

SLYVAN LAKE HARBOUR (DOCKOMINIUM) BY-LAWS

DEFINITIONS AND INTERPRETATION	4
MISCELLANEOUS PROVISIONS	6
DUTIES OF THE OWNERS.....	7
DUTIES OF THE CORPORATION	9
POWERS OF THE CORPORATION	11
THE CORPORATION AND THE BOARD	13
RETIREMENT FROM BOARD	13
ELIGIBILITY FOR ELECTION TO BOARD	13
CASUAL VACANCY ON BOARD	13
QUORUM FOR BOARD	14
OFFICERS OF THE CORPORATION.....	14
CHAIRMAN OF BOARD MEETINGS	14
DUTIES OF OFFICERS.....	14
VOTES OF BOARD.....	14
FURTHER POWERS OF BOARD	15
ADDITIONAL DUTIES OF THE BOARD.....	16
DEFECTS IN APPOINTMENT TO BOARD	17
VACATING OFFICE OF BOARD MEMBER	17
SIGNING AUTHORITIES.....	17
CORPORATE SEAL.....	18
ANNUAL GENERAL MEETINGS.....	18
EXTRAORDINARY GENERAL MEETINGS	18
CONVENING EXTRAORDINARY GENERAL MEETINGS	18
NOTICE OF GENERAL MEETINGS.....	18
PROCEEDINGS AT GENERAL MEETINGS.....	19
ADJOURNMENT FOR LACK OF QUORUM.....	19
CHAIRMAN FOR GENERAL MEETINGS	19
ORDER OF BUSINESS FOR GENERAL MEETINGS	19
VOTING BY SHOW OF HANDS	20
POLL VOTES.....	20
VOTING CALCULATION.....	21
VOTES PERSONALLY OR BY PROXY	21
ELIGIBILITY TO VOTE	21
VOTE BY CO-OWNERS.....	21
SUCCESSIVE INTERESTS	21
TRUSTEE VOTE	22
VOTING RIGHTS OF MORTGAGEE.....	22
VIOLATION OF BY-LAWS	22
DEVELOPER’S RIGHTS	23
DAMAGE OR DESTRUCTION.....	23
CONTRIBUTIONS FOR COMMON EXPENSES AND BUDGETS	27
SPECIAL CONTRIBUTIONS	30
DEFAULT IN PAYMENT OF CONTRIBUTIONS	30
ESTOPPEL CERTIFICATE.....	32
LEASING OF UNITS.....	32
SEVERABILITY	33

NOTICE OF DEFAULT TO MORTGAGEES	33
DEBT RETIREMENT ON TERMINATION	33
COMPANY WHICH IS MEMBER OF BOARD	34
ALTERNATE BOARD REPRESENTATIVE.....	34
EXCLUSIVE USE AREAS.....	34
REALTY TAXES	35
INDEMNIFICATION OF OFFICERS AND MANAGERS.....	35
NON-PROFIT CORPORATION	35
USE AND OCCUPANCY RESTRICTIONS	36
MANAGED PROPERTY.....	42
AMENDMENT OF BY-LAWS	43
CHANGE OF LEGISLATION.....	44
ARBITRATION AND MEDIATION	44
GRANT OF EASEMENT OVER COMMON PROPERTY UNIT.....	44
SYLVAN CRUISES RIGHTS.....	45
BARE LAND EASEMENT RIGHTS	46

DEFINITIONS AND INTERPRETATION

1. In these by-laws unless the context or subject matter requires a different meaning:
 - (a) “Act” means the CONDOMINIUM PROPERTY ACT, Revised Statutes of Alberta, 2000, Chapter C-22, as amended from time to time or any statute or statutes passed in substitution therefor or amendment thereof;
 - (b) “Bare Land Units” means all units created on registration of the bare land Condominium Plan;
 - (c) “Board” means the Board of Managers or Board of Directors of the Corporation;
 - (d) “By-laws” means the by-laws of the Corporation, as amended from time to time;
 - (e) “Common Expenses” mean the expense of performance of the objects and duties of the Corporation and any expenses specified as Common Expenses in these By-laws;
 - (f) “Common Property” means any portions of the Condominium Plan lands which are designated as Common Property, including but not limited to the Fairway, Head Pier, Finger Pier, main dock, walkways, all underground utilities and lines and such additional portions of the Parcel assigned factor of 1 on any plan and sometimes referred to as “Common Property units” which, pursuant to these By-laws, the Corporation is required to administer, control, manage, maintain, repair and replace as if the same were traditional or conventional Common Property;
 - (g) “Condominium Plan” means the bare land condominium plan registered at the Land Titles Office under the Act as No. 1321772 and includes all redivision plans subsequently registered under the Act;
 - (h) “Corporation” means the condominium corporation constituted under the Act by the registration of the Condominium Plan whose legal name “Condominium Corporation No. 1321772” as the case may be;
 - (i) “Developer” means Sylvan Lake Harbour Ltd. or any successor or assignee thereof;
 - (j) “Fairway” means the surface of the water within the boundaries of the condominium Project which is not contained within a Unit or beneath the Head Piers or Finger Piers;
 - (k) “Finger Pier” means an attached dock that is attached perpendicularly either to a Head Pier or the shore land;
 - (l) “Head Pier” means permanently anchored dock which runs from the shore to which Finger Piers are attached;
 - (m) “Insurance Trustee” means a trust company authorized to carry on the business of a trust company under the laws of Alberta, selected from time to time on Ordinary Resolution of the Board, whose duties include the receiving, holding and disbursing of proceeds of policies of insurance pursuant to these By-laws and the Act, If no insurance trustee is appointed then the Insurance Trustee is the Board;

- (n) "Interest Rate" means that rate of interest per annum which may be or shall become payable hereunder by an Owner in respect of monies owing by him to the Corporation and shall be equal to the Royal Bank of Canada prime rate plus five (5%) percent per annum, compounded monthly, or the maximum rate permitted under the Act, on the earliest date on which any portion of the said monies becomes due and payable by an Owner;
- (o) "Manager" means any property manager contractually appointed by the Board;
- (p) "Managed Property" means all those parts of the Bare Land Units which, pursuant to these By-laws, the Corporation is required to administer, control, manage, maintain, repair and replace as if the same were Common Property;
- (q) "Moor" or "Mooring" means the act or an instance of making fast a vessel, as by cable or anchor;
- (r) "Occupant" or "Tenant" means the rightful and lawful Occupant or lessee of a Unit whether or not the Occupant is an Owner, and includes all family members, invitees, licensees, servants and guests of such Occupant or Tenant;
- (s) "Ordinary Resolution" means a resolution:
 - (i) passed at a properly convened meeting of the Corporation by a majority of not less than 51% of all the persons present at such meeting and entitled to exercise the power of voting conferred under the Act or these By-laws; or
 - (ii) in writing signed by the persons who, at a properly convened meeting of the Corporation, would be entitled to exercise the power of voting conferred by the Act or these By-laws and representing not less than 5001 of the total Unit Factors for all of the units;
- (t) "Owner" means a person who is registered as the Owner of the fee simple estate in a unit and where the term "Owner" is used in By-Law 61, that term includes a Tenant;
- (u) "Parcel" means the land and water comprised in the Condominium Plan;
- (v) "Pier" where used without qualification means all the Head Piers and Finger Piers;
- (w) "Privacy Area(s)" means the dock or Finger Pier, or unit to which the Unit Owner has sole access;
- (x) "Project" means all of the real and personal property and fixtures comprising the Parcel and land which constitute the units, Common Property, Common Property units and Managed Property;
- (y) "Seaworthy" shall mean a Vessel duly licensed and/or registered by all necessary local, provincial and federal agencies which is equipped and operable in accordance with Canadian coast guard regulations except during periods, not to exceed fourteen (14) days, as may be awaiting or undergoing repairs;

- (z) “Special Resolution” means:
 - (i) a resolution passed at a properly convened meeting of the Corporation, of which at least seven (7) days’ notice specifying the proposed resolution has been given, by a majority of all the persons entitled to exercise the power of voting conferred under the Act or these By-laws and representing not less than 7501 of the total Unit Factors for all the units; or
 - (ii) a written resolution signed by the persons who, at a properly convened meeting of the Corporation, would be entitled to exercise the power of voting conferred by the Act or these By-laws and representing not less than 7501 of the total Unit Factors for all the units;
- (aa) “Unit(s)” means an area described as a unit in the Condominium Plan by reference to boundaries governed by monuments placed or to be placed pursuant to the provisions of the *Surveys* Act respecting subdivision surveys;
- (bb) “Unit Factor” means the Unit Factor for each unit as more particularly specified or apportioned and described in and set forth on the Condominium Plan;
- (cc) “Vessel” means any Unit Owners leisure or recreational motor boat, non-commercial pleasure boat, sail boat, yacht or other watercraft which is self-propelled in a sea worthy condition; not included as a Vessel are any house boat, floating home, house like barge, sea plane, non-displacement (air cushion) or commercial marine Vessels. In the event of any dispute as to whether a particular Vessel is permitted to be kept in a Unit or otherwise operated within the condominium, the determination of the Board shall control.

Words and expressions which have a special meaning assigned to them in the Act have the same meaning in these By-laws and other expressions used in these By-laws and not defined in the Act or in these By-laws have the same meaning as may be assigned to them in the LAND TITLES ACT of Alberta or the LAW OF PROPERTY ACT of Alberta, as amended from time to time, or in any statute or statutes passed in substitution therefor;

Words importing the singular number also include the plural, and vice versa, and words importing the masculine gender include the feminine gender or neuter, and vice versa, and words importing persons include firms and corporations and vice versa, where the context so requires.

MISCELLANEOUS PROVISIONS

2. (a) HEADINGS

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

(b) RIGHTS OF OWNERS

The rights and obligations given or imposed on the Corporation or the Owners under these By-laws are in addition to any rights or obligations given or imposed on the Corporation or the Owners under the Act;

(c) CONFLICT WITH ACT

If there is any conflict between the By-laws and the Act, the Act prevails;

(d) SEVERABILITY

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

(e) EXTENDED MEANINGS

If and whenever reference hereunder is made to “repair”, it is hereby implied and extended to include in its meaning the making of improvements or betterments or the enhancement or replacement with a better thing of or for any thing to which such repair could be made.

