in connection with the enjoyment of more than one Unit or the Common Property. Wherever all or any part of such facilities are located in a Unit, liability for cost of such maintenance and repair may be allocated or determined by the Board pursuant to By-Law 5(f) and (m) hereof;
- (d) as more particularly set forth in By-Law 53 and By-Law 54, provide and maintain and enforce such insurance as is required by the Act and Regulation or under these By-Laws;

- (e) provide such information and documentary evidence regarding the Corporation's insurance policies and other business affairs to such persons as the Act and Regulation may require from time to time;
- (f) maintain and repair the Common Property, including all exterior surfaces, and all other external fixtures and accouterments affecting the appearance, usability, value or safety of the Parcel or the Units including all exterior windows, screens and Unit exterior access doors, all fences, posts, retaining walls, lawns and other landscaping;
- (g) repair, maintain or replace any component of the structure, provided, however, that the Unit Owner shall take reasonable care to safeguard these components and shall notify the Corporation of any suspected need for repair or maintenance of the same, and shall cooperate with the Corporation to allow access for repairs as more specifically set out in By-Law 3(a);
- (h) collect and receive all contributions toward the Common Expenses and deposit same in a separate account with a chartered bank or trust company;
- (i) remove ice, snow, slush and debris from steps and walkways and keep and maintain in good order and condition all areas of the Common Property (excepting any Privacy Area) designated for vehicular or pedestrian traffic or outside parking and keep and maintain in good order and condition all grassed or landscaped areas of the Common Property (excepting any Privacy Area);
- (j) keep and maintain for the benefit of the Corporation and all Owners copies of warranties, guarantees, drawings and specifications, plans, written agreements, certificates and approvals, including those provided to the Corporation pursuant to Section 46 of the Act and those subsequently obtained by the Corporation from time to time;
- (k) not plant any trees or perform substantial landscaping or make any changes to structures, grass or fencing contrary to the terms of any easement, development agreement, restrictive covenant, or similar covenant in favour of any utility company, Municipal Authority except that the replacement of any tree detailed on the original landscaping plan must be replaced with a tree(s) of comparable species and size;
- (l) impose a penalty on the Owner and tenant each, if after 15 calendar days of the change of occupancy of a Unit, the Corporation has not received notification of the change as more specifically provided in By-Law 55; and
- (m) 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 duties of the Corporation so long as those duties are performed in a good and sufficient fashion. If under such contract the Manager holds funds for the Corporation, the contract shall require the Manager to arrange or maintain a fidelity bond owned by and in the name of the Corporation and for

the benefit of the Corporation and such bond shall be in an amount required by the Corporation but in any event not less than:

- (i) the total amount of any Capital Replacement Reserve Funds in the hands of or controlled by the Manager; and
- (ii) 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
- (iii) a sum representing the average monthly amount of cash in the control of the Manager.
- (iv) At all times when the Board consists only of nominees of the Developer, no such contract shall provide for an initial term in excess of one (1) year and the termination provisions of Section 17 of the Act shall apply thereto;

5. POWERS OF THE CORPORATION

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

- (a) purchase, hire or otherwise acquire personal property for use by Owners in connection with the maintenance, repair, replacement or enjoyment of the real and personal property of the Corporation or the Common Property;
- (b) borrow monies required by it in the performance of its duties or the exercise of its powers provided that any such borrowing in excess of 50% of the current year's Common Expenses budget shall be 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 property vested in it, or by any combination of those means;
- (d) invest as it may consider advisable any contributions toward the Common Expenses subject to the restrictions set forth in Section 43 of the Act;
- (e) designate, or assign to any Owner, (or upon availability, at the discretion of the Board, a tenant or lessee occupant), the right to exclusive use and enjoyment of part of the Common Property for use as parking spaces or special privileges in respect thereof and, any such designation or grant may be terminated on reasonable notice, unless the Corporation by Special Resolution otherwise resolves;
- (f) make and distribute to all occupants within 15 days, such rules and regulations as it may deem necessary or desirable from time to time in relation to the use, enjoyment and safety of the Common Property and do all things reasonably necessary for the enforcement of these By-Laws and for the control, management and administration of the Common Property generally, including the commencement of an action under Section 36 of the Act and all subsequent proceedings relating thereto;

- (g) appoint an Insurance Trustee and enter into insurance trust agreements from time to time as the Board may consider advisable;
- (h) establish and maintain out of contributions to Common Expenses levied by the Corporation a capital replacement reserve fund in such amounts as prescribed by the Reserve Fund Report or as the Board may consider fair and prudent from time to time;
- (i) charge interest under Section 40 of the Act on any contribution or Common Expenses owing to it by an Owner at the Interest Rate;
- (j) pay an annual or per diem honorarium, stipend or salary to members of the Board in the manner and in the amounts as may be from time to time determined by Ordinary Resolution at a General Meeting;
- (k) determine whether and to what extent an Owner shall (whether as a matter of corporate policy or after considering the special circumstances of the Owner, if any) be relieved of his or its duty to:
 - (i) repair and maintain any part of Owner's Unit or the Common Property designated for his exclusive use; or
 - (ii) indemnify the Corporation for damage to or the cost of repairing or replacing damage to any part of the Common Property or any Unit caused or aggravated by his act or omission or that of his Occupants, invitees, or by any default under these By-Laws by such Owner, his Occupants and invitees;
- (l) as provided in By-Law 52 impose a penalty of \$75.00 per time, when the noise from one unit is disturbing at least three (3) other units within the Commercial Building, provided the Corporation receives evidence that it is a bona fide disturbance and the complaints received are in writing;
- (m) contributions toward the common and reserve expenses shall be apportioned to each unit based on the Unit Factors as shown on the Condominium Plan For greater clarification, any assessments attributed to the Common Property shall be paid by all Owners of Units that are not designated as Common Property proportionately to their Unit Factors.

6. THE BOARD OF THE CORPORATION

- (a) The powers and the duties of the Corporation shall, except as otherwise specifically provided in the Act, Regulation or these By-Laws, be exercised and performed by Ordinary Resolution of the Board;
- (b) Every member of a Board shall exercise the powers and discharge the duties of the office of member of the Board honestly and in good faith;
- (c) 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 shall:
 - (i) declare to the Board that person's interest in the agreement, arrangement or transaction;

- (ii) not vote in respect of any matter respecting that agreement, arrangement or transaction, and
- (iii) 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.

Subsection (c) does not apply to an agreement, arrangement or transaction in which the member of the board has a material interest if that material interest exists only by virtue of that member of the Board owning a unit.

7. NUMBER ON THE BOARD

The Board shall be comprised of not less than one (1) nor more than seven (7) persons designated in By-Law 9.

8. RETIREMENT FROM THE BOARD

At each Annual General Meeting of the Corporation the members of the Board shall retire from office and the Corporation shall elect a new Board.

