

By-Law No. 2



CERTIFICATE

BY-LAW NO. 2

CARLETON CONDOMINIUM CORPORATION NO. 318 hereby certifies that By-Law No. 2 attached hereto, was made in accordance with the Condominium Act, being chapter 84 of the Revised Statutes of Ontario 1980, and any amendments thereto, the Declaration and the By-Laws of the Corporation, and that the said By-Law No. 2 has not been amended and is in full force and effect.

DATED at the city of Nepean, this 6th day of March, 1986

CARLETON CONDOMINIUM CORPORATION NO. 318

Per: _____

Secretary

(Helen E. Fraser)

COPY

CARLETON CONDOMINIUM CORPORATION NO. 318

INSURANCE TRUST AGREEMENT

DORATY AND VOLL
BARRISTERS AND SOLICITORS
28 NORTHSIDE ROAD
NEPEAN, ONTARIO
K2H 5Z3
(613) 829-7171

JAD/cm

INSURANCE TRUST AGREEMENT

THIS AGREEMENT made the day of , 19 .

BETWEEN:

CARLETON CONDOMINIUM CORPORATION NO. 318

Hereinafter called the "Settlor"

OF THE FIRST PART

AND:

ROYAL TRUST CORPORATION OF CANADA

Hereinafter called the "Trustee"

OF THE SECOND PART

WHEREAS the Settlor has obtained certain policies of insurance, set forth in Schedule "A" annexed thereto;

AND WHEREAS the Settlor desires to make provision for the expeditious payment out of the proceeds of such insurance in the event of damage to the property as described in the description registered pursuant to The Condominium Act, S.O. 1980 (hereinafter called the "Act");

NOW THEREFORE in consideration of the mutual covenants herein contained, it is hereby mutually agreed by the parties hereto as follows:

ARTICLE I - DEFINITIONS

1.01 The terms used in this Agreement shall have ascribed to them the definitions contained in the Act and the Declaration.

ARTICLE II - APPOINTMENT OF TRUSTEE

2.01 The Settlor doth hereby appoint the Trustee to act as Trustee pursuant to the provisions of the Declaration and By-laws of the Settlor, copies of which are submitted herewith to the Trustee.

ARTICLE III - PAYMENT BY TRUSTEE

3.01 All insurance proceeds shall be received by the Trustee and be held by it in trust and paid in accordance with the following terms and conditions.

3.02 In the event of:

- (a) damage to the buildings, if the Trustee receives a certificate duly executed by the President (or Vice-President) and the Secretary of the Settlor, certifying:

- (i) that the board has determined that less than twenty-five percent (25%) of the buildings has been substantially damaged; or
- (ii) that the board has determined that twenty-five percent (25%) or more of the buildings has been substantially damaged, and that owners who own eighty percent (80%) of the units have not voted for termination within sixty (60) days of such determination by the board; or

(b) damage to the property, excluding the buildings and the units;

the Trustees shall disburse the proceeds of all insurance in its hands and arising out of such damage, toward the cost of repairing such damage, from time to time, as the repairs of such damage progress, upon the written request of the Settlor accompanied by the following:

(i) a certificate signed by the President (or the Vice-President) and the Secretary of the Settlor dated not more than thirty (30) days prior to such request and counter-signed by the Architect or Engineer, if any, employed by the Settlor in connection with such repairs, setting forth the following:

(A) that the sum then requested either has been paid by the Settlor or is justly due to contractors, sub-contractors, materialmen, engineers, architects or other persons who have rendered services or furnished materials for repairs therein specified, the names and addresses of such persons, a brief description of such services and materials, the several amounts so paid or due to each of said persons in respect thereto, that no part of such expenditures has been or is being made the basis of any previous or then pending request for the payment of insurance proceeds then held by the Trustee, or has theretofore been paid out of such insurance proceeds, and that the sum then requested does not exceed the value of the services and materials described in such certificate;

(B) that except for the amount, if any, stated in such certificate to be due for services or materials, there is no outstanding indebtedness known to the Settlor, after due enquiry, which is then due for labour, wages, materials, supplies or services in connection with such repairs which, if unpaid, might become the basis of a Construction Lien, by reason of such repair to the building or any part thereof;

(ii) an opinion of Solicitor, acting for the Settlor or other evidence reasonably satisfactory to the Trustee to the effect that there has not been filed with respect to the building or the property, or any part thereof, any Construction Lien which has not been discharged except such as will be discharged by payment of the amount then requested.

