

**BY-LAWS
OF
CONDOMINIUM CORPORATION NO. _____**

DEFINITIONS AND INTERPRETATION

1. **Definitions.** In these By-laws, unless the context or subject matter shall otherwise require, the following terms shall have the following meanings.

"**Act**" means the Condominium Property Act, R.S.A., 2000, c. C-22, as amended or replaced from time to time or any statute or statutes passed in substitution therefor, together with all regulations made from time to time under the Act.

"**Annual General Meeting**" means the annual general meeting of the Corporation.

"**Annual Report**" means the report prepared by the Board on an annual basis in respect of the Reserve Fund.

"**Board**" means the board of directors of the Corporation.

"**Board Member**" means a member of the Board.

"**Building**" means the building or, collectively, the buildings comprising a portion of the Project from time to time, or any one of them.

"**By-laws**" means the by-laws of the Corporation as amended, supplemented, replaced or restated from time to time.

"**Common Expenses**" means the expenses of performing the objects and duties of the Corporation and any expenses specified as Common Expenses in or otherwise contemplated by the By-laws (including for certainty required contributions to the Reserve Fund) and, without restricting the generality thereof, Common Expenses include any costs or expenses incurred by the Corporation in connection with the use or ownership of any property owned by or in which the Corporation has any interest.

"**Common Property**" means so much of the Parcel as is not comprised in a Unit, but does not include land shown on the Condominium Plan that has been provided for the purposes of roads, public utilities and reserve land under Part 17 of the *Municipal Government Act* or any similar prior legislation, or any statute or statutes passed in substitution therefor.

"**Condominium Plan**" means condominium plan _____ registered at the land titles office for the North Alberta Land Registration District, as amended from time to time.

"**Corporation**" means Condominium Corporation No. _____.

"Depreciating Property" means any:

- (a) real and personal property owned by the Corporation;
- (b) facilities and property that are intended for common use by the Owners notwithstanding that the facilities or property may be located in or comprise part of a Unit; and
- (c) Common Property;

which is of such nature that it does not normally require annual repair or replacement.

"Developer" means a Person who, alone or in conjunction with other Persons, sells or offers for sale to the public Units or proposed Units that have not previously been sold to the public by means of an arm's length transaction.

"Emergency Situation" means a situation reasonably perceived as one which would endanger either Persons or property if not immediately addressed, remedied or rectified.

"Estoppel Certificate" means a certificate of the Corporation made pursuant to section 39(6) of the Act.

"Exclusive Use Area" means a portion of the Common Property over which an Owner may exercise exclusive possession pursuant to the Bylaws or a lease granted by the Corporation, including any assigned storage space, but shall not include any parking stall.

"Extraordinary General Meeting" means a General Meeting which is not an Annual General Meeting.

"General Meeting" means a duly and properly convened meeting of the Corporation held in accordance with the By-laws.

"Insurance Trustee" means a Person who may from time to time be designated under the By-laws to receive, hold and disburse proceeds of policies of insurance pursuant to the By-laws and the Act.

"Interest Rate" means the lesser of:

- (a) 5% per annum above the prime lending rate of the Royal Bank of Canada or its successor, as declared and commonly known as such from time to time; and
- (b) the maximum rate of interest that may be charged by the Corporation pursuant to the Act or any other applicable law.

"Manager" means the professional property manager appointed from time to time by the Board to manage the day to day affairs of the Corporation.

"Occupant" means any Person who, with the permission of an Owner, express or implied, is present in a Unit or in or on the real or personal property of the Corporation or the Common Property and includes all family members, roommates, tenants, invitees, licensees, servants, guests, visitors and customers of an Owner or Occupant.

"Ordinary Resolution" means a resolution:

- (a) passed at a General Meeting by a majority of all the Persons present or represented by proxy at such meeting entitled to exercise the powers of voting conferred by the Act or the By-laws; or
- (b) signed by a majority of all the Persons who, at a General Meeting, would be entitled to exercise the powers of voting conferred by the Act or the By-laws and representing more than 50% of the total Unit Factors for all of the Units.

"Owner" means the registered owner of a Unit.

"Parcel" means the lands legally described as Plan 042 2245, Block 34, Lot 1, excepting thereout all mines and minerals, located in the City of Edmonton in the Province of Alberta.

"Parking Stall" means any area shown on the Condominium Plan as amended from time to time in accordance with the Development Disclosure Statement which is the subject of a lease in favor of an Owner allowing the Owner and the Owner's successors in title the right to exclusively use the area for parking motor vehicles.

"Person" means any individual, corporation, partnership, trust, government, government agency or political subdivision thereof, or other entity.

"Project" means all of the Units and the Common Property and all property in which the Corporation has an interest from time to time.

"Qualified Person" means, in respect of the Depreciating Property or any particular type of Depreciating Property an individual who, based on reasonable and objective criteria, is knowledgeable with respect to:

- (a) the Depreciating Property or that type of Depreciating Property;
- (b) the operation and maintenance of the Depreciating Property or that type of Depreciating Property; and
- (c) the costs of replacement of or repairs to, as the case may be, the Depreciating Property or that type of Depreciating Property.

"Reserve Fund" means the capital replacement reserve fund required to be established and maintained by the Corporation under section 38 of the Act.

"Reserve Fund Plan" means a plan for funding and maintaining the Reserve Fund prepared and approved by the Board from time to time based on a Reserve Fund Report.

"Reserve Fund Report" means a written report prepared from time to time by a Qualified Person based on a Reserve Fund Study.

"Reserve Fund Study" means a study of the Depreciating Property prepared from time to time by a Qualified Person.

"Residential Unit" means a space situated within the Building and described in the Condominium Plan by reference to floors, walls and ceilings within the Building that is designed for use as a residence.

"Rules and Regulations" means such rules and regulations as are adopted by the Corporation from time to time for the use, safety, administration and enjoyment of the Project, including the Common Property, and for the enforcement of the By-laws, the Rules and Regulations and the resolutions of the Corporation.

"Special Resolution" means a resolution:

- (a) passed at a General Meeting by a majority of not less than 75% of all the Persons entitled to exercise the powers of voting conferred by the Act or the By-laws and representing not less than 75% of the total Unit Factors for all the Units; or,
- (c) agreed to in writing by not less than 75% of all the Persons who, at a General Meeting, would be entitled to exercise the powers of voting conferred by the Act or the By-laws and representing not less than 75% of the total Unit Factors for all the Units.

"Storage Space" means any area shown on the Condominium Plan as amended from time to time in accordance with the Development Disclosure Statement which is the subject of a license in favor of an Owner allowing the Owner and the Owner's successors in title the right to exclusively use the area for storage.

"Substantial Damage" means the occurrence of any loss, damage or destruction of and to the Project where the cost of repairing such loss, damage or destruction exceeds 50% or more of the replacement value of the Project, as determined immediately prior to the occurrence.

"Unit" means any unit described on the Condominium Plan.

"Unit Factor" means the unit factor for each Unit as set forth on the Condominium Plan, as amended from time to time.

2. **Extended Meaning of Repair.** Any reference to "repair" in the By-laws shall include the making of improvements and the enhancement or

replacement of any thing with a better thing.

3. **Interpretation - General.** Where the context so requires, words importing the singular shall also include the plural, and vice versa, and words importing the masculine shall include the feminine or neuter, and vice versa. Headings used in the By-laws have been inserted for the purposes of reference only, and are not to be used when construing the terms and provisions of any By-law. The provisions contained in the By laws shall be deemed independent and severable and the invalidity in whole or in part of any of them shall not affect the validity of the whole or remaining parts thereof, which shall continue in full force and effect as if the invalid portion had never been included herein.
4. **References to and Conflict with Act.** A reference to a particular section of the Act includes a reference to that section as amended, replaced or renumbered from time to time. If there is any conflict between the By-laws and the Act, the Act shall prevail.

THE BOARD OF DIRECTORS

5. **Composition of the Board.** The Board shall consist of not less than 3 nor more than 7 Owners, spouses or other representatives of Owners, mortgagees of a Unit or representatives of mortgagees of a Unit. Until otherwise determined by Ordinary Resolution, there shall be 5 Board Members. A Board Member must be 18 years of age or older. Notwithstanding the foregoing, when there is only 1 or 2 Owners, the Board may consist of 1 or more individuals not to exceed 7 in number.
6. **Elections to the Board.** All Board Members are deemed to retire from office at each Annual General Meeting and a new Board shall be elected at such meeting.
7. **Retiring Board Members.** A retiring Board Member shall be eligible for re-election.
8. **Removal of Board Member.** The Corporation may remove any Board Member by Special Resolution passed at an Extraordinary General Meeting and appoint another Board Member in his place.
9. **Vacancies on the Board.** Where a vacancy occurs on the Board the remaining Board Members may appoint a person to fill that office provided that such person qualifies for membership pursuant to the By laws.
10. **Loss of Office.** A Board Member shall cease to be a Board Member if:
 - (a) he is no longer qualified under By-law 5;
 - (b) he delivers to the Corporation a written resignation;

