

CERTIFICATE

SIMCOE STANDARD CONDOMINIUM CORPORATION NO._____ hereby
certifies that the attached By-Law No. 1 was made in accordance with the ***Condominium Act,
1998***, S.O. 1998, c.19, and any amendments thereto, the Declaration and the By-Laws of the
Corporation and that said By-Law No. 1 has not been amended and is in full force and effect.

Dated this _____ day of _____, 201__.

**SIMCOE STANDARD CONDOMINIUM
CORPORATION NO.** _____

Per:_____
[Authorized Signing Officer]

Per:_____
[Authorized Signing Officer]

SIMCOE STANDARD CONDOMINIUM CORPORATION NO. ____
BY-LAW NO. 1

BE IT ENACTED as By-Law No. 1 of SIMCOE STANDARD CONDOMINIUM CORPORATION NO. _____ (the “Corporation”) as follows:

1. DEFINITIONS

All words used herein and which are defined in the *Condominium Act, 1998*, S.O. 1998, c.19 (the “Act”) and the Declaration of the Corporation (the “Declaration”) shall have ascribed to them the meanings set out in the Act or the Declaration, as amended from time to time, unless the context requires otherwise.

2. SEAL

The corporate seal of the Corporation shall be in the form impressed hereon. Notwithstanding that the Corporation has a seal, any document that would otherwise require a seal need not be executed under seal, provided the statement “I/We have the authority to bind the Corporation” is noted below the signature(s) of the person(s) duly authorized to sign the document and such a document has the same effect for all purposes as if executed under seal.

3. RECORDS

The Corporation shall maintain the following records (hereinafter called the “Records”):

3.1. General

- a. The financial record of the Corporation for at least six (6) years from the end of the last fiscal period to which they relate;
- b. a minute book containing the minutes of owners' meetings and the minutes of Board meetings;
- c. a copy of the registered Declaration, by-laws and rules;
- d. a copy of the annual financial statement, which shall be furnished to every owner and mortgagee entered on the register;
- e. the seal of the Corporation;
- f. copies of all agreements entered into by the Corporation or the Declarant or the Declarant's representatives on behalf of the Corporation, including management contracts, deeds, leases, licences, easements and any agreements entered into pursuant to Section 98 of the Act;
- g. copies of all policies of insurance and the related certificates or memoranda of insurance and all insurance trust agreements;
- h. bills of sale or transfers for all items that are assets of the Corporation but not part of the property;
- i. the names and addresses for services of each owner and mortgagee that the Corporation receives from owners and mortgagees in writing in accordance with subsection 47(1) of the Act;
- j. notices received from an owner that his unit has been leased together with the lessee's name, the owner's address, a copy of the lease or renewal or a summary of same, pursuant to subsection 83(1) of the Act;
- k. notice received from an owner that a lease of the owner's unit has terminated and was not renewed pursuant to subsection 83(2) of the Act;

- l. all records that the Corporation has related to the units or to employees of the Corporation;
- m. the existing warranties and guarantees for all equipment, fixtures and chattels included in the sale of either the units or common elements that are not protected by warranties and guarantees given directly to a unit purchaser;
- n. the as-built architectural, structural, engineering, mechanical, electrical and plumbing plans;
- o. the as-built specifications indicating all substantive changes, if any, from the original specifications;
- p. all existing plans for underground site services, site grading, drainage and landscaping and television, radio or other communication services;
- q. all other existing plans and information that are relevant to the repair or maintenance of the property;
- r. if the property of the Corporation is subject to the Ontario New Home Warranty Plan Act, proof in the form, if any, prescribed by the appropriate governmental authorities that the units and common elements have been enrolled in the Ontario New Home Warranty Plan in accordance with the regulations under the Ontario New Home Warranty Plan Act and a copy of all final reports on inspections that the Ontario New Home Warranty Program requires to be carried out on the common elements;
- s. a table setting out the responsibilities for repair after damage and maintenance and indicating whether the Corporation or the owners are responsible;
- t. all reserve fund studies and plans to increase the reserve fund;
- u. a copy of the most current disclosure statement delivered by the Declarant to a purchaser prior to the turnover meeting;
- v. a copy of the written performance audit report received by the Corporation;
- w. any report the Corporation receives from an inspector or administrator pursuant to Section 130 or 131 of the Act;
- x. a copy of all status certificates issued within the previous ten (10) years;
- y. a copy of all notices sent on behalf of the Corporation within the previous ten (10) years;
- z. proxies, for at least ninety (90) days from the date of the meeting at which the proxies were utilized.

