

The Constitution of the Crown Town Home Owner Association

The purposes of the Crown Town Home Owner Association are:

- to manage the assets of the society for the benefit of the Members;
- to express and, where applicable, represent, the common concerns and interests of the Members;
- to initiate, organize and support Community events for the benefit of the Members; and
- to operate in a manner essentially similar to that which would exist if a Strata Plan was filed in respect of the lands legally described as Lot 191, CLSR Plan 73756 Tsinstikeptum No 9 and the Owner Association was the strata corporation, all as further described in the Lease and the Subleases issued thereunder.

DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** In these Bylaws the following terms will have the following meanings:

- (a) "Committee" has the meaning ascribed to such term in Bylaw 8.5;
- (b) "Community" means the residential development on the lands which are described in the Lease;
- (c) "Director" means a director of the Owner Association from time to time;
- (d) "Lease" has the meaning ascribed to such term in the Member's Sublease;
- (e) "Member" has the meaning ascribed to such term in Bylaw 2.1;
- (f) "Mortgage" has the meaning ascribed to such term in the Member's Sublease;
- (g) "Mortgagee" has the meaning ascribed to such term in the Member's Sublease;
- (h) "Non-Voting Member" has the meaning ascribed to such term in Bylaw 2.4;
- (i) "Owner" means a subtenant(s) under a Sublease;
- (j) "Owner Association" means the Society incorporated under the *Society Act* (British Columbia), named "Crown Town Owner Association";

(k) "Society Act" means the *Society Act* (British Columbia) from time to time in force and all amendments and successive legislation to the *Society Act*; and

(l) "Sublandlord" has the meaning ascribed to such term in the Member's Sublease;

(m) "Sublease" means a sublease of a lot in the Community which has been registered in the WFN Lands Registry at Ottawa and under which the Member is an Owner;

(n) "Voting Member" has the meaning ascribed to such term in Bylaw 2.4.

1.2 Definitions in *Society Act* and Sublease. The definitions in the *Society Act* and in the Sublease, on the date that these Bylaws become effective, apply to these Bylaws.

1.3 These Bylaws. The phrase "these Bylaws" means these Bylaws of the Owner Association, including any attached Schedules.

1.4 Number and Gender. In these Bylaws, the singular includes the plural and the plural the singular, and the masculine includes the female and a corporation, as the context permits or requires.

MEMBERSHIP

2.1 Members. The Members of the Owner Association are the applicants for incorporation of the Owner Association and those persons who subsequently have become Voting Members and Non-Voting Members pursuant to these Bylaws, and, in either case, have not ceased to be Members.

2.2 Membership by Appointment. Until there are five Members pursuant to Bylaw 2.3(a), and if at any time and from time to time there are fewer than five Members, the Sublandlord will appoint the number of representatives to be Members such that the total number of Members is five. Notwithstanding the previous sentence, the Sublandlord may not appoint any more representatives to be Members than is necessary to increase the total number of Members to five. In the event that notice of default is provided as set out in Section 34.1 of the Lease, the Sublandlord and any Members appointed by the Sublandlord shall automatically cease to be Members.

2.3 Membership. A person will be a Member, either Voting or Non-Voting pursuant to Bylaw 2.4, upon:

(a) registration in the WFN Land Registry in Ottawa of a Sublease or an assignment of a Sublease in which that person is an Owner; or

(b) appointment as a Member pursuant to Bylaw 2.2.

2.4 Voting and Non-Voting Members. The Voting Members and the Non-Voting Members of the Owner Association will be as follows:

- (a) the applicants for incorporation of the Owner Association will be Voting Members;
- (b) if there is one Owner under a Sublease, then the Owner will be a Voting Member;
- (c) if there is more than one Owner under a Sublease, then the person nominated to be the Voting Member by the Owners pursuant to the purchase contract for the Sublease or by other subsequent written notice to the Owner Association will be a Voting Member and the remaining Owners under that Sublease will be Non-Voting Members; and
- (d) the Members appointed pursuant to Bylaw 2.2 will be Voting Members;

and upon acceptance by the Directors, the applicant for membership will be a Voting Member or a Non-Voting Member, as the case may be.

2.5 Membership of Applicants for Incorporation Ceases. The applicants for incorporation of the Owner Association will, automatically and without further action on their behalf or by the Owner Association, cease to be Members if the Sublandlord assigns its interest in the Lease to the Owner Association.

