



111 GREGSON COURT FERGUS, ONTARIO

A TIMBERWORX CUSTOM HOMES INC.
PHASED CONDOMINIUM PROJECT

PROPOSED BY-LAW NO. 1

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Article I. Interpretation and Effect

a. *(Definitions and Interpretation)*

In this by-law:

- References to “Corporation” mean Wellington Standard Condominium Corporation No. _____;
- references to the “Plan” refer to Wellington Standard Condominium Plan No. _____;
- references to the “Act” are to the *Condominium Act, 1998*, its amendments and regulations, including any successor legislation;
- references to the “Declaration” and/or the “Description” mean the declaration and description, as such terms are defined in the Act, and any amendments thereto, all as registered in accordance with the Act, that create or modify the Corporation and/or the Plan;
- the term “Board” means the board of directors of the Corporation;
- the term “Director” refers to a member of the Board;
- the term “Officer” refers to an officer of the Corporation appointed or elected by the Board;
- other terms used herein shall have the meanings ascribed to them in the Act or the Declaration;
- the use of the masculine gender shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include plural wherever the context so requires, and vice versa; and
- the use of headings in this by-law is for convenience of reference only and shall not affect the interpretation of this by-law.

b. *(Effective Date)*

This by-law is prepared by the Declarant and comes into force on the day that the Declaration is first registered until amended, replaced or repealed by the Corporation in accordance with the Act, whether or not this by-law is registered on title to the units.

Article II. Board of Directors

a. *(Number and Qualifications of Directors; Terms of Office)*

There shall be three (3) positions on the Board, who need not be owners of the Corporation. Their respective terms of office shall be one (1) year.

b. *(Notification and Consent to be a Director)*

Notification of candidacy pursuant to subsections 28(2) and/or (3) of the Act shall be deemed to be consent in writing to act as director for the purposes of subsection 30(3) of the Act unless the individual should, prior to or at the meeting and prior to the election, give written notice to the property manager (if any), the Board or any member thereof that such individual has withdrawn his or her candidacy.

c. *(Indemnification of Officers and Directors)*

Every Director and Officer and his or her heirs, executors, administrators, estate trustees and other legal personal representatives shall from time to time be indemnified and saved harmless by the Corporation from and against,

- any liability and all costs, charges and expenses that the Director or Officer sustains or incurs in respect of any action, suit or proceeding that is proposed or commenced against the person for or in respect of anything that the person has done, omitted to do or permitted in respect of the execution of the duties of office; and
- all other costs, charges and expenses that the person sustains or incurs in respect of the affairs of the Corporation.

No Director and Officer shall be indemnified by the Corporation in respect of any liability, costs, charges or expenses that the person sustains or incurs in or about an action, suit or other proceeding as a result of which the person is adjudged to be in breach of the duty to act honestly and in good faith.

d. *(Corporation shall purchase liability insurance for Directors and Officers)*

If the insurance is reasonably available, the Corporation shall purchase and maintain insurance for the benefit of a Director or Officer against all liability and all costs, charges and expenses that the Director or Officer sustains or incurs in respect of any action, suit or proceeding that is proposed or commenced against the person for or in respect of anything that the person has done, omitted to do or permitted in respect of the execution of the duties of office except there shall be no such insurance provided to protect a Director or Officer against a liability, cost, charge or expense of the Director or Officer incurred as a result of a breach of the duty to act honestly and in good faith.

e. *(Deemed resignation)*

A Director is deemed to have resigned:

- If he or she misses more than fifty per cent (50%) of the meetings of the board in any six (6) month period or should he or she fail to attend three (3) sequential board meetings, however such deemed resignation may be overturned at the discretion of a majority of the remaining members of the board;
- forthwith upon becoming a party (be it applicant, plaintiff, complainant, defendant, respondent or otherwise) to a law suit or application wherein the Corporation is an opposing party to such director; or
- if a certificate of lien is registered under subsection 85(2) of the Act against a unit owned by such director, and such resignation shall not be voided upon discharge of the lien.

Article III. Meetings of the Board

a. *(Frequency, Time and Location of Meetings of the Board)*

The board may by resolution determine the frequency, times and specific locations of its meetings, provided that the board shall meet not less than once in every three-month period within any fiscal year of the Corporation.

No notice of the time, date or place of a meeting need be given to any director who was present at the meeting when the resolution with respect to the same was passed.

Any director may propose a time, date and location for a meeting of the board by providing notice thereof in accordance with the provisions of this by-law and the Act, which notice shall include an explanation of the purpose and proposed business of such meeting, and attendance at such proposed time, date and place by a quorum of the board shall cause such meeting to be deemed to have been validly called and duly constituted notwithstanding the absence of any other member(s) of the board.

b. *(Means of giving notice to the Directors of meetings of the Board)*

Notice of meetings of the Board is to be given in writing to each Director by:

- personal delivery of the notice of meeting at least forty-eight (48) hours before the time when the

meeting is to be held;

- mailing the notice of meeting by ordinary mail at least seven days before the time when the meeting is to be held;
- facsimile (telecopier) transmission at least forty-eight (48) hours before the time when the meeting is to be held; or,
- any other generally accepted means of giving notice, electronic or otherwise as well as any means of notice that the Director to be given notice has agreed to in writing provided that such notice is given at least forty-eight (48) hours before the time when the meeting is to be held.

Notice is to be directed to the Director at the latest address, facsimile or electronic mail address of the Director as shown on the records of the Corporation.

c. *(Potential for meetings of the Board to be held by telephonic or electronic means)*

One or more Directors may participate in a meeting of the Board by means of such teleconference or other form of communications system permitted by the Act that allows all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Any Director participating in a meeting by such means is deemed to be present at the meeting.

