Schedule "A"

RECORD ACKNOWLEDGMENT

York Region Condominium Corporation # 741

The undersigned person hereby requests copies of the Corporation's records referred to on the schedule attached hereto and agrees to comply with the requirements set out herein.

The record provider shall, within a reasonable time, provide copies of the requested records upon receipt of this signed Record Acknowledgment and payment of the fee to compensate the record provider for its labour and copying charges, including, without restriction, labour rates for processing a request to inspect or copy records, retrieving from archives, compiling, providing and supervising the review, selection and copying of selected records at an hourly rate of $..... per hour allocated to each staff person involved, together with an overhead allocation at an equivalent hourly rate, along with the cost of paper, toner and a wear-and-tear component for equipment at a page rate of an additional $...../page. The provider shall calculate all amounts based upon the number of copies and time spent at such rates, and shall invoice and collect from the undersigned all such amounts at the time of pick-up of the copies.

The undersigned covenants and agrees to use any information provided by the Corporation or obtained by the undersigned strictly for the purpose of enabling compliance with the provision set out in the *Condominium Act, 1998*, subject to the privacy and confidentiality criteria set out in the Corporation's Privacy Policy (a free copy of which may be obtained pursuant to the undersigned's written request addressed to the Property Management Office, which Privacy Policy shall be forwarded to the undersigned not later than 10 days thereafter).

Use or disclosure to any third party of a copy of any record of the Corporation or any information contained therein for the purpose of contacting the owners or mortgagees of the Corporation to solicit the purchase, sale or leasing of units, to provide business advertising or for any other commercial purpose, or to circulate defamatory or misleading information or for distribution to any public media is strictly forbidden. Any person who requests a copy of any of the Corporation's records and who uses any information contained therein for any purpose other than for the purposes permitted by the *Condominium Act* or for the benefit of the Corporation shall be subject to a claim for damages which shall be deemed to be suffered by the Corporation in a minimum liquidated amount of $500.00 which shall be deemed not to constitute a penalty, fine, administrative fee or common expense.

The records of the Corporation shall be maintained on a private and confidential basis and neither copies of such records nor any information contained therein shall be distributed, copied, reproduced or otherwise disseminated to third parties, other than the directors, officers, manager, owners and professional advisors of the person(s) who have a need to know such information.

The undersigned is an owner ___ purchaser___ mortgagee___ of Unit _____, or an agent of one of them ___ duly authorized in writing to examine the records of the Corporation and hereby agrees to comply with the criteria set out in this Record Acknowledgment.

Dated at Toronto this day of 200_.

The Undersigned:

_____	_____
	Address
_____	_____
Print Name	Phone #

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Schedule "B"
MEETING RULES OF CONDUCT

The following Meeting Rules of Conduct should be followed by all participants at our Condominium Corporation's meetings of owners:

1) **Welcome!** Owners are encouraged to attend and speak at owners' meetings.

2) **Recognition** Raise your hand or line up at the microphone (if provided) and wait to be recognized by the Chair. Please speak in turn and do not interrupt other speakers.

3) **Name & Unit** Begin by clearly stating your name and unit number once the Chair has recognized you. Please speak loud and clear so all in the room can hear you.

4) **Relevancy** Comments should be relevant, concise and restricted to current Agenda items. If a topic of interest to you is not listed on the Agenda, please raise it for discussion during the "Other Business" portion of the Agenda.

5) **Be Concise** Please take the floor for no more than 2 suggestions/questions at a time, and speak no more than 3 times during the meeting, for a total maximum of 2 minutes in each case. Let others have their turn.

6) **Conduct** Please govern your conduct in accordance with normal standards of good behaviour, decorum and integrity. Please respect your fellow unit owners and the Chair. Please avoid defamatory statements, interruptions, shouting and disruptions. In order to persuade others to your views, avoid antagonistic confrontations and diatribes.

7) **Unit Issues** Unit-specific issues should be discussed on a separate occasion with the property manager, or by a letter to the board of directors, rather than wasting everyone's time with individual concerns. Focus on suggestions for the board's consideration which benefit the Corporation as a whole.

8) **Procedure** The Chair shall impartially maintain the fair and proper conduct of the meeting and will decide all issues pertaining to registration, quorum, notice, proxies, ballots, votes, meeting procedure, order, and timing, subject to the *Condominium Act*, the Corporation's By-laws and Rules of Order.

9) **Suggestions** During the "Other Business" portion of the Agenda, the board welcomes your constructive suggestions to improve the Corporation and reduce costs. Often the board will be unable to respond on the spot, but suggestions will be deliberated at a subsequent board meeting, subject to financial and legal constraints.

10) **Removal** The Chair may require any disruptive owner who has been called out of order twice to leave the meeting.

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Schedule "C"
OWNERS' CODE OF ETHICS

Owners are encouraged to participate democratically and ethically in the affairs of the Corporation as follows:

a) Owners are encouraged to participate in owners' meetings where important decisions and recommendations are often made that may substantially affect your condominium environment, the value of your unit and the quality of lifestyle at your condominium.

b) Since the board of directors is solely responsible to make the vast majority of decisions for the Corporation, you should carefully select the candidates you wish to be elected as directors.

c) It is strongly recommended that owners attend meetings of owners instead of blindly signing proxy forms. Only appoint as your proxy a person you know, respect and trust.

d) If you can not attend the meeting, consider altering the proxy form to indicate that it is for quorum purposes only. If an extraordinary vote of owners (i.e. more than a majority vote) is required to vote with respect to a by-law or other major proposal, you may wish to restrict your proxy instrument to be used only for the purpose of voting in favour of or opposed to such a specified topic.

e) Do not be swayed by undocumented allegations made during proxy solicitations or in newsletters, unless you are satisfied the information is accurate. Act judicially and hear all sides of the story before voting.

f) Directorial candidates must comply with their statutory standard of care, diligence and skill and their duty of honesty and good faith. Directors must undertake necessary maintenance and repairs of the common elements and assets and ensure proper funding of the Corporation's reserve fund, in addition to numerous other duties contained in the Act, declaration, by-laws and rules of the Corporation. Common expense increases are inevitable as buildings age. Support directors who establish a forward-looking funding plan which calls for necessary common expense increases to avoid special assessments if appropriate.

g) Recognize the contributions of volunteer directors who have the skills, qualifications, experience and commitment to protect the owners' best interests, enhance unit values, supervise management of the Corporation's affairs in a financially responsible manner and to promote a harmonious atmosphere.

h) In a democracy, legitimate criticisms can be expressed where a critic has undertaken the due diligence to ascertain the accuracy of negative statements. Before accepting the validity of accusations, unfounded conjecture, innuendo or other techniques of fear-mongering, owners should question the accuracy of such information and the use of those techniques, especially when attacks on directors are made on a self-serving basis by persons attempting to get themselves elected. Candidates who promise cost savings or other improvements should be asked to provide detailed explanations as to how they can be achieved.

i) At law, any person who originates, repeats or publishes a libelous or slanderous statement or a rumour which is erroneous and defames the reputation of a person is personally liable for damages, subject to the burden of proof to uphold one of the defenses of (a) justification (i.e. proving the truth of the allegation); (b) qualified privilege (where a person has a special duty to make such a statement *bona fide* and in good faith, if the defamer can prove no malice is present); or (c) fair comment (where a defamer renders a *bona fide* opinion based upon true facts after conducting due diligence, if the defamer can prove no malice is present).

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Schedule "D"
York Region Condominium Corporation # 741

DIRECTORS' CODE OF ETHICS

I have consented to act as a Director of the Corporation and I agree to comply with the following **Directors' Code of Ethics** throughout my term as a Director:

Honesty and Good Faith - I will act honestly and in good faith. I will do nothing to violate the trust of the unit owners I serve.

Care, Diligence and Skill - I will exercise the degree of care, diligence and skill of a reasonably prudent person in comparable circumstances. I will make a concerted effort to attend all Board and owners' meetings. I will act responsibly and with due diligence to become familiar with the affairs of the Corporation and to uphold its Declaration, Description Plans, By-laws, Rules, resolutions, policies, agreements and requirements of the *Condominium Act* and other legislation.

Conflict of Interest - I am not currently aware of any actual or potential conflict of interest with respect to any contract, transaction, building deficiency claim, warranty claim, legal action, proceedings or any matter detrimental to the Corporation. If I become aware of any conflict, I will immediately disclose it to the board. I will not promote my own interests or those of any owner, resident, family member, friend or contractor to the detriment of the Corporation. I will not seek any special benefits or privileges as a Director or Officer or accept any compensation either personally or on behalf of any other person except as permitted by a by-law. I will act only in the best interests of the Condominium Corporation as a whole, and I will not favour the interests of any individual or group of owners or residents.

Confidentiality - I will not disclose to any person (including my spouse) information decided by the Board to be confidential or privileged or which reasonably ought to be deemed confidential. When in doubt, I will request determination by a resolution of the Board.

Good Conduct - At all times, I will conduct myself in a professional and businesslike manner at meetings of directors or owners. I will approach all Board issues with an open mind, preparing to make the best decisions on behalf of the Corporation. I will avoid shouting, interrupting, monopolizing discussions, rude comments, disruptions or dirty tricks. I will avoid ego trips. I will hold my temper. If my voice rises in pitch or volume, I will get it under control. I will act ethically with integrity and in accordance with legal criteria. I will comply with rules of good conduct and will deal with others in a respectful manner. I will comply with principles of good governance and procedural rules of order.

Support - I will abide by decisions of the majority of the Directors even though I may disagree and will not depreciate directors with whom I disagree, but I reserve the right to express my own views to owners upon non-confidential issues.

Defamation - I will refrain from expressing any detrimental supposition, erroneous or defamatory statement about the Corporation or any owner, resident, director, officer, manager, staff or contractor of the Corporation. I shall only publicly state detrimental information in a manner which is accurate, unbiased and non-malicious.

Dirty Tricks - I will not use any "dirty tricks" in the course of an election, but will act honestly, honourably, fairly and in a straight-forward manner. I shall not seek election as a Director by trashing the reputation of any other person.

Abuse of Proxies - When collecting proxies, I will not make any false, misleading, fraudulent or defamatory statement. I will fairly inform the proxy grantor how I intend to exercise any vote with respect to the proxy.

Minimize Conflict - I will attempt to prevent or minimize conflict and disruption and will promote good relations amongst persons involved in our Condominium community. I will promote a first class image for our Corporation, its units, owners and residents.

Performance of Duties - I will commit the necessary efforts, will exercise the appropriate leadership and will assume such duties as may reasonably be required to fulfill my role as a Director or Officer. I will participate in conducting the Board's business in the form of resolutions, policies, rules or by-laws as the circumstances require. I will comply with principles of good governance and procedural rules of order. I will become well-informed on issues and agenda items in advance of meetings. I will assist the Board to supervise, monitor and direct the on-going daily management of the Corporation by the

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property manager. I will duly consider the information and advice provided by the property manager and others and will seek opinions, when appropriate, from experienced professionals when necessary to reach a proper decision. I will follow the precept: "Directors direct; managers manage."

Monitor Financial Health - I will pay particular attention to monitor the financial health, physical state of maintenance and repair, management, administration, appearance and welfare of the Corporation. I will support required funding of the reserve fund and an appropriate funding plan to fulfill the criteria of the Corporation's current Reserve Fund Study or Update. I will assist in preparing or reviewing the Corporation's annual Budget in a manner which appropriately reflects the actual financial needs of the Corporation, regardless of owners' complaints when it becomes necessary to increase common expenses. I will ensure common expenses are collected on time or liened within the statutory period. I will monitor the investments, bank accounts, interim and year end financial statements. I will carefully review contract proposals, quotes and tenders in order to assist in negotiating preferred contractual terms for services rendered to the Corporation at a beneficial cost. I will monitor any of such duties which have been delegated.

Scope of Authority - If I am elected or appointed as the President, Secretary, Treasurer or other officer of the Board, I will refrain from autocratic governance, but will act properly within the scope of my authority and in response to the will of the Board. I will never exercise authority as a Board member except when acting in a meeting of the Board or as I am delegated to do by the Board.

Education - Recognizing that governance of a condominium corporation involves complex and changing requirements, I will continue to educate myself by reading relevant magazines (such as ***CM Magazine, Condominium Business Magazine*** or ***CCI's News & Views.*** I will support attendance by one or more board members at any condominium seminars presented by the Canadian Condominium Institute (CCI), including **CCI's Basic Directors' Course** and **CCI Advanced Directors' Course** at the cost of the Corporation.

