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FORM 3

NOTICE OF CHANGE OF BY-LAWS
Condominium Property Act, s.32

CONDOMINIUM CORPORATION NO. 1711078 HEREBY CERTIFIES that, by a special resolution passed effective the 23rd day of February, 2018, the By-laws of the Condominium Corporation were added to, amended or repealed as follows:

1. By-Law 4.3 of the By-Laws is deleted and the following provision is substituted in its place:

4.3 Composition of the Board

The Board shall consist of not less than one (1) nor more than five (5) individuals who may be nominees of the Developer, Owners or spouses of Owners, representatives of Mortgagees of Units, representatives or principals of corporate Owners, or any combination of the foregoing. The Board shall be elected at the first General Meeting and each Annual General Meeting thereafter (although Members may also be elected at an Extraordinary General Meeting). Where a Unit has more than one Owner, only one person in respect of that Unit may sit on the Board at any point in time.

2. By-Law 4.8 of the By-Laws is deleted and the following provision is substituted in its place:

4.8 Quorum of Board

A Quorum of the Board is two where the Board consists of four or less Members, except where the Board consists of one Member, the Quorum shall be one and three where the Board consists of five Members.

3. By-Law 5.10 of the By-Laws is deleted and the following provision is substituted in its place:

5.10 Voting of Meetings

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 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 favor or against the resolution by majority.

The seal of CONDOMINIUM CORPORATION NO. 1711078 was affixed on the 23rd day of February, 2018, in the presence of David deBoer being a Director of the Corporation.

CONDOMINIUM CORPORATION NO. 1711078

Per: _____

David deBoer / Director

BY-LAWS
OF
CONDOMINIUM CORPORATION NO. 1711078

THESE BY-LAWS HAVE BEEN PASSED BY CONDOMINIUM CORPORATION NO. 1711078 FOR THE PURPOSE OF REPLACING AND SUBSTITUTING THE BY-LAWS SET OUT IN APPENDIX 1 OF THE *CONDOMINIUM PROPERTY ACT*, BEING CHAPTER C-22 OF THE REVISED STATUTES OF ALBERTA, 2000, AND AMENDMENTS THERETO.

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Article 1

INTERPRETATION

1.1 Definitions - Specific

For the purposes of this By-law, and unless the context wherein used shall otherwise require, the following words, terms, phrases and expressions shall be ascribed the meanings and definitions as are hereinafter set forth:

- **"Act"** means the *Condominium Property Act*, R.S.A., 2000, c. C-22, as amended and replaced from time to time;
- **"Appropriate Authority"** means such authority having jurisdiction over matters in respect of the Parcel and all relevant parts and activities thereon as the context requires and includes without limitation to the generality of the foregoing municipal, provincial and federal government as applicable, utility companies, insurers, and similar entities as the case may be;
- **"Annual General Meeting"** means a General Meeting of the Corporation as defined and described in Article 5 of this By-law;
- **"Article", "Part", "Provision", "Paragraph" and/or "Section"** means that article, part, provision, paragraph or section of this By-law as identified by number;
- **"Board"** means the board of directors of the Corporation;
- **"Board Member" or "Member"** means a duly appointed, nominated or elected member of the Board;
- **"Budget"** means a financial statement or plan for the coordination of resources and expenditures of the Corporation for the periods of time described in this By-law;
- **"Building"** means the building constituting the Project;
- **"By-laws", "Rules", "Regulations" and "Resolutions"** means, respectively, the by-laws, rules, regulations and resolutions of the Corporation, as the case may be, now existing or in the future enacted or promulgated by the Corporation from time to time;
- **"Commercial Units"** means the unit initially numbered 5 which is situated in the upstairs of the Building, such unit shall only be a Commercial Unit for so long as the same is being utilized for commercial purposes prior to the redivision of the same; and **"Commercial Units"** also means and includes those units numbered 1, 2, 3 and 4;
- **"Common Expenses"** means the expense of performance of the objects and duties of the Corporation and any expenses specified as common expenses in the By-laws of the Corporation;
- **"Common Property" or "Common Area"** means common property as defined in and under the Act, and without limiting the foregoing, includes Common Property Units, the Rooftop Patio, the Downstairs Bathroom, and those portions of the Condominium Plan which are designated as Common Property, and such other or additional portions of the Parcel as shall from time to time be designated "Common Property" by the Developer, and any Unit acquired from common use of the Owners and Occupants of the Project as may hereinafter be provided for;

- **“Common Property Unit”** means a Unit resulting from a redivision of a Unit that is or is intended to be Common Property of the Corporation (such as roofs, exterior walls, foundations and hallways), and shall not include any Unit that is or is intended to be occupied by an Owner;
- **“Condominium Plan”** means Condominium Plan No. 1711078 registered in the South Alberta Land Registration District Offices in Calgary, Alberta;
- **“Condominium Status”** means the legal status of the parcel, the lands and Buildings as a condominium under and pursuant to the Act;
- **“Corporation”** means “Condominium Corporation No. 1711078”;
- **“Developer”** means STONE ARBOUR DEVELOPMENTS INC., or any successor or assign of STONE ARBOUR DEVELOPMENTS INC.;
- **“Downstairs Bathroom”** means the toilets, washroom and bathroom facilities constructed in the Common Area of the basement of the Building by the Developer;
- **“Emergency Situation”** means a situation normally and reasonably perceived as one which would endanger either or both person or property if not immediately remedied or rectified;
- **“Encroachment Agreement”** means the encroachment agreement entered into between the Condominium Corporation and the City of Lethbridge, or any amendment, novation, extension or renewal of such encroachment agreement from time to time, regarding the encroachment of some portions of the Common Property, being some portions of the Building, onto City of Lethbridge property; and such encroaching portions of the Common Property onto such City of Lethbridge property are referred to in these By-laws as the **“Encroachments”**;
- **“Estoppel Certificate”** means a certificate of the Corporation, issued by the Corporation under and pursuant to Section 39(6) of the Act and includes all Certificates made or given by the Corporation pursuant to By-law 13.2 of this By-law;
- **“Exclusive Use Areas”** means those areas of the Common Property designated pursuant to Article 8 hereof, but does not include any fencing, rail, exterior wall or similar structure bordering such Exclusive Use Area;
- **“Extraordinary General Meeting”** means a general meeting of the Corporation which is not an Annual General Meeting;
- **“General Meeting”** means any duly and properly convened general meeting of the Corporation held in accordance with this By-law;
- **“Insurance Trustee”** means such person, corporation or party who may be designated hereunder from time to time to receive, hold and disburse proceeds of policies of insurance pursuant to this By-law and the Act;
- **“Interest Rate”** means an interest rate of 18% per cent per annum or such other maximum rate of interest that may be permitted or allowed from time to time pursuant to the Regulations under the Act or shall be the interest rate as established by a Special Resolution;

- **"Manager"** means a duly qualified professional property manager employed or appointed by the Corporation from time to time to manage the day to day affairs of the Corporation;
- **"Mortgagee"** means the holder of any mortgage registered against title to any one or more Units and who has, pursuant to Section 26 of the Act, notified the Corporation of his interest as Mortgagee, and "Mortgage" shall refer to the mortgage held by such Mortgagee;
- **"Occupier" or "Occupant"** means the rightful and lawful occupant of a Unit (such as a tenant) whether or not said occupant is the Owner, and includes all members, invitees, licensees, such persons, servants, guests and customers of such occupant or tenant.
- **"Ordinary Resolution"** shall have the meaning as set forth in the Act; and if "Ordinary Resolution" ceases to be defined in the Act, then "Ordinary Resolution" means a Resolution passed by a simple majority of persons entitled to vote or similar resolution made in writing and signed by a majority of persons who would have been entitled to vote on such resolution at a General Meeting;
- **"Owner"** means the registered owner of a Unit and member of the Condominium Corporation;
- **"Parcel"** means the lands comprising the Project;
- **"Project"** means all of the real and personal property and fixtures comprising the Parcel, land and Building which constitute the Units and the Common Property and includes any units owned by the Corporation;
- **"Redivision Plan"** means a condominium plan of redivision whereby a Unit is redivided, including, without limitation, the Unit numbered 5 situated in the upstairs of the Building;
- **"Residence Units"** means those Units numbered 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16 and shall also mean and include those Units that are created from a redivision of the Unit initially numbered 5 situated in the upstairs of the Building;
- **"Rooftop Patio"** means the patio, together with any barbeque placed or constructed on such patio by the Corporation or such barbeque that has initially been placed/constructed by the Developer on such patio, all of which is located on the roof of the Building;
- **"Signage"** means any sign, billboard, display, notice, advertising, lettering, symbol or notification of any type or nature whatsoever;
- **"Special Resolution"** shall have the meaning set forth in the Act, and if "Special Resolution" ceases to be defined in the Act, then "Special Resolution" means a resolution either:
 - a. passed at a General Meeting by a majority constituted of not less than 75% of all persons entitled to vote thereon, who represent no less than 75% of the total Unit Factors of all Units; or,
 - b. signed by not less than 75% of all persons who, at a General Meeting, would be entitled to vote thereon, and, who represent no less than 75% of the total Unit Factors of all Units;
- **"Substantial Damage"** means loss, damage or destruction to all or such significant part of the Project to the extent of 25% or more of the replacement value, as determined immediately prior to the occurrence, of all Units and Common Property constituting the Project;

- **“Unanimous Resolution”** means a resolution, either:
 - a. passed unanimously at a General Meeting by all persons or parties entitled to exercise the power to vote therein, who represent all of the total unit factors for all of the Units; or,
 - b. signed by all persons, who would be entitled to vote thereon at a General Meeting, who represent all of the total unit factors for all of the Units.
- **“Unit”** means an area designed as a Unit by the Condominium Plan or any Redivision Plan, but specifically excludes any Common Property Unit and any other Common Property.
- **“Unit Factor”** shall have the meaning as prescribed under the Act, and such Unit Factors shall be those as set out in the Condominium Plan and any Redivision Plan of the same.

1.2 Definitions - General

Words, terms, phrases, and expressions, undefined in this By-law and which require definition, shall have such meaning as ascribed thereto under the Act, or, where so undefined, under such relevant statutes of the Province of Alberta.

1.3 Number and Gender

Whenever words, terms, phrases, and expressions, defined or otherwise employed in this By-law shall import number, gender, or entity, same shall import, without further mention, all numbers, genders, and entities as the context wherein used shall require and as the case may be, subject to specific expression to the contrary.

1.4 Headings

Headings used in this By-law have been inserted for the purposes of reference only, and are not to be considered or taken into account in construing the terms and provisions of this By-law.

1.5 Conflict with Act

Unless expressed herein to the contrary, if and whenever there is a conflict between this By-law, or any part thereof, and the Act, the Act shall prevail; provided that the requirement for a Unanimous Resolution prescribed in any Section of these By-laws shall not be considered as being in conflict with the Act, as it is expressly for the purpose of protecting certain rights of certain Unit Owners.

1.6 Severability

The provisions of these By-laws shall be deemed independent and severable, and the invalidity in whole or in part of any Article, Part, Provision, Paragraph or Section herein, shall not affect the validity of the whole or remaining Articles, Parts, Provisions, Paragraphs or Sections herein contained, which shall continue in full force and effect as if the invalid portion had never been included herein.

1.7 Extended Meanings

If and whenever reference hereunder is made to:

- a. **“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; or
- b. **“Owner”**, the same shall include and be extended to mean the Occupant of such Owner’s Unit and the Owner’s and Occupant’s respective agents, employees, servants, contractors, licensees, invitees, guests, visitors or any other party for which such Owner or Occupant is responsible for at law or any party that may lawfully claim through or under such Owner or Occupant wherever it is beneficial or desirable to or for the Corporation in any By-law, Rule, Regulation or Resolution in which the term “Owner” appears.

1.8 References to "Unit"

Whenever reference is made to "Unit" or "Units" in these By-laws, and in any Article, Part, Provision, Paragraph or Section in these By-laws such reference shall mean a Unit or Units in the Project as defined under the Act, and includes Commercial Units, and Residence Units, as the case may be. Accordingly, when such Article, Part, Provision, Paragraph or Section shall be reasonably interpreted to give meaning and application of the provision to the type Unit in question, as the context shall require. All By-laws shall be subject to and interpreted in accordance with the following:

- a. Notwithstanding anything to the contrary expressed or implied herein, no By-laws, resolution, enactment, Rule or Regulation of the Corporation shall hinder, restrict or otherwise adversely impact the right, authority, and ability of the Occupants of the Commercial Units to carry on lawful business (as duly licensed by Appropriate Authority) from the Commercial Units, (including limiting or restricting in any manner whatsoever the hours of operation by the Occupants of the Commercial Units).
- b. In that the Commercial Units may be from time to time and at any time subject to redivision and/or reconfiguration, the Owners of such Commercial Units shall ensure that the development thereof will be consistent with the appearance and general condition of the balance of the Project; and any such redivision, reconfiguration, construction or development of such Commercial Units shall be completed in strict compliance with these By-laws. This By-law is subject to the Developer's rights as set forth in Article 9.