Notwithstanding the foregoing, all of the Directors must consent in writing to such means of holding a meeting generally or in respect of a particular meeting. Such consent is effective whether it is given before or after the meeting to which it relates. A general written consent to such form of meeting need only be given once by a Director and is effective for all subsequent meetings of the Board unless and until cancelled by an instrument in writing delivered to the Board by the Director in question.

Article IV. Meetings of Owners

a. *(Meetings to be held locally)*

All meetings of owners are to be held within the municipality in which the Corporation is situated or, at the discretion of the Board, the geographical region in which the majority of owners reside, and at such specific locations as the Board may determine by resolution in accordance with the further provisions hereof. Until the turn-over meeting of the Corporation meetings of the owners may be held anywhere in the province of Ontario.

b. *(Representation at meetings of corporate owners and those who do not attend or are unable to be present or represent themselves)*

The following persons may represent owners or mortgagees at meetings of the owners and may vote in the same manner and to the same extent as such owners or mortgagees:

- an executor/estate trustee;
- an administrator;
- an attorney for property;
- a committee of a mentally incompetent person;
- a guardian;
- a trustee;
- if a corporation is an owner or acts as one of the foregoing, any person duly appointed a proxy for such corporation; or
- a properly appointed proxy;

upon filing with the Secretary of the meeting sufficient proof of his, her or its appointment, prior to the commencement of the meeting in question.

c. *(Provisions relating to requisitioned meetings)*

A requisition for a meeting of owners may be made pursuant to subsection 46(1) of the Act by those owners who, at the time the Board receives the requisition,

- own at least 15 per cent of the units in the Plan,
- are listed in the record maintained by the Corporation under subsection 47(2) of the Act, and
- are entitled to vote.

In order to permit the Board to determine if the persons signing the requisition are shown on the register and entitled to vote, the names of all the requisitionists must be legibly printed or typed under the signature of each requisitionist. Any signature that is not identified by a legibly printed or typed name of the signatory shall not be counted or otherwise considered in determining if the requisite percentage of owners have signed the requisition for meeting.

d. *(Provisions relating to the use of Proxies)*

Only the forms of proxy that are required pursuant to the regulations to the Act may be used at any meeting of owners. No other form of proxy is allowed. Notwithstanding the foregoing, such form of proxy may have added to it such additional instructions as are required by the grantor to ensure the proxy holder can act or vote at the meeting in accordance with the grantor's intentions are permitted to be added to the proxy.

At the discretion of the chairperson of any meeting of owners, proxies may be used as ballots for the election or removal of Directors.

e. *(Provisions relating to the Record of Owners' Names and Addresses, and Voting)*

(Record of Owners)

For the purposes of the record of unit owners' names and addresses required to be maintained by the Corporation pursuant to the Act (the "Unit Owner Information Record"), and subject to the further provisions of the Act, each owner of every unit is required to provide the Corporation with written notice of such owner's name and unit number and, if wanted, the owner's current address for service (if other than the owner's unit) within 30 days of becoming an owner in the Corporation or within 30 days of this by-law coming into force and effect, whichever is earlier, as well as immediately upon there being any change to such owner's name and/or address for service.

In the event of any dispute or question as to the correct name and address for service for the owner of a unit, reference shall be had to the most recent written notice received by the Corporation in accordance with this provision and the same shall be deemed to be correct as at the date of such dispute or question.

The Corporation shall not keep more information in the Unit Owner Information Record than is required by the Act. The Corporation may keep other records with additional information relating to unit owners, including alternative contact information such as email addresses and facsimile numbers, that may facilitate proper service of notices and other administrative matters. Such other records do not form part of the Unit Owner Information Record.

(Multiple Owners)

For the purposes of ensuring that votes for each unit are properly cast and counted in accordance with the relevant provisions of the Act, where title to a unit is held by more than one person, the unit owner shall:

- inform the Corporation in writing as to whether the unit owners hold title to the unit as "joint tenants" or "tenants-in-common" ; and
- inform the Corporation in writing of each owner's percentage ownership interest in the title to the unit where such title is held as tenants-in-common; and/or,
- provide a copy of the registered transfer/deed of such unit owners' unit to the Board;

and such information shall be retained by the Corporation in a record other than the Unit Owner Information Record.

If the most current information provided by or on behalf of the owners of the Corporation for the foregoing purposes indicates:

- that there is more than one (>1) unit owner of the unit, but fails to set out whether title to the unit is held in joint tenancy or as tenants-in-common, the Chair of the meeting shall proceed on the basis that the title is held in joint tenancy unless prior to the vote in question the Chair is provided with a copy of the most current transfer/deed of the unit or other reasonable evidence in the discretion of the Chair that establishes that title to the unit is held in other than joint tenancy; or,
- that title to the unit is held by the unit owners of such unit as tenants-in-common (including any tenancy-in-common share that is owned jointly as being deemed to be owned by all of the owners as tenants-in-common) but fails to provide what percentage share each of the owners holds, the Chair of the meeting shall proceed on the basis that the title is held equally as between or amongst the tenants-in-common unless prior to the vote in question the Chair is provided with a copy of the most current transfer/deed of the unit or other reasonable evidence in the discretion of the Chair that establishes that the percentage interests are other than equal as between or amongst the tenancy-in-common owners.

(Joint Tenants)

Where the records of the Corporation indicate that title to a unit is held by unit owners as joint tenants, and only one (1) of the unit owners of the unit attends a meeting of the Corporation in person or by proxy, the Corporation shall be entitled to:

- count such attendance toward quorum for the meeting; and
- rely on a vote cast by such unit owner and treat the same as valid and representing and being the vote cast on behalf of all of the unit owners of the unit;

provided the Corporation has not been advised in writing to the contrary by any other unit owner of the unit in question prior to such vote being cast.