Binding Effect - I recognize that no Director is obligated to sign this **Directors' Code of Ethics** and Agreement, but I wish to assure owners and my fellow Directors of my ethical commitment to perform my duties in the Corporation's best interests. Any amendment or termination of my agreement to this **Directors' Code of Ethics** shall be set out in writing attached hereto as Schedule "A" and shall promptly be presented to the Board and owners in accordance with Article 7.02 of the Corporation's General By-law. This document shall constitute a non-confidential record of the Corporation.

Agreement - I hereby agree to comply with the provisions set out in this **Directors' Code of Ethics.**

DATED at _____ this _____ day of _____, 20 .

WITNESS:

_____ _____
Signature

_____
Print Name of Director Unit #

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YORK REGION CONDOMINIUM CORPORATION NO. 741 (known as the "Corporation") certifies that:

1. The Copy of By-law No.8, attached as Schedule "A", is a true copy of the By-law.

2. The By-law was made in accordance with the Condominium Act, 1998.

3. The owners of a majority of the units of the Corporation have voted in favour of confirming the By-law.

DATED this 20th day of April ,2010.

YORK REGION CONDOMINIUM CORPORATION NO. 741

Per: _____
Vassili Pantelidis, President

Per: _____
Holo Devnani, Secretary

I/We have the authority to bind the corporation

BY-LAW NO. 8

YORK REGION CONDOMINIUM CORPORATION NO. 741

BE IT ENACTED as a By-law of YORK REGION CONDOMINIUM CORPORATION NO. 741 (the "Corporation") as follows:

The schedule appended hereto shall constitute the standard unit(s) for residential unit(s) for purposes of Section 99(5) of *the Condominium Act, 1998.*

WITNESS the corporate seal of the Corporation this 22 day of October, 2009.

YORK REGION CONDOMINIUM CORPORATION NO. 741

Per: _____

Name: VASSILI DANTELIS

Title: PRESIDENT

Per: _____

Name: A. G. J. AMLSON

Title: SECRETARY

We have the authority to bind the corporation

3917585.3

SCHEDULE "A"

RESIDENTIAL UNIT CLASS – STANDARD UNIT

GENERAL

Room	Standard Unit Fixtures and Finishes	Further Particulars (if any) of the Standard Unit Fixtures and finishes
Entrance Foyer Hallway		
Closet	• Sliding closet doors floor to ceiling	1 metal coat rod with white press board shelving
Light Fixture	• 2 Cylindrical clear glass light fixtures	One at front entrance and one located in hallway.
Laundry Room		
Plumbing	• Standard laundry hookup • Laundry hoses • Hot and cold valve Emco supply taps • Access door to 2 main shut off Unilux valves • Dryer Receptacle - Leviton • Metal fitting for dryer vent • Lint trap in wall	
Cabinetry	• Lower and upper cupboards white standard height	White Melamine Laminate
Living / Dining room		
Electrical	• Cylindrical clear glass light fixture.	
Kitchen		
Electrical	• Stove hood with fan/light & exterior ventilation • Stove receptacle -220 V standard hook up for fridge and dishwasher • 3 fluorescent lights	
Ceiling	• Drop ceiling with 9 plastic lens 24"x24",	Total drop ceiling 6x6 encased by 1 foot drywall bulkhead
Doors	• Louvered wood doors to dining room & Solarium	
Cupboards	• Standard builders grade melamine upper and lower cupboards, handles white	
Counter tops	• Builder grade laminate counter tops	Off white or Beige
Plumbing	• Double stainless steel sink with builders grade single faucet • 3 main shutoffs- Unilux ball valves	1 dishwasher, 1 hot water and 1 coldwater)

Solarium		
Electrical	• Standard hanging light fixtures	
Interior Sliding Door (where present)	• Glass sliding doors in metal frame between living room & solarium	
1st bedroom		
Walkthrough or Standard Closet	• Standard hollow wood door	6 drawer unit (press wood) 2 rods and press wood shelving
Master Bedroom (2 bedroom units only)		
Walk in closet	• Louvered wood Closet doors	8 drawer unit (press wood) 2 rods and press wood shelving unit 1 ceiling light at passage
	• Light fixture in walk in closet	
	• French Door to Solarium	
Master Bathroom		
	• Standard tank and toilet builder grade	Either off white or beige
	• Extra deep oval corner tub- corner tub with skirt and wall panels including builder grade hot and cold water supply taps	Cultured marble (manufactured marble — fiberglass resin and crushed limestone)
	• Walk in shower with opaque plastic door including builder grade hot and cold water supply taps and 1 shower head	
	• acrylic shower enclosure with builder grade hot and cold water faucet	Cultured marble (manufactured marble fiberglass resin and crushed limestone)
	• Cultured marble (manufactured marble — fiberglass resin and crushed limestone) vanity with wall to wall mirror and built in mirrored medicine cabinet, including builder grade drain pipe and hot and cold water supply taps	
	• Vanity lights	Chrome base, 8 incandescent 25 watt bulbs
	• Ventilation- ceiling vent with fan connected to exterior venting	Only one motor per suite
Bathrooms, excluding Master		
	• Toilet builder grade	
	• standard tub with builder grade hot and cold water taps, 1 shower head	2 bedroom units only

	• Sink & vanity (2 door) standard builder grade with hot and cold water supply taps	
	• Cultured marble vanity with wall to wall mirror and built in mirrored medicine cabinet, including builder grade drain pipe, hot and cold water supply pipes and two(2) shut off valves for hot and cold water	
	• Vanity lights	Chrome base, 6 incandescent 25 watt bulbs
	Ventilation- Ceiling fan connected to exterior venting	Only one motor per suite
GENERAL		
Walls	Standard Drywall	Builder Grade eggshell paint, 2 ½ inch baseboard 2 coats 1 primer and 1 finish
Ceilings	White Stucco	All areas except bathrooms, which have smooth ceilings
Ceilings in Bathroom	Drywall	Builder Grade paint- 2 coats, 1 primer and 1 finish
Security System	In suite security system- upgraded ACS system	
Baseboards	2 ½" Standard wood baseboard throughout	
HVAC	Two pipe fan coil units, standard Honeywell 110V thermostat	1-bedroom - unit in solarium 2- bedroom - one unit in solarium & one unit in living room

Note:

1. Any of the aforementioned materials, models or brands may be replaced with materials, models or brands that are of similar or better quality and finish, should the original materials, models or brands not be available for any reason.

2. Should a dispute/disagreement arise over the quality and/or finish of any item listed above, the final and unfettered determination of same shall be reserved to the board of directors.

3. The Standard Unit for all classes of units shall not include any flooring material of any sort (i.e. without limiting the generality of the foregoing, carpet, wood floor and/or tiles, and any underlying and adhesive of any sort) unless same is specifically provided for above.

4. Reference to "plans" is a reference to the architectural plans contained in the Description registered in the Land Registry Office and/or the plans, as amended, if applicable, which were filed with the local municipality or region and approved by such local municipality or region for the construction of the condominium building(s).

5. The Standard Unit for each unit shall include all pipes, wires, cables, conduits, ducts, mechanical or similar apparatus, installed by or on behalf of the declarant or the corporation, which are within the boundaries of the unit and which provides a service to that particular unit only.

RECIPROCAL AGREEMENT

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VMFS\HARDING\RECIPROC.AGR
Draft: August 7, 1990

RECIPROCAL AGREEMENT

THIS AGREEMENT made this [illegible] day of [illegible], 1990.

B E T W E E N:

HARDING ADDISON PROPERTIES LIMITED, a corporation incorporated under the laws of the Province of Ontario

(hereinafter called "Harding")

OF THE FIRST PART,

- and -

YORK REGION CONDOMINIUM CORPORATION NO. 741, a condominium corporation created by registration of a declaration and description on the 25th day of July, 1990, in the Land Registry Office for the Land Titles Division of York Region

(hereinafter called the "Phase I Corporation")

OF THE SECOND PART,

- and -

PHASE II CORPORATION
being Harding as the owner of the Phase II Lands until the registration of a condominium corporation thereon, and thereafter the condominium corporation registered on such lands

OF THE THIRD PART,

- and -

PHASE III CORPORATION
being Harding as the owner of the Phase III Lands until the registration of a condominium corporation thereon, and thereafter the condominium corporation registered on such lands

OF THE FOURTH PART,

- and -

THE TORONTO-DOMINION BANK

(hereinafter called the "Mortgagee")

OF THE FIFTH PART.

WHEREAS the Corporation is a condominium corporation in respect of the units and appurtenant common interests which together comprise the property contained in the Corporation's condominium plan, and which consists of those lands and premises situate in the Town of Richmond Hill, in the Regional Municipality of York, and being the Common Elements and General Index and Property Parcel Index for York Region Condominium Plan No. 741, registered in the Land Registry Office for the Land Titles Division of York Region, (which lands and premises are hereinafter referred to as the "Phase I Lands", and are more particularly described in Schedule "A" hereto);

AND WHEREAS Harding is the Declarant of the Corporation and is also the registered owner and proposed declarant of the Phase II Lands (more particularly described in Schedule "B" hereto)

and the Phase III Lands (more particularly described in Schedule "C" hereto), which Lands are adjacent to the Phase I Lands;

AND WHEREAS Harding has developed and constructed a high rise condominium apartment building and related facilities upon the Phase II Lands and the Phase III Lands, and intends to register the buildings as condominium corporations;

AND WHEREAS ownership of the Recreational Unit, and the Gatehouse Security Unit, (all hereinafter collectively referred to as the "Amenities"), shall ultimately be shared between the Phase I Corporation, the Phase II Corporation and the Phase III Corporation (with the Phase I Corporation, the Phase II Corporation and the Phase III Corporation being hereinafter collectively referred to as the "Three Condominium Corporations") as tenants-in-common, each as to an undivided one-third interest;

AND WHEREAS this Agreement is also being entered into to confirm the provisions of the Corporation's Declaration pertaining to the control and use of the Amenities;

AND WHEREAS the Corporation and Harding have entered into this Agreement in order to confirm the provisions in the Corporation's Declaration pertaining to the control over the use and maintenance of the Amenities, including the responsibility of the Three Condominium Corporations to pay their proportionate share of all repair, maintenance, operating and improvement costs related or pertaining to the Amenities;

AND WHEREAS the Corporation and Harding have also entered into this Agreement for the purposes of providing for the mutual use, maintenance and cost sharing of the common interior roadway, the outdoor visitor parking areas, the outdoor pedestrian walkway and recreational facilities and the shared utility and service easements and all or any utility services which will serve and benefit any of the Three Condominium Corporations;

AND WHEREAS the Mortgagee has joined in this Agreement to postpone and subordinate its interest under a certain mortgage registered against title to the Phase I Lands, the Phase II Lands and the Phase III Lands to and in favour of the rights hereinafter created;

AND WHEREAS the words "Common Elements", "Common Expenses", "Common Interest", "Declaration", "Declarant" ", "By-laws", "Registration", "Rules" and "Unit" shall have the same meanings as are ascribed to such terms in the Condominium Act, R.S.O., 1980, c.84, as amended from time to time and includes all regulations under such Act, as amended from time to time, (the "Act");

AND WHEREAS any capitalized terms which are used herein but which are not defined herein shall have the meaning ascribed thereto in the Declarations.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration and the sum of Two Dollars ($2.00) now paid by each party to the other, (the receipt and sufficiency of which is hereby acknowledged by all parties) the parties hereby covenant and agree to and with each other and each of them as follows:

ARTICLE 1.00 - DEFINITION

1.01 Definitions

(a) "Act" means the Condominium Act, R.S.O., 1980. c.84, as amended from time to time, and any Act substituted therefor, as

amended from time to time, and includes all regulations under any such Act, as amended from time to time.

(b) "Agreement" mean this agreement, as amended in writing from time to time.

(c) "Amenities" means the Recreational Unit and the Gatehouse Security Unit.

(d) "Amenities Costs" has the meaning assigned to it in Clause 2.05 herein.

(e) "Declarations" means the declarations under the Act and any amendments thereto that are or may be registered in regard to the Phase I Lands, the Phase II Lands or the Phase III Lands or any part thereof, and "Phase I Declaration," "Phase II Declaration" and "Phase III Declaration" shall have corresponding meanings.

(f) "Development and Subdivision Agreement" collectively means the agreement in favour of the Town of Richmond Hill registered as Instrument No. LT 44126 in the Land Titles Office for York Region and the agreement in favour of the Town of Richmond Hill registered as Instrument No. LT 88247 in the Land Titles Office for York Region.

(g) "Gatehouse Security Unit" means Unit 76, Level 1, York Region Condominium Plan No. 741.

(h) "Harding" means Harding while it is registered owner in fee simple of either of the Phase II Lands or the Phase III Lands, and its successors in title from time to time.

(i) "Lands" means the Phase I Lands, the Phase II Lands and the Phase III Lands and "Land" means any of the Phase I Lands, Phase II Lands or the Phase III Lands, as the case may be.