Article 2

OWNERS' DUTIES AND OBLIGATIONS

2.1 Specific Obligations

Each Owner:

- a. shall permit and allow the Corporation (and who is agent for or authorized or directed by the Corporation), upon written notice, to enter his Unit for any of the following purposes:
 - i. to inspect the Unit;
 - ii. to clean, maintain, repair, replace, restore, renew, operate, or to ensure the operation of the Common Property and any other property, machinery, equipment, fixtures or chattels which the Corporation is obliged to maintain, repair, replace, restore, renew, or operate;
 - iii. to carry out work and other obligations, which the Owner has neglected, failed, or refused to carry out; or,
 - iv. to remedy, stop, rectify, repair, and prevent, any loss arising or which could reasonably arise in an Emergency Situation;provided that:
 - v. where an Emergency Situation exists, as perceived by the Corporation or any of its agents or employees, such entry is permissible, without notice to the Owner, at any time reasonable in light of the nature and extent of the Emergency Situation; and,
 - vi. in the absence of an Emergency Situation, such entry is permissible only at reasonable times after reasonable notice (depending upon the nature and extent of such entry) to either the Owner or the Occupant;
- b. shall pay promptly when due, and in accordance with the prescribed terms of payments:
 - i. to the Corporation, all and every assessment for Common Expenses of the Corporation, as are levied or assessed by the Corporation against his Unit from time to time; and for Owners of Commercial Units, such Owners shall pay Goods and Services Tax on any of the foregoing

- assessments where such Goods and Services Tax is required pursuant to the provisions of the *Excise Tax Act* of Canada;
- ii. to the Corporation, all and every assessment, demand, and levy for contribution to, reimbursement of, and payment for, expenses and costs incurred by the Corporation, which are wholly or partly directly attributable to his Unit, which are levied, assessed or demanded against his Unit from time to time or which are the subject of indemnification as prescribed in this By-law or at law;
 - iii. to the Corporation, all interest on such accounts, assessments, levies and sums demanded in arrears as prescribed in such accounts, assessments, levies, and demands as in this By-law permitted; and
 - iv. to the Appropriate Authority, all and every account, statement, bill, rate, charge, tax outgoing, and assessment that may be payable in respect of his Unit from time to time;
- c. shall duly and properly maintain and keep his Unit in a good state of cleanliness and repair, and in so doing, each Owner shall:
- i. forthwith and promptly carry out and complete any work that may, from time to time and at any time, be ordered by the Appropriate Authority in respect of his Unit;
 - ii. repair and maintain in a reasonable manner and keep clear and free of debris, the Unit and any Exclusive Use Area to which the Owner has been granted, as more particularized in By-law 2.2 hereof;
 - iii. maintain in a reasonable manner and keep clear and free of debris the Unit and any Exclusive Use Area to which the Owner has been granted including all interior surfaces of all walls, windows (including the inside surface of balcony glass railings), and doors (including doors which provide ingress to and egress from a Unit), and the exterior of all outside windows (which are accessible from the Unit) hardware and accouterments affecting the appearance, usability, value or safety of the Unit, excepting firstly, outer boundaries, exterior walls, outside surfaces, and roofs of or to the Unit, but specifically including plumbing fixtures, light fixtures, air conditions units (serving only the Unit) windows (including pane, sash and sill) and doors (including the door and frame);
 - iv. not make or cause to be made any additions, or alterations to the Building, the exterior of his Unit (including, without limitation, any Signage for the Commercial Units), the Common Property, any interior or exterior load bearing walls (including floors and floor coverings or the ceilings) forming part of his Unit, or any part of the plumbing, heating, mechanical, ventilation, electrical or drainage systems either within or servicing his Unit without first obtaining the written consent of the Corporation, the approval of the Corporation's Engineer, and all necessary approvals required from the Appropriate Authorities. The Owner requesting the approvals from the Corporation and the Corporation's Engineer shall submit all design plans and specifications pertaining to the Owner's proposed additions or alternations for review by the Corporation and the Corporation's Engineer; and if requested by the Corporation, such Owner shall also provide to the Corporation and the Corporation's Engineer such other information or documentation that the Corporation or the Corporation's Engineer deems necessary. The Corporation at its sole discretion may elect not to review such design plans and specifications pertaining to the Owner's proposed additions or alternations until such time as the Owner has received all necessary and required permits, authorizations and approvals from the Appropriate Authorities and has provided the same to the Corporation and the Corporation's Engineer. The Owner requesting the approvals from the Corporation and the Corporation's Engineer shall pay all of the fees, costs and expenses of the Corporation's Engineer with respect to the review and approval of the Owner's design plans and specifications, and also the fees and expenses of such Engineer for such Engineer to inspect and monitor any alterations or additions that have been approved by the Corporation to ensure that the same are fully compliant with the design plans

and specifications that were approved by the Corporation and to ensure that the same are being completed and constructed to the satisfaction of the Corporation. The Owner completing the approved additions or alterations cannot rely on the Corporation or the Corporation's Engineer to ensure that any of their approved alterations or additions are being completed or constructed correctly, and such Owner acknowledges and agrees that such inspections and monitoring of such alterations and additions by the Corporation's Engineer is exclusively for the benefit and protection of the Corporation and no other party. The Owner completing the alterations or additions that have been approved by the Corporation, the Corporation's Engineer and the Appropriate Authority shall complete the same in compliance with such approvals and shall also construct the same in compliance with all applicable laws, rules, regulations and codes including, but not limited to, building, safety and fire codes. Without limiting the foregoing, the Owner shall ensure that a proper "prime contractor" under the *Occupational Health and Safety Code* is appointed which in all circumstances shall not be the Corporation or the Corporation's Engineer. The Owner shall immediately remediate any deficiencies or conduct any reconstruction of the approved additions or alterations being completed by such Owner as may be required by the Corporation's Engineer. Any alteration of addition made by an owner without the approvals as required under this By-law or any work or improvements being completed by such Owner that require remediation or reconstruction by reason of the Corporation's Engineer requiring the same or by reason of the same not complying with any applicable approvals, laws, rules, regulations or codes may be restored or removed by the Corporation or its duly authorized representatives, contractors or agents, and any costs incurred by the Corporation as a result thereof shall be paid immediately by such Owner to the Corporation and shall bear interest at the Interest Rate;

- v. not do any act or permit any act to be done, or alter or permit to be altered, his Unit, in any manner whatsoever, which will alter either of the exterior appearance or the structure of his Unit or any other Units or any portion of the Building;
 - vi. not do or permit anything to be done that may cause damage to or will alter the appearance of any of the Building, or the Common Property, including such Exclusive Use Area(s) to which the Owner has been granted, without first obtaining the written consent of the Corporation;
 - vii. not do or permit anything to be done in his Unit, upon the Common Property, or in the Project (including the failure to do anything) which will or would tend to increase the risk of hazard or the rate of insurance premiums with respect thereof or which would render invalid any insurance maintained by the Corporation;
 - viii. not do or permit anything to be done in or on his Unit, upon any Common Property or in the Project that would constitute either an environmental or health hazard including, without limiting the generality of the foregoing, bringing either environmentally or hazardous explosive substances or contaminants into the Project unless properly contained and safely handled and stored, and omitting or permitting an emission of substances constituting a release of contaminants in the opinion (as legally described) by Appropriate Authority;
 - ix. comply with all Rules, Regulations, By-laws, and Resolutions, in respect of the maintenance, repair, and cleanliness of any of the Units the Common Property the Building or the Project; and
 - x. not, in the course of any repair, maintenance, cleaning, renovation or alteration of his Unit or the Common Property, permit or cause to be permitted or to be registered against the Common Property and any interest in the Common Property of any other Owner any claim, lien, charge or encumbrance;
- d. shall adhere to, comply with, and strictly observe this By-law and each and every part thereof and all Rules, Regulations, By-laws, and Resolutions, in respect of the use of, either or both, his Unit and the Common Property, and in so doing, each Owner:
- i. shall use and enjoy the Common Property in such a manner as to not unreasonably interfere

with the use and enjoyment thereof of others entitled and authorized to do so including, without limitation, the good, safe, orderly and scheduled (if scheduling is prudent in the opinion of the Board) and prudent use of the Common Areas and any machinery or equipment therein in accordance with any Rules and Regulations enacted by the Board in such regard from time to time;

- ii. shall not use his Unit or permit or cause the Unit to be permitted, to be used in any manner for any purpose which is or may be illegal, injurious, or that may cause nuisance or hazard to any other Owner or an Occupier of any other Unit;
- iii. shall promptly notify the Corporation forthwith upon any change in possession, or of Ownership or of any other Owner or an Occupier of any other Unit;
- iv. not use the Owner's Unit or permit it to be used, in whole or in part, for any purpose prohibited by Appropriate Authority or which may be injurious to the reputation of the Project;
- v. subject to 2.1(d) (iv), shall not use his Unit or permit the use of his Unit for any purpose other than that as permitted by law in respect of his Unit;
- vi. shall not erect, place, allow, keep or display signs, billboards, advertising matter or other notices or displays of any kind on the Common Property or in or about any Residence Unit in any manner (including "for sale" and "open house" signs) without both the prior approval of the Corporation and the approval of the Appropriate Authority in respect thereto;
- vii. shall not make or permit noise including, without limitation, pet noise, in or about any Unit or Common Property or the Project which in the opinion of the Corporation is a nuisance or unreasonably interferes with the use and enjoyment of any other Owner or Occupant as to that Owner's Unit or the Common Property and no instrument or other device shall be used within a Unit which in the opinion of the Corporation causes excessive noise, a disturbance or interferes with the comfort of other Owners;
- viii. shall not permit laundry to be hung anywhere in or on the Project;
- ix. shall not erect or place any structure, either temporary or permanent, on or in a Unit or on the Common Property or on or in any Exclusive Use Area without first obtaining the consent of the Corporation;
- x. shall not, without first obtaining in writing approval thereof by the Board, permit, erect or hang over or cause to be erected or to remain on any other part of a Residence Unit, or on the Common Property or on any part of the Project, clothes lines, garbage disposal equipment, recreational or athletic equipment, fences, hedges, barriers, partitions, awnings, shades or screens or any other matter or thing; no satellite dish, television or mobile telephone or radio antenna, tower or similar structure or appurtenances thereto shall be erected on or fastened to any Residence Unit or Building or placed anywhere on the Project except as authorized by the Board, and then, only in accordance with the Regulations which may be established by the Corporation in such regard;
- xi. shall not store any combustible, inflammable, or offensive goods, provisions, or materials in, on or through, either, any Unit, Exclusive Use Area, or anywhere on the Common Property unless such goods, provisions, or materials are stored in such areas and in such manner that the safety of the Unit, and all Units, and Common Property is insured and provided that such storage will not, either, void any insurance policies held by the Corporation or cause increase in the premiums payable for such insurance, and the Owner notifies the Corporation (with particulars of such storage, including description of what is being stored) of such storage in writing;
- xii. shall not, without first obtaining in writing approval thereof by the Board, bring on or through or permit to be brought on or through any Unit or the Common Property, any combustible or inflammable goods, provisions or materials including, without limitation, barbeques or propane and propane tanks;
- xiii. shall not do anything or permit anything to be done in his Residence Unit, or on the Common Property that is contrary to any statute, ordinance, by-law or regulation of any Appropriate

- Authority;
- xiv. shall not do or permit anything to be done that may cause damage to the Project or interfere with the maintenance of the Project generally;
 - xv. shall not deposit refuse and garbage in or outside his Unit other than in proper garbage containers or as designated by the Board;
 - xvi. shall not permit any Occupants, guests, invitees, licensees, agents, or visitors to trespass on any part of the Parcel or in the Project to which another Owner is entitled to, whether a Unit or an Exclusive Use Area;
 - xvii. shall not do any act or thing that violate any of the terms of the Encroachment Agreement or cause the Corporation to default under the same;
 - xviii. shall not use any part of the Common Property other than such portion of the Common Property designated as Exclusive Use Areas designated to him for specified purposes for any use other than as specified and permitted by the Corporation unless with permission in writing from the Board;
 - xix. shall not oppose the registration of the Encroachment Agreement against the Corporation's Condominium Additional Plan Sheet maintained at the Land Titles Office for Southern Alberta;
 - xx. shall not do any act or thing that would result in the Corporation's licence or approval from any Appropriate Authority regarding the maintenance and operation of any elevating device situated in the Project;
 - xxi. shall not do any act, thing or activity or allow or permit any act, thing or activity that creates or causes toxic mold in his Unit or anywhere else in the Project, even where such act, thing or activity has been permitted by an Appropriate Authority;
 - xxii. shall not obstruct or permit any entry, walkways, passage, or driveway areas in the Project to be obstructed by any Occupant, invitee, guest or visitor;
 - xxiii. shall not allow his Unit or Exclusive Use Area designated or assigned to him to become unsanitary or unsightly in appearance;
 - xxiv. shall not use any toilet, sink, tub, drain or other plumbing fixture in the Project for a purpose other than that for which it is constructed;
 - xxv. shall not allow any Common Area around his Unit to become untidy;
 - xxvi. shall not allow or cause any business or personal effects or articles belonging to him to be kept anywhere except inside his Unit or in an Exclusive Use Area specifically allocated to such Owner pursuant to these By-laws;
 - xxvii. shall not, without the consent in writing of the Board, have any right of access to those portions of the Common Property used from time to time for mechanical systems, utilities areas, building maintenance, storage areas or any other parts of the Common Property used for the care, maintenance or operation of the Project generally;
 - xxviii. shall not, unless in strict compliance with the Rules and Regulations of the Corporation (including, without limitation, Board approval if so provided in such Rules and Regulations) keep, harbor, house, or in any manner whatsoever, allow anywhere in, either, the Unit or the Project any pets or livestock provided that:
 - (1) Owners may keep fish (in an aquarium), or birds in a cage all of the time (only one (1), if large), or a domestic cat, or a domestic dog, only if the Owner has obtained the written consent of the Board to do so;
 - (2) the Owner shall enter into any agreements requested by the Board and provide security as may be required by the Board providing for the conditions for keeping such pet and the Owner's responsibility for any damage caused by the pet;
 - (3) the Owner shall at all times, while his pet is on Common Property, keep the pet either in its cage or aquarium or on a leash under reasonable and adequate control;
 - (4) the Owner shall be responsible for any and all repair and maintenance for damage and

