

BY-LAW NO. 1

A by-law relating generally to the conduct of the business and affairs of

WATER'S EDGE OWNERS ASSOCIATION INC.

(herein called the "Corporation")

CONTENTS

BE IT ENACTED as a by-law of the Association as follows:

DUTIES OF THE ASSOCIATION

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

- a. Controlling, managing, and administering of the common elements and assets of the Association;
- b. Collecting revenues;
- c. Obtaining and maintaining insurance for the property, the Corporation and the directors as may be required by the Act and the By-laws;
- d. Repairing and restoring of the common elements;
- e. 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 Association;
- f. Causing financial statements to be made after every year-end and making them available to the members;
- g. Preparing an annual budget;
- h. Establishing and maintaining one or more reserve funds.

POWER OF THE ASSOCIATION

The powers of the Association shall include but 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 the rules concerning the operation and the use of the property of the Association;
- c. Employing a manager at a remuneration to be determined by the Board to perform such duties and services as the Board may authorize;
- d. 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;

- e. To settle, adjust, compromise, or refer to arbitration or to the courts any claim or claims which may be made upon or which may be asserted on behalf of the Association;
- 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, lease, or otherwise deal with (but not borrow or mortgage) any real or personal property at any time owned by the Association at such a price, on such terms, and in such a manner as the Association in its sole discretion deems advisable, and to do all things and execute all documents required to give effect to the foregoing;
- h. Save and except for the bank overdraft not to exceed \$5,000.00, the Corporation shall not (i) borrow money, (ii) pledge the assets of the Corporation, or (iii) pass a budget which proposes a deficit before revenues and expenses within any fiscal years.

1. INTERPRETATION

1.1 POWER

The business and affairs of the Association shall be managed and supervised by the Board of Directors.

1.2 CORPORATE SEAL

The corporate seal of the Association shall be in the form impressed hereon.

1.3 SIZE OF BOARD

The Board of Directors shall at all times consist of not less than 3 and not more than 10 directors.

1.4 EXPANSION OF BOARD

The size of the Board at the date of execution of this shall be set at 3 directors. The board shall expand to 7 directors once all of the following events have occurred:

- (i) Monthly assessments are being collected from the members; and
- (ii) The amenities, namely the tennis court, volleyball court, play area, and recreation area have been constructed and are under the care and management of the Association.

1.5 ANNUAL MEETING

The first annual meeting of the members will be held within 53 weeks of the occurrence of the final event specified in 1.4 above, and once each year thereafter.

The election of directors shall take place at the first annual meeting of the members.

1.6 TERM

Elected directors shall sit for a term of 2 years. Incumbent directors, if qualified, shall be eligible for re-election. If an election of directors is not held at the proper time, the directors shall continue in office until their successors are elected.

1.7 RESIGNATION

A director may resign from office upon giving a written resignation to the Association, and such resignation becomes effective when received by the Association or at the time specified in the resignation, whichever is later.

1.8 REMOVAL

A director may be removed for just cause by a majority vote of the membership or by the Board of Directors. Any director so removed may have his removal reviewed by an arbitrator agreed upon by the parties, or in the event that no agreement can be reached, the Board of Directors shall select an arbitrator (the removed director(s) shall abstain from any vote or resolution on the matter), the removed director shall select a second arbitrator, and the two arbitrators so selected shall choose a third. Arbitration shall proceed without delay by either party in accordance with the Arbitration Act of Ontario. The arbitrator or panel may direct a set of rules to be developed and may make orders that are deemed in his discretion necessary to facilitate the arbitration. Until the review is complete and a decision is rendered, the director(s) shall remain active and his removal held in abeyance.

1.9 VACANCIES

Where a vacancy occurs on the Board, a quorum of directors then in office may appoint a person to fill the vacancy for the remainder of the term. If there is no quorum of directors, or if there has been a failure to elect the number of directors required by the articles, or in the case of a variable board as required by special resolution, the directors then in office shall forthwith call a meeting of members to fill the vacancy and, if they fail to call a meeting, or if there are no directors then in office, the meeting may be called by any member.