(j) "Owner Parties" means the Phase I Corporation, the Phase II Corporation, the Phase III Corporation and Harding. The term "Owner Party" shall mean whichever one of the Owner Parties that the context indicates.

(k) "Phase I" means the building and all improvements, services or structures located on the Phase I Lands and shall include all additions thereto and replacements thereof.

(l) "Phase II" means the building and all improvements, services or structures located on the Phase II Lands and shall include all additions thereto and replacements thereof.

(m) "Phase III" means the building and all improvements, services or structures located on the Phase III Lands and shall include all additions thereto and replacements thereof.

(n) "Phase II Corporation" means the condominium corporation to be created by the registration of a declaration and description over the Phase II Lands, which Lands are more particularly described in Schedule "B" hereto, or upon its termination shall mean the owners of such Lands from time to time.

(o) "Phase III Corporation" means the condominium corporation to be created by the registration of a declaration and description over the Phase III Lands, which Lands are more particularly described in Schedule "C" hereto, or upon its termination shall mean the owners of such Lands from time to time.

(p) "Project" means the Three Condominium Corporations as such term is herein defined.

(q) "Proportionate Allocated Amount of Shared Servicing Costs" has the meaning assigned to it in Clause 4.04 herein.

(r) "Recreation Unit" means the Unit 77, Level 1, York Region Condominium Plan No. 741.

(s) "Residential Owners" means all of the owners of Units, from time to time, during the time the Lands are registered under the Act and thereafter, but for greater certainty shall not include any party who owns all of the Units and Common Elements in such condominium.

(t) "Shared Facilities" means collectively those parts of the Project which are enumerated or outlined in Schedule "D" attached hereto and which serve the Project, and the term "Shared Facility" means whichever one of the Shared Facilities that the context indicates.

(u) "Shared Servicing Costs" shall mean those costs of operating, maintaining, repairing, replacing and inspecting, and also of insuring, in accordance with this Agreement, any of the Shared Servicing Systems and/or the Shared Facilities as more particularly set forth herein.

(v) "Shared Servicing Systems" means collectively those services or servicing systems which are enumerated and outlined in Schedule "E" attached hereto and which service or serve the Three Condominium Corporations, and the term "Shared Servicing System" means whichever one of the Shared Servicing Systems that the context indicates.

(z) "Site Plan Agreement" means that agreement in favour of the Town of Richmond Hill and registered as Instrument No. LT 378110 in the Land Titles Office for York Region.

(aa) "Structures" means Phase I, Phase II and Phase III and Structure means any of Phase I, Phase II and Phase III as the case may be.

(ab) "Tennis Court" means that tennis court located within Part 60 on Plan 65R-14216 together with the walkway to said tennis court being located within Part 59 on Plan 65R-14216.

(ac) "Three Condominium Corporations" means the Phase I Corporation, the Phase II Corporation and the Phase III Corporation.

(ad) "Turnover Meeting" means the meeting of Residential Owners of a condominium corporation prescribed by Section 26 of the Act.

(ae) "Unit" means a registered condominium unit as it may exist from time to time in regard to the Phase I Lands, the Phase II Lands, and the Phase III Lands, or part thereof, and its appurtenant Common Interests.

ARTICLE 2.00 - AMENITIES

2.01 Ownership

The parties hereto hereby acknowledge, confirm and agree that ownership of the Amenities shall ultimately be shared between the Three Condominium Corporations as tenants in common, each as to an undivided one-third interest.

2.02 Transfer of Ownership

The actual transfer of ownership of the Amenities by Harding to the Three Condominium Corporations, as tenants in common with each owning an undivided one-third interest, shall occur as each of the Three Condominium Corporations is registered by Harding, or such earlier time as Harding may determine in its sole discretion.

2.03 Further Transfer

Once ownership of the Amenities has been transferred to the Three Condominium Corporations by Harding as aforesaid, any further sale, transfer, mortgage, charge or other conveyance of the whole or any portion of the Amenities, including any sale, transfer, other conveyance, as any mortgage, charge or creation of any other encumbrance of the beneficial ownership or interest in any of the Amenities by any of the Phase I, II or III Corporations, shall require, in addition to any other approvals which may be required pursuant to the provisions of the Act or the Declarations of the Three Condominium Corporations, the prior written consent of the remaining co-tenants of those Amenities purporting to be sold, mortgaged, charged or encumbered, and the prior written approval of 67% of those Owners of each of the Three Condominium Corporations who are present at a meeting duly called for the purpose of obtaining such approval and each registered mortgagee of any Unit who has notified any of the Three Condominium Corporations of its entitlement to vote in accordance with the Act, shall be provided with notice of such meeting in accordance with the Act.

2.04 New Encumbrances

In addition, every new Owner, mortgagee, chargee or encumbrancer, as the case may be, shall be required to execute by way of counterpart or otherwise, a written agreement agreeing to be bound by all the terms and conditions of this Agreement, to the same extent and effect as if it was an original party thereto.

Any instrument or other document purporting to sell, transfer, convey, mortgage, charge or encumber the Phase I Corporation's interest or the interest of either the Phase II or Phase III Corporations in the Amenities without the requisite consents being given or without the new agreement or counterpart being entered into and delivered as the case may be shall be null and void and of no effect whatsoever.

2.05 Proportionate Interest

The Three Condominium Corporations acknowledge, confirm and agree that the costs of operating, maintaining, repairing and reconstructing, if necessary, the Amenities and the costs of operating and maintaining the Tennis Court (collectively the "Amenities Costs") shall ultimately be shared between the Three Condominium Corporations, in the proportions that the number of registered Dwelling Units in each of the Three Condominium Corporations bears to the total number of registered Dwelling Units in all of the Three Condominium Corporations ("Proportionate Interest").

2.06 Adjustment to Proportionate Interest

As at the date of this Agreement, it is intended by Harding that the Phase I Corporation will be comprised of 173 Dwelling Units, the Phase II Corporation will be comprised of 182 Dwelling Units and the Phase III Corporation will be comprised of 184 Dwelling Units. Until the final registration of the Three Condominium Corporations, the Corporation's proportionate share of the Amenities Costs shall be based upon this proposed Dwelling Unit

count. However, should the actual number of registered Dwelling Units in the Project change from that presently intended, resulting in a change in the Proportionate Interest of any of the Three Condominium Corporations then Harding and the Phase I Corporation covenant and agree to effect an appropriate re-adjustment between themselves in respect of the amounts theretofore paid by the Phase I Corporation as part of the latter's proportionate share of the Amenities Costs so that the payment of its proportionate share of the Amenities Costs accords with the final Proportionate Interest of the Phase I Corporation in the Amenities.

2.07 Immediate Use and Enjoyment

Notwithstanding that the transfer of ownership of the Amenities to the Three Condominium Corporations respectively (as tenants-in-common) may or may not yet have occurred, the Owners of Dwelling Units in any of the Three Condominium Corporations and their respective residents, tenants and invitees shall have immediate use and enjoyment of all of the Amenities as soon as same are completed and operational. In connection with the foregoing, Harding, while owning and seeking to market or sell any of the Units in the Three Condominium Corporations, shall be entitled to have access to any part of the Amenities and the Tennis Court for the purpose of its marketing/sales program until such time as all Dwelling Units in the Three Condominium Corporations (or such lesser number as Harding may determine in its sole discretion) have been sold by Harding.

2.08 The Amenities Budget and the Amenities Committee

From and after the Transfer Date, the use and maintenance of the Amenities and the Tennis Court, as well as the preparation and submission of an annual amenities budget outlining the Amenities Costs (the "Amenities Budget"), shall be governed by an amenities committee (hereinafter referred to as the "Amenities Committee"). Notwithstanding their respective Proportionate Interests in the Amenities, each of the Three Condominium Corporations shall have equal representation on the Amenities Committee, provided that if the Phase II and Phase III Corporations are not registered by the Transfer Date, then Harding shall be entitled to nominate its own representatives on the Amenities Committee in the place and stead of the condominium corporation which is not then registered. As and when the Phase II and Phase III Corporations are registered, the nominees of Harding on the Amenities Committee in respect of the previously unregistered Phase II and Phase III Corporations shall resign, and be replaced by representatives of the Phase II and Phase III Corporations as was previously unregistered. The Amenities Committee shall consist of six (6) members, two (2) of which shall be appointed by each board of directors of the Three Condominium Corporations. At the meeting of each of the Three Condominium Corporations' boards of directors called to appoint members of the Amenities Committee, one member of the Amenities Committee shall be appointed for a one (1) year term and the other member of the Amenities Committee shall be appointed for a two (2) year term. If a member resigns from the Amenities Committee prior to the expiration of his respective term, then the respective board of directors shall appoint a replacement member to complete the balance of the term of the resigning member. Thereafter at the board of directors meeting held each year to call the annual general meeting, a member of the Amenities Committee shall be appointed for a term of one (1) year. At least one (1) representative of each of the Three Condominium Corporations must be present, in person or by proxy, in order to constitute a quorum for any meeting held or convened by the Amenities Committee. All decisions of the Amenities Committee shall be decided and effected by the majority vote of all members who are present (or represented by proxy) at any such meeting, provided however that any chairman of such meeting(s) shall not have a casting or deciding vote. If thirty (30) minutes after the time appointed for the holding of any

meeting of the members of the Committee, a quorum is not present, the meeting shall stand adjourned to the same time on the corresponding day of the next following week. Any member of the Committee who cannot attend any meeting of the Committee may appoint a proxy to attend and vote at the meeting in his place. The proxy shall be an officer of the condominium corporation represented by such member. To be effective, the proxy must be in writing and must state the office held by the proxy appointed in the Phase I, II or III Corporation as the case may be. Any member of the Amenities Committee may call a meeting thereof by giving prior written notice thereof to all other members of the Amenities Committee in the same manner as notices are required to be given to directors of a condominium.

2.09 Officers

At the first meeting of the Amenities Committee following registration of the Phase II and Phase III Corporations or, at the sole discretion of Harding, an earlier date to be established by Harding, the Amenities Committee shall elect from its members the following officers:

Chairman:

The Chairman shall, when present, preside at all meetings of the members of the Amenities Committee and shall be charged with the general supervision of the business and affairs of the Amenities Committee;

Secretary:

The Secretary shall give or cause to be given all notices required to be given to the members of the Amenities Committee and shall keep proper books and minutes of all proceedings at such meetings of the Amenities Committee and shall be the custodian of all books, papers, records, documents and other instruments belonging to the Amenities Committee;

Treasurer:

The Treasurer shall keep or cause to be kept full and accurate books of account in which shall be recorded all receipts and disbursements pertaining to the Amenities and the Tennis Court, and under the direction of the Amenities Committee shall control the deposit of money and the disbursement of funds and shall render to the Amenities Committee, whenever required of him, an accounting of all his transactions as Treasurer and the financial position of the Amenities Committee as it relates to the Amenities Budget.

The Amenities Committee may elect from its members such other officers as it may deem advisable to assist the Amenities Committee in carrying out its functions.

2.10 Authority and Duties of the Amenities Committee

The functions and duties of the Amenities Committee shall be to maintain, replace, repair, inspect and operate the Amenities and the Tennis Court, including, without restricting the generality of the foregoing:

(i) establishing rules of conduct and procedures with respect to the operation, use and maintenance of the Amenities and the Tennis Court;

(ii) arranging for the provision of all requisite utility services (ie. heat, hydro and water), recreational

programs, equipment and staff for the Amenities and Tennis Court;

(iii) making arrangements for the maintenance, repair and/or replacement of all equipment, fixtures and building structures contained within or comprising part of the Amenities and the Tennis Court, as well as for the procurement of all requisite fire and liability insurance coverage with respect to same;

(iv) establishing and maintaining a sinking fund to provide sufficient funds for the major repair and/or replacement of the Amenities and the Tennis Court;

(v) promulgation and enforcement of rules and regulations relating to the use, enjoyment, management and maintenance of the Amenities and Tennis Court or any matters relating thereto;

(vi) the preparation of an appraisal, from time to time, of all parts of the Amenities and Tennis Court in order to determine the reserve requirements for major repair and replacement;

(vii) arbitrating or otherwise dealing with all inter-party disputes, infractions of By-laws, Rules and municipal or other ordinances and dealing with any complaints, questions or suggestions with respect to the Amenities and Tennis Court or any matters relating thereto;

(viii) whenever, in the opinion of the Amenities Committee, any change from the expenditures forecast in the Amenities Budget makes it desirable to do so, to submit to the Phase I, II and III Corporations a supplementary budget covering the expenses of the maintenance and repair for the then remaining portion of the calendar year;

(ix) the deposit of monies received from each of the Three Condominium Corporations together with any other income and receipts into a separate trust account to be maintained by the Amenities Committee. All such monies shall thereafter be held in trust by the Amenities Committee and be used to:

a. make payments of all accounts approved and incurred by or on behalf of the Amenities Committee;

b. repair and maintain or cause to be repaired and maintained those parts of the Amenities and Tennis Court which require repair and maintenance;

c. purchase appropriate equipment, chattels and materials that have been approved pursuant to the Amenities Budget;

d. whenever a surplus arises, such surplus shall be applied as a credit on the next year's Amenities Budget. The Amenities Committee shall inform the Phase I, II and III Corporations of the credit and obligation of such party to contribute further monthly assessments which shall be adjusted accordingly.

