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RECIPROCAL AGREEMENT

THIS AGREEMENT MADE as of the 15th day of December, 2003.

TWEEN:

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1566
a condominium corporation created by the
registration of a declaration and description
on the 28th day of November, 2003 in the Land
Titles Division of the Toronto Registry Office (No. 66)
as Instrument No. AT-347201
(the "**Phase 1 Condominium**")

- and -

MONDEO DEVELOPMENTS INC.
a corporation incorporated pursuant to the laws of the Province of Ontario
(hereinafter called "**Mondeo**" or the "**Declarant**")

WHEREAS the Phase I Condominium is situate on the west side of Mondeo Drive north of Ellesmere Road, in the City of Toronto nerly the City of Scarborough), comprising the property included in Toronto Standard Condominium Plan No. 1566, comprising Parts 13 inclusive on Reference Plan 66R-20618, registered in the Land Titles Division of the Toronto Registry Office (No. 66), and cipally known as 8 Mondeo Drive, Scarborough, Ontario (hereinafter referred to as the "**Real Property**" or the "**Phase I Lands**");

AND WHEREAS Mondeo is the registered owner of the Phase II Lands (as that term is hereinafter defined) on which lands Mondeo ds to develop the Phase II Condominium (as that term is hereinafter defined);

AND WHEREAS the Phase I Condominium and Mondeo have entered into this Agreement in order to provide for the mutual use, tenance, cost-sharing and other matters relating to the Shared Facilities (as that term is hereinafter defined) as well as to regulate and n the use and enjoyment of various easements over and/or benefitting all or various portions of the Total Site (as that term is hereinafter ed);

AND WHEREAS it is acknowledged and agreed that Mondeo is entering into this Agreement for and on behalf of the Phase II ominium, on the express understanding that as and when the Phase II Condominium is registered as a separate condominium corporation, ll assume all covenants and obligations of Mondeo relating thereto as set forth herein, and correspondingly Mondeo shall thereupon be atically released, relieved and forever discharged from said obligations and/or liabilities;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements hereinafter rth, and for other good and valuable consideration and the sum of TEN ($10.00) DOLLARS of lawful money of Canada now paid by of the parties hereto to the other (the receipt and sufficiency of which is hereby expressly acknowledged), the parties hereto hereby ant and agree, to and with each other, as follows:

ARTICLE 1.00 - RECITALS

The parties hereto hereby confirm the veracity of the foregoing recitals, and agree with same, both in substance and in fact.

ARTICLE 2.00 - DEFINITIONS

General Terms

The terms "common elements", "units", "common expenses", "common interest", "board of directors", "description", "by-laws" and "rules" shall have the same meanings as are ascribed to such terms pursuant to the Act (as hereinafter defined), and their use herein shall have specific reference to the Two Condominiums (as such term is hereinafter defined).

Specific Terms

In addition to any other words, terms or phrases specifically defined elsewhere in this Agreement, the terms or phrases set out below shall have the meanings respectively ascribed to them as follows:

a) the "**Act**" shall mean *The Condominium Act 1998*, S.O. 1998, as amended, together with any successor legislation intended to replace or supersede same;

b) "**Agreement**" shall mean the within agreement and all written amendments hereto and all schedules referred to herein;

c) the "**Benefitting Owners**" shall mean those owners of the dominant tenement with respect to the Easements (as that term is hereinafter defined) that are entitled to the benefit of same, provided however, that for the purposes of giving and

receiving notice(s), procuring consents and for the purposes of carrying out any Work (as that term is hereinafter defined) or repairing and/or restoring any damage or alterations, all as contemplated in Article 7.00 hereof, "Benefitting Owners" shall mean the condominium corporation(s) (for and on behalf of the unit owners therein) created over all or any portion of the aforesaid dominant tenement;

d) the "**Common Roadway**" shall mean the common interior roadway (including the ramp leading to the underground parking garage), and adjoining pedestrian walkways, landscaped areas and boulevards intended to be shared by the Two Condominiums (as hereinafter defined), situate within that part of Block 114 on Plan 66M-2330, more particularly designated as Part 12 on Reference Plan 66R-20618 registered in the Land Titles Division of the Toronto Registry Office (No. 66) (hereinafter described as the "**Phase I Common Roadway**"), as well as any portion of the Phase II Lands to be designated as part of the Common Roadway in the declaration of the Phase II Condominium and over which the Phase II Condominium will grant an easement to the Phase I Condominium (hereinafter described as the "**Phase II Common Roadway**"), which shall collectively provide access to, and egress from, the Phase I Lands and the Phase II Lands;