9. ELIGIBILITY FOR SERVICE ON BOARD OF DIRECTORS

To be eligible for election or appointment to the Board, a person shall be:

- (a) 18 years of age or older;
- (b) an Owner of one of the Units, or a person designated by notice in writing given to the Corporation by an Owner of a Unit, or by any Mortgagee of whom the Corporation has notice, as the representative of such a corporate Owner or Mortgagee, in order to be eligible as a member of the Board;
- (c) where a Unit has more than one Owner, only one Owner in respect of that Unit may sit on the Board at any one time;
- (d) where the contributions due to the Corporation in respect of a Unit are unpaid, no Owner of that Unit shall be elected or appointed to the Board.

A retiring member of the Board, if otherwise eligible for election, shall be eligible for re-election.

10. REMOVAL FROM BOARD

Except where the Board consists of all the Owners, the Corporation may, by resolution at any Extraordinary General Meeting, remove any member of the Board before the expiration of his term of office and may appoint another Owner in his place, to hold office until the next Annual General Meeting.

11. CASUAL VACANCY ON BOARD

Where a vacancy occurs on the Board under By-Law 20 the remaining members on the Board may appoint a person to fill that office for the remainder of the former member's term, provided such person qualifies pursuant to By-Law 9.

12. QUORUM FOR BOARD

Except where there is only one Owner, a quorum for the Board meetings shall be one (1) where the Board consists of one (1) member, two (2) where the Board consists of two (2) members, (2) where the Board consists of three (3) members and three (3) where the Board consists of four (4) or five (5) members and more than 50% when the Board consists of six (6) or more members.

13. OFFICERS OF THE CORPORATION

As soon as practicable after the Annual General Meeting of the Corporation, the new Board shall elect from its members a president, a vice-president, a secretary, and a treasurer. As a Board of three, one member may serve as secretary/treasurer and one member may serve as a building/grounds committee and one member may represent the Corporation to the Canadian Condominium Institute. All such officers 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. A person ceases to be an officer of the Corporation if the person ceases to be a member of the Board. When a person ceases to be an officer of the Corporation, the Board may designate from its members a person to fill that office for the remainder of the term.

14. CHAIRMAN OF BOARD MEETINGS

The President shall be the Chairman of the Board and shall have a casting vote in addition to his original vote. 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.

15. DUTIES OF OFFICERS

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

16. VOTES OF THE BOARD

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

17. FURTHER POWERS OF THE BOARD

The Board may:

- (a) meet together for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit, and it shall meet when any member of the Board gives to the other members of 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 the President may specify without the necessity of the President giving reasons for calling of the meeting;

- (b) appoint or employ for and on behalf of the Corporation such agents or servants as it thinks fit in connection with the control, management and administration of the Common Property and to exercise and perform the powers and duties of the Corporation;
- (c) delegate to one or more members of the Board such of its powers and duties as it thinks fit, and at any time revoke such delegation;
- (d) the Board as a whole shall be responsible for all matters concerning the insurance and other areas of common use and the Common Expenses (the Common Expenses shall be shared by all units based on their respective Unit Factors).

18. ADDITIONAL DUTIES OF THE BOARD

On behalf of the Corporation the Board shall ensure that the following requirements are met or records kept. The Board shall:

- (a) keep minutes of its proceedings and, upon written request, provide copies thereof to Owners and other persons entitled thereto;
- (b) cause minutes to be kept of General Meetings of the Owners and, upon written request, provide copies thereof to Owners and other persons entitled thereto;
- (c) cause proper accounting records to be kept in respect of all sums of money received and expended by it and the purpose for which receipts and expenditures were carried out, and cause the accounting records of the Corporation to be audited by an independent Chartered Accountant at each fiscal year end;
- (d) prepare and approve an annual budget in accordance with By-Law 46;
- (e) maintain financial records of all assets, liabilities, reserves and equity of the Corporation;
- (f) on written application of an Owner or other persons entitled thereto, make the books of account available for inspection at all reasonable times;
- (g) 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 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 (if any exists) within ninety (90) days of the end of the fiscal year of the Corporation;
- (h) within thirty (30) days of the Annual General Meeting of the Owners the Board shall file or cause to be filed at the Alberta Land Titles Office a notice in the prescribed form stating the name and address of that person and the day that the person became or ceased to be, as the case may be, a member of the Board;
- (i) file or cause to be filed at the Alberta Land Titles Office a notice in the prescribed form of any changes in the address for service of the Corporation.

19. DEFECTS IN APPOINTMENT TO THE BOARD

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

20. VACATING OFFICE OF BOARD MEMBER

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;
- (b) is in arrears more than sixty (60) days of any contribution, levy or assessment required to be made by him as an Owner;
- (c) is found lunatic or becomes of unsound mind, or is the subject of a certificate of incapacity issued under the *Mental Health Act*;
- (d) is convicted of an indictable offense under the *Criminal Code* or the *Controlled Drugs and Substances Act*;
- (e) is absent from meetings of the Board for a continuous period of four (4) months or four (4) consecutive meetings without the consent of the remaining members of the Board and a majority of such remaining members thereupon resolve at a meeting of the Board that his office be vacated;
- (f) ceases to qualify for membership pursuant to By-Law 9;
- (g) shall become bankrupt or make an assignment for the benefit of creditors.

21. SIGNING AUTHORITIES

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

- (a) two (2) signatures of officers; or
- (b) the signature of the Manager;

shall be required on all cheques.

22. CORPORATE SEAL

The Corporation shall have a corporate seal, which shall be adopted by resolution and which shall at no time be used or affixed to any instrument except in the presence of at least one member of the Board or by such 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 or her signature shall be sufficient for the purposes of this By-Law.

23. BOARD RENUMERATION

In the case where the Board is acting as the sole management of the Corporation, each Board member shall be paid a nominal remuneration as determined by ordinary resolution, passed at a properly convened General Meeting.

24. ANNUAL GENERAL MEETINGS

Annual General Meetings shall be held once in each calendar year, and no more than fifteen (15) months shall elapse between the date of one Annual General Meeting and that of the next.

25. EXTRAORDINARY GENERAL MEETINGS

All General Meetings other than the Annual General Meeting shall be called Extraordinary General Meetings.

26. CONVENING EXTRAORDINARY GENERAL MEETINGS

The Board may convene an Extraordinary General Meeting whenever it thinks fit, and shall do so upon requisition in writing by Owners representing not less than 25% of the total Unit Factors for all the Units or upon the request in writing of Mortgagees holding registered mortgages (and who have notified their interest to the Corporation) against Units in respect of which corresponding Unit Factors represent not less than 25% of the total Unit Factors or a combination of such Owners and Mortgagees entitled to vote with respect of 25% of the total Unit Factors.