- for any cleaning caused by the presence of the pet on the Project; and,
- (5) this paragraph and all of the restrictions contained in this paragraph shall not apply to any Commercial Unit which is being used as a pet store, pet grooming salon, or veterinary clinic;
- xxix. shall exercise reasonable care and caution in permitting access to either the Unit or the Common Property by other persons to ensure the safety, security, peace and quiet of other Owners and Occupiers in the Project including, without limitation to the foregoing, no Owner of a Residence Unit shall permit a lock box or similar entry system to be employed in connection with the sale of that Owner's Residence Unit;
- xxx. shall observe and comply with the Encroachment Agreement and shall consent in writing, if necessary or required, to have the Encroachment Agreement registered against the Corporation's Condominium Additional Plan Sheet maintained at Land Titles Office for Southern Alberta;
- xxxi. with respect to Commercial Units, shall use the same only for commercial purposes as permitted, authorized or approved by the Appropriate Authority, and shall ensure that such commercial uses are fully compliant with these By-laws and all applicable laws, rules and regulations of any Appropriate Authority;
- xxxii. with respect to Residence Units, shall use the same only for residential purposes in compliance with these By-laws and all applicable laws, rules and regulations of any Appropriate Authority;
- xxxiii. where any Owner or Occupant of a Commercial Unit uses any portion of a Commercial Unit for storage including, without limitation, any portion of the basement of such Unit, shall:
- (1) ensure that such storage areas are kept in a sanitary and safe condition;
 - (2) ensure that such storage areas are kept free from all junk, scrap, refuse, waste, garbage or other unclean condition;
 - (3) ensure that such storage areas are kept free from all pests and vermin;
 - (4) comply with and observe all by-laws, rules and regulations of any Appropriate Authority, including, without limitation, fire regulations;
 - (5) not place or store hazardous substances, pollutants, contaminants, flammable substances or fire hazards;
 - (6) not keep any animals or pets; and generally,
 - (7) comply with these By-laws and any Rules imposed by the Corporation from time to time and all laws, by-laws, rules and regulations of any Appropriate Authority with respect to such storage and storage areas.
- xxxiv. shall ensure that any and all Occupants of his Unit comply with those requirements that the Owner must comply with under this By-law, and all other By-laws, Rules, Regulations and Resolutions;
- e. indemnify and save harmless the Corporation from and against all claims, demands, liabilities, actions and prosecutions which may be asserted, made or brought against the Corporation; and all losses, damages, costs and expenses which may be suffered, incurred or sustained by the Corporation, directly or indirectly arising out of or as a result of:
- i. the failure of either or both of the Owner and any Occupant of the Unit to adhere to, comply with, and strictly observe this By-law, and all By-laws, Resolutions, Rules, and Regulations;
 - ii. the failure of the Owner to repair, maintain, and keep clean his Unit, his Exclusive Use Areas, and any improvements or additions thereto or the Common Property in accordance with this

- By-law, and all By-laws, Resolutions, Rules and Regulations;
 - iii. the replacement, repair, maintenance, and cleaning of his Unit, his Exclusive Use Area or the Common Property, whenever on the failure of the Owner to do same, after reasonable notice, the Corporation has elected to do so;
 - iv. all and every breach, default, and contravention of this By-law, and all By-laws, Resolutions, Rules, and Regulations, by the Owner and any Occupant; and,
 - v. all and any repair, maintenance, replacement, and cleaning to his Unit or the Common Property required to be done by the Corporation or resulting from any act or omission of the Owner or any Occupant; and
- f. maintain improvements on and comprising the Unit consistently with and in total integrity with the balance of the Project, and in so doing, each Owner shall:
- i. observe, comply and adhere to all Rules, Regulations and By-laws existing or in the future promulgated in respect to the Project to maintain architectural integrity of design and appearance (including, without limitation, matters relating to maintaining fuel efficiency and sound attenuation) of the Project as a whole;
 - ii. insure the Unit and all improvements in and comprising the Unit in accordance with these By-laws; and,
 - iii. permit the Corporation, its representatives, and persons authorized by the Corporation to enter the Unit to carry out maintenance and repair work required to be performed in maintenance and betterment of the Project generally.

2.2 Repair and Maintenance

In clarification of the repair and maintenance responsibilities of the Corporation and each Owner, as prescribed by the Act and this By-Law:

- a. The Owner shall be responsible to repair, maintain, keep clean and replace, as and when reasonably necessary, his Unit and any Exclusive Use Area that has been designated to such Unit including, but not limited to:
 - i. all interior surfaces, improvements, structures, fixtures and appurtenances of any type or nature that are comprising the Unit;
 - ii. all appliances, equipment and machinery in the Unit;
 - iii. all plumbing (including all plumbing fixtures) and all electrical systems, including all electrical fixtures in and comprising the Unit;
 - iv. all mechanical systems, including any heating, ventilating and air conditioning systems, in and comprising the Unit;
 - v. all doors and windows in and comprising the Unit, excluding the exterior doors and exterior windows which are designated as Common Property pursuant to the provisions of the Act;
 - vi. all carpentry, floor coverings (including all tile, carpet and wood), wall coverings and finish, drywall, wainscoting, kick plates, baseboards, trim, the surface covering of all ceilings and all non-load bearing partitions in the Unit; and
 - vii. all window coverings, subject to the approval by the Corporation of design, color and materials, provided that any window coverings, linings, sheaths, or portions whereof visible from the outside of any Unit shall be of a neutral, white, off-white or ivory shade, or are so lined, and shall not use foil or opaque material on any window unless otherwise approved in writing by the Board.
- b. The Corporation shall be responsible for the repair, maintenance and replacement, as and when reasonably necessary, of the Common Property and the property of the Corporation, property insured by the Corporation to the extent of the proceeds of insurance paid to the Corporation, any fire sprinkler

system for the Building (including alarms and detection devices appurtenant thereto), interior windows between Common Property and the Units, the heating (including heat distribution), ventilating, plumbing and electrical systems in and generally serving the Project (subject to the Owner's responsibility in By-law 2.2.a. above), and structural elements of the Project within the Unit and in all Exclusive Use Areas.

- c. In the event of any insured loss, the deductible under any claim shall be the responsibility of the party charged with the responsibility for repair, maintenance and replacement as if the loss was not insured.
- d. Notwithstanding anything to the contrary expressed or implied above, repair, maintenance or replacement necessitated by the act or omission of an Owner (or someone for who such Owner is legally responsible), although the responsibility of the Corporation, shall be effected at the expense and cost of such Owner.
- e. For the purposes hereof, "replacement" shall include improvement, enhancement, redecoration and betterment, as the case may be.

2.3 General Obligations

The duties and obligations of each Owner under this By-law are in addition to the duties and obligations imposed upon an Owner under the Act.

2.4 Leasing of Units

An Owner shall be entitled to lease or rent his Unit; provided that:

- a. in the case of the lease of a Residence Unit only, any lease or tenancy of a Unit shall be subject to all of the provisions of Sections 53 through 57 of the Act and the By-laws and all Rules and Regulations of the Corporation;
- b. if requested to do so by the Corporation (such request to be in writing), the Owner shall cause any lessee or tenant to acknowledge in writing to the Corporation that he has received a copy of the By-laws, Rules and Regulations of the Corporation and agrees to observe the same as if he were an Owner;
- c. no act or omission or waiver by the Corporation of any breach or default by and Owner pursuant to this provision, shall operate as a waiver of any other or subsequent breach or default but shall apply to the breach or default so waived, and shall not be deemed to be a release of any of an Owner's duties and obligations under the By-laws, Rules and Regulations.

Article 3 **THE CORPORATION**

3.1 Non Profit Organization

The Corporation is not organized for profit. Accordingly, no Owner, Board Member, or person from whom the Corporation may receive property or funds shall receive or be lawfully entitled to legally receive any pecuniary profit from the operations of the Corporation; provided that the foregoing shall neither prohibit, prevent, or restrict payment by the Corporation and receipt by Owners or Board Members of compensation, reimbursement, or remuneration as are hereinafter expressly provided nor prohibit any such person or party from contracting directly or indirectly with the Corporation in the normal course of such person's or party's business irrespective of any profit to such person or party thereunder.

3.2 Duties of Corporation

In addition to the duties imposed upon the Corporation under the Act, the Corporation shall:

- a. control, manage, maintain, repair and administer the Common Property (except as expressly required to be done by an Owner pursuant to this By-law) and all real property, chattels, personal property or other property owned by the Corporation for the benefit of all of the Owners and for the benefit of the entire Project;
- b. do all things required of it by the Act, this By-law and any other By-laws, Rules and Regulations, and Resolutions in force from time to time;
- c. as prescribed in and subject to By-law 2.2 hereof, maintain and repair (including renewal where reasonably necessary) any and all elevators (including shafts and pits), comprehensive surveillance and security systems, fire detection and sprinkler systems, pipes, wires, cables, ducts, conduits, plumbing systems, sewers and other facilities for the furnishing of utilities existing in the Parcel and servicing the Project and capable of being used in connection with the enjoyment of one or more Unit or Common Property;
- d. provide and maintain in force all such insurance as is required by the Act, if any, and by the provisions of this By-law and enter into insurance trust agreements from time to time as required by the Insurance Trustee and approved by the Board and, on the written request of any Owner or Mortgagee of a Unit, or the duly authorized agent of such Owner or Mortgagee, a certified copy of the policy or policies of insurance effected by the Corporation or a certificate or memorandum thereof and the receipt of receipts for the last premium or premiums in respect thereof;
- e. except as otherwise specifically provided in this By-law, maintain and repair the exterior or outside surfaces of the Building comprising the Units, including the Encroachments, Common Property windows and doors and all other outside accouterments affecting the appearance, usability, value or safety of the Project and the Common Property;
- f. collect and receive all contributions towards the Common Expenses and deposit same in a separate account with a chartered bank, trust company, credit union or any Alberta Treasury Branch located in the Province of Alberta;
- g. pay all sums of money properly required to be paid on account of all services, supplies and assessments pertaining to or for the benefit of the Project, the Corporation and the Owners as, to the Board, may deem justifiable in the management or administration of the Project;
- h. keep and maintain in good order and condition all areas of the Common Property designated for pedestrian traffic and keep and maintain in good order and condition (to the extent the Owners or any of them are not responsible to maintain same), as applicable, the Rooftop Patio, pedestrian entrances, security control areas, lobbies, vestibules, foyers, waiting rooms, telephone rooms, water and sump rooms, storage and janitorial equipment spaces, mail rooms, generator rooms, mechanical, furnace and electrical rooms, gas meter rooms, diesel fuel, storage rooms, central alarm and control rooms, cooling towers, hallways, stairs and stairwells, elevators and the Downstairs Bathroom;
- i. provide adequate garbage chutes and garbage receptacles or containers on the Common Property for use by all the Owners and provide for regular collection therefrom;
- j. at all times keep and maintain for the benefit of the Corporation and all Owners, copies of all warranties,

- guarantees, drawings and specifications, plans, written agreements, certificates and approvals provided to the Corporation pursuant to the Act;
- k. maintain and keep current registers of leases of Common Property (if any) in respect to the Project;
 - l. as prescribed by the Act and the Regulations to the Act, from time to time retain a qualified person to carry out and complete reserve fund studies, prepare reserve fund report(s) and prepare reserve funds plan(s), and pursuant to same, provide and maintain out of the assessments to be levied by the Corporation towards the Common Expenses, or otherwise, such amount as determined from time to time to be fair and prudent as prescribed by the Act for a replacement reserve fund and the replacement reserve fund shall be an asset of the Corporation;
 - m. shall indemnify every Member of the Board, Manager, officer or employee of the Board and his or her heirs, executors and administrators against all losses, costs and expenses, including legal fees (on a full indemnity basis), reasonably suffered or incurred by such person in connection with any action, suit or proceeding to which such person may be made a party by reason of such person being or having been a Board Member, Manager, officer or employee of the Corporation, except as to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for fines or penalties imposed in a criminal suit or action, or for unjustified profit or advantage, or for any illegal act done or attempted in bad faith or dishonesty. All liabilities, losses, damages, 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. 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. The foregoing provision shall not relieve the Corporation from obtaining insurance for any liability incurred by a Member of the Board or an officer of the Corporation as required under these By-laws or under Section 47(7) of the Act, and the Corporation shall not be obligated to indemnify any Member of the Board, Manager, officer or employee of the Board, or such persons' respective heirs, executors and administrators against the liabilities referenced hereabove in the event that the insurance placed and maintained by the Corporation pursuant to these By-laws and under Section 47(7) of the Act fully indemnifies and reimburses such Member of the Board, Manager, officer or employee of the Board for any such liability suffered or incurred or any portion thereof;
 - n. maintain, repair and clean the Downstairs Bathroom situated in the basement of the Building to ensure that such bathroom is compliant with the standards, rules and regulations of any Appropriate Authority, including, but not limited to, health standards, that are applicable to the lawful commercial activities that are being carried on in the Commercial Units;
 - o. conduct snow removal on adjacent City of Lethbridge sidewalks only if and to the extent required by the City of Lethbridge;
 - p. perform and comply with all of the terms of the Encroachment Agreement and pay any cost or expense necessary in order to comply with the same. Any cost or expense paid by the Corporation in complying with or performing the Encroachment Agreement shall constitute and be a Common Expense;
 - q. purchase from the Developer for nominal consideration any Common Property Unit created from any redivision of a Unit and become the registered Owner of the same and shall own and operate such Common Property Unit as Common Property. In furtherance of the foregoing, the Corporation shall enter into a conveyancing agreement with the Developer setting forth the terms and obligations of the

Corporation to acquire from the Developer Common Property Units as created upon the redivision of any Unit.

3.3 Powers of Corporation

In addition to the powers and rights conferred upon the Corporation under the Act, the Corporation may, and is hereby authorized to:

- a. purchase, hire or otherwise acquire personal property for use by Owners in connection with the maintenance, repair, replacement or enjoyment of the real and personal property of the Corporation or the Common Property including, without limiting the generality of the foregoing, to contract with suppliers of any and all services that the Board considers prudent;
- b. acquire from the Developer and own, as registered owner, the Common Property Units;
- c. borrow monies required by it in the performance of its duties or in the exercise of its powers provided that each such borrowing or combination of borrowings in excess of 25% of the current year's Budget for Common Expenses shall be approved or ratified by Special Resolution;
- d. 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 combination of those means;
- e. invest as it may determine any contributions towards the Common Expenses subject to the restrictions set forth in the Act;
- f. make an agreement with the Owner or Occupant of any Unit for the provision of amenities or services either by the Corporation to the Unit or to the Owner or Occupant thereof or by the Owner or Occupant to the Unit or the Project;
- g. grant to any Owner or Occupant the right (be it exclusive, or not) to use and enjoy any part of the Common Property (be it otherwise designated for exclusive use, or not), by lease or otherwise, upon such terms and conditions as may be determined or approved of by the Board from time to time, where, in the Board's reasonable opinion, such grant will regulate and control the use of such Common Property for the general benefit and betterment of the Project and shall not otherwise cause material prejudice to the interests of any specific Owner or Owners;
- h. make such Rules and Regulations and enact such Resolutions, as it may deem necessary or desirable from time to time in relation to the maintenance, safety, repair, use and enjoyment of the Project, the Units and Common Property, and for the control, management and administration of the Project generally, and do all things reasonably necessary for the enforcement of the By-laws, Rules, Regulations and Resolutions including, without limiting the generality of the foregoing, the commencement of and taking action under of the Act, and all subsequent proceedings relating thereto;
- i. make such Rules and Regulations and enact such Resolutions (either through the Board or by the Owners generally) for the purposes of either regulating or prohibiting (from time to time) the keeping of animals or pets in the Project (whether within any Unit or on Common Property), with specific authority to impose or require terms for keeping such animals or pets and requiring damage deposits and entering into agreements with specific Owners in connection therewith; provided, always, that a Commercial Unit being utilized as a pet store or for pet services (such as pet grooming), if permitted and authorized the Appropriate Authorities, shall not be subject to the impositions of the Board pursuant

to this By-law unless the Board is acting with respect to any dangerous pets or animals situated within such Commercial Units from time to time; and in such instance or instances, the Corporation shall be entitled to utilize and enact the provisions of this By-law with respect to the same.