e) the "**Common Walkways & Landscaped Areas**" shall mean the common interior walkway system and landscaped areas intended to be shared by the Two Condominiums (as hereinafter defined), situate within that part of Block 114 on Plan 66M-2330, more particularly designated as Parts 4, 5 and 6 on Reference Plan 66R-20618, registered in the Land Titles Division of the Toronto Registry Office (hereinafter described as the "**Phase I Common Walkway & Landscaped Areas**") as well as any portion of the Phase II Lands to be designated as part of the Common Walkways & Landscaped Areas in the declaration of the Phase II Condominium and over which the Phase II Condominium will grant an easement to the Phase I Condominium (hereinafter described as the "**Phase II Common Walkways & Landscaped Areas**");

f) the "**Declarations**" shall mean the declarations of the Two Condominiums (as hereinafter defined), whether same have been registered as of the date of this Agreement or are registered at any time thereafter, and the term "**Declaration**" shall mean the specific declaration of the particular condominium (comprising one of the Two Condominiums) dictated by the context in which said term is used;

g) the "**Declarant's Construction Easement**" shall mean the specific Easements (as hereinafter defined) set forth in section 6.01(k) of this Agreement, providing for the construction and development of the Phase II Condominium on the Phase I Lands;

h) the "**Easements**" shall mean, collectively, the easements, rights, and rights in the nature of easements, set forth in Schedule "A" to the Declaration of the Phase I Condominium, including without limitation, the Declarant's Construction Easement as well as the Servicing and Maintenance and Repair Easements, the Support Easements, the Vehicular and Pedestrian Access Easements (as those latter easements are hereinafter defined) and shall also include the the Omitted Easements (as described in paragraph 6.09 hereof), any Relocated Easements (as that term is hereinafter defined) and any other easement rights and rights in the nature of an easement hereafter created between any one or both of the Two Condominiums and/or the owners of the lands intended to comprise same, and the term "**Easement**" shall mean any particular portion of the Easements as dictated by the context in which said term is used;

i) the "**Easement Areas**" shall mean collectively those portions of the Total Site which are subject to the Easements, namely the Shared Easement Areas and the Exclusive Easement Areas (as those terms are hereinafter defined) collectively, and shall also include the Omitted Easements, any Relocated Easement Areas (as that term is hereinafter referred to) and the term "**Easement Area**" shall mean any particular portion of the Easement Areas as dictated by the context in which said term is used;

j) "**Emergency**" shall mean any circumstance(s) or event(s) involving danger to, or the safety of, persons, danger of property damage or loss and/or the suspension of any utility or service to any one or more of the Two Condominiums whether actually occurring or imminent;

k) the "**Exclusive Easement Areas**" shall mean those portions of the Total Site which are subject to an Easement but shall exclude the Shared Easement Areas and the term "**Exclusive Easement Area**" shall mean any particular easement area comprising one of the Exclusive Easement Areas;

l) the "**Governmental Authorities**" shall mean the City of Toronto, and all other governmental authorities or agencies having jurisdiction over the Total Site;

m) the "**Guest Suites**" shall mean the one single bedroom suite located on level 1 within the Phase I Recreation Centre Unit (as hereinafter defined), together with the two single bedroom suites proposed to be constructed sometime hereafter within the Phase II Condominium, with each guest suite having a three piece washroom and a closet, a television but no cooking facilities, and intended to be used solely for the purposes set out in paragraph 5.04 hereof;

n) the "**Management Office**" shall mean the management office and boardroom located on level 1 within the Phase I Recreation Centre Unit (as hereinafter defined), together with all equipment, facilities and furnishings contained therein to be used solely for the purposes set out in paragraph 5.05 hereof;

o) the "**party room**" shall mean the room located on level 1 situate within (and comprising part of) the Phase I Recreation Centre Unit (as hereinafter defined), containing a bar, a kitchenette and a lounge/seating area, together with all of the equipment, facilities and furnishings respectively contained therein from time to time, and intended to be shared by the Two Condominiums (as hereinafter defined) and used solely in the manner or for the purposes set out in paragraph 5.06 hereof

p) the "**Phase I Lands**" shall mean all units and common elements comprising the property included in Toronto Standard Condominium Plan No.1566 registered in the Land Titles Division of the Toronto Registry Office (No. 66);