- (c) the Board Member or the Owner or mortgagee he represents is more than 60 days in arrears in paying any amount required to be paid to the Corporation (and for the purpose of this paragraph (c) a mortgagee shall be deemed to owe amounts owed by the Owner of the Unit mortgaged to the mortgagee) or becomes insolvent, has a receiver appointed for his assets or files for or is petitioned into bankruptcy;
 - (d) the Board Member is the subject of a certificate of incapacity issued under applicable legislation;
 - (e) the Board Member is convicted of an indictable offence for which he is liable to imprisonment or is convicted of any criminal offence involving fraud or deceit;
 - (f) the Board Member is absent or not available on 7 days notice for meetings in Edmonton, Alberta, for a continuous period of 4 months or misses 4 consecutive meetings of the Board without permission of or subsequent ratification by the Board; or,
 - (g) the Board Member or the Owner or mortgagee he represents commences any legal proceedings against the Board, one or more Board Members (acting in that capacity) or the Corporation.
11. **Power of the Board.** All of the powers and duties of the Corporation shall be exercised and performed by the Board, subject to any restriction imposed or direction given in an Ordinary Resolution or Special Resolution.
12. **Quorum of the Board.** A quorum of the Board shall be a majority of Board Members.
13. **Meetings of the Board.** The Board shall meet as, when and where it shall see fit or as the president shall from time to time designate, provided that all meetings of the Board shall be held in Edmonton, Alberta unless a majority of the Owners pass an Ordinary Resolution authorizing the holding of such meetings at another location. Unless otherwise determined by the Board, meetings of the Board shall be restricted to Board Members and invitees of the Board.
14. **Votes of Board.** At meetings of the Board all matters shall be determined by simple majority vote. A resolution of the Board approved in writing by all Board Members shall have the same effect as a resolution passed at a duly convened meeting of the Board.
15. **Minutes of Meetings.** The Board shall keep minutes of its proceedings and shall cause minutes to be kept of General Meetings.

16. **Conflict of Interest.** Where a Board Member has a material interest in any agreement, arrangement or transaction to which the Corporation is or is to become a party (except if the material interest exists only by virtue of the Board Member owning a Unit), that Board Member:
 - (a) shall declare to the Board his interest in the agreement, arrangement or transaction;
 - (b) shall not vote in respect of any matter respecting that agreement, arrangement or transaction; and
 - (c) shall not be counted when determining whether a quorum exists when a vote or other action is taken in respect of the agreement, arrangement or transaction.
17. **Defect in Appointment.** Notwithstanding any defect in the appointment or continuance in office of any Board Member, all acts done in good faith by the Board shall be valid.
18. **Officers of the Corporation.** After each Annual General Meeting of the Corporation, and from time to time as needed, the Board shall elect officers from among its members including a president, one or more vice-presidents, a treasurer and a secretary. These officers shall hold office until either disqualified or replaced, and shall have the following duties.
 - (a) The president shall serve as the chief executive officer of the Corporation and shall serve as chairman of all meetings of the Corporation and the Board. The president shall have general supervision and direction of the Corporation and of all other officers of the Corporation.
 - (b) The vice-president shall serve as president in the absence or disability of the president and shall have such other duties, authority and power as from time to time may be designated to the vice-president by the president or the Board.
 - (c) The secretary shall attend all meetings of the Board and of the Corporation, shall maintain written minutes thereof, shall cause notices to be issued and filings and registrations to be made, and shall have custody of all books, records, papers, documents and instruments of the Corporation and the corporate seal.
 - (d) The treasurer shall cause to be kept proper accounting records for the Corporation, shall ensure the deposit and safekeeping of monies and securities of the Corporation, shall cause the disbursement of funds belonging to the Corporation as and when required, and shall prepare and present the Corporation's statements of account to the Board as required.

- (e) The same individual may hold more than one office.
 - (f) An individual shall cease to be an officer of the Corporation if and when that individual ceases to be a Board Member.
19. **No Casting Vote.** The chairman at any meeting of the Board or the Owners shall not have a casting vote in addition to his original vote.
20. **Books of Account.** The Board shall keep or cause to be kept proper books of account in respect of all sums of money received and expended by the Corporation and the matters in respect of which receipts and expenditures shall take place. The Board shall prepare or cause to have prepared for each Annual General Meeting proper financial statements relating to all monies of the Corporation, and the receipt and expenditure thereof.
21. **Audited Financial Statements.** The Board shall, at least once in each fiscal year, cause the books and accounts of the Corporation to be audited by a chartered accountant. If authorized by Ordinary Resolution, the chartered accountant may be engaged to review the Corporation's books, records and accounting procedures without completing a full audit.
22. **Distribution of Financial Statements.** The Board shall cause to be prepared and distributed to each Owner, and to each mortgagee who has notified the Corporation of his mortgage in writing, a copy of the annual financial statements of the Corporation, together with a copy of the auditor's report, within 90 days of the fiscal year end of the Corporation.
23. **Signing Authorities.** The Board shall determine by resolution which officer or officers shall sign cheques, drafts, notes and any other instruments and documents not required to be executed under corporate seal and may authorize the Manager to co-sign the same with any officer or officers of the Corporation.
24. **Corporate Seal.** The Corporation shall have a corporate seal which shall only be used or affixed to any instrument in the presence of and attested to by the signatures of at least 2 officers or as otherwise authorized from time to time by the Board.
25. **Register of Mortgagees.** The Board shall keep a separate register noting the names and addresses of all Owners and any mortgagees who have notified the Corporation in writing of their mortgages.
26. **Notice of Change.** The Board shall within 30 days of each Annual General Meeting file or cause to be filed at the Land Titles Office for the North Alberta Land Registration District a notice in the prescribed form stating the name and address of then current Board Members and shall as required from time to time file or cause to be filed at the Land Titles Office for the North Alberta Land Registration District a notice in the

prescribed form of any change in the address for service of the Corporation.

GENERAL MEETINGS OF THE CORPORATION

27. **Annual General Meetings.** Annual General Meetings shall be held once in each calendar year. No more than 15 months shall elapse between the date of one Annual General Meeting and that of the next.
28. **Extraordinary General Meetings.** The Board may convene an Extraordinary General Meeting whenever it thinks fit and shall be required to call an Extraordinary General Meeting upon receiving a request in writing from:
- (a) Owners representing not less than 15% of the total Unit Factors for all Units;
 - (b) mortgagees of Units (who have notified their interests to the Corporation of their mortgages in writing) against Units in respect of which corresponding Unit Factors represent at least 15% of the total Unit Factors for all Units; or
 - (c) a combination of such Owners and mortgagees representing at least 15% of the total Unit Factors for all Units.

An Extraordinary General Meeting which the Board is required to convene under this By-law shall be held within 30 days of receipt by the Board of the request. The notice for and agenda of such meeting shall include all items specified in the request.

29. **Notice of General Meetings.** The Board shall provide 7 days' notice of every General Meeting specifying the place, date, and hour of meeting and, to the extent known to the Board, the nature of any new business to be brought up at the meeting. Such notice shall be given to all Owners and to all mortgagees of Units who have notified the Corporation of their mortgages in writing. The accidental omission of the Board to give notice to anyone entitled thereto or non-receipt by such Person does not invalidate a General Meeting or any proceedings taken at a General Meeting. In computing the number of days for notice of a General Meeting the day on which the notice is deemed by law to have been received and the day of the meeting shall be counted. Notice of any General Meeting may be waived before, at or after the meeting by Persons entitled to vote at the meeting.
30. **Quorum of the Corporation.** No business shall be transacted at a General Meeting unless a quorum of Persons entitled to vote is present within 30 minutes of the appointed time for the General Meeting. 25% of the Persons entitled to vote who are present in person or by proxy shall constitute a quorum.

31. **Adjournment for lack of Quorum.** If within 30 minutes of the appointed time for any General Meeting a quorum of the Corporation is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time. Notwithstanding anything contained in the By-laws, if at the adjourned meeting a quorum is not present within 30 minutes of the appointed time, the Persons entitled to vote who are present shall constitute a quorum for that meeting.
32. **Chairman.** The president of the Corporation shall be the chairman of all General Meetings. In his absence the vice-president of the Corporation shall act as chairman. If at any time the president and vice-president are absent the Persons at the meeting entitled to vote shall elect a chairman.
33. **Order of Business.** The order of business at an Annual General Meeting shall be:
- (a) the election of the chairman of the meeting, if necessary;
 - (b) call to order by the chairman and establishment of quorum;
 - (c) proof of notice of meeting or waiver of notice;
 - (d) reading and disposal of any unapproved minutes;
 - (e) reports of officers;
 - (f) reports of committees;
 - (g) financial report;
 - (h) appointment of auditors;
 - (i) election of Board;
 - (j) unfinished business;
 - (k) new business; and
 - (l) adjournment.

The order of business at an Extraordinary General Meeting shall be based on the order of business for an Annual General Meeting to the extent that it is applicable.