- j. determine from time to time the amounts to be raised and collected for the purposes hereinbefore mentioned;
- k. raise amounts so determined by levying assessments on the Owners in proportion to the Unit Factors or based on the Common Expenses caused or consumed by any Unit or Units or an Owner as may be determined by the Board. Nothing in this provision shall limit the powers of the Corporation or the Board to allocate, reallocate, assess or reassess Common Expenses pursuant to By-laws 3.3.s. and 7.3;
- l. charge interest on any contribution or Common Expenses owing to it by an Owner at the Interest Rate;
- m. pay an annual honorarium or stipend 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;
- n. in the event of any infraction or violation of, or default under these By-laws or any Rules, Regulations or Resolutions of the Corporation on the part of an Owner, an Occupant, or any of their servants, agents, licensees, or invitees, correct, remedy, or cure, and any costs or expenses incurred or expended by the Corporation in correcting, remedying or curing such infraction, violation or default may 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 at the Interest Rate until paid;
- o. 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 the By-laws or any Rules, Regulations or Resolutions established by the Corporation and there shall be added to any judgment, all costs of such action including costs as between solicitor and his own client and 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;
- p. exercise the powers provided for in Section 36 of the Act;
- q. appoint an Insurance Trustee if determined appropriate, prudent or necessary in accordance with By-law 6.15;
- r. if at any time it appears that the annual assessments or contributions towards the Common Expenses will be insufficient to meet the Common Expenses, assess and collect a special contribution or contributions against each Unit in an amount sufficient to cover the additional anticipated Common Expenses, provided that 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;
- s. whenever and if the allocation of expenses, costs or charges hereunder are inequitably assessed on the basis of Unit Factors, weigh, allocate and assess against the Owners and their respective Units such expenses, costs and charges in such equitable manner as the Board shall from time to time and at any time resolve, provided that such manner of weighing, allocation and assessment will be notified to

Owners on assessment and without limiting the generality of the foregoing, allocation and assessment of the whole of an expense, cost or charge to a single Owner or Unit shall be permitted;

- t. charge a reasonable fee in respect of either the issuance of any Estoppel Certificate or any information which the Corporation is required or may produce to an Owner, Mortgagee or other party hereunder or pursuant to the Act;
- u. in the event of any lease of a Residence Unit in breach of these By-laws and in addition to such powers arising on breach or default of these By-laws:
 - i. give notices to give up possession of such Units under the Act; and,
 - ii. make applications to the Court under the Act;
- v. do all things which are, either or both, incidental to or conducive to the exercise of its powers granted, both, under the Act and the By-laws; and,
- w. subject to any limitations and prohibitions expressed or imposed by the Act, do all things and have such rights, powers and privileges available to any corporation under the *Business Corporations Act* of Alberta (as amended and replaced from time to time).

3.4 Additional Powers of the Corporation Upon Breach of By-laws

In addition to any and all powers, rights, privileges, authority and remedy given to the Corporation, either to enforce its By-laws or to censure Occupants or Owners for breach or default thereof, the Corporation may, subject to any limitations imposed by the Act:

- a. fine, levy a fine or impose a fine to a maximum amount of Ten Thousand (\$10,000.00) Dollars, as the case may be, upon any Owner or Occupant in default or breach of the By-laws, such fine to be determined by the Board, and shall be commensurate with the nature and breach or default occasioned, consider whether the Owner or Occupant has previously committed any breach or default of the By-laws (and the nature of such prior breach or default), consider the actions taken by the Owner or Occupant to remedy such breach or default, and take into account any other circumstance or factor that the Board reasonably determines or considers cogent to the situation; provided that any such fine may be imposed on, either, a one time basis or a continuing basis (i.e. assessed upon a day-by-day basis during continuing breach or default);
- b. suspend, revoke and deny during such period of breach or default of the By-laws (including, without limitation, any and all periods determined by the Board in censure of such Owner or Occupant and which may be imposed until all other penalties are satisfied), the rights and privileges of the Owner or Occupant in default or breach of the By-laws, to use, enjoy and generally have access to any or all common facilities in the Project, as may be directed by the Board;
- c. to the extent that the Board determines that it may be reasonably cure or effect a remedy of the situation or circumstances of breach or default of the By-laws, on behalf of any such Owner or Occupant, the Board may implement and carry out such cure or remedy, as the case may be, and impose the cost of such cure or remedy, including all actual solicitor's costs on a full indemnity basis and a reasonable supervisory and administration fee (at no less than 20% of the actual costs incurred by the Corporation), as a fine upon such Owner or Occupant;
- d. the remedies available to the Corporation, as set forth in By-laws 3.3.a. and 3.3.b. above, shall be cumulative, and may be exercised in any manner or priority without prejudice to any other remedy, right or privilege of the Corporation, and shall be exercised as the Board shall determine appropriate from

time to time and at any time; and

- e. to the extent that, pursuant to this Article, any Owner is or becomes indebted to the Corporation, by fine or otherwise, such indebtedness shall be and is hereby deemed to be an unpaid contribution to administrative expense on the part of such Owner, and subject to and recoverable under those provisions of the Act providing for the recovery of contributions to administrative expenses, generally.

3.5 General Powers of Corporation

The powers, rights, duties, and obligations given to and imposed upon the Corporation under this By-law and all parts thereof are in addition to all and any powers, rights, duties, and obligations given to and imposed upon the Corporation under the Act and at law.

3.6 Resolutions in Writing by Owners

Subject to By-law 3.7 and Article 9 hereof, the Corporation shall carry on its business and exercise and perform its powers and duties pursuant to duly enacted Resolutions made from time to time at General Meetings of the Corporation; provided that any resolution of the Owners, made in writing and signed by each Owner (or the person so required and authorized to sign same), shall have the same effect as a resolution duly enacted at a duly convened General Meeting of the Corporation.

3.7 General Business of Corporation

Subject to such restrictions as are hereinafter set forth or imposed by resolution of the Owners enacted from time to time at General Meetings of the Corporation or by resolution in writing pursuant to By-law 3.6 hereof, the powers and duties of the Corporation, including the day-to-day general business of the Corporation, shall be exercised, performed, and carried out by the Board.

3.8 Corporate Seal

The Corporation shall have a common seal, which will be in such form and device as may be adopted by the Board, by Resolution, and the Board may from time to time make such provisions or Regulations as the Board sees fit with respect to affixing the said common seal and the appointment of Board Members or Officers or other persons to attest by their signature that such said common seal is duly affixed; provided that in the absence of such said provisions or Regulations, the said common seal shall be affixed only in the presence of and as attested by two (2) Board Members, except where the Board is constituted by only one (1) Board Member, in which case that Board Member's signature, alone, shall suffice.

3.9 Expenditure Under Reserve Fund

The Corporation shall hereby be authorized from time to time and at any time to withdraw and expend funds from its capital replacement reserve fund for capital improvements, provided such funds are being withdrawn and expended reasonably in accordance with the Corporation's then most current reserve fund plan, both as to the timing of such expenditure and the amount of such expenditure and is in compliance with the requirements of the Act, as so verified, approved and resolved by the Board.

Article 4 THE BOARD

4.1 Duties of the Board

The Board shall:

- a. subject to any limitations specifically imposed by the Corporation, perform and carry out the directions, duties, and responsibilities of the Corporation, and particularly, those directions of the Corporation imposed on the Board from time to time pursuant to By-law 3.7 hereof;

- b. perform and carry out the duties and responsibilities of the Board as are imposed by the By-laws of the Corporation;
- c. keep minutes of its proceedings, and, upon written request, provide copies thereof to Mortgagees;
- d. cause minutes to be kept of General Meetings of the Owners, and, upon written request, provide copies thereof to Mortgagees;
- e. cause proper books of account to be kept in respect of all sums of money received and expended by it and all the matters in respect of which receipt and expenditure shall take place;
- f. prepare proper accounts relating to all monies of the Corporation, and the income and expenditure thereof, for each Annual General Meeting;
- g. maintain financial records of all assets, liabilities and equity of the Corporation;
- h. on written application of an Owner or Mortgagee, or any person authorized in writing by him, make the books of account available for inspection at all reasonable times;
- i. cause to be prepared and distributed to each Owner and to each Mortgagee a copy of the Financial Statement, a copy of the receipts of contributions of all Owners towards the Common Expenses and disbursements made by the Corporation and a copy of the Auditor's Report, if commissioned, within 120 days after the end of the fiscal year of the Corporation;
- j. within 15 days of a person becoming or ceasing to be a Member of the Board, file or cause to be filed at the Land Titles Office a notice in the prescribed form stating the name and address of that person and the day that the person became or ceased to be, as the case may be, a Member of the Board; and,
- 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.

4.2 Powers of the Board

The Board may:

- a. subject to Article 9 hereof and any restrictions imposed or direction given by the Owners, carry on the day-to-day business and affairs of the Corporation, with all of the due and proper authority of the Corporation, and without limiting the generality of the foregoing, enact either Resolutions or Rules and Regulations on behalf of the Corporation as permitted under By-law 3.3 hereof;
- b. 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 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;
- c. 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;
- d. subject to any restriction imposed or direction given by the 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;

- e. on behalf of the Corporation, enter into contracts with Owners or any other persons or parties for the purposes of carrying out the repair, maintenance, renovation, cleaning and to generally control, to the extent of the Board shall consider it reasonable, the Units, the Common Property (or portions thereof) and/or the services thereto (including plumbing, heating and ventilating); and,
- f. obtain and retain by contract the services of a Manager or agent for the purposes of managing the Project (including, but not so as to limit the generality of the foregoing, the supervision, management and performance of any or all of the duties of the Corporation) and upon such terms as the Board may from time to time decide, subject always to the control and direction of the Corporation and the Board, such Manager to be reasonably fit and suited to perform such duties. The Manager employed by the Board need not devote its full time to the performance of duties of the Corporation so long as those duties are performed in a good and sufficient fashion.

4.3 Composition of the Board

The Board shall consist of not less than one(1) nor more than seven (7) individuals who may be nominees of the Developer, Owners or spouses of Owners, representatives of Mortgagees of Units, representatives of principals of corporate Owners, or any combination of the foregoing, and the composition of the Board pursuant to the provisions of this By-law shall be valid notwithstanding the provisions of Section 28(10) of the Act. The Board shall be elected at each Annual General Meeting (although Members may also be elected at an Extraordinary General Meeting). Where a Unit has more than one Owner, only one person in respect of that Unit may sit on the Board at any point in time. Notwithstanding any of the foregoing provisions or the provisions of Section 28(10) of the Act, the composition of the Board shall always include at least one nominee or representative of the Developer so long as the Developer may require or request the same and for so long as the Developer is an Owner of any Unit in the Project.

4.4 Annual Retirement of the Board

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

4.5 Eligibility of Member by Special Resolution

A retiring Member of the Board shall be eligible for re-election.

4.6 Removal of Member by Special Resolution

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

4.7 Vacancy on Board

Where a vacancy occurs on the Board hereunder, 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 this By-law.

4.8 Quorum of Board

A Quorum of the Board is two where the Board consists of four or less Members, except where the Board consists of one Member, the Quorum shall be one, three where the Board consists of five or six Members, and four where the Board consists of seven Members.

4.9 Election of Board/Officers

Subject to By-law 4.3 hereof, at the first meeting of the Board and at the first meeting of the Board after each Annual General Meeting of the Corporation (and at such other times as the Board shall consider it prudent), the Board shall elect from among its members, officers. These officers shall hold office until either disqualified or replaced (whichever shall occur first), it being provided that:

- a. the President shall serve as the chief executive officer of the Corporation and shall serve as Chairman of all meetings of the Corporation and all meetings of the Board; the President shall have general and active management of the affairs of the Corporation (subject to any direction and limitation imposed by the Corporation and the Board) and shall have general superintendence and direction of all other officers of the Corporation;
- b. the Vice-President shall serve as President in the absence or disability of the President and shall have such other duties, authority and powers as may be designated to the Vice-President by, either, the President or the Board from time to time;
- c. the Secretary/Treasurer shall:
 - i. attend all meetings of the Board and all meetings of the Corporation and shall cause records and minutes thereof to be recorded and maintained; and as and when required, cause notices to be issued and filings and registrations to be made; all books, records, papers, documents, and instruments of the Corporation and the corporate seal of the Corporation shall be in the care and custody of the Secretary/Treasurer; and
 - ii. cause to be kept proper and diligent accounting records for the Corporation and shall cause the proper and safe deposit and safekeeping of monies and securities of the Corporation and shall effect the disbursement of Corporation funds as and when required; the Secretary/Treasurer shall render the Corporation accounts to the Board as required;
- d. the Chairman at any meeting of the Board or at any meeting of the Corporation shall have a casting vote in addition to his original vote;
- e. a person shall cease to be an officer of the Corporation if and when such person shall cease to be a member of the Board; and where a person ceases to be an officer of the Corporation, the Board shall designate from its members a replacement for the remainder of the term of office;
- f. a Board Member may hold the position of one or more officers simultaneously.

4.10 Absence of President or Vice-President

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.