DUTIES OF THE OWNERS

3. An Owner shall:

- (a) permit the Corporation and its agents, at all reasonable times on notice (except in the case of emergency when no notice is required), to enter in or on his Unit or Vessel therein for the purpose of inspecting the unit or any Vessel therein and installing, maintaining, repairing or renewing pipes, wires, cables, ducts, conduits and other facilities for the furnishing of utilities or services in, on or under the Unit or for the benefit of the Unit or capable of being used in connection with the enjoyment of any other Unit or the Common Property, or for the purpose of maintaining, repairing or replacing Common Property or the improvements upon any Unit registered in the name of the Corporation, or for the purpose of ensuring that the Bylaws are being observed;
- (b) forthwith carry out all work that may be ordered by any municipal or public authority in respect of his Unit (except such work that is for the benefit of the Parcel or which is within the scope of the duties or powers of the Corporation under these Bylaws);
- (c) maintain his Unit in a state of good repair;
- (d) maintain the Vessel moored within his Unit in a neat, attractive, safe and Seaworthy condition;
- (e) use his Unit for the sole and exclusive purpose of Mooring non-commercial Seaworthy Vessels with the maximum allowable Linear Footage for any such Vessel to not exceed:
 - (i) 27’ Linear Footage for 21’ Units;
 - (ii) 30’ Linear Footage for 24’ Units;
 - (iii) 36’ Linear Footage for 30’ Units;

for the purposes of Mooring, Linear Footage means measured length of the Vessel,

- including all accessories. In the event of a dispute, the Board will measure the Vessel and that measurement shall be used for Mooring purposes;
- (f) be responsible for the proper Mooring of any Vessel within his Unit and maintain Mooring lines in good condition, ensuring they are sufficiently strong to secure the Vessel at all times; any special Mooring rules or procedures issued by the Board shall be complied with at all times, further, the Vessel (including all bow sprints, booms, pulpits and other projections and overhangs) must be moored within the Unit consistent with good boating practices;
 - (g) remove all equipment and Vessels moored within his Unit to permit the Corporation to perform maintenance, repairs and dredging at which time the units may be entered for such periods as may be necessary; the Board shall give fourteen (14) days notice to the Unit Owner before said equipment and Vessel must be removed;
 - (h) not paint any Piers or any other exterior improvements on his Unit or any other Unit or the Common Property, or alter the appearance thereof, or do or permit to be done anything which would alter the appearance of his Unit, any other Unit, or the Common Property without the prior written permission of the Board;
 - (i) use and enjoy the Common Property or any property owned by or registered in the name of the Corporation in such a manner so as to not unreasonably interfere with the use and enjoyment thereof by other Owners or their families or visitors;
 - (j) not use his Unit or permit it to be used in any manner or for any purpose which may be illegal or injurious or that will cause nuisance or hazard to any occupier of a Unit (whether an Owner or not) or the family of such an occupier;
 - (k) in the event that his Vessel sinks within the condominium Project, remove such Vessel within twelve (12) hours of sinking; further, the Owner is responsible to clean up all spills or discharges resulting from the sinking of such Vessel; failure to remove such Vessel may result in the removal of the Vessel by the Corporation at the Owner's expense, and/or enforcement proceedings initiated against the Owner of the Vessel for committing an offence under this by-law;
 - (l) be jointly and severally liable for any loss, damage or destruction caused by his Vessel or any Vessel belonging to his Tenants, family, guests or visitors, to the Piers, dock, other condominium facilities and other Vessels located within the condominium Project, the Fairway or other Common Property, whether under the operation of the Owner, his Tenants, family guests or visitors; any damage done shall not be the responsibility of the Corporation or Board;
 - (m) ensure that if his Vessel has a motor, it shall have a muffler while within the condominium Project so that it produces no more noise than permitted under any Town of Sylvan Lake by-law;
 - (n) keep outboard motors of any Vessel in the down or vertical position while the Vessel is moored;
 - (o) only use boat lifts approved by the Corporation or Board within his Unit, and before installing such boat lift, submit an application and receive signed acceptance from the Corporation or Board; such boat lift must be removed from his Unit before freeze up

- and stored off of the condominium property;
- (p) notify the Corporation forthwith, in writing, upon any change of Ownership or of any mortgage or other dealing in connection with his Unit;
 - (q) comply with and cause all his Tenants, family, visitors and other Occupants of his Unit to comply with the Bylaws, the Act, and the regulations in force;
 - (r) pay to the Corporation when due all levies for Common Expenses assessed against his Unit together with interest on any arrears thereof at the Royal Bank of Canada prime rate plus five (5%) percent per annum, compounded monthly, or at the rate of interest as may be approved from time to time by Special Resolution, calculated from the due date until payment is made;
 - (s) pay to the Corporation all legal expenses incurred as a result of having to take proceedings to enforce his observance of Bylaw 3(r) and to collect any levies for Common Expenses assessed against his Unit, and such legal expenses shall be paid on a solicitor and his own client indemnification basis;
 - (t) observe all bylaws pertaining to the use of the Common Property and any other property owned by or registered in the name of the Corporation and comply strictly with the Bylaws;
 - (u) allow the Corporation to enter upon his Unit, including the Vessel therein, in the event of an emergency, for the purposes of protecting the property of other Owners or occupiers and the property of the Corporation, and in the event his Unit or Residence is so entered, the Owner shall save harmless and indemnify the Corporation, its agents and employees from any claims arising from such entry;
 - (v) pay all rates, taxes, charges, outgoings and assessments that may be payable in respect of his Unit;
 - (w) shall put in writing any suggestions, questions or complaints that the Owner may have that he wishes the Board to consider and he shall address the same to the Corporation and put them in an envelope marked to the attention of the Board (the Board shall not be required to act on any suggestion, question or complaint that is not in writing and properly submitted to the Corporation);
 - (x) deposit with the Corporation annually, if requested, twelve (12) duly executed post-dated cheques for the condominium fees or pre-authorized chequing, in accordance with the assessment approved at the annual general meeting.

DUTIES OF THE CORPORATION

4. The Corporation shall:

- (a) control, manage and administer the Common Property (and any property owned by it or registered in the name of the Corporation) for the benefit of all the Owners and for the benefit of the Corporation (including the roadway, Fairway, sidewalks, curbs, common parking areas, docks and outdoor lighting);

- (b) do all things required of it by the Act, these Bylaws, and any other resolutions of the Corporation in force from time to time;
- (c) where practical, establish and maintain suitable lawns and other landscaping provided by the Developer on the Common Property;
- (d) maintain and repair (including replacement where reasonably necessary) pipes, wires, cables, ducts, conduits, sumps, plumbing, sewers and other Facilities for the furnishing of utilities or services in the Parcel and capable of being used in connection with the enjoyment of more than one Unit, more than one Residence or the Common Property or any Unit registered in the name of the Corporation;
- (e) upon written request therefor made by an Owner or Mortgagee or the duly authorized agent of such Owner or Mortgagee, provide such Owner or Mortgagee with either a photocopy or certified copy of all insurance appraisals obtained by the Corporation and all fire and other peril insurance policies and all liability insurance policies and endorsements maintained by the Corporation, as well as all renewal certificates or certified copies of replacing policies or a photocopy of the same;
- (f) call a general meeting of the Owners, and those Mortgagees who have notified the Corporation of their interest, once in each calendar year, and in all cases allow no more than fifteen (15) months to elapse between annual general meetings;
- (g) control, manage, administer, maintain and repair all chattels and other property whatsoever owned or leased by or registered in the name of the Corporation;
- (h) provide for regular collection of garbage and, if necessary provide adequate garbage receptacles on the Common Property or on any Unit registered in the name of the Corporation for use by all of the Owners and provide for regular collection therefrom;
- (i) maintain and keep in a state of good repair, as may be required as a result of reasonable wear and tear or otherwise, the following:
 - (i) the Fairway, Head Piers, Finger Piers, dock walkways all lighting, posts, roadways, gateways, curbs, sidewalks, parking areas and other facilities used in common by or for the benefit of the Owners no matter where the same are located upon the Parcel;
 - (ii) all other outside hardware and accountments affecting the appearance, usability, value or safety of the Parcel or the Units;
 - (iii) all utility services within, on, in or under or through the Common Property and the Units;
- (j) be responsible for any maintenance, repairs and dredging that is necessary for proper Vessel access and maneuverability within the condominium Project, Unit, Fairway and other Common Property;
- (k) provide and maintain in full force all such insurance as is required by the Act and by the provisions of these Bylaws to be maintained by the Corporation;
- (l) indemnify every member of the Board and each employee and officer of the

Corporation, and his heirs and legal representatives against all damages, judgements, settlements, costs and expenses, including legal costs, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a member of the Board or an employee or officer of the Corporation, except as to matters as to which he shall be finally adjusted in such action, suit or proceeding to be liable for fines and penalties imposed in a criminal suit or action or for unjustified profit or advantage or for any wrongful act done or attempted in bad faith or dishonesty (all liability, loss, damage, costs and expenses incurred or suffered by the Corporation by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Corporation as Common Expenses);

- (m) do all things reasonably necessary for the enforcement of the Bylaws and the control, management and administration of the Common Property and any part of a Unit with which it may be concerned, including without restriction the following:
 - (i) commencement and prosecution of proceedings under Section 36 of the Act (or any provision passed in substitution therefore) to collect a penalty of up to the maximum allowable under the Act;
 - (ii) impose, collect and deal with deposits associated with the rental of a Unit or Residence under Section 53 of the Act (or any provision passed in substitution therefor), provided that the deposit for the rental of a Unit or Residence shall not exceed the maximum allowable under the Act;
 - (iii) give notice to give up possession of a Unit or Residence pursuant to section 54 of the Act (or any provision passed in substitution therefore) and make application to the Court under Sections 55 or 56 of the Act (or any provisions passed in substitution for the said Sections) provided that such notices and such applications shall be in accordance with the provisions of the Act; and
- (n) at all times keep and maintain for the benefit of the Corporation and all Owners copies of all warranties, guarantees, drawings and specifications, plans, written agreements, certificates, approvals and permits provided to the Corporation pursuant to Section 46 of the Act (or any provision passed on substitution therefore).

POWERS OF THE CORPORATION

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

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

- (c) secure the repayment of monies borrowed by it, and the payment of interest thereon, by negotiable instrument, or mortgage of unpaid contributions (whether levied or not), or mortgage of any property vested in it, or by any combination of those means;
- (d) invest as it may determine any contributions towards the Common Expenses SUBJECT TO the restrictions set forth in Section 43 of the Act;
- (e) make an agreement with an Owner, Tenant or other occupier of a Unit for the provision of amenities or services by it to the Unit or to the Owner, Tenant or occupier thereof;
- (f) grant to an Owner or Owners Privacy Areas, the right to exclusive use and enjoyment of any other part of the Common Property or the Managed Property, any such grant to be determinable on reasonable notice, unless the Corporation by Special Resolution otherwise resolves and the Corporation may delegate its responsibility to care for and maintain that area or those areas to that Owner or Owners;
- (g) make such rules and regulations as it may deem necessary or desirable from time to time in relation to the use, enjoyment and safety of the Managed Property and the Common Property and do all things reasonably necessary for the enforcement of these By-laws and for the control, management and administration of the Common Property and the Managed Property generally, including the commencement of an action under Section 36 of the Act and all subsequent proceedings relating thereto;
- (h) determine from time to time the amounts to be raised and collected for the purposes hereinbefore mentioned;
- (i) raise amounts so determined by levying contributions on the Owners in proportion to the Unit Factors for their respective Units or as otherwise herein provided;
- (j) charge interest under Section 40 of the Act on any contribution or Common Expenses owing to it by an Owner at the Interest Rate;
- (k) pay an annual honorarium, stipend or salary to members of the Board in the manner and in the amounts as may be from time to time determined by Ordinary Resolution at a general meeting;
- (l) join any organization serving the interests of the Corporation and assess the membership fee in such organization as part of the Common Expenses;
- (m) do all things which are, either or both, incidental or conducive to the exercise of its powers granted under the Act and the By-laws;
- (n) subject to any limitations and prohibitions contained in the Act, these By-laws and otherwise by law, have such powers and do all such things which any body corporate shall be empowered and authorized to do under the Business Corporations Act of Alberta (as amended and replaced from time to time) and do all things and have such rights, powers and privileges of a natural person;

- (o) purchase, acquire, own and operate real property (provided such real property is a unit) for the general use or benefit of some or all of the Owners, and acquire and grant (as the case may be) rights to joint access or mutual use (including entering into and observing and performing any agreement for joint or mutual administration and management thereof) to shared services or facilities.