34. **Voting at a General Meeting.** At any General Meeting the success or failure of a resolution shall be decided by a show of hands unless a poll is demanded. Unless a poll is demanded, a declaration by the chairman that a resolution on the show of hands has or has not been carried is conclusive evidence of the fact.
35. **Taking of a Poll.** A poll may be demanded by anyone entitled to vote at a General Meeting. If demanded, a poll shall be taken in the manner determined by the chairman of the meeting. The demand for a poll may be withdrawn.
36. **Method of Voting.** On a show of hands each Person entitled to vote for any Unit shall have one vote for that Unit. On a poll the number of votes for each Person entitled to vote shall correspond with the Unit Factor for the Unit owned by or mortgaged to such Person.
37. **Proxies.** On a show of hands or on a poll, votes may be made personally or by proxy. An instrument appointing a proxy shall be in writing under the hand of the Owner or mortgagee making it or his attorney.
38. **Voting by Co-Owners.** If a Unit has more than one Owner, those Owners must in connection with any vote act as if they were a single Owner. They may vote by proxy if the proxy is jointly appointed by them or may vote by one of the Owners authorized to act for all others. On a show of hands only the Owner authorized by all Owners of a Unit may vote in respect of that Unit. Absent any reasonable doubt by the chairman of the meeting, a declaration by an Owner that he is authorized to vote for all other Owners of his Unit shall be accepted.
39. **Resolution in Writing.** Ordinary Resolutions and Special Resolutions may be passed in writing by the requisite number of Persons required by the definitions of those terms.
40. **Voting by Trustees.** Where an Owner is a trustee, he or his proxy shall exercise voting rights in respect of his Unit to the exclusion of any Persons beneficially interested in the Unit.
41. **Voting by Mortgagees.** Notwithstanding the provisions of these By-laws with respect to the appointment of a proxy, where the Owner's interest is subject to a registered mortgage and where the mortgage, these By-laws or any statute provides that the power of voting conferred on an Owner may or shall be exercised by the mortgagee, and where the mortgagee has given written notice of the mortgage to the Corporation, no instrument or proxy shall be necessary to give the mortgagee or his representative the power to vote. Absent any reasonable doubt by the chairman of a meeting, a declaration by a Person that he is such a representative shall be accepted.

42. **Priority of Interests and Voting.** When an Owner's interest is subject to a registered mortgage, the power of voting conferred on the Owner shall be exercised in the following order:
- (a) first, by the first mortgagee, provided such mortgagee has provided written notice of the mortgage to the Corporation and is present at the meeting at which the vote is conducted;
 - (b) second, by the Owner; and
 - (c) third, by any subsequent mortgagees in order of their priority among themselves, provided any mortgagee wishing to vote has provided written notice of the mortgage to the Corporation and is present at the meeting at which the vote is conducted.

POWERS OF THE CORPORATION

43. **General Powers.** The Corporation may sue in its corporate name, contract in its corporate name, have and alter a common seal, have perpetual succession, acquire, hold and dispose of real and personal property and regulate its own procedures and business. The Corporation shall have all powers necessary to carry out its obligations under the Act, the By-laws, the Rules and Regulations and as are otherwise required to manage its affairs and the Common Property and the common interests of the Owners.
44. **Real Property.** The Corporation may by Special Resolution, and in accordance with the Act, purchase, lease or otherwise acquire or sell, lease, dispose of or mortgage real property and may acquire or grant restrictive covenants, easements and rights of joint access or mutual use to services or facilities shared with others.
45. **Personal Property.** The Corporation may purchase, lease or otherwise acquire personal property to be used for its purposes including:
- (a) for the maintenance, repair or replacement of the real or personal property of the Corporation and the Common Property; and
 - (b) use by Owners or Occupants in connection with their enjoyment of the real and personal property of the Corporation, the Common Property and Units;

and may sell or otherwise dispose of personal property which is no longer required or useful.

46. **Leases and Exclusive Use Areas.** Pursuant to section 50 of the Act, the Corporation may lease to an Owner any part of the Common Property upon such terms and conditions as it determines to be appropriate to the interests of the Owners. The Corporation hereby leases, as an Exclusive Use Area, to each Owner of a Residential Unit, for so long as the Owner remains such, the patio, deck, terrace, balcony or other private area adjoining such Unit and which is intended to be used exclusively by the Owner or Occupant of that Unit. No landscaping of, or other changes to, such patios, decks, terraces, balconies, or other private area may be carried out except with the express written consent of the Board. The maintenance of such approved landscaping or changes shall be the sole responsibility of the relevant Owner. Each Exclusive Use Area shall be maintained in a clean and sight-friendly condition at the sole expense of the Owner to whom it has been granted provided that the Corporation shall be responsible for painting, refurbishing and structurally maintaining fences, patios, balconies, terraces and decks and for clearing snow from all Parking Stalls to a standard considered reasonable by the Board. The Board may, in addition to other restrictions set out in these By-laws, specify and limit the use of any Exclusive Use Area in the Rules and Regulations.
47. **Services.** The Corporation may by general declaration or by agreement with an Owner or Occupant agree to provide amenities or services to the Owner or Occupant.
48. **Memberships.** The Corporation may join any organization serving the interests of the Corporation and the membership fee and related expenses shall be Common Expenses.
49. **Borrowing.** The Corporation may borrow monies required for the performance of its duties and the exercise of its powers provided that any borrowing which exceeds 25% of the then current annual budget of the Corporation for Common Expenses shall be approved by Special Resolution. The Corporation may secure repayment of monies borrowed by it and interest on those monies by contract, negotiable instrument, mortgage of unpaid contributions, mortgage of any property owned by the Corporation or by a combination thereof.
50. **Investing Contributions.** The Corporation may invest any contributions toward Common Expenses or other funds that are not immediately required by it in investments in which a trustee may invest under the Trustee Act.
51. **Lawsuits.** The Corporation may:
- (a) sue for and in respect of any damage or injury to the Common Property caused by any Person, including an Owner;

- (b) be sued in respect of any matter connected with the Parcel for which the Owners are jointly liable; and
 - (c) otherwise sue and defend actions as directed by the Board.
- 52. **Rules and Regulations.** The Corporation may make, amend and restate Rules and Regulations from time to time as it shall deem necessary. The initial Rules and Regulations are attached to these By-laws as Appendix A.
- 53. **Failure to Comply.** Where an Owner fails to meet his obligations under the By-laws, the Corporation may give notice of the failure. Unless the Owner rectifies the failure within 10 days of such notice the Corporation shall be entitled, at its option, to rectify the failure and to add to the required and outstanding contributions of such Owner the cost of rectifying the failure, along with an administration fee of 5%.
- 54. **Time of Payment.** All payments of every nature required to be made by an Owner to the Corporation and not paid within 10 days from the due date for payment shall bear interest at the Interest Rate from the date due until paid, compounded monthly. All payments on account shall first be applied to interest and then to the contribution payment first due.
- 55. **Sanctions.** The Corporation may impose monetary or other sanctions on an Owner or Occupant, or both, who fails to comply with the By-laws. Where an Owner or an Occupant, or both, fails to comply with the By laws the Corporation may take any of the following actions.
 - (a) The Corporation may restrict or prohibit use of the Common Property by that Owner or Occupant, and without restricting the generality thereof, the Board may revoke without penalty any or all leases and agreements granting rights to that Owner or Occupant over the Common Property including any lease or agreement granted under By-law 46.
 - (b) The Corporation may revoke without penalty any agreement for the provision of amenities and services by the Corporation to that Owner or Occupant.
 - (c) The Corporation may impose monetary sanctions as it sees fit, provided that:
 - (i) where monetary sanctions are imposed upon an Owner or Occupant for the first time in 2 or more years, the sanction imposed shall be between \$200 (\$500 for corporations) and \$1,000;

- (ii) where monetary sanctions are imposed upon an Owner or Occupant for the second time in less than 2 years, the sanction imposed shall be between \$200 (\$500 for corporations) and \$5,000; and
- (iii) where monetary sanctions are imposed upon an Owner or Occupant for the third time (or more) in less than 2 years, the sanction imposed shall be between \$200 (\$500 for corporations) and \$10,000.

Any sanction imposed under this By-law 55 must be reasonable in the circumstances for which it is imposed. No sanction shall be imposed that has the effect of prohibiting or restricting the devolution of a Unit or any transfer, lease, mortgage or other dealing with a Unit (provided that any outstanding monetary sanction may continue to be enforced as provided in the Act) or of destroying or modifying any easement implied or created by the Act.

56. **Natural Justice.** Prior to imposing any sanction provided for in By-law the Owner or Occupant subject to sanction shall be given a reasonable opportunity to provide in writing an explanation for the act or omission giving rise to the proposed sanction. The Board shall consider the explanation prior to passing a resolution to impose sanctions.
57. **Default in Payments.** The Corporation shall have and is hereby granted a lien on and a charge against the estate or interest of an Owner in his Unit for any unpaid contribution, installment or payment due to the Corporation, including interest at the Interest Rate and the recovery by the Corporation of its legal fees and disbursements on a solicitor and his or her own client basis. Such lien and charge shall have first priority against such estate or interest, subject only to the rights of any municipal or local authority in respect of unpaid realty taxes. The Corporation shall have the right to file and maintain a caveat against title to the Unit in respect of the lien and charge for the amount of such unpaid contribution, installment or payment for so long as there shall be any such unpaid amount. As further and better security, each Owner in arrears for more than 30 days shall give to the Corporation a mortgage or encumbrance over his Unit for the full amount owed and all interest thereon at the Interest Rate from the due date or dates for payment. The Corporation shall be entitled to enforce its security and pursue such remedies as may be available to it from time to time at law or in equity.
58. **Payment of Arrears by Others.** Any other Owner or Person may pay any unpaid contribution, installment or payment due by an Owner and any interest accumulated thereon after the expiration of 30 days following the due date for payment. Upon making such payment that Owner or Person shall have lien and charge as if it were the Corporation, shall be entitled to file a caveat in respect of the amount paid on behalf of the Owner and shall be entitled to enforce the lien and charge thereby created in accordance with By-law 57.