(x) the keeping of accurate accounts of the financial transactions involved in the management of the Amenities and the Tennis Court and in respect of any proper expenditures from the Amenities Reserve Fund and to render to the Three Condominium Corporations semi-annual statements of income and expenditures with respect thereto and to keep such accounts open for inspection by the Three Condominium Corporations at all reasonable times and to maintain such accounts in accordance with generally accepted accounting principles.

(xi) the opening and maintenance at a chartered bank or trust company, as the Amenities Committee may designate, of an account for the operation of the Amenities and Tennis Court including the designation by resolution of the Amenities Committee of such persons or officers of the Amenities Committee authorized to make, sign, draw, accept, endorse, negotiate, deposit or transfer any cheques, notes, drafts and orders relating to the said trust account;

(xii) the engagement of any professional services, consultations, opinions, reports and advice with respect to the Amenities and Tennis Court and any matters relating thereto, provided that the appointment of an auditor to review the financial statements maintained by the Amenities Committee shall be the same as the auditor reviewing the financial statements for one of the Three Condominium Corporations and that, failing agreement by the members of the Amenities Committee upon the appointment of such auditor, the auditor shall be the auditor for the Phase I Corporation.

(xiii) preparing and submitting the Amenities Budget to all of the Three Condominium Corporations not less than once annually, outlining the cost of the matters listed in this section 2.10, together with the amount of any applicable municipal taxes and/or common expense assessments pertaining to the Amenities and Tennis Court or any portion thereof, for incorporation by them as part of their respective overall annual budgets.

2.11 Spending Limit

Where the cost of repairs or work to be performed or the acquisition of equipment or chattels relating to the Amenities or Tennis Court does not, in the aggregate, exceed the Amenities Budget provision for that particular category, the Amenities Committee may proceed to carry out the repairs or have the work performed or purchase the appropriate equipment or chattels; otherwise, any contemplated expenditure shall require the prior approval of the Three Condominium Corporations unless the nature of the repair or the work to be performed can be reasonably considered to be of an emergency nature, the failure of which would likely result in a hazardous situation causing personal injury, interruption of services or damage to the Amenities or the Tennis Court or unless such expenditure is required in order to ensure that the parties hereto comply with the Development and Subdivision Agreements, the site Plan Agreement, any governmental by-law, ordinance or regulation.

2.12 Additional Assessment

Subject always to the expenditures being authorized in accordance with this Agreement, any expenditures not contemplated

in the Amenities Budget prepared by the Amenities Committee or any expenditures in excess of those expenses budgeted for by the Amenities Committee and for which the Amenities Committee shall not have sufficient funds, shall be paid by each of the Three Condominium Corporations in accordance with their Proportionate Interest. Such payment shall be made to the Amenities Committee within thirty (30) days after delivery by the Amenities Committee to each party hereto of a statement of such extraordinary expenditures and/or deficiency.

2.13 Approval of Amenities Budget

The Amenities Committee shall each year prepare and submit the Amenities Budget to the boards of directors of each of the Three Condominium Corporations for approval in sufficient time for the Amenities Budget to form a part of the annual budget of each of the Three Condominium Corporations. The Amenities Budget shall contain provision for a reasonable and adequate amenities reserve fund to provide sufficient funds for the major repair and/or replacement of the Amenities and the Tennis Court. The amenities reserve fund shall be invested in accordance with the provisions of the Act with respect to reserve funds and no part of the amenities reserve fund shall be used except for the purposes for which the fund was established.

Following approval of the Amenities Budget, the Amenities Committee shall be empowered to let contracts and incur expenses in accordance with the approved Amenities Budget.

2.14 Joint Determination

The board of directors of the Three Condominium Corporations shall jointly determine such other provisions relating to the conduct, activities and operation of the Amenities Committee as may be consistent with the provisions of the Act and the Declarations.

2.15 Adoption of Amenities Budget

The Owner Parties covenant and agree with each other to adopt and be bound by the Amenities Budget prepared by the Amenities Committee, as part of the their overall annual budgets, and agree to pay and be solely responsible for their respective Proportionate Interest of the Amenities Costs as determined by the terms of their Declarations and as more particularly set forth in the Amenities Budget.

2.16 Expenditure by the Corporation

Each of the Owner Parties covenants, agrees and acknowledges their understanding that, and this Agreement intends that, inasmuch as substantially all of the Amenities are situate within the Phase I Lands, if the board of directors of the Phase I Corporation determines that repairs or maintenance of the Amenities are necessary and have not been accounted for in the Amenities Budget, then the said board of directors may approve such expenditure for repairs or maintenance provided that the expenditure does not exceed Ten Thousand ($10,000.00) Dollars. On presentation of the invoice, the Phase II and Phase III Corporations shall forthwith pay their Proportionate Interest of the expenditure.

2.17 Original Specifications

The Owner Parties hereby covenant, agree and acknowledge that in preparing the Amenities Budget, the Amenities Committee shall be directed to maintain and repair the Amenities and the Tennis Court to the original specifications and additionally shall maintain, repair and replace all improvements, fixtures,

furnishings and equipment originally supplied by Harding unless specifically agreed otherwise.

2.18 Instalment Payments

The Owner Parties shall contribute, pay and be responsible for payment of their Proportionate Interest of the Amenities Costs in each annual fiscal period designated by the Amenities Committee in accordance with the Amenities Budget and shall pay such Amenities Costs in twelve (12) equal consecutive monthly instalments on the first day of each and every month during the annual fiscal period. In the event that the Amenities Budget is increased or decreased from time to time by the Amenities Committee, the monthly payments required to be made to the Amenities Committee shall be increased or decreased accordingly. The contributions to the Amenities Costs shall be adjusted forthwith following the end of each fiscal period designated by the Amenities Committee immediately following the issuance of the financial statements for such period.

2.19 Charge

In the event that an Owner Party (the "Defaulting Party") fails to pay its Proportionate Interest of the Amenities Costs then another Owner Party (the "Requesting Party") shall in addition to any rights of subrogation which the Requesting Party may have by operation of law, have a charge to secure the payment of such sum of money, together with all costs and interest accruing thereon.

2.20 Interest and Cost

In each instance when a Defaulting Party shall be obligated to pay any sum of money pursuant to this Article 2.00, interest shall accrue thereon and be payable at the rate charged by the Toronto Dominion Bank from time to time to its prime or best risk commercial customers plus 4% per annum, and such sum shall be calculated from the date such sum first became due. If any legal action, demand or proceeding is instituted or taken by a Requesting Party, of if a Requesting Party shall cure a default by the Defaulting Party, the Defaulting Party shall pay to the Requesting Party all expenses incurred therefor, including a solicitor's fee (on a solicitor and his own client basis) unless a court shall otherwise award.

2.21 No Excuse for Non-Payment

In no event may any Owner Party delay or refuse for any reason whatsoever to make any payments of its Proportionate Interests of the Amenities Costs, at the time when such Owner Party is responsible to make such payments under this Agreement, and all such required payments shall be made in strict compliance with this Agreement. It is intended that the only provision and remedy available to any Owner Party responsible for paying its Proportionate Interest of the Amenities Costs shall be the arbitration provisions or those other specific remedial provisions which are set forth in this Agreement.

2.22 Charging Provisions

(a) Harding hereby grants, mortgages and charges in favour of the Phase I Corporation as and by way of a continuing, fixed and specific mortgage and charge, the Phase II Lands and the Phase III Lands and the Phase I Corporation hereby grants, mortgages and charges by way of a continuing, fixed and specific mortgage and charge all the Units and Common Elements comprising the property included in York Region Condominium Plan No. 741, in favour of Harding, as security for the payment of their respective Proportionate Interest of the Amenities Costs required to be made by either of them pursuant to this Agreement. Such mortgages or

charges shall hereafter collectively be referred to as the "Payment Obligation Charge".

(b) Notwithstanding any provisions of the Payment Obligation Charge being granted from and to either of the parties to each other pursuant to this section 2.22, the said charge and mortgage shall only be enforceable by any such Owner Party to whom it is given, if all or any part of the Proportionate Interest of the Amenities Costs which this mortgage and charge is intended to secure, is unpaid for a period longer than one month from the time such payment is due and only if the Owner Party seeking to enforce this mortgage and charge makes such payment of all or any part of such costs whereupon such mortgage and charge shall be enforceable against the Land so secured thereby in accordance with this section 2.22.

(c) The Payment Obligation Charge granted in favour of any one Owner Party pursuant to this section 2.22, shall be enforceable by the party to whom the Payment Obligation Charge is herein granted, maintaining all those remedies granted to a mortgagee pursuant to the provisions of the Mortgages Act (Ontario), and any other applicable statutory provision or common law principle applicable thereto. In the event the Land Registrar requires any such Owner Party seeking to enforce the Payment Obligation Charge against the registered title of the Land intended to be secured thereby, to apply to a Court of competent jurisdiction, for any order, direction, advice or authorization prior to such Land Registrar allowing the registered title of such Land to be amended as a result, such Owner Party seeking to enforce such mortgage or charge granted to it, hereby shall forthwith apply to such Court for any such required order, direction, advice or authorization and the defaulting Owner Party hereby consents to any such application so being made for this purpose.

(d) Alternatively, if the Land Registrar permits, the Payment Obligation Charge asserted by any Owner Party pursuant to this section 2.22 may be enforced by the filing of a Caution or other notice that may be permitted by the provisions of the Land Titles Act or by any amendments thereto.

(e) Any monies arising from any permitted sale of those Lands encumbered by the mortgage or charge granted pursuant to this section 2.22 shall be applied in the first place, to pay and satisfy the costs and charges of preparing for and making any sale as aforesaid, and in the next place, to pay and satisfy such Defaulting Party's Proportionate Interests of the Amenities Costs and interest thereon in accordance with this Agreement, or to such amounts thereof as shall remain unpaid up to and including the day on which same is satisfied, and finally to pay the surplus, if any, to such Defaulting Party, or to its successors and assigns.

(f) For greater certainty and for the purpose of determining the priority of any mortgage or charge referred to in this section 2.22 granted in favour of any such party relative to any other charge, mortgage or encumbrance, it is acknowledged and agreed by all Parties hereto, that an advance under such mortgage or charge so referred to in this section 2.22 shall be deemed to be made, only if and when the Owner Party to whom such mortgage and charge is made actually makes any payment of such Defaulting Party's Proportionate Interest of the Amenities Costs. Therefore, any other charge, mortgage or encumbrance including any amendment thereto enjoys complete priority over the mortgage or charge referred to in this section 2.22, to the extent that any and all advances made under any such other charge, mortgage or encumbrance arise prior to a point in time that payment of such Defaulting Party's Proportionate Interest of the Amenities Costs are made. The Owner Party, before making payment of such Defaulting Party's Proportionate Interest of the Amenities Costs, shall give to the Defaulting Party and any other chargee, mortgagee or encumbrance

holder claiming priority, three days written notice of such intention of payment.

(g) In any event, any mortgage and charge referred to in this section 2.22 shall be deemed postponed and shall constitute a subsequent encumbrance to any mortgage or charge including any amendment or extension thereto, registered or secured against any one or more of any Units in the Project, whether prior to or subsequent to the date of registration of this Agreement pursuant to the Land Titles Act, R.S.O., 1980, and as such, any such mortgage and charge referred to in this section 2.22 shall be deemed postponed to any and all advances made and any rights claimed under any such mortgage or charge or any amendment or extension thereto.

(h) For greater certainty, the execution by any Owner Party of a Certificate pursuant to the provisions of Article 9.00 of this Agreement to the effect that no Owner Party to the Agreement has advanced any monies on behalf of any Defaulting Party pursuant to the provisions of this section 2.22, or any statement made that any Owner Party has paid all its Proportionate Interests of the Amenities Costs to date shall constitute irrefutable evidence and proof that no Owner Party maintains any claim for any amount due on any mortgage and charge referred to in this section 2.22.