1.10 PLACE OF MEETINGS

Meetings of the Board may be held at the registered office of the Association or at another place within or outside of Ontario but, except where the articles or the by-

laws otherwise provide, in any financial year of the Association, the majority of the meetings of the Board shall be held at a place within Canada.

1.11 MEETINGS BY TELEPHONE OR ELECTRONIC FACILITY

Where all the directors present or participating in the meeting have consented thereto, any director may participate in a meeting of the Board by means of conference telephone, electronic, or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. A director participating in such a meeting by such means is deemed for the purposes of the Act and these by-laws to be present at the meeting. If a majority of the directors participating in such a meeting are then in Canada, the meeting shall be deemed to have been held in Canada.

1.12 CALLING OF MEETINGS

Meetings of the Board shall be held from time to time at such a place, at such a time, and on such a day as the president, a vice-president who is a director, or any two (2) directors may determine, and the secretary shall call meetings when directed or authorized by the president, a vice-president who is a director, or any two (2) directors. Notice of every meeting so called shall be given to each director not less than forty-eight (48) hours before the time when the meeting is to be held, except that no notice shall be necessary if all directors are present or if those absent have waived notice of or otherwise signified their consent to the holding of such a meeting. A notice of the meeting of the directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

1.13 REGULAR MEETINGS

The board may appoint a day or days in any month for regular meetings at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of regular meetings of the Board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meetings.

1.14 QUORUM

Three (3) directors shall constitute a quorum.

1.15 RESIDENT CANADIANS

Directors shall not transact business at a meeting of the Board unless a majority of the directors are resident Canadians. However, directors may transact business at a meeting of the Board where the majority of resident Canadian directors are not present if:

- a. A resident Canadian director is unable to be present approves in writing, by telephone, or by other communications facilities the business transacted at the meeting; and
- b. A majority of resident Canadian directors would have been present had the director been present at the meeting.

1.16 CHAIRMAN

The Chairman of any meeting of the board shall be the first mentioned of such of the following officers who have been appointed and who is a director and is present at the meeting:

- (i) Chairman of the Board
- (ii) President, or
- (iii) A vice-president who is a director.

If no such officer is present, the directors present shall choose one of their number to be the Chairman.

1.17 VOTES TO GOVERN

At all meetings of the board, every question shall be decided by the majority of the votes cast on the question.

1.18 CASTING VOTE

In the case of an equality of votes on any question at a meeting of the board, the Chairman of the meeting shall be entitled to the second or casting vote.

2. DIRECTORS

2.1 DISCLOSURE

Every director or officer of the Association who is a party to a material contract or proposed material contract with the Association, or is a director or officer or has a material interest in any corporation which is a party to a material contract or proposed material contract with the Association, shall disclose in writing to the Association or request to have entered in the minutes of the meeting of directors the nature and extent of his interest as required by section 132 of the Act.

2.2 RESOLUTIONS

A resolution in writing, signed by all directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been

passed at a meeting of directors or committee of directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors. For the purpose of this article, an e-mail sent by the director within five (5) business days restating the resolution and agreeing to the resolution shall have the same force as the resolution being signed by the director.

2.3 LIMITATION OF LIABILITY

No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer, or employee, or of joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Association through the insufficiency or deficiency of title to any property acquired for or on behalf of the Association, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Association shall be invested, or for any loss or damage arising from bankruptcy, insolvency, or tortious acts of any person with whom any of the monies, securities or effects of the Association shall be deposited, or for any loss occasioned by any error of judgment on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own willful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

2.4 INDEMNITY

Except as provided in section 136 of the Act, every director and officer of the Association, every former director or officer of the Association or a person who acts and acted at the Association's request as a director or officer of a body corporate of which the Association is or was a shareholder to creditor, and his heirs and legal representatives shall, from time to time, be indemnified and saved harmless by the Association from and against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceedings to which he is made a party by reason of being or having been a director or officer of such Association or body corporate if:

- (i) He acted honestly and in good faith with a view to the best interests of the Association, and;
- (ii) In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

2.5 INSURANCE

Subject to the limitations contained in the Act, the Association may purchase and maintain such insurance for the benefit of its directors and officers as such, as the board may from time to time determine.