59. **Costs Payable in Respect of Arrears.** All reasonable costs of the Manager or the Corporation (including costs on solicitor and his or her own client basis) incurred in registering and discharging a caveat in respect of an unpaid contribution or which either the Manager or the Corporation expends as a result of any act of omission by an Owner or Occupant or his servants, agents, licensees, invitees or tenants which violates these By-laws or any Rules and Regulations established pursuant thereto or incurred in any way in enforcing these by-laws shall be immediately paid to the Corporation by the Owner in question. Interest due hereunder is deemed a payment due to the Corporation.
60. **Enforcement.** The Corporation may take such other steps as are available under the Act as it may deem necessary to enforce any obligation or sanction imposed hereunder.

DUTIES OF THE CORPORATION - GENERAL

61. **Additional to the Act.** The duties of the Corporation under the By-laws shall be in addition to any duties of the Corporation set forth in the Act. The Corporation shall do all things required of it under the Act, the By laws and any Rules and Regulations in force from time to time.
62. **Management.** The Corporation shall for the benefit of all of the Owners enforce the By-laws and any Rules and Regulations. The Board may provide waivers. The Corporation shall control, manage, repair and administer the Common Property and all real property, chattels, personal property and all other property owned by the Corporation.
63. **Maintenance.** Except to the extent an Owner is obligated in respect of the Owner's Exclusive Use Area, the Corporation shall maintain and keep in a state of good and serviceable repair all parts of the Common Property and all fixtures, fittings, recreational facilities and equipment used in connection with the Common Property, including without limitation:
- (a) the exterior or outside surfaces of the Building;
 - (b) all elevators and associated items, automatic garage doors, any surveillance and security system, and pipes, wires, cables, ducts, conduits, plumbing, sewers and other facilities for the furnishing of utilities servicing the Project from time to time; and
 - (c) all fencing, posts, walls, decks, terraces, roadways, ramps, driveways, walkways and sidewalks forming part of the Project.

However, the Corporation is not obligated to maintain or repair the property of an Owner.

64. **Landscaping.** Except for Exclusive Use Areas, the Corporation shall be responsible for:
- (a) all landscaping of the Project including any lawns and gardens; and
 - (b) the removal of snow, ice, slush and debris from and shall maintain in good order and condition all areas of the Common Property designated for vehicular or pedestrian traffic or parking.
65. **Garbage.** The Corporation shall provide adequate garbage receptacles or containers on the Common Property and shall provide for regular collection therefrom.
66. **Property Manager.** The Corporation shall, unless otherwise directed by Ordinary Resolution, contract the services of a Manager for such purposes and on such terms as the Board may from time to time decide.
67. **Common Expense Fund.** The Corporation shall establish a fund (of which the segregated Reserve Fund shall be a component), sufficient in the opinion of the Board for the control, management and administration of the Common Property, for the payment of any premiums of insurance, and for the discharge of any other obligations of the Corporation, all of which are Common Expenses.
68. **Common Expenses.** Without limitation, Common Expenses shall include:
- (a) expenses for garbage removal, electricity, water, gas and fuel services supplied to the Corporation for the Project and for the benefit of all Owners and not charged directly to any one Owner, either by meter or otherwise;
 - (b) management fees, wages, salaries, taxes and other expenses payable to or on account of employees or individual contractors of the Corporation;
 - (c) expenses for lawn maintenance and for ice, snow and debris removal from Common Property, except Exclusive Use Areas;
 - (d) expenses for lighting or electrical fixtures situated on Common Property;
 - (e) expenses for maintenance of those portions of a Unit or Common Property for which the Corporation is responsible under these By laws;
 - (f) expenses for furnishings, tools, equipment and supplies for use in

and about any recreational facilities or amenities including the repair, maintenance or replacement thereof;

- (g) all realty taxes and other municipal and governmental levies or assessments against any real property owned by the Corporation;
- (h) insurance costs in respect of the insurance for which the Corporation is responsible under these By-laws or the Act, including the fees of the Insurance Trustee;
- (i) expenses for consultants and professional advisors required by the Corporation including without limiting the generality of the foregoing, all legal, accounting, auditing and engineering fees and disbursements;
- (j) all reserves for repairs and replacement of Common Property and portions of Units or buildings the repair and replacement of which is the responsibility of the Corporation, including without limitation any contribution to the Reserve Fund;
- (k) the cost of maintaining fidelity bonds as provided in these By-laws; and
- (l) the cost of borrowing money for the purpose of carrying out the duties and objects of the Corporation.

69. **Budget.** The Board shall prepare an annual budget estimating the Common Expenses of the Corporation for the next fiscal year. The budget shall be prepared on the basis of generally accepted accounting principles.
70. **Distribution of Budget.** At least 15 days prior to the end of each fiscal year a copy of the budget for the ensuing fiscal year shall be made available. The budget shall set out by categories an estimate of the Common Expenses of the Corporation for the next fiscal year. The budget shall include a reasonable provision for contingencies and for the Reserve Fund.
71. **Raising of Contributions.** The Corporation shall determine from time to time the amount of money to be raised and collected from the Owners on account of Common Expenses, divided into the amount required for Operating Expenses and the amount required for the Reserve Fund. The Corporation shall raise such funds by levying contributions on the Owners. The amount to be contributed by an Owner of each Unit is the amount required for Operating Expenses and the Reserve Fund multiplied by the Unit Factor applicable to such Unit, divided by 10,000.
72. **Notice of Assessment.** At least 15 days prior to the end of each fiscal year, the Corporation shall deliver or mail to each Owner a notice of the assessment for his contribution towards the Common Expenses for the next fiscal year.

73. **Payment of Contributions.** All contributions for the Common Expenses shall be payable to the Corporation, or to any other Person to whom the Corporation shall direct payment to be made from time to time, in 12 equal consecutive monthly instalments payable in advance on the first day of each month, the first instalment to be made on the first day of the month immediately following receipt of such notice of contribution or such other time as may be prescribed by the Corporation. Unless otherwise authorized by the Board or by the Manager, all contributions (other than any owed by the Developer) shall be payable by the provision of post dated cheques covering the fiscal year of the Corporation.
74. **Failure to Prepare Assessment.** The omission by the Corporation or the Manager to prepare the annual assessment for the next fiscal year shall not be a waiver or modification of the provisions of these By-laws or release the Owners from their obligations to pay assessments for regular and special contributions, or any installments thereof and the assessments fixed for the preceding year shall continue until new assessments are fixed. No Owner can exempt himself from liability for his contributions toward the Common Expenses by waiver of his use or enjoyment of any of the Common Property or the Corporation's property or by vacating or abandoning his Unit.
75. **Special Assessments.** If it appears that the annual assessments for contribution towards the Common Expenses will be insufficient to meet the Common Expenses, the Corporation may assess and collect a special contribution or contributions against each Unit in an amount sufficient to cover the additional anticipated Common Expense. The Corporation shall give notice of such further assessment to all Owners which shall include a written statement setting out the reasons for the assessment and each assessment shall be due and payable by each Owner in the manner and on the date or dates specified in the notice. Each such special contribution shall be determined by the Board to be for Operating Expenses or for the Reserve Fund and be payable by the Owners as provided for in the By-law 71. All such special contributions shall be payable within 10 days of the due date for payment as specified in the notice.
76. **Deposit of Contributions.** The Corporation shall collect all contributions towards the Common Expenses paid by the Owners and all other sums owed to the Corporation and, within 2 banking days from the day the Corporation received the money (or within such longer time as the Board may authorize), deposit the money in separate designated trust accounts (one for the Reserve Fund and one or more for other funds) with a chartered bank or a Province of Alberta Treasury Branch. The money in each account shall be kept intact, and only withdrawn, converted, directed or commingled pursuant to a resolution of the Board, or as otherwise authorized in writing pursuant to a resolution of the Board.

77. **Payment of Accounts.** The Corporation shall pay all sums of money properly required to be paid on account of all services, supplies and assessments pertaining to or for the benefit of the Project, the Corporation and the Owners.
78. **Estoppel Certificate.** The Corporation shall on the application of an Owner, purchaser or mortgagee of a Unit, or the solicitor of an Owner, purchaser or mortgagee, or any Person authorized in writing by any of those Persons but at the expense of such Person, certify:
- (a) the amount of any contribution determined as the contribution of the Owner;
 - (b) the manner in which the contribution is payable;
 - (c) the extent to which the contribution has been paid by the Owner; and
 - (d) the interest owing, if any, on any unpaid balance of a contribution,
- and, in favour of any Person dealing with that Owner, the certificate is conclusive proof of the matters certified in it.
79. **Additional Information on Request.** Upon the written request of an Owner, purchaser or mortgagee of a Unit, but at the expense of such Person, the Corporation shall, within 10 days of receiving that request, provide to the Person making the request one or more of the following as requested by that Person:
- (a) a statement setting forth the amount of any contributions due and payable in respect of a Unit;
 - (b) the particulars of:
 - (i) any action commenced against the Corporation and served upon the Corporation;
 - (ii) any unsatisfied judgment or order for which the Corporation is liable; and
 - (iii) any written demand made upon the Corporation for an amount in excess of \$5,000 that, if not met, may result in an action being brought against the Corporation;
 - (c) the particulars of or a copy of any subsisting management agreement;
 - (d) the particulars of or a copy of any subsisting recreational agreement;
 - (e) the particulars of any post tensioned cables that are located anywhere on or within the property that is included in the Condominium Plan;

- (f) a copy of the current budget of the Corporation;
- (g) a copy of the most recent financial statements, if any, of the Corporation;
- (h) a copy of the By-laws of the Corporation;
- (i) a copy of any minutes of proceedings of a General Meeting of the Corporation or of the Board;
- (j) a statement setting forth the amount of the Reserve Fund;
- (k) a statement setting forth the monthly contributions and the basis on which that amount was determined;
- (l) a statement setting forth the Unit Factors and the criteria used to determine Unit Factor allocation;
- (m) a statement setting forth any structural deficiencies that the Corporation has knowledge of at the time of the request in any of the buildings that are included in the Condominium Plan;
- (n) a copy of any lease agreement or exclusive use agreement with respect to the possession of a portion of the Common Property, including any Parking Stall; and
- (o) a copy of any License for Use of Storage Space.

provided that all of the foregoing shall be provided bona fide on reasonable belief for information only and without any liability.