q) the "**Phase I Recreation Centre Unit**" shall mean the indoor recreation centre designated as unit 9 on level 1 in the Phase I Condominium, and containing an indoor swimming pool and whirlpool, a party room (including a lounge and bar), a fitness centre, a men's change room and sauna, a women's change room and sauna, a cards room, a property management office (including reception area), a virtual golf centre, a theatre, a mail room, a lobby area and a guest suite, together with all of the equipment, facilities and furnishings respectively contained therein from time to time, and which are (or may at any time hereafter be) used in connection with the operation, enjoyment and/or maintenance thereof, and which unit and accompanying facilities are intended to be shared by the Two Condominiums, in accordance with the provisions of Part 4 of the Phase I Condominium's declaration, and as provided in section 5.03 hereof;

r) the "**Phase II Condominium**" shall mean the residential condominium to be created by the Declarant adjacent to the west of the Phase I Condominium, upon those lands and premises situate in the City of Toronto, being that part of Block 114, Plan 66M-2330, more particularly designated as Part 2 on Reference Plan 66R-20618, registered in the Land Titles Division of the Toronto Registry Office (No. 66) (which lands are hereinafter referred to as the "**Phase II Lands**");

s) the "**Phase II Escrow Date**" shall mean the date of the first escrow/interim possession closing taking place in the Phase II Condominium, between the declarant of the Phase II Condominium and any purchaser of a dwelling unit in the Phase II Condominium;

t) the "**Phase II Recreation Centre Unit**" shall mean the indoor recreation centre to be designated as such in the Phase II Condominium, which is projected to contain a billiard room, a gymnasium (containing a one-on-one basketball court) and two single bedroom guest suites together with all of the equipment, facilities and furnishings respectively contained therein from time to time, and which are (or may at any time hereafter be) used in connection with the operation, enjoyment and/or maintenance thereof, and which unit and accompanying facilities are intended to be shared by the Two Condominiums (as hereinafter defined) in accordance with the provisions of Part 4 of the Phase I Condominium's declaration, and as provided in section 5.03 hereof;

u) the "**Proportionate Interest**" shall mean the interest in the Shared Units (as that term is hereinafter defined) that will ultimately be conveyed to each of the Two Condominiums as tenants-in-common, in accordance with Article 3.00 hereof and the term "**Proportionate Share**" shall mean the share of the Shared Facilities Costs (as that term is hereinafter defined) to be borne by each of the Two Condominiums and which Proportionate Interest and/or Proportionate Share shall be determined as set out in Article 3.00 hereof;

v) the "**Recreation Centre**" shall mean the Phase I Recreation Centre Unit and the Phase II Recreation Centre Unit, collectively;

w) the "**Service Room Units**" shall mean the generator room, fountain equipment room and electrical room designated respectively as units 205, 206 and 207 on level A of the Phase I Condominium, as well as any unit(s) to be designated as a service room unit in the declaration of the Phase II Condominium, and to be used solely for the purposes set out in section 24 of the Phase I Condominium's declaration, and as provided in section 5.02 hereof ;

x) the "**Servicing and Maintenance and Repair Easements**" shall mean the Easements set out in section 6.01(i) and (j) of this Agreement, providing for the installation, maintenance, operation, alteration, repair, replacement, inspection and monitoring of various utility services in, on, over, along, upon, across and through all or any portion of the Total Site as well as for the maintenance, repair and the replacement of any part of the buildings, installations, structures, improvements and/or services located within or servicing any one of the Two Condominiums (as hereinafter defined);

y) the "**Servient Owners**" shall mean those owners of the servient tenement(s) in respect of the Easements who are subject to the burden of same, provided however, that for the purposes of giving and receiving notice(s), and for the purposes of carrying out any Work or repairing and/or restoring any damage or alterations, all as contemplated in Article 7.00 hereof, the term "Servient Owners" shall mean the condominium corporation(s) (for and on behalf of the unit owners thereof) created over all or any portion of the aforesaid servient tenement(s);

z) the "**Shared Easement Areas**" shall mean the Common Roadway, the Common Walkways & Landscaped Areas, the Underground Garage Drivelanes & Walkways (as hereinafter defined) and the Shared Visitor Parking Areas (as hereinafter defined);

aa) the "**Shared Facilities**" shall mean the Shared Easement Areas, the Shared Units (as hereinafter defined), the Shared Servicing Systems (as hereinafter defined), the Underground Garage (as hereinafter defined), and all retaining walls and exterior boundary/border fences erected along any portion of the perimeter of either of the Two Condominiums, collectively;