2.6 Membership of Appointed Member Ceases. A person appointed to be a Member pursuant to Bylaw 2.2 will, automatically and without further action on his behalf or by the Owner Association, cease to be a Member when:

- (a) the Sublandlord assigns the Lease to the Owner Association; or
- (b) the total number of Members excluding the appointed Member equals or exceeds five, and the appointed Members will cease to be Members in the same order in which they were appointed to be Members.

2.7 Membership of Owner Ceases. A person will, automatically and without further action on his behalf or by the Owner Association, cease to be a Member when:

- (a) the Member assigns his interest in the Sublease, either voluntarily, by court order or by operation of law, other than assignment by way of Mortgage;
- (b) the assets of the Owner Association are distributed and the Owner Association is wound up pursuant to Bylaw 11;
- (c) subject to Bylaw 2.8, on the death of the Member;
- (d) if the Member is a corporation, on the corporate Member being dissolved or wound up;
or
- (e) on bankruptcy.

2.8 Replacement of Deceased or Incapable Member. If there is more than one Owner under a Sublease and the Voting Member nominated by the Owners of that Sublease dies or becomes incapable of managing his affairs, then the remaining Owners under that Sublease will by written notice to the Owner Association nominate a Voting Member in place of the deceased or incapable Voting Member.

2.9 Membership Ceases to be in Good Standing. A Member will cease to be in good standing if the Member is in default or breach of any of his obligations under any Sublease in which the Member is an Owner or these Bylaws. The Member will continue to be a Member not in good standing until each such default or breach is cured. A Member not in good standing will not have the right to vote at any meeting of the Owner Association.

2.10 Transfer of Membership. A Member may transfer his interest in the Owner Association to a Mortgagee.

2.11 Obligations of Members. Every Member will observe and uphold the constitution of the Owner Association, these Bylaws and any rules or regulations made by the Owner Association pursuant to these Bylaws.

2.12 Continued Liability. Notwithstanding any other provision of these Bylaws, a Member or a former Member will remain liable to the Owner Association for any money payable to the Owner Association by that Member or former Member prior to the time that such Member ceased to be a Member.

OWNER ASSOCIATION

3.1 Powers and Duties. The powers and duties of the Owner Association are as set out in the following documents, and subject to any restriction imposed or direction given at a general meeting of the Owner Association, the Directors may exercise and perform these powers and duties:

- (a) these Bylaws;
- (b) the *Society Act*; and
- (c) the Lease and any Sublease.

3.2 Powers by Resolution. In particular, if the Sublandlord assigns the Lease to the Owner Association, then the Owner Association may, by resolution, approve all such actions by the Owner Association or other persons:

- (a) as required in order for the Owner Association to fulfill its obligations under the Lease, any Sublease and any assignment agreement between the Sublandlord and the Owner Association; and
- (b) otherwise as may be considered appropriate or beneficial to the Members;

provided, in either case, that such actions are not in breach of the Owner Association's obligations under the Lease or any Sublease.

MEETINGS OF MEMBERS

4.1 General Meetings. General meetings of the Owner Association will be held at the time and place, in accordance with the *Society Act*, that the Directors decide.

4.2 Extraordinary General Meetings. Every general meeting, other than an annual general meeting, is an extraordinary general meeting.

4.3 Notice of General Meeting. The Owner Association will give at least 30 days' notice of a general meeting to be sent by email, if an email address is provided by the owner, or by mail to the mailing address provided by the owner specifying the place, date and hour of meeting and, in the case of special business or a special resolution, the general nature of that business, to:

(a) every Voting and Non-Voting Member shown on the Register of Members on the day notice is given, provided that the Owner Association need only send one such notice to each address under a Sublease in the Community;

(b) the auditor, if Bylaw 14 applies; and

(c) any Mortgagee who has provided the Owner Association with an address for notice;

and no other person is entitled to receive a notice of a general meeting.

4.4 Omission or Non-Receipt of Notice. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice by, any Member does not invalidate proceedings at that meeting.

4.5 Annual General Meetings. The first annual general meeting of the Owner Association will be held not more than 15 months after the date of incorporation of the Owner Association. After that, an annual general meeting will be held at least once in every calendar year, and not more than 15 months after the last preceding annual general meeting was held.