3. OFFICERS

3.1 ELECTION OR APPOINTMENT

At the first meeting of the Board, after each election of directors, the Board shall elect or appoint a president and a secretary, and if deemed advisable, may appoint one or more vice-presidents, a general manager, a treasurer and such other officers as the current Board may determine, including one or more assistants to any of the officers appointed. All nominated officers shall have signified their willingness to stand as candidates, and shall be eligible voting members of the Association. None of the said officers, except the president need be a director or shareholder. Any two of the said offices may be held by the same person. If the same person holds the office of secretary and treasurer, he may, but need not, be known as secretary-treasurer.

3.2 TERM, REMOVAL

The board may fix the term for appointment and remove any officer at any time in its sole discretion.

3.3. PRESIDENT

The president shall be the chief executive officer of the Association. He shall, if present, preside at all meetings of the membership and of the directors and shall be charged with the general supervision of the business and affairs of the Association except the power to do anything referred to in sub-section 127(3) of the Act. 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 except the power to do anything referred to in sub-section 127(3) of the Act.

3.4 VICE-PRESIDENT

The vice-president, or if there are more than one, the vice-presidents in order of seniority (as determined by the board) shall be vested with all the powers and shall perform all the duties of the president in the absence or disability or refusal to act of the president, except that he shall not preside at meetings of the directors or membership unless he is qualified to attend meetings of directors or the membership as the case may be. If a vice-president exercises any duty or power, the absence or inability of the president shall be presumed with reference thereto. A vice-president shall also perform duties and exercise such powers as the president may from time to time delegate to him or the board may prescribe.

3.5 GENERAL MANAGER

The general manager, if one is appointed, shall have the general management and direction, subject to the authority of the board and the supervision of the president, of the Association's business and affairs and the power to appoint and remove any and all officers, employees and agents of the Association not elected or appointed directly by the board and to settle the terms of their employment and remuneration, but shall not have the power to do any of the things set forth in sub-section 127(3) of the Act. If and so long as the general manager is director, he may, but need not, be known as the managing director.

3.6 SECRETARY

The secretary shall attend all meetings of the directors, membership and committees of the board and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; he shall give, or cause to be given, when instructed, notices required to be given to members, directors, auditors and members of the committees; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Association and of all books, paper, records, documents and other instruments belonging to the Association; and he shall perform other such duties as may from time to time be prescribed by the board.

3.7 TREASURER

The treasurer shall keep, or cause to be kept, proper accounting records as required by the Act; he shall deposit, or cause to be deposited, all monies received by the Association in the Association's bank account; he shall, under direction of the Board, supervise the safekeeping of securities and the disbursement of the funds of the Association; he shall render to the Board, whenever required, an account of all his transactions as treasurer and of the financial position of the Association; and he shall perform such other duties as may from time to time be prescribed by the Board.

3.8 OTHER OFFICERS

The duties of all other officers of the Association 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.

3.9 VARIATION OF DUTIES

From time to time the board may vary, as to or limit the powers and duties of any officer or officers, but shall not delegate to any officer any of the powers set forth in sub-section 127(3) of the Act.

3.10 AGENTS AND ATTORNEYS

The board shall have the power from time to time to appoint agents or attorneys for the Association in or out of Ontario with such powers of management or otherwise, including the power to sub-delegate as may be thought fit.

3.11 FIDELITY BONDS

The board may require such officers, employees or agents of the Association as it deems advisable to furnish bonds for the faithful performance of their duties, in such form and with such surety as the board may from time to time prescribe.

4. MEMBERSHIP

4.1

- (a) A member must be an owner of real property in good standing in the serviced area;
- (b) Where the property includes a dwelling, members shall be deemed to include, for the purpose of determining which individuals have the right to use the Association facilities, members of the immediate family residing in the dwelling with the owner;
- (c) Where a “resident” is not a member of the immediate family, special application must be made to the Board to give the resident user privileges.
- (d) Where the property is leased, an application must be made to the Board to give the tenants user privileges.
- (e) Where the dwelling has sub tenants or apartments, an application must be made for user privileges. The Board may also levy an additional monthly assessment to the second unit.