27. NOTICE OF GENERAL MEETINGS

A minimum seven (7) days notice of every General Meeting specifying the place, the date and the hour of the meeting, and in the case of Special Business, the general nature of such business, shall be given to all Owners and all Mortgagees who have notified their interests to the Corporation.

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 no-receipt by an Owner or Mortgagee does not invalidate the meeting or any proceeding thereat. In computing the number of days' notice of 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.

28. PROCEEDINGS AT GENERAL MEETINGS

All business that is transacted at a General Meeting, except the election of a Chairman, calling of the roll, providing notice of meeting, reports and financial statements to be received as information, re-appointment of the incumbent auditor, and elections to the Board of Directors, shall be deemed to be Special Business.

Subject to the following paragraphs, motions from the floor may be voted upon at a General Meeting.

No item of Special Business, voted upon and passed at a General Meeting, shall be effective to direct or limit the exercise by the Board of any authority, power or discretion vested in it under the Act or these By-Laws unless notice of such Special Business was mailed to all known

addresses of persons eligible to vote (and delivered to all other persons at the Corporation's address) not less than five (5) days before the General Meeting, stating:

- (a) the nature of such Special Business, in sufficient detail to permit an Owner or Mortgagee to form a reasoned judgment on that business, was set out in the notice; and
- (b) the text of any resolution to be submitted to the General Meeting concerning such Special Business was included with the notice.

29. QUORUM FOR GENERAL MEETINGS

One-quarter of the persons entitled to vote, present in person or by proxy, shall constitute a quorum, and except as otherwise provided in these By-Laws, no business shall be transacted at any General Meeting unless a quorum of persons entitled to vote is present at the same time when the meeting proceeds to business and one-quarter of the persons entitled to vote is present in person or by proxy.

30. ADJOURNMENT FOR LACK OF QUORUM

If within one half-hour from the time appointed for a General Meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time and if at the adjourned meeting a quorum is not present within one-half hour from the time appointed for the meeting, the persons entitled to vote who are present shall be a quorum. If the same place cannot be obtained on the same day in the next week, the provisions by By-Law 26 will apply except that the notice will state that the meeting had been previously adjourned for lack of quorum, and that the persons entitled to vote who are present or by proxy shall constitute a quorum for the purpose of that meeting.

31. CHAIRMAN FOR GENERAL MEETING

Unless the meeting otherwise elects, the President of the Board shall be the Chairman of all General Meetings or in his absence from the meeting or in case the Chairman shall vacate the chair, the vice-president of the Board shall act as chairman provided always that if the President and the vice-president are absent or shall vacate the chair or refuse to act, the meeting shall elect a Chairman.

32. ORDER OF BUSINESS FOR GENERAL MEETINGS

The order of business at Annual General Meetings, and as far as is appropriate at all Extraordinary General Meetings, shall be:

- (a) 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;
- (b) Calling of the roll and certifying the proxies;
- (c) Proof of notice of meeting or waiver of notice;
- (d) Reading and disposal of any unapproved minutes;
- (e) Reports of officers;

- (f) Reports of Committees;
- (g) Financial Report;
- (h) Appointment of Auditors;
- (i) Election of the Board;
- (j) Unfinished business;
- (k) New business; and
- (l) Adjournment.

33. VOTING BY SHOW OF HANDS

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 an Owner or registered Mortgagee present in person or by proxy. Unless a poll be so demanded, a declaration by the Chairman that a resolution has, on the show of hands, been carried is conclusive evidence of the fact without proof of 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 majority vote.

34. POLL VOTES

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

35. VOTING CALCULATION

On a show of hands, each person entitled to vote has one vote. If a vote is taken by poll, the number of votes that a person may cast shall correspond to the Unit Factors for the respective Units represented.

36. VOTES PERSONALLY OR BY PROXY

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

37. PROXIES

An instrument appointing a proxy shall be in writing under the hand of the appointing Owner or his attorney.

38. ELIGIBILITY TO VOTE

If at the time of any General Meeting an Owner has not paid to the Corporation all contributions that are due and owing in respect of Owner's Unit to the date thirty (30) days prior to the date of such meeting, that Owner is ineligible to cast a vote at that meeting in respect of any resolution, other than a Special Resolution. An Owners ineligibility to cast a vote does not however, affect

the right of the Mortgagee first entitled in that Owner's Unit, to vote in accordance with the Act and Regulation.

39. VOTE BY CO-OWNERS

If a Unit is owned by more than one person, such Co-Owners may vote personally or by proxy, and in the case of a vote taken by a show-of-hands, those Co-Owners are entitled to one vote between them. In the case of a vote taken by poll, a Co-Owner shall have such proportion of one vote as is proportionate to his interest in the Unit. A Co-Owner may demand that a poll be taken.

40. RESOLUTION OF THE OWNERS

Subject to any notice requirements applicable to Special Business, a resolution of the Owners in writing signed by a sufficient number of Owners or their appointed proxies shall have the same effect as a resolution passed at a meeting of the Owners duly convened and held.

41. SUCCESSIVE INTEREST

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 notifies to the Corporation, the Mortgagee under such mortgage) is alone entitled to vote if present in person or by proxy, whether on show of hands or on a poll.

42. TRUSTEE VOTE

Where an Owner is a trustee, the Owner 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.

43. COMMON EXPENSES

Common Expenses shall, without limiting the generality of the definition in By-Law 1 hereof, include the following:

- (a) all levies or charges on account of electricity, water, gas, and fuel supplied to a Unit and where metered separately shall not comprise part of the Common Expenses;
- (b) management fees, Workers Compensation fees, and Insurance Trustee fees (if any) and their associated disbursements, and wages, salaries, taxes and other expenses payable to or on account of employees or volunteers of the Corporation;
- (c) all expenses on account of landscaping, clearing of snow and ice and other maintenance of the Common Property;
- (d) all reserves for repairs and replacement of Common Property and portions of Units or buildings for which the Corporation is or may become responsible under these By-Laws;
- (e) all costs and charges for maintenance and repair of those portions of each Unit for which the Corporation is or may become responsible under these By-Laws;
- (f) all costs of and charges for maintenance and repair of Common Property for which the Corporation is or may become responsible under these By-Laws;

- (g) all insurance costs in respect of the insurance including fidelity bonding for which the Corporation is responsible under these By-Laws;
- (h) all costs and charges for all manner of consultation, professional and servicing assistance reasonably required by the Corporation from time to time including without limiting the generality of the foregoing all legal, accounting, and Manager fees and disbursements;
- (i) the amount of all costs and expenses whatsoever, including (without limitation) all maintenance and repair costs, financing charges, Common Expense Unit charges, insurance and all utilities charges, for or in respect of any Unit owned by the Corporation itself;
- (j) reasonable provision for contingencies and reserves for repairs and replacement of the Common Property and portions of Units the repair or replacement of which is the responsibility of the Corporation;
- (k) all costs of the Replacement Value Appraisal or Update as required in By-Law 54;
- (l) all salaries and other benefits for services of any caretakers, maintenance personnel or security services;
- (m) all payments to members of the Board authorized pursuant to By-Law 5(j);
- (n) all reserve expenses for future maintenance and replacement of capital components as required by these By-laws; and
- (o) all fees and charges of the Insurance Trustee.