4.6 Calling an Extraordinary General Meeting. The Directors will call an extraordinary general meeting:

(a) whenever they think fit; and

(b) upon a requisition in writing of 10% of the Voting Members, without delay.

PROCEEDINGS AT GENERAL MEETINGS

5.1 Special Business. Special business is:

(a) all business at any extraordinary general meeting except the adoption of rules of order; and

(b) all business transacted at an annual general meeting, except:

(i) the adoption of rules of order;

(ii) the consideration of financial statements;

- (iii) the report of the Directors;
- (iv) the report of the auditor, if any;
- (v) the election of Directors;
- (vi) the appointment of the auditor, if required; and
- (vii) the other business that, under these Bylaws, ought to be transacted at an annual general meeting or business that is brought under consideration by the report of the Directors, issued with a notice convening the meeting.

5.2 Quorum. The quorum at general meetings will be 20% of the Voting Members, who are present in person or by proxy, provided that a quorum may not be less than three such people.

5.3 Quorum Required. Except as otherwise provided in these Bylaws, the Owner Association will not transact any business at any general meeting unless a quorum of Voting Members is present at the time when the meeting proceeds to business.

5.4 No Quorum. If at a general meeting:

- (a) a quorum of Voting Members is not present within 1/2 hour from the time appointed for that general meeting, then the meeting will stand adjourned to the same day in the next week at the same place and at the same time; and
- (b) a quorum of Voting Members is not present within 1/2 hour from the time appointed for a meeting adjourned under Bylaw 5.4(a), then, notwithstanding Bylaw 5.3, the Voting Members present will be a quorum.

5.5 Chair of General Meetings. The president of the Owner Association will be the chair of all general meetings except as follows:

- (a) if the president is absent from the meeting or if he vacates the chair, then the vice-president of the Owner Association will act as the chair of that meeting; and
- (b) if both of the president and the vice-president of the Owner Association are absent from the meeting or if they both vacate the chair or they both refuse to act, then the Voting Members will appoint a chair from amongst themselves for that meeting.

5.6 Adjournment of General Meeting. The Owner Association may adjourn a general meeting from time to time and from place to place, but at the adjourned meeting the Owner Association will only transact the business left unfinished at the meeting that was adjourned.

5.7 Notice of Adjournment. If a meeting is adjourned for 10 days or more, then the Owner Association will give notice of the adjourned meeting in the same manner as for the original meeting.

5.8 Order of Business. The order of business at general meetings and, as far as is appropriate, at all extraordinary general meetings, will be as follows:

- (a) if the president and the vice-president of the Owner Association are absent, electing the chair of the meeting;
- (b) calling the role, certifying the proxies and issuing a voting card for each Voting Member present or represented by proxy at the meeting;
- (c) filing proof of notice of meeting or waiver of notice;
- (d) reading and disposing of any unapproved minutes;
- (e) receiving reports of committees;
- (f) considering the accounts;
- (g) electing Directors, if necessary;
- (h) unfinished business;
- (i) new business; and
- (j) adjournment.

5.9 Method of Voting. At any general meeting, the Owner Association will decide a resolution by the Voting Members on a show of hands, unless any Voting Member present in person or by proxy demands a poll.

5.10 Declaration of Chair Conclusive. Unless a Voting Member demands a poll, a declaration by the chair of the meeting that a resolution has, on the show of hands, been carried is conclusive

evidence of the fact without proof of the number or proportion of votes recorded in favour of or against the resolution.

5.11 Withdrawal of Demand for Poll. A Voting Member may withdraw a demand for a poll.

5.12 Taking of Poll. If a Voting Member demands a poll, then the chair of that meeting will take the poll in whatever manner the chair thinks fit and the result of the poll will be deemed to be a resolution of the Voting Members at the meeting at which the poll was taken.

5.13 Moving, Proposing and Seconding Resolutions. It is not necessary to second any resolution proposed at a meeting and the chair of the meeting may move or propose a resolution.

5.14 Tie Votes. If there is a tie vote, then the chair of that meeting will not have a casting or second vote.

5.15 One Vote Per Voting Member. A Voting Member present in person or by proxy is entitled to one vote, provided however that a Voting Member is not entitled to vote by any means if that Voting Member is not in good standing.

