

COPPERFIELD I

METROPOLITAN TORONTO CONDOMINIUM CORPORATION NO. 854

Managing Agents: Wallace-Rivard & Associates Ltd.

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May 12, 2009.

To All Owners,
Metro Toronto Condominium Corporation No. 854
Shank, Shaw, Crawford & Adelaide Streets,
Toronto, Ontario.

Your Board of Directors and Management have been reviewing the by-laws that require updating to bring them in compliance with the new Condominium Act. The following paragraphs outline what these changes are. Enclosed with this letter is a full package of the new by-laws. These have been duly passed by your Board of Directors at a Board Meeting held on April 9th, 2009. They now require confirmation at our Annual General Meeting. A vote of 50 plus one is required to confirm the by-laws. It is imperative that all owners either attend the meeting or sign their proxy over to a Board Member so that these by-laws may come into effect.

General By-law

All corporations have a general operating by-law, in most instances known as By-law 1. This by-law sets out such matters as what documents constitute records of the corporation, duties and powers of the corporation, procedure and quorum for meetings of owners and the board, collection of common expenses etc. Corporations created prior to the coming into force of the *Condominium Act, 1998* (the "Act") (May 5, 2001), will find that a number of provisions in their general by-law are now obsolete. For example, the definition of records is substantially enlarged, quorum and notice requirements have changed, meetings now must be held within 6 months of the fiscal year end, there is no authority for the corporation to borrow for unbudgeted items without a special by-law, etc. Rather than amending their existing general by-law, most corporations are opting to repeal their existing by-law and replace it with a new general by-law which is in compliance with the Act and which can include new powers now allowed under the Act, such as permitting the board to meet by teleconference or to appeal tax assessments.

The Mediation/Arbitration Procedure By-law

Section 132 (4) of the Condominium Act 1998 provides that every declaration shall be deemed to contain a provision that the corporation and the owners agree to submit a disagreement between the parties with respect to the declaration, by-laws or rules to mediation and arbitration in accordance with Section 132 (1) (a) and (b).

In accordance with Section 56(1) (o), the proposed by-law sets out the procedure by which mediation and arbitration of disputes or disagreements between the corporation and owners will be handled, allowing for the mediation and arbitration process to proceed more smoothly, effectively, and in a less costly manner, while ensuring that all rights of the condominium corporation and owners are protected.

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Standard Unit By-law

Section 56(1) (h) of the new Act provides for establishing what constitutes a "standard unit", and that a by-law may be enacted for that purpose. This standard unit by-law deals only with the unit itself by which the Corporation will exclude portions of a unit from the responsibility of the Corporation to insure and/or to repair after damage. It enables the corporation, for example, to exclude floor coverings, wall coverings, the kitchen counter, etc. from the unit, and instead define them as improvements to the unit. As a result, by definition, the improvement or betterment is no longer covered by the corporation's insurer, and should be insured by the unit owner should there be loss from fire or other casualty.

Insurance Deductible By-law

Section 105(2) specifies when a deductible shall be claimed from a unit owner. Those circumstances are:

- . the damage is to the owner's unit;
- . the damage is caused by an act or omission;
- . the act or omission is that of an owner, lessee of an owner, or a person residing in the owner's unit with the permission or knowledge of the owner;
- . The amount of the claim is the lesser of the repair costs and the insurance deductible amount.

Assuming all of the above requirements apply, then Section 105(2) states that the corporation shall claim the amount from the unit owner in the same manner as common expense arrears, including the right to register and enforce a lien against the title to the unit if the amount is not paid within the three month automatic lien period.

Subsection 105(2) states that a condominium corporation may pass a by-law by which the corporation extends the circumstances listed above: *A...under which an amount will be added to the common expenses payable for an owner's unit...*

The proposed by-law seeks to fairly assign the cost of the lesser of the repair costs and insurance deductible amount on the person causing the damage. This by-law authorizes the Corporation to claim from a unit owner every loss, or portion of a loss, falling within the deductible amount referred to above, in the extended circumstances: **where damage is caused to the common elements of the corporation or to another unit or units** within the said condominium plan, and where the damage is caused by the act or omission of an owner, a lessee of an owner or person residing in the owner's unit with the permission or knowledge of the owner.

Without limitation, an act or omission is deemed to include failure of the owner to properly maintain and repair the unit and improvements and betterments thereto, and to include the acts or omissions of agents, representatives, contractors, a lessee of an owner or person residing in the owner's unit with the permission or knowledge of the owner.

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It is hoped that this action will save the Corporation insurance premium dollars, or prevent increases in premium by reducing the risk.

Once again, we must reiterate that it is extremely important for all owners to either attend the Annual General Meeting or to sign their proxy over to a Board Member in order that we are able to obtain the required vote.

Should you have any questions, please feel free to contact Janine Wallace-Rivard at 416-281-0600 or attend the Annual General Meeting on June 10th, 2009 as we will have a representative from Deacon, Spears, Fedson & Montizambert to answer any questions on these documents.

Thank you for your assistance in this regard.

Yours truly,

ON BEHALF OF THE BOARD OF DIRECTORS

Janine Wallace-Rivard,
Property Manager.

Attach.