44. CAPITAL REPLACEMENT RESERVE FUND

- (a) A capital replacement reserve fund shall be established and maintained to provide for the orderly long-term collection of funds for substantial repairs to and replacement of elements of the Common Property and those portions of the Units required to be repaired and replaced by the Corporation; such funds are 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.
- (b) Notwithstanding subsection (a), funds shall not be taken from a capital replacement reserve fund for the purpose of making capital improvements as defined in Section 28 of the Regulation, unless:
 - (i) the removal of funds for that purpose is authorized by Special Resolution, and
 - (ii) after the removal of funds pursuant to the Special Resolution, there are sufficient funds remaining in the capital replacement reserve fund to meet the requirements of subsection (a).
- (c) The money in the capital replacement reserve fund of the Corporation is 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 Owners and the property cease to be governed by the Act.

45. BUDGET FOR CAPITAL REPLACEMENT RESERVES

- (a) At least once each five years, the Corporation through its Board must prepare a reserve fund study and report, completed by a Qualified Person, taking into account an inventory of the depreciating property that will be required to be repaired or replaced within a twenty-five (25) year period and the Board shall prepare and approve a plan for future substantial repairs and replacement of the capital elements of the Common Property and those portions of the Units required to be repaired and replaced by the Corporation.
- (b) A copy of the approved plan shall be delivered to all owners prior to implementation.
- (c) Prior to each fiscal year end the Board shall prepare an annual report respecting the reserve fund setting out the amount of the reserve fund as at the last day of the fiscal year and showing all the payments made from and deposits into the fund for that year and showing the items replaced or substantially repaired and their associated costs.
- (d) A copy of the annual report in subsection (c) shall be delivered to each owner and any party who has notified the Corporation of its interest, prior to the next Annual General Meeting of the Owners.
- (e) All reserve fund money shall be held in an interest bearing account, separate and independent from other operating accounts.

46. BUDGET FOR COMMON EXPENSES

At least once each fiscal year, the Corporation through its Board shall prepare a budget for Common Expenses.

47. NOTICE OF CONDOMINIUM CONTRIBUTION (FEE) ASSESSMENTS

At least fifteen (15) days prior to each fiscal year end, the Corporation through its Board shall deliver or mail to each Owner:

- (a) a copy of the Corporation's budget for Common Expenses for the ensuing fiscal year;
- (b) a notice of assessment for the Owner's respective Units assessed contribution toward the Common Expenses for the ensuing fiscal year, such assessment to be assessed to each Unit based on the appropriate Unit Factor described on the Condominium Plan.

The omission by the Corporation to fix the assessments for the next ensuing fiscal year or other period provided for herein, shall not be deemed a waiver or modification in any respect of the provisions of these By-Laws or release of the Owners from their obligation to pay the assessments or special contributions, or any installments thereof for any year or period, but the assessments fixed from time to time shall continue until new assessments are fixed.

No Owner can exempt himself from liability for his contribution towards the Common Expense by waiver of the use or enjoyment of any Common Property nor by vacating or abandoning Owner's Unit.

48. ANNUAL ASSESSMENT LEVIED ON UNITS

Notwithstanding that the annual amount of the assessment (condominium fee) may be payable monthly by Unit Owners in good standing, the annual assessment for each Unit shall be levied on the Units and shall take effect as an annual assessment on the first day of the next ensuing fiscal year or thirty (30) days from the date the notices of assessment are sent, whichever is earlier.

The assessment for Common Expenses set forth in each assessment shall be payable to the Corporation, or to any other person, firm or corporation to whom the Corporation shall direct payment to be made from time to time, in twelve (12) equal consecutive monthly installments (condominium fees) payable in advance on the first day of each month, the first installments to be made on the first day of the second month immediately following the mailing of such notice of assessment.

49. SPECIAL ASSESSMENTS

If at any time it appears that the budgeted assessments or contributions toward the Common Expenses will be insufficient to meet the budgeted expenses, the Board may by Ordinary Resolution assess and collect one or more special contributions against each Unit in an amount sufficient to cover the additional anticipated Common Expenses. The Board shall promptly notify all Owners of such Special Assessment, which notice shall include a written statement setting out the reasons for the assessment and thereupon each assessment shall be due effective from the date of such resolutions of the Board, and payable in respect of each Unit in the manner and on the date or dates specified in the notice, but in no event shall any portion of the Special Assessment be due and payable earlier than the date specified in the notice. Each Special Assessment shall be determined and assessed against the Units in proportions to the Unit Factor. All unpaid Special Assessment shall bear interest at the Interest Rate from the due date until paid.

50. DEFAULT IN TIMELY PAYMENT OF ASSESSMENT AND OTHER OBLIGATIONS

Condominium Fees and all other payments of whatsoever nature required to be made by each Owner, if 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 received by the Corporation shall be first applied to interest and then at the discretion of the Corporation to any unsatisfied judgment or other unpaid obligation of the Owner, and then to the unpaid contributions or assessments first due, and lastly to current contributions.

The Corporation shall and does hereby have as lien on and a charge against the estate or interest of any Owner for unpaid contribution, assessment, installment, payment, unsatisfied judgment or other obligation including interest due to the Corporation, which lien shall be a lien against such state or interest of the Owner subject only to the rights of any Municipal Authority in respect of unpaid realty taxes, assessments or singular charges against the Unit title or interest of such Owner in respect of its lien or charge for the amount of such unpaid contribution, assessment, installment or payment as hereinbefore mentioned commencing thirty (30) days after the first due date for any such unpaid contribution, assessment, installment, payment or encumbrance, and continuing so long as any part of the same remains unpaid.

As further and better security, each Owner responsible for any such unpaid contributions, assessment, installment, payment or obligation remaining unpaid for thirty (30) days, shall be

deemed to have given to the Corporation an equitable mortgage securing the full amount thereof accruing from time to time, with interest thereon at the Interest Rate from due date or dates for payment until paid, and the Corporation shall at its option be entitled to enforce its lien, charge, or security, and to pursue such other remedies as may be available to it by law or in equity from time to time, including the recovery by the Corporation of its legal fees and disbursements on a solicitor and his own client basis as provided in these By-Laws, from such defaulting Owner.