Where the records of the Corporation provide that title to a unit is held by unit owners as joint tenants, and more than one (>1) of the unit owners of the unit attends a meeting of the Corporation in person or by proxy, the Corporation shall be entitled to:

- count such attendance toward quorum for the meeting; and
- rely on a vote cast by such unit owner(s) or any one of them and treat the same as valid and representing and being the vote cast on behalf of all of the unit owners of the unit;

provided:

- the Corporation has not been advised in writing to the contrary by any other unit owner of the unit in question prior to the vote being cast; and
- provided no other unit owner of the unit purports to vote on the same question by a separate vote; and
- no objection to the vote being made by such unit owner or owners, as the case may be, is made to the Chair by any other unit owner of the unit who is present at the meeting in person or by proxy, prior to the vote in question being cast.

In determining if the majority of the unit owners of a unit are agreed on how to exercise a vote, in circumstances where the unit owners of the unit who are present at the meeting in person or by proxy are evenly divided on how to exercise the vote, the Board shall assume that any owners of the same unit not present at the meeting in person or by proxy abstain from voting or having any opinion on the vote in question so that the vote cast for the unit in question shall not be counted.

(Tenants-in-Common)

If one (1) or more tenancy-in-common share(s) of the title to a unit is/are owned jointly as between or amongst the owners of the tenancy-in-common share, all of the owners of the unit shall be deemed to hold title as tenants-in-common and the joint owners of the tenancy-in-common share or shares of the title shall each be deemed to own an equal portion of the tenancy-in-common share of the title of which they are joint owners.

Where the records of the Corporation provide that title to a unit is held by unit owners as tenants-in-common, and only one (1) of the said unit owners attends a meeting of the Corporation, the Corporation is not required to:

- count such attendance toward quorum for the meeting; or
- rely on a vote cast by such tenant-in-common unit owner or treat the same as valid and binding upon the unit;

unless the Chair of the meeting in question is satisfied that:

- such attendance (for the purpose of counting toward quorum) and/or casting of a vote (for the purpose of voting) is in person by either, the unit owner who possesses the majority ownership interest in the title to the unit, or unit owners whose interests taken together constitute the majority ownership interest in the title to the unit and such unit owners wish to cast a vote for the same conclusion or outcome; or
- such attendance (for the purpose of counting toward quorum) and/or casting of a vote (for the purpose of voting) is by proxy and:
 - the proxy is granted by an owner of the unit who possesses the majority ownership interest in the unit; or
 - the proxy is granted by two (2) or more unit owners of the unit whose interests taken together constitute the majority ownership interest in the title to the unit; or
 - there is more than one (1) proxy each of which is granted by one (1) or more of the unit owners

of the unit whose interests, when taken together, constitute the majority ownership interest in the title to the unit and such proxies wish to cast a vote for the same conclusion or outcome; or

- such attendance (for the purpose of counting toward quorum) and/or casting of a vote (for the purpose of voting) is by one (1) or more unit owners in person and one (1) or more unit owners by proxy, whose interests when taken together constitute the majority ownership interest in the unit and proxy(ies) and unit owner(s) wish to cast a vote for the same conclusion or outcome.

(Other Occupants)

Each owner of a unit must advise the Board in writing of the name of any person who occupies or lives in the unit owned by such owner forthwith upon any such person occupying or commencing to live in the unit.

f. *(Electronic Voting and Attendance)*

- Section 52(1)(b)(iii) of the Condominium Act, 1998, as amended (the “Act”) authorizes voting at meetings of unit owners by a recorded vote that is indicated by telephonic or electronic means, if the by-laws so permit.
- Section 52(1.1) of the Act defines “telephonic or electronic means” as any means that uses the telephone or any other electronic or other technological means to transmit information or data, including telephone calls, fax, e-mail, automated touch-tone telephone system, computer or computer networks.
- Section 56(1)(c.1) of the Act provides that the board of directors may authorize, by by-law, the methods permitted for holding a recorded vote.
- Notwithstanding an electronic voting system, section 50(2) of the Act requires that, in order to count toward quorum, an owner must be present at the meeting or represented by proxy.
- Section 56(1)(q) of the Act and section 14(0.1)(p) of Ont. Reg. 48/01 provide that the board of directors may enact a by-law governing the manner in which an owner or a mortgagee may be present at a meeting of owners.

Therefore:

1. *(Electronic Voting)*

- i. Votes for all questions proposed for consideration of the owners at a meeting of owners may be cast by a show of hands, personally or by proxy, or a recorded vote that is: (i) marked on a ballot cast personally or by a proxy; (ii) marked on an instrument appointing a proxy; or (iii) indicated by telephonic or electronic means if the Corporation makes available to owners a medium by which owners are able to cast a recorded vote by telephonic or electronic means (the “e-voting system”).
- ii. Votes cast by electronic voting shall be deemed a ballot (the “e-ballot”) for the purpose of any vote conducted at the meeting at which the e-ballot was cast.
- iii. The e-voting system shall set forth each question proposed for consideration that will be the subject of a vote at a meeting of owners, including the opportunity to vote in favour or against each question and/or in favour of each candidate for election to the board of directors.
- iv. The e-ballot is valid only for one meeting of the owners and expires automatically after the completion of the meeting of owners.
- v. Only an owner of a unit may cast an e-ballot and the e-voting system does not authorize another person to cast votes on behalf of an owner.
- vi. The e-voting system shall authenticate the owner’s identity.
- vii. The e-voting system shall authenticate the validity of each electronic vote to ensure that the vote is not altered in transit.
- viii. The e-voting system shall separate any authentication or identifying information of the owner from the e-ballot, rendering it impossible to trace an e-ballot to a specific owner.
- ix. The e-voting system shall produce an electronic receipt for each owner who casts an e-ballot, which shall include the specific vote cast, and the date and time of submission (the “Receipt”). The e-voting system will retain an electronic record of the time and date an owner casts the e-ballot.

- x. An electronic report automatically generated by the e-voting system which tabulates votes may be relied upon and counted by the scrutineers and/or chairperson at a meeting of owners for the purpose of tabulating votes for all questions proposed for consideration of the owners at the meeting of owners (the "Electronic Voting Record").
- xi. Each Receipt and the Electronic Voting Record shall be deemed to be a ballot for the purpose of the Corporation's obligation to maintain records in accordance with the Act.