3.2. Records to be Provided to Owners and Mortgagees

- a. a copy of the annual financial statement, which shall be furnished to every owner and mortgagee entered on the register;
- b. the books and records of the Corporation (including the minutes of meetings of the Board and of the owners), which shall, upon reasonable written notice, be made available at reasonable times for inspection by any owner, a purchaser or a mortgagee of a unit or an agent of one of them duly authorized in writing to examine the records of the Corporation for all reasonable purposes, provided that such right to examine the books and records of the Corporation shall not apply to:
 - i. records relating to employees of the Corporation, except for contracts of employment between any of the employees and the Corporation;

- ii. records relating to actual or pending litigation or insurance investigations involving the Corporation; or
- iii. records relating to specific units or owners unless
 - a. an owner, a purchaser or a mortgagee of a unit or an agent of one of them wishes to examine records that relate to the unit of that owner, the unit being purchased or the unit that is subject to the mortgage, as the case may be; or
 - b. an owner of a unit or an agent of the owner wishes to examine records that relate to that owner; and
- c. additional copies of the Declaration, by-laws, rules and regulations, which shall be made available to any owner for purchase at the cost of their reproduction.

4. MEETING OF OWNERS

4.1. Annual General Meetings

The first annual general meeting of owners shall be held within three (3) months after the registration of the Declaration and thereafter, the annual general meeting of owners shall be held within six (6) months following the Corporation's fiscal year end at such place and on such day and time in each year as the Board may from time to time determine for the purpose of receiving reports and statements required by the Act, the Declaration and By-laws, electing directors, appointing the auditor and fixing or authorizing the Board to fix the auditor's remuneration and for the transaction of such other business as may be set out in the notice of meeting.

4.2. Special Meetings

The Board, upon receipt of a requisition (a) in writing, (b) signed by owners who together own not less than fifteen (15%) per cent of the units, (c) stating the nature of the business to be presented at the meeting, and (d) delivered personally or by registered mail to the President or Secretary of the Corporation or deposited at the address for service of the Corporation, shall call and hold a meeting of the owners within thirty-five (35) days of the receipt of the requisition or if the requisitionists so request in the requisition or consent in writing, add the business to be presented at the requisitioned meeting to the agenda for the next annual general meeting. If the meeting is not called and held within thirty-five (35) days of receipt of the requisition, any of the requisitionists may call the meeting, which meeting shall be held within forty-five (45) days of the day on which the meeting was called. The Board may at any time call a special meeting of the owners for the transaction of any business, the nature of which shall be specified in the notice calling the meeting.

4.3. Persons Entitled to be Present

The only persons entitled to attend a meeting of owners shall be the owners and mortgagees entered on the register and any others entitled to vote thereat and the auditor of the Corporation, the directors and officers of the Corporation and a representative of the Manager and others who, although not entitled to vote, are entitled or required under the provisions of the Act or the Declaration and By-Laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.

4.4. Quorum

At any meeting of owners, a quorum shall be constituted when persons entitled to vote and owning not less than twenty-five per cent (25%) of the units are present in person or represented by proxy. If thirty minutes after the time appointed for the holding of any meeting of owners, a quorum is not present, the meeting shall stand adjourned and if the meeting was an annual general meeting, the Board shall call a further meeting of the owners.

4.5. Preliminary Notices

At least twenty (20) days prior to sending out of a notice to call a meeting of owners in accordance with Section 4.6, the Board shall send a preliminary notice to each owner and each mortgagee entitled to vote pursuant to the terms of its mortgage, prepared in accordance with the

Act and the regulations made thereunder which contains:

- i. if the meeting is to elect one or more directors, a request that each individual who intends to be a candidate for election to the Board notify the Board, in writing, by a date specified in the preliminary notice and that is determined in accordance with the regulations to the Act, of the individual's intention, name and address;
- ii. a request that any owner who wishes that the Board include any material in the notice calling the meeting provide the material to the Board by a date that is specified in the preliminary notice and that is determined in accordance with the regulations to the Act; and
- iii. all other materials that are prescribed by the regulations to the Act.

4.6. Notices

At least fifteen (15) days written notice of every meeting specifying the place, the date, the hour and the nature of the business to be presented shall be given to (a) each owner, and (b) each mortgagee entitled to vote pursuant to the terms of its mortgage, in both cases entered on the records twenty (20) days before the date of the meeting and such notice shall be given in accordance with Sections 47(7) and 47(8) of the Act. The Corporation shall not be obligated to give notice to any owner who has not notified the Corporation that he has become an owner nor to any mortgagee who has not notified the Corporation of his entitlement to vote. If applicable, the notice of meeting shall be accompanied by (a) a copy of all proposed changes to the Declaration, By-laws, rules or agreements that are to be discussed at the meeting, and (b) a copy of the requisition, if an owner has made a requisition as set forth in Section 4.2 above.

