

WILSON LAYCRAFT

• BARRISTERS & SOLICITORS •

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January 23, 2009

To Unit Owners

Attached to this letter is a set of 4 by-law revisions to which we request that you review and indicate your approval or rejection of the proposed changes on the last page. We ask that you complete the last page of this letter and fax back to Braemore Management (fax no. 403-380-4358) or e-mail to braemore@telusplanet.net not later than February 28, 2009.

This is the first of several requests for by-law changes that should be coming over the next few years. We have decided to seek by law amendments a few at a time in order that unit owners can readily and more easily consider each of the changes.

It is the Board's objective to amend the current by-laws, a little at a time to eventually create a set of rules that can be consistently and fairly applied to all unit owners. We also want a set of rules that allow the Board to better manage the affairs of the condominium corporation and to better reflect Little Bow's realities. To do this, we need to implement a number of amendments. Some of these amendments are merely housekeeping matters and should not be controversial while some have been the subject of much discussion in the past.

To approve any by-law revisions, we need the approval of 75% of the unit owners and your approval or rejection of any of the proposed new by-laws will be considered a vote of the unit owners as required by our current by-laws. Each by-law will be voted upon separately and if one or more are rejected by the unit owners, it will not affect those by-laws approved by more than 75% of the unit owners.

Each by-law change will outline the language contained in our current by-laws (if it exists), a brief outline of the concern arising and the new proposed by-law language.

Inquiries should be forwarded to Braemore Management (fax no. 403-380-4358 or e-mail to braemore@telusplanet.net) and the Board shall endeavour to promptly respond.

Thank you in advance for your thoughtful consideration of these changes.

Respectfully,

Braemore Management
On Behalf of the Board of Directors
Little Bow Condominium Corporation

Number 1 - By-Law Variance

- A. **Current Language** - There is no language in the current by-laws.
- B. **Concern Arising** - The Board is required to enforce our by-laws as written and many times, particular or unusual situations arise that do make sense to exempt compliance with all or a portion of a by-law. We currently do have by-law 16.4 that does allow for a specific waiver for the building set-backs if an unintentional construction error was committed. Other than that, there is no specific power granted to the Board to waive compliance with any by-law. At the last few AGMs, it was suggested that the best way to address a particular by-law compliance problem was for the Board to grant a variance. Good idea, except no such power exists. We propose to create such authority. The Board anticipates variance requests to primarily address building issues, landscaping, sheds and perhaps pet issues.
- C. **New Proposed Language:** - New By-Law 16.5:
- 16.5(a) Subject to By-law 16.4, The Board, upon written resolution of not less than sixty-seven percent (67%) of those in attendance at any properly convened meeting of the Board, may waive compliance by any Unit Owner or any Unit of any By-law or portion thereof in the manner the Board deems appropriate in its sole discretion (the "Variance").
- 16.5(b) If the Variance applies to real property or a Unit, then no change in ownership of the Unit or real property shall affect the Variance.
- 16.5(c) If the Variance applies to a Unit Owner or individual, the Variance shall not be transferred, assigned or conveyed to any other person in any manner whatsoever.
- 16.5(d) The duration of the Variance shall be specified by the Board and if no duration is specified, the Variance shall not expire.
- 16.5(e) The Board may, in its sole discretion and upon a majority vote of the Board, appoint a committee comprised of a majority of Unit Owners who are not members of the Board and delegate the authority to consider, approve or reject any application or request for a Variance to this committee. The composition of this committee shall be determined by the Board in its sole discretion whose members shall not have a personal or direct interest in the outcome of any Variance decision.
- 16.5(f) The decision of the Board or any committee appointed pursuant to By-law 16.5 (e) concerning any grant or denial of a Variance shall be final and conclusive and not open to any appeal or review by a court of law.

Number 2 - Maximum Fines

- A. **Current Language** By-law 34.1(a) - The Board may enforce the By-laws in the manner provided for in the Act, including the proceedings provided for in Section 29 of the Act for recovery of a penalty of not more than Two Hundred (\$200.00) Dollars in respect of each contravention of the By-laws, in the same manner as would be applicable if the Units were residential Units as defined in the Act.
- B. **Concern Arising** - There is wide consensus that a maximum fine of \$200 is not a sufficient deterrent or punishment for very serious by-law contraventions. The Board is proposing to increase the maximum fine to \$10,000. The Board is also requesting the authority to establish reasonable criteria or categories of fines that are appropriate in the circumstances and to, if reasonable, establish a committee to hear an appeal of any large fine.

If this by-law revision is passed, then the Board shall set out categories of offences (minor, medium and major) and prescribe minimum and maximum fines for each category and how a fine would be levied (prior notice, right to be heard, prior warnings, etc.) In general, where the fine is proposed to be a higher amount, there should be a greater right that should be available to a unit owner to contest the allegation.