ab) the "**Shared Facilities Budget**" shall mean the budget, prepared not less than once annually following the registration of the declaration of the Phase I Condominium, which outlines the projected Shared Facilities Costs (as hereinafter defined) to be incurred for the ensuing 12 month period immediately following the preparation and submission of same to the Two Condominiums, and which is formulated in accordance with the terms and provisions of the Declarations and this Agreement;

ac) the "**Shared Facilities Committee**" shall mean the committee formed in accordance with the provisions of Article 10.00 of this Agreement that will assist in managing, controlling and/or operating the Shared Facilities, from and after the Transfer Date (as hereinafter defined);

ad) the "**Shared Facilities Costs**" shall mean the aggregate of all costs and expenses incurred in connection with the operation, administration, maintenance and/or repair of the Shared Facilities (or any portion thereof), all as set out in the Shared Facilities Budget(s) from time-to-time, and shared (initially between the Phase I Condominium and the Declarant, and ultimately between the Two Condominiums) pursuant to the provisions of the Declarations and this agreement, including without limitation, the costs and expenses incurred in connection with the following, namely:

i) the operation, illumination, maintenance and/or repair of the Underground Garage (as hereinafter defined) and the Shared Easement Areas (together with all appurtenant planting, landscaping, irrigation, lighting, mechanical and/or roadway services, such as drains, pipes, cables, etc. located within or beneath the boundaries of same, and exclusively serving and benefiting same), as well as the cost of snow removal and landscape maintenance with respect to the Common Roadway and the Common Walkways & Landscaped Areas, together with the cost of procuring all requisite fire, property damage and public liability insurance coverage for each of the Two Condominiums with respect to damage and/or injury occasioned to persons and/or property upon or within the Underground Garage (as hereinafter defined) and/or the Shared Easement Areas;

ii) the operation, illumination, maintenance and/or repair of the Shared Units (as hereinafter defined), including without limitation, the cost of providing and maintaining utility services, equipment, staff and/or recreational programs for the Phase I Recreation Centre Unit and the Phase II Recreation Centre Unit, as well as the cost of staffing and equipping the Two Condominiums with security personnel on a 24 hour basis, together with the cost of procuring all requisite fire, property damage and public liability insurance coverage for each of the Two Condominiums (as hereinafter defined) with respect to damage and/or injury occasioned to persons and/or property upon or within any of the Shared Units, together with the amount of all realty taxes and common expenses assessed against any of the Shared Units or otherwise attributable thereto (or to any portion thereof); and

iii) the operation, maintenance and/or repair of the Shared Servicing Systems (as hereinafter defined), including without limitation, the cost of maintaining and repairing all electronic, computer, electrical, utility and/or mechanical equipment and fixtures (and all appurtenances thereto) comprising part of the Shared Servicing Systems or ancillary thereto;

ae) the "**Shared Servicing Systems**" shall mean all servicing pipes, wires, cables, conduits and/or systems serving or benefiting both of the Two Condominiums, <u>including</u> without limitation, all pertinent portions of the hydro electric, water, storm and sanitary sewer systems, gas systems, emergency systems, computer controlled building access systems, burglar/building alarm systems, telephone and cable television systems, and fire protection systems (as well as pertinent portions of various ancillary computer software and/or mechanical, electronic and/or electrical fixtures and equipment appurtenant thereto), which provide power, heat, drainage, emergency service, telephone service and/or cable television service to both of the Two Condominiums, or facilitates access and/or provides building alarm services, fire protection services and/or any other type of service to both of the Two Condominiums, as well as the electrical and emergency lighting systems and fresh/exhaust air ventilation systems and fire protection systems servicing the Underground Garage (as hereinafter defined), <u>but expressly excluding</u> any pipes, wires, cables, conduits and/or systems serving or benefiting only one of the Two Condominiums exclusively;

af) the "**Shared Units**" shall mean the Phase I Recreation Centre Unit, the Phase II Recreation Centre Unit, and the Service Room Units, collectively;

ag) the "**Shared Visitor Parking Areas**" shall mean the designated outdoor visitor parking spaces situate adjacent to the Common Roadway and intended to be used by the visitors to either of the Two Condominiums, and by the Declarant's construction/sales staff and designated representatives or invitees, and being specifically located upon or within that part of Block 114 on Plan 66M-2330 more particularly designated as Parts 7, 8, 9, 10 and 11 on Reference Plan 66R-20618, registered in the Land Titles Division of the Toronto Registry Office (No. 66) (hereinafter described as the "**Phase I Shared Visitor Parking Areas**") as well as any portion of the Phase II Lands to be designated as part of the Shared Visitors Parking Area in the declaration of the Phase II Condominium and over which the Phase II Condominium will grant an easement to the Phase I Condominium (hereinafter described as the "**Phase II Shared Visitor Parking Areas**"), and to be used in accordance with the provisions of section 5.07 hereof;