4.7. Right to Vote

Subject to the right of a mortgagee of a unit to exercise the right of the owner to vote, every owner of a unit shall be entitled to vote who is entered on the record as an owner or has given notice to the Corporation, in a form satisfactory to the Chairman of the meeting that he is an owner. Any dispute over the right to vote shall be resolved by the Chairman of the meeting upon such evidence as he may deem sufficient.

4.8. Conduct of Meetings and Method of Voting

At any general or special meeting, the President of the Corporation or, failing him, the Vice-President or, failing him, some person elected at the meeting shall act as Chairman of the meeting and the Secretary of the Corporation shall act as Secretary of the meeting or, failing him, the Chairman shall appoint a secretary. Any question shall be decided by a show of hands, unless a poll is required by the Chairman or is demanded by an owner or mortgagee present in person or by proxy and entitled to vote and unless a poll is so required or demanded, a declaration by the Chairman that the vote upon the question has been carried or carried by a particular majority or not carried is prima facie proof of the fact without proof of the number of votes recorded in favour of or against such question; provided, however, that voting for the election of directors shall be by ballot only. A demand for a poll may be withdrawn. If a poll is so required or demanded and the demand is not withdrawn, a poll upon the question shall be taken in such manner as the Chairman shall direct.

4.9. Representatives

An executor, administrator, committee of a mentally incompetent person, guardian or trustee (and where a corporation acts in such capacity, any person duly appointed as proxy for such corporation) upon filing with the Secretary sufficient proof of his appointment, shall represent the owner or mortgagee at all meetings of the owners and may vote in the same manner and to the same extent as such owner.

4.10. Adjournment of Meeting

The Chairman may adjourn the meeting from time to time and from place to place.

5. THE CORPORATION

5.1. Duties of the Corporation

The duties of the Corporation shall include, but shall not be limited to the following:

- a. controlling, managing and administration of the common elements and assets of the Corporation;
- b. collection of common expense contributions;
- c. arranging for the supply of water, electricity, gas and other utilities to the property, except where prevented from carrying out such duty by reason of any event beyond the reasonable control of the Corporation. If any apparatus or equipment used in effecting the supply of water or other utility at any time becomes incapable of fulfilling its function or is damaged or destroyed, the Corporation shall have a reasonable time within which to repair or replace such apparatus and shall not be liable for indirect or consequential damages or for damages for personal discomfort or illness by reason of the failure to perform such duty;
- d. obtaining and maintaining insurance for the property as may be required by the Act and the Declaration;
- e. repairing and restoring of the common elements;
- f. obtaining and maintaining fidelity bonds where obtainable in such amounts as the Board may deem reasonable for such officers and directors or employees as are authorized to receive or disburse any funds on behalf of the Corporation;
- g. causing audits to be made after every year-end and making auditors' reports and financial statements available to the owners and mortgagees;
- h. preparation of an estimated budget in accordance with Section 11 hereof;
- i. keeping accurate accounts and sending to each Unit owner an annual statement of income and expenditures in respect thereto and keeping such accounts open for inspection by Unit owners;
- j. establishing and maintaining one or more reserve funds; and
- k. effecting compliance with the Act, the Declaration, the By-Laws and the Rules from time to time.

5.2. Powers of the Corporation

The powers of the Corporation shall include, but shall not be limited to, the following:

- a. Employment and dismissal of personnel necessary for the maintenance and operation of the common elements;
- b. adoption and amendment of rules concerning the operation and use of the property;
- c. obtaining and maintaining fidelity bonds for any manager where deemed necessary by the Board and in such a manner as the Board may deem reasonable;
- d. investing reserve funds, provided that such investment shall be permitted by the *Trustee Act*, R.S.O. 1990, and amendments thereto, and convertible into cash in not more than 90 days;
- e. to settle, adjust, compromise or refer to arbitration or the courts any claim or claims which may be made upon or which may be asserted on behalf of the Corporation;
- f. to retain and hold any securities or other property, whether real or personal, which shall be received by the Corporation in the form received, whether or not the same is authorized by any law, present or future, for the investment of trust funds;

- g. to sell, convey, exchange, assign or otherwise deal with any real or personal property at any time owned by the Corporation at such price, on such terms and in such manner as the Corporation, in its sole discretion, deems advisable and to do all things and execute all documents required to give effect to the foregoing.
- h. to enter into the following agreements as required from time to time:
 - i. a management agreement with an individual or corporation to manage the affairs and assets of the corporation at such compensation and upon such terms as the Board may determine in its sole discretion;
 - ii. an insurance trust agreement with an insurance trustee as permitted by the Act at such compensation and upon such terms as the Board may determine in its sole discretion;
 - iii. an agreement required by the supplier of any utility or service to the corporation upon such terms as the Board may determine in its sole discretion; and
 - iv. any other agreements which may be permitted by the Act and the Declaration and which are deemed advisable, desirable or necessary by the Board.