2.23 Mortgagee's Right to Assignment of Charge

Any mortgagee holding a mortgage or charge upon all or any part of the Phase I Lands, the Phase II Lands or the Phase III Lands shall, upon payment of the amount secured by the Payment Obligation Charge, have the right to receive an assignment of that portion of the amount secured by any mortgage or charge affecting such Structure or such Units arising pursuant to section 2.22. Such mortgagee shall give to the party asserting the mortgage or charge, a written notice offering to purchase or obtain a partial assignment of same, which notice shall set forth a date and time of closing and which shall not be less than ten (10) days nor more than thirty (30) days after the giving of such notice, and establishing a place of closing in the Regional Municipality of York. On the date of closing, the Owner Party asserting the mortgage or charge shall deliver to such mortgagee an instrument (which if possible shall be capable of registration on title) assigning such portion of the mortgage or charge together with the portion of the debt secured thereby, upon payment by such mortgagee of the full amount for the time being, secured by the mortgage or charge, including interest thereon.

2.24 Disputes

Notwithstanding the authority and duties of the Amenities Committee as outlined in this Article 2.00, in the event that any matter, question or proposal shall come before the Amenities Committee which:

(i) creates or may create a conflict of interest between any of the Phase I Corporation, the Phase II Corporation or the Phase III Corporation;

(ii) creates or may create any benefit or advantage which may be enjoyed by one of the parties, but which would not enure to the benefit of the other party, or which would create a cost or disadvantage to such other party hereto; or

(iii) any three members of the Committee shall request that the matter in question be referred to a full meeting of the combined boards of directors of the Three Condominium Corporations for discussion and disposition;

such matter shall not be dealt with by the Amenities Committee but shall be disposed of at a combined meeting of the boards of directors of the Three Condominium Corporations. Any such meeting shall be called in accordance with the provisions hereof for the calling of a meeting of the Amenities Committee. At any such meeting of the combined boards of directors of the Three Condominium Corporations, any resolution or matter coming before the meeting shall only be passed, approved and consented to by a governing vote of each of the individual boards of directors of the Three Condominium Corporations. If any one of the boards of directors of the Three Condominium Corporations does not approve, pass or consent to any such resolution or matter before the combined boards, then that matter shall be deemed to be disallowed, and thereafter the board of directors of any of the Three Condominium Corporations may refer the matter to arbitration pursuant to Article 11.00 hereof.

2.25 Liability Insurance

The members and officers of the Amenities Committee and the Amenities Committee itself shall be insured against personal liability respecting errors and omissions arising from or in connection with the performance of their duties hereunder and the cost thereof borne by each of the parties hereto in accordance with its Proportionate Interest, and the Amenities Committee shall be indemnified jointly and severally by each of the Three Condominium Corporations. No compensation (save for out of pocket disbursements) shall be paid to members of the Amenities Committee.

ARTICLE 3.00 - EASEMENTS AND RIGHTS BEING GRANTED

3.01 Easements, Rights of Way, Reservations

The Phase I Corporation and Harding each grants to each other and their respective successors, easements of support, exercisable upon the terms herein provided in, on, under, over and through those parts of the Lands and the Structure being the property of each such grantor for support of, in and to all present and future structural members, footings and weeping tiles for such footings and foundations and for the purpose of supporting generally the Structure of such grantee. Provided that nothing herein shall prevent or inhibit the Phase I Corporation or Harding or their successors from conducting excavations, construction, repair and maintenance operations upon their respective Lands so long as such operations are not materially detrimental to the support of the Structure of the other.

3.02 Easement for Fire Routes and Access

(a) The Phase I Corporation and Harding each grants to each other and their respective successors, easements, exercisable upon the terms herein provided, over such of the roads, if any, as from time to time comprise part of the Structure of the grantor of each such easement for the purpose of allowing emergency fire route access for the benefit of the Structure of the grantee of such easement over those areas of the roads designated from time to time by the public authorities having jurisdiction as being required in compliance with applicable fire regulations. The Phase I Corporation and Harding each grants to each other and their respective successors, easements over the Structure and necessary parts of the Land of the grantor for the purpose of allowing the grantee of each easement to have the necessary access to parts of the Structure of the grantee of any such easement that can only be reached by crossing or travelling through the Structure or Land of the grantor of any such easement.

Except in the event of an emergency, each grantee of the foregoing easements shall give reasonable notice to the then Owner Party of the Lands affected by such easement prior to exercising its rights hereunder. The granting of the foregoing easement rights shall in no way prevent or inhibit the Phase I Corporation or Harding or their successors from conducting excavation, construction, repair and maintenance operations upon their respective Lands, and shall in no way obligate them to create or maintain any improvements in any location or particular state of repair from time to time.

3.03 General and Specific Easements in Favour of the Phase I Corporation

(i) An easement, right-of-way and right in the nature of an easement in, on, over or upon those parts of said Blocks 7 and 8, Plan 65M-2368 designated as Part 60 on Plan 65R-14216 for the purpose of enjoying the tennis court constructed thereon and to provide access and entry by any servicemen, contractors, repairmen and other agents and employees of the owners of the Phase I Lands or their servants, agents or invitees, to allow the repair, replacement, operation of or inspection of the tennis court situated on said Part 60;

(ii) An easement, right-of-way and right in the nature of an easement in, on, over or upon that part of said Block 7 designated as Part 59 on Plan 65R-14216 for the purpose of pedestrian access to the tennis court situated on Part 60, Plan 65R-14216 by or for the benefit of the owners of the Phase I Lands or their servants, agents or invitees;

(iii) An easement, right-of-way and right in the nature of an easement in, on, over or upon those portions of said Blocks 4, 5 and 6 and part of Mary Dawson Street, designated as Parts 45, 46, 47, 54 and 55 on said Plan 65R-14216 for the purpose of vehicular and pedestrian ingress and egress by and for the benefit of the owners of the Phase I Lands or their servants, agents or invitees;

(iv) An easement and right in nature of an easement in, on, over or upon those portions of said Blocks 6 and 7 and Mary Dawson Street designated as Part 53 on said Plan 65R-14216 to provide access and entry by any servicemen, contractors, mechanics, repairmen and other agents and employees of the owners of the Phase I Lands or their servants, agents or invitees to allow the servicing, repair, replacement, operation of or inspection of the recreation centre constructed on the Phase I Lands;

(v) A right-of-way or right in the nature of an easement in, over, along, upon and through all structural members, columns, footings, foundations, floor slabs and load bearing walls constructed within those parts of Blocks 4, 5, 6, 7 and 8 and part of Mary Dawson Street, Plan 65M-2368 designated as Parts 42 to 61 both inclusive on Plan 65R-14216 which are necessary for the support of the building constructed upon the Phase I Lands;

(vi) A right-of-way or right in the nature of an easement in, over, along and through the Phase II Lands and the Phase III Lands for the access of persons, materials and equipment for the purposes of maintaining, repairing, installing and operating

any service or utility including all mechanical and electrical installations, water mains, gas mains, electrical cables and conduits, sanitary and storm sewers, cable television and telephone cables, fire alarms, and sump pumps, all of which are necessary to the operation of the building constructed on the Phase I Lands;

(vii) A right-of-way or right in the nature of an easement in, over, along and through the Phase II Lands and the Phase III Lands for access of persons, materials, vehicles and equipment necessary for the purposes of maintaining, reconstructing and repairing the building constructed on the Phase I Lands.

3.04 General and Specific Easements in favour of the Phase II Condominium Corporation

(i) An easement, right-of-way and right in the nature of an easement in, on, over or upon those parts of Blocks 7 and 8 on Plan 65M-2368 designated as Part 60 on Plan 65R-14216 for the purpose of enjoying the tennis court constructed thereon and to provide access and entry by any servicemen, contractors, repairmen and other agents and employees of the owners of the Phase II Lands or their servants, agents or invitees, to allow the repair, replacement, operation of or inspection of the tennis court situated on said Part 60;

(ii) An easement, right-of-way and right in the nature of an easement in, on, over or upon that part of said Block 7 on Plan 65M-2368 designated as Part 59 on Plan 65R-14216 for the purpose of pedestrian access to the tennis court situated on Part 60, Plan 65R-14216 by or for the benefit of the owners of the Phase II Lands or their servants, agents or invitees;

(iii) An easement, right-of-way and right in the nature of an easement in, on, over or upon those portions of Blocks 4, 5 and 6 and part of Mary Dawson Street on Plan 65M-2368 designated as Parts 14-24 both inclusive, 32, 33 and 55 on Plan 65R-14216 for the purpose of vehicular and pedestrian ingress and egress by and for the benefit of the owners of the Phase II Lands or their servants, agents or invitees;

(iv) The free and unobstructed flow of air above and through any air intake or air exhaust shafts located on that part of Block 7 on Plan 65M-2368 designated as Part 58 on Plan 65R-14216 which are necessary for the ventilation of the underground garage on the Phase II Lands;

(v) A right-of-way or right in the nature of an easement in, on, over or upon those portions of Blocks 4, 5 and 6 and part of Mary Dawson Street on Plan 65M-2368 designated as Parts 20, 31 and 33-38 both inclusive, on Plan 65R-14216 for the purpose of access of persons, materials, vehicles and equipment for the purpose of maintaining, repairing, installing and operating sanitary and storm sewers under and upon the said lands by and for the benefits of the owners of the Phase II Lands or any of their servants, agents or invitees;

(vi) A right-of-way or right in the nature of an easement in, over, along, upon and through all structural members, columns, footings, foundations, floor slabs and load bearing walls constructed within those parts of Blocks 4, 5, 6, 7 and 8 and part of Mary Dawson Street, Plan 65M-2368 designated as Parts 1-41 both inclusive on Plan 65R-14216 (being York Region Condominium Plan No. 741) and Parts 55-61 both inclusive on Plan 65R-14216 which are necessary for the support of the buildings constructed upon the Phase II Lands;

(vii) A right-of-way or right in the nature of an easement in, over, along and through the Phase III Lands and the common elements of York Region Condominium Plan No. 741 for the access of persons, materials and equipment for the purposes of maintaining, repairing, installing and operating any service or utility including all mechanical and electrical installations, water mains, gas mains, electrical cables and conduits, sanitary and storm sewers, cable television and telephone cables, fire alarms, and sump pumps, all of which are necessary to the operation of the building constructed on the Phase II Lands;

(viii) A right-of-way or right in the nature of an easement in, over, along and through the Phase III Lands and the common elements of York Region Condominium Plan No. 741 for access of persons, materials, vehicles and equipment necessary for the purposes of maintaining, reconstructing and repairing the building constructed on the Phase II Lands.

3.05 General and Specific Easements in favour of the Phase III Condominium Corporation

(i) An easement, right-of-way and right in the nature of an easement in, on, over or upon those portions of Blocks 4 and 5 on Plan 65M-2368 designated as parts 17-21 both inclusive, 32, 33 and 41 on Plan 65R-14216 for the purpose of vehicular and pedestrian ingress and egress by and for the benefit of the owners of the Phase III Lands or their servants, agents or invitees;

(ii) A right-of-way or right in the nature of an easement in, on, over or upon those portions of Blocks 4, 5, 6 and 7 and part of Mary Dawson Street on Plan 65M-2368, designated as Parts 20, 31, 33-38 both inclusive, and 52 on Plan 65R-14216 for the purpose of access of persons, materials, vehicles and equipment for the purpose of maintaining, repairing, installing and operating sanitary and storm sewers under and upon the said lands by and for the benefit of the owners of the Phase III Lands and their servants, agents or invitees;

(iii) A right-of-way or right in the nature of an easement in, over, along, upon and through all structural members, columns, footings, foundations, floor slabs and load bearing walls constructed within those parts of Blocks 4, 5, 6, 7 and 8 and part of Mary Dawson Street, Plan 65M-2368 designated as Parts 1-41 both inclusive on Plan 65R-14216 (being York Region Condominium Plan No. 741) and Parts 42-54 both inclusive, on Plan 65R-14216 which are necessary for the support of the building constructed upon the Phase III Lands;

another Owner Party, its permitted occupants, its agents, contractors or service people, such Owner Party shall bear the cost or expense of restoration.

(c) In the event that an Owner Party or any of their permitted occupants, or any of its/their agents, servants or invitees through its/their own negligence or wilful misconduct causes damage to another Owner Party's Structure including to any improvements, fixtures or finishing installations attached or affixed to such Structure, or as a result causes financial loss to another Owner Party by reason of it being required to interrupt normal use of all or any portion of its Structure, the said party causing such damage shall repair and/or reimburse the other party for the damage, including the cost of any replacement, redecoration or restoration necessary to restore the damaged portion of the Structure of such other Owner Party or of any improvement, fixture or finishing installation attached or affixed to such Structure, as near as possible to its previous condition before such damage was caused, and shall also reimburse the said aggrieved Owner Party for such financial loss suffered by it whether directly or indirectly as a result of such conduct.