DUTIES OF THE CORPORATION - REPLACEMENT RESERVE FUND

80. **Reserve Fund Study.** The Board shall retain a Qualified Person to carry out Reserve Fund Study and the Qualified Person shall do the following things.
- (a) The Qualified Person shall prepare an inventory of the Depreciating Property that, under the circumstances under which the property will be or is normally used, may need to be repaired or replaced within the following 25 years.
 - (b) The Qualified Person shall determine the present condition or state of repair of the Depreciating Property and estimate as to when each component of the Depreciating Property will need to be repaired or replaced.
 - (c) The Qualified Person shall estimate the cost of repairs to or replacement of the Depreciating Property using as a basis for that

estimate costs that are not less than the costs existing at the time that the reserve fund report is prepared and, if deemed appropriate by the Qualified Person, increasing those costs by an inflation factor.

- (d) The Qualified Person shall determine the life expectancy of each component of the Depreciating Property once that property has been repaired or replaced.
 - (e) The Qualified Person shall determine the amount of funds, if any, included in the Reserve Fund maintained by the Corporation and shall indicate the basis for determining such amount.
 - (f) The Qualified Person shall recommend the amount of funds, if any, that should be included in or added to the Reserve Fund of the Corporation in order to provide the necessary funds to establish and maintain or to maintain, as the case may be, a reserve fund for the purposes of section 38 of the Act, or any section passed in replacement of or in substitution therefor, and shall indicate the basis for determining such amount.
 - (g) The Qualified Person shall indicate his qualifications to carry out the Reserve Fund Study and prepare and submit to the Board a Reserve Fund Report. He shall also indicate whether or not he is an employee or agent or is otherwise associated with the Corporation or any person who performs management or maintenance services for the Corporation.
 - (h) The Qualified Person shall also include in the Reserve Fund Report any other matters that he considers relevant.
81. **Reserve Fund.** Upon receipt of a Reserve Fund Report from the Qualified Person, the Board shall review it and approve a Reserve Fund Plan to establish a Reserve Fund if one has not already been established and to set forth the method of and amounts needed for funding and maintaining the Reserve Fund. A Reserve Fund Plan must provide that based on the Reserve Fund Report sufficient funds will be available by means of the contributions made by the Owners, or any other method that is reasonable in the circumstances, to repair or replace the Depreciating Property in accordance with the Reserve Fund Report.
82. **Distribution of Reserve Fund Plan.** The Board shall provide a copy of the Reserve Fund Plan to the Owners, for their information, prior to the collection of any funds for the purpose of those matters dealt with in the Reserve Fund Plan. Notwithstanding the foregoing, until such time as the Board has approved the Reserve Fund Plan and distributed it to the Owners the Corporation may collect or otherwise receive funds for a fund similar in nature to the Reserve Fund and may make expenditures from

and generally continue to operate that fund.

83. **Time for Establishing Reserve Fund.** The Board shall ensure that a Reserve Fund Study has been made, approve a Reserve Fund Plan, provide copies of the Reserve Fund Plan to the Owners and establish a Reserve Fund not later than 2 years from the day that the Condominium Plan is registered.
84. **Maintenance of Reserve Fund.** The Corporation must maintain the Reserve Fund so that the requirements of section 38 of the Act continue to be met at all times.
85. **Prohibition Against Commingling of Funds.** Except for the purpose of paying for repairs to or replacement of Depreciating Property, neither the Corporation nor any person holding money or dealing with money on behalf of the Corporation is to commingle any funds that make up the Reserve Fund with:
- (a) operating funds of the Corporation;
 - (b) other funds of the Corporation or any other entity; or
 - (c) funds that make up the reserve fund of any other condominium corporation.
86. **Repairs are not Capital Improvements.** No repair to or replacement of Depreciating Property shall be construed as a capital improvement if the repair or improvement is a matter that was included in the current Reserve Fund Report that was prepared and submitted to the Corporation. Otherwise, section 38(2) of the Act must be observed prior to utilizing the Reserve Fund.
87. **Annual Report.** The Board must for each fiscal year of the Corporation prepare an Annual Report setting out:
- (a) the amount of the Reserve Fund as of the last day of the immediately preceding fiscal year;
 - (b) all the payments made into and out of the Reserve Fund for that year and the sources and uses of those payments; and
 - (c) a list of the Depreciating Property that was repaired or replaced during that year and the costs incurred in respect of the repair or replacement of that property.

The Annual Report shall be made available by the Corporation to the Owners before or at the time that the notice of the next Annual General Meeting is provided to the Owners.

88. **Five Year Review.** At the conclusion of 5 years from the day that the most recent Reserve Fund Plan was approved, and before any funds may be collected under any new Reserve Fund Plan:
- (a) a new Reserve Fund Study shall be carried out;
 - (b) a new Reserve Fund Report shall be made and approved by the Board; and
 - (c) the new Reserve Fund Plan approved by the Board shall be provided to the Owners.
89. **Copies of Reserve Fund Plan and Annual Reports.** The Corporation shall provide to an Owner, purchaser or mortgagee of a Unit, within 10 days from the day of receipt from such party of a written request, copies of:
- (a) the most recent Reserve Fund Report,
 - (b) the most recent Reserve Fund Plan; and
 - (c) the most recent Annual Report.
90. **Use of Reserve Fund.** The Reserve Fund may be used for the repair, enhancement or replacement of any real and personal property owned by the Corporation and the Common Property but shall not be used to cover annually recurring maintenance and repair or other costs which are to be set out and provided for in the annual budget.

DUTIES OF THE CORPORATION - INSURANCE

91. **Insurance for Units and Common Property.** The Corporation shall place and maintain at all times insurance on the Units, excluding improvements made to the Units by past and current Owners, and the Common Property against loss resulting from destruction or damage caused by any of the perils set out from time to time in the Act. The insurance shall in any event include the following, as from time to time covered by standard insurance policies and as customarily understood in the insurance industry:
- (a) fire;
 - (b) leakage from fire protective equipment;
 - (c) lightning;
 - (d) smoke;
 - (e) windstorm;

- (f) hail;
- (g) explosion of natural, coal or manufactured gas;
- (h) water damage caused by flood (if such coverage is recommended by the Corporation's insurance brokers and available for the insured property);
- (i) water damage caused by sewer back-up or the sudden and accidental escape of water or steam from within a plumbing, heating, sprinkler or air conditioning system or a domestic appliance that is located within a Building;
- (j) impact by aircraft, spacecraft, watercraft and land vehicles; and
- (k) riot, vandalism or malicious acts.

The Corporation may place such additional property insurance as the Board may in its discretion decide, including insurance on improvements made to Units by past and current Owners.

92. **Boiler and Machinery Insurance.** The Corporation shall place and maintain at all times boiler and machinery insurance for the Project if any boilers or pressure vessels form part of the Project.

93. **Details of Property Insurance.** Any property insurance that is placed and maintained by the Corporation shall provide that the insured property is insured for its replacement value (subject to a reasonable deductible agreed to by the Board) and that, if the insured property is destroyed or damaged and subsequently replaced or repaired, no deduction shall be made from the settlement for depreciation to the property. In addition, any insurance that is placed and maintained by the Corporation shall provide, to the extent reasonably available:

- (a) that no breach of any statutory condition or other condition of any policy by an Owner, Occupant or the Corporation shall invalidate the insurance or result in forfeiture of the insurance and, in the event of such breach by any Owner, Occupant or the Corporation the insurance is subject to forfeiture or defense of breach of condition only insofar as the separate interest of the Person in breach is concerned; that no breach of any statutory or other condition of any policy by the Corporation, an Owner or an Occupant shall invalidate the policy as against any mortgagee in any way or to any extent;
- (b) that the insurer waives any limitation on amounts otherwise payable based upon clauses or principles dealing with co insurance;
- (c) that the policy may not be cancelled or substantially modified unless the Corporation has first been given at least 60 days' written notice;

- (d) that the insurer waives rights of subrogation against the Manager, the Owners and Occupants and their respective servants and agents;
 - (e) that the insurer waives its option to repair, rebuild, or replace if the condominium status of the Project is terminated after damage to the Project; and
 - (f) for a mortgage endorsement in favor of all mortgagees who have notified the Corporation of their interest as mortgagee.
94. **First Loss Insurance.** Where an Owner has placed and maintained any insurance for property and the Corporation has also placed and maintained any insurance with respect to the same property, then the insurance placed and maintained by the Corporation shall be deemed to be first loss insurance and the insurance placed and maintained by the Owner shall be deemed to be excess insurance.
95. **Appraisal.** The Corporation shall obtain from time to time from an appropriate Person an appraisal of or report on the full replacement value of all property to be insured by the Corporation under the By-laws and shall make this appraisal or report available on the written request of any Owner. The amounts of the policies of insurance to be placed and maintained by the Corporation shall be adjusted in accordance with such appraisal or report and as the Board shall determine to be necessary from time to time.
96. **Liability Insurance.** For the benefit of the Corporation, its Board Members, officers, servants and agents, the Manager and its servants and agents, the Owners and the Occupants, all as insured parties to the extent recommended by the Corporation's insurance brokers, the Corporation shall place and maintain insurance in respect of risks normally covered by directors' and officers' liability insurance policies and by general liability insurance policies, including in respect of any liability: arising out of any action or omission by a Board Member or officer of the Corporation with respect to the carrying out of the functions and duties of the Board Member or officer, except as a result of the failure of the Board Member or officer to exercise his powers and discharge his duties as a Board Member or officer honestly and in good faith;
- (a) arising out of a breach of duty as the occupier of the Common Property or other property; or
 - (b) arising out of the ownership, use or operation of any machinery, equipment, pressure vessels and vehicles.