4.2 SERVICE AREA

The service area shall be defined as those lands shown in schedule “A” attached hereto.

4.3 EXPANSION OF SERVICED AREA

By a majority vote of the membership at a special meeting called for the purpose and a majority vote of the Board, the Board of Directors shall have the right to expand the service area to bring in additional lands. In considering the expansion, the Board shall consider the best interests of the Corporation, the ability of members to use the facilities of the Corporation, and the new amenities or

resources that are to be offered by the members in an expanded area. Owners of lands in an expanded area shall bear a proportion of the maintenance costs as determined by the Board and shall provide security to the Corporation for enforcement of the payment of these costs.

4.4 MEMBERSHIP

All lands in the serviced area shall have the right to join the association, use the amenities, and pay the assessments, provided that the lands are owned by the developer, its successors, or assignee at the time of registration, and covenants similar to those in the original phase are registered on title to the affected lots or units in the new development. If the developer of any new parcel in the serviced area does not declare the lands to become part of the Owners Association at the time of registration of the M-Plan, the owners of lots in the new development will not be required to pay the fees and will not have the right to use the amenities. If, at a date more than six (6) months following registration, the landowners wish to join the association, the provision of paragraph 4.3 will apply.

4.5 SUSPENSION

Any member or members may be suspended by a resolution of the Board for any of the following:

- (a) Failure to pay annual dues;
- (b) Breach of a restrictive title covenant on the members property or elsewhere in the serviced area;
- (c) Breach of the rules, by-laws, or regulations of the Association;
- (d) Gross misconduct.

The board, in imposing the suspension, may elect to impose a general suspension revoking all membership privileges, or may limit, restrict, or qualify the suspension in its sole discretion.

4.6 APPEAL

Any member suspended may appeal the suspension in accordance with the arbitration procedure set out in paragraph 1.8. In the event that the member is unsuccessful in the appeal, the arbitrator or panel may elect to require the member to pay the Corporation's legal and arbitration costs.

4.7 MEETINGS

An annual meeting of the membership shall be held in accordance with paragraph 1.5.

4.8 SPECIAL MEETINGS

The Board may, at any time, call a special meeting of the membership for the transaction of any business which may be properly brought before such a meeting. An annual meeting may be deemed a special meeting.

4.9 PLACE OF MEETINGS

Meetings of the membership shall be held at the registered office of the Corporation or at such other place within or outside of Ontario as the Board from time to time determines.

4.10 NOTICE OF MEETING

Notice of the time and place of each meeting of the membership shall be sent not less than ten (10) days, and not more than ninety (90) days, before the date of the meeting to the auditor of the Corporation, if applicable, to each director, and to each person whose name appears on the records of the Corporation at the close of business on the day preceding the giving of the notice as a member entitled to vote at the meeting. Notice of a special meeting shall state:

- (a) The nature of the business to be transacted at the meeting in sufficient detail to permit the member to form a reasoned judgement thereon; and
- (b) The text of any special resolution of by-law to be submitted to the meeting.

4.11 PERSONS ENTITLED TO BE PRESENT

The only persons entitled to attend a meeting of the membership shall be those entitled to vote thereat, the directors, the auditor of the Corporation, and others who although not entitled to vote, are entitled or required under any provision of the Act or by-laws of the Corporation to be present at the meeting. Any other persons may be admitted only on the invitation of the chairman of the meeting or with the consent of the Board.

4.12 QUORUM

The holders of the majority of the votes entitled to vote at a meeting of the membership present in person or by proxy constitute a quorum for the transaction of business at any meeting of members.

4.13 VOTES

Each single family home or building lot in the serviced area shall be entitled to one vote. Membership privileges shall extend to all owners, tenants, or family

members of the owner or tenants residing therein. Only one representative of the home shall be entitled to vote. The Board may, in its discretion, limit the right to speak at any membership meeting to one family representative who shall speak on behalf of the home. In the event of any disagreement between joint owners, the vote shall be exercised by the person who is: (a) listed first by name on the registered title to the lands; and (b) present at the meeting.