2. *(Attendance by Electronic Means)*

An owner who casts one or more votes by use of an e-voting system that meets the requirements of this by-law and that the Corporation has made available to owners in respect of a meeting, shall be deemed to be present at the meeting for all purposes under the Act including counting toward quorum at the meeting.

3. *(No Requirement to Hold Electronic Meetings or Votes)*

Nothing herein shall cause the Corporation to be obligated to make available an e-voting system or permit attendance at a meeting by any telephonic or electronic means. The provision or use of such systems for any meeting of the Corporation does not impose an obligation to continue to use or make available such systems for any further or other meetings.

Article V. Provisions Affecting Meetings of the Board and Owners

a. *(Chairperson of Meetings of the Board and Owners)*

The president of the Corporation is to act as chair of meetings of the Board and meeting of owners if the President is present at such meetings. If the President is not present at a meeting, the Secretary is to act as chairperson of meetings of the Board and owners. Despite the foregoing, those present at a meeting may vote to have someone else act as chair of the meeting, including, for example, the Corporation's solicitor or property manager.

b. *(Voting at meetings of the Board and owners)*

Voting at owners' and Directors' meetings shall be by ballot, show of hands or recorded vote.

With respect to votes by a show of hands, a Declaration by the Chair as to the outcome of the vote and an entry to that effect in the minutes of the meeting shall, in the absence of specific evidence to the contrary, be accepted as accurate. In such case no other proof is required of the number or proportion of the votes recorded in favour of or against any question or resolution.

If voting by a show of hands is proposed, any Director or owner may demand (prior to the vote being taken) that voting take place by ballot. Such a demand may be withdrawn.

c. *(Rules of Parliamentary Procedure)*

The Board may by resolution decide from time to time the rules of parliamentary procedure (e.g., Robert's or Nathan's) to be adopted by the Corporation ("Rules of Order"). Such Rules of Order shall be the parliamentary authority of the Corporation. Notwithstanding the foregoing, at any duly constituted meeting of the Board or owners, the meeting may, by a vote of a majority of those in attendance who are entitled to vote at the meeting, adopt special rules of order or modify or suspend portions or all of such Rules of Order. Such adoption, modification or suspension remains in effect for such length of time as determined by the said vote and may extend if so determined by such vote to subsequent meetings.

d. *(Rescheduling of meetings lacking sufficient attendance)*

If, thirty (30) minutes after the time appointed for the holding of any meeting of Directors or owners, a quorum (which shall be the minimum number prescribed by the Act) is not present, or should such numbers of persons leave a meeting of Directors or owners at which quorum had been attained so that quorum no longer remains, the meeting shall immediately be adjourned.

Any such meeting of Directors that does not acquire or loses quorum shall be adjourned to a date, time and place that is established by a quorum of Directors and of which notice is given as prescribed herein and by the Act, failing which the same shall automatically be adjourned to the next regularly scheduled meeting of the Board notice of which need not be given to anyone.

Any meeting of owners that does not acquire or loses quorum shall be adjourned to a date, time and place that is established by the Board and of which notice is given as prescribed herein and by the Act. There is no different requirement for notice of such adjourned meeting than there is for any other meeting of owners.

Article VI. Officers

a. *(Appointment of Officers)*

The Board shall appoint or elect, as the case may be, a president ("President"), secretary ("Secretary") and treasurer ("Treasurer") as Officers of the Corporation. One person may hold the offices of Secretary and Treasurer at the same time.

The Board may appoint such other Officers, or assistants to any of the existing Officers, as it deems appropriate, including one or more vice-presidents and/or authorized signing officers, and may assign such duties to such other Officers and/or assistant Officers or may re-assign duties as between existing Officers and/or assistant Officers, as the Board in its absolute discretion deems appropriate. The Board may, as it deems appropriate, change the titles and/or duties of any of the Officers of the Corporation.

Subject to any relevant provisions of the Act, an Officer does not need to be a member of the Board or an owner, but must be appointed by the Board by resolution.

The Board may remove any Officer at its pleasure by passing a resolution removing such Officer.

b. *(Duties of Officers)*

Subject to the further provisions hereof, the duties and responsibilities of Officers are determined by the Board. The following offices shall possess the following minimum duties and responsibilities:

(President)

The President has the responsibility to generally supervise the business and affairs of the Corporation. The President may delegate some or all of his or her authority to another member of the Board. The President must be elected by the Directors by show of hands, or by secret written ballot if one of the Directors so requests.

(Secretary)

The Secretary is responsible for giving notices of meetings or otherwise as required by the Act. The Secretary is responsible to ensure that proper minutes of meetings are recorded. The Secretary must use his or her best efforts to attend all meetings of the Board and owners. If the Secretary cannot attend a meeting, the Secretary may appoint someone deemed suitable by the Secretary to act in the place of the Secretary. The Secretary is the custodian of all books, papers, records, documents and other instruments belonging to the Corporation other than financial documents to be maintained by the Treasurer. The Secretary may, with the consent of the Board permit the property manager or such other person as the Board deems suitable to be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation.

(Treasurer)

The Treasurer is responsible to see that proper financial records of the Corporation are kept. The Treasurer is also responsible for the safe keeping of financial documents and evidence of investment and liability. The Treasurer may, with the consent of the Board delegate some or all of the actual accounting responsibilities and safekeeping of documents to the property manager or such other person as the Board deems suitable.

c. *(Condominium Manager)*

The Board may appoint or hire a condominium manager and authorize such manager to manage some or all of the day-to-day affairs of the Corporation. The condominium manager may be delegated some or all of the responsibilities of the Directors and Officers but is not a Director or Officer and shall not be elected or appointed as such.

d. *(Compensation)*

The Board may determine by resolution from time to time compensation to be paid to any Officer of the Corporation for services rendered in such capacity, provided that no compensation shall be provided for work that qualifies as condominium management services in accordance with the *Condominium Management Services Act, 2015*. Furthermore, reimbursement for reasonable out of pocket expenses incurred in connection with the fulfilment of an Officer's duties toward the Corporation shall be paid with such reasonable exceptions as the Board of Directors in their absolute judgement may determine by resolution from time to time. Where an Officer is also a Director, care shall be taken that no compensation is paid for such person's activities as a Director save and except in accordance with a duly enacted by-law of the Corporation authorizing the same.