4.11 Additional Duties

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

4.12 Meetings of the Board

The Board shall meet as, then and where it shall see fit, or as the President shall from time to time designate. Unless otherwise determined by the Board, Board meetings shall be restricted to Board members and invitees.

4.13 Majority Vote and Resolutions in Writing

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.

4.14 Validity

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, is valid as if the Member had been duly appointed or had duly continued in office.

4.15 Resignation or Removal of Member

The office of a Board Member shall be vacated if the Member:

- a. by notice in writing to the Corporation resigns his office; or,
- b. is in arrears more than 60 days of any contribution, levy or assessment required to be made by him as an Owner or becomes bankrupt; or,
- c. is found lunatic or becomes of unsound mind, or is the subject of a Certificate of Incapacity pursuant to any applicable legislation; or
- d. is convicted of an offense involving moral turpitude; or,
- e. is absent from meetings of the Board for a continuous period of 4 months or 4 consecutive meetings without the consent of the remaining Members of the Board and a majority of the remaining Members of the Board resolve at 2 meetings of the Board held at least 7 days apart that his office be vacated; or,
- f. he ceases to qualify for membership pursuant to this By-law; or,
- g. in the case of a company or corporation 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,
- h. in the case of a member delegated by an Owner (be such Owner a company or corporation or otherwise), if such Owner is in arrears more than 60 days of any contribution, levy or assessment required to be made by him as an Owner or if such Owner becomes bankrupt.

4.16 Signing Officers (without seal)

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.

4.17 Corporate Members

No corporation or body corporate shall be a member of the Board, but should a corporation run for, be elected as, or be appointed as a Member of the Board, its membership shall be held by and served through such corporation's delegate who shall be the Member of the Board for all purposes notwithstanding that the delegate shall not occupy the Unit or any part of the Project. Any corporation owning more than one unit can hold a number of memberships on the Board equal to the number of units owned by such corporation, and may appoint representatives for each such Board membership, as hereinbefore provided.

Article 5
MEETINGS OF THE CORPORATION

5.1 First Annual General Meeting

The first Annual General Meeting shall be convened by the Board within the earlier of:

- a. 90 days from the date that 50% per cent of the Units are sold, or
- b. 180 days from the date that the first Unit is sold.

Subsequent Annual General Meetings shall be held once in each calendar year, and not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next.

5.2 Extraordinary General Meetings

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

5.3 Requirements to calling Meetings

The Board may whenever it thinks fit and shall upon a requisition in writing by Owners representing not less than 50% of the total Unit Factors for all the Units or upon the request in writing from Mortgagees against Units in respect of which corresponding Unit Factors represent not less than 50% of the total Unit Factors or a combination of such Owners or Mortgagees entitled to vote with respect to 50% of the total Unit Factors convene an Extraordinary General Meeting.

5.4 Notice of Meetings

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. Notice shall be given to the Owner and to the Mortgagees in the manner prescribed in this By-law, 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 notice of a General Meeting required under this By-law, the day on which the notice is deemed to have been received and the day of the meeting shall be counted.

5.5 Special Business

All business that is transacted at an Annual General Meeting, with the exception of the consideration of accounts and election of members to the Board, or at any Extraordinary General Meeting, shall be deemed special.

5.6 Requirement for Quorum

Save as in this By-law 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 thirty (30%) per cent of the persons entitled to vote present in person or by proxy shall constitute a quorum. For the purposes of certainty and clarity, in the event that 30% of the total Unit Factors in the Project are represented in person or by proxy, a quorum is present.

5.7 Determination of Quorum

If within one-half hour from the time appointed for a General Meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time and notice of such adjournment and rescheduling of such General Meeting shall be immediately thereafter forwarded to all persons and parties entitled to vote hereunder. 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.

5.8 Chairing the Meeting

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; provided that at the First Annual General Meeting of the Corporation, the President may appoint another person (including a person who is not an Owner) to serve as Chairman.

5.9 Order of Business

The Order of Business at General Meetings, as far as is appropriate, and at all Extraordinary General Meetings, the extent that it is appropriate shall be:

- a. if the President or Vice-President of the Board shall be absent or elects to vacate the chair or refuses to act, the election of the Chairman of the meeting;
- b. calling of the roll and certifying the proxies;
- c. proof of notice of meeting or waiver of notice;
- d. reading and disposal of any unapproved minutes;
- e. reports of officers;
- f. reports of committees;
- g. financial report;
- h. appointment of auditors;
- i. election of Board;
- j. new business;
- k. adjournment.

5.10 Voting of Meetings

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 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 favor or against the resolution. Except for matters requiring a Special Resolution or Unanimous Resolution, all matters shall be determined by majority. Notwithstanding the foregoing, any vote held in connection with the election of Members of the Board shall be, if the meeting Chairman so determines as appropriate in the circumstances, by secret ballot, on the basis of one vote for each director's position for each Unit.

5.11 Poll

A poll, if demanded, shall be taken in whatever manner the Chairman thinks fits, 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.

5.12 Voting by Show of Hands or Poll

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

5.13 Vote Personally or by Proxy

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

5.14 Proxy in Writing

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, but shall be subject, however, to exclusion as herein provided.

5.15 Restriction on Voting

Except in cases where by or under the Act a Unanimous Resolution or Special Resolution is required, no Owner nor any delegate or proxy of that Owner is entitled to vote unless all assessments payable in respect of his Unit have been duly paid to the date 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 5.6 hereof.

5.16 Voting by Co-Owners and Corporations

- 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.
- c. A Corporate Owner shall vote through its delegate, or delegates, that have been appointed by his or her principal corporation, and the delegates shall, on request of the chairman of the meeting, produce written authority of delegation by the Corporate Owner before being able to vote for and on behalf of such Corporate Owner.

5.17 Successive Interests

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

5.18 Trustee Owners

The Corporation, the Board and the Chairman are not bound to recognize any trust but may rely on the title to any Unit as same appears registered under the *Land Titles Act* of Alberta, that the registered Owner of any Unit is both the legal and beneficial Owner thereof, and so entitled to vote.

5.19 Power of Mortgagee to Vote

Notwithstanding the provisions of this By-law with respect to appointment of a proxy, where the Owner's interest is subject to a Mortgage and where the Mortgage or this By-law or any statute provides that the power of vote conferred on an Owner may or shall be exercised by the Mortgagee, no instrument or proxy shall be necessary to give the Mortgagee the said power to vote and the Mortgagee's power to vote shall not be limited or prescribed by the Owner's failure to pay assessments; provided that:

- a. the Mortgagee's right to vote shall be subject to the Mortgagee having notified the Corporation of its interest pursuant to the Act; and,
- b. the Corporation, the Board and the chairman of any General Meeting shall not be obliged to examine the instrument of appointment when conferring the right to vote and shall be entitled to rely upon the Corporation's records only.

Article 6
INSURANCE COVERAGE BY CORPORATION

6.1 Insurance Coverage by Corporation

The Corporation shall, in obtaining and maintaining insurance pursuant to By-law 3.2 hereof, obtain and maintain, at all times, to the extent obtainable, the following insurance coverage;

- a. such property and liability against the perils in the Act and the Regulations to the Act, in amounts and subject to the levels of deductible, as are from time to time and at any time, required to be obtained and maintained by the Corporation, subject to any exclusions and relief thereof due to same not being available as so prescribed;
- b. fire insurance with extended coverage insuring all of the insurable Common Property and all insurable property, both real and personal, of any nature whatsoever of the Corporation for the full replacement cost thereof, but not including:
 - i. furnishings, appliances, chattels, window coverings, drapes, blinds and other personal property of the Owners;
 - ii. any improvements, betterments, furnishings and trade fixtures to or in a Unit that have been completed, constructed or installed by or on behalf of an Owner, the lessee or tenant of an Owner, or any Occupant of a Unit, provide always that the Corporation shall insure betterments, improvements, furnishings or fixtures that were completed, constructed or installed by the Developer as part of the Developer's development and construction of the Project.
- c. boiler and machinery insurance as applicable to the Project;
- d. public liability insurance, insuring the Board, its Manager (if any), and all Owners from and against any liability to the public or to the Owners and their respective invitees, licensees, Occupants or tenants; and
- e. such other insurance and coverage for such other risks or causes as the Board may determine or as may be determined by Ordinary Resolution of the Corporation.

6.2 Requirements in Policies of Insurance

All policies of insurance obtained and maintained by the Corporation pursuant to By-law 6.1 hereof shall provide:

- a. that, either, named as insureds or insured under such policies as their respective interests may appear as permitted by law, will be:
 - i. all Owners as constituted from time to time;
 - ii. all Mortgagees; and,
 - iii. the Corporation;
- b. that, if appointed by the Corporation pursuant to By-law 3.3, the proceeds on loss are to be paid to the Insurance Trustee, or if none is appointed, then to the Corporation;

- c. for a waiver by the insurer of its rights of subrogation against the Corporation, its Manager, agents, employees, and servants, and the Owners and any Occupant of a Unit, except in the case of arson or fraud;
- d. for a waiver by the insurer of any defense based on coinsurance or of invalidity arising from the conduct of or any omission or act or breach of statutory condition by the insured;
- e. for a waiver by the insurer of the insurer's option to repair, rebuild, or replace in the event that after damage the Project's Condominium Status is terminated;
- f. that the policies may not be cancelled or substantially modified without at least 30 days' prior written notice to all insureds, including all parties referred to in By-law 6.2.a. hereof; and,
- g. for a cross liability endorsement wherein the rights of any named insured under the policy or policies shall not be prejudiced as respects its, his, her, or their action against another named insured.

6.3 Appraisal

When considered appropriate or prudent, the Corporation shall obtain an appraisal from a qualified appraiser for the full replacement value of all of the property to be insured pursuant to By-law 6.1.a. hereof, which appraisal shall be made available, on request, to all Mortgagees; and, thereafter the policies of insurance shall be adjusted forthwith in accordance with such appraisal, provided that all insurance policies may be reviewed at any time and coverage varied as may be determined to be necessary or prudent by the Board.

6.4 Powers of Board

The Board shall:

- a. have exclusive authority to adjust losses and settle proceeds under all policies hereinafter in force, which authority may be delegated to the Board's authorized representative and the Insurance Trustee;
- b. issue or cause to be issued a certificate or memorandum of all insurance policies and endorsements thereto upon written request therefor by all persons and parties entitled thereto under the Act; and,
- c. hold at the Corporation's offices the master policies of insurance and make the same available for inspection to all persons and parties entitled to review same under the Act, upon reasonable notice.

6.5 Owner's Insurance

Notwithstanding anything to the contrary contained herein, any Owner may, upon written request of any Mortgagee shall, obtain and maintain insurance with respect to that Owner's Unit as permitted by the Act provided that the Corporation's insurance as hereinbefore required shall not be affected or diminished by reason of such additional insurance coverage obtained and maintained by such Owner, and, in particular, without restricting the generality of the foregoing, such and any Owner's insurance shall not have the effect of bringing the Corporation's insurance into contribution with the Owner's insurance as aforesaid, it being always the case that the Corporation's insurance shall be deemed to be primary insurance.

6.6 Requirements in Owners Policies of Insurance

The Owner's policies of insurance obtained and maintained in respect of any Unit shall provide:

- a. that, included as a named insured under such policies as their respective interests may appear as permitted by law, will be the Corporation;

- b. for a waiver by the insurer of its rights of subrogation against the Corporation, its Manager, agents, employees, and servants, and the Owners and any Occupant of a Unit, except in the case of arson or fraud;
- c. for a waiver by the insurer of any defense based on coinsurance or of invalidity arising from the conduct of or any omission or act or breach of statutory condition by the insured;
- d. for a waiver by the insurer of the insurer's option to repair, rebuild, or replace in the event that after damage the Project's Condominium Status is terminated;
- e. that the policies may not be cancelled or substantially modified without at least 30 days' prior written notice to all insureds; and,
- f. for a cross liability endorsement wherein the rights of any named insured under the policy or policies shall not be prejudiced as respect its, his, her, or their action against another named insured.

6.7 Determination of Loss

In the event of loss, damage, or destruction of all or any part of the Project, the Board shall within 30 days of the occurrence determine whether such loss, damage, or destruction has constituted Substantial Damage to the Project, such determination to be made upon the written opinion of an independent qualified insurance appraiser.

6.8 Non-substantial Loss

If any loss, damage or destruction is not determined to be Substantial Damage, or, if it is determined by the Corporation to repair and replace the property so lost, damaged, or destroyed pursuant to By-law 6.10 hereof, the Board shall arrange for and cause prompt and expeditious repair and restoration of the property so lost, damaged or destroyed. The Board shall use all proceeds of insurance for that purpose and shall disburse such proceeds to contractors engaged for such purpose in the appropriate manner, complying with all legislation in such regard; provided that such responsibility may be delegated to an Insurance Trustee, if so appointed, or an authorized representative of the Board.

6.9 Substantial Loss

If any loss, damage or destruction is determined to be Substantial Damage, the Board shall, within 100 days of the occurrence of the loss, damage or destruction, cause to be held a General Meeting of the Corporation for the purpose of determining by Ordinary Resolution whether the Condominium Status of the Project shall be terminated or the property so lost, damaged or destroyed shall be repaired and restored.

6.10 Determination of Course of Conduct

If as a result of the said General Meeting:

- a. the Corporation has by Ordinary Resolution resolved to repair and restore the property so lost, damaged or destroyed, By-law 6.8 hereof shall apply for such purposes;
- b. the Corporation has by Ordinary Resolution, resolved to terminate the Condominium Status of the Corporation, By-law 6.11 shall apply for such purposes; or,
- c. no Ordinary Resolution has been enacted, the Corporation, through the Board shall repair and restore the property so lost, damaged or destroyed, and By-law 6.8 hereof shall apply for such purposes.

6.11 Termination of Status

If the Corporation shall, pursuant to By-laws 6.9 and 6.10 hereof, resolve to terminate the Condominium Status of the Project, the Board shall, on behalf of the Corporation, and the Owners, make application to terminate the Condominium Status of the Building, the Project and the Parcel in accordance with the Act; and otherwise Article 13 shall govern the management and operation of the Project.