The general liability policy shall provide for a cross liability endorsement wherein the rights of any named insured under the policy shall not be prejudiced as respects his action against another named insured.

97. **Duties of the Corporation.** The Corporation shall:
- (a) upon written request by an Owner, purchaser or mortgagee of a Unit, provide or cause to be provided to the maker of such request, at the maker's expense, a certificate of all insurance policies held by the Corporation and endorsements thereto within 10 days from the day of receiving the request; and
 - (b) upon written request by an Owner, purchaser or mortgagee of a Unit, provide or cause to be provided to the maker of such request, at the maker's expense, a copy of any policy of insurance placed or maintained by the Corporation within 30 days from the day of receiving the request.
98. **Insurance Trustee.** The Corporation may from time to time enter into an insurance trust arrangement with the Insurance Trustee upon such terms and conditions as it determines to be appropriate to the interests of the Owners.
99. **Settlement of Loss.** The Corporation shall have full and exclusive authority to adjust losses and settle the amount of proceeds under any policy of insurance placed or maintained by the Corporation and may delegate this authority to an authorized representative of the Board or to the Insurance Trustee.
100. **Determination of Loss.** The Board shall, within 30 days of the loss, damage, or destruction of any part of the Project, determine whether there has been Substantial Damage. In making this determination, the Board shall, if it has any doubt, obtain and consider the written opinion of a qualified insurance appraiser.
101. **Substantial Loss.** If there is Substantial Damage, then within 90 days thereafter the Board shall hold a General Meeting for the purpose of determining by Special Resolution whether the condominium status of the Project should be terminated or whether the Project should be repaired.
102. **Non-Substantial Loss.** If there is no Substantial Damage, or if the Corporation decides to repair the Project notwithstanding there is Substantial Damage, the Board shall arrange for expeditious repair of the Project and the Board or the Insurance Trustee shall use the proceeds of any insurance that may be available for that purpose. The Board or the Insurance Trustee shall disburse the proceeds of any insurance that may be available to the contractors engaged in repair of the Project in

accordance with the Act, the *Builders' Lien Act* and accepted practice in the construction industry. The cost of such repairs in excess of any insurance proceeds that may be available to the Corporation shall constitute a Common Expense and the Board may assess the Owners for such deficiency in proportion to their Unit Factors.

103. **Termination of Condominium Status.** If the Corporation resolves to terminate the condominium status of the Project:
- (a) the Corporation through the Board may apply for a confirming declaration of the Court so as to be able to seek appropriate conditions and directions respecting the termination;
 - (b) the entitlement to the Parcel, the payment of the debts and liabilities of the Corporation and any net cash or other assets shall be dealt with as contemplated by the Act or pursuant to the Court's directions and otherwise, upon termination of the condominium status of the Project, or the dissolution of the Corporation, all debts of the Corporation shall be paid out of the assets of the Corporation and the balance of such assets, if any, shall be distributed to the Owners in proportion to their Unit Factors;
 - (c) for clarity, any liens, charges, and registrations affecting any Unit shall be the responsibility of the Owner of that Unit;
 - (d) all insurance proceeds shall be paid to the Insurance Trustee, or if none has been appointed to the Corporation as trustee, and thereafter distributed to the Corporation, the Owners and such other parties having lawful claim thereto; and
 - (e) no Owner shall be entitled to make a claim against the Corporation for compensation respecting any loss or damage incurred to property or persons unless such loss or damage is covered by insurance held by the Corporation.

DUTIES OF AN OWNER

104. **By-laws.** An Owner shall comply strictly with the Act, the By-laws and the Rules and Regulations and shall ensure compliance therewith by all Occupants present in the Project with his permission.
105. **Insurance by Owner.** An Owner shall place and maintain insurance on improvements to his Unit and the contents of his Unit. Any insurance policy placed or maintained by an Owner that is obtained and maintained in respect of any Unit shall provide for a waiver by the insurer of its rights of subrogation against the Corporation, its Manager, agents, employees, and servants except in the case of arson or fraud and

that the insurer waives its option to repair, rebuild, or replace if the condominium status of the Project is terminated after damage to the Project.

106. **Entry by Corporation.** An Owner shall permit the Corporation and its agents at all reasonable times on 24 hours written notice (except in the case of an Emergency Situation when no notice is required), to enter his Unit and his Exclusive Use Area to:

- (a) inspect the Unit and the Common Property,
- (b) clean, maintain, repair or replace pipes, wires, cables, ducts, conduits, plumbing, sewers, and other facilities furnishing or regulating services to one or more Units or which are used or capable of being used in connection with the Common Property;
- (c) maintain, repair or replace Common Property;
- (d) repair, replace, or take steps to prevent any damage to the Unit or the Common Property that has or could result in an Emergency Situation; and
- (e) ensure that the By-laws and Rules and Regulations are being observed.

The notice shall state the reason for entry, the name of the Owner (or Occupant if known) on whom it is to be served and the date and time of such entry.

Provided, however, that unless there is an Emergency Situation, the Corporation or its agents shall not enter a Unit before 8 a.m. or after 8 p.m., or on a holiday or on a Sunday (provided that entry may be made on a Sunday if the Owner or Occupant has notified the Corporation of an alternate day of religious worship in which case entry may be made on a Sunday but not on such alternate day).

107. **Third Party Manager.** An Owner may, as a non-resident Owner of a Unit, retain a third party manager or managers to manage his Unit(s) and may participate in a rent pooling arrangement or other collective management association for the purposes of managing his Unit in association with other Owners (with or without the involvement of third party managers), subject to the following:

- (a) such Owners shall have sufficient knowledge of general financial and business matters to be able to evaluate their respective investment decisions and shall not be obligated, either by contract or the nature of the marketplace, to retain any specific third party manager;
- (b) there is nothing unique about the Unit or the Parcel generally, or the rent pooling arrangement or collective management association, that would make it necessary for one manager to manage the same for it to be effectively

leased to a tenant;

- (c) any contract with a third party manager and any agreement in respect of a rent pooling arrangement or other collective management association must be unilaterally terminable by an Owner without cause on reasonable commercial notice and without premium or penalty;
- (d) such Owners shall not enter into a contract with a third party manager or an agreement in respect of a rent pooling arrangement or other collective management association in which the Owner
 - a. loses his ability to intelligently and effectively manage and/or control his Unit;
 - b. is dependent upon some unique entrepreneurial or managerial ability of a third party manager, rent pooling arrangement or collective management association such that the manager, in any case, cannot reasonably be replaced; and
- (e) such Owners shall provide to the Board a copy of any management contracts or agreements in respect of a rent pooling arrangement or other collective management association.

108. **Compliance.** An Owner shall forthwith:

- (a) carry out all work that may be required pursuant to the By-laws or as required by any municipal or public authority in respect of his Unit or his Exclusive Use Area, excepting only such work as is for the benefit of the Project as a whole; and
- (b) pay the full amount of any rates, taxes, charges, outgoings and assessments that may be payable from time to time in respect of his Unit.

109. **Contributions.** An Owner shall pay to the Corporation promptly when due:

- (a) each required contribution for Common Expenses, including for the Reserve Fund, levied against his Unit from time to time;
- (b) each assessment, demand and levy for contribution to, reimbursement of, and payment of any expenses incurred by the Corporation attributable to his Unit or his Exclusive Use Area;
- (c) any amount for which the Owner is liable to indemnify the Corporation; and
- (d) interest on overdue sums as required by By-law 54.

110. **Maintenance.** Subject to the Corporation's obligations under the Act and the By-laws, an Owner shall maintain his Unit and his Exclusive Use Area, and the contents thereof,

in a good state of repair consistent with the remainder of the Project, clean and free from debris. The Owner shall landscape, remove snow and otherwise maintain his Exclusive Use Area.