ah) the "**Support Easements**" shall mean the Easement(s) set out in section 6.01(l) and (m) of this Agreement, providing for a right of support in respect of, from and by any Support Structure (as hereinafter defined);

ai) the "**Support Structure**" shall mean those portions of the structural members, columns, footings, structural walls, ceiling slabs, floor slabs, and any other component of any building, structure, improvement, and/or soil now or hereafter comprising part of the Total Project (as hereinafter defined), upon which any other part of the Total Project requires or relies upon for the purposes of support;

aj) the "**Total Project**" shall mean all of the buildings, structures, improvements and installations intended to be constructed upon the Total Site and contained (or to be contained) within the descriptions for the Two Condominiums (as hereinafter defined);

ak) the "**Total Site**" shall mean the Phase I Lands and the Phase II Lands, collectively;

al) the "**Transfer Date**" shall mean the earliest of the following three dates:

(i) not more than sixty (60) days following the date that all the dwelling units in the Two Condominiums (or such lesser number as the Declarant may determine or designate in its sole and unfettered discretion) have been sold, conveyed and transferred to each of the respective unit purchasers thereof;

(ii) November 28th, 2013; and

(iii) such earlier date as the Declarant may determine or designate in its sole and unfettered discretion;

am) the "**Two Condominiums**" shall mean the Phase I Condominium and the Phase II Condominium, collectively;

an) the "**Underground Garage**" shall mean the entire underground parking garage structure comprising (or intended to comprise) part of the common elements of the Phase I Condominium and/or the Phase II Condominium, and intended to be shared by the Two Condominiums, including without limitation, all driveway ramps, roof slabs, drivelanes and walkways located within said structure, but expressly excluding all parking, locker and parking/locker units situate within the underground garage, and any structural components, features or members that are situate directly beneath the building tower envelope of either of the Two Condominiums, and also excluding any stairwells and/or service rooms (whether ultimately unitized or not) which are intended to service or benefit any one of the Two Condominiums exclusively;

ao) the "**Underground Garage Drivelanes & Walkways**" shall mean the drivelanes or roadway areas and walkways situate within the Underground Garage providing vehicular and pedestrian access and egress through same, for use by the Declarant's construction/sales staff and designated representatives and invitees, the Two Condominiums, the unit owners within either of the Two Condominiums and/or their respective residents, tenants and invitees, and located within that part of Block 114 on Plan 66M-2330, more particularly designated as Part 13 on Reference Plan 66R-20618 registered in the Land Titles Division of the Toronto Registry Office (No. 66);

ap) "**Vehicular and Pedestrian Access Easements**" shall mean the vehicular and pedestrian access easements set out in section 6.01 (a) to (h) both inclusive of this Agreement that provide for vehicular and/or pedestrian access and egress to and from various portions of the Total Site;

ARTICLE 3.00 - OWNERSHIP OF THE SHARED UNITS

a) Ownership of the Shared Units shall ultimately be shared by the Two Condominiums as tenants-in-common. Each of the condominiums comprising the Two Condominiums shall receive a proportionate tenancy-in-common interest in the Shared Units equivalent to the proportion that the number of dwelling units within that particular condominium bears to the total number of dwelling units ultimately contained in both of the Two Condominiums.

b) The actual transfer of ownership of the Shared Units by the Declarant to the Two Condominiums, as tenants-in-common in accordance with their respective Proportionate Interest shall occur no later than 60 days after the Transfer Date, provided however, that in the event that the Phase II Condominium is not registered by the Transfer Date, then such transfer to the Phase II Condominium shall occur no later than the turnover meeting convened in connection with the Phase II Condominium (as and when same is duly registered).

c) Once ownership of the Shared Units has been transferred by the Declarant to any one or both of the Two Condominiums as aforesaid, any further sale, transfer, mortgage, charge, encumbrance or other conveyance of registered and/or beneficial title to same shall require [in addition to any other approvals required pursuant to the provisions of the Act and/or the Declaration(s)] the prior written consent of the other co-tenants of the Shared Units, together with the prior approval of two-thirds of the unit owners in the condominium corporation(s) purporting to sell, transfer, mortgage, charge or encumber its/their ownership interest therein (with such unit owner(s) approval being procured from owners who are present, in person or by proxy, at a meeting duly called for the purpose of obtaining such approval).

d) Any instrument or other document purporting to sell, transfer, convey, mortgage, charge or encumber the ownership interest(s) of any of the Two Condominiums in the Shared Units, in contravention of the foregoing provisions, shall be null and void and of no force and effect.