6. BOARD OF DIRECTORS

6.1. Number of Directors

The number of directors shall be three (3).

6.2. Election and Term

The directors of the Corporation shall be elected in rotation and upon the expiration of their respective terms of office, shall retire, but shall be eligible for re-election. At the first meeting of the owners held to elect directors, one (1) director(s) shall be elected to hold office for a term of one year from the date of their election; one (1) director(s) shall be elected to hold office for a term of two years from the date of their election; and one (1) director(s) shall be elected to hold office for a term of three years from the date of their election. Such directors may, however, continue to act until their successors are elected. If more than one of such directors whose terms are not of equal duration shall resign from the Board prior to the expiration of their respective terms and shall be replaced at a meeting of members for that purpose, the director or directors receiving the greater votes shall complete the longest remaining terms of the resigning directors. At each annual meeting thereafter, a number of directors equal to the number of directors retiring in such year shall be elected for a term of three years.

6.3. Calling of Meetings

Meetings of the Board shall be held from time to time at such place and at such time and on such day as any two directors may determine and the Secretary shall call meetings when authorized by them. Notice of any meeting so called shall be given personally, by ordinary mail or electronic communication to each director addressed to him at his latest address, entered on the record of the Corporation not less than 48 hours (including any part of a Sunday or of a holiday, as defined by the Interpretation Act of Canada for the time being in force) before the time when the meeting is to be held, save that no notice of a meeting shall be necessary if all the directors are present and consent to the holding of such meeting or if those absent have waived notice of or otherwise signified in writing their consent to the holding of such meeting.

6.4. Regular Meetings

The Board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the Board fixing a place and time of regular meetings of the Board shall be given personally, by ordinary mail or electronic communication to each director forthwith after being passed, but no other notice shall be required for any such regular meeting.

6.5. First Meeting of New Board

The Board may, without notice, hold its first meeting for the purpose of organization and the election and appointment of officers immediately following the meeting of members at which the directors of such Board were elected, provided a quorum of directors be present.

6.6. Indemnity of Directors and Officers

Subject to the provisions of Section 38 of the Act, every director or officer of the Corporation and his heirs, executors, administrators and other legal personal representatives shall from time to time be indemnified and saved harmless by the Corporation from and against:

- a. any liability and all costs, charges and expenses that he sustains or incurs in respect of any action, suit or proceeding that is proposed or commenced against him for or in respect of anything done or permitted by him respecting the execution of the duties of his office; and
- b. all other costs, charges and expenses that he sustains or incurs in respect of the affairs of the Corporation.

The Corporation shall purchase and maintain insurance for the benefit of directors or officers of the Corporation in order to indemnify them against the liability, costs, charges or expenses incurred by them in the execution of their duties, provided that such insurance shall not indemnify them against such liabilities, etc., incurred by them as a result of their not acting honestly or in good faith.

6.7. Compensation

The directors shall receive such compensation as may from time to time be decided by bylaw.

6.8. By-Laws

The Board may, by resolution, make, amend or repeal by-laws, not contrary to the Act or to the declaration,

- a. to govern the number, qualification, nomination, election, resignation, removal, term of office and remuneration of the directors; provided, however, that a by-law relating to the remuneration of directors shall fix the remuneration and the period not exceeding three years for which it is to be paid;
- b. to regulate board meetings, the form of board meetings and the quorum and functions of the board;
- c. to govern the appointment, remuneration, functions, duties, resignation and removal of agents, officers and employees of the Corporation and the security, if any, to be given by them to it;
- d. to authorize the borrowing of money to carry out the objects and duties of the Corporation; provided, however, that the Corporation shall not borrow money for expenditures not listed in the budget for the current fiscal year unless it has passed a by-law under this subparagraph specifically to authorize the borrowing;
- e. to authorize the Corporation to object to assessments under the Assessment Act on behalf of owners if it gives notice of the objections to the owners, and to authorize the defraying of costs of objections out of the common expenses;
- f. to govern the assessment and collection of contributions to the common expenses;
- g. to establish what constitutes a standard unit for each class of unit specified in the bylaw for the purpose of determining the responsibility for repairing improvements after damage and insuring them;
- h. to extend the circumstances described in subsection 105(2) of the Act under which an amount shall be added to the common expenses payable for an owner's unit for the purposes of subsection 105(3) of the Act;
- i. to govern the maintenance of the units and common elements;

- j. to restrict the use and enjoyment that persons other than occupants of the units may make of the common elements and assets of the Corporation, subject to any agreement made by the Corporation with respect to the use and enjoyment of its common elements and assets that it shares with another person;
- k. to govern the management of the property;
- l. to govern the use and management of the assets of the Corporation;
- m. to specify duties of the Corporation in addition to the duties set out in the Act and the declaration;
- n. to establish the procedure with respect to the mediation of disputes or disagreements between the Corporation and the owners for the purpose of sections 125 or 132 of the Act; or
- o. to govern the conduct generally of the affairs of the Corporation.