3.03 Any balance of proceeds of insurance remaining in the Trustee's hands after payment in full of the cost of the repairs of the buildings as aforesaid, shall be paid over by the Trustee to the Settlor.

3.04 If, upon the receipt of any certificate referred to in paragraph 3.02 of this Article, the Trustee shall not have sufficient funds to pay the amount due and owing as set out therein, the Settlor shall be so notified by the Trustee, and the Settlor shall further notify, in writing, the Trustee as to which of the persons or companies set forth in the said certificate are to be paid by the Trustee.

3.05 The Trustee shall not be under any duty to enquire as to the correctness of any amounts received by it on account of the proceeds of any insurance, nor shall it be under any obligation to take any steps to enforce the payment thereof to it.

ARTICLE IV - NOTICE IN THE EVENT OF CANCELLATION OF INSURANCE

4.01 The Settlor and all mortgagees having an interest in the unit as shown on the Corporation's Unit Register with respect to any unit shall be promptly notified of any notice of cancellation received by the Trustee.

ARTICLE V - DEFICIENCY OF INSURANCE PROCEEDS

5.01 The Settlor shall be promptly notified of any proceeds of insurance deposited with the Trustee on behalf of the Settlor, and the Trustee shall be under no obligation to make any payments as specified in this Agreement except out of the proceeds of insurance held in trust for the Settlor.

ARTICLE VI - LIABILITY AND INDEMNIFICATION OF TRUSTEE

6.01 The Trustee shall have no duties except those which are expressly set forth in this Agreement and shall in no way be responsible or liable for any loss, costs or damages which may result from anything done or omitted to be done by such Trustee hereunder, except in the case of negligence or bad faith. The Trustee shall be protected in acting upon any certificate, statement, request, consent, agreement or other instrument whatsoever, not only as to its due execution and validity and the effectiveness of its provisions, but also as to the truth and accuracy of any information therein contained, which it shall, in good faith, believe to be genuine, and to have been signed and presented by the proper person or persons. It shall have no responsibility with respect to any cheques deposited with it hereunder except the usual responsibilities of collecting bank and it shall have no responsibility with respect to the application of any funds paid by it pursuant to the provisions of this Agreement.

6.02 The Settlor shall reimburse the Trustee for all expenses incurred by it in connection with its duties under this Agreement and shall indemnify it and save it harmless against any and all liabilities, costs and expenses, including legal fees, for anything done or omitted to be done by it in the performance of this Agreement, except as a result of negligence or bad faith.

6.03 The Trustee may become mortgagee of any or all units together with such other interest as may be attached to the ownership of such units and may enforce any covenants contained in its mortgage relating thereto, notwithstanding that such enforcement may be in conflict with the Trustee's duties hereunder.

ARTICLE VII - TERMINATION OF CONDOMINIUM

7.01 Notwithstanding anything to the contrary herein contained, where a notice of termination is registered, in accordance with the provisions of the Act, the Settlor shall forthwith notify the Trustee, in writing, of such registration, and upon receipt of such notice the Trustee shall pay any insurance proceeds then in its hands to the owners and any mortgagees with respect to the units of such owners, in the proportion of each owner's common interest, and in satisfaction of any liens registered by the Settlor against such unit in accordance with the priorities thereof.

ARTICLE VIII - TERMINATION OF AGREEMENT

8.01 At any time hereafter the Settlor shall have the unrestricted right to terminate this Agreement by thirty (30) days written notice to the Trustee, upon delivery to the Trustee of a duplicate original agreement between the Settlor and a trust company registered under The Loan and Trust Corporations Act or a chartered bank, or such corporation as the Settlor, in its discretion, may deem advisable in the event that the Settlor is unable to enter into such agreement with such trust company, or such chartered bank by reason of their refusal to act, pursuant to which such other trust company or chartered bank or corporation shall assume such duties as Trustee, in the place of the Trustee herein. Following such termination, upon payment to the Trustee herein of all fees and charges due to the Trustee hereunder, the Trustee herein shall turn over all sums deposited with it, remaining in its hands, to such new Trustee, and thereupon its obligations hereunder shall cease.