THE CORPORATION AND THE BOARD

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

7. During the initial existence of the Corporation and prior to the first annual general meeting of non-Developer Owners, the Board shall consist of up to three nominees of the Developer. Thereafter, the Board shall consist of not less than three nor more than seven persons PROVIDED THAT at least 2/3 of the membership of the Board shall be Owners or representatives of mortgagees who have notified their interests to the Corporation and the Board shall be elected at each annual general meeting (although members may also be elected at an extraordinary general meeting). The number of members of the Board for the next ensuing year shall be fixed by resolution at the annual general meeting held just prior to the election of the Board. A Board member must be 18 years of age or older. Where a Unit has more than one Owner, only one Owner in respect of that Unit may sit on the Board at any point in time.

RETIREMENT FROM BOARD

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

ELIGIBILITY FOR ELECTION TO BOARD

9. Any prospective member of the Board shall, as a condition of his nomination, make full disclosure of any potential conflict of interest and any direct or indirect relationships he or she may have with the Corporation either contractual, financial or employment related. A retiring member of the Board shall be eligible for re-election.

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

CASUAL VACANCY ON BOARD

11. Where a vacancy occurs on the Board under By-Law 20, the remaining members of the Board may appoint a person to fill that office for the remainder of the former member's term provided such person qualifies for membership pursuant to By-Law 7.

QUORUM FOR BOARD

12. Except where there is only one Owner a quorum of the Board is two, where the Board consists of four or less members. The quorum is three, where the Board consists of five or six members, and the quorum is four where it consists of seven members. Any member of the Board may waive notice of a meeting before, during or after the meeting and such waiver shall be deemed the equivalent of receipt of due and proper notice of the meeting.

OFFICERS OF THE CORPORATION

13. At the first meeting of the Board held after each annual general meeting of the Corporation, the Board shall elect from among its members a President, a Vice-President, a Treasurer and/or a Secretary who shall hold their respective offices until the conclusion of the next annual general meeting of the Corporation or until their successors are elected or appointed. The President shall be the Chairman of the Board and shall have a casting vote in addition to his original vote. A person ceases to be an officer of the Corporation if he ceases to be a member of the Board. Where a person ceases to be an officer of the Corporation, the Board shall designate from its members a person to fill that office for the remainder of the term. A person may simultaneously hold two offices.

CHAIRMAN OF BOARD MEETINGS

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

DUTIES OF OFFICERS

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

VOTES OF BOARD

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

FURTHER POWERS OF BOARD

17. The Board MAY:
- (a) meet together for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit, and it shall meet when any member of the Board gives to the other members of the Board not less than three (3) days' notice of a meeting proposed by him, specifying the reason for calling the meeting provided that the Board shall meet at the call of the President on such notice as he may specify without the necessity of the President giving reasons for the calling of the meeting;
 - (b) appoint or employ for and on behalf of the Corporation such agents or servants as it thinks fit in connection with the control, management and administration of the Common Property and the exercise and performance of the powers and duties of the Corporation;
 - (c) subject to any valid restriction imposed or direction given at a general meeting of Owners, delegate to one or more members of the Board such of its powers and duties as it thinks fit and at any time revoke such delegation;
 - (d) obtain and retain by contract, the services of a Manager or of any professional real property management firm or professional real property manager or agent for such purposes (including but not so as to limit the generality of the foregoing, the supervision, management and performance of any or all of the duties of the Corporation) and upon such terms as the Board may from time to time decide SUBJECT ALWAYS to the control and direction of the Corporation and the Board, such Manager to be reasonably fit and suited to perform such duties. The Manager employed by the Board need not devote its full time to the performance of the duties of the Corporation so long as those duties are performed in a good and sufficient fashion. If under such contract the Manager holds funds for the Corporation, the contract may require the Manager to arrange and maintain a fidelity bond owned by and in the name of the Corporation and for the benefit of the Corporation and such bond shall be in an amount required by the Corporation but in any event not less than:
 - (i) the total amount of any replacement reserve funds in the hands of or controlled by the Manager; and
 - (ii) one month's total condominium contributions of the Corporation or 1/12 of the total annual condominium contributions for all Units in the Project (excluding any special contributions) whichever is greater; and
 - (iii) a sum representing the average monthly amount of cash in the control of the Manager;
 - (e) enter into an insurance trust agreement in form and on the terms as required by any Insurance Trustee;
 - (f) set and charge for and on behalf of the Corporation reasonable fees to compensate the Corporation for expenses it incurs in producing and providing any documents or copies required to be issued by it under the Act or pursuant to these By-laws.

ADDITIONAL DUTIES OF THE BOARD

18. The Board SHALL:
- (a) subject to any valid restriction imposed or direction given at a general meeting of the Owners, carry on the day to day business and affairs of the Corporation;
 - (b) keep minutes of its proceedings and, upon written request at the expense of the person requesting, provide copies thereof to Owners and to mortgagees who have notified their interests to the Corporation;
 - (c) cause minutes to be kept of general meetings of the Owners and, upon the written request and at the expense of the person so requesting, provide copies thereof to Owners and to mortgagees who have notified their interests to the Corporation;
 - (d) cause proper books of account to be kept in respect of all sums of money received and expended by it and the matters in respect of which receipt and expenditure shall take place;
 - (e) prepare or cause to have prepared financial statements comprising proper accounts relating to all monies of the Corporation, and the income and expenditure thereof, for each annual general meeting. Such financial statements shall be prepared in accordance with generally accepted accounting principles;
 - (f) maintain financial records of all the assets, liabilities and equity of the Corporation;
 - (g) on written application of an Owner or mortgagee, or any person authorized in writing by him, within twenty-eight (28) days, make the books of account available for inspection at a time reasonably convenient to such member;
 - (h) at least once a year, cause the books and accounts of the Corporation to be audited by an independent accountant to be selected at each annual general meeting of the Corporation and cause to be prepared and distributed to each Owner and to each mortgagee who has notified its interest to the Corporation a copy of the audited Financial Statements of the receipts of contributions of all Owners towards the Common Expenses and disbursements made by the Corporation and a copy of the Auditor's Report at the annual general meeting or thirty days prior to the annual general meeting and, in any event, within ninety (90) days of the end of the fiscal year of the Corporation. The report of the Auditor shall be submitted to each annual general meeting of the Corporation. Any obligations under this paragraph may be waived upon the passing of an Ordinary Resolution to that effect;
 - (i) keep a register noting the names and addresses of all Owners and mortgagees who have notified their interests to the Corporation;
 - (j) within thirty (30) days from the conclusion of the Corporation's annual general meeting, file or cause to be filed at the Land Titles Office a notice in the prescribed form stating the names and addresses of the members of the Board;
 - (k) file or cause to be filed at the Land Titles Office a notice in the prescribed form of any change in the address for service of the Corporation;

- (1) file or cause to be filed at the Revenue Canada office a statement of GST, if required, and an annual notice of the non-profit status of the Corporation.

DEFECTS IN APPOINTMENT TO BOARD

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

VACATING OFFICE OF BOARD MEMBER

20. The office of a member of the Board shall be vacated if the member:
- (a) by notice in writing to the Corporation resigns his office; or
 - (b) dies; or
 - (c) is in arrears more than sixty (60) days of any contribution, levy or assessment required to be made by him as an Owner; or
 - (d) becomes bankrupt; or
 - (e) is found lunatic or becomes of unsound mind, or is the subject of a Certificate of Incapacity issued under the MENTAL HEALTH ACT; or
 - (f) is convicted of an indictable offence for which he is liable to imprisonment; or
 - (g) is absent from meetings of the Board for a continuous period of three (3) months or three (3) consecutive meetings without the consent of the remaining members of the Board and a majority of the remaining members of the Board resolve at the next subsequent meeting of the Board that his office be vacated; or
 - (h) he ceases to qualify for membership pursuant to By-Law 7;
 - (i) in the case of a company which is a member of the Board, if the company shall become bankrupt or make an assignment for the benefit of creditors or if proceedings are commenced to wind up the company, otherwise than for the purpose of amalgamation or reconstruction; or
 - (j) commences any legal proceedings against the Board or the Corporation; or
 - (k) is refused bonding, at a reasonable premium, by a recognized bonding institution.

SIGNING AUTHORITIES

21. The Board shall determine, by resolution from time to time, the manner and

which officer or officers shall sign cheques, drafts, notes and other instruments and documents, including banking forms and authorities not required to be under corporate seal and may authorize the Manager to sign the same with or without co-signing by any such officer or officers.

CORPORATE SEAL

22. The Corporation shall have a common seal, which shall be adopted by resolution and which shall at no time be used or affixed to any instrument except in the presence of at least one member of the Board or by the persons as may be authorized from time to time by resolution of the Board, except that where there is only one member of the Corporation his signature shall be sufficient for the purposes of this By-Law, and if the only member is a company the signature of its appointed representative on the Board shall be sufficient for the purpose of this By-Law.

ANNUAL GENERAL MEETINGS

23. The first annual general meeting shall be held within the time prescribed by the Act. Subsequent annual general meetings shall be held once in each calendar year, and not more than fifteen (15) months shall elapse between the date of one annual general meeting and that of the next. All such meetings shall be held within the municipality in which the units are located unless the Owners agree, by Ordinary Resolution, to hold the meetings in another location.

EXTRAORDINARY GENERAL MEETINGS

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

CONVENING EXTRAORDINARY GENERAL MEETINGS

25. The Board may whenever it thinks fit and shall upon a requisition in writing by Owners representing not less than 15% of the total Unit Factors for all the Units or upon the request in writing from mortgagees holding registered mortgages (and who have notified their interests to the Corporation) against Units in respect of which corresponding Unit Factors represent not less than 15% of the total Unit Factors or a combination of such Owners or mortgagees entitled to vote with respect to 15% of the total Unit Factors convene an extraordinary general meeting, which meeting shall be held within thirty (30) days of the Board's receipt of the said requisition. The agenda for such meeting shall include any legally valid items specified by the requisitioners.

NOTICE OF GENERAL MEETINGS

26. A minimum of seven (7) days' notice of every general meeting specifying the place, the date and the hour of meeting (and in the case of special business, the general nature of such business), shall be given to all Owners and mortgagees who have notified their interests to the Corporation. Notice shall be given to the Owners and to such mortgagees in the manner prescribed in these By-laws, but the accidental omission to give notice to an Owner or mortgagee or non-receipt by an Owner or mortgagee does not invalidate the meeting or any proceedings

thereat. In computing the number of the days of notice of a general meeting required under these By-laws, the day on which the notice is deemed to have been received and the day of the meeting shall be counted. Notice of any meeting may be waived either at, before or after the meeting by persons entitled to vote at the meeting and such waiver shall be deemed the equivalent of receipt of due and proper notice of the meeting.