4.14

Membership in the Association and use of the facilities is designed primarily for individual or family use. The Board may elect to suspend or deny membership privileges to a group of multiple owners or users who do not constitute a family and whose number of users results in an unfair and disproportionate demand for the use of the Association facilities.

4.15 ONE VOTE PER LOT

One vote shall be given per Lots 1-60 on Plan 4M-1398, and Lots 1-13 on Plan 4M-1433 and all other registered plans of subdivision or condominium units lawfully created and registered within the service area. A lot or unit shall be deemed to be created as of the date of registration of the same at the Land Titles Office of Ottawa No. 4. At any meeting of the membership which may affect the future charges paid by the members of the Association, or which may affect the as yet undeveloped lands in the serviced area, or any proposed amendment to the by-laws or articles of the Association, the registered owners of undeveloped lands within the service area shall be permitted to address their interests and shall be granted the right to vote on the basis on one vote per 0.2 hectares of land, provided the owner is the developer, its successor, or its assignee.

4.16

The Association shall have the power to make rules and regulations governing the use of its facilities by members and guests.

4.17

The Association acknowledges that a substantial investment of capital has been made by members on the basis of a concept plan for the community. As such, the owners of the lands within the serviced area shall be entitled to be reasonably certain, at the time of their purchase and thereafter, that facilities, amenities, and activities which are important to them and formed part of their decision to make such an investment will continue to be permitted uses on the lands and premises under the jurisdiction of the Association. The following shall be deemed to be protected uses, and notwithstanding that only a minority of the membership may enjoy any given use at any time, the Association shall not discontinue such use

except with a vote of two thirds of the members of the Board of Directors and ninety percent (90%) of the votes of the members of the Association entitled to vote:

- (a) Volleyball;
- (b) Use of trails for walking, jogging, and cross-country skiing;
- (c) Use of the lake for recreational purposes in the designated zones, as delivered by the developer to the Association at the completion of the recreation areas;
- (d) Children's play areas;
- (e) Maintaining a rule which provides exclusive use of the LAKEWOOD TRAILS Owners Association waterfront property abutting a waterfront lot, to the abutting waterfront landowners and excludes persons from entering these lands as though the landowners owned to the water's edge.

Furthermore, the provisions of this by-law may not be amended except in accordance with the ninety percent (90%) voting provisions specified above.

4.18 GUESTS

Members of the Association may bring guests to use the facilities upon the following conditions:

- (a) The member assumes full responsibility for the conduct of the guests;
- (b) The guest is at all time accompanied by the member while using the facilities;
- (c) Any gathering, whether formal or informal, involving more than four (4) guests receives the prior consent of the Board or its appointee. The Board shall have the right to appoint one or more facility supervisors with power to make decisions regarding the use of facilities by guests.
- (d) Where user fees are applied for any facility, the member shall be responsible for the payment of all guest user fees.

4.19 ABUSE

The Board shall have the right to make special ruling to prevent the abuse of facilities in a manner unforeseen at the time of preparation of this by-law in the best interests of the Association and the long term care, maintenance, and use of its facilities.

4.20 USE OF FACILITIES BY GENERAL PUBLIC

Use of facilities for a limited time by members of the general public may be considered by the Board provided the same is in the best long-term interests of the Association. No such use or invitation to the general public to enter upon and use Association facilities shall be made by any member without the express written

consent of the Board. Such use is considered important to good public relations with the local community provided these uses do not unreasonably interfere with the overall use and enjoyment of the facilities by the Association members. In providing such consent, the Board may impose such conditions and make such charges as are deemed appropriate in the best interest of the Association.

4.21 AUTONOMOUS CLUBS

The Association may enter into agreements with autonomous clubs for the administration, use, and maintenance of its facilities. Such agreements may include and address such matters as user fees, payments to the Association, allotment of time, and exclusive use of facilities. Notwithstanding, all such agreements must not conflict with the by-laws, rules, and regulations of the Association.