8.02 The Trustee may at any time resign from its duties hereunder by giving to the Settlor not less than thirty (30) days notice in writing thereof and its obligations hereunder (except for the payment of any sums remaining in its hands to a successor Trustee, as hereinafter provided) shall cease. Following such resignation, upon payment to the Trustee of all fees and charges due to it hereunder and upon delivery to it of a duplicate original agreement between the Settlor and another trust company registered under The Loan and Trust Corporations Act or a chartered bank, or such corporation as the Settlor, in its discretion, may deem advisable in the event that the Settlor is unable to enter into such agreement with such trust company, or such chartered bank by reason of their refusal to

act, pursuant to which such other trust company or chartered bank or corporation shall assume such duties as Trustees, in the place of the Trustee herein. Following such termination, upon payment to the Trustee herein of all fees and charges due to the Trustee hereunder, the Trustee herein shall turn over all sums deposited with it, remaining in its hands, to such new Trustee, and thereupon its obligations hereunder shall cease.

**ARTICLE IX - MODIFICATION OR AMENDMENT OF AGREEMENT,
DECLARATION AND BY-LAWS AND RIGHTS OF THIRD PARTIES**

9.01 This Agreement shall not be modified or amended without the consent of the parties hereto and any mortgagee holding first mortgages on more than fifty percent (50%) of the units. Any amendments to the Declaration or By-laws shall be communicated to the Trustee by the Settlor.

9.02 Upon being advised of damage to the buildings or upon receipt of any monies in accordance with the terms of this Agreement, the Trustee shall notify all mortgagees shown on the Settlor's register. The Settlor shall deliver forthwith to the Trustee upon request in writing, a copy of the Settlor's register and the Trustee shall be entitled to rely upon such register for the accuracy of the information set forth therein.

9.03 Certain provisions of this Agreement are for the benefit of the mortgagees of the units and all such provisions are covenants for the benefit of any mortgagee shown on the Settlor's register and may be enforced by such mortgagee.

ARTICLE X - ADDRESS FOR SERVICE

10.01 Any certificate, declaration or notice in writing given to the Settlor pursuant to this Agreement shall be sufficiently given if mailed by prepaid registered post to the Settlor at 5-K Caesar Avenue, Nepean, Ontario, K2G 0A8.

10.02 Any certificate, declaration or notice in writing given to the Trustee pursuant to this Agreement shall be sufficiently given if mailed by prepaid registered post to the Trustee at

10.03 Such certificate, declaration and notices in writing shall be deemed to have been received on the business day next following the date of such mailing.

ARTICLE XI - REMUNERATION OF TRUSTEE

11.01 The Settlor shall pay the Trustee's reasonable fees and expenses, as set out in Schedule "B" annexed hereto. The Trustee shall be entitled to deduct such fees and expenses from the insurance proceeds received by it.

ARTICLE XII - ASSIGNMENT OF AGREEMENT

12.01 This Agreement shall be binding upon and enure to the benefit of the parties hereto, and their respective successors and assigns, and this Agreement shall not be assignable by the Trustee without the prior written consent of the Settlor.

ARTICLE XIII - ACCEPTANCE OF TRUSTEE

13.01 The Trustee hereby accepts the trust herein set forth.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

CARLETON CONDOMINIUM CORPORATION NO. 318

Per: _____

Per: _____

ROYAL TRUST CORPORATION OF CANADA

Per: _____

Per: _____

SCHEDULE "A"

The following are the policies of Insurance held by the Corporation:

USF & G Insurance Company of Canada (Insurer)
Orlo Brewer Limited (Agent)
1755 Courtwood Crescent,
Ottawa, Ontario.
K2C 3J2

SCHEDULE "B"

REMUNERATION OF TRUSTEE

1. A setting up fee of Two Hundred Dollars (\$200.00) upon the execution of this Agreement.
2. An annual stand-by fee of One Hundred and Fifty Dollars (\$150.00) payable on the 1st day of April in each year commencing April 1st, 1986 and continuing so long as this Agreement remains in force and effect.
3. An Activity fee as follows:
 - (a) 1/2 of 1% on the first \$100,000.00 paid under the said policy of insurance over and above 1/4 of 1% of the total insurance stated in the said policy of insurance;
 - (b) 1/4 of 1% on the next \$900,000.00 over and above the amount referred to in sub-paragraph (a) hereof;
 - (c) 1/8 of 1% on the next \$1,000,000.00 over and above the amount referred to in sub-paragraph (b) hereof;
 - (d) 1/10 of 1% on the next \$1,000,000.00 over and above the amount referred to in sub-paragraph (c) hereof.