PROCEEDINGS AT GENERAL MEETINGS

27. (a) All business that is transacted at an annual general meeting, or at any extraordinary general meeting, with the exception of the consideration of accounts and financial statements, appointment of auditors and solicitors, election of members to the Board, election of the Chairman, calling of the roll and certification of proxies and proving notice of meeting, shall be deemed to be special business;
- (b) the nature of such special business and the text of any resolution to be submitted to the meeting shall be set out in sufficient detail in the notice of the meeting so as to permit an Owner or mortgagee to form a reasoned judgment on that business;
- (c) no such item of special business shall be effective to direct or limit the exercise by the Board of any authority or power vested in it under the Act or 'these By-laws;
- (d) unless otherwise specifically required by the Act and these By-laws, all business may be conducted or approved by Ordinary Resolution.
28. Save as in these By-laws otherwise provided, no business shall be transacted at any general meeting unless a quorum of persons entitled to vote is present at the time when the meeting proceeds to business and one-quarter of the persons entitled to vote representing not less than 2500 of the Unit Factors present in person or by proxy shall constitute a quorum.

ADJOURNMENT FOR LACK OF QUORUM

29. If within one-half hour from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time and if at the adjourned meeting a quorum is not present within one-half hour from the time appointed for the meeting, the persons entitled to vote who are present shall be a quorum.

CHAIRMAN FOR GENERAL MEETINGS

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

ORDER OF BUSINESS FOR GENERAL MEETINGS

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

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

VOTING BY SHOW OF HANDS

32. At any general meeting a resolution by the vote of the meeting shall be decided on a show of hands, unless a poll is demanded by any Owner or registered mortgagee present in person or by proxy. Unless a poll be so demanded, a declaration by the Chairman that a resolution has, on the show of hands, been carried is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour or against the resolution. Except for matters requiring a Special Resolution or unanimous resolution, all matters shall be determined by Ordinary Resolution.

POLL VOTES

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

VOTING CALCULATION

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

VOTES PERSONALLY OR BY PROXY

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

36. An instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney, and may be either general or for a particular meeting. A proxy need not be an Owner.

ELIGIBILITY TO VOTE

37. Except in cases where by or under the Act, a unanimous resolution or Special Resolution is required, no Owner is entitled to vote at any general meeting unless all assessments payable in respect of his Unit have been duly paid to the date thirty (30) days prior to the date of such meeting but the presence of any such defaulting Owner shall be included in the count for quorum constitution purposes pursuant to By-Law 28.

VOTE BY CO-OWNERS

38. (a) Co-Owners may vote by proxy but only if the proxy is jointly appointed by them or by one of the co-Owners appointed by the other or all others, as the case may be, and in the absence of such proxy, co-Owners are not entitled to vote separately on a show of hands except when a unanimous resolution is required by the Act, but any one co-Owner may demand a poll;
- (b) On any poll, each co-Owner is entitled to such part of the vote applicable to a Unit as is proportionate to his interest in the Unit. The joint proxy (if any) on a poll shall have a vote proportionate to the interests in the Unit of the joint Owners as do not vote personally or by individual proxy.

SUCCESSIVE INTERESTS

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

TRUSTEE VOTE

40. Where an Owner is a trustee, he shall exercise the voting rights in respect of the Unit to the exclusion of persons beneficially interested in the trust, and those persons shall not vote.

VOTING RIGHTS OF MORTGAGEE

41. Notwithstanding the provisions of these By-laws with respect to appointment of a proxy, where the Owner's interest is subject to a registered mortgage and where the mortgage or these By-laws or any statute provides that the power of vote conferred on an Owner may or shall be exercised by the mortgagee and where the mortgagee has given written notice of his mortgage to the Corporation, no instrument or proxy shall be necessary to give the mortgagee the said power to vote.

VIOLATION OF BY-LAWS

42. (a) Any infraction or violation of or default under these By-laws or any rules and regulations established pursuant to these By-laws on the part of an Owner, his servants, agents, licensees, invitees or Tenants that has not been corrected, remedied or cured within ten (10) days of having received written notification from the Corporation to do so, may be corrected, remedied or cured by the Corporation and any costs or expenses incurred or expended by the Corporation including costs as between a solicitor and his own client, in correcting, remedying or curing such infraction, violation or default shall be charged to such Owner and shall be added to and become part of the assessment of such Owner for the month next following the date when such costs or expenses are expended or incurred (but not necessarily paid) by the Corporation and shall become due and payable on the date of payment of such monthly assessment and shall bear interest both before and after judgment at the Interest Rate until paid. Fines are expended at the discretion of the Board, scheduled in proportion to the seriousness of the infraction or Bylaw default, up to a maximum of Two Thousand (\$2,000.00) Dollars per occurrence;
- (b) The Corporation may recover from an Owner by an action for debt in any court of competent jurisdiction any sum of money which the Corporation is required to expend as a result of any act or omission by the Owner, his servants, agents, licensees, invitees or Tenants, which violates these By-laws or any rules or regulations established pursuant to these By-laws and for which ten (10) days prior written notice has been given by the Corporation and there shall be added to any judgment, all costs of such action including legal expenses and costs as between a solicitor and his own client. Nothing herein shall be deemed to limit any right of any Owner to bring an action or proceeding for the enforcement and protection of his rights and the exercise of his remedies;
- (c) In addition, the Corporation may exercise the powers provided for in Section 36 of the Act.

DEVELOPER'S RIGHTS

43. (a) On proper notification to the Corporation, the Developer, its agents, employees and mortgage inspectors shall have the right to enter onto any Unit and the Right of Access to a Common Property in order to complete any incomplete items, repair deficiencies, inspect the Unit and make any modifications or repairs to the utilities;
- (b) Monthly Assessments of Common Expenses shall not be levied against the Developer as Owner of the condominium Unit until 180 days after completion of construction of the condominium Project;
- (c) The Developer, contractors, sub-contractors, officers, servants, agents and workmen shall have the full and free right and liberty to have ingress and egress to, and to pass and re-pass on the Common Property of the Corporation either on foot or by means of vehicles or necessary machines whatsoever in order to complete work benefiting the Corporation.

DAMAGE OR DESTRUCTION

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

Unless there has been substantial damage and the Owners by Special Resolution resolve not to proceed with repair or restoration within one hundred (100) days after the damage or destruction, the Board shall arrange for prompt repair and restoration using proceeds of insurance for that purpose. The Board shall cause the proceeds of all insurance policies to be disbursed to the contractors engaged in such repair and restoration in appropriate progress payments. Any costs of such repairs and restoration in excess of the insurance proceeds shall constitute Common Expenses and the Board may assess all the Unit Owners for such deficiency as part of the Common Expenses;

Where there has been substantial damage and the Owners resolve by Special Resolution within one hundred (100) days after the damage or destruction not to repair, the Board shall on behalf of the Owners make application to terminate the condominium status of the Parcel in accordance with the provisions of the Act, and each of the Owners shall be deemed to have consented to such application. Upon termination of the condominium status:

- (i) any liens or charges affecting any of the Units shall be deemed to be transferred in accordance with their existing priorities to the interests of the respective Owners in the Parcel; and

- (ii) the proceeds of insurance shall be paid to the Insurance Trustee, the Owners and mortgagees, as their respective interests may appear, in proportion to their respective interests in the Parcel in accordance with the terms of any Insurance Trust Agreement in effect;

The Corporation is not responsible for any damage or loss whatsoever caused by or to any personal property or contents of any nature of kind, in or upon any Unit or Vessel or in or upon any part of the Common Property designated as a Privacy Area or an area for the exclusive use of any Unit Owner;

- (b) No Owner shall be entitled to claim any compensation from the Corporation for any loss or damage to the property or person of the Owner arising from any defect or want of repair of the Common Property or Managed Property or any part thereof, unless such loss or damage is covered by the insurance held or required to be held by the Corporation pursuant to the Act or these By-laws, whichever is the greater;
 - (c) Subject always to section 24 of the Act, where the Corporation is required to enter a Unit or the Managed Property for the purpose of maintaining, repairing and item capable of being used in connection with the enjoyment of any other Unit, the Managed Property or the Common Property, the Corporation and its servants, employees and agents shall in carrying out any work or repairs do so in a proper and workmanlike manner and shall make good any damage to the Unit occasioned by such work and restore the Unit to its former condition, leaving the Unit clean and free from debris;
 - (d) An Owner shall indemnify and save harmless the Corporation from the expenses of any maintenance, repair or replacement rendered necessary to the Common Property, the Managed Property or to any Unit by his act or omission or by that of any member of his family or his or their guests, servants, agents, invitees, licensees or Tenants, but only to the extent that such expense is not met by the proceeds of insurance carried by the Corporation.
45. (a) The Board, on behalf of the Corporation, shall obtain and maintain, subject always to the Act, and in particular, section 47 thereof, the following insurance:
- (i) Fire insurance with extended coverage endorsement for such perils as the Board shall deem advisable (the perils insured against shall be “all risks” as that term is generally understood in the insurance business, of physical loss or damage) insuring: (A) all of the insurable Managed Property and Common Property; (B) all insurable property of the Corporation, both real and personal of any nature whatsoever; (C) all of the Units and all of the improvements and betterments made to the Units by the Owners of which the Board has knowledge (but excluding Vessels within a Unit, furnishings and other personal property of each Owner whether or not located within a Vessel), for the full replacement cost thereof, without deduction for depreciation; and insuring the interests of and naming as insureds; (D) all Owners from time to time; (E) all mortgagees who have given written notice of their interests to the Corporation; (F) the Corporation; and (G) the Board of Managers and any person referred to in By-Law 17 hereof (hereinafter collectively called the “Insureds”) as their respective interests may appear;

- (ii) Boiler insurance if any boilers exist;
 - (iii) Public liability insurance insuring the Insureds against any liability to the public and/or to the Owners and their invitees, licensees or Tenants, incidental to the enforcement of these By-laws and the Ownership, control, management, administration and use of the Common Property, the Managed Property and the Units and such insurance shall have limits of liability in an amount not less than \$2,000,000.00 inclusive for bodily injury and/or property damage per occurrence;
 - (iv) Liability insurance, including errors and omissions coverage, in such amounts and with such deductibles as the Board may determine, insuring the Board and every member and officer thereof from time to time and each employee of the Corporation from and against all liabilities, charges, loss, costs, and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a manager or officer of the Corporation, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for fines or penalties imposed in a criminal suit or action or for unjustified profit or advantage or for any wrongful act done or attempted in bad faith or dishonesty or for failing to discharge the duties of the office of a member of the Board honestly and in good faith;
 - (v) Such other insurance and coverage for such other risks or causes as the Board may determine or as may be determined by Special Resolution;
- (b) Each and every said policy of insurance shall name the Insureds and shall, as available and where applicable, provide:
- (i) that the policy may not be cancelled or substantially modified without at least sixty (60) days' prior written notice to all Insureds;
 - (ii) that in no event shall insurance coverage be brought into contribution with insurance purchased by any Owner or mortgagee and such insurance shall be deemed as primary insurance;
 - (iii) standard mortgage endorsements (IBC 3000 or its equivalent) attached to each such policy;
 - (iv) a waiver by the insurer of its rights of subrogation against the Corporation, its Manager, agents, employees and servants, and the Owners and any member of the household or guests of any Owner, except for arson and fraud;
 - (v) a waiver by the insurer of any defence based upon co-insurance (provided that policies of physical damage insurance may contain co-insurance on a stated amount basis so long as the appraisal provisions of this By-Law are met) or of invalidity arising from the conduct of or any omission or act or breach of a statutory condition by any Insured;
 - (vi) a waiver of the insurer's option to repair, rebuild or replace in the event that after damage the status of the condominium is terminated; and