5.16 No Vote to Non-Voting Member. A Non-Voting Member is not entitled to vote on his own behalf.

5.17 Vote Personally or by Proxy. On a show of hands or on a poll, a Voting Member may give his vote either personally or by proxy appointed in accordance with these Bylaws.

5.18 Appointment of Proxy. A Voting Member may appoint a proxy by a written instrument, signed by the Voting Member or his lawfully appointed attorney, granting his proxy.

5.19 Proxy-Holder. The Voting Member may appoint any person, including a Non-Voting Member, to be that Voting Member's proxy.

5.20 Limited Proxy. The Voting Member may limit a proxy granted under Bylaw 5.18 to a particular resolution at a particular meeting.

5.21 Power of Mortgagee to Vote. Notwithstanding anything in these Bylaws, if:

(a) the Mortgagee of a Sublease has the power to exercise the rights of the Members under the Mortgage; and

(b) the Mortgagee has given written notice to the Owner Association of its intention to exercise the Members' rights as a Member of the Owner Association;

then a proxy is not necessary to give the Mortgagee the power to vote and the Voting Member may not vote.

5.22 Voting by Proxy and Mortgagee. On a show of hands, a proxy and an Mortgagee will indicate the vote of the Voting Member whose proxy they hold or whose rights they exercise by showing his voting card.

5.23 Corporate Members. The authorized representative of a corporate Voting Member is entitled to exercise the rights of a Voting Member including, without limitation, to speak and to vote for the corporate Voting Member, and that representative will be a Voting Member for all purposes with respect to a meeting of the Owner Association.

DIRECTORS AND OFFICERS

6.1 Powers of Directors. The Directors may exercise all the powers and do all the acts and things that the Owner Association may exercise and do, provided that nothing in these Bylaws, any statute or other lawful direction does not require such power, act or thing to be exercised or done by the Owner Association in a general meeting, and subject to:

- (a) all laws affecting the Owner Association;
- (b) these Bylaws;
- (c) rules, not being inconsistent with these Bylaws, which are made from time to time by the Owner Association in general meetings.

6.2 Acts of Directors Not Invalidated. No act of the Directors will be invalidated by a rule or a motion subsequently made or passed by the Owner Association in a general meeting if that act would have been valid before the rule or motion was made or passed.

6.3 Directors from Membership. Subject to Bylaw 6.4, the Voting Members will elect the Directors from among the Voting Members.

6.4 First Directors. The first Directors will be the applicants for incorporation of the Owner Association, who will hold office only until the conclusion of the next annual general meeting of the Owner Association, but are eligible for re-election at that meeting.

6.5 Sublandlord's Nominees as Directors. Until 75% of the units in the Community have been subleased, or at such earlier date as directed by the Sublandlord, at the option of the Sublandlord, the Directors of the Owner Association will be the nominees of the Sublandlord.

6.6 Number of Directors. The Directors will consist of at least three and no more than five Voting Members, and at least one Director will be ordinarily resident in British Columbia.

6.7 Appointment of Officers. The Directors will appoint the following officers of the Owner Association from among the Directors:

- (a) one president;
- (b) one vice-president;
- (c) one secretary;
- (d) one treasurer; and
- (e) such other officers as the Directors will appoint.

6.8 Secretary-Treasurer. The Directors may appoint one person to hold the offices of both secretary and treasurer, and such person will be known as the secretary-treasurer.

6.9 Retirement and Successors of Directors. Directors will be voted in for two year terms. The terms of the board members will be staggered so that at least one board member and up to three will not have to be elected each year by the AGM. It is required that at least 2 board members need to remain from the previous board. Because of circumstances of retirement etc., sometimes it could result that five new members be re-elected at an AGM. If this occurs, the election will determine three two-year term Directors by the highest votes and two one-year Directors by the next highest votes. The Directors will retire from office at the conclusion of their term at each annual general meeting, at which time the Voting Members will elect the successors to the retiring Directors provided that the retiring Directors are eligible for re-election at that meeting. If the Voting Members do not elect a successor, then the person previously elected will be deemed to have been re-elected.

6.10 Maximum Term. A Director may not hold office for more than five consecutive years, provided that there is no maximum term for which the applicants for incorporation may hold office.