Notwithstanding all other provisions hereof, provided a registered first mortgagee has notified the Corporation of its interest, the lien, charge or security in favour of the Corporation or subrogated person referred to in the preceding paragraphs shall be subject and subordinate to, and shall not affect the rights of the holder of any indebtedness secured by such registered first mortgage; and the Corporation or subrogated person, at its or his own expense as the case may be, shall execute and deliver such postponements, agreements or instruments of subordination as the said registered first Mortgagee shall be reasonably required to fully and effectively establish or maintain its priority as first registered Mortgagee in respect of a Unit title against which it has registered its first mortgage and given notice to the Corporation.

Any other Owner or person, firm or corporation whatsoever may pay any unpaid contribution, assessment, installment or payment after the expiration (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 estates or interests hereinbefore mentioned and shall be entitled to file a caveat or encumbrance in respect of the amount so paid on behalf of the Owner in default, and shall be entitled to enforce his lien, thereby created, in accordance with the other terms and conditions of this provision.

Notwithstanding, and in addition to any other term, condition or provision herein contained or implied, each unpaid contribution, assessment, installment or payment may 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 whole.

In the event of any assessment against or installment or payment due from an Owner remaining due and unpaid for a period of sixty (60) 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.

In the event of any assessment against or installment or payment due from an Owner remaining due and unpaid for a period of thirty (30) days, the Board, at its option, may accelerate the remaining monthly contributions, assessments, installments or payments for the then-current fiscal year upon notice to the Owner in arrears; and thereupon all such unpaid and accelerated monthly contributions, assessments, installments or payments for the current fiscal year of the Corporation shall become payable on and as of the date of said notice.

All reasonable costs of the Manager payable by the Corporation and legal costs and disbursements on a solicitor and his own client basis, incurred by the Corporation in registering and discharging a caveat or in any way securing its interests hereunder shall constitute a contribution due to the Corporation from the Owner in default.

In the event of any assessment against or installment or payment due from an Owner remaining due and unpaid for a period of sixty (60) days, the Board may, at its option, where a person other

than an owner is in possession of the unit, require the person in possession of the unit to pay the rent owing to the owner in respect of that unit to the Corporation for the purpose of applying that rent against the monthly contributions that are in arrears.

51. ESTOPPEL CERTIFICATE

Any certificate as to an Owner's position with regards to contributions, expense assessments or otherwise, required to be issued pursuant to Sections 39(6) and 44 of the Act shall be referred to as an Estoppel Certificate; and the Corporation and all of the Owners shall thereafter be estopped from denying the accuracy of such certificate against any Mortgagee, purchaser or other person dealing with such Unit Owner but this shall not prevent the enforcement against the Unit Owner of any pre-existing obligation whether improperly stated in such Estoppel Certificate or not.

52. VIOLATION OF BY-LAWS

Any infraction or violation of or default under these By-Laws or under any rules and regulations established pursuant to these By-Laws on the part of an Owner, his servants, agents, licensees or tenants may be corrected, remedied or cured by the Corporation, and any costs or expenses thus incurred or expended by the Corporation, and any other amounts for which the Owner may otherwise be obligated to indemnify the Corporation, shall be charged to such Owner and shall be forthwith added to and become part of the contribution levied in respect of Owner's Unit and shall become due and payable on the date of payment of the next such monthly contribution and shall thereafter bear interest at the Interest Rate until paid.

The Corporation may recover from any Owner by an action 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 the Corporation shall be entitled to be fully indemnified by such Owner for all its costs, outlays and expenses incurred in effect such recovery, including all reasonable legal fees and disbursements on a solicitor client basis; PROVIDED HOWEVER, nothing herein shall be deemed to limit any right of any Owner to bring action or proceeding for the enforcement and protection of his rights and exercise of his remedies.

Alternatively, or in addition, pursuant to Section 35 of the Act, if any Owner, tenant or other person residing in the residential Unit contravenes a By-Law, the Corporation may, after inquiring into the facts alleged and ensuring that such Owner or Occupant has had a reasonable opportunity to respond to the allegations, charge a reasonable monetary fine; and

When a fine remains unpaid after 30 days, the Board may, pursuant to Section 36 of the Act, take proceedings under Part 4 of the *Provincial Court Act* to recover from the Owner or tenant, or both, the penalty in respect to each contravention of the By-Laws. The contravening Owner, tenant or other person occupying in the Unit will be liable for all costs incurred to collect and enforce this fine, including legal fees and disbursements on a solicitor and his own client basis.

53. DAMAGE OR DESTRUCTION

In the event of damage or destruction of the Units or the Common Property as a result of fire or other casualty the Corporation shall determine within thirty (30) days of the occurrence whether there has been "substantial damage". For the purpose of these By-Laws, Substantial Damage shall mean damage to the extent of 75% or more of the replacement value of all Units and Common

Property immediately prior to the occurrence. Prior to making any determination under this paragraph the Corporation shall obtain the opinion of an independent architect or engineer to the effect that Substantial Damage has or has not occurred. If there has been Substantial Damage, the Corporation shall convene an Extraordinary General Meeting.

Where there has been Substantial Damage as defined above, 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 consent to such application. Upon termination of the condominium status:

- (a) any liens or charges affecting any of the Units shall be deemed to be transferred in accordance with their existing priorities to the interest of the respective Owners in the Parcel; and
- (b) the proceeds of the insurance shall be paid to the Insurance Trustee in accordance with the terms of any Insurance Trust agreement in effect.

Where damage or destruction does not constitute Substantial Damage as defined above, the Corporation shall on behalf of the Owners, arrange for prompt repair and restoration (using proceeds of insurance for that purpose, if applicable). The Board of Directors shall cause the proceeds of all insurance policies to be disbursed to the contractors engaged in such repair and restoration in appropriate progress payments.

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 to the Common Property or any part thereof, unless and to the extent 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 greater.

Where the Corporation is required to enter a Unit for the purpose of maintaining, repairing or renewing pipes, wires, cables and ducts for the time being existing in the Unit and capable of being used in connection with the enjoyment of any other Unit or the Common Property, the Corporation and its servants, employees and agents shall, in carrying out any work or repairs, do so in a proper and workmanlike manner and shall make good any damage to the Unit occasioned by such work and restore the Unit to its former condition, leaving the Unit clean from debris.

An Owner shall indemnify and save harmless the Corporation from the expense of any maintenance, repair or replacement rendered necessary to the Common Property or to any Unit by his act or omission or by that of any member of his family or his or their guests, servants agents, invitees, licensees or tenants, but only to the extent that such expense is not met by the proceeds of insurance carried by the Corporation, and the net amount for which the Owner is thus obligated to indemnify the Corporation shall be charged to such Owner, and shall be forthwith added to and become part of the contribution levied in respect of Owner's Unit and shall become due and payable on the date of payment of the next such monthly contribution and shall thereafter bear interest at the Interest Rate until paid.