Article VII. Banking and Execution of Documents

a. *(Free to deal with Banks, etc.)*

The Corporation may transact its financial affairs with such banks, credit units or trust companies as the Board may choose from time to time. The banking of the Corporation may be done by such Officers or assistant Officers or the property manager, and in such manner, as the Board may decide.

b. *(Most documents require two signatories)*

Subject to specific resolutions of the Board to the contrary, documents, including cheques, signed on behalf of the Corporation must be signed by any two Officers or Directors or by a Director and an Officer of the

Corporation. No Director or Officer may be a signatory on a cheque made out to such Director or Officer or to a member of such Director's or Officer's family or to a business of which such Director or Officer is a principal or employee.

c. *(Specific resolution may permit one person to sign documents)*

The Board may by resolution direct a particular person to sign any specified document or set of documents, and specify that such document(s) need only be signed by such individual and no other person. A resolution giving general signing authority to just one person is not permitted unless such person is the property manager appointed by the Board and under contract to the Corporation.

Article VIII. Financial Matters

a. *(Year-end)*

Each fiscal year of the Corporation shall end on the last day of the month which is the anniversary of the month in which the Corporation came into existence by registration of the Declaration, or on such other day as the Board may, by resolution, decide from time to time.

b. *(General Borrowing Authority)*

The Directors may from time to time borrow money on the credit of the Corporation on behalf of the Corporation, whether by loan or by line of credit or by other legal means, provided such borrowing is authorized specifically by by-law or is otherwise expressly permitted under the Act, and may in connection therewith:

- issue, sell or pledge securities (including bonds, debentures, debenture stock or other like liabilities) of the Corporation, save and except that no invitation shall be extended to the public to subscribe for any such securities; and/or
- charge, mortgage, hypothecate or pledge any existing or future real or personal, movable or immovable property of the Corporation, including book debts, rights, powers, franchises and undertaking, to secure any debt or liability of the Corporation.

c. *(Matters Relating to Common Expenses)*

- *Assessment*

(Regular Annual Budget)

The Board shall, at least thirty (30) days prior to the commencement of each fiscal year, or at such other time as the Act may require, prepare a budget for that fiscal year. Common expense contributions for the fiscal year subject of the budget are to be assessed to each unit in accordance with the percentages set out in the Declaration.

(Amended Budget)

The Board may amend the annual budget of the Corporation from time to time prior to the conclusion of the fiscal year to which the budget relates.

(Notice of Annual Budget or Amended Budget)

Subject to the relevant provisions of the Act when such come into force, notice of the annual budget or any amendment thereto, shall be delivered to all unit owners at least fifteen (15) days prior to the date on which such budget or amendment is to come into effect. Such notice shall contain a copy of the proposed budget or amended budget and shall set out the start and end dates of the period in respect of which it is made. The notice may also set out the amount of the monthly contribution to the common expenses of the Corporation assessed on account of the unit(s) owned by the particular owner to whom the notice is sent.

(Coming into Effect)

Neither a budget nor an amendment to a budget shall come into effect until notice is given in accordance with this paragraph and the relevant provisions of the Act. Where the coming into effect of a budget or amendment is delayed, the prior budget, or the budget as it was prior to the amendment, shall continue to be applied for the purpose of determining the common expense contributions required to be paid on account of the units during the period that the proposed budget or amendment is intended to cover, until such time as the budget or amendment in question may come into effect in accordance with these provisions.

(Special Assessments)

In addition, expenditures not contemplated in such a budget or which exceed the amounts set out in such a budget for contemplated items of expenditure may be assessed any time by the Board (a "Special Assessment"). In order to make a Special Assessment, the Board must serve notice of such on all owners. The notice shall include a written statement setting out the reasons for the Special Assessment.

- *Payment*

(Monthly Contributions)

The owner of each unit must pay one-twelfth (1/12) of the annual assessment of common expenses levied on account of the unit of such owner on the first day of each month following delivery of such assessment until a new assessment is delivered to such owner. The proportionate share of any Special Assessment allocated to a unit shall be payable by the owner of such unit at such time or times as determined by the Board and set out in the written notice of such Special Assessment that is given to the owners.

(Application of Payments to Oldest Arrears)

Subject to the further provisions hereof, all payments made toward the contribution to common expenses for a unit, whether with respect to the annual assessment or any Special Assessment or any other amounts duly deemed to be common expenses, shall, notwithstanding any direction by the owner of such unit to the contrary, be applied first toward payment of the oldest arrears of common expenses owing on account of the owner's unit.

(Owner's Liability for Common Expenses Ends upon Transfer of Unit)

If any common expenses are payable after an owner transfers the title to the unit of such owner, such owner is not responsible to pay such common expenses. Any such common expenses shall be paid by the owner of the unit at the time such common expenses are payable.

▪ *Collection of Arrears*

(Interest on Arrears)

Arrears of common expenses will bear interest calculated monthly at fixed rate of eighteen percent (18%) per annum.