6.9. Rules

The Board may make, amend or repeal rules respecting the use of the common elements and units to:

- a. promote the safety, security or welfare of the owners and of the property and assets of the Corporation; or
- b. prevent unreasonable interference with the use and enjoyment of the common elements, the units or the assets of the Corporation.

The owners may amend or repeal a rule at a meeting of owners duly called for that purpose. Upon making, amending or repealing a rule, the Board shall give a notice of it to the owners that includes,

- i. a copy of the rule as made, amended or repealed, as the case may be;
- ii. a statement of the date that the Board proposes that the rule will become effective; and
- iii. a statement that the owners have the right to requisition a meeting under Section 46 of the Act and the rule does not become effective until:
 - a. the owners approve it at a meeting of owners, if the Board receives a requisition for the meeting under Section 46 of the Act within 30 days after the Board has given notice of the rule to the owners; or
 - b. 30 days after the Board has given notice of the rule to the owners, if the Board does not receive a requisition for the meeting under Section 46 of the Act within those 30 days.

Provided, however, that a rule or an amendment to a rule that has substantially the same purpose or effect as a rule that the owners have previously amended or repealed within the preceding two years is not effective until the owners approve it, with or without amendment, at a meeting duly called for that purpose.

7. OFFICERS

7.1. Term of Office

The Board may by resolution remove at its pleasure any officer of the Corporation.

7.2. President

The President shall, when present, preside at all meetings of the owners and of the Board and shall be charged with the general supervision of the business and affairs of the Corporation. Except when the Board has appointed a General Manager or Managing Director, the President shall also have the powers and be charged with the duties of that office.

7.3. Vice-President

During the absence of the President, the President's duties may be performed and the President's powers may be exercised by the Vice-President, or if there are more than one, by the Vice-Presidents, in order of seniority as determined by the Board. If a Vice-President exercises any such duty or power, the absence of the President shall be presumed with reference thereto. A Vice-President shall also perform such duties and exercise such powers as the Board may prescribe.

7.4. General Manager

The General Manager, if one be appointed, shall have the general management and direction, subject to the authority of the Board and the supervision of the President, of the Corporation's business and affairs and the power to appoint and remove any and all employees and agents of the Corporation not elected or appointed directly by the Board and to settle the terms of their employment and remuneration. The terms of employment and remuneration of the General Manager appointed by the Board shall be settled from time to time by the Board.

7.5. Secretary

The Secretary shall give or cause to be given all notices required to be given to the owners, directors, auditors, mortgagees and all others entitled thereto; the Secretary shall attend all meetings of the directors and of the owners and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings at such meetings; the Secretary shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation and the Secretary shall perform such other duties as may from time to time be prescribed by the Board.

7.6. Treasurer

The Treasurer shall keep or cause to be kept full and accurate books of account in which shall be recorded all receipts and disbursements of the Corporation and under the direction of the Board shall control the deposit of money, the safekeeping of securities and the disbursements of funds of the Corporation; the Treasurer shall render to the Board at the meeting thereof or whenever required of him an account of all transactions as Treasurer and of the financial position of the Corporation and the Treasurer shall perform such other duties as may from time to time be prescribed by the Board. The offices of Secretary and Treasurer may be combined.

7.7. Other Officers

The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the Board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant unless the Board otherwise directs.

7.8. Agents and Attorneys

The Board shall have power from time to time to appoint agents or attorneys for the Corporation, with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

8. BANKING ARRANGEMENTS AND CONTRACTS

8.1. Banking Arrangements

The banking business of the Corporation or any part thereof shall be transacted with such bank or trust company as the Board may designate, appoint or otherwise from time to time by resolution and all such banking business or any part thereof shall be transacted on the Corporation's behalf by such one or more officers or other persons as the Board may designate, direct or authorize from time to time by resolution and, to the extent therein provided, including, without restricting the generality of the foregoing, the operation of the Corporation's accounts, the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders relating to any property of the Corporation; the execution of any agreement relating to any such banking business and defining the rights and powers of the parties thereto and the authorizing of any officer of such bank to do any act or thing on the Corporation's behalf to facilitate such banking business.

8.2. Execution of Instruments

Deed/transfers, assignments, contracts and obligations on behalf of the Corporation may be signed by the President or a Vice-President, together with the Secretary or any other director. Any contract or obligation within the scope of any management agreement entered into by the Corporation may be executed on behalf of the Corporation in accordance with the provisions of such management agreement. Notwithstanding any provisions to the contrary contained in the By-Laws of the Corporation, the Board may at any time and from time to time direct the manner in which, and the person or persons by whom, any particular deed/transfer, contract or obligation or any class of deed/transfers, contracts or obligations of the Corporation may or shall be signed.