ARTICLE 4.00 - OPERATION AND BUDGETING

a) Until the Transfer Date, and continuing thereafter until such time as the Shared Facilities Committee has been established in accordance with the provisions hereinafter set forth, the manner in which the Shared Facilities are utilized, operated, staffed maintained and/or repaired, including the budgeting of the Shared Facilities Costs, shall, subject to the terms and provisions of this Agreement, be governed and controlled solely by the Declarant. The Declarant shall have the unilateral right, in its sole and unfettered discretion, to establish (including imposing limitations on) the hours of use, as well as restricting areas of use in respect of the Shared Facilities or any part thereof, in order to best co-ordinate the operation and use of same with the Declarant's on-going, marketing, sales and/or construction program(s) for each of the Two Condominiums.

b) From and after the date that the Shared Facilities have been completed and are fully operational, to and until the Transfer Date, and continuing thereafter until the Shared Facilities Committee has been established in accordance with the provisions hereinafter set forth, the Declarant shall prepare and submit the Shared Facilities Budget (outlining the Shared Facilities Costs estimated to be incurred in the ensuing year) to the Phase I Condominium, not less than once annually, and said

budget shall be incorporated as part of, and/or integrated with, the Phase I Condominium's overall annual budget. The Phase I Condominium shall adopt, and be bound by, the Shared Facilities Budget(s), and by the Declarant's decisions on (and determination of) the Shared Facilities Costs, as well as the Declarant's arrangements with respect to the foregoing maintenance and repair matters, all without any qualification or amendment thereto whatsoever, and the Phase I Condominium shall accordingly pay, and be solely responsible for, its Proportionate Share of the Shared Facilities Costs, as more particularly outlined in the Shared Facilities Budget(s) submitted from time to time and as provided for herein.

c) Once the Shared Facilities Committee has been established or created, then at all times thereafter the manner in which the Shared Facilities are utilized, operated, staffed, maintained and/or repaired as well as the preparation and submission of the Shared Facilities Budget(s), shall, subject to the terms and provisions of this Agreement, be governed and controlled by the Shared Facilities Committee.

.02 The Shared Facilities Budget shall be submitted to each of the Two Condominiums for approval not less than 60 days prior to the proposed effective date of such budget, and not less than once annually following the execution of this Agreement. Each of the Two Condominiums shall have 30 days following receipt of the Shared Facilities Budget to notify the other condominium and the Shared Facilities Committee in writing (the **"Notice of Objection"**) that it objects to said budget and the reasons for such objection. In the absence of the delivery of a Notice of Objection within such 30 day period, the Two Condominiums shall be deemed to have accepted the Shared Facilities Budget. If neither of the Two Condominiums sends a Notice of Objection in respect of a Shared Facilities Budget, then said budget shall be incorporated as part of, and/or integrated with, the respective overall annual budgets of each of the Two Condominiums. If either of the Two Condominiums delivers a Notice of Objection in respect of a Shared Facilities Budget and the Two Condominiums cannot resolve such objection within 15 days after the delivery of the Notice of Objection, then such budget and the Notice of Objection shall be submitted to arbitration pursuant to Article 17.00 hereof, and until the rendering of a decision arising from such arbitration, the parties shall continue to be bound by the previous Shared Facilities Budget.

.03 If a reserve fund study has not yet been conducted by that time, the initial Shared Facilities Budget prepared after the execution of this agreement shall contemplate the commission of a reserve fund study in relation to the Shared Facilities, and assuming that same is approved, the Shared Facilities Committee shall arrange for a reserve fund study to be conducted in accordance with the provisions of the Act, in relation to the Shared Facilities. After receipt of the reserve fund study, the Shared Facilities Committee shall propose, as part of all future Shared Facilities Budget(s), a plan for future funding and/or reserve fund contributions in accordance with the reserve fund study.

.04 Without limiting the generality of the foregoing, the Phase I Condominium, in conjunction with the Declarant prior to the registration of the Phase II Condominium (and thereafter in conjunction with the Phase II Condominium) shall jointly establish and maintain a separate reserve fund for the major repair and replacement of the Shared Facilities exclusively.