6.11 Director Ceasing to Hold Office. If a Director resigns his office or otherwise ceases to hold office, then the remaining Directors will appoint a Voting Member to take the place of that former Director. A Director appointed under this Bylaw 6.11 will hold office only until the conclusion of the next annual general meeting of the Owner Association, but is eligible for re-election at that meeting.

6.12 Less than Prescribed Number of Directors Does Not Invalidate. No act or proceeding of the Directors is invalid only because there are less than the prescribed number of Directors in office at the time of the act or proceeding.

6.13 Absent Director. A Director who may be temporarily absent from British Columbia may send or deliver to the address of the Owner Association, by letter, facsimile or electronic mail, a waiver of notice of any Directors' meeting and until such waiver is withdrawn:

- (a) the Owner Association will not send that Director a notice of a Directors' meeting; and
- (b) any and all Directors' meetings for which notice has not been given to such Director will be valid and effective provided that a quorum of Directors is present.

6.14 Removal of Directors. The Voting Members may, by special resolution, remove a Director before the expiration of his term of office, and may elect a successor to complete the term of that Director's office.

6.15 No Remuneration. The Owner Association will not remunerate any Director for being or acting as a Director, provided that the Owner Association will reimburse a Director for all expenses that the Director necessarily and reasonably incurs while engaged in the affairs of the Owner Association.

DUTIES OF DIRECTORS

7.1 General Duties. The Directors will control, manage or supervise and administer the assets and affairs of the Owner Association for the benefit of all of the Members.

7.2 Duties if Owner Association is Sublandlord. If the Sublandlord assigns the Lease to the Owner Association, then the Directors will cause the Owner Association to exercise its rights,

remedies and discretion and perform its obligations under the Lease, all Subleases and any assignment agreement between the Sublandlord and the Owner Association.

7.3 Documents Available to Members. The Directors will keep the following documents of the Owner Association at the address of the Owner Association and will make them available to a Member, or a person authorized in writing by a Member, upon request:

- (a) a copy of these Bylaws and any changes to these Bylaws;
- (b) a copy of any resolutions passed by the Owner Association and the Directors;
- (c) copies of all legal agreements to which the Owner Association is a party;
- (d) a list of the Members, Directors and officers of the Owner Association;
- (e) minutes of all general meetings;
- (f) minutes of all Directors' meetings;
- (g) accounting records of the Owner Association;
- (h) annual budget for each year; and
- (i) such other documents as the Directors will make available.

7.4 Documents to be Kept by Directors. The Directors will:

- (a) keep minutes of their proceedings;
- (b) cause minutes to be kept of general meetings; and
- (c) cause proper accounting records and financial statements to be kept in accordance with the *Society Act*.

7.5 Defect in Appointment or Continuance. If it is later discovered that there was a defect in the appointment or continuance in office of any Director, then all acts that the Directors did in good faith are as valid as if there were no such defect in the appointment or continuance in office of the Directors.

7.6 No Personal Liability for Good Faith Acts. No Director will be personally liable for any act done in good faith in carrying out his duties as a Director.

PROCEEDINGS OF DIRECTORS

8.1 Meeting. The Directors may meet together at the places they think fit for the conduct of business, adjourn, and otherwise regulate their meetings as they think fit.

8.2 Fix Quorum. The Directors may from time to time fix the quorum necessary to conduct business. Unless the Directors so fix the quorum, the quorum will be a simple majority of the Directors then in office.

8.3 Chair of Directors' Meetings. The president of the Owner Association will be the chair of the Directors' meetings except as follows:

(a) if the president is not present at the meeting within 1/2 hour after the time appointed for the meeting, then the vice-president of the Owner Association will act as the chair of the meeting; and

(b) if neither the president nor the vice-president are present at the meeting within 1/2 hour after the time appointed for the meeting, then the Directors will choose one of them to act as the chair of that meeting.

8.4 Convening a Directors' Meeting. A Director may at any time, and the secretary will on the request of a Director, call a Directors' meeting.

8.5 Committees. Subject to any restriction imposed or direction given at a general meeting, the Directors may delegate any, but not all, of their powers to Committees consisting of Directors as they think fit.

8.6 Conduct of Committees. A Committee will comply with any rules that the Directors impose on it and will report every act or thing done in the exercise of its delegated powers to the next Directors' meeting.