(Allocation of Payments made pursuant to a Lien)

Notwithstanding any notation on or accompanying any payment made in response to a demand for payment of an amount owing pursuant to a lien arising under the Act, such payment may be applied toward paying all or part of any of,

- (1) arrears of common expenses that are not covered by the lien (provided only that if this is done the same shall be applied first toward payment of the oldest of such arrears),
- (2) arrears of common expenses giving rise to or otherwise covered by the lien (provided only that if this is done the same shall be applied first toward payment of the oldest of such arrears),
- (3) interest accruing in respect of any such arrears of common expenses, and
- (4) other expenses covered by the lien as set out in the Act,

as the Board in its sole discretion determines to be appropriate in the circumstances. Such decision of the Board must be evidenced by a written resolution of Board kept in the records of the Corporation, which may include a resolution establishing standing policies and practices relating to liens generally and need not deal specifically with the lien in respect of which the payment in question is made. No such resolution of the Board in respect of any particular payment shall bind the Board with respect to the allocation of all or any part of any other payments made on account of the same arrears, lien, unit or unit owner.

(Legal Action to collect Common Expense Arrears)

In addition to any remedies provided by the Act, the Board may bring legal action for the collection of common expenses that have been in arrears for at least fifteen (15) days. If such action is commenced the Corporation is entitled to be indemnified by the defaulting owner as part of such action for all costs of such action including legal costs as between a solicitor and his own client.

(Discharge or Release of Lien)

The Corporation shall not be required to discharge or release any lien until all arrears of common expenses, all interest accruing thereon and all other expenses covered by such lien have been paid in full.

d. *(Realty Tax Assessments)*

The Corporation is authorized, at the Board's discretion, to object to assessments under the *Assessment Act* or its successor legislation on behalf of owners provided it complies with the Act and its regulations. The costs thereof shall be a common expense of the Corporation.

The Corporation is authorized to defray the costs of a unit owner's objection to an assessment under the *Assessment Act* out of the common expenses, at the sole discretion of the Board.

Article IX. Insurance

a. *(Insurance Requirements)*

The Corporation shall maintain insurance as required by the Act.

b. *(Canada Mortgage and Housing Corporation ("CMHC") Insurance Requirements)*

Whereas CMHC has in the past dictated what insurance clauses must be within condominium documentation as a condition to providing mortgage insurance:

- Any reasonable insurance requirements that are required by any mortgagee on account of the requirements of CMHC or other recognized mortgage insurer or directly by CMHC or other recognized mortgage insurer shall be adhered to by the Corporation if such insurance is required as a precondition to providing mortgage financing or mortgage insurance. The foregoing is subject to the proviso that the Corporation does not have to place insurance that the Board is of the opinion is unusual or expensive.
- Any such requirements for insurance shall be made in writing by the mortgagee, proposed mortgagee or mortgage insurer. Any insurance placed in response to such request need only be kept in place for so long as the mortgagee has a registered mortgage with respect to one or more of the units of the Plan or in the case of a mortgage insurer for so long as such mortgage insurer has insured a registered mortgage with respect to one or more of the units of the Plan.

c. *(Deductibles)*

- *Damage to Common Elements*

If damage should occur to part of the common elements and was caused by an act or omission of any occupant of or visitor to a unit, and was not caused by the Corporation or any servant, agent or employee thereof, then the amount that is the lesser of the cost of repairing the damage and the deductible limit of the Corporation's insurance policy (regardless of whether or not a claim is made or proceeds are paid under the Corporation's insurance policy) will be the responsibility of the owner of the unit in question to pay to the Corporation. Any right of a unit owner to be indemnified by any other person, including an owner or occupant of any other unit, on account of such amount, is a matter between the said owner and such other person and shall not involve the Corporation nor affect its right to payment from the said owner in accordance with this paragraph.

- *Damage to Units*

If damage should occur to a unit and such damage or any part thereof is repaired at the expense of the Corporation, then, provided that such damage was not caused by the Corporation or any agent or employee thereof, the amount that is the lesser of the cost of repairing the damage and the deductible limit of the Corporation's insurance policy (regardless of whether or not a claim is made or proceeds are paid under the Corporation's insurance policy) will be the responsibility of the owner who owns the damaged unit and shall be added to the common expenses payable on account of such unit. Any right of a unit owner to be indemnified by any other person, including an owner or occupant of any other unit, on account of such amount, is a matter between the said owner and such other person and shall not involve the Corporation nor affect its right to payment from the said owner in accordance with this paragraph.

Article X. Standard Unit Definition

a. *(Recitals)*

1. The Corporation is responsible to insure the condominium units of the Plan exclusive of the "improvements" to the units.
2. Section 89 of the Act at the time of enacting this by-law provides that the obligation to repair after damage does not include the obligation to repair after damage "improvements" made to a unit.
3. The Act provides that what constitutes an "improvement" to a condominium unit shall be determined by reference to a standard unit definition.
4. Any component of a unit over and above the defined "standard unit" is considered to be an "improvement" to the unit.
5. The consequence of defining the "standard unit" is to cause all components of a unit that are not specifically stated to be part of the standard unit to be classified, considered and defined as "improvements," thereby making the owner(s) of such unit completely responsible for all insurance relating thereto and relieving the Corporation from being required to provide or maintain any insurance on account thereof.

b. *(Standard Unit – Commercial Use Units)*

THE STANDARD UNIT FOR COMMERCIAL USE UNITS (as defined in the Declaration of the Corporation, as amended from time to time) shall include only those components of the following that are within the unit boundaries and/or form a part of the unit, as set out in the Declaration and the Description:

- i. all installations with respect to the provision of water and sewage services, save that any water heaters or softeners or other water using equipment, devices, and appliances, shall constitute an improvement to the unit;
- ii. all installations with respect to the provision of heat and ventilation to the unit, save that the furnaces and air conditioner units themselves shall constitute improvements to the units;
- iii. all installations with respect to the provision of electricity service to the unit (excluding the unit electrical panel) including outlets (maximum of three locations), telephone cable and rough ins (maximum of two locations), all requisite smoke detectors as required by applicable regulation hard wired into the electrical system; and
- iv. such other components of the unit which the declarant would have been required to construct by the then current regulations (as at the time of the repair) in order to achieve registration of the condominium plan including without limiting the generality of the foregoing, all conduits, pipes, ducts, cables, wires, service connections, lines, water mains, telephone cables and access transmission lines and public utility lines that, without limiting the generality of the foregoing, provide or transmit power, communication facilities, water, fuel, and/or sewage disposal, provided same are part of the unit.