111. **Common Property.** An Owner shall use the Common Property in accordance with the Act, the By-laws and Rules and Regulations and in such a manner as not to unreasonably interfere with the use and enjoyment thereof by other Owners or Occupants.
112. **Disposition of Unit.** An Owner shall notify the Corporation within 10 days of any change in ownership or possession of his Unit and of any grant of mortgage or other dealing with his Unit. An Owner who wishes to rent his Unit must comply with section 53 of the Act.
113. **Alterations.** An Owner shall not make any structural, mechanical or electrical alterations to his Unit, his Exclusive Use Area or the Common Property unless the design specifications have received the prior written consent of the Board. Any alternation or addition made by an Owner without such approval may be restored or removed by the Board or its duly authorized representatives, and any costs incurred by the Corporation as a result hereof shall forthwith be paid by such Owner to the Corporation.
114. **Liens.** An Owner shall not permit or do anything that will cause any claim, lien, charge or encumbrance to be registered against the Common Property.
115. **Damage by and Liability of Owner.** Notwithstanding anything in the By-laws or the Rules and Regulations, any repair, maintenance or replacement necessitated, or payment required, by an act or omission of an Owner or Occupant, including a breach of the By-laws or the Rules and Regulations, shall be carried out or made the cost of such Owner or Occupant unless and to the extent the cost is covered by the Corporation's insurance.
116. **Transfer Possession to Exclusive Use Area.** An Owner shall give up possession of any Exclusive Use Area to his purchaser at the time of sale or transfer of his Unit.
117. **Indemnity.** An Owner shall indemnify and save harmless the Corporation from and against any deductible paid by the Corporation under a policy of insurance held by the Corporation and any increase in the fees charged to the Corporation for insurance arising out of any act or omission of the Owner or any Occupant of the Owner's Unit.

LEASING OF UNITS

118. **Weekly Rentals.** No Owner shall rent, lease or grant any license of occupation for his Unit or permit the renting, leasing or granting of any license of occupation for his Unit unless the term of such agreement is at least 7 consecutive days.
119. **Undertaking.** If an Owner desires to lease his Unit, he shall deliver to the Corporation the notices required by section 53 of the Act and an undertaking in form satisfactory to the Corporation signed by the proposed tenant providing that the proposed tenant shall

comply with the provisions of the Act, the By-laws and the Rules and Regulations. The Owner shall not be released from any of his obligations to the Corporation and shall be jointly and severally liable with the tenant with respect to his obligations under the Act, the By-laws and the Rules and Regulations.

120. **Powers of the Corporation.** The Corporation may:

- (a) impose and collect damage deposits under section 53 of the Act;
- (b) provide notices to give up possession of residential units under section 54 of the Act; and
- (c) make applications to the Court under section 55 and 54 of the Act.

LEASES FOR PARKING STALLS

121. **Leases for parking stalls.** The Developer has advised the Corporation that in connection with the sale of Units it intends to cause the Corporation to grant for nominal consideration up to 230, 99 year leases of underground parking stalls and 15, 99 year leases of surface parking stalls comprising a portion of the Common Property. The Units having the benefit of the those leases shall be sold for prices reflecting the value of those leases and resulting increases, if any, in the prices shall accrue solely to the Developer and not to the Owners or the Corporation. The Vendor may cause the Condominium Corporation to initially grant any or all such leases to and in favor of the Vendor. The Corporation consents and agrees to all of the foregoing and shall execute and deliver all relevant documents including any necessary to allow the benefit of any leases contemplated by this By-law to be granted. Upon the completion of the leasing of parking stalls in respect to the Project, a Unit owner who leases more than one (1) parking stall shall have the unit factor for his or her unit increased by four (4) undivided ten thousandth shares for an underground parking stall and two (2) undivided ten thousandth shares for a surface parking stall of the Common Property for each stall in excess of one (1) so leased, and to adjust all other unit factors accordingly.
122. **Transfer of Leases for parking stalls.** The Owner of a Unit shall be entitled to assign any lease for a parking stall or to sublet the whole or any part of such parking stall only if the assignee or sub lessee is a tenant of that Owner or a subsequent purchaser of that Owner's Unit. If the Owner has more than one parking stall, the Owner may assign the lease to or sublet such excess parking stall(s) to an owner in fee simple of another unit in the Project, it being the intent that there shall be at least one parking stall for use with each Unit. Notwithstanding the foregoing, if an Owner defaults under the terms of any financial charge registered against the title to his Unit and the holder of such financial charge (the "Mortgagee") commences proceedings to realize upon its security, and if the Mortgagee obtains a judicial sale or final order for foreclosure affecting that Owner's Unit such that title is vested in the name of the Mortgagee or any third party purchaser, or if title to that Owner's Unit is quit-claimed to the Mortgagee, then any lease for a parking stall granted to that Owner in connection with such Unit shall be deemed to have been automatically assigned to such Mortgagee or third party purchaser without the necessity of any further documentation.

123. **License of Use of Storage Space.** The Developer has advised the Corporation that in connection with the sale of Units it intends to cause the Corporation to grant for nominal consideration up to 20, 50 year licenses of storage spaces comprising a portion of the Common Property. The Units having the benefit of the those licenses shall be sold for prices reflecting the value of those licenses and resulting increases, if any, in the prices shall accrue solely to the Developer and not to the Owners or the Corporation. The Vendor may cause the Condominium Corporation to initially grant any or all such licenses to and in favor of the Vendor. The Corporation consents and agrees to all of the foregoing and shall execute and deliver all relevant documents including any necessary to allow the benefit of any licenses contemplated by this By-law to be granted.
124. **Transfer of License for Use of Storage Space.** The Owner of a Unit shall be entitled to assign any license for a storage space or to sublet the whole or any part of such storage space only if the assignee or sub lessee is a tenant of that Owner or a subsequent purchaser of that Owner's Unit. If an Owner defaults under the terms of any financial charge registered against the title to his Unit and the holder of such financial charge (the "Mortgagee") commences proceedings to realize upon its security, and if the Mortgagee obtains a judicial sale or final order for foreclosure affecting that Owner's Unit such that title is vested in the name of the Mortgagee or any third party purchaser, or if title to that Owner's Unit is quit-claimed to the Mortgagee, then any license for a storage space granted to that Owner in connection with such Unit shall be deemed to have been automatically assigned to such Mortgagee or third party purchaser without the necessity of any further documentation.

START-UP

125. **Construction Easement.** Notwithstanding anything in the By-laws, the Corporation hereby grants to the Developer the continuous and uninterrupted right of access to and over the Common Property for the purposes of construction, completion and sale of the Project while the development of the whole of the Project is incomplete and until the whole of the Project has been totally completed. Such right of continuous and uninterrupted access shall be enjoyed by the Developer and its employees, servants, contractors, subcontractors, agents and delegates and shall not be restricted in time, time of day, equipment used or in any manner whatsoever; provided that any damage shall be repaired by the Developer. The Developer shall not be responsible for any inconvenience resulting from construction or for costs relating to cleaning of the Project made necessary by such construction.
123. **Marketing of Project by the Developer.** Notwithstanding anything in the By-laws, until the Developer has sold all of its Units in the Project, the Developer shall be at liberty to operate one or more show suites in the Building or on the Parcel and the public shall have access thereto at such times and in such matter as the Developer considers prudent in its sole discretion. In addition, the Developer may erect and maintain signs and other sales materials anywhere on or within the Project as the Developer considers prudent in its sole discretion. Neither the Owners, the Occupants nor the Corporation shall interfere in either the sales program of the Developer or with the placement and maintenance of sales signage.

124. **Access by Developer after Completion of the Project.** Notwithstanding anything in the By-laws, the Developer's right to access to the Parcel for the purposes of repair, adjustment or replacement of items under warranty shall continue after completion of the Project or any part thereof and until lapse of all warranty periods and completion of all work under warranty respecting the Project.
126. **Payment of Common Expenses.** During construction of the Project, the Developer shall be responsible for all Common Expenses relating to the Project then under construction or awaiting development, but during such period, the Vendor shall be entitled to receive all interim occupancy fee payments and any condominium fee assessments made by an Owner of a Unit, except for the portion thereof budgeted for reserve fund contributions, to offset such common expenses paid by the Developer. The Developer shall not be required to pay for any Common Expenses in respect of any Units of the Project which are undeveloped or under construction. However, after the first annual general meeting of the Corporation, if the Board has adopted a budget and has made an assessment for Common Expenses in accordance with the By-laws, the Developer shall contribute to common expenses in of the Project as would any other Owner.

GENERAL

127. **Provision of Notices.** Unless otherwise provided in the By-laws, service of any notice required to be given under the Act, the By-laws or the Rules and Regulations shall sufficiently given to an Owner if delivered to his Residential Unit, unless he has provided notice under section 53(1)(a) of the Act, or if he has, sent by prepaid registered mail to the Owner at his address for service set out in that notice or to the Corporation at its address as shown on the Condominium Plan or to a mortgagee at the address supplied to the Corporation. Any notice given by mail shall be deemed to have been received within 72 hours after it is posted. An Owner or a mortgagee shall advise the Corporation in writing of a change of address at which notices shall be served or given. The word "notice" in this By-law shall include any request, statement or other writing required or permitted to be given pursuant to the Act, the By-laws or the Rules and Regulations.
128. **Notice Of Default To Mortgagees.** Where a mortgagee has notified the Corporation of his mortgage, any notice of default sent to an Owner shall also be sent to the mortgagee.
129. **Indemnification Of Individuals.** The Corporation shall indemnify every Manager, Board Member, officer, or employee of the Corporation and their respective employees, agents, heirs, executors and administrators against all loss, costs and expense including legal fees on a solicitor and his or her own client basis reasonably incurred in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Manager, Board Member, officer or employee, except where he shall be finally adjudged in such action, suit or proceeding to have failed to act honestly and in good faith. Such expenses shall be Common Expenses. The Corporation may by Ordinary Resolution require that all Board Members and employees be bonded by

a recognized bonding institution in an amount not less than \$100,000.