8.7 Committee Meetings. The Committee may meet and adjourn as the Committee members think proper.

8.8 Chair of Committee Meetings. A Committee will elect a chair of its meeting. If the Committee does not elect a chair, or if the chair is not present at the meeting within 1/2 hour of the time appointed for the meeting, then the Committee members present will choose one of them to be chair of that meeting.

8.9 Notice of Meeting Following Appointment of Directors. If a quorum of the Directors is present, then the Directors need not give newly elected or appointed Directors notice of:

(a) the first Directors' meeting held immediately following the appointment or election of such Directors at an annual or other general meeting; or

(b) a Directors' meeting at which a Director is appointed to fill a vacancy in the Directors.

8.10 Resolution of Questions. The Directors will resolve any questions arising at a Directors' or a Committee meeting by a simple majority of votes decided by a show of hands or, in the case of a Director attending by telephone, by voice.

8.11 Tie Votes. If there is a tie vote, then the chair of the Directors' or Committee meeting will have a second or casting vote.

8.12 Moving, Proposing and Seconding Resolutions. It is not necessary to second a resolution proposed at a Directors' or Committee meeting, and the chair of a Directors' or a Committee meeting may move or propose a resolution.

8.13 Directors' Consent Resolution. A resolution in writing, signed by all the Directors personally, or by their Alternate appointed pursuant to Bylaw 8.14, and placed with the minutes of the Directors is as valid and effective as if regularly passed at a meeting of Directors.

8.14 Directors' Alternate. A Director (in this Bylaw 8.14 called an "Appointor") may appoint as his alternate (in this Bylaw 8.14 called an "Alternate") any person who is qualified to be a Director according to these Bylaws, including a Director, as follows:

(a) Appointment of Alternate. An appointment of an Alternate will be effective upon delivery of a written notice of the appointment, signed by the Appointor, to the secretary of the Owner Association.

(b) Revocation of Appointment. An Appointor may revoke an appointment of his Alternate by written notice delivered to the secretary of the Owner Association.

(c) Termination of Appointment. The appointment of an Alternate terminates when his Appointor ceases to be a Director.

(d) Remuneration of Alternate. The Owner Association will not remunerate any Alternate for being or acting as an Alternate and the Owner Association is not obligated to reimburse an Alternate for any expense incurred in carrying out his duties as an Alternate.

(e) Powers of Alternate. If an Appointor is absent from any Directors' meeting, then the Appointor's Alternate will be entitled to attend, speak, act and vote at such meeting as a Director in place of his Appointor, and may sign or concur in resolutions pursuant to Bylaw 8.13.

(f) One Alternate for Multiple Directors. An Alternate may be appointed as the Alternate of one or more Directors and if an Alternate is the Alternate for more than one Director, then at any Directors' meeting:

(i) for the purposes of deciding quorum the Alternate will be counted as one Director for each Director for whom he is the Alternate; and

(ii) the Alternate will be entitled to cast one vote for each Director for whom he is the Alternate.

(g) Director Acting as Alternate. If an Alternate is a Director in his own right, then in addition to being counted and voting as an Alternate under Bylaw 8.14(f), that Alternate will be counted and may vote as a Director in his own right.

8.15 Directors' Meetings by Telephone. A Director may participate in any Directors' or Committee meeting by telephone or by any other communications facility provided that:

(a) all persons participating in the meeting can hear each other; and

(b) all such persons agree to such participation;

and any Director participating in a meeting pursuant to this Bylaw 8.15 will be:

(c) deemed to be present at that meeting;

(d) counted in the quorum at that meeting; and

(e) entitled to speak and vote at that meeting.

Any resolutions passed during such a meeting will be as effective as if passed at a meeting where the Director was present in person.

DUTIES OF OFFICERS

9.1 President's Duties. The president is the chief executive officer of the Owner Association and will:

- (a) preside at all meetings of the Owner Association and of the Directors;
- (b) supervise the other officers in performing their duties.

9.2 Vice-President's Duties. The vice-president will carry out the duties of the president during the president's absence.

9.3 Secretary's Duties. The secretary will:

- (a) conduct the correspondence of the Owner Association;
- (b) issue notices of meetings of the Owner Association and the Directors;
- (c) keep minutes of all meetings of the Owner Association and the Directors;
- (d) have custody of all records and documents of the Owner Association except those required to be kept by the treasurer;
- (e) have custody of the common seal of the Owner Association; and
- (f) maintain the register of Members.