4.22 PROXIES

Every member entitled to vote at a meeting of the membership may by means of a proxy appoint a proxy holder or one or more alternate proxy holders who are not required to be members, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. A proxy shall be in writing and executed by the member or by his or her attorney authorized in writing. Subject to the requirements of the Act, the instrument may be in such form as the directors from time to time prescribe or in such other form as the chairman of the meeting may accept as sufficient. It shall be deposited with the Association before any vote is taken under its authority or at such earlier time and in such manner as the Board by resolution prescribes.

4.23 SCRUTINEERS

At each meeting of the membership, one or more scrutineers may be appointed by a resolution of the meeting or by the chairman with the consent of the meeting to serve at the meeting. Such scrutineers need not be members of the Association.

4.24 VOTES TO GOVERN

Unless otherwise required by the Act, or by the articles or by-laws of the Association, all questions proposed for the consideration of the membership at a meeting shall be decided by a majority of the votes cast thereon.

4.25 SHOW OF HANDS

At all meetings of the membership, every question shall be decided by a show of hands unless a ballot thereon be required by the chairman or be demanded by a member or proxyholder present and entitled to vote. Upon a show of hands, every

person present and entitled to vote has one vote regardless of the number of votes he or she represents. After a show of hands has been taken upon any question, the chairman may require any member or proxyholder present and entitled to vote may demand a ballot thereon. Whenever a vote by show of hands has been taken upon a question, unless a ballot thereon be 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, entered into the minutes, shall be considered prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour or against the question. The result of the vote so taken and declared shall be the decision of the Association on the question. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot.

4.26 BALLOTS

If a ballot is required by the chairman of the meeting or is demanded and the demand is not withdrawn, a ballot upon the question shall be taken in such manner as the chairman of the meeting directs.

4.27 ADJOURNMENT

The chairman of the meeting of the membership may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

4.28 ENTITLEMENT

Any questions regarding the entitlement of a member to vote shall be made by the secretary upon reference to the registered owners as shown on the abstract at the Land Titles Office.

4.29 NOTICE

Notice shall be given in the name of the registered owner or, where more than one owner appears on title, to the first name appearing on title at the municipal address if the property or such other addresses for service given by the member to the secretary.

4.30 REPORTS

A copy of the financial statement and a copy of the auditors' and/or accountants' report shall be furnished to every member and mortgagee entered on the register who has requested the same.

5. DUES, LEVIES, ASSESSMENTS

5.1 COMMON EXPENSES

Without limiting the definitions ascribed thereto by the Act, common expenses means the expenses incurred in the performance of the objects and duties of the Association, and without limiting the generality of the foregoing, shall include the following:

- (a) The maintenance, repair, replacement, and operation of the common elements;
- (b) Payment of any remuneration payable by the Association to any employee deemed necessary for the proper operation and maintenance of the property;
- (c) Payment of any remuneration payable to any management contract which may be entered into between the Association and a manager;
- (d) The cost of legal, accounting, and auditing services;
- (e) Any other expense approved by the Board.

5.2

Every member shall pay the minimum sum of one hundred and eighty dollars (\$180.00) per year to the Association, or such other sum as prescribed by the Board. Payment shall be made January 1st of each year. Any returned cheques shall be subject to a reasonable charge as set from time to time by the Board.

5.3 INCREASE

The total amount payable in terms of “fees, dues, levies, and special assessments” shall be no more than fifteen dollars (\$15.00) per month, subject only to cost of living increases on an annual basis as established from time to time by Statistics Canada, which increases shall only commence after the “recreational area” is constructed.

The Owners shall be given at least two months notice in writing of the date that the fees are to commence, and the amount at which the fees will start.

Any further increases or decisions regarding special assessments for amounts over the regular monthly payment or fees, set out above, shall not be made for a period of five (5) years from the date of commencement of the payments and then only with the approval of a minimum of eighty percent (80%) of the owners entitled to vote at a special meeting of the membership.

5.4 ENFORCEMENT

- (a) Arrears of payments required to be made under the provisions of this by-law shall bear interest at a rate equal to two percent (2%) above the interest rate charged from time to time by the Bank of Canada to chartered banks.