(d) In the event that an Owner Party or Parties or any of their permitted occupants, agents, servants or invitees, in exercising a right-of-way, easement or right granted in subparagraphs 3.01, 3.02, 3.03, 3.04, 3.05 or 3.06 herein, damages the Structure of another Owner Party or any finishing installation or fixture appurtenant thereto, the Structure, finishing installation or fixture so damaged shall be restored to the same state and condition it was in prior to such damage occurring, and the cost of such restoration shall be borne by the Owner Party or Parties who or whose permitted occupant, agent, servant or invitee has caused such damage.

4.09 Charging Provisions

(a) Harding hereby grants, mortgages and charges in favour of the Phase I Corporation as and by way of a continuing, fixed and specific mortgage and charge, the Phase II Lands and the Phase III Lands and the Phase I Corporation hereby grants, mortgages and charges by way of a continuing, fixed and specific mortgage and charge all the Units and Common Elements comprising the property included in York Region Condominium Plan No. 741, in favour of Harding, as security for the payment of their Proportionate Allocated Amount of Shared Servicing Costs required to be made by either of them pursuant to this Agreement and/or as security for any payments made by the non-defaulting Owner Party pursuant to Article 14 in respect of construction liens (the "Construction Lien Payments") provided that the applicable provisions of the succeeding subparagraphs of this section 4.09 shall apply to and qualify any such mortgage or charge in accordance with those provisions. Such mortgage or charge shall hereafter be referred to as the "Payment Obligation Charge".

(b) Notwithstanding any provisions of the Payment Obligation Charge being granted from and to either of the parties to each other pursuant to this section 4.09, the said charge and mortgage shall only be enforceable by any such Owner Party to whom it is given, if all or any part of the Proportionate Allocated Amount of the Shared Servicing Costs or any Construction Lien Payments which this mortgage and charge is intended to secure, is unpaid for a period longer than two (2) consecutive months from the time such payments are due and only if one or more of the other Owner Parties seeking to enforce this mortgage and charge makes such payments of all or any part of such costs whereupon such mortgage and charge shall be enforceable against the Lands so secured thereby in accordance with this section 4.09.

(c) The Payment Obligation Charge granted in favour of an Owner Party pursuant to this section 4.09, shall be enforceable by the party to whom the Payment Obligation Charge is herein granted, maintaining all those remedies granted to a mortgagee pursuant to the provisions of the Mortgages Act (Ontario), and any other applicable statutory provision or common law principle applicable thereto. In the event the Land Registrar requires any such Owner Party seeking to enforce the Payment Obligation Charge against the registered title of the Lands intended to be secured thereby, to apply to a Court of competent jurisdiction, for any order, direction, advice or authorization prior to such Land Registrar allowing the registered title of such Lands to be amended as a result, such Owner Party seeking to enforce such mortgage or charge granted to it, shall forthwith apply to such Court for any such required order, direction, advice or authorization and the Defaulting Party hereby consents to any such application so being made for this purpose.

(d) Alternatively, if the Land Registrar permits, the Payment Obligation Charge asserted by any Owner Party pursuant to this section 4.09 may be enforced by the filing of a Caution or other notice that may be permitted by the provisions of the Land Titles Act or by any amendments thereto.

(e) Any monies arising from any permitted sale of those Lands encumbered by the mortgage or charge granted pursuant to this section 4.09 shall be applied in the first place, to pay and satisfy the costs and charges of preparing for and making any sale as aforesaid, and in the next place, to pay and satisfy such Defaulting Party's Proportionate Allocated Amount of the Shared Servicing Costs or any Construction Lien Payments and interest thereon in accordance with this Agreement, or to such amounts thereof as shall remain unpaid up to and including the day on which same is satisfied, and finally to pay the surplus, if any, to such Defaulting Party, or to its successors and assigns.

(f) For greater certainty and for the purpose of determining the priority of any mortgage or charge referred to in this section 4.09 granted in favour of any such party relative to any other charge, mortgage or encumbrance, it is acknowledged and agreed by all parties hereto, that an advance under such mortgage or charge so referred to in this section 4.09 shall be deemed to be made, only if and when the Owner Party to whom such mortgage and charge is made actually makes any payment of such Defaulting Party's Proportionate Allocated Amount of Shared Servicing Costs or Construction Lien Payments which can only be made by such Owner Party, in strict accordance with the provisions of subparagraph (b) of this section 4.09. Therefore, any other charge, mortgage or encumbrance including any amendment thereto enjoys complete priority over the mortgage or charge referred to in this section 4.09, to the extent that any and all advances made under any such other charge, mortgage or encumbrance arise prior to a point in time that payment of such Defaulting Party's Proportionate Allocated Amount of Shared Servicing Costs or Construction Lien Payments are made. The Owner Party, before making payment of such Defaulting Party's Proportionate Allocated Amount of Shared Servicing Costs or Construction Lien Payments, shall give to the Defaulting Party and any other chargee, mortgagee or encumbrance holder claiming priority, three days written notice of such intention of payment.

(g) In any event, any mortgage and charge referred to in this section 4.09 shall be deemed postponed and shall constitute a subsequent encumbrance to any mortgage or charge including any amendment or extension thereto, registered or secured against any one or more of any Units in the Project, whether prior to or subsequent to the date of registration of this Agreement pursuant to the Land Titles Act, R.S.O., 1980, and as such, any such mortgage and charge referred to in this section 4.09 shall be

deemed postponed to any and all advances made and any rights claimed under any such mortgage or charge or any amendment or extension thereto.

(h) For greater certainty, the execution by any Owner Party of a Certificate pursuant to the provisions of Article 9.00 of this Agreement to the effect that no Owner Party to the Agreement has advanced any monies on behalf of any Defaulting Party pursuant to the provisions of this section 4.09, or any statement made that any Owner Party has paid all its Proportionate Allocated Amount of Shared Servicing Costs to date or that no non-defaulting Owner Party was required to make any Construction Lien Payments, shall constitute irrefutable evidence and proof that none of the Owner Parties maintains any claim for any amount due on any mortgage and charge referred to in this section 4.09.

4.10 Mortgagee's Right to Assignment of Charge

Any mortgagee holding a mortgage or charge upon all or any part of the Phase I Lands, the Phase II Lands or the Phase III Lands shall, upon payment of the amount secured by the Payment Obligation Charge, have the right to receive an assignment of that portion of the amount secured by any mortgage or charge affecting such Structure or such units arising pursuant to section 4.09. Such mortgagee shall give to the party asserting the mortgage or charge, a written notice offering to purchase or obtain a partial assignment of same, which notice shall set forth a date and time of closing and which shall not be less than ten (10) days nor more than thirty (30) days after the giving of such notice, and establishing a place of closing in the Regional Municipality of York. On the date of closing, the Owner Party asserting the mortgage or charge shall deliver to such mortgagee an instrument (which if possible shall be capable of registration on title) assigning such portion of the mortgage or charge together with the portion of the debt secured thereby, upon payment by such mortgagee of the full amount for the time being, secured by the mortgage or charge, including interest thereon.

ARTICLE 5.00 - INSURANCE

5.01 Structural Damage Insurance

(a) The Project shall at all times be insured by the Phase I Corporation and Harding under an insurance policy or policies insuring against "all risks" as that term is commonly understood in the insurance trade, and for such other risks, casualties, and hazards as may from time to time be required to be carried and maintained pursuant to the Phase I Declaration, the Phase II Declaration, the Phase III Declaration and the Act, and in amounts equal to the full replacement value thereof, without deduction for depreciation. The policy or policies of insurance to be obtained shall insure the interest of, or alternatively name as co-insured, each of the Owner Parties, their managing agents, any Residential Owners and any registered encumbrancer of any such Unit, as their interests may appear. In addition, all other provisions which are required to be contained, pursuant to any of the Phase I Declaration, the Phase II Declaration, or the Phase III Declaration, within its insurance policies, shall be contained in such insurance policies, it being recognized that the insurance required to be arranged and maintained on the Three Condominium Corporations pursuant to this Agreement, shall be either combined in one policy, or shall consist of several similar policies as described below.

(b) Without restricting the generality of the foregoing, this insurance policy or policies shall contain the following provisions:

(i) waivers of subrogation against the Owner Parties, the Residential Owners or their tenants, and any managing agent of any Owner Party's Structure, except for damage arising out of arson, fraud, vehicle impact, vandalism or malicious mischief;

(ii) provisions prohibiting its cancellation or substantial modification, without at least sixty (60) days written notice by registered mail to all parties whose interest appears thereon, and to the insurance trustee;

(iii) waivers of defence based on co-insurance, or invalidity arising from any act, omission or breach of statutory condition by any insured;

(iv) waiver of the insurer's option to repair, rebuild or replace in the event that after damage, the government of one or both of the Three Condominium Corporations is terminated pursuant to the Act; and

(v) all insurance policies shall be placed on the basis of being stated amount insurance with no co-insurance being permissable.

(c) There shall be a separate agreement or acknowledgement provided by the insurer or its agent to the effect that no insured shall be allowed to amend any policy or policies of insurance obtained and maintained pursuant to this Agreement or to direct that loss shall be payable in any manner other than as provided in the Phase I Declaration, the Phase II Declaration or the Phase III Declaration or pursuant thereto.

(d) The Phase I Corporation and Harding shall commission their insurance agents and/or advisors to allocate the cost of such combined insurance between them on the basis of the "experience rating" applicable to each of them, the appraised replacement value of the Phase I Corporation, the Phase II and Phase III Corporations and any other relevant factors, and such insurance cost allocated to each of them shall constitute a part of that party's Proportionate Allocated Amount of the Shared Servicing Costs.

(e) In the event that any of the Phase I, II or III Corporations, on the basis of the advice of its insurance advisors, determines that separate policies covering each of them are economically feasible and, available in the insurance industry and are not prejudicial to the interest of any Owner Party, separate policies covering separately each of the Phase I, II and III Corporations respectively, shall, if any Owner Party so requests, be arranged and maintained provided that:

(i) each policy contains the terms and conditions noted above;

(ii) each policy is placed with the same insurers;

(iii) each policy contains terms and conditions compatible with the other; and

(iv) each policy names all of the parties noted in this Agreement as named insureds.

(f) In the event that such separate insurance policies are obtained on any of the Structures, the extra cost or premium payable on each such separate policy, compared to that Owner Party's Proportionate Allocated Amount of the premium for a combined insurance policy (the "excess premium"), shall be the responsibility of the Owner Party who requested that such separate policies be arranged.

5.02 Liability and Boiler Insurance

(a) The Phase I Corporation and Harding shall arrange for and maintain:

(i) public liability and property damage insurance with a limit of at least FIVE MILLION DOLLARS ($5,000,000) per occurrence, or such greater amount as is determined satisfactory by them acting under the advice of their insurance advisors; and

(ii) insurance in respect of the ownership, use or operation by them of boilers, machinery, and pressure vessels and any of their motor vehicles.

(b) These policies shall insure the interests of the Phase I, II and III Corporations, the Residential Owners and their respective managing agents, in the event that any such managing agent is requested by any of the Phase I, II or III Corporations or Harding to become a named insured.

(c) The risks to be insured against under such liability policy, shall include all such risks against which any Owner Party, acting under the advice of its insurance advisors deems it prudent to insure and which should be maintained by prudent owners of comparable structures in the local municipality.

(d) The provisions of subparagraph 5.01(b), (c), (d), (e), and (f) which list the provisions to be found in the structural damage insurance policy described therein, shall also apply to and be found in the said boiler policy and which shall therefore apply thereto mutatis, mutandis.

(e) The said liability policy shall also contain suitable cross liability provisions, vis-a-vis each of the named insureds in the said policy.

5.03 Appraisals for Insurance Purposes

The Phase I, II and III Corporations shall obtain an appraisal from one or more independent, qualified appraisers of the full replacement cost of the Phase I, II and III Corporations, which shall be obtained whenever any of them, acting on the advice of its insurance advisors, deems it advisable, but not less frequently than once in every three (3) year period, and the cost of such appraisal shall be borne by each of them in the same ratio that they are responsible to pay for that insurance described in section 5.01(a) whether under a combined policy or under separate policies.

5.04 Insurance Trustee

(a) Each of the Three Condominium Corporations, upon their creation and upon their execution of counter-parts of this Agreement as contemplated hereby agree to enter into and keep in good standing during the currency of this Agreement, Insurance Trust Agreements with the same insurance trustee as entered into by the Corporation in respect of the insurance coverage to be provided pursuant to section 5.01 and 5.02 of this Agreement. Each of the Insurance Trust Agreements shall be similar in form and with respect to the Three Condominium Corporations specifically contain the same provisions regarding the manner in which insurance proceeds are to be distributed when arising from damage caused to the Amenities or the appurtenant recreational facilities caused by an insured peril. As such, each of the Three Condominium Corporations and Harding shall send to the others, copies of their respective Insurance Trust Agreements as executed, and/or renewed from time to time.