8.3. Execution of Status Certificate Under Section 76 of the Act

Status Certificates provided pursuant to Section 76 of the Act may be signed by any officer or any director of the Corporation, provided that the Board may, by resolution, direct the manner in which and the person by whom such certificates may or shall be signed.

9. FINANCIAL AND RECORDS

Until otherwise ordered by the Board, the financial year of the Corporation shall end on the 31st day of December in each year or on such other day as the Board by resolution may determine.

10. NOTICE

10.1. Method of Giving Notice by the Corporation

Any notice, communication or other document, including budgets and notices of assessments, required to be given or delivered by the Corporation shall be sufficiently given if given personally to the person to whom it is to be given or, if delivered, to the address noted in the record required pursuant to Section 47(2) of the Act or, if mailed, by prepaid ordinary mail or air mail in a sealed envelope addressed to him at such address or if sent by means fax or electronic communication to such address. Such notice, communication or document shall be deemed to have been given when it is given personally or delivered to the address aforesaid; provided that a notice, communication or document so mailed shall be deemed to have been given when deposited in a post office or public letter box, and a notice sent by any means of fax or electronic communication shall be deemed to have been given when delivered to the appropriate communication company or agency or its representative for dispatch.

10.2. Notice to the Board or Corporation

Any notice, communication or other document to be given to the Board or the Corporation shall be sufficiently given if mailed by prepaid ordinary mail or air mail in a sealed envelope addressed to it at the address for service of the Corporation set out in the Declaration or changed in accordance with requirements of the Act. Any notice, communication or document so mailed shall be deemed to have been given when deposited in a post office or public letter box.

10.3. Omissions and Errors

The accidental omission to give any notice to anyone entitled thereto or the non-receipt of such notice or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11. ASSESSMENT AND COLLECTION OF COMMON EXPENSES

11.1. Duties of the Board

All expenses, charges and costs of maintenance and operation of the common elements and the supply of utility services to the units and the common elements and any other expenses, charges or costs which the Board may incur or expend pursuant hereto shall be assessed by the Board and levied against the owner in the proportions in which they are required to contribute to the common expenses as set forth in the Declaration. The Board shall from time to time and at least annually prepare a budget for the property and determine by estimate the amount of common expenses for the fiscal year, as the case may be, which shall include provision for a reserve fund as required by the Act. The Board shall allocate and assess such common expenses as set out in the budget for such period among the owners according to the proportion in which they are required to contribute to the common expenses as set forth in the Declaration. The Board shall advise all owners promptly in writing of the amount of common expenses payable by each of them respectively determined as aforesaid and shall deliver copies of each budget on which

common expenses are based to all owners and mortgagees entered in the record kept pursuant to Section 47(2) of the Act.

11.2. Reserve Fund

The Board shall establish and maintain reserve funds in accordance with the Act. The reserve funds shall be kept in separate interest bearing accounts with any Province of Ontario Savings Office or any Chartered Bank or trust company branch in the County of Simcoe (as the Board may from time to time determine) and may be invested in accordance with the Act.

11.3. Extraordinary Expenditures

In addition to the annual assessment, extraordinary expenditures not contemplated in the foregoing budget and for which the Board shall not have sufficient funds may be assessed at any time during the year by the Board serving notice of such assessment on all owners as an additional common expense. The notice shall include a written statement setting out the reasons for the assessment. The assessment shall be payable by each owner within 10 days after the delivery thereof to him or within such further period of time or in such instalments as the Board may determine.

11.4. Owners' Obligations

Each owner shall be obligated to pay to the Corporation, or as it may direct, the amount of such assessment in equal monthly payments on the first day of each and every month next following delivery of such assessment until such time as a new assessment shall have been delivered to such owner. Each owner shall be obligated to pay to the Corporation, or as it may direct, all charges assessed for utilities consumed at such times as the Corporation may require.

11.5. Conveyance of Unit

No owner shall be liable for the payment of any part of the common expenses assessed against his Unit prior to a transfer by him of such Unit, but payable by him subsequent thereto, provided that he first gives notice of such assessment to the transferee of the Unit.

11.6. Default in Payment of Assessment

Arrears of payments required to be made under the provisions of this Section 11 shall bear interest at the rate of 18% per annum and shall be compounded monthly until paid. In addition to any remedies or liens provided by the Act, if any owner is in default in payment of an assessment levied against him for a period of 15 days, the board may bring legal action for and on behalf of the Corporation to enforce collection thereof and there shall be added to any amount found due all costs of such action, including costs as between a solicitor and his own client.