6.12 Distribution of Proceeds on Termination

In the making application for termination of Condominium Status as referred to in By-law 6.10 hereof and upon such termination:

- a. any liens, charges, and registrations affecting the Units, and any of the Units, shall be transferred to title to the Parcel, in accordance with and respecting the then existing priorities there between, and with respect to the interests of the respective Owners interest in the Parcel;
- b. all proceeds of insurance shall be paid to the Insurance Trustee, or, if none is appointed, to either the Corporation or an independent party (who would be willing to accept same as trustee for distribution in accordance with this Article 6) and thereafter distributed to the Corporation, the Owners, and such other parties having lawful claim there against, as and in respect of their interests in the Parcel, in proportion to such interests; and,
- c. no Owner shall be entitled to claim any compensation from the Corporation for any loss or damage incurred to property or person arising from any defect or want of repair of the Common Property, or any part thereof, unless such loss or damage is covered by insurance held or required to be held by the Corporation hereunder.

6.13 Assessment on Repairs

In the event of the Corporation repairing and restoring property lost, damaged or destroyed; then:

- a. if in the reasonable opinion of the Board; the portion of such loss constituting the deductible amount under the applicable policy of insurance is attributable to any one or more Owners, the Board may assess such Owners (in an amount reasonably attributable amongst such Owners) with such deductible amount, which shall be collectible by the Corporation as an assessment made under these By-laws.
- b. in the event the proceeds of insurance are inadequate to fully pay for the cost of repair and restoration to Common Property, such deficiency shall form and constitute a common expense of the Corporation; and,
- c. whenever the Corporation is required to enter a Unit for the purpose of maintaining, repairing, restoring or replacing pipes, wires, cables, ducts, beams, columns or any other fixtures, service or structural items or elements, notwithstanding that such work is necessary for the enjoyment of the Common Property or another Unit and not the Unit to be entered, the Corporation and anyone authorized by the Corporation may enter the Unit and carry out any work or repairs so necessary 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, clean and free of debris occasioned by the entry and the work and repair.

6.14 Indemnity

In accordance with the indemnity given under By-law 2.1.e., each Owner shall indemnify the Corporation and save the Corporation harmless from the cost of any and all repairs and replacements necessary to be made to Common Property in consequence of the conduct of the Owner and anyone for whom the Owner is legally

responsible, but limited to the extent that such costs exceed any insurance proceeds actually received by the Corporation in respect to such repairs or replacements. For the purposes of certainty and clarity, an Owner's part of the costs and expenses payable to the Corporation pursuant to this By-law shall be obligated to reimburse the Corporation for the Corporation's insurance deductible should the Corporation require or request reimbursement of the same.

6.15 Insurance Trustee

Should the Board consider it prudent and reasonable, it may on behalf of the Corporation appoint and retain an Insurance Trustee pursuant to the Act; and the terms of such appointment and retainer, including any fees paid to the Insurance Trustee shall be at the Board's discretion.

Article 7

THE BUDGET AND COMMON EXPENSES

7.1 Preparation of Annual Budget

Annually and in any event prior to the expiry of each fiscal year of the Corporation, the Board shall prepare and formulate, or cause to be prepared and formulated, and shall adopt for and on behalf of the Corporation a Budget, estimating the Common Expenses of the Corporation for the ensuing fiscal year, which Budget shall be prepared and formulated upon good and generally accepted accounting principles.

7.2 Publication of Budget

Once adopted by the Board, a copy of the Budget, together with a statement or notice setting forth each Owner's assessment, on a Unit-by-Unit basis, with respect thereto shall be delivered or mailed by the Board to each Owner.

7.3 Allocation of Assessments

For the purposes of assessment for contribution to Common Expenses by the Owners, the Common Expenses of the Corporation shall, subject to By-law 3.3.s. hereof, be assessed by the Corporation in proportion to and on the basis of the Unit Factors for each respective Unit; provided that:

- a. if and whenever the Board is of the opinion, acting reasonably, that assessment upon another basis is better reflective of an equitable allocation of contribution to Common Expenses, the Board may employ such alternative method of assessment, provided that, in so doing, the Board shall advise the Owners, in writing, of the change to and method of such alternative allocation;
- b. should the Board, from time to time and at any time, determine, acting reasonably, that a single Owner or less than all Owners are responsible for certain items of Common Expense to the exclusion of any other Owner(s), the Board may assess the Owner(s) so determined responsible for such Common Expense alone and to the exclusion of the other Owner(s), provided that, in so doing, the Board shall advise the Owners, in writing, such limited assessment; and,
- c. if and whenever these By-laws provide either that the Developer shall not contribute to Common Expenses or that the Corporation shall enter into an agreement or arrangement for the reduction or elimination of any such contribution, the Board will assess the Owner(s) accordingly and in compliance with such provisions and agreements or arrangements, as the case may be.

7.4 Liability for Contribution to Common Expenses

Upon receipt of the notice or statement referred to in By-laws 7.2 and 7.3 hereof, each Owner shall become liable for his respective contribution to the Common Expenses of the Corporation in accordance with the assessment, which sum shall be payable to the Corporation, or as directed by the Corporation from time to time

in 12 equal consecutive monthly instalments, payable in advance, on the first day in each and every calendar month of the subject fiscal year, commencing on the first day of the first month of such fiscal year; provided that the Board may from time to time, on notice to each Owner, in writing, change the manner and time of payment hereinbefore set forth.

7.5 Interest on Arrears

All payments of whatsoever nature required to be made by an Owner, or any Owner, and not paid when due shall bear and accrue interest at the Interest Rate from the due date until paid in full, with all payments on account to be applied first to interest and then to the payment first due.

7.6 Failure to Assess

Any omission or delay of the Corporation to fix the assessments for contribution to Common Expenses hereunder for a next ensuing fiscal year, or other period, shall not be a waiver or modification of this By-law, or any part thereof, or a release of any Owner or Owners to make payment of the assessments, or any instalments thereof, and in such event the assessments as fixed in the last notice prior to such omission shall continue until such new assessments are fixed.

7.7 No Exemption

Subject to By-law 7.3 hereof, no Owner can exempt himself from liability for his contributions toward his assessments for contributions to Common Expenses by waiver of the use and enjoyment of any of the Common Property or by vacating or abandoning his Unit, or in any manner whatsoever; provided that the Developer may enjoy certain special arrangements for reduced contribution during the initial sale of Units or start up as hereafter provided.

7.8 Special Assessment

If at any time it appears that the annual assessments or contributions towards the Common Expenses will be insufficient to meet the Common Expenses, the Corporation may assess and collect a special contribution or contributions against each Unit (subject to By-law 7.3 hereof) 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. Subject to By-law 7.3 hereof, each such special contribution shall be determined and assessed against the Owners in proportion to their Unit Factors. All such special contributions shall be payable within 10 days of the due date for payments as specified in the notice and if not paid shall bear interest at the Interest Rate from the due date until paid.

7.9 Unpaid Assessments

The Corporation shall have all right, power and authority as provided by the Act, and at law, to recover unpaid contributions assessed and to secure payment thereof, and without restricting the generality of the foregoing, the following shall apply with respect thereto:

- a. The Corporation shall and does hereby have a lien on and charge against the estate or interest of any Owner for any unpaid contribution including such accelerated amounts pursuant to By-law 7.9 hereof, assessment, instalment or payment due to the Corporation, which lien shall be a lien against such estate or interest subject only to the rights of any Mortgagee and any municipal or local authority in respect of any unpaid realty taxes, assessments or charges of any kind against the unit title or interest of such Owner. The Corporation shall have the right to file a caveat or encumbrance against the Unit title or interest of such Owner in respect of the lien or charge for the amount of such unpaid contribution, assessment, instalment or payment as hereinbefore mentioned, and for so long as such unpaid contribution, assessment, instalment or payment remains unpaid, provided that each such caveat or encumbrance shall not be registered until after the expiration of 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, instalment or payment which is arrears for more than 30 days, shall give to the Corporation a mortgage or encumbrance for the full amount thereof and all contributions, assessments, instalments, 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 concurrently or separately;

- b. Any other Owner or person, firm, or corporation whatsoever may pay any unpaid contribution, assessment, instalment or payment after the expiration of 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 provision;
- c. Notwithstanding and in addition to any other term, condition or provision herein contained or implied, each unpaid contribution, assessment, instalment 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 instalment, or payment due from an Owner remaining due and unpaid for a period of 60 days, the Board shall give notice of such default to all Mortgagees of such Owner's unit;
- e. In the event of any assessment against or instalment or payment due from an Owner remaining due and unpaid for a period of 30 days, the Board, at its election, may accelerate the remaining monthly contributions, assessments, instalments 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, instalments 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 Mortgagee; and,
- f. All reasonable costs of the Manager and legal costs (on a Solicitor and his own client basis) and disbursements incurred by the Corporation in registering and discharging a Caveat or in any way securing its interests hereunder shall constitute a payment due to the Corporation.

7.10 Ownership of Funds

All monies collected and held by the Corporation to be applied to Common Expenses, including replacement reserves, currently or in the future shall be the sole property of the Corporation and no Owner shall have any interest therein.

Article 8

EXCLUSIVE USE COMMON PROPERTY

8.1 Designation Areas

- a. The Corporation shall not grant to an Owner any right to exclusive use and enjoyment of any part of the Common Property, with the exception of:
 - i. any right to exclusive use of part of the Common Property approved by a Special Resolution of

- the Owners;
 - ii. the portions of the Common Property described in By-law 8.1.b. herebelow or elsewhere in this Article 8 which shall be allocated to the Units described in this Article as Exclusive Use Areas.
- b.
 - i. The portions of the Common Property as situated in the basement of the Building that have been constructed by the Developer as storage spaces (and continue to be designated by the Corporation as storage spaces) shall be allocated on the following basis:
 - (1) an Owner of a Resident Unit shall be entitled to receive one (1) storage space in the above described Common Property;
 - (2) Owners of Commercial Units shall not be entitled to any of the storage spaces in the above described Common Property;
 - ii. the location of such storage spaces as set forth hereabove being assigned or allocated to a Residence Owner shall be determined by the Corporation from time to time, as shall the location of such storage spaces, and such allocated storage spaces may be switched, reconfigured or reallocated at the sole and absolute discretion of the Corporation, subject, however, to the Owner of a Residence Unit being entitled to one (1) storage space in that portion of the Common Property that has been set aside in the basement of the Building for the same;
 - iii. a Residence Owner shall only use their allocated storage space for the purpose of storage only in compliance with the provisions of these By-laws and any laws, rules or regulations of any Appropriate Authority.

8.2 Owner Obligations

With respect to the Exclusive Use Areas allocated in By-law 8.1.b. hereabove or any portion of the Common Property that has been granted or allocated to an Owner as an Exclusive Use Area, an Owner shall:

- a. keep his Exclusive Use Areas in a sanitary and safe condition;
- b. keep his Exclusive Use Areas free from all junk, scrap, refuse, waste, garbage or any other unsightly or unclean condition;
- c. keep his Exclusive Use Areas free from all pests and vermin;
- d. use the allocated and assigned Exclusive Use Areas only for the purposes set forth and prescribed in this Article 8 or any other use or restriction in use as may be specified by the Corporation from time to time;
- e. comply with and observe all by-laws, rules and regulations of any Appropriate Authority including, without limitation, fire regulations;
- f. not build any permanent structures on any Exclusive Use Areas, and any temporary use structures to be built on such Exclusive Use Areas must be approved by the Corporation firstly, and secondly, if applicable, must be approved by the Appropriate Authority;
- g. not lease or rent out any of the Owner's Exclusive Use Areas separately or independently from the Owner's Unit without first obtaining the written consent of the Corporation, which consent may be arbitrarily withheld;
- h. not place or store hazardous substances, pollutants, contaminants, flammable substances or fire hazards in or on any Exclusive Use Areas;

- i. not alter the appearance or character of such Exclusive Use Area including, without limitation, such Owner shall not change the colors, building materials or structure of such Exclusive Use Area unless and until such Owner has obtained the written consent of the Corporation, which consent may be arbitrarily withheld; and additionally, the Owner complies with all provisions of these By-laws concerning such change including, without limitation, By-law 2.1.c.iv.;
- j. store only an Owner's personal property in the allocated Exclusive Use Area, and not use the same for the storage of any commercial goods or merchandise;
- k. not keep any animals or pets in the Owner's allocated storage space.

8.3 Risk

Any use of an Exclusive Use Area, including the storage of any property of any type or kind in the allocated storage spaces, shall be at the sole and exclusive risk of the Owner to whom the Exclusive Use Areas have been allocated and shall not be at the risk of the Corporation. The Corporation shall have no duty to put in place security measures or to patrol or provide security with respect to such Exclusive Use Areas.

8.4 Corporation's Powers

The Corporation may in its absolute discretion, in addition to other restrictions and powers set out in these By-laws, specify and limit the nature and extent of the use or uses of any Exclusive Use Area, and such Exclusive Use Areas shall only be used in accordance with and subject to such By-laws, Rules and Regulations enacted by the Corporation from time to time inclusive of these By-laws. All of the Corporation's rights, entitlements, benefits, powers and authority as set out in the provisions of this Article 8 may be exercised, performed and completed by the Board unless specifically stipulated otherwise.

8.5 Non-Ownership by Owners of Exclusive Use Areas

Exclusive Use Areas shall not be deemed to be an area leased pursuant to Section 50 of the Act. An Owner shall only be entitled to the Exclusive Use Areas allocated pursuant to this Article 8 while such Owner is the Owner of a Unit, and such entitlements are immediately terminated upon such Owner ceasing to be the Owner of a Unit.

8.6 Maintenance Obligations

Exclusive Use Areas do not include any exterior wall, roof, ceiling or concrete slab that either borders or defines such Exclusive Use Area. The Corporation shall be responsible for repairing the same and any structural components of the Exclusive Use Areas unless any maintenance, replacement or repair of the same is caused by the act or omission of an Owner, and in such an event, the Owner shall be responsible for paying all costs and expenses for the maintenance, replacement or repair of the structural areas of the Exclusive Use Areas. Each Owner that has an Exclusive Use Area shall properly maintain such Exclusive Use Area in accordance with the requirements and specifications of the Corporation, including repairing any damages or completing maintenance or repair to the Exclusive Use Area in accordance with these By-laws. If the Owner shall fail to properly maintain any such Exclusive Use Area or complete any maintenance or repairs to the same, after ten (10) days' notice to the Owner to correct any maintenance problems or repair problems as set forth in such Notice from the Corporation, the Corporation may order the maintenance or repair issue corrected and the Owner affected shall reimburse the Corporation for all monies expended and all costs incurred in order to rectify such maintenance or repair damage and pay interest thereon at the Interest Rate after demand for payment.