(b) Each of the Three Condominium Corporations upon their creation and upon their execution of counterparts of this Agreement as contemplated hereby, acknowledge that they shall each be entitled to share in accordance with their Proportionate Allocated Amount of Shared Servicing Costs any insurance proceeds paid under their respective Insurance Trust Agreements relative to damage from an insured peril caused to the Shared Servicing Systems or the Shared Facilities.

(c) Each of the Three Condominium Corporations upon their creation and upon their execution of counterparts of this Agreement as contemplated hereby, acknowledge that they shall each be entitled to one-third of any insurance proceeds paid under their respective Insurance Trust Agreements relative to damage from an insured peril caused to the Amenities and agree to have their respective representatives execute the certificates required to be deposited with the insurance trustee as a prerequisite for such insurance proceeds to be payable in respect of such damage to the Amenities. The Three Condominium Corporations covenant and agree to comply with the respective provisions of the insurance trust agreements to this effect, as they pertain to the Amenities.

(d) In the event there is a dispute between the parties hereto in respect of any such insurance trust agreement, such dispute shall be settled pursuant to the arbitration provisions of this Agreement.

5.05 Uninsured Loss or Damage

(a) Shared Servicing Systems and Shared Facilities

In the event damage occurs to any part of the Shared Servicing Systems or the Shared Facilities caused by any accident or mishap of any other part of the Shared Servicing Systems and/or the Shared Facilities and/or which is not covered by any policy of insurance whether prescribed or not in this Agreement and which is not caused by the wilful act or negligence of any party to this Agreement, such damage shall be borne by the parties hereto in the same proportion as those parties are then liable pursuant hereto to pay for the operation, maintenance, repair, replacement and inspection of that part of the Shared Servicing Systems or Shared Facilities either damaged or causing such accident or mishap as the case may be.

(b) Amenities and Tennis Court

In the event damage occurs to any part of the Amenities or the Tennis Court which is not covered by any policy of insurance whether prescribed or not in this Agreement and which is not caused by the wilful act or negligence of any party to this Agreement, such damage shall be borne by each of the Phase I, II and III Corporations as to their Proportionate Interest.

5.06 Additional Insurance

Nothing in this Agreement shall be construed to prohibit any of the Phase I, II or III Corporations from arranging for additional insurance coverage, other than as specified in this Agreement, and the premium therefor shall be paid by the party so arranging same.

ARTICLE 6.00 - DAMAGE TO THE COMPLEX

6.01 Damage to Less than 25% of the Three Condominium Corporations

Where damage to the Project occurs, and there is not substantial damage to 25% or more of any one of the Three Condominium Corporations, the Owner Parties shall rebuild, restore and repair their respective Structures in accordance with this Agreement.

6.02 Damage to More than 25% of the Three Condominium Corporations

(a) In the event damage to the Project has occurred which has been determined to be 25% or more of any of the Three Condominium Corporations as certified by a duly qualified architect and there has been no vote for termination of any one of the Three Condominium Corporations in accordance with Section 42 of the Act, the Owner Parties shall rebuild, restore and repair their respective Structures in accordance with this Agreement.

(b) In the event damage to the Project has occurred which has been determined to be 25% or more of any one of the Three Condominium Corporations as certified by a duly qualified architect, and, pursuant to Section 42 of the Act, there has been a vote for termination by any one or more of the Three Condominium Corporations, but not by all Three Condominium Corporations, the condominium corporation(s) so terminating, subject to the provisions of paragraph 6.03 below, shall rebuild, restore, replace or repair those parts of its Structure that the non-terminating condominium corporation(s) enjoys an easement, right, license or other proprietary interest over, including any part of the Shared Servicing Systems, or Shared Facilities and including any right of support whether set forth in this Agreement or otherwise, so that the use and enjoyment by the non-terminating condominium corporation(s) of its respective Structure will not be adversely interfered with or affected. A certain sum shall be retained from any insurance proceeds payable to the terminating condominium corporation(s) by the responsible insurance trustee, or may be paid out to a new trustee on consent of all Owner Parties, to ensure proceeds as are required to ensure that the terminating condominium corporation(s) performs those obligations, are maintained and held in escrow, and a suitable written direction shall be provided to the insurance trustee accordingly. Failing an agreement between the terminating condominium corporation(s) and the non-terminating condominium corporation(s) as to the manner by which such proceeds are to be held, or failing agreement between them as to the amount of the appropriate holdback, this determination shall be made by arbitration in accordance with the arbitration provisions in this Agreement.

6.03 Granting New Easements

In complying with its obligations provided in clause 6.02(b) above, the terminating condominium corporation(s) shall be required to grant new easements or rights appurtenant to the non-terminating condominium corporation(s), sufficient to permit the restoration or construction of any part of the Project necessary to enable the non-terminating condominium corporation(s) to continue the use and enjoyment of the easements and other rights enjoyed or used by the non-terminating condominium corporation(s).

Any new easement or right so granted, shall have the same force and effect and shall be subject to the provisions of this Agreement, as if same had been granted pursuant to the provisions of Article 3.00 of this Agreement.

6.04 Completing Repairs

The Owner Party required under this Article to carry out repair, restoration or replacement of any part of the Project, will commence such work at the earliest date that is reasonable in all of the circumstances, and will proceed to complete such work with reasonable diligence.

6.05 Deemed Application of Section 43(2) of the Act

For purposes of Section 43(2) of the Act, the obligations created by this Article shall be deemed to be encumbrances against each Unit contained within the Three Condominium Corporations and their appurtenant Common Interests and the charging provisions contained in section 4.09, shall apply mutatis, mutandis, so as to secure the obligations of each Owner Party towards the other Owner Parties depending on those obligations being fulfilled.

ARTICLE 7.00 - TERMINATION

7.01 Termination

This Agreement cannot be terminated other than by the consent of all of the Owner Parties. Except as may otherwise be agreed upon, if this Agreement is terminated, the easements and proprietary rights created by the registration of this Agreement to each Owner Party and as benefitting each Owner Party's Structure, shall remain in full force and effect, regardless of whether the Project is in a form similar to that which existed on the date this Agreement or any counterpart agreement came into effect or otherwise.

7.02 Outstanding Obligations

Notwithstanding the termination of this Agreement, if at the time of such termination, any party shall be obliged to pay any sum of money pursuant to the provisions hereof, such obligation shall not be extinguished until such sum of money, together with any interest accruing thereon, shall be paid, and any charge securing the payment of such sum of money shall, as provided in Article 2.00 hereof remain in full force and effect and continue to secure the payment of any interest which shall accrue thereon.

7.03 Condominium Corporations

Notwithstanding the termination pursuant to the Condominium Act of any of the Phase I, II or III Corporations, each of the Phase I Corporation, the Phase II Corporation and the Phase III Corporation, as the case may be, respectively covenant and agree that they will continue after such termination to be bound by the provisions of this Agreement, and that they will execute such further assurances as may be required to give effect to this section 7.03.

ARTICLE 8.00 - FORCE MAJEURE

8.01 Force Majeure

Whenever and to the extent any Owner Party is prevented, hindered or delayed in the fulfilment of any obligation hereunder, or in the doing of any work or the making of any repairs or replacements by reason of force majeure, that Owner Party's liability to perform such obligation shall be postponed, and it shall be relieved from any liability in damages or otherwise for breach thereof, for so long as and to the extent such prevention, hindering or delay continues to exist. The term "force majeure" means any strike or lockout, any war or other similar catastrophe, act of God, act of the Queen's enemies, riot or insurrection, or

the failure or inability of any governmental authority to supply any services or other public utility which serves the Project.

ARTICLE 9.00 - CERTIFICATE OF COMPLIANCE

9.01 Certificate of Compliance

Each Owner Party hereto agrees, at any time and from time to time during the term of this Agreement, within ten (10) days after written request, and the payment of a fee of $25.00 (or such higher fee as may be appropriate based on inflationary fee increases) by any Owner Party by any mortgagee of the whole or any part of the Phase I, II or III Corporations or by any other person (hereinafter called the "Requesting Party"), to execute, acknowledge and deliver to the Requesting Party, a certificate stating:

(a) Whether this Agreement has been modified and if so, the nature of such modifications, and confirming that it is in full force and effect.

(b) Any existing default by any Owner Party or any other party under the Agreement to its knowledge, and specifying the nature and extent thereof and in particular, whether an Owner Party has paid its Proportionate Allocated Amount of any Shared Servicing Costs, Amenities Costs or any other cost or expense that any party is required to pay hereunder.

(c) Whether the Owner Party executing such certificate has performed or caused to be performed, or is then performing or causing to be performed, any maintenance, repair or other work, or is making or has made any payment, the cost of which such Owner Party will, pursuant to this Agreement, be entitled to charge in whole or in part to any other Owner Party, but has not yet charged to such other Owner Party.

9.02 Estoppel Defence

The Certificate of Compliance as set forth in this Article 9.00, may be pleaded and shall constitute a complete defence by the Requesting Party to any action brought, or claim made that is inconsistent with the facts recited in the Certificate.

ARTICLE 10.00 - COMPLIANCE WITH MUNICIPAL AGREEMENTS BY ZONING BY-LAWS

10.01 Compliance with Municipal Agreements and Zoning By-Laws

Each Owner Party acknowledges that the Project, and their respective proprietary interests in it, may be subject to a number of agreements, rules, regulations, ordinances or acts in favour of governmental authorities, or may further be subject to a single, site specific restricted area by-law, under which each of the Phase I, II and III Corporations must contain certain services, facilities and installations, in order for the Project to remain in conformity with such by-law. Each Owner Party agrees with every other Owner Party, to abide by the provisions of these agreements, as they pertain to their own Lands and to abide by any rules, regulations, ordinances, acts or governmental by-laws, the Site Plan Agreement and the Development and Subdivision Agreement which affect the Project and to do all things necessary to keep them, and in particular the Site Plan Agreement affecting their Lands, in full force and effect and in good standing, including maintaining all required services, facilities and installations in its respective Structure as are required by any such rules,

regulations, ordinances, acts or governmental by-laws or by the Site Plan Agreement referred to herein, and further agrees to execute any specific easements required to be granted to such authorities in accordance therewith, and to further use their best efforts to effect the renewal or replacement of any such agreements as may be necessary or desirable, all with the object and purpose of permitting, and with a view of not hindering or preventing, the continued use and enjoyment of all parts of the Project as an integral whole and of each Owner Party's respective Structure including those interests appurtenant thereto.

10.02 Compliance with Development Agreements

The Phase I, II and III Corporations, covenant and agree to maintain, repair and replace if necessary, from time to time, during the term hereof, as would any prudent owner in the local municipality, and after their initial installation by Harding, all works, facilities and installations described in the Development and Subdivision Agreement, the Site Plan Agreement or any similar agreements entered into with the Corporation of the Town of Richmond Hill and/or any other relevant governmental authority dealing with any aspect of the development of the Project and as are situate within their respective Lands and which Harding covenanted to undertake, provide and/or maintain pursuant to the terms of any such development site plan or similar agreement, including, without restricting the generality of the foregoing, any recreational facility or amenity, landscaping, walkways, garbage rooms, storage areas, loading spaces, parking spaces, and driveways described therein.

10.03 Indemnification to Harding Respecting Compliance with Agreements

The Phase I, II and III Corporations each agree that they will indemnify and save Harding harmless from any cost, loss, expense, damage or liability that it may suffer as a result of any breach by any of them of their covenant to so maintain, repair and replace any of the works, facilities and installations referred to the Development and Subdivision Agreement and the Site Plan Agreement.

ARTICLE 11.00 - ARBITRATION

11.01 Arbitration

(a) Any dispute between the Owner Parties, arising during the term of this Agreement or after its termination, with respect to this Agreement or any matters arising therefrom or pertaining thereto or which touches upon the validity, construction, meaning, performance or effect of this Agreement or any of its terms and conditions, or the rights, obligations and liabilities of the parties hereto, shall be subject to the Arbitration Act of Ontario, in accordance with the provisions hereunder set out, and the arbitration decision shall be final and binding upon the parties hereto and shall not be subject to appeal.

(b) If the Owner Parties shall be unable to unanimously agree in the selection of a single arbitrator, then the arbitrator shall be designated by the Supreme Court of Ontario, upon an application by any Participant to a single Judge of the Supreme Court of Ontario upon notice to the other Owner Party or Parties. Such application is to be made within seven (7) business days of their inability to agree.