Where there has been no interruption of service to a Unit by the Corporation or otherwise supplied from Common Property, damage to a Unit caused by or in any way originating from within another Unit, may be inspected by the Manager, if so requested by either party concerned, and reported to the Board. Responsibility for the cost of such repair may be resolved between the

Owners involved, as adjusted by their respective insurance companies, but it shall be the responsibility of each Owner to see that Owner's Unit is restored to a state of good repair, conforming in outward appearance to the standard established by the Board from time to time, and where there is reasonable apprehension of service, interruption or danger to any party, the emergency provisions of By-Law 3(a) shall apply.

54. INSURANCE

- (a) The Corporation shall obtain and maintain, subject always to the Act, and in particular, Section 47 of the Act, insurance for the Project (excluding insurance on the improvements made to the Units) and all the insurable property both real and personal of any nature whatsoever owned by the Corporation to the full replacement value thereof without deduction for depreciation and, without restricting the generality of the foregoing, such insurance shall provide the following:
 - (i) coverage for fire, extended perils and such other perils as a prudent owner of similar property would maintain;
 - (ii) coverage to the full replacement value of any building and other fixed improvements (including leasehold improvements) and all chattels and other property belonging to the Corporation or forming part of the Common Property;
 - (iii) coverage for machinery and for boiler insurance;
 - (iv) coverage for such other risks or causes as a prudent owner of similar property would maintain;
 - (v) that no breach of any statutory condition or other condition of any policy shall invalidate the insurance or forfeit the insurance and, in the event of such breach, the insurance may only be subject to forfeiture or defence of breach of condition insofar as the separate interests of the person or party in breach is concerned and only upon the insurer establishing that the loss was caused by or contributed to by the breach of the statutory condition or other conditions;
 - (vi) that in the event that insured property is damaged or destroyed and that property is replaced or repaired, no deduction shall be made from an insurance settlement for depreciation to the property;
 - (vii) that no breach of any statutory or other condition of any policy shall invalidate the policy as against any mortgagee in any way or to any extent;
 - (viii) standard mortgagee endorsements in favour of all mortgagees who have notified their interest to the Corporation that the insurer's rights of recovery against the Corporation and the members of the Board are waived and the insurer's rights of recovery against any Owner (and occupant of a Unit) are waived, except with respect to arson, fraud and vehicle impact;
 - (ix) such policies may not be cancelled or substantially modified without at least sixty (60) days' prior written notice to all of the insureds, including all registered mortgagees; and

- (x) such policy shall also provide that the Residential Corporation and the Corporation shall have the right, at their joint option, to obtain a cash settlement (without deduction or depreciation) in the event of substantial damage to the property insured and its termination pursuant to section 53 hereof or by order of a court of law having jurisdiction in that behalf to settle a scheme of distribution, and the insurer's option to reconstruct the damaged premises shall be deleted or waived;
- (b) The Corporation shall cause a separate loss payable endorsement to be issued in respect of any policies issued pursuant to this section 54. Subject to the provisions of the Act, insurance proceeds realized under any policy of insurance obtained and maintained hereunder and insuring against fire and any other supplemental perils shall be paid to the Corporation or Insurance Trustee;
- (c) In the event that it is ordered by a court under this Act or determined in accordance with section 53 hereof that the Project shall not be repaired, then the Corporation or Insurance Trustee shall apportion proceeds. In making an apportionment hereunder the Corporation or Insurance Trustee shall have regard to the interests of all Owners and mortgagees and shall make a just and equitable apportionment. Any apportionment proposed by the Corporation or Insurance Trustee shall be first notified to all the Owners and mortgagees who have notified the parties of their mortgages. No distribution of proceeds shall be made until after the expiry of thirty (30) days after the last of such parties has been notified. If any of such parties shall dispute the apportionment made, then such party must notify the Corporation or Insurance Trustee in writing within thirty (30) days of his receipt of notice as aforesaid. If no party disputes the proposed distribution, the Corporation may proceed with the distribution as proposed;
- (d) Policies of fire and physical damage insurance may contain co-insurance on a stated amount basis only if and as long as the following appraisal requirements are met. All policies of fire and physical damage insurance shall contain waivers (i) by the insurers of invalidity arising from any acts of the insured, and (ii) of any rights of subrogation against Owners, and shall provide that such policies may not be cancelled or substantially modified without at least sixty (60) days' prior written notice to the other party, provided however, that in the event such policies are to be cancelled for non-payment of premium, only thirty (30) days written notice shall be required to be given,
- (e) There shall be a provision of a certificate or memorandum of all insurance policies to be issued as soon as possible to the Corporation and a duplicate original or certified copy to each mortgagee upon request; renewal certificates or certificates of new insurance policies shall be furnished to the Corporation prior to the expiry of any current insurance policy;
- (f) The Corporation shall also independently obtain and maintain public liability insurance insuring the board of directors against any liability to third parties or to the Owners and their invitees, licensees or tenants incident to the ownership or use of the Properties therein, and all common property and all property owned by the Corporation. Limits of liability under such insurance shall not be less than Five Million (\$5,000,000.00) Dollars for any person insured or for any one accident and shall not be less than Five Million (\$5,000,000.00) Dollars for property damage per occurrence. The limits and coverage shall be reviewed at least annually by the Residential Corporation and the Corporation and increased with their mutual consent. The policy or policies shall provide cross-

liability endorsements whereby the rights of a named insured under the policy or policies shall not be prejudiced as respects its, his, her or their action against another named insured.

- (g) The Corporation shall, immediately upon the occurrence of any substantial damage to any of the Project or the Common Property, provide notification thereof by registered mail to the registered first mortgagees who have notified the Corporation of their interest;
- (h) The Corporation shall ensure that each insurance policy shall name the Residential Corporation as an additional insured, and all policies of insurance shall also name as additional insureds the Owners from time to time of the Condominium Project;
- (i) Each of the Residential Owner and the Commercial Owner shall deliver to the other upon request, adequate proof of the existence of all of the insurance policies of the other mentioned party;
- (j) The initial replacement value of the Common Property and the Units shall be based upon \$350 per sq. ft. Following the placement of insurance, and prior to the renewal of obtaining any policy of insurance hereunder or any renewal thereof, at least every year, the Corporation shall obtain an appraisal or update from a duly qualified appraiser setting out the full replacement cost of the Common Property and the Units and all of the property of the Corporation, and the Corporation shall forthwith obtain insurance coverage in accordance with such appraisal to insure the full replacement value of the Common Property and the Units and any other property of the Corporation. The Corporation may review and adjust the level of insurance coverage (including liability) to such amounts and levels required by and as would be maintained by a prudent owner of a similar property in the locality in which the Condominium Property is situated;
- (k) The Corporation, at its sole discretion, shall determine the amount of the deductible for the placement of any Corporation insurance coverage and having done so, shall pay the deductible for any claims regarding any damage to the Common Property or any other property of the Corporation, except where the loss arises by the act or omission of an Owner or an occupant of a Unit.
 - (i) For damage caused by an Owner or an occupant of a Unit:
 - (A) An Owner shall pay the insurance deductible for losses claimed where the Owner or occupant of a Unit causes the loss. The loss may occur from an act or omission by one or more of these persons. The Corporation can recover, from the Owner of that Unit, the deductible as a contribution against all other costs, charges and liabilities arising out of any loss that the Corporation may incur or sustain. The Owner shall carry "deductible insurance coverage" in an amount not less than the Corporation's insurance deductible (and in any event, not less than \$5,000.00).
 - (ii) For damage caused by the Corporation:
 - (A) The Corporation shall pay the insurance deductible for losses claimed where the Corporation, its officers, the Board or its members, or the employees or agents, or any of them causes the loss. The loss may occur

from any act or omission by one or more of these persons. The claim must arise under any insurance policy maintained by the Corporation. In all other cases, the Owner of a Unit shall pay the deductible for claims made regarding damage to a Unit. The Owner must prove the cause of the loss where damage occurs to a Unit.