c. *(Standard Unit – Parking Units)*

If and when any unit of the condominium is designated in the Declaration and the Description as a parking unit, THE STANDARD UNIT FOR PARKING UNITS shall not include any components of the unit or any of the structures or equipment or other items of any kind whatsoever that are installed or affixed therein or thereto.

d. *(Exclusions / Improvements)*

Anything within the unit boundaries of a unit which is over and above such minimum requirements set out above shall be considered an improvement to the unit. For greater certainty and by way of example only without limiting the generality of the foregoing each of the following is considered an improvement to the unit: drywall in ceilings and walls; ceiling, wall, and/or floor coverings (including underpad, if any); all interior trim (baseboard, interior unit doors and shelving); unit electrical panels; window coverings; plumbing and electrical fixtures; water softeners; lighting; cabinetry.

e. *(Builder's Standard)*

All components of a unit that are treated as standard pursuant this definition, are included to a Builder's Standard. In case of any dispute as to what constitutes "Builder's Standard" a comparison shall be had to the quality and features of similar items being offered by builders of new construction condominium units of similar value to the unit in which or to which the damage has occurred at the time of damage, and the issue shall be exclusively and conclusively determined by the insurance adjuster(s) retained by and acting on behalf of the Corporation's insurer and the decision of such adjuster(s) in this regard shall be binding on the Corporation and all its owners and mortgagees.

f. *(Required upgrades)*

If any component of the standard unit must be "upgraded" or changed in order to comply with any applicable governmental or authority regulation or code while being repaired or replaced on account of insurable damage or destruction the said upgrade or change shall be considered part of the standard unit despite not being clearly defined herein as being part of the standard unit.

Article XI. Records

One copy of each of the following documents shall be furnished free of charge once per year to any mortgagee or owner on demand: the most recent financial statement; the most recent report of the auditors; and minutes of meetings held within the twelve-month period preceding to the date the request is made, of the Board (redacted for the purposes of confidentiality or privacy of unit owners or as otherwise required by law) and of the owners (for up to one year prior to the date of request). A unit owner may request and receive one copy of each such record per year without the necessity of complying with the records request processes set out in the Act and any such request shall not be refused.

Article XII. Lease or License of the Common Elements

Whereas, certain of the parking spaces within the Common Elements are designated for use by persons who possess a valid Ontario accessible parking permit, if a Unit Occupant possesses such a permit and requires use of one of the accessible parking spaces on a temporary, occasional, or permanent basis, the Unit Owner of the Unit in question may request from the Board a license for exclusive use of one of the accessible parking spaces at such times and for such period as such use may be required by the Unit Occupant in question. The Corporation

is hereby authorized to, upon receiving such request in writing, grant such license upon such terms as are set out in the request, or as the Unit Owner and Board may otherwise agree, provided that,

- the accessible parking space subject of the grant is not already allocated for such use by another Unit Occupant, and
- there shall remain at least one accessible parking space in the Condominium Plan that is not subject to such a grant or any other lease or license for exclusive use.

No license fee shall be required to be paid, but, instead, as a term of each such license the Unit Owner in question shall grant, in exchange therefor, a license to the Corporation for the use of one of that owner's Designated Parking Spaces as if it was not an EUA but a part of the general Common Elements, during the same times and for the same period as the grant of use of the accessible parking permit shall persist. Notwithstanding its terms each such license shall be automatically terminated if the Unit Occupant for whose sake it was granted ceases to be a Unit Occupant, or upon written notice by the Unit Owner that such use of the accessible parking space is no longer required.

Article XIII. Notice

a. *(How notice is to be given)*

Other than as set out in this by-law to the contrary, any notice, communication or other document, including budgets and notices of assessments, ("Notice Document") required to be given or delivered by the Corporation to an owner or mortgagee of a unit, shall be sufficiently given in accordance with the provisions of the Act, and any Notice Document shall be deemed to have been given by the Corporation and received by the recipient:

- if delivered personally, when delivered;
- if mailed, on the day it is mailed; or,
- if sent by other form of electronic transmission, upon such transmission being made.

b. *(Notice to the Corporation)*

Any Notice Document to be given to the Board or Corporation shall be sufficiently given by mailing the Notice Document by prepaid ordinary mail or registered mail to the address for service of the Corporation and shall be deemed to have been received on the fifth business day following mailing (as evidenced by a post-mark on thereon).

c. *(Failure to give proper or any notice)*

Failure to give proper notice or any notice to anyone entitled to notice shall not invalidate any action taken at any meeting or other proceeding for which notice should have been given.

Article XIV. Mediation

Subject to the rules, practices and other requirements of the Condominium Authority Tribunal, where it has jurisdiction and an application has been made by a party having proper standing, any mediation involving any of the owners of units within the Plan and/or the Corporation shall, in the absence of a written agreement to the contrary by all participants be conducted in accordance with the following provisions:

Confidentiality

1. The mediation will be a confidential settlement process. Anything discussed in the mediation cannot be used in any proceeding by anyone.
2. Mediation sessions are settlement negotiations and disclosures are inadmissible during any further litigation or arbitration to the extent allowed by law. The parties will not subpoena or otherwise require the mediator to testify or produce records or notes in any future proceedings. No transcripts will be kept of the mediation conference.
3. The parties shall not rely on or introduce as evidence in subsequent arbitral or judicial proceedings:
 - a. any views expressed, or suggestions made, by the other party in respect of the possible settlement of the dispute;
 - b. any admissions made by the other party in the course of the mediation;
 - c. the fact that the other party had indicated a willingness to accept a proposal or recommendation for settlement made by the mediator;
 - d. proposals made or views expressed by the mediator.