130. **Honorarium and Expenses.** The Corporation may pay its Board Members such honorarium as may be authorized by Ordinary Resolution. In addition, the Corporation shall reimburse a Board Member for his actual expenses incurred on behalf of the Corporation provided that such expenses have been approved by the Board.
131. **Amendment of Condominium Plan by the Corporation.** The Corporation may amend the Condominium Plan (including, without limitation, amendments to the Unit Factors to accommodate the 99 year lease of parking stalls in excess of one per Unit as contemplated in By-Law 121 hereof), upon passing a Special Resolution and complying with all applicable legal requirements.
132. **Amendment of Condominium Plan by Court Order.** The Corporation may apply to the Court for an order approving an amendment to the Condominium Plan, in which case the amendment may be registered provided that any conditions imposed by the Court have been complied with. Where the Corporation makes such an application to the Court it must, unless otherwise directed by the Court, give notice of the application to the Owners and to each holder of a registered encumbrance.

AMENDMENT OF BY-LAWS

133. **Amendment by Special Resolution.** These By-laws may be added to, amended or repealed by Special Resolution and not otherwise. Except where By-laws are amended by a resolution approved in writing, the Corporation shall cause to be prepared and distributed to each Owner and each mortgagee who has notified the Corporation of his mortgage a notice or memorandum of any proposed amendments, additions or repeal at least 30 days prior to the effective date of any proposed Special Resolution. On approval of such matters, the Corporation shall register them at the Land Titles Office for the North Alberta Land Registration District and shall thereafter provide each Owner and each such mortgagee with a copy of any registered amendment, addition or repeal.

APPENDIX A RULES AND REGULATIONS

For the purpose of these Rules and Regulations, "Unit" includes any Exclusive use Area that has been granted to the Owner of that Unit. Words defined in the Corporation's By-laws shall have the same meaning in these Rules and Regulations.

1. An Owner shall not use his Unit, nor permit his Unit to be used, in a manner or for a purpose that is unlawful or may cause a nuisance or hazard. Neither shall an Owner use or permit the use of his Unit:
 - (a) for any purpose prohibited by a municipal or public authority;
 - (b) for any purpose which would involve the attendance of the general public on the Unit;
 - (c) as a residence for more than 4 people at any time; or
 - (d) in a manner contrary to the By-laws or the Rules and Regulations.
2. An Owner shall not keep or permit to be kept any animals anywhere in his Unit or on the Common Property, provided that:
 - (a) an Owner or Occupant may keep or permit to be kept as a pet: (i) fish kept in an aquarium; (ii) small birds or 1 large bird kept at all times in a cage; and (iii) either a single domestic dog or cat not heavier than 14 kilograms;
 - (b) when the Board determines that a dog barks so as to create undue hardship, discomfort or annoyance on the part of any of the Owners or Occupants, the owner of the dog shall permanently remove the dog from the Project;
 - (c) any Owner or Occupant keeping a pet in a Unit may be required by the Corporation to enter into an agreement to provide security for damage caused by the pet and establishing rules for keeping the pet at the Project;
 - (d) pets permitted to be in a Unit shall not be permitted on the Common Property except for the purposes of ingress and egress from the Project; and
 - (e) notwithstanding anything to the contrary in those Rules and Regulations if the Board determines that any pet becomes a nuisance or endangers the health or safety of any Person the owner of such pet shall permanently remove such pet from the Project.
3. An Owner shall not use his Unit or any part thereof or any portion of the Common Property for any commercial, professional or other business purposes including auction sales, garage sales and other sales or for any purpose which may be illegal or which is in the opinion of the Board injurious to the reputation of the Corporation or the Project or for a purpose involving the attendance of the public at such Unit or the Common Property.

4. An Owner shall not 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 any Unit or the Common Property by another Owner or Occupant. In particular, an Owner shall not permit a contractor or workman to do any work in his Unit that would disturb any other residents between the hours of 5:00 p.m. and 8:00 a.m. or on Saturdays, Sundays or legal holidays without the prior consent of the Board. No instrument or other device shall be used within a Unit which in the opinion of the Board causes a disturbance or interferes with the comfort of other Owners.
5. An Owner shall not use or permit the use of his Unit other than as a single family dwelling or for a purpose other than as a residence.
6. An Owner shall not do any act or permit any act to be done, or alter or permit to be altered his Unit or any portion of the Common Property (including balconies, terraces, decks and patios) in any manner which will alter the exterior appearance or the structure comprising his or any other Unit without the prior written consent of the Board.
7. An Owner shall not hang or permit laundry to be hung other than inside a Unit.
8. An Owner shall not 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 any clothes lines, garbage disposal equipment, recreational or athletic equipment, fences, hedges, barriers, partitions, awnings, shades or screens or any other matter or thing without first having obtained the consent in writing of the Board. No television or mobile telephone or radio antennae, towers or similar structures or appurtenances shall be erected on or fastened to any Unit except in connection with a common television antenna or cable system as may be authorized by the Board and then only in accordance with any applicable Rules and Regulations.
9. An Owner shall not overload existing electrical circuits or store any combustible, inflammable or offensive goods, provisions or materials in his Unit or on the Common Property.
10. An Owner shall not do anything or permit anything to be done in his Unit or upon the Common Property or the real or personal property of the Corporation or fail to do any act or thing which will or would tend to increase the risk of fire or the rate of fire insurance premiums with respect thereto or which would render invalid any insurance maintained by the Corporation or which would increase the premiums therefor.
11. An Owner shall not do anything or permit anything to be done by any Occupant that is contrary to any statute, ordinance, by-law or regulation of any government or government authority.
12. An Owner shall not do or permit anything to be done that does or may cause damage to trees, plants, bushes, flowers or lawns and shall not place chairs, tables, children's play things, devices or toys or other objects on the lawns and grounds of the Project so as to

damage them or to prevent growth or to interfere with the cutting of the lawns or the maintenance of the grounds.

13. An Owner shall not deposit customary household refuse and garbage outside his Unit other than in proper garbage bags placed in the garbage chutes or other collection receptacles provided by the Corporation and comply with any Rules and Regulations relating to garbage, trash or refuse disposition.
14. An Owner shall not erect, place, allow, keep or display signs, billboards, advertising matter or other notices or displays of any kind on the Common Property, property owned by the Corporation or in or about any Unit in any manner which may make the same visible from the outside of the Unit without the prior approval of the Board.
15. An Owner shall not use any part of the Common Property or property owned by the Corporation for the parking of any motor vehicles, except in accordance with a lease or other permission in writing from the Board, nor shall he obstruct or permit an Occupant, guests or visitors to obstruct any sidewalks, walkways, passages or driveways, entrances, exits or parking areas or facilities.
16. An Owner shall not shake mops or dusters of any kind or throw anything out any windows in his Unit or on Common Property, or permit anything of this kind to be done.
17. An Owner shall not feed pigeons, gulls or other birds from the windows or balconies of his Unit, or anywhere in close proximity to the Common Property.
18. An Owner shall not allow his Unit to become unsanitary or unsightly in appearance; the Board shall be at liberty to remove any rubbish or clean up the Common Property in close proximity to any Unit and charge the expense thereof to the Owner, together with an administration fee of 5%.
19. An Owner shall not allow or cause any household or personal effects or articles belonging to him to be kept anywhere, except inside his Unit when not in actual use, and each Owner shall comply with all reasonable requests of the Board or its representative that all household or personal effects or articles, including bicycles, toys and like things belonging to an Owner's household be put inside such Unit (and not just in the Exclusive Use Area) when not in actual use.
20. An Owner shall not trespass on the Exclusive Use Area of another Owner.
21. An Owner shall not use any of the recreational amenities except in strict compliance with any relevant Rules and Regulations.
22. An Owner shall not store or keep on any balcony, patio, terrace or deck any goods, chattels, equipment or bicycles (except barbecues, patio furniture, flower pots and flower boxes) without the written consent of the Board.
23. An Owner shall not prevent or prohibit access to and use of exterior water taps in his Unit for purposes of maintaining Common Property.

24. An Owner shall not use a toilet, sink, tub, basin or other plumbing fixture for a purpose other than that for which it is constructed.
25. An Owner shall not use his Unit or permit it to be used in any manner for any purpose which may be illegal, injurious or that may cause nuisance or hazard to any Owner or Occupant.
26. An Owner shall not drive any motor vehicle on the Common Property at a speed in excess of 15 kilometers per hour.
27. An Owner shall not allow any windows in the Unit to remain open in cold weather such that the pipes and mechanical systems in the Unit freeze or become susceptible to freezing and in no event when the outside temperature is or is expected to be below 5°C.
28. An Owner shall not treat the Manager, Board Members and on-site staff in other than a respectful manner.
29. An Owner shall not cause or allow guests to cause damage to any Common Property, and if such damage occurs and is not insured, he shall be financially responsible therefor.
30. An Owner shall not remove furniture placed on Common Property.
31. An Owner shall not allow any solicitation or canvassing on the Project at any time other than as may be required by law.
32. An Owner shall not place shopping carts on the Common Property.
33. An Owner shall not be on Common Property without being properly attired, including shirts and footwear.
34. An Owner shall not use the Common Property for any purpose other than recreation unless such portion of the Common Property forms part of his Exclusive Use Area or is a Parking Stall leased to such Owner.