- (vii) a cross liability endorsement wherein the rights of any Insured shall not be prejudiced with respect to another Insured;
- (c) At least every three years, the Board shall obtain an appraisal or appraisal update appraiser setting out the full replacement cost of the Common Property, Managed Property, Units and all of the property of the Corporation. A copy of such appraisal or appraisal update shall be delivered to each mortgagee who has given written notice of his mortgage to the Corporation. The Board shall forthwith obtain insurance coverage under any and all such policies of insurance in accordance with such appraisal or appraisal update to insure the full replacement value as set forth in such appraisal or appraisal update. In addition to such insurance coverage for the replacement value of the Common Property, Managed Property, Units and any other property of the Corporation, the Board shall review and adjust the level of insurance coverage for other risks (including liability) to such amounts and levels required by and as would be maintained by an Owner of similar property in the locality in which the Project is situate;
- (d) A certificate or memorandum of all insurance policies and endorsements thereto shall be issued by the Board, or by the Manager on its behalf, within Ten (10) days from the day of receiving a request therefor from a purchaser, Owner or mortgagee of a Unit and a duplicate original or certified copy of each such policy shall be forwarded within Thirty (30) days from the day of receiving that request from a purchaser, Owner or mortgagee of a Unit. Further, a renewal certificate or memorandum of new insurance policies shall be furnished to each Insured. The original policies of all insurance coverage shall be retained by the Corporation in its offices, and shall be available for inspection by any and all of the Insureds upon reasonable request;
- (e) Notwithstanding anything aforesaid, but subject to the terms of any Insurance Trust Agreement, all proceeds of insurance on loss or claim shall be paid to the Insurance Trustee and exclusive authority to adjust losses and settle proceeds under all insurance policies shall be vested in the Board or its authorized representative, and the Insurance Trustee; provided that any expense of the Insurance Trustee shall be treated as Common Expenses of the Corporation;
- (f) The Owners may, and upon written request of any mortgagee shall, carry insurance on their own Units as permitted by the Act provided that the liability of the insurers issuing insurance obtained by the Board hereunder shall not be affected or diminished by reason of insurance so carried by any Unit Owner AND PROVIDED FURTHER THAT neither the Corporation nor the Board shall be required or have any duty to insure the interests of Tenants against liability or for their belongings, contents or other personal property;
- (g) In the event an Owner incurs or suffers damage or loss to his Unit or to any improvements of his Unit and/or the Common Property or Managed Property adjacent thereto that is covered or insured under any insurance policy of the Corporation and such Owner elects to pursue recovery of such loss or damage under any insurance policy of the Corporation, such Owner shall be responsible for and pay the full amount of any deductible on such claim if, in the sole opinion of the Board, such damage or loss was caused by or arose out of any act or omission by such Owner, his servants, agents, licensees, invitees or Tenants;
- (h) Each Unit Owner must obtain adequate property and liability insurance indemnity and/or liability insurance in the minimum of one million (\$1,000,000) dollars on

his Vessel throughout the time it is moored at his Unit and within the condominium Project. A certificate of insurance must be provided to the Corporation and Board prior to occupying a Unit;

CONTRIBUTIONS FOR COMMON EXPENSES AND BUDGETS

46. (a) The Common Expenses of the Corporation shall be paid by the Unit Owners in proportion to the Unit Factors for their respective Units and, without limiting the generality hereof, shall include the following:
- (i) All levies or charges on account of electricity, water, sewer, gas and fuel services supplied by the Corporation for the Project and for the benefit of all Owners and not charged directly to any one Owner either by meter or otherwise;
 - (ii) Management fees and Insurance Trustee fees, if any, wages salaries, taxes and other expenses payable to or on account of employees or independent contractors of the Corporation;
 - (iii) All the charges on account of maintenance and of Common Property not designated as a Privacy Area, for dredging costs and for debris removal from the Managed Property and the Common Property;
 - (iv) All charges on account of any light standards or poles and related fixtures located on the Managed Property;
 - (v) All charges on account of maintenance for those portions of a Unit, Fairways, Head Piers, Finger Piers, dock walkways, Managed Property and Common Property for which the Corporation is responsible under these By-laws;
 - (vi) All costs of furnishings, tools and equipment for use in and about the Project facilities or amenities including the repair, maintenance or replacement thereof;
 - (vii) All insurance costs in respect of the insurance for which the Corporation is responsible under these By-laws and/or the Act;
 - (viii) All costs of and charges for all manner of consultation, professional and servicing assistance required by the Corporation including without limiting the generality of the foregoing all legal, accounting, auditing and engineering (including replacement reserve fund studies), fees and disbursements;
 - (ix) All reserves for repairs and replacement of Head Piers, Finger Piers, dock walkways, Managed Property and Common Property and portions of Units the repair or replacement of which is the responsibility of the Corporation;
 - (x) Maintenance of structural costs of the Units;
 - (xi) The cost of maintaining fidelity bonds as provided in these By-laws;

- (xii) The cost of borrowing money for the purpose of carrying out the duties and objects of the Corporation;
 - (xiii) The allocable or pro rata portion of the cost of any electricity taken from any exterior plug which is billed directly to an Owner by the provider of such electricity and which is used by the Corporation for purposes of operating or maintaining Common Property or Managed Property;
 - (xiv) Any GST on condominium contributions as required by Revenue Canada;
 - (xv) Municipal taxes, levies or assessments on the Common Property Units and any other Unit owned by the Corporation;
 - (xvi) All costs whatsoever of the Corporation incurred in connection with the Common Property and Managed Property or in furtherance of any valid purpose of the Corporation or in the discharge of any obligation of the Corporation;
- (b) At least fifteen (15) days prior to the end of each fiscal year the Corporation shall deliver or mail to each Owner at his municipal address:
- (i) a copy of the budget for the ensuing fiscal year; and
 - (ii) a notice of the assessment for his contribution towards the Common Expenses for said ensuing fiscal year. Said assessment shall be made to the Owners in proportion to their Unit Factors or as otherwise provided herein;
- (c) The budget shall be prepared in accordance with generally accepted accounting principles and shall set out by categories an estimate of the Common Expenses of the Corporation for the next fiscal year. The budget shall include a reasonable provision for contingencies and replacements (“replacement reserve fund”);
- (d) The replacement reserve fund may be used for the repair or replacement of any real and personal property owned by the Corporation, the Units, the Managed Property and the Common Property but is not intended to be used to cover annually recurring maintenance and repair costs which are to be set out and provided for in the annual budget. The Corporation may by resolution determine the maximum amount that may be paid from the replacement reserve fund in respect of a single expenditure;
- (e) The Common Expenses set forth in each contribution shall be payable to the Corporation, or to any other person, firm or corporation to whom the Corporation shall direct payment to be made from time to time, in twelve (12) equal consecutive monthly installments payable, in advance, on the first day of each month, the first installment to be made on the 1st day of the ‘month immediately following receipt of such notice of assessment, or such other time as may be prescribed by the Corporation;
- (f) All payments of whatsoever nature required to be made by each Owner and not paid within ten (10) days from the due date for payment shall bear interest at the Interest Rate from the date when due until paid. All payments on account shall first be applied to interest and then to the contribution payment first due;

- (g) The Corporation shall, on the application of an Owner or any person authorized in writing by him, certify within twenty (20) days:
- (i) the amount of any contribution determined as the contribution of the Owner;
 - (ii) the manner in which the contribution is payable;
 - (iii) the extent to which the contribution has been paid by the Owner; and
 - (iv) the interest owing, if any, on any unpaid balance of a contribution;
- and, in favour of any person dealing with that Owner the certificate is conclusive proof of the matters certified therein;
- (h) Upon the written request of an Owner, purchaser or mortgagee of a Unit the Corporation shall, within ten (10) days of receiving that request, provide to the person making the request one or more of the following as requested by that person:
- (i) a statement setting forth the amount of any contributions due and payable in respect of a Unit;
 - (ii) the particulars of
 - (A) any action commenced against the Corporation and served upon the Corporation;
 - (B) any unsatisfied judgment or order for which the Corporation is liable; and
 - (C) any written demand made upon the Corporation for an amount in excess of \$5,000.00 that, if not met, may result in an action being brought against the Corporation;
 - (iii) the particulars of or a copy of any subsisting management agreement;
 - (iv) the particulars of or a copy of any subsisting recreational agreement;
 - (v) a copy of the current budget of the Corporation;
 - (vi) a copy of the most recent financial statement of the Corporation;
 - (vii) a copy of the By-laws of the Corporation;
 - (viii) a copy of any minutes of proceedings of a general meeting of the Corporation or of the Board;
 - (ix) the particulars of or a copy of any subsisting lease or exclusive use agreement with respect to the possession of any portion of the Common Property;
 - (x) the amount held in any replacement reserve fund;

- (xi) the Unit Factors and the criteria used to determine Unit Factor allocation;
 - (xii) any structural deficiencies in the Project;
 - (xiii) the particulars of any post-tensioned cables that are located anywhere on or within the Project;
 - (xiv) in the case of a mortgagee, the records pertaining to the management or administration of the Corporation as prescribed in section 37(1) of the Act;
- (i) The omission by the Board to fix the contributions hereunder for the next ensuing fiscal year or other period provided for herein, shall not be deemed a waiver or modification in any respect of the provisions of these By-laws or a release of the Owner or Owners from their obligation to pay the contributions or special assessments, or any installments thereof for any year or period, but the contributions fixed from time to time shall continue until new contributions are fixed. No Owner can exempt himself from liability for his contributions toward the Common Expenses by waiver of the use or enjoyment of any of the Common Property or by vacating or abandoning his Unit;
 - (j) The Board or the Manager supplying any documents required to be provided in these By-laws or under section 44 of the Act, shall be entitled to charge a reasonable fee for the production thereof.

SPECIAL CONTRIBUTIONS

47. If at any time it appears that the annual contributions towards the Common Expenses will be insufficient to meet the Common Expenses, the Corporation may assess and collect a special contribution or assessment against each Unit in an amount sufficient to cover the additional anticipated Common Expenses. The Corporation shall give notice of such further assessment to all Owners which shall include a written statement setting out the reasons for the assessment and each assessment shall be due and payable by each Owner in the manner and on the date or dates specified in the notice. Each such special assessment shall be determined and assessed against the Owners in proportion to their Unit Factors. Unless otherwise provided, all such special assessments shall be payable within ten (10) days of the due date for payment specified in the notice and, if not paid, shall bear interest at the Interest Rate from the due date until paid.