(b) In addition to any remedies or liens provided by the Act, if any owner/member is in default of payment of an assessment levied against him, for a period of fifteen (15) days, the Board may bring legal action for and on behalf of the Association to enforce collection thereof, and there shall be added to any amount found due all cost of such action, including the costs as between a solicitor and his own client.

5.5 NOTICE OF DEFAULT

The Board, when giving notice of default in payment of common expenses, or any default to the owner/member of the lot, shall concurrently send a copy of such notice to each mortgagee of such lot who is entered on the Register.

5.6 CERTIFICATE

A certificate may be requested by a member or his authorized agent and prepared by the secretary of the Association, setting out the following matters:

- (a) The amount of the monthly common expenses;
- (b) Any arrears or defaults of the member;
- (c) The amount of reserves held by the Association;
- (d) Any litigation that the Association is party to either as a plaintiff, defendant, or third party;
- (e) Any special assessments as approved by the Board and unpaid.

No charge is recommended, however the Board may create or increase a reasonable fee for this document or such other amount as is directed by the Board to be charged to the party requesting the information.

6. FINANCES AND NOTICES

6.1 FINANCIAL YEAR

The financial or fiscal year of the Association shall end on the 31st day of December in each year.

6.2 NOTICES

Any notice, communication, or other document to be given by the Association to a member, director, officer or auditor of the Association under any provision of the Act, the articles, or the by-laws shall be sufficiently given if delivered personally to the person to whom it is to be given, or if delivered to his recorded address, or if mailed to him at his recorded address by prepaid ordinary mail, or if sent to him at his recorded address by any means of any prepaid transmitted or

recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or delivered to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box, and shall be deemed to have been received on the fourth day after so depositing; a notice so sent by means of transmitted or recorded communication shall be deemed to have been received on the fifth day after so depositing with the appropriate communication company, or agency, or its representative for dispatch. The secretary may change or cause to be change the recorded address of any member, director, officer, or auditor of the Association in accordance with any information believed by him to be reliable. The recorded address of a director shall be his latest address as shown in the records of the Association or in the most recent notice filed under the Corporations Information Act, whichever is more current.

6.3 COMPUTATION OF TIME

In computing the date when notice must be given under any provision of the articles or by-laws requiring a specified number of days notice of any meeting or other event, the date of giving the notice shall, unless otherwise provided, be included.

6.4 OMISSIONS AND ERRORS

The accidental omission to give any notice to any member, director, officer or auditor, or the non-receipt of any notice by any member, director, officer or auditor, 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.

6.5 PERSONS ENTITLED BY DEATH OR OPERATION OF THE LAW

Every person who by operation of the law, by transfer, by the death of a member, or otherwise, becomes entitled to votes, is bound by every notice in respect of such votes which has been duly given to the registered holder of such votes, prior to his name and address being recorded on the records of the Association.

6.6 WAIVER OF NOTICE

Any member (or his duly appointed proxy), director, officer, or auditor may waive any notice required to be given under the articles or the by-laws of the Association, and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving of such notice.

6.7 SIGNATURES TO NOTICES

The signatures to any notice to be given by the Association may be written, stamped, typewritten, or written, partly written, stamped, typewritten or printed.

6.8 SIGNING OFFICERS

Deeds, transfers, assignments, contracts, and obligations of the Association may be signed by the president, or a vice-president, or a director together with the secretary, or treasurer, or assistant secretary, or assistant treasurer, or another director. Notwithstanding this, 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 director. Notwithstanding this, 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 the aforementioned may be signed.

6.9 SEAL

Any person authorized to sign any document may affix the corporate seal thereto.

6.10 EFFECTIVE DATE

This by-law comes into force upon confirmation by the membership of the Association in accordance with the Act.

7. MISCELLANEOUS

7.1 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.

7.2 GENDER

The use of the masculine gender in this by-law shall be deemed to include the feminine and neutral genders and the use of the singular shall be deemed to include plural whenever the context so requires.

7.3 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.

Whereas the foregoing by-laws being hereinafter referred to as By Law No. , was read and passed by the originating directors, this ____ day of _____, 2017.