.05 The Two Condominiums shall jointly approve all arrangements made by or on behalf of the Shared Facilities Committee with respect to any maintenance and/or repair work involving the Shared Facilities or any portion thereof (and with respect to all services, facilities, works, operations and other matters involving the Shared Facilities) provided that such arrangements are made in accordance with approved Shared Facilities Budgets.

ARTICLE 5.00 - USE OF THE SHARED FACILITIES

5.01 General Use of the Shared Facilities

a) Subject to the Act, the use of the Shared Facilities by the Two Condominiums and by the owners, residents and tenants (as well as the invitees of said owners, residents and tenants) of units therein shall, at all times, be subject to and in accordance with the applicable provisions of the Declarations and this Agreement (hereinafter collectively referred to as the **"Governing Documents"**).

b) Notwithstanding that the transfer of ownership of the Shared Units to either of the Two Condominiums (as tenants-in-common, in accordance with their Proportionate Interest) may not yet have occurred, each of the Two Condominiums and the owners, residents and tenants (as well as the invitees of the said owners, residents and tenants) shall be entitled to use the Shared Units in accordance with their intended purposes as set out in the Declarations and this Agreement, provided however that said use shall be subject to any restrictions and/or limitations contained therein and/or herein.

c) Notwithstanding that the costs of maintaining, repairing and/or replacing the Underground Garage shall be shared between the Two Condominiums (and shall correspondingly comprise part of the Shared Facilities Costs), the use of those portions of the Underground Garage located within any one of the Two Condominiums shall (subject to any express easements contained in the Governing Documents providing additional rights of use over the Underground Garage to any additional parties and the other terms of the Governing Documents), be restricted to owners of unit(s) within the condominium that encompass(es) said portion(s) of the Underground Garage.

d) The Declarant shall be entitled to the use of the Easement Areas and the Shared Units for the purposes of implementing its construction, marketing and sales program with respect to any unsold units in either of the Two Condominiums, and shall be entitled to erect and maintain signs for marketing/sale purposes upon any portion of same until such time as all the dwelling units in the Two Condominiums (or such lesser number as the Declarant may determine or designate in its sole and unfettered discretion) have been sold, conveyed and transferred to each of the respective unit purchasers thereof.

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5.02 **Use of the Service Room Units**

The shared Service Room Units shall only be used for the purpose of housing the mechanical, electrical, plumbing, fire protection, security and/or utility equipment comprising part of (or servicing) the Shared Servicing Systems, including any ancillary equipment or supplies required from time to time in order to operate, maintain and repair any component(s) of the Shared Servicing Systems. Access to the Service Room Units shall be restricted to the authorized agents, servants, employees and tradesmen of either of the Two Condominiums, or members of the board or any officers of the Two Condominiums or the Shared Facilities Committee.

5.03 **Use of the Phase I Recreation Centre Unit and the Phase II Recreation Centre Unit**

a) Subject to the overriding provisions set out in section 5.03(c) hereof, the Phase I Recreation Centre Unit and the Phase II Recreation Centre Unit (hereinafter collectively referred to as the "**Recreation Centre**") shall be used and enjoyed only by the Declarant and the dwelling unit owners within either of the Two Condominiums, and their respective residents, tenants and invitees, for general recreational purposes, for meetings convened to conduct the business and affairs of either of the Two Condominiums, for general property management purposes pertaining to the ongoing operation and administration of either of the Two Condominiums, and for such other uses as are consistent with the equipment, facilities and/or amenities situate within (or comprising part of) the Recreation Centre, in accordance with all applicable by-laws and regulations of the Governmental Authorities.

b) Save as otherwise provided in this Agreement to the contrary, no provision contained in any of the by-laws or rules of either of the Two Condominiums shall restrict the access to, egress from and/or use of the Recreation Centre (or any portion thereof) by the Two Condominiums, and any of the dwelling unit owners thereof, and/or their respective residents, tenants and invitees, provided however that such access, egress and/or use shall at all times be subject to the overriding provisions of section 5.03(c) hereof, and subject to the reasonable and customary restrictions now or hereafter imposed or implemented by the security personnel retained by or on behalf of either or both of the Two Condominiums, and said access and egress shall be effected only through the use of a computerized security card entry system (or other similar security system).