9.4 Treasurer's Duties. The treasurer will:

- (a) keep the financial records, including books of account, necessary to comply with the *Society Act*, and
- (b) render financial statements to the directors, Members and others when required.

9.5 Secretary-Treasurer. If there is a secretary-treasurer, then the secretary-treasurer will carry out the duties of the secretary and the treasurer.

9.6 Absence of Secretary. If the secretary is absent from a meeting, then the Directors will appoint another person to act as secretary at that meeting.

EXTRAORDINARY GENERAL MEETING ON LEASE RENEWAL

10.1 Application of Bylaw. This Bylaw 10 applies only if the Owner Association has become the Sublandlord under the Lease

10.2 Extension of Term of Lease. If, at any time during the term of the Lease, the Owner Association receives notice proposing to extend the term of the Lease, then the Directors will, without delay, call an extraordinary general meeting for the purpose of assessing such proposal.

10.3 Accept or Reject Proposal. At the extraordinary general meeting called pursuant to Bylaw 10.2, the Owner Association, will, by special resolution, elect to accept or to reject the proposal to extend the term of the Lease either absolutely or on such terms as the Owner Association resolves.

WINDING UP AND DISTRIBUTION OF ASSETS

11.1 Winding Up. Within a reasonable time after the end of the term, or earlier termination, of the Lease, the Directors will cause the Owner Association to wind up.

11.2 Distribution of Assets. After the Owner Association has paid all of its debts and liabilities, or has made provision for such payment, then the Directors will or will cause:

- (a) the remaining assets of the Owner Association, if any, to be liquidated; and
- (b) subject to Bylaw 11.5, the assets of the Owner Association to be distributed among and paid to the Members shown on the Register of Members on the day that the term of the Lease ended in accordance with Bylaw 11.3.

11.3 Calculation of Members' Share. The Directors will determine the share of the Owner Association's assets to which each Member is entitled pursuant to Bylaw 11.2 as follows:

(a) the Directors will divide the value of the Owner Association's assets by the number of Subleases that were in the Community immediately prior to the end of the term of the Lease (in this Bylaw called the "Share");

(b) if there is one Owner under a Sublease, then the Directors will pay the Share to the Member who is the Owner of that Sublease; and

(c) if there is more than one Owner under a Sublease, then the Directors will pay the Share to the order of all of the Members who are Owners under that Sublease in the same manner as the Owners appear on the Sublease.

11.4 Share of Owner Under Multiple Subleases. For greater certainty, if a Member is an Owner under more than one Sublease, then that Member will be entitled to receive his proportionate share of the Owner Association's assets pursuant to Bylaw 11.2 in respect of each Sublease under which he is an Owner.

11.5 Deduction of Indebtedness from Members' Share. If a Member is indebted to the Owner Association at the time that the Members' share is to be paid to the Member pursuant to Bylaw 11.2, then the amount of that indebtedness will be deducted from that Member's share and will form part of the assets of the Owner Association available for distribution to the Members pursuant to Bylaw 11.3.

BORROWING

12.1 Borrowing Powers. The Directors may, on behalf of and in the name of the Owner Association, raise or secure the payment or repayment of money in the manner they decide, including, without limitation, by the granting of a mortgage or a general security agreement or the issue of debentures, in order to carry out the purposes of the Owner Association.

12.2 Special Resolution. The Directors may only grant a mortgage or a general security agreement or issue a debenture pursuant to Bylaw 12.1 with the prior approval of the Voting Members by special resolution.

12.3 Restriction on Borrowing Powers. The Voting Members may, by special resolution, restrict the borrowing powers of the Directors, but any restriction imposed will expire at the next annual general meeting.

SEAL

13.1 Common Seal. The Directors may provide a common seal for the Owner Association and may destroy a seal and substitute a new seal in its place.

13.2 Affixing Common Seal. The common seal will be affixed only when authorized by a Directors' resolution, and then only in the presence of the persons prescribed in the resolution. If no such persons are prescribed, then the common seal will be affixed in the presence of the president and the secretary or the president and the secretary-treasurer.

AUDITOR

14.1 Application of Bylaw. This Bylaw 14 applies only if the Owner Association is required or has resolved to have an auditor.

14.2 Appointment of First Auditor. The Directors will appoint the first auditor and will also fill all vacancies occurring in the office of auditor.