8.7 Access by Corporation

The Corporation and its servants and agents shall notwithstanding the grant of any right, license or privilege or exclusive use of any area to any Owner have and enjoy full and free right at any and all times from time to time to enter upon, pass and repass over and occupy any and all parts of such Exclusive Use Area for the purposes

of carrying out any of the duties or functions of the Corporation and the Corporation shall have unlimited rights of ingress and egress over the same.

8.8 Violation by Owner

In the event that any Owner should violate the terms and provisions of this Article 8 or any other provisions of these By-laws pertaining to Common Property regarding Exclusive Use Areas, the Corporation shall be entitled to take all remedies available as against the Owner that may be set out in these By-laws, including, without limitation, By-law 4.2, or take such other rights and remedies that the Corporation may have at law or equity, with the Owner being responsible for indemnifying the Corporation for all of the Corporation's legal fees and costs on a solicitor and his own client full indemnity basis in the event that the Corporation is required to obtain a solicitor to enforce these provisions. In addition to the foregoing, the Corporation may, in its absolute discretion, terminate any Owner's rights and entitlements to Exclusive Use Areas that have been allocated to a Unit pursuant to this Article 8.

8.9 Priority of By-laws

The provisions of this Article 8 are in addition to and not in substitution for any other provisions contained in these By-laws including, without limitation:

- a. other By-laws pertaining to Common Property, Exclusive Use Areas;
- b. Owner's duties and obligations as set out in Article 2 of these By-laws;
- c. the Corporation's powers as set out in By-law 3.3 of these By-laws; and
- d. the Board's powers as set out in By-law 4.2 of these By-laws.

In the event of a discrepancy or inconsistency between the provisions of this Article 8 and any other provisions contained in these By-laws, the provisions of this Article 8 shall govern and take precedence.

Article 9 **DEVELOPER'S RIGHTS**

9.1 General Obligations of Corporation and Owners

At all times while the Developer is selling or leasing Units in the Project, the Developer shall have the unfettered and exclusive right to do so without interference or interruption or obstruction by any Owner or the Corporation, and all Owners and the Corporation shall fully co-operate with the Developer to facilitate the selling or leasing of Units in the Project including, without limitation, any construction, building or improvement that the Developer may have to complete in respect of a Unit to sell or lease the same.

9.2 Show Suites and Signage

During such time as the Developer, its successors or assigns, is the Owner of one or more Units, it shall have the right to maintain a reasonable number of Units, whether owned or leased by it, as display Units and to carry on all sales and leasing functions it considers necessary from such Units. The Developer shall have the unfettered and unrestricted right to place Signage on any Unit owned by the Developer or on any of the Common Property for the purposes of promoting the Project or selling or leasing the Developer's Units in the Project, and the Developer shall not be subject to any of the restrictions or constraints as set forth in Article 11 regarding Signage, other than the Developer shall be responsible for paying its own costs and expenses for installing, maintaining or removing such Signage.

9.3 Fees and Assessments

Notwithstanding anything to the contrary contained in these By-laws, no condominium fees, charges, levies, assessments or costs shall be charged by the Corporation to the Developer or paid by the Developer by reason of the Developer being an Owner of any Units except where stipulated or required under the Act. Nothing herein shall prohibit or prevent any condominium fees, charges, levies, assessments or costs being charged or levied against any Unit once the same has been transferred by the Developer to a purchaser of the same; provided always that the Developer is not responsible for payment of the same (unless obligated to do so under the Act or By-law 9.5 herebelow). Any purchaser of a Unit from the Developer shall not be responsible for any fees, charges, levies, assessments or costs that may have been chargeable against the Unit being purchased during the time that the Developer was the Owner of the same.

9.4 Right to Complete and Redivision

At all times while the Developer is constructing, building or improving any portion of the Project, the Developer shall have the unfettered and exclusive right to complete such construction, building or improvements without interference, interruption or obstruction by any Owner or the Corporation, and all Owners and the Corporation shall fully co-operate with the Developer to facilitate such construction, building or improvements. The Developer, its agents, employees and mortgage inspectors shall have the right to enter onto any Unit and access to the Common Property in order to complete any incomplete items, repair deficiencies, inspect the Unit and make any modifications or repairs to the utilities. As part of the development of the Project, the Developer shall be entitled to redivide Units, including, without limitation, the Unit initially numbered 5 situated in the upstairs of the Building, in order to create Residential Units out of the same and also to create Common Property Unit(s) in respect of the same. Without limiting the generality of this By-law 9.4, all Owners and the Corporation shall fully co-operate with the Developer to facilitate such redivision and the creation and construction of Units and the construction and creation of Common Property Units arising from and in connection with such redivisions. Additionally, each Owner and the Corporation shall execute all instruments and consents to do all acts or things that may be necessary or requisite to enable the Developer to proceed with such redivisions and file Redivision Plans at Land Titles Office including, but not limited to, Consents required under the *Land Titles Act* to complete the registration of any such Redivision Plans at the said Land Titles Office.

9.5 Leasing of Units

The Developer shall have the unfettered and exclusive right to rent any Unit owned by the Developer to any party on such terms and conditions that the Developer deems necessary or appropriate, PROVIDED, however, that such rental shall be subject to the terms and provisions of these By-laws and the Act insofar as the same relate to the rental of a Unit. Notwithstanding the provisions of By-law 9.3 here above, the Developer shall be responsible for the payment of assessments, charges, levies, Common Expenses and condominium fees in respect of any Unit that the Developer has rented out commencing the date that such Unit has been rented out by the Developer, PROVIDED, however, that the Developer shall no longer be required or be responsible for the payment of any assessments, charges, levies, Common Expenses and condominium fees once the Developer ceases to be the registered owner of such Unit or such Unit ceases to be rented out, whichever event shall first occur.

9.6 Development Access

The Developer, its contractors, sub-contractors, officers, servants, agents, workmen and professionals shall have the full and free right and liberty to have ingress and egress to, unlimited access to and from, and to pass and repass on all Common Property including, without limitation, all Common Property Units, together with all necessary machines, equipment, tools, apparatus or materials whatsoever, and to remain on such Common Property and Common Property Units for the purposes of constructing and developing the Project including, without limitation, completion and construction of the redivisions referenced here above.

9.7 No Deadlines

There are no timelines or schedules for the Developer to complete any redivision or to construct any of the development to be completed on any portion of the Parcel, nor is there any deadline on the Developer to fully complete the development or leasing of the Project.

9.8 Developer's Agreement

The provisions set forth here in this Article 9 are in addition to and not in substitution for any developer's agreement made in writing between the Developer and the Corporation. Nothing in this Article 9 is to be interpreted or construed as exempting or releasing the Developer from any of the Developer's obligations under any developer's agreement made in writing between the Developer and the Corporation.

9.9 Priority of Provisions of Article 9

In the event of a discrepancy or inconsistency between the provisions of this Article 9 and any other provisions contained in these By-laws, the provisions of this Article 9 shall govern and take precedence. Each Owner shall do all things, perform all acts, and execute all necessary documents, deeds, assurances or consents as may be requested or required by the Developer in furtherance of and in the completion or performance of any of the Developer's rights, privileges and authorities as set forth in this Article 9 including, without limitation, the provisions of By-law 9.4 hereabove, and any Owner that fails or refuses to do so shall indemnify the Developer for any liabilities, costs or expenses (including, without limitation, the Developer's legal fees on a solicitor/client full indemnity basis) suffered or incurred by the Developer by reason of the same.

9.10 Amendments to Article 9

Any amendments to the By-laws set forth in this Article 9 shall not be made unless the Developer has consented to the same, and such consent may be arbitrarily withheld.

Article 10
MORTGAGES

10.1 Applications

Any and all Mortgagees:

- a. shall have the powers and rights available to them under the Act; and,
- b. shall be entitled to receive all notices to Owners required to be given hereunder, and under the Act, including notices of default of an Owner's obligation.

10.2 Successive Interests

Where and whenever any Unit is subject to more than one Mortgage, the Mortgagee, first in priority of registration, shall have priority in exercising its rights and powers hereunder and under the Act.

10.3 Extension of Rights

Any and all rights, powers, privileges and authority conferred upon a Mortgagee hereunder shall be in addition to those rights, powers, privileges and authority conferred to Mortgagees under the Act.

10.4 Notice of Mortgage

The Corporation shall have no obligations to any Mortgagees who have failed to notify the Corporation, in writing, of their respective interests, except where otherwise expressly provided for in this By-law.

Article 11
SIGNAGE

11.1 Signage

An owner of a Residence Unit shall not place any Signage on any portion of the Common Property, including, without limitation, on the exterior of the Building, and shall not place any type of Signage on any exterior window or door of the Owner's Residence Unit that is visible from the exterior of the Owner's Residence Unit. An Owner of a Commercial Unit shall not place any Signage on any portion of the Common Property, including, without limitation, on the exterior of the Building or on any exterior window or door of the Owner's Commercial Unit that is visible from the exterior of the Owner's Commercial Unit, unless such Signage and the location and method of installation of such Signage has first received the consent and approval of the Board, and also provided that such Signage has been approved by the Appropriate Authority and complies with all of the rules and regulations of any Appropriate Authority that is applicable to such Signage. Any Signage approval or approvals made or given to an Owner of a Commercial Unit pursuant to and in compliance with this By-law cannot be revoked or rescinded by any future Board or Owners unless:

- a. the Owner's sign is no longer permitted or does not comply with the rules, regulations or requirements of any Appropriate Authority; or
- b. the Owner fails to observe or perform the provisions of By-laws 11.2 and 11.3 herebelow.

11.2 Signage Maintenance and Repair

Any Signage, subject to the same having been approved by the Board and any Appropriate Authority, shall be installed, maintained, upgraded, repaired, replaced and/or removed by the Owner at the Owner's expense; and in doing so, the Owner shall not cause any damage to the Common Property including, without limitation, any damage to the exterior of the Building. In the event that any Owner's Signage results in any damage to the Common Property, such Owner shall immediately repair and remediate the same at the Owner's sole cost and expense within the time and in the manner as prescribed by the Corporation. In addition to the foregoing and without limiting the generality of the same, an Owner shall not permit their sign to fall into any state of disrepair that would adversely affect the appearance of the Project as may be determined by the Board, in their opinion, from time to time; and should the same occur, an Owner shall at the request of the Board complete such maintenance, repair or upgrade that may be required by the Board to ensure that the condition, quality and appearance of the Owner's sign is consistent with the quality and appearance of the Project, including, without limitation, the exterior of the Building.

11.3 Risk

Signage shall be at the sole and exclusive risk of the Owner that has obtained such Signage and shall not be the responsibility of the Corporation.

Article 12
EASEMENTS

12.1 Easement Rights

Following registration of the Condominium Plan or any Redivision Plan, there shall be implied in respect of each Unit shown on said plans (including, without limitation, any Common Property Unit):

- a. in favour of the Owner of the Unit as appurtenant to the Unit, an easement for subjacent and lateral support of the premises and Unit by the Common Property and by every other premises or Unit capable of affording support;

- b. in favour of the Owner of the Unit, and as appurtenant to the Unit, an easement for the shelter of the premises and Unit by every other premises or Unit capable of affording shelter;
- c. in favour of the Owner of the Unit, and as appurtenant to the Unit, easements for access and for the passage or provision of water, sewerage, drainage, gas, electricity, garbage, artificially heated or cooled air and other services including telephone, radio, cable and television services, through or by means of any pipes, wires, cables or ducts for the time being in the Parcel to the extent to which those pipes, wires, cables or ducts are capable of being used in connection with enjoyment of the premises or any Unit;
- d. as against the Owner of the Unit, an easement to which the Unit is subject, for the subjacent and lateral support of the Common Property and of every other premises or Unit capable of enjoying support;
- e. as against the Owner of the Unit an easement, to which the Unit is subject to provide shelter to every other premises or Unit capable of enjoying shelter;
- f. as against the Owner of a Unit, easements, to which the Unit is subject for access and the passage or provision of water, sewerage, drainage, gas, electricity, garbage, artificially heated or cooled air and other services including telephone, radio, cable and television services, through or by means of any pipes, wires, cables or ducts for the time being existing within the premises or Unit, as appurtenant to the Common Property and also to every other premises or any Unit capable of enjoying those easements;
- g. in favour of the Owner of a Unit, unimpeded and unrestricted pedestrian access over and through the Common Property (including, without limitation, any Common Property Unit) to and from such Unit;
- h. without limiting any of the easement rights set forth in this By-law, with respect to the Commercial Units that have been registered under the Condominium Plan as "a unit in two parts", the Owner and Occupant of such Commercial Unit, together with their employees, guests, invitees, customers, suppliers and contractors, shall have unimpeded and unrestricted access over and through the Common Property in order to go from that portion of the Commercial Unit situated on the main floor of the Building to the portion of such Commercial Unit situated in the basement of the Building, and vice versa. The Corporation and any other Owner or Occupant shall not interfere with, prevent or prejudice such access rights, nor do any act or thing that may restrict the ability of the Owner and Occupant of a Commercial Unit, together with their employees, guests, invitees, customers, suppliers and contractors, to unimpeded and unrestricted access over and through the Common Property to and from both parts of the Commercial Unit as being situated in the main floor of the Building and in the basement of the Building;
- i. without limiting any of the easement rights set forth in this By-law, the Owners and Occupants of Commercial Units, together with their employees, guests, invitees, customers, suppliers and contractors, shall have unimpeded and unrestricted access over and through the Common Property in order to go to and from the Downstairs Bathroom. The Corporation and any other Owner or Occupant shall not interfere with, prevent or prejudice such access rights, nor do any act or thing that may restrict the ability of the Owner and Occupant of a Commercial Unit, together with their employees, guests, invitees, customers, suppliers and contractors, to unimpeded and unrestricted access over and through the Common Property to and from all parts of a Commercial Unit to and from the Downstairs Bathroom.