DEFAULT IN PAYMENT OF CONTRIBUTIONS

48. Default in payment of assessments and lien for unpaid assessments, installments and payments:

- (a) The Corporation shall and does hereby have a lien on and a charge against the estate or interest of any Owner for any unpaid contribution, assessment, installment or payment due to the Corporation, which lien shall be a lien against such estate or interest subject only to the rights of any municipal or local authority in respect of unpaid realty taxes, assessments or charges of any kind against the

unit title or interest of such Owner to the extent provided for in the Act. The Corporation shall have the right to file a caveat or encumbrance against the unit title or interest of such Owner in respect of the lien or charge for the amount of such unpaid contribution, assessment, installment or payment as hereinbefore mentioned, and for so long as such unpaid contribution assessment, installment or payment remains unpaid, provided that each such caveat or encumbrance shall not be registered until after the expiration of thirty (30) days following the due date for the first payment in arrears. As further and better security, each Owner responsible for any such unpaid contribution, assessment, installment or payment which is in arrears for more than thirty (30) days, shall be deemed to have given to the Corporation a mortgage or encumbrance for the full amount thereof and all contributions, assessments, installments and/or payments, and interest thereon at the Interest Rate from the due date or dates for payment of the same, and the Corporation shall be entitled to enforce its lien, charge and security and pursue such remedies as may be available to it at law or in equity, from time to time including the recovery by the Corporation of its reasonable costs, including legal expenses and fees incurred by the Corporation in collecting the amount owing and disbursements on a solicitor and his own client basis from such defaulting Owner. The Corporation shall ensure that, in commencing legal proceeding to collect amounts owing to it by a Unit Owner, it complies with any applicable time limit provisions of the LIMITATIONS ACT;

- (b) Any other Owner or person, firm, or corporation whatsoever may pay any unpaid contribution, assessment, installment or payment after the expiration of thirty (30) days following the due date for payment by the Owner in default, with respect to a Unit, and upon such payment, such party, person, firm or corporation shall have a lien, subject to the estates or interests hereinbefore mentioned and shall be entitled to file a caveat or encumbrance in respect of the amount so paid on behalf of the Owner in default, and shall be entitled to enforce his lien, thereby created, in accordance with the other terms and conditions of this By-Law;
- (c) Notwithstanding and in addition to any other term, condition or provision herein contained or implied, each unpaid contribution, assessment, installment or payment shall be deemed a separate, distinct and personal debt and obligation of the Owner against whom the same is assessed and collectible as such. Any action, suit or proceeding to recover such debt or to realize on any judgment therefore shall be maintainable as a separate action, suit or proceeding without foreclosing or waiving the lien, charge or security, securing the same;
- (d) In the event of any assessment against or installment or payment due from an Owner remaining due and unpaid for a period of ninety (90) days, the Board shall give notice of such default to all mortgagees having an interest in such Owner's Unit who have notified their interests to the Corporation;
- (e) In the event of any contribution, assessment against or installment or payment due from an Owner remaining due and unpaid for a period of thirty (30) days, the Board, at its election, may accelerate the remaining monthly contributions, assessments, installments and payments for the fiscal year then current upon notice to the Owner in arrears, and thereupon all such unpaid and accelerated monthly contributions, assessments, installments and payments shall become payable on and as of the date of the said notice, PROVIDED THAT no such acceleration shall affect the interests of or be binding upon any registered mortgagee;

- (f) All reasonable costs of the Manager and reasonable expenses, legal costs and disbursements incurred by the Corporation (including costs on a solicitor and his own client basis) in registering and discharging a caveat which either the Manager or the Corporation expends as a result of any act or omission of an Owner, his servants, agents, licensees, invitees or Tenants which violates these By-laws or any rules or regulations established pursuant thereto or incurred in any way for securing or enforcing its interests hereunder or the taking of any remedies to cure any default hereunder shall constitute a payment due the Corporation.

ESTOPPEL CERTIFICATE

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

LEASING OF UNITS

- 50. (a) In the event that any Owner desires to lease or rent his Unit, he shall furnish to the Corporation an undertaking, in form satisfactory to the Corporation, signed by the proposed lessee or Occupant, that the proposed lessee or Occupant of the Unit will comply with the provisions of the Act and of the By-laws of the Corporation. The Owner shall not be released of any of his obligations and shall be jointly and severally liable with the proposed lessee or Occupant with respect to such obligations;
- (b) No lease or rental of a Unit may be of less than the entire Unit and no lease or rental of a Unit shall be for a term of less than one full calendar year. Further, any lease must be in writing and provide that the lessee shall be subject in all respects to the provisions of the By-laws of the Corporation, that any failure by the lessee to comply with the terms of said documents shall be a default under the lease, and that the Board has the authority to evict the lessee on the Owner's behalf for the foregoing requirements upon only such notice as required by law. If the lease does not contain the foregoing provisions, such provisions nevertheless are deemed to be a part of the lease and binding upon the Unit Owner and the lessee by reason of being stated in this By-law;
- (c) The Corporation is authorized to:
 - (i) impose and collect deposits under Section 53 of the Act;
 - (ii) give notices to give up possession of Units under Section 54 of the Act; and
 - (iii) make applications to the Court under Sections 55 and 56 of the Act;

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

SEVERABILITY

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

NOTICES

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

NOTICE OF DEFAULT TO MORTGAGEES

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

DEBT RETIREMENT ON TERMINATION

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

COMPANY WHICH IS MEMBER OF BOARD

55. A company which is a member of the Board may by proxy, power of attorney or resolution of its directors appoint such person as it thinks fit to act as its representative on the Board and to attend meetings thereof and vote at such meetings on behalf of the company and such representative shall be entitled to so act provided notice in writing thereof shall have been given to the Board. Where a company is the only member of the Board a minute or resolution signed by its representative or by the alternate of its representative duly appointed pursuant to the By-Law next following shall be deemed to be a resolution of the Board.

ALTERNATE BOARD REPRESENTATIVE

56. A representative of a company on the Board may appoint any person whether another Owner or not and whether a member of the Board or not to serve as his alternate representative on the Board and as such to attend and vote in his stead at meetings of the Board and to do anything specifically provided for in these bylaws. Such alternate shall, if present, be included in the count for quorum and if he be a member of the Board he shall be entitled to two votes, one as a member of the Board and the other as an alternate representative of a member of the Board. If the representative so directs, notice of meetings of the Board shall be sent to the alternate representative of a member of the Board. If and when the appointing representative vacates the office of a representative of a member of the Board or removes the alternate representative from office as alternate representative, any appointment or removal under this By-Law shall be made in writing under the hand of the representative making the same.

EXCLUSIVE USE AREAS

57. (a) The Board shall be deemed to have designated and assigned to each Owner the exclusive use of related Privacy Areas such as a Finger Pier adjacent and affixed to his Unit for the sole purpose of his Unit, and, in the case of the Bare Land Units, that part of the property constituting an exclusive use areas granted to an Owner in accordance with the terms of By-Law 5(f). Any decoration of the Finger Pier may only be carried out after the express written consent of the Board has been obtained therefor and the maintenance of any such decoration shall be the sole responsibility of those Owners who have their exclusive use;
- (b) The Board may, in addition to other restrictions set out in these By-laws, specify and limit the nature and extent of the use or uses of any exclusive use area assigned or designated by it under these By-laws;
- (c) While any such exclusive use area is not included in the Condominium Plan as part of a condominium unit, and shall not be deemed to be an area leased pursuant to Section 50 of the Act, any such exclusive use area shall be maintained in a neat, clean and sightly condition at the sole expense of the Owner or Owners to whom it has been assigned;
- (d) If the Owner or Owners shall fail to properly maintain any such exclusive use area assigned to him or them after ten (10) days' notice to him or them to correct

any maintenance problem set forth in said notice from the Board, then the Board or its representative may order the maintenance corrected and the Owners affected shall reimburse the Board for all monies expended and all costs incurred in order to rectify said maintenance problem and pay interest thereon at the Interest Rate after demand for payment;

- (e) The Corporation and its servants and agents shall, notwithstanding the grant of any right, licence or privilege of exclusive use of any area to any Owner, have and enjoy free and uninterrupted right at any and all times and from time to time to enter upon, pass and repass over, and occupy any and all parts of such exclusive use area for the purpose of carrying out any of the duties or functions of the Corporation.

REALTY TAXES

58. The realty taxes and other municipal and governmental levies or assessments against land, Units and improvements, comprising all or any part of the Units and the Common Property comprising the Project shall be assessed and imposed in accordance with provisions of the Act, but until such time as the assessing authority assesses each Unit and the share in the Common Property appurtenant thereto pursuant to the Act, such realty taxes and other municipal and governmental levies or assessments shall be apportioned and adjusted amongst all the Owners according to their respective Unit Factors.

INDEMNIFICATION OF OFFICERS AND MANAGERS

59. The Corporation shall indemnify every member of the Board, manager, officer or employee and his or her heirs, executors and administrators against all loss, costs and expense, including legal counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Board member, manager or officer of the Corporation, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for fines or penalties imposed in a criminal suit or action or for unjustified profit or advantage or for any illegal act done or attempted in bad faith or dishonesty or for failing to discharge the duties of the office of a member of the Board honestly and in good faith. All liability, loss, damage, costs and expenses incurred or suffered by the Corporation by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Corporation as Common Expenses. The Corporation may by Ordinary Resolution, require that all members of the Board be bonded by a recognized bonding institution in an amount not less than Ten Thousand (\$10,000.00) Dollars, the cost of such bonding to constitute a common expense of the Corporation.

NON-PROFIT CORPORATION

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

- (a) reasonable compensation may be paid to any member of the Board or Owner while acting as an agent or employee of the Corporation for services rendered in effecting one or more of the purposes of the Corporation; and

- (b) any member of the Board or Owner may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Corporation;
- (c) members of the Board may receive an annual honorarium, stipend or salary established pursuant to By-Law 5(k).