12. DEFAULT

12.1. Notice of Unpaid Common Expenses

The board, whenever so requested in writing by an owner or mortgagee entered on the Register, shall promptly report any then unpaid common expenses due from, or any other default by, any owner and any common expenses assessed or other money claims by the Corporation against any owner which are 30 days past due.

12.2. Notice of Default

The board, when giving notice of default in payment of common expenses or any other default to the owner of the Unit, shall concurrently send a copy of such notice to each mortgagee of such Unit who is entered on the Register and who has requested that such notices be sent to him.

13. DAMAGE

13.1. Procedure Where Damage Occurs

Where the Board pursuant to the Act has determined that there has been substantial damage to 25% of the buildings, a meeting of owners shall be called for the purpose of voting for termination or repair in accordance with the Act.

13.2. Plans and Specifications

A complete set of all the plans and specifications given to the Board by the Declarant, together with plans and specifications for any additions, alterations or improvements from time to time

made to the common elements or to any Unit with the prior written consent in writing of the Board, shall be maintained in the office of the Corporation at all times for the use of the Corporation in rebuilding or repairing any damage to the building and for the use of any owner and mortgagee.

14. INDEMNIFICATION

Each owner shall indemnify and save harmless the Corporation from and against any loss, costs, damage, injury or liability whatsoever which the Corporation may suffer or incur resulting from or caused by an act or omission of such owner, his family or any member thereof, any other resident of his Unit or any guests, invitees or licensees of such owner or resident to or with respect to the common elements and/or all other Units, except for any loss, costs, damages, injury or liability caused by an insured (as defined in any policy or policies of insurance) and insured against by the Corporation.

If the Corporation is successful in an action brought against any owner, tenant, resident, guest or visitor pursuant to Section 134(1) or Section 135 of the Act or if the Corporation incurs any costs to enforce any breach of the Act, or the Corporation's Declaration, By-Laws, Rules or any other agreement or document governing the affairs of the Corporation by any owner, tenant, resident, guest or visitor, then the Corporation shall be entitled to recover the costs of said action on a full indemnity basis, and all other costs shall bear interest at the rate of eighteen (18%) percent per annum until paid by the owner.

All payments pursuant to this Section are deemed to be additional contributions toward the common expenses and are recoverable as such.

15. INSURANCE

Immediately upon receipt of notice of a claim by a Unit owner in respect of damage to his Unit occasioned by an insurable loss, the Board or its authorized agent shall notify the Corporation's insurer and conduct an inspection of the Unit for the purpose of determining the cause of damage and the opinion of the Board based upon such inspection, provided same is consistent with the report of the insurance adjuster, shall be conclusive as to the cause of such damage.

Where the Board determines in the foregoing manner that the claim has arisen as a result of the owner's failure to maintain and repair the Unit as required by the Declaration or as a direct result of the negligence of the owner, members of his immediate family, guests, visitors, licensees or any other person occupying the Unit with the permission of the owner prior to or commensurate with the filing of the claim for loss with the Corporation's insurer, the Unit owner shall deposit with the Corporation the sum of \$250.00 or such greater amount (applicable at the time and) representing the deductible amount being that portion of the claim for loss which is not recoverable from the insurer.

In all other circumstances, where the claim for loss arises for reason other than the failure by the owner to maintain and repair his Unit or from the negligence of the owner as described above, the Corporation shall assume responsibility for the payment of the deductible amount which shall be paid from normal contributions from all owners toward common expenses.

16. PROCEDURES FOR MEDIATING DISPUTES

16.1. Mediation Procedures

For the purposes of complying with sections 125 and 132 of the Act (if and where applicable), the procedure with respect to the mediation of disputes or disagreements between the Corporation and any owner(s) shall be conducted in accordance with the rules of procedure for the conduct of mediation attached hereto as Appendix "A".

17. MISCELLANEOUS

17.1. Invalidity

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.

17.2. Gender

The use of the masculine gender in this By-Law 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.

17.3. Waiver

No restriction, condition, obligation or provision contained in this By-Law shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

17.4. Alterations

This By-Law or any part thereof may be varied, altered or repealed by a by-law passed in accordance with the provisions of the Act and the Declaration.

17.5. Conflicts

In the event that any portion of this By-law is in conflict with or contradicts the provisions of the Act, the provisions of the Act shall govern, and that portion of this By-law shall be deemed to be amended so as to reflect the provisions of the Act.

The foregoing By-Law No. 1 is hereby passed by the directors of the Corporation pursuant to the *Condominium Act, 1998*, S.O. 1998, c.19 as evidenced by the respective signatures hereto of all the directors.

Dated this _____ day of _____, 201__.