4. All mediation conferences shall be held in private. The only persons entitled to be present without the consent of the mediator, shall be the parties and/or their representatives.
5. During the mediation process the mediator may disclose to either party any information provided by either party, unless the disclosing party has specifically requested the mediator to keep the information confidential. The mediator will not disclose to anyone who is not a party to the mediation anything (i.e., any materials submitted to the mediator) except:
 - a. where applicable, to the lawyers or other professionals retained on behalf of the parties or to non-parties consented to in writing by the parties, as deemed appropriate or necessary by the mediator;
 - b. where ordered to do so by a judicial authority or where required to do so by law.
6. The mediator may disclose to any party or to her or his counsel any information provided by the other party which the mediator and the party believe to be relevant to the issues being mediated unless a party or her/his counsel has specifically requested the mediator to keep such information confidential.

Summary of dispute

7. In order to facilitate a more complete understanding of the controversy and the issues to be mediated, the Parties will each provide the mediator with a written brief (of approximately 3 pages) of the controversy as they see it, not less than two days prior to the first mediation session.

Role of mediator

8. The mediator's role is to assist the parties to negotiate a resolution of their dispute. The mediator will not make decisions for the parties about how the matter should or must be resolved.

Voluntary participation

9. Following each party's initial attendance at the mediation session, each party's participation in the mediation is voluntary. Any Party or the mediator may withdraw from the mediation at any time for any reason.

Representation of Parties

10. Parties to a mediation are entitled to legal representation or advice prior to or during the mediation. They may have lawyers present at the mediation if they so desire. If the mediator selected by the parties is a qualified lawyer she (he) will not provide legal representation or legal advice to any party at any time, and the mediator will have no duty to assist or protect the legal rights and responsibilities of any party, or to raise any issue not raised by the parties themselves, or to determine who should participate in the mediation.

Payment of mediator's fees and expenses

11. If a settlement is obtained, each party shall pay the share of the mediator's fees and expenses that the settlement specifies. If the mediation fails, the mediator shall specify, in the notice outlining the failure, the share of the mediator's fees and expenses that each party shall pay.

Choice and role of mediator and mediation agreement

12. The Parties shall sign the form of mediation agreement (if any) required by the mediator.
13. Mediation shall be conducted by one mediator.
14. If the parties to a mediation do not select a mediator within 60 days after the parties submit the disagreement to mediation the disagreement shall proceed to arbitration under the *Arbitration Act, 1991* and the mediation shall be deemed to have failed.
15. The selected mediator will not represent either of the parties in any subsequent related legal proceeding between the parties or where they are opposed in interest.

Initial Meeting

16. The mediator shall on a date established by the mediator after consultation with the parties and/or their solicitors meet with the parties and/or their solicitors to determine all procedural matters, including the following:
 - a. what issues are in dispute and which matters, if any, can be agreed upon;
 - b. what documents, correspondence, books or records exist or can be produced, when they shall be produced or exchanged and by whom;
 - c. whether "on site" inspections and/or interviews shall be part of the proceedings;
 - d. the retainer of experts or consultants by the mediator;

- e. the basis upon which the mediator's fees shall be calculated, secured and paid, including any deposit to be paid in advance;
 - f. clarification of any initial perceived bias and agreement on dealing with it;
 - g. whether special services such as interpreters, document translations or security measures are required, and how such services shall be provided and paid for;
 - h. fixing the method and locale where the mediation is to be held; and
 - i. setting the date, time and place of the initial mediation conference.
17. At the initial meeting, the mediator shall disclose any personal interest in the dispute, or any previous relationship with any of the parties, or any specific bias regarding any of the issues.
18. The initial meeting may be held by teleconference with the consent of all parties and the mediator.
19. The address for service for each Party shall be provided by the Parties to the mediator at the preliminary meeting and service to this address shall be deemed good and sufficient.
20. Any consensus reached at the preliminary meeting shall be recorded in writing by the Mediator and such records shall be sent within four days of that meeting to each of the parties.

Mediation Conferences

21. The mediator shall schedule the date, time and location for any subsequent mediation conferences after consultation with the parties and/or their solicitors.
22. Unless the Parties otherwise agree, a party may be represented by a lawyer or agent if prior notice including the lawyer or agent's name and address, is given to the mediator and other party(-ies) at least 3 (three) days prior to the mediation conference.
23. A mediation conference may be terminated at any time by any party, her or his counsel or the mediator for any reason.
24. Each party's representative has full authority to settle the dispute at the mediation conference, otherwise agreed in writing.
25. Where a party fails to attend or be represented at a mediation conference despite proper notice, the mediator may adjourn the mediation conference to a later date with 14 days notice to all parties, and costs may be assessed against the defaulting party.

Report of Settlement

26. Upon obtaining a settlement between the parties with respect to the disagreement submitted to mediation, the mediator shall make a written report of the settlement which shall form part of the agreement or matter that was the subject of the mediation.

Notice of failure of mediation

27. If any one or more of the parties will not cooperate with the other(s) and/or the mediator (as determined by the mediator in the mediator's absolute discretion) or if the parties are unable with the assistance of the mediator, to settle their dispute, the mediator shall deliver a notice to the parties stating the mediation has failed, and if the nature of the dispute concerns a matter that falls within a category of disagreement described in the Act as requiring alternate dispute resolution, the parties agree to resolve their dispute thereafter by arbitration under the *Arbitration Act, 1991* (or its successor legislation).

Article XV. Miscellaneous

- a. The invalidity of any part of this by-law shall not impair or affect in any manner the validity and enforceability or effect of the balance thereof.
- b. No restriction, condition, obligation or provision contained in this by-law shall be deemed to have been abrogated or waived because of any failure to enforce the same, irrespective of the number of violations or breaches that may occur.