USE AND OCCUPANCY RESTRICTIONS

61. (a) An Owner SHALL NOT:
- (i) use his Unit, Vessel, Common Property, the Managed Property, or any part thereof, for any commercial, professional or other business purpose or for a purpose involving the attendance of the public at such area, including using his Vessel for charter purposes or for carrying cargo or passengers for hire on a regular basis, selling or offering to sell food, drinks, wares, or merchandise or for any purpose which may be illegal or injurious to the reputation of the Project, unless such use constitutes an authorized, permitted or discretionary use as established by the Corporation or Board;
 - (ii) make or permit noise, including without limitation, pet noise, noise from speakers or noise from un-muffled exhausts or the revving of Vessel motors within or about any Unit, Vessel or Managed Property or the Common Property which in the opinion of the Board constitutes a nuisance or unreasonably interferes with the use and enjoyment of a Unit or the Managed Property or the Common Property by any other Owner or Occupant. No instrument or other device shall be used within a Unit or Vessel which in the opinion of the Board causes a disturbance or interferes with the comfort of other Owners;
 - (iii) no animal or bird (all of the foregoing hereinafter referred to as a “pet”) of any kind exceeding 5 kilograms shall be kept in any Residence or on the Unit unless approved by the Board, and the Board may, if such approval has been given, withdraw such approval on fifteen (15) days notice in the event of a breach of the Act or the Bylaws by the Owner or his pet;
 - (A) notwithstanding the generality of the foregoing, if the Board, in its sole discretion, deems any pet whatsoever to be causing an unreasonable disturbance to occupiers of other Residences or Units or to be a hazard to or harmful to any Common Property or to other Owners or occupiers of other Residences or Units, then the Owner of the Residence or Unit or the occupier of the Residence or Unit in which such pet is kept shall forthwith, on notice from the Board, remove or cause to be removed such pet from his Residence or Unit;
 - (B) any municipal bylaws in effect in the Town of Sylvan Lake shall have effect within the Common Property and any Unit registered in the name of the Corporation. Municipal enforcement officers are hereby authorized to enforce the Town of Sylvan Lake bylaws in

the Common Property and any Unit registered in the name of the Corporation;

- (C) any and all permitted pets which may bear a leash will be required to bear one when on the Common Property or on any Unit registered in the name of the Corporation. The aforesaid pet must be under control and registered and licensed as per Town of Sylvan Lake By-Laws. No pet shall be kept on or allowed to run at large over any part of the Common Property or any Unit registered in the name of the Corporation or on any Unit unless within an enclosed area on that Unit;
 - (D) pet Owners are responsible for cleaning up after their pets, further, the Owner of any pet in the condominium shall be responsible for any damage to any person or property caused by the pet and shall indemnify and hold the Board harmless from any and all liability arising from or caused by the pet;
- (iv) permit or perform any maintenance, repair or installation work on any Vessel within their respective Unit or the Project, except to the extent that such work can be performed solely from within the Unit or Vessel therein, without the need for hoists, jacks, compressors, engines, booms, lifts or other similar or heavy equipment, and without the need for placing any equipment, tools or part on any Common Property (it being the intent and purpose hereof to permit within the Project only such ordinary and usual maintenance, repair and installation work as an ordinary individual might typically perform on his or her Vessel with typical hand tools);
- (A) notwithstanding the generality of the foregoing, no boat motor or engine shall be installed, replaced or overhauled within the condominium (except that outboard motors under twenty five (25) horsepower may be installed or replaced), nor shall any maintenance, repair or service be performed which involves the removal of the motor;
 - (B) maintenance and repair work shall be performed only between the hours of 8:00 a.m. and 8:00 p.m.;
 - (C) no person shall be permitted to perform any work on any Vessel other than the Owner or lessee thereof unless and until:
 - (i) the Owner or lessee of the boat shall notify the Board of the nature of the work to be performed, the time that such work is likely to be performed and the probably duration thereof, and the identity of the person who will be performing such work;
 - (ii) the person performing the work registers his presence with the Board or management agent, executes any standard waiver and indemnification form which may be adopted by the Board or management and submits insurance certificates or other evidence of insurance satisfactory to the Board or its management agent establishing that such person has such insurance in such amounts the Board may from time to time require, but in no event less than workers compensation

insurance as required by law, if applicable automobile liability insurance with limits on a per occurrence basis of \$ 1,000,000 for property damage and \$ 1,000,000 for bodily injury and general liability insurance with limits on a per occurrence basis of \$ 1,000,000 for property damage and \$ 1,000,000 for bodily injury;

- (v) permit his Unit or Vessel to be occupied as a place of residence;
- (vi) Moor more than one (1) Vessel within his Unit, unless written permission from the Board to Moor more than one (1) Vessel has been obtained, and for the social, recreation or other reasonable uses normally incidental to a Vessel moorage;
- (vii) do any act or permit any act to be done, or alter or permit to be altered his Unit or Vessel in any manner, which will alter the exterior appearance of the structure comprising his or any other Unit or Vessel without the prior written approval of the Board;
- (viii) permit laundry to be hung other than inside his Vessel;
- (ix) erect or place any building, structure, tent, trailer, satellite, locker or dock box on the Piers, docks, Common Property, Managed Property or on any exclusive use area assigned to him without the prior written approval of the Board;
- (x) overload existing electrical circuits or store any combustible, inflammable, toxic or offensive goods, provisions or materials in his Unit, Vessel or Managed Property or on the Common Property, excepting normal cleaning products and related household goods;
- (xi) do anything or permit anything to be done within his Unit, Vessel or upon the Managed Property or the Common Property or the real or personal property of the Corporation or fail to do any act or thing which will or would tend to increase the risk of fire or the rate of fire insurance premiums with respect thereto or which would render invalid any insurance maintained by the Corporation;
- (xii) do anything or permit anything to be done by any occupier of his Unit or Vessel or the Managed Property or the Common Property that is contrary to any statute, ordinance, by-law or regulation of any government authority whether Federal, Provincial, Municipal or otherwise;
- (xiii) do or permit anything to be done that may cause damage to trees, plants, bushes, flowers or lawns and shall not place chairs, tables, children's play things, devices or toys or other objects on the lawns and grounds of the Common Property or the Managed Property so as to damage them or to prevent growth or to interfere with the cutting of the lawns or the maintenance of the grounds generally;
- (xiv) deposit customary household refuse and garbage outside his Unit or his Vessel other than in properly secured garbage bags placed in designated garbage containers. All bulk waste items, such as discarded household furnishings, which the Town of Sylvan Lake Sanitation Department will

not normally collect, shall be removed from the Project by the Owner at his sole cost and expense;

- (xv) shall not dump, deposit, drain, discharge, or otherwise dispose of any garbage, waste, rubbish, debris, equipment, oil, inflammable liquids, oily bilges, or any other material and toxic liquids into Sylvan Lake, his Unit, the Common Property, or anywhere within the condominium Project; excepting waste generated from the use of such, permitted it is placed in the appropriate waste or recycling receptacles provided for such purposes;
- (xvi) erect, place, allow, keep or display signs, billboards, advertising matter, "For Sale" signs, or other notices or displays of any kind on any part of the Managed Property, the Common Property or in or about any Unit or Vessel in any manner which may make the same visible from the outside of the Unit or Vessel without the prior written approval of the Board or condominium management;
- (xvii) permit any family members, guests or visitors to trespass that part of the Parcel to which another Owner is entitled to exclusive occupation;
- (xviii) (A) use the lanes, common driveways or roadways, Fairway, docks or any part of the Common Property or Managed Property or his Unit, except an assigned parking stall, for the parking of any motor vehicles except in accordance with permission in writing from the Board;
- (B) park or store any vehicle or on those areas of the Common Property designated for Visitor or Handicapped parking without the express consent of the Board first had and obtained;
- (C) allow a visitor to his Unit to park his motor vehicle anywhere on the Parcel except in a stall designated for Visitor parking;
- (D) carry out any repairs or adjustments to motor vehicles or Vessels on the Project;
- (E) bring onto the Project any vehicles other than private passenger automobiles, light trucks or sports utility vehicles without the written consent of the Board or the Manager or duly authorized nominee thereof;
- (F) keep on the Parcel any private passenger automobile which is not currently licensed, not in operating condition and not being used from day to day without the prior written consent of the Board;
- (G) drive any motor vehicle on the Parcel at a speed in excess of 15 kilometres per hour;
- (H) drive any Vessel within the condominium Project at a speed in excess of 5 kilometres per hour;
- (xix) anchor or Moor his Vessel in the Fairway condominium Project, or build or place, either temporarily or permanently, in the Fairway of the condominium Project which would obstruct the navigation thereof,

provided, however that the foregoing shall not be deemed to construed as prohibiting or restricting the use of dredging and construction boats, barges and equipment being used in conjunctions with performing needed maintenance, repair, replacement or improvement of any Fairway or structural improvements of the condominium Project;

- (xx) allow his Unit, Vessel or any exclusive use area assigned to him, either alone or in conjunction with others, to become unsanitary or unsightly in appearance;
- (xxi) make or cause to be made any modifications, structural, mechanical, drainage or electrical alterations or additions to his Unit, exclusive use area or the Common Property without approval of the management team or the Board and in compliance with all Municipal, Provincial and Federal laws. This includes but is not limited to sawing dock structures, driving nails, screwing bolts, drilling holes, painting facilities, erecting structures such as canopies, stairs or platforms, attaching or fastening lights, rub rails, bumpers, fenders, carpet or other like materials to the dock structures or other Common Property. Any such unauthorized modifications will be removed by the Board or management at the Unit Owners expense;
- (xxii) use a toilet, sink, tub, drain or other plumbing fixture for a purpose other than that for which it is constructed;
- (xxiii) allow the area around his Unit or Privacy Area to become untidy. The Board shall be at liberty to remove any rubbish or clean up a Unit or the Common Property in close proximity to an Owner's premises to its satisfaction and charge the expense to the Owner;
- (xxiv) allow or cause any household or personal effects or articles belonging to him to be kept anywhere except inside his Vessel when not in actual use, and each Owner will comply with all requests of the Board or its representatives that all household or personal effects or articles, including bicycles, toys and like things belonging to an Owner's household be put away inside such Vessel or Unit when not in actual use;
- (xxv) without the prior written approval of the Board, have any right of access to those portions of the Managed Property or Common Property used from time to time for utilities areas, buildings maintenance, storage areas, operating machinery or any other parts of the Managed Property or Common Property used for the care, maintenance or operation of the Project generally;
- (xxvi) ride bicycles, skateboards and all other forms of wheeled recreational products on any docks or on the Piers;
- (xxvii) paint, decorate or otherwise alter any portion of a Unit, Managed Property or Common Property required to be maintained by the Corporation without the express, prior, written consent of the Board;
- (xxviii) use any reflective, flame or oil burning heaters within his Unit, the Common Property or Managed Property, unless the Owner or a person designated by him, is in attendance at all times; further, no charcoal, briquette, habatjis or gas barbeques that are not affixed to a Vessel in a

safe manor may be used in within the Unit, Managed Property or Common Property;

- (xxix) use fireworks, sparklers, smoke makers or other such materials within his Unit or on his Vessel, the Common Property or Managed Property;
 - (xxx) use dinghies, rafts, inner tubes, wind surfers and the like or swim recreationally within his Unit, the Common Property or within the condominium Project;
 - (xxxix) engage in or permit any fishing, trapping or netting within the condominium Project;
 - (xxxixii) feed water birds and waterfowl, including but not limited to geese and seagulls while in the condominium Project;
 - (xxxixiii) clean fish within his Unit, on the docks or within the Common Property; further no fish or other foods shall be cooked on the docks;
 - (xxxixiv) fuel any Vessel within the condominium Project or within or at any Fairways, Piers or docks except at the fueling facilities by certified pumps; further the transferring of fuels, gasoline, oils or other like substances between automobiles and Vessels or Vessels and Vessels is strictly prohibited within the condominium Project and is a strict violation of the By-laws, carrying a fine as set out in By-law 42(a);
 - (xxxixv) leave children under the age of twelve (12) unattended or unsupervised on Vessels, the Piers, or the docks; it is further recommended that children under twelve (12) years of age wear personal floatation devices while on Vessels, the Piers, or the docks;
 - (xxxixvi) engage in riotous, boisterous, violent, threatening, drunken or drug induced behavior while within the Unit, Vessel, Common Property or anywhere within the condominium Project;
 - (xxxixvii) Moor his Vessel in any Unit within the condominium Project while the lake is frozen; the Board shall be entitled to remove and store the boat occupying any Unit during such period at the sole cost and expense of the Owner thereof and shall not be liable to such Owner for any loss or damage to such Owner's boat as a result of any such removal or storage;
 - (xxxixviii) use any stand-by or auxiliary generators within the condominium Project while the Vessel is berthed;
- (b) An Owner shall ensure that his Occupants comply with those requirements that the Owner must comply with under subsection (a) hereof and, upon the request of the Corporation, obtain from the Tenants or have the Manager who leases the Units and residential dwellings on behalf of the Owners obtain from the Tenants an undertaking, in writing, to the following effect:

"I, _____, covenant and agree that I, the members of my household and my guests from time to time will, in using the Unit rented by me, any Privacy Areas relating

to the Unit and all the Managed Property and Common Property, comply with the Condominium Property Act, the By-Laws and all rules and regulations of the Corporation during the term of my tenancy.”