14.3 Successor to Auditors. At each annual general meeting the Owner Association will appoint an auditor to hold office until he is re-elected or his successor is elected at the next annual general meeting.

14.4 Removal of Auditor. The Owner Association may, in accordance with the *Society Act*, remove an auditor by ordinary resolution at a general meeting called for that purpose and will appoint another auditor for the remainder of the term.

14.5 Notice to Auditor. The Owner Association will promptly inform, in writing, an auditor of appointment or removal.

14.6 Auditor Not Director or Employee. The Owner Association will not appoint any Director or employee of the Owner Association to be the Owner Association's auditor.

14.7 Attendance at General Meetings. The auditor may attend general meetings of the Owner Association.

NOTICES

15.1 Notice to Members. A notice may be given to a Member either personally, by mail to the Member's registered address, or by facsimile to the number that the Member provides to the Owner Association or by electronic mail at the address that the Member provides to the Owner Association.

15.2 Deemed Delivery. Any notice that the Owner Association gives the Member:

- (a) by mail will be deemed to have been given 48 hours after it is posted, and to prove that notice was given it is sufficient to prove that the notice was properly addressed and put in a Canadian post office receptacle;
- (b) by facsimile will be deemed to have been given on the day that the transmission was successfully sent to the Member's facsimile number; and
- (c) by electronic mail will be deemed to have been given on the day that the transmission was successfully sent to the Member's electronic mail address.

15.3 Definition of Notice. In these Bylaws, the word "notice" includes any request, statement or other writing required or permitted to be given by the Owner Association to the Members.

INDEMNIFICATION OF DIRECTORS

16.1 Indemnity of Directors. Subject to the *Society Act*, the Directors may, on behalf of the Owner Association and in their discretion, indemnify a Director or former Director and his heirs and personal representatives against those costs, charges and expenses for which the *Society Act* permits indemnification.

16.2 Indemnity of Offices, Employees and Agents. Notwithstanding that any of the following people may also be or have been a Director, the Directors may, in their discretion, cause the Owner Association to indemnify any:

- (a) present or former officer, employee or agent of the Owner Association; or
- (b) person serving who has been on a Committee;

and his heirs and personal representatives against all costs, charges and expenses incurred by, and resulting from, him acting as an officer, employee or agent of the Owner Association, or resulting from that person serving or having served on any Committee.

16.3 Failure to Comply. The Directors may, in their discretion, cause the Owner Association to indemnify any person that the Owner Association may indemnify under the Bylaws or the *Society Act* even if that person has failed to comply with the *Society Act*, the Owner Association's constitution, or these Bylaws.

16.4 Insurance. The Directors may cause the Owner Association to purchase and maintain insurance for the benefit of any person who is or was serving:

- (a) as a Director, officer, employee or agent of the Owner Association; or
- (b) on any Committee;

and his heirs and personal representatives against any liability incurred by him in that capacity.

16.5 Severability. This Bylaw 16 is subject to the *Society Act* and the common law, and if any part of this Bylaw is void, illegal or invalid because of the *Society Act* or the common law, then the remaining parts of this Bylaw 16 will be construed and will take effect as if that void, illegal or invalid part had not been contained in this Bylaw.

REMEDIES FOR VIOLATION OF BYLAWS

17.1 Owner Association Remedies. In addition to any remedies available to the Owner Association at law, in equity or pursuant to any Sublease, if any Member or any person that such Member is responsible for at law violates these Bylaws or any rules or regulations established pursuant to these Bylaws, then the Owner Association may, at its option:

- (a) remedy, correct or cure such violation itself, and the Member will pay to the Owner Association any cost or expense incurred by the Owner Association in remedying, correcting or curing such violation immediately on demand; and
- (b) recover from the Member by an action for debt in any court of competent jurisdiction any sum of money that the Owner Association is required to expend as a result of any act or omission or violation of these Bylaws or any rules or regulations established pursuant to these Bylaws by the Member or anyone that the Member is responsible for at law.

BYLAWS

18.1 Copy of Constitution and Bylaws. Each Member is entitled to and the Owner Association will give him, without charge, a copy of the Owner Association's constitution and these Bylaws.

18.2 Alteration of Bylaws. The Owner Association may alter or add to these Bylaws only by special resolution.