55. RENTAL OF UNITS

In the event that an Owner desires to lease or rent Owner's Unit, the Owner shall furnish to the Corporation an undertaking in a 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.

" I _____, covenant and agree that I, all occupants, employees, invitees, licensees, guests or visitors from time to time will, in using the Unit rented by me, or any privacy areas related to the Unit and all common property, comply with the Condominium Property Act and Regulation, the By-Laws, and all rules and regulations of the Condominium Corporation during the term of my tenancy."

The Owner shall not be released from any of its obligations and shall be jointly and severally liable with the lessee or occupant with respect to such obligations. The Corporation is authorized to:

- (a) impose and collect security deposits from the Owner under Section 53 of the Act;
- (b) give notice to a tenant to give up possession of a Unit under Section 54 of the Act;
- (c) make applications to the court for an order requiring a tenant to give up possession under Section 55 and Section 56 of the Act;
- (d) levy a maximum penalty to the Owner and tenant of \$50.00 each, if after 15 calendar days of the change of occupancy of a Unit, the Corporation has not received notification of the change;
- (e) the Corporation may give notice to the tenant to pay the rent directly to the Corporation when the Owner is in default of payment of assessments under Section 39 of the Act.

56. SEVERABILITY

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

57. NOTICES

Unless otherwise expressly provided in 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 regular mail, prepaid registered mail or commercial courier to the Owner at the mailing address supplied to the Corporation, or left with such Owner or adult person occupying such Unit, or to the Corporation at its address for service shown on the Condominium Master file registered at the Land Titles Office, or to a Mortgagee at its address supplied to the Corporation. Any notice given by

registered mail shall be deemed to have been received forty-eight (48) hours after it is posted; notices delivered by commercial courier shall be deemed received when signed for on behalf of the Owner. An Owner or 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 Mortgagee or Owner, 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, Regulation or these By-Laws. Nothing herein is intended to prevent or invalidate communication of the transmission, no form of notice under these By-Laws shall be invalid solely because it was transmitted by telecopier.

58. NOTICE OF DEFAULT TO MORTGAGEES

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

59. DEBT RETIREMENT ON TERMINATION

Subject to the provisions of the Act and Regulation, upon termination of the condominium status of the Corporation for any purpose, all debts of the Corporation shall first be paid out of the assets of the Corporation, and the balance of the assets of the Corporation, if any, shall be distributed among the Owners and other persons claiming an interest in the Units in proportion to their Unit Factor.

60. PRIVACY AREAS

The Board may lease any Privacy Area to an Owner on terms and conditions as the Board sees fit. Where the Owner fails to maintain the Privacy Area to the extent determined by By-law, the Board shall provide remedy as provided in this By-law 60 and any lease agreement between the Corporation and Owner. Damage caused to any such Privacy Area, due to negligence or carelessness of the Owner in maintenance or use of same will be dealt with in accordance with By-law 52 and any lease agreement between the Corporation and Owner. If, after ten (10) days' notice from the Corporation to an Owner to correct any maintenance problem set forth in said notice, the Owner shall fail to properly maintain such Privacy Area assigned to him, then the Board or its representative may order the maintenance corrected and the Owner of the Unit affected shall indemnify the Corporation for all monies expended and costs incurred in order to rectify said maintenance problem in accordance with By-Law 64.

61. INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Corporation shall indemnify every director, 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 or she may be made a party by reason of his being or having been a Director or Officer of the Corporation, except as to matters to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. All liability, loss, damage, costs and 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 Directors of the Board be bonded by a recognized bonding institution to such amount as may appear appropriate in the circumstances, the cost of such bonding to constitute a Common Expense of the Corporation.

62. EXPENDITURES BY MANAGER

Any Manager appointed by the Board may, without specific approval of the Board, from time to time, make expenditures for items not included in the budget provided that the expenditure is subsequently approved by the Board at the next following Board meeting, and provided that the expenditure does not exceed Five Thousand (\$5,000.00) Dollars Except for emergencies, any expenditure not included in an approved budget of the Board and in excess of \$5,000.00 must have the prior approval of the Board.

Notwithstanding the above, the Manager may, on behalf of the Corporation, without prior consent, expend any amount required to deal with emergency conditions which may involve a danger to life or property or may threaten the safety of the Condominium Project, or the Unit Owners and occupants thereof, or may threaten the suspension of any necessary service to the Project.

63. NON-PROFIT CORPORATION

The Corporation is not organized for profit. No Owner, member of the Board or person from whom the Corporation may have received goods or services, property or funds of the Corporation in excess of the amount due under any bona fide transaction with the Corporation and duly recorded in its minutes 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 paid to any Director of the Board or Owner while acting as an agent or employee of the Corporation for services rendered to effect one or more of the purposes of the Corporation;
- (b) reimbursement of any Director of the Board or Owner from time to time for the Director's actual and reasonable expenses incurred in connection with the administration of the affairs of the Corporation; and
- (c) any annual honorarium, stipend, enumeration or salary, established pursuant to By-Law 5(j) paid to Directors of the Board.

64. OWNER'S OBLIGATION TO REPAIR AND MAINTAIN

In accordance with the Arriva Easement, Co-operation and Cost-Sharing Agreement, in repairing and maintaining the Owner's Unit and any Privacy Area designed for the Owner's exclusive use, an Owner shall:

- (a) maintain sufficient heat (and adequately limit ventilation) within the Unit so as to keep the ambient temperature therein at all times above the freezing temperature of water;
- (b) take all such steps as may be necessary to prevent any escape whatsoever of water from the Unit; except through such drains, returns, or sewage pipes as may lead from the Unit for such purpose;

- (c) carry out timely repairs to and maintenance of every part of the Unit; and
- (d) maintain any other area to which the Owner has been granted exclusive use, but not including the structure of exterior surfaces of walls, roofs, foundations, etc., comprising the Common Property.