12.2 Easement Rights Regarding Common Property Units

Without limiting any of the foregoing provisions, the Corporation hereby gives, grants, conveys, transfers and sets over to each Owner and every transferee from an Owner and every person deriving title from an Owner, together with all Occupants, and the contractors, employees, agents and customers of such Owners and Occupants, 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 repass across on and through each Common Property Unit. This provision is in addition to and not in substitution for the easements set forth here above in this By-law.

12.3 Registration Not Required

When an easement is implied by this By-law, the owner of any utility service who is providing his service to the Parcel, or to any Unit on it, is entitled to the benefit of any of those easements that are appropriate to the proper provision of that service but not to the exclusion of the owner of any other utility service. The provisions set forth in this By-law are in addition to and not in substitution for the provisions of Sections 22 through 24 inclusive of the Act. By-laws 12.1, 12.2, 12.3 and 12.4 shall not be repealed unless unanimously consented to by the Owners, and to have full force and effect and be binding upon all Owners and the Corporation, the easements as set forth in the same do not have to be registered against the title to any Unit or registered against the Condominium Plan or the Condominium Additional Plan Sheet. This Article 12 shall not be repealed.

12.4 Easements Shall be Covenants Running with Land

The easements, rights and privileges described in this By-law shall be deemed to be covenants running with the land and annexed thereto so that each of the Owners may peaceably hold and enjoy the easements, rights and privileges set forth in this By-law without hindrance, interruption or interference.

12.5 Encroachments

Inasmuch as a Common Property Unit is deemed to be Common Property, any portion of a Common Property Unit of any type or nature whatsoever that may appear to be an encroachment onto portions of the Condominium Plan shown as Common Property or into any Unit shall be deemed not to encroach and shall not be deemed to be encroachments as the same constitute and form part of the Common Property; and should it be interpreted by any party that any portion of a Common Property Unit of any type or nature whatsoever is encroaching onto portions of the Condominium Plan as shown as Common Property, or if the same is deemed to be an encroachment, then in such an event all such encroachments are expressly permitted and allowed without the necessity of:

- a. any further documentation or agreements, such as an encroachment agreement;
- b. the registration of any instrument at Land Titles Office, including any registration or notification against the Condominium Plan (or any Redivision Plan) or the Condominium Additional Plan Sheet or the title to any Unit.

Article 13

GENERAL

13.1 Notices

Unless otherwise expressly provided in this By-law, service of any notice required to be given under the Act or under this By-law shall be well and sufficiently given if sent by prepaid registered mail to the Owner at the address of his Unit 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 48 hours after it is posted or upon delivery, if delivered. 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 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 this By-law.

13.2 Estoppel Certificates

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 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.

Article 14

AMENDMENT OF BY-LAW

14.1 Requirements

Subject to By-laws 14.2 and 14.3 hereof, these By-laws, or any part hereof, 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 a notice or memorandum of any proposed amendments, addition or repeal 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.

14.2 Amendment Requiring Specific Consent

Notwithstanding By-law 14.1 of these By-laws, wherever it is stipulated in these By-laws that a specific By-law or a specific provision as set forth and contained in these By-laws requires a specific consent or approval, such as a Unanimous Resolution, such specific By-law or provision of these By-laws shall not be amended unless and until such specific consents and approvals have been obtained in compliance with such provisions.

14.3 Restricted Amendment

Notwithstanding By-laws 14.1 and 14.2 of this By-law, no provision of these By-laws may be rescinded, amended, modified, added to or replaced unless the same has been consented to in writing by the Developer for so long as the Developer is a registered Owner of a Unit.

14.4 Change of Legislation

Should the Act be amended or 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 in compliance with the Act and with the full powers of the Act and to use all remedies available to it under the Act. Without limiting the generality of the foregoing, in the event that any provision set out in these By-laws is in conflict with or does not conform to the Act, including, without limitation, any amendments made to the Act or its Regulations from time to time, such non-compliant provision(s) of these By-Laws shall be automatically and consequentially amended (without the necessity of any action or resolutions to be taken or made by the Board or the Owners) to the extent necessary to ensure that these By-laws are in conformity with the Act, including, without limitation, any amendments made to the Act or to its Regulations, and these By-laws shall be read, interpreted and construed in accordance with such consequential amendments to ensure that these By-laws in their entirety do not conflict with the Act, including, without limitation, any amendments made to the Act or to its Regulations. The provisions of this By-law 14.4 shall apply notwithstanding any provision to the contrary set forth in these By-laws, and this By-law 14.4 shall be in priority to any other contradictory By-law or restriction contained in these By-laws regarding amendments to the same.

Article 15
TERMINATION OF CONDOMINIUM STATUS

15.1 Procedure

Subject to the provisions of the Act and any order of the Court, in the event the Condominium Status of the Project shall be terminated, the following shall apply:

- a. the Corporation shall become Manager of the Project and agent for the Owners in respect of the day-to-day affairs of the Project, and for the purpose of entertaining any offer to purchase made to the Owners in respect of the Project;
- b. all Rules, Regulations and provisions of this By-law shall continue to govern the operations of the Corporation notwithstanding the termination of the status of the Project as a condominium; and,
- c. all decisions of the Corporation and the Board shall continue to be binding upon the Owners in the same manner and having the same effect as if the Condominium Status of the Project continued, notwithstanding the termination of such Condominium Status.

15.2 Qualifications

Any and all sale, transfer or disposition of the Project or any part thereof shall, upon termination of the Condominium Status of the Project, subject to By-law 15.1 hereof, be made pursuant to Section 54 of the Act.

Article 16
PRIVACY

16.1 Policy

The Corporation shall endeavor to keep an Owner's personal information confidential; however, all Owners agree and specifically consent to give the Corporation and the Board sole discretion to release any personal information which:

- a. is necessary or required as a matter of law;
- b. the Board is required to give to comply with any law, by-laws, rules, regulations or enactments;
- c. is required by a court or tribunal of competent authority;
- d. is necessary for the proper operation of the Project and the Corporation;
- e. is necessary or desirable to ensure and enable the Corporation's compliance and performance of these b-laws;
- f. is in the best interests of the Corporation.

The Owners do hereby give their consent to the release of such information in accordance with the foregoing and such consent shall be deemed to be the consent required under the *Personal Information Protection Act* of Alberta or any legislation that may replace or be enacted in substitution for such legislation or any other privacy legislation that may be in force and applicable from time to time.

Article 17
ROOFTOP PATIO

17.1 Authorized Users of Rooftop Patio

The Rooftop Patio may only be used by the following individuals:

- a. the Owner or Occupant of a Commercial Unit;
- b. the employees of an Occupant of a Commercial Unit, with the express qualification that such employees must be performing their employment duties in the Commercial Unit and not elsewhere;
- c. the Owner or the Occupant of a Residence Unit;
- d. the guests of an Owner or an Occupant of a Residence Unit, with the express qualification that such guest must be accompanied by the Owner or the Occupant while on the Rooftop Patio and that the Owner or the Occupant is fully responsible for their guests and their actions;

and by no other persons or parties whatsoever.

17.2 Use of Rooftop Patio

The Rooftop Patio is for the use and enjoyment of the individuals described in By-law 17.1 as a relaxation area, or for any other purpose specifically authorized by the Board in writing, and is not to be used for gatherings, functions, parties, group events or public purposes of any type or nature whatsoever unless specifically consented to and approved in writing by the Board. An Owner or an Occupant shall not:

- a. use the Rooftop Patio for any purpose other than as described hereabove;
- b. consume, disseminate or sell any alcoholic beverages unless specifically consented to by the Board, and any consumption, dissemination or sale of alcoholic beverages must be strictly in compliance with all applicable laws and regulations concerning the same; and the Owner or the Occupant must also obtain any consents or approvals that may be necessary with respect to such consumption, dissemination or sale of alcoholic beverages as required by any Approving Authority, including, without limitation, the Alberta Gaming and Liquor Commission;
- c. place any structure or impediment, temporary or otherwise, on the Rooftop Patio;
- d. do or allow any dangerous or unsafe activity or behaviour on the Rooftop Patio;
- e. create a nuisance for the general public or for any other Owners or Occupants of the Project, such nuisances including, but not limited to:
 - i. excessive noise, smoking, consumption of illicit substances or alcohol;
 - ii. depositing or allowing to be deposited rubbish, waste or detritus on the Rooftop Patio, the remaining portions of the roof of the Building or the adjacent City of Lethbridge streets, sidewalks or lanes;
- f. leave the designated area of the Rooftop Patio when accessing and using the Rooftop Patio, such area being limited to the Rooftop Patio itself and excluding all other areas on the roof of the Building;
- g. do any act or thing on the Rooftop Patio that would void the Corporation's policy of insurance or create any increase in the premiums paid under the same;
- h. store anything of any type or nature on the Rooftop Patio;
- i. alter the appearance or character of the Rooftop Patio;

- j. keep any animals or pets on the Rooftop Patio;
- k. do, allow or permit any illegal activity on the Rooftop Patio;
- l. violate any Rules or Regulations concerning the Rooftop Patio and its use passed or promulgated by the Board from time to time.

17.3 Powers of the Board

The Board may pass any Rules and Regulations that the Board deems necessary or appropriate for the purposes of regulating the use of the Rooftop Patio, which may include, but are not limited to:

- a. restrictions in the hours of use;
- b. establishing quiet hours;
- c. procedures and restrictions on accessing the Rooftop Patio;
- d. procedures and restrictions on scheduling times for temporary exclusive use, if any;
- e. restrictions on activities;
- f. establishing a maximum number of individuals permitted to use the Rooftop Patio at any one time;
- g. restricting any person, even where such person is an approved party under this By-law for use of the Rooftop Patio, if such person is found to be in breach of this By-law, with such restriction to be for such period of time as the Board deems necessary or advisable in its absolute discretion.

17.4 Risk

Any use of the Rooftop Patio shall be at the sole and exclusive risk of the party using the same and shall not be at the risk of the Corporation or at the risk of the Board. Neither the Corporation nor the Board shall have any duty whatsoever to put in place security measures or to patrol or provide security with respect to the Rooftop Patio.

17.5 Liability of Owners and Occupants

An Owner or an Occupant of a Unit shall be responsible for their respective parties that use the Rooftop Patio regardless of whether such party is a party authorized or permitted to use the Rooftop Patio by virtue of By-law 17.1 hereabove or as authorized or approved by the Board, and the actions of such parties shall be deemed to be the actions of the Owner or the Occupant. In the event of any violation of the terms and provision of Article 17 or any other provisions of the By-laws by any party who has utilized the Rooftop Patio, regardless of whether such party has been authorized or permitted to use the Rooftop Patio by virtue of By-law 17.1 hereabove or as authorized or approved by the Board, the Corporation shall be entitled to take all remedies available as against such party as may be set out in these By-laws, including, without limitation, By-law 4.2, or take such other rights and remedies that the Corporation may have at law or at equity, with the Owner of the Unit (who is responsible for the party who has violated the By-laws) being responsible for indemnifying the Corporation for all of the Corporation's legal fees and costs on a solicitor and his own client full indemnity basis in the event that the Corporation is required to obtain a solicitor to enforce these provisions or to take any legal action.

17.6 Priority of By-laws

The provisions of this Article 17 are in addition to and not in substitution for any other provisions contained in these By-laws, including, without limitation:

- a. other By-laws pertaining to Common Property;
- b. an Owner's duties and obligations;
- c. the Corporation's powers and duties;
- d. the Board's powers and duties.

In the event of a discrepancy or inconsistency between the provisions of this Article 17 and any other provisions contained in these By-laws, the provision of this Article 17 shall govern and take precedence.

Article 18
DOWNSTAIRS BATHROOM

18.1 Dedicated Use

The primary function and use of the Downstairs Bathroom is to provide bathroom facilities to the Owners and the Occupants of Commercial Units and such Owners' and Occupants' employees, guests, invitees, customers, suppliers and contractors; provided, however, that such use is not entirely exclusive whereby the Owners and the Occupants of Residence Units and their respective guests may also use such Downstairs Bathroom.

18.2 Prohibition of Eliminating Downstairs Bathroom

Inasmuch as the Downstairs Bathroom is necessary for the Owners and the Occupants of Commercial Units to carry on their commercial activities in such Commercial Units, the Corporation shall not eliminate the Downstairs Bathroom in any reconstruction or renovation of the Common Property, and the Corporation and each Owner shall not permit or allow any other party to eliminate or remove the Downstairs Bathroom or interfere with or prejudice the Commercial Units' entitlements, benefits and rights in and to the Downstairs Bathroom including, without limitation, the access easements set forth in By-law 12.1.i.

18.3 Powers of the Board

The Board may pass any Rules and Regulations that the Board deems necessary or appropriate for the purpose of regulating the use of the Downstairs Bathroom; provided, always, that such Rules and Regulations do not adversely prejudice the ability of:

- a. the Commercial Units to carry on their commercial purposes (provided that such commercial purposes have been approved by the Appropriate Authority); and
- b. the Owners and Occupants of such Commercial Units, together with such Owners' and Occupants' employees, guests, invitees, customers, suppliers and contractors, to have use of the Downstairs Bathroom (or any replacement, modification or renovation of the same) and to have access to such Downstairs Bathroom.

18.4 Risk

Any use of the Downstairs Bathroom shall be at the sole and exclusive risk of the party using the same and shall not be at the risk of the Corporation or at the risk of the Board. Neither the Corporation nor the Board shall have any duty whatsoever to put in place security measures or to patrol or to provide security with respect to the Downstairs Bathroom.

18.5 Priority of By-laws

The provisions of this Article 18 are in addition to and not in substitution for any other provision contained in any of these By-laws including, without limitation:

- a. other by-laws pertaining to Common Property including, without limitation, any by-laws regarding Common Property concerning or relating to the Downstairs Bathroom;
- b. an Owner's duties and obligations;
- c. the Corporation's powers and duties;
- d. the Board's powers and duties.

In the event of a discrepancy or inconsistency between the provisions of this Article 18 and any other provisions contained in these By-laws, the provision of this Article 18 shall govern and take precedence.



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