At this stage, the Board would like to determine whether there is interest in proceeding in this fashion before implementing these procedures. **All proposed categories and procedures will be forwarded to unit owners for review and comment prior to implementation.**

- C. **New Language** - replace the existing By-Law 34.1(a) with the following:
- 34.1(a.1) The Board may impose monetary sanctions on Unit Owners, tenants and invitees of any Owner or tenants who fail to comply with any By-law in an amount not exceeding the sum of Ten Thousand Dollars (\$10,000.00) Dollars in respect of each contravention of a By-law, provided that the monetary sanction imposed is reasonable in the circumstances for which it is imposed.
- 34.1(a.2) Each day in which a By-law contravention remains in existence may be deemed by the Board to be a separate contravention of the By-law provided that the total monetary sanction imposed is reasonable in the circumstances for which it is imposed.
- 34.1(a.3) The Board in its sole discretion, may establish and implement any criteria or procedures pertaining to the imposition of any monetary sanction including lower maximum monetary sanctions for minor infractions and minimum monetary sanctions for major infractions.

34.1(a.4) The Board in its sole discretion, may issue notice to any person to demand compliance of any By-law that is in contravention in advance the imposition of any monetary sanction it considers reasonable in the circumstances.

34.1(a.5) Any person who has had a monetary sanction imposed in excess of \$500.00, may within thirty days (30 days) following receipt of notice of the sanction, appeal the amount of the monetary sanction by providing notice to the Board. The Board, in its sole discretion and upon a vote of a majority of the Directors, may hear and adjudicate the appeal or appoint a committee to hear and adjudicate the appeal. If an appeals committee is appointed, it shall be comprised of a majority of Unit Owners who are not members of the Board. The composition of the appeals committee shall be determined by the Board in its sole discretion whose members shall not have a personal or direct interest in the outcome of any appeal.

34.1(a.6) The decision of the Board or any appeal committee appointed pursuant to By-law 34.1(a.5) if appointed, concerning any monetary sanction imposed shall be final and conclusive and not open to any further appeal or review by a court of law.

By-Law No. 3 - Boat Sheds

- A. **Current Language** - No current language
- B. **Concern Arising** - Boat shed owners should be responsible for all costs, upgrading, and maintenance without cost or inconvenience to the rest of the unit owners. The requested changes will accomplish this objective.
- C. **New Language** - New By-law 47

47(a) For the purposes of this By-law 47, the following definitions shall apply:

- (i) “Boat Sheds” means the buildings and all related improvements situation on Unit 5 that were built by the Developer or the Corporation for the purpose of providing additional storage for Owners, the cost of which is shared by holders of the rights to the storage areas in each building;
- (ii) “Boat Shed Registry” means a written record prepared and maintained by the Corporation from time to time, listing the holders of the rights to each storage area; and
- (iii) “Boat Shed User” means an Owner who has the rights to each storage area as recorded in the Boat Shed Registry.

47(b) The Corporation shall prepare and maintain the Boat Shed Registry, a copy of which shall be made available to any Owner upon written request. The Boat Shed Registry will list each storage area and the Owner who has the rights to use the storage area. The Boat Shed Registry will accurately reflect the Owners who have initially contracted with the Developer, or with the Corporation, or their assignee for each boat shed built or to be built and paid a proportionate share of each boat shed.

47(c) The Boat Shed Registry will only contain names of Owners of Units. No non-Owner shall be granted rights to use the Boat Sheds except pursuant to the agreement dated April 24, 2006 between the Corporation and Little Bow Resort Inc.

47(d) In the event an Owner sells his Unit and no longer owns any Unit, the Owner must notify the Corporation of the name of an Owner to whom the right to use the Boat Shed will be assigned or transferred. The Corporation will update the Boat Shed Registry and provide written confirmation to both the Owner being struck from the Boat Shed Registry and the Owner who was added to the Boat Shed Registry. The Corporation

shall have the right to impose a reasonable fee to an Owner who is added to the Boat Shed Registry to recover the Corporation's administrative costs.

47(e) Each Owner listed on the Boat Shed Registry shall have the exclusive use of the corresponding storage area noted on the Boat Shed Registry. The granting of the right to use each storage area within the Boat Shed is provided by the Corporation. Boat Sheds are to be used for storage only, and can not be used as a commercial workshop and can not be used in conjunction with any enterprise. No flammable, combustible or explosive material may be stored in a storage area except for gasoline stored in the gasoline tank of a boat or vehicle.

47(f) Each Boat Shed User shall be allowed to make improvements to the interior of the storage area and the adjacent ground area in front of the overhead door (e.g. paved or concrete pad), for the corresponding storage area noted on the Boat Shed Registry. The Boat Shed User will be solely responsible for all repairs to the interior of the storage area, including any interior and exterior ground improvements, the overhead door and all its parts, for the corresponding storage area noted on the Boat Shed Registry.