The undersigned, which owns 100% of the Units, hereby confirms, pursuant to the provisions of the *Condominium Act, 1998*, S.O. 1998, c.19, the foregoing By-Law No. 1 of the Corporation signed by all the directors of the Corporation as By-Law No. 1 hereto pursuant to the provisions of the said Act on_____.

DATED this _____ day of _____, 201__.

1815496 ONTARIO LIMITED

Per: _____
Mohamed Abdelkader, CEO

I have the authority to bind the Corporation.

APPENDIX "A" TO BY-LAW #1

ARTICLE 1 -PRE-MEDIATION PROCEEDINGS

Prior to submitting a dispute on any question or matter to a mediator appointed by the parties in accordance with Section 132 of the Act as set forth below, and within fourteen (14) days of the dispute first arising, the owner (or owners) and the board of directors shall meet on at least one occasion, and shall use their best efforts to resolve the question or matter in dispute through good faith negotiations conducted at such meeting and, if the parties are able to agree upon the selection of a neutral person who may be and include the Corporation's property manager and/or a highly regarded member of the community, the meeting shall include such neutral person(s), all acting with a view to securing a resolution of the question or matter in dispute without further proceedings, including the conduct of mediation with the assistance of an outside mediator.

If one of the parties to the question or matter in dispute is unable or unwilling to participate in the initial meeting described in the preceding paragraph, then either party to the dispute may within 5 business days give written notice to the other that it is submitting the question or matter in dispute to the mediation and arbitration procedures set forth below.

If the parties, having met and used their best efforts to resolve the question or matter in dispute through good faith negotiation, have been unable to resolve the question or matter in dispute, then either party may, thereafter, give notice to the other that it is submitting the question or matter in dispute to mediation.

ARTICLE 2 -MEDIATION

Within 30 days following the giving of notice by one party to the other party or parties as set forth above, the question or matter in dispute shall be settled initially, by mediation proceedings in accordance with Section 132 of the Act.

Selection and Role of the Mediator:

The party serving notice of mediation shall set forth in the notice to the other party the names, qualification and experience of two or more mediators from whom the other party may select one, or alternatively, may furnish to the first party its own list of two or more persons qualified to act as a mediator, and within 7 days thereafter, the parties shall communicate directly with one another to select a mediator. If the parties are unable to agree upon the selection of a mediator within 7 days, or within such longer period of time as may be agreeable to the parties, then the appointment of a mediator shall be conducted by any one of **the founding members or by the executive director of the Condominium Dispute Resolution Centre (the "CDRC")** whose decision in the appointment of a qualified mediator for this purpose shall be final and binding upon the parties.

The mediator selected by the parties or, failing their agreement, appointed by the CDRC, shall not have had any current or past relationship of any kind with any of the parties that might otherwise give rise to justifiable doubts as to his or her impartiality or independence in assuming a neutral role as a mediator to assist the parties in the resolution of their dispute.

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.

Party Confidentiality:

The parties to the question or matter in dispute acknowledge that mediation is a confidential settlement process, and that they are participating in the process with the understanding that anything discussed in the mediation cannot be used in any other proceeding.

Pre-mediation information:

Each of the parties shall provide to the mediator a brief description of the dispute in writing in order to facilitate a more complete understanding of the controversy and the issues to be mediated not less than two (2) days prior to the first mediation session, which date the mediator shall have authority to establish at the earliest possible and convenient date to the parties.

Authority to Settle:

The parties or those representing them at the mediation shall have full, unqualified authority to settle the controversy.

Mediator Confidentiality:

The mediator shall not disclose to anyone who is not a party to the mediation anything said or any materials submitted to the mediator except when ordered to do so by judicial authority or where required to do so by law.

Legal Representation:

The parties may seek 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, he or she will not provide legal representation or legal advice to any party at any time, and the mediator has no duty to assert 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 meditation.

Right to Withdraw:

In accordance with Section 132 of the Act, it is mandatory that each party to the dispute attend the initial mediation session. Prior to such attendance, each party shall provide the mediator with a brief description of the dispute in writing. Subject to the foregoing requirements, each party shall be entitled to withdraw at and from the initial mediation session.

Costs of the Mediation:

In accordance with Section 132 of the Act, each party shall pay the share of the mediator's fees and expenses that the settlement specifies, if a settlement is obtained, or the mediator specifies in the notice stating that the mediation has failed, if the mediation fails.

Notice and Report:

In the event that the parties are unable, with the assistance of the mediator, to settle their dispute, the mediator shall deliver a notice to the parties stating that the mediation has failed, and the parties shall thereafter resolve their dispute by arbitration under the *Arbitration Act*, 1991 and in the manner set forth below.

Settlement:

In accordance with Section 132 of the Act, 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.