Where it appears that any such maintenance or repair is or was reasonably required and has not been carried out by the Owner, the burden shall be on the Owner to show why the Owner should not:

- (e) comply with a written directive, if any, from the Corporation to carry out such repair or maintenance within fifteen (15) days, failing which the Corporation may do so at the Owner's expense, and any costs thereby incurred by the Corporation shall be added to and form part of the assessment due in respect of such Unit in the month next following, and shall bear interest at the Interest Rate until paid; and
- (f) indemnify the Corporation and other Owners for damage, if any, to the Common Property or any Units resulting from such failure by the Owner to maintain or repair Owner's Unit as required in these By-Laws.

Notwithstanding the duty of an Owner to repair and maintain every part of the Owner's Unit, the Corporation shall be responsible for the repair, maintenance or replacement of any components comprising the structure of the Unit and the exterior finishing of buildings. The Unit Owner shall take reasonable care to safeguard these components and shall notify the Corporation of any suspected need for repair or maintenance of the same, and cooperate with the Corporation to allow access for repairs.

65. RESTRICTIONS ON USE AND OCCUPANCY

An Owner (including, for the purposes of this By-Law 65, a tenant of an Owner) shall not:

- (a) use or permit the Owner's Unit or any part thereof to be used for:
 - (i) any purpose which may be illegal, or injurious to the reputation of the Condominium project; or
 - (ii) residential occupation;
- (b) make or permit noise in or about any Unit or the Common Property which in the opinion of the Board is a nuisance or unreasonably interferes with the use and enjoyment of a Unit or the Common Property by an Owner or occupant. No instrument or other device shall be used within a Unit that in the opinion of the Board causes a disturbance or interferes with the comfort of other Owners;
- (c) keep or permit any domestic pet(s) in a Unit;
- (d) use or permit the use of the Owner's Unit other than as a commercial, office or retail space;

- (e) do any act or permit any act to be done, or alter or permit to be altered the Owner's Unit in any manner, which will alter the exterior appearance of the structure comprising the Owner's or any other Units;
- (f) erect or place any building, structure or trailer on the Common Property or on any Privacy Area assigned, designated or leased to him;
- (g) permit, erect or hang over or cause to be erected or to remain outside any window or door or any other part of a Unit or on the Common Property or on the real property of the Corporation, extension cords, garbage disposal equipment, awnings, shades or screens or any other matter or thing without first obtaining the consent of the Board in writing. No television or mobile telephone or radio antenna, tower or similar structure or appurtenance thereto shall be erected or fastened to any Unit except in connection with a common television antenna, or cable system as authorized by the Board and then only in accordance with the regulations therefore which may be established by the Board;
- (h) store any hazardous, combustible, inflammable or offensive goods, provisions or materials in the Owner's Unit or on the Common Property;
- (i) do anything or permit anything to be done in Owner's Unit or upon the Common Property or the real or personal property of the Corporation, or fail to do any act or thing which will or would tend to increase the risk of fire, flood, freeze-up or any other damage which would cause an additional expense to the Corporation which the Board deems could have been prevented, or which would tend to increase the rate of insurance premiums, or would render invalid any insurance maintained by the Corporation;
- (j) do or permit anything to be done that may cause damage to the Common Property;
- (k) deposit customary refuse and garbage outside Owner's Unit other than securely bagged and tied and placed in the designated garbage container(s);
- (l) erect, place, allow, keep or display signs, billboards, advertising matter or other notice or display of any kind on Common Property or in about any Unit in any manner which may make the same visible from the outside of the Unit without the prior written approval of Board and Municipal Authority;
- (m) permit any member of his employees, invitees, licensees, guests or visitors to trespass on the part of the parcel to which another Owner is entitled exclusive occupation;
 - (i) use any part of the Common Property other than a parking area designated under By-Law 5 or By-Law 60 for parking of any motor vehicle except in accordance with permission in writing from the Board;
 - (ii) wash, repair or perform maintenance including adjustments or servicing, and including oil changes, to any vehicle(s) on the Common Property or any Privacy Area;
 - (iii) keep on the Common Property any vehicle which is not currently licensed, insured and in operating condition, proof of which shall be provided to the Corporation upon request;

- (iv) drive any motor vehicle on the Common Property at a speed in excess of ten (10) kilometers per hour;
- (n) obstruct or permit any walkway, stairwell, passage driveway, or parking area to be obstructed by his employees, guests or visitors or their personal property;
- (o) allow Owner's Unit, adjacent Common Property or designated Parking Area assigned to him to become unsanitary or unsightly in appearance and shall not store items, not limited to, tires, tools, appliances, cardboard, flammable materials, and so on; the Board shall be at liberty to remove any rubbish or item or clean up the Common Property in close proximity to an Owner's premises to its satisfaction and charge the expense to the Owner;
- (p) use a toilet, sink, tub, drain or other plumbing fixture for a purpose other than that for which it is constructed; in particular, an Owner shall not use or permit the use of any of the foregoing for the disposal of cooking oil, animal litter, garden soil or other solid plant-growing media or similar solid or emulsifying substances;
- (q) permit smoking in any area of the Commercial Building designated as common property and in any Unit. Owners, occupiers, tenants, guests or invitees of any Unit Owner who breach the provisions of this prohibition are subject to financial and other sanctions as determined by the Board from time to time
- (r) install any satellite dish on the Unit nor on any Privacy Area or any part of Common Property without the prior written consent of the Board; and
- (s) without the consent in writing of the Board, have any right of access to those portions of the Common Property used from time to time for utilities areas, building maintenance storage areas, operating machinery or any other parts of the Common Property used for the care, maintenance or operation of the project generally.

Subject to the Board's discretion under By-Law 5(k), an Owner shall be reasonable for the acts and omissions of all occupants of and invitees to Owner's Unit, and for their compliance herein, in the same manner as for his own personal act and omissions.

66. FORCE MAJEURE

Except only for the obligations of the Unit Owner under these By-Laws and the Act to pay contributions to Common Expenses levied in respect of a Unit, if any Owner or the Corporation shall fail to meet its obligations hereunder within the time prescribed or at all, and such failure shall be caused entirely or substantially by any event or circumstance beyond the reasonable control of such party (but lack of funds on the part of such party shall be deemed not to be such a force majeure), such failure shall be deemed not to be a breach of the obligations of such party hereunder, provided such party use reasonable diligence to put itself in a position to carry out such obligations.

67. AMENDMENT OF BY-LAWS

These By-Laws, or any part therein, 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 Owner and each Mortgagee having notified its interest to the Corporation a

notice or memorandum of any proposed amendments, additions or repeals thirty (30) days prior to the date of any such Special Resolution and thereafter provide each Owner and Mortgagee with copy of any registered amendment, addition or repeal.

68. CHANGE OF LEGISLATION

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

69. ARBITRATION AND MEDIATION

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



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