MANAGED PROPERTY

62.1 RESTRICTED DEVELOPMENT

- (a) No Unit Owner shall improve, develop, construct upon or otherwise modify his Unit or bare land unit unless such development or improvement strictly complies with any and all development restrictions imposed upon that Unit by the Municipal Authority (whether disclosed on title to the Unit or not);
- (b) The Corporation is hereby empowered, and the Board is authorized on behalf of the Corporation, to take whatever procedures are reasonably necessary, in the Board’s opinion, to ensure compliance with By-Law 62.1(a) hereof (enforcement to be limited to the extent it is limited by law);

62.2 ELEMENTS OF MANAGED PROPERTY

Without limiting the definition thereof in By-Law 1(p), “Managed Property” shall be comprised of those portions of the Bare Land Units comprised of lawns (excepting the landscaped areas), walkways, driveways, piers, the main dock walkway and water within the condominium Project. Without restricting the generality of the foregoing, “Managed Property” shall include all parts of each bare land unit and all utility and service lines and all irrigation systems and common light standards serving any bare land unit or the Common Property;

62.3 DUTIES AND RESTRICTIONS ON OWNERS REGARDING MANAGED PROPERTY

Each Owner shall, in respect to the Managed Property on, relating to or in his bare land unit:

- (a) permit the Corporation (and anyone who is agent for or authorized or directed by the Corporation) to enter his bare land unit for any and all purposes of inspection, maintenance, repair, upkeep, cleaning and control of the Managed Property as if same were Common Property;
- (b) adhere to, comply with and strictly observe this By-Law and all rules, regulations, By-laws, resolutions and other requirements of the Corporation and its insurers as same relate to the Managed Property; provided that in the absence of anything expressly to the contrary, the rules, regulations, By-laws, resolutions and other requirements as shall apply to the Common Property shall apply to the Managed Property;
- (c) shall not, in any manner whatsoever, interfere with, prohibit or hinder the Corporation in carrying out its duties, powers, obligations and responsibilities arising hereunder or in connection with any of the Corporation’s inspection, maintenance, repair, upkeep, cleaning or control of the Managed Property; and

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

62.4 POWERS, DUTIES AND RESTRICTIONS OF THE CORPORATION:

- (a) shall, in addition to and without limiting its powers relating to the management and control of Common Property, be empowered to:
 - (i) enact rules and regulations relating to the management and control of the Managed Property;
 - (ii) employ and contract for services for repair, maintenance, replacement, cleaning and other similar services (including painting, gardening, lawn mowing, dredging of the Fairway and common areas and dock repairs) necessary to properly maintain the Managed Property;
 - (iii) as part of and in accordance with its general power of levying assessments, assess the Owners for their respective shares of the costs of the Corporation in the carrying out of its duties hereunder; and
 - (iv) generally manage, operate and control the Managed Property as if and to same extent as if the Managed Property was Common Property;
- (b) shall, in addition to and without limiting its obligations generally relating to the maintenance, management, repair and control of Common Property, control, manage, maintain, repair and administer the Managed Property unless otherwise directed by Special Resolution of the Corporation, provided that such duties and obligations may, from time to time, be amended and adjusted (including without limitation, by increasing or reducing same) by Special Resolution of the Corporation. If, pursuant to Special Resolution, it is resolved that the Corporation shall be relieved and is not, from the effective date thereof, to be responsible for the management, repair, maintenance, upkeep, replacement and control of the Managed Property, all such duties and responsibilities shall therefor be performed by the Unit Owners and these By-laws shall be interpreted accordingly, PROVIDED NEVERTHELESS THAT the Corporation shall continue to be responsible for and perform its insurance and replacement reserve fund obligations under these By-laws;
- (c) to the extent that the Board shall determine practicable, shall insure the Managed Property (or such part or parts thereof as the Board determines is reasonable, feasible and economic) as the Board is otherwise required to do by this By-law.

AMENDMENT OF BY-LAWS

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

registered amendment, addition or repeal.

CHANGE OF LEGISLATION

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

ARBITRATION AND MEDIATION

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

GRANT OF EASEMENT OVER COMMON PROPERTY UNIT

66.1 The Corporation hereby gives, grants, conveys, transfers and sets over to each Owner, every transferee from it and every person deriving title from it, together with all servants agents and invitees of each Owner, the non-exclusive right, privilege and easement of a right-of-way, in, through and over and rights of ingress to and egress from and to pass and re-pass across, on and through and to remain on and use any Common Property unit for any purpose as is reasonably required from time to time by each Owner. It is the intention of the parties hereto that any Common Property unit be used for any purpose by the Owners and maintained by the Corporation, to the same extent, and as fully and effectively as though such Common Property unit were part of the Common Property of the Parcel.

66.2 EASEMENT IN PERPETUITY

The Corporation and each Owner do hereby covenant and agree that the easements, rights and privileges described herein shall be deemed to be covenants running with the land and annexed thereto and shall continue in respect of the servient tenement until such time as the parties and the Town of Sylvan Lake shall agree to their extinguishment. Each of the Owners may peaceably hold and enjoy the easements, rights and privileges hereby granted without hindrance, interruption or molestation.

66.3 SUPPORT EASEMENTS

- (a) In favour of the Owner of every Unit or Common Property unit, and as appurtenant to each Unit, there is implied in respect of each Unit an easement for the shelter and/or subjacent and lateral support of the Unit by the Common Property, if any, or by every other Unit capable of affording shelter and/or support; and
- (b) As against the Owner of every Unit or Common Property unit, there is implied in respect of each Unit as easement, to which the Unit subject, for the shelter and/or subjacent and lateral support of the Common Property, if any, or of every other Unit capable of enjoying shelter and/or support.

66.4 RESTRICTED AREAS

The Owners shall have no rights to:

- (a) any Privacy Area adjoining a Unit to which exclusive occupation has been granted to a certain Owner;
- (b) an area designated by the Corporation from time to time for exclusive use by any of the Owners for parking or for any other purpose; or
- (c) areas reserved for exclusive use of the Corporation for the purpose of operating the buildings in which the Units are located and any amenities or for any other purpose of the Corporation.

Provided however, the Corporation (through agents or appointees if necessary) may enter upon the above noted restricted areas to carry out the purposes and duties of the Corporation as set forth in the Act or these By-laws. The Corporation in carrying out any of its duties or obligations will do so in a good and workmanlike manner and will cause or do as little damage and inconvenience to the Owner or occupier of a Unit as is possible and any excavations or workings made or done in connection therewith shall, so far as reasonably practicable, be restored to its former condition,

66.5 CONSISTENT WITH BY-LAWS

Each Owner shall not use any Common Property unit over which an easement is granted herein in any manner inconsistent with any by-law, resolution or regulation of the Corporation relating to the use of such easement area, nor shall they bring on to or leave on the easement area any equipment, material or other thing prohibited from time to time by any By-laws, resolution or regulation.

66.6 USE LIMITATIONS

Each of the parties hereto covenants that all Common Property units shall at all times be owned by the Corporation, free and clear of any financial encumbrance and shall be kept in good and proper repair. The carrying out of any operations or privileges in connection with the easement granted herein will be done in a good and workmanlike manner and will cause as little damage and inconvenience as possible to any Common Property unit and, if any damage is caused to any Common Property unit by any party, such party shall restore the Common Property unit to its former condition as far as is reasonably practicable. The Corporation is primarily responsible for the repair and maintenance of all Common Property units, however the Owners agree to cooperate and assist the Corporation if required in such repair and maintenance.

SYLVAN CRUISES RIGHTS:

67. The Owners acknowledge and accept that the Corporation has entered into a lease agreement with Sylvan Cruises whereby Sylvan Cruises has the right and authority to Moor the "Zoo Cruise" vessel in the Marina in the area designated and specified by the Corporation, for the period of time up to and including October 31, 2014. Any extensions of this lease to Sylvan Cruises shall be at the sole discretion of the Corporation.

BARE LAND EASEMENT RIGHTS

68. (a) There is hereby created in respect of each Unit shown in the Condominium Plan in favour of the Owner of that Unit, and as appurtenant thereto, an easement for the provision of electricity through or by means of any wires, or cables for the time being existing in the Parcel to the extent 'to which those wires or cables are capable of being used in connection with the enjoyment of the Unit;
- (b) There is created in respect of each Unit shown in the Condominium Plan as against the Owner of that Unit, an easement to which the Unit is subject for the passage or provision of electricity through or by means of any pipes or wires, appurtenant to the Common Property and also to every other Unit capable of enjoying those easements;
- (c) The local authority and Owner of any utility service who is providing services to the Parcel or to any Unit on it and the Corporation, is entitled to the benefit of these easements that are appropriate for the proper provision of service provided but not to the exclusion of any other utility service;
- (d) All ancillary rights and obligations which are reasonably necessary to make this easement effective, apply in respect of the easements created herein, including the right of an Owner of a dominant tenement to enter a servient tenement to install, maintain, replace, renew or restore anything from which the dominant tenement is entitled to benefit;
- (e) Any Unit Owner, the Corporation or the local authority shall, in carrying out any operations pursuant to sub-clause (d) hereof, do so in a good and workmanlike manner and will cause or do as little damage and inconvenience to the Owner or occupier of an Unit as is reasonably possible and any excavations or workings made or done in connection therewith shall, so far as is reasonably practicable, be restored to its former condition;
- (f) This easement does not affect the Ownership or the maintenance obligations of any utility services located within the Parcel. In other words, all utilities are to be treated as if the Parcel was the subject of a conventional condominium development;
- (g) The benefit and the burden of this easement shall run with the land;
- (h) As each of the Units is both a dominant and servient tenement, this utility easement shall be construed so that each Unit Owner shall have granted this easement in respect of each Unit to the benefit of each Unit Owner in respect of the parcel save for that Unit;
- (i) This easement cannot be changed without the express written consent of any utility Owner, including but not limited to The Town of Sylvan Lake and Enmax Corporation.