(c) The arbitration shall take place in the Regional Municipality of York and the arbitrator shall fix the time and place in the Municipality of York for the purpose of hearing such evidence and representations as any of the Owner Parties may present and, subject to the provisions hereof, the decision of the

arbitrator, shall be binding upon the Owner Parties both in respect of the procedure and the conduct of the Owner Parties during the proceedings and the final determination of the issues therein. Said arbitrator shall, after hearing any evidence and representations that the Owner Parties may submit, make his or her decision and reduce same to writing as quickly and as expeditiously as possible and deliver one (1) copy thereof to each of the Owner Parties. The arbitrator may determine any matters of procedure for the arbitration not specified herein.

(d) The cost of the arbitration shall be borne by the Owner Parties as may be specified in such determination, and shall be payable when a decision is rendered.

(e) The arbitrator in undertaking such arbitration and in rendering the arbitrator's decision in respect thereof shall afford the parties thereto an opportunity to be heard, and their decision shall not in any material way diminish the value or adversely affect the use or enjoyment by any Owner Party of its respective Structure.

ARTICLE 12.00 - BINDING EFFECT OF AGREEMENT

12.01 Provisions Run with the Land

The provisions of this Agreement are intended to run with the real property benefitted and burdened thereby, specifically the Phase I Lands, the Phase II Lands and the Phase III Lands and shall be binding on and enure to the benefit of the respective successors in title thereof.

12.02 Covenant for Non Interference with Easements

The Residential Owners and the Owner Parties intend, covenant and agree that they shall not interfere with, hinder, impede, or disturb the use of any of the easements and all other rights, benefits and privileges enjoyed by either Owner Party in this Agreement, except in strict compliance with the provisions of this Agreement.

12.03 Reciprocal Benefit and Burden

The parties hereto expressly declare their mutual intention and agreement, that the principles of reciprocal benefit and burden shall apply to their relationship, and as such, the parties hereby acknowledge and agree that each of the easements, rights and privileges hereinbefore set forth in this Agreement, establish a basis for the mutual and reciprocal use and enjoyment of certain parts of the Project and including those certain parts of the Shared Servicing Systems and Shared Facilities which are being used and enjoyed by the Phase I, II and III Corporations to varying degrees. As an integral and material consideration for the continuing enjoyment of and right to the use, of such easements and rights by each party hereto, each Owner Party does hereby accept and agree to assume the burdens and obligations imposed on such party herein and agrees to be bound by each and every one of the covenants made by them in this Agreement, subject to any provision of this Agreement to the contrary.

ARTICLE 13.00 - COMPLIANCE

13.01 Compliance with Law

Each of the Owner Parties in performing their respective obligations and exercising their respective rights under this Agreement, covenants and agrees to comply with all rules, laws, orders, ordinances, regulations and requirements of any government, whether imposed by the local municipality, or by any governmental agency having jurisdiction over the Project.

13.02 Compliance with Agreement

Each Owner Party herein covenants and agrees to comply with all of the provisions herein contained and will not authorize or condone any breach thereof by any resident, visitor, guest, servant or agent, contractor, workman or other invitee or licensee. Each Owner Party herein agrees to co-operate with each other party in enforcing the provisions of this Agreement against any other person upon request and at the expense of the requesting party.

13.03 Duty to Conform

Each of the Phase I, II and III Corporations hereby covenants and agrees with the other parties hereto that it shall not amend its Declaration, pass By-laws or Rules governing the management, maintenance, repair and operation of the Shared Facilities, Shared Servicing Systems or Amenities, which are in any manner whatsoever inconsistent with the terms and conditions of this Agreement. The Phase I, II and III Corporations shall only pass those Rules respecting the management, maintenance and use of the Amenities that are adopted and recommended to them by the Amenities Committee.

ARTICLE 14.00 - CONSTRUCTION LIENS

14.01 Construction Liens

Each Owner Party covenants and agrees to remove any construction lien or other encumbrance or charge registered against its Land or its Structure and which also affects the Land or the Structure of any other Owner Party within 10 days of written request from such Owner Party whose Land or Structure is so affected. Provided that nothing herein shall require an Owner Party to remove any construction lien, encumbrance or charge that affects only that Owner Party's Land or Structure. In the event that the construction lien or other encumbrance is not removed in accordance with this section, the affected Owner Party may make the payment requisite to remove such construction lien or other encumbrance on the Defaulting Party's behalf.

ARTICLE 15.00 - INDEMNIFICATION

15.01 Indemnification

Each Owner Party agrees to indemnify and save the other parties harmless from all costs, expenses, damage and liability that they may suffer or incur as a result of the Defaulting Party not complying with any of the terms of this Agreement.

ARTICLE 16.00 - FURTHER ASSURANCES

16.01 Further Assurances

(a) The parties hereby covenant and agree to forthwith execute all further assurances, easement agreements or other documents necessary or required to carry out the true intent of this Agreement. Without limiting the generality of the foregoing, the parties hereto further covenant and agree to execute all such further documents, instruments and agreements as may be required in order specify the location of any of the easements herein created and in so doing to transfer any such easements which transfer identifies the specific location of such easement being so granted hereby and also to realign the boundaries of the various easements herein referred to, so that same align more accurately with the final location of the Amenities, the Shared Facilities, and the installation of the various shared Servicing Systems, all as herein referred to.

(b) In the event that it is determined by either the Phase I Corporation or Harding or any of their successors in respect of the Phase I Lands, the Phase II Lands or the Phase III Lands that any new easement or right is required and is essential for the purpose of maintaining, operating, repairing, replacing and inspecting or gaining any required access to any new serving systems essential to service any of the said Lands, then the party over whose Land the easement or right is required (the "Grantor") shall execute all grants, conveyances, instruments and assurances as are required to grant or convey or transfer same, provided that the Grantor of such easement or right, shall not be required to grant same if its Land shall be materially diminished thereby, or if same would interfere with the use and enjoyment of any amenity or installation on its Land, provided further that the grantee of such easement or right financially secures to the said Grantor to its satisfaction reasonably exercised, its liability to bear all costs, expenses, or damages, direct or indirect, caused to the Grantor or to its Land as a result of the grant herein contemplated which the grantee hereby covenants and agrees to do and further that such grantee provides detailed plans and specifications showing the location and specifications respecting such service to be installed and created.

ARTICLE 17.00 - GENERAL

17.01 Gender

This Agreement shall be construed with all changes of number and gender required by the context.

17.02 Headings

The titles to Articles have been inserted as a matter of convenience for reference only and do not define, limit or enlarge the scope or meaning of this Agreement or any provision thereof.

17.03 Severability

If any provision of this Agreement is determined by a Court of competent jurisdiction to be illegal or beyond the powers or capacity of the party or parties bound hereby, or in the event any part or provision of this Agreement is liable to determination pursuant to any provision of the Act, such provision or part shall be severed from this Agreement and the remainder of this Agreement shall continue in full force and effect mutatis, mutandis. For the purposes of giving effect to this paragraph, each clause, paragraph or article of this Agreement shall be considered severable from every remaining clause, paragraph or article of this Agreement.

17.04 The Planning Act

The provisions of this Agreement are subject to the provisions of the Planning Act where applicable, and such provisions shall be complied with by any Owner Party relocating any easement or right pursuant to section 3.09 and by the terminating party pursuant to section 6.03.

17.05 Perpetuities - Limitation or Exercise of Relocation Easements

It is understood and agreed by the Owner Parties, that any provisions requiring the creation of new easements or rights, pursuant to the easement relocation provisions of this Agreement or providing for easements to arise in the future, shall survive until the expiration of twenty-one years from the effective date of this Agreement.

17.06 Recitals

The recitals hereinbefore set forth are true in substance and in fact.

17.07 Successors and Assigns

(a) This Agreement shall be binding upon, and shall enure to the benefit of the parties hereto and their respective successors and assigns.

(b) Notwithstanding anything provided in this Agreement to the contrary, it is clearly understood and agreed by the parties hereto that:

(i) any reference to the Phase I Corporation in this Agreement shall include, where required by the context, the Phase I Corporation and its workman, servants or agents and shall specifically include, where required by the context the Residential Owners that are the members thereof and their respective tenants, licensees and invitees; and

(ii) any reference to Harding in this Agreement shall mean Harding, its successors and assigns, together with their respective workman, servants, or agents, and shall where the context permits, specifically include the Phase II and Phase III Corporations upon registration of the Phase II Lands and the Phase III Lands under the Act, together with the Residential Owners thereof and their respective tenants, licensees and invitees.

17.08 Assumption

Harding further covenants and agrees that upon the creation of the Phase II and Phase III Corporations, as the Declarant thereof, it shall cause such of the Phase II and Phase III Corporations as has been registered to ratify this Agreement, or alternatively, to execute a similar agreement or agreements containing provisions equivalent to those contained herein, so that the Phase II Corporation and the Phase III Corporation each agrees to be bound by all the terms, provisions and conditions contained herein or their equivalents, to the same effect as if such Phase II and Phase III Corporations had been an original party, hereto in the place and stead of Harding, in so far as Harding's participation in, and obligations under this Agreement relate to either the Phase II Corporation or the Phase III Corporation. Moreover, notwithstanding anything provided in this Agreement to the contrary, as and when either the Phase II Corporation or the Phase III Corporation so executes such assumption agreement as contemplated hereby, Harding shall be automatically released and discharged from its obligations and liabilities hereunder pro-tanto to the extent that such liabilities and obligations have been assumed by either the Phase II Corporation or the Phase III Corporation as and when it is registered as aforesaid and Harding shall be automatically released and forever discharged of and from any and all liabilities and obligations under or pursuant to this Agreement with respect to either the Phase II Corporation or the Phase III Corporation.

17.09 Registration of Condominium

The Phase I Corporation and its successors hereby consent to the registration under the Act of a condominium on each of the Phase II Lands and the Phase III Lands.

17.10 Registration

The parties hereto, hereby consent to the registration of this Agreement against the title to the Phase I Lands, the Phase II Lands and the Phase III Lands, the Recreational Unit and the Gatehouse Security Unit and hereby acknowledge, confirm and agree that this Agreement shall be deemed and construed to run with the title to each of such Lands and shall be binding upon the successors entitled to each of such Lands.

17.11 Effective Date of Agreement

It is intended that notwithstanding the actual date of execution of this Agreement by the parties hereto, this Agreement, and its terms and provisions, shall take effect from the date of registration of the Declaration of the Corporation which shall constitute the effective date of this Agreement.

17.12 Amendments

This Agreement shall not be modified or amended except by instrument in writing of equal formality herewith and signed by the parties hereto or by their respective successors and assigns. The parties hereto hereby consent to the registration on the title to their Land of any such modification or amendment to this Agreement.

17.13 Counterpart Agreements

This Agreement may be executed in one or more counterparts, each of which when so executed shall constitute an original, and all of which shall together constitute one and the same agreement.

ARTICLE 18.00 - NOTICE PROVISIONS

18.01 Notice Provisions

All notices, requests, demands or other communications by the terms hereof required, or permitted to be given by one party to another, shall be given in writing by personal delivery or by registered mail, postage prepaid, addressed to the other party or delivered to such other party as follows:

(a) York Region Condominium Corporation No. 741
c/o 30 Harding Boulevard
Richmond Hill, Ontario
Attention: Property Manager

(b) Harding Addison Properties Ltd.
c/o New Style Construction
Suite 801, 2161 Yonge Street
Toronto, Ontario
M4S 2A6

(c) The Toronto-Dominion Bank
Commercial Banking Centre
443 Queen Street West
Toronto, Ontario

or at such other address as may be given by any of them to the others in writing from time to time, and such notices shall be deemed to have been received when delivered, or if mailed, on the third business day after the mailing thereof; provided that in the event of postal disruption or anticipated postal disruption,

notices or communications shall only be given by personal delivery or facsimile transmission.

ARTICLE 19.00 - SUBORDINATION AND POSTPONEMENT OF MORTGAGEE'S INTEREST

19.01 The Mortgagee, being the registered owner of a charge registered as Instrument No. LT 435333, which charge is registered respectively against the Phase I Lands, the Phase II Lands and the Phase III Lands, hereby postpones and subordinates the said charge and its interest thereunder and all encumbrances serving as collateral security to such charge and registered on title to the Phase I Lands, the Phase II Lands and the Phase III Lands to and in favour of the interest herein created.

IN WITNESS WHEREOF the parties hereto, have executed this Agreement.

YORK REGION CONDOMINIUM CORPORATION NO. 741

Per: _____

Per: _____

HARDING ADDISON PROPERTIES LTD.

Per: _____

Per: _____

APPROVED
A. MARTONE

THE TORONTO-DOMINION BANK

Per: _____

APPROVED
P. Bozikovic