47(g) The Board will prepare a separate annual budget for all costs specifically identified as relating to the ongoing costs of the Boat Sheds, including property taxes, insurance for the structure only, maintaining a reserve fund, road maintenance, landscaping, etc. consistent with By-laws 11(c)(iv), 41.1 and 41.5. The annual Boat Shed budget will be prepared and presented to owners concurrently with the annual budget. The annual Boat Shed budget will be prepared to ensure that the Owners listed on the Boat Shed Registry pay for all costs associated with the Boat Shed and that the Owners who are not listed on the Boat Shed Registry are not allocated any costs associated with the Boat Sheds.

47(h) The Board will establish and maintain a separate reserve fund for the sole purpose of ensuring adequate funds are available for anticipated maintenance of the Boat Shed.

47(i) Under no circumstances shall the Corporation be responsible for any of the contents of any Boat Shed. Each Boat Shed User shall be solely and completely responsible for insurance against any loss of any contents of a Boat Shed.

By-Law No. 4 - ATV's on Common Property

- A. **Current Language** - 37.2(w) An Occupant shall not operate snowmobiles, motorcycles or off highway and all terrain vehicles on any Unit or the Common Property.
- B. **Concern Arising** - ATV usage is one of the very controversial issues concerning Unit Owners. The current By-laws are completely out of step with the use and enforcement of ATV usage and must be updated. There are many aspects to ATV usage and this by-law revision request will address what the Board considers to be the most important being exposure to liability. Steps must be taken to ensure that the Condominium Corporation and the Unit Owners are reasonably not exposed to risks of a lawsuit should someone get injured as a result of ATV usage.

There are other aspects to ATV operation such as use on common property roads or off-road areas set aside for such specific usage and these aspects will be addressed in future by-law revision requests.

The Board is proposing to remove the ATV use restriction and to have the power to implement a fair and reasonable system that will ensure that the condominium corporation and all unit owners are reasonably protected against a lawsuit. The Board requests the power to ensure that ATV's are insured, that Unit Owners using ATV's do not hold the Condominium Corp responsible if they get hurt and that ATV users who are Unit Owners take responsibility for their guests. The Board feels strongly that these measures are reasonable and necessary.

You will notice that the Board may also specify areas of the common property where ATV usage is permitted. **All proposed ATV usage or restricted areas will be forwarded to unit owners for review, comment and voting prior to implementation.**

- C. **New Language** - Replace 37.2(w) with the following:

37.2(w.1) Unit Owners may operate their snowmobiles, non-street legal motorcycles, off highway and all terrain vehicles (collectively, "ATV") on the Common Property provided that prior consent has been obtained from the Board.

37.2(w.2) The Board may implement and impose any procedure or requirement pertaining to the granting of consent for use of any ATV on the Common Property or parking or bringing into the Project an ATV pursuant to By-law 37.2(z) providing that such procedure or requirement does not unfairly or unreasonably restrict a Unit Holder's ability to obtain such

consent. The procedures and requirements shall primarily but may not exclusively pertain to allowing the Board to take necessary steps to ensure that the owners of all ATV's have in place reasonable insurance, do not hold the Corporation responsible for any injuries resulting from ATV usage, specify areas of the of common property where ATV usage is permitted and to reasonably ensure that a Unit Owner indemnify and hold the Corporation harmless for any injuries to any guests or invitees of a Unit Owner who operates an ATV.

37.2(w.3) All ATV's shall be operated in a safe and responsible manner.

37.2(w.4) No ATV shall be operated on any Unit without the permission or consent of the Owner or occupant of the Unit.

37.2(w.5) In addition to any other fines or penalties described by these By-laws, The Board may revoke the consent granted to any person to any person for where that person has repeatedly breached the terms of this By-law 37.2(w). Prior to any revocation of consent, the Board shall have provided written warning to that affected person that any subsequent breach of By-law 37.2(w) shall result in a revocation of consent.

Name _____

Little Bow Unit Number _____

For each of the proposed by-laws, I hereby approve or reject as indicated below:

Proposed By-Law Change No. 1 - By-Law Variance - New By-Law 16.5

____ Approve

____ Reject

Proposed By-Law Change No. 2 - Maximum Fine - New By-Law 34.1(a)

____ Approve

____ Reject

Proposed By-Law Change No. 3 - Boat Shed - New By-Law 47

____ Approve

____ Reject

Proposed By-Law Change No. 4 - ATV's on Common Property - New By-law 37.2(w)

____ Approve

____ Reject

Dated this ____ day of _____, 2009.

Signature

Signature