c) Notwithstanding anything hereinbefore or hereinafter provided to the contrary, and notwithstanding any rules or by-laws of either of the Two Condominiums hereafter passed or enacted to the contrary, it is understood and agreed that until ownership of the Recreation Centre has been transferred to the Two Condominiums as hereinbefore provided or contemplated, the Declarant shall be entitled to use and occupy (exclusively) any portion(s) of the Recreation Centre for its marketing/sales program(s), and to erect and maintain one or more offices therein for marketing, sales, construction and/or customer service purposes, together with one or more model suites, at such location(s) within the Recreation Centre or any portion thereof as the Declarant may select, in its sole and unfettered discretion, until such time as the Declarant has sold (and conveyed title to) all of the dwelling units within each of the Two Condominiums. The cost of erecting, maintaining and ultimately dismantling any such marketing/sales/construction/customer service office(s) (and the said model suites, if any) shall be borne solely by the Declarant, but the Declarant shall not be charged for the use of the space so occupied within the Recreation Centre (or any portion thereof), nor for any utility services (or other services) supplied thereto (or consumed thereby), nor shall either of the Two Condominiums (or anyone else acting on behalf of either of the Two Condominiums) prevent or interfere with the provision of utility services (or any other services ordinarily supplied or provided) to the Declarant's marketing/sales/construction/customer service office(s) and model suites (if any). In addition, no actions or steps shall be taken by or on behalf of either of the Two Condominiums (nor by any unit owner(s) thereof) which would prohibit, limit or restrict the access to, egress from and/or use of the Recreation Centre (or any portion thereof) by the Declarant's marketing/sales agents and representatives, the Declarant's construction/customer service employees and representatives, and any prospective unit purchasers or other invitees of the Declarant, during the opening hours of the Declarant's marketing/sales/construction/customer service office(s), provided however that such access and use may nevertheless be subject to the reasonable and customary restrictions now or hereafter imposed or implemented by the security personnel retained by the Declarant and/or the Two Condominiums. The Declarant shall also be entitled to erect and maintain signs for marketing/sales purposes upon or within any part of the Recreation Centre, in connection with any marketing program(s) being utilized by the Declarant with respect to either of the Two Condominiums from time to time, at such locations and having such dimensions as the Declarant may determine in its sole and unfettered discretion, until such time as the Declarant has sold (and conveyed title to) all of the dwelling units within each of the Two Condominiums, all without any charge for the use of the space so occupied, nor for any utility services (or other services) supplied thereto. Until the Transfer Date and the establishment of the Shared Facilities Committee (as hereinafter provided or contemplated), the Declarant shall have the unilateral right and authority, in its sole and unfettered discretion, to establish hours of use, as well as designated or restricted areas of use, in respect of the Recreation Centre or any portion thereof (and to establish rules and regulations with respect to the use of any or all of the amenities, facilities and/or equipment located within same) to which the Two Condominiums and all of the unit owners thereof (and their respective residents, tenants and invitees) shall be subject, in order to best co-ordinate the operation and use of the Recreation Centre(or any portion thereof) with the Declarant's marketing/sale/construction program(s) for the Two Condominiums. From and after the Transfer Date and the establishment of the Shared Facilities Committee, the use and enjoyment of the Recreation Centre shall be governed by the rules and regulations recommended by the Shared Facilities Committee and passed or enacted by the Two Condominiums from time to time in connection therewith, provided however that nothing recommended, passed and/or enacted by the Shared Facilities Committee and/or the Two Condominiums shall be construed (or be carried out) in a manner which may interfere with (or diminish the right of the Declarant to maintain) the Declarant's marketing/sales/construction/customer service office(s) therein as hereinbefore provided or contemplated.

5.04 **Use of the Guest Suites**

The Guest Suites shall only be used to provide overnight accommodation for the guests of the owners and/or tenants of the dwelling units in either of the Two Condominiums, and a damage deposit, together with a service/cleaning charge, will have to be paid, in

advance, for each night of occupancy thereof, in accordance with the rules and regulations imposed by the Declarant prior to the Transfer Date, and thereafter imposed by the Shared Facilities Committee. The use of the Guest Suites shall be subject to the terms and provisions of any applicable by-laws and regulations of the Governmental Authorities, and any agreement(s) entered into by the Declarant or by (or on behalf of) the Two Condominiums, with any management/cleaning firm pertaining to same, and shall also be governed by the rules and regulations of the Shared Facilities Committee in force from time to time.

5.05 Use of Management Office

The Management Office shall be used and occupied solely and exclusively as the office of the property manager retained from time to time on behalf of the Phase I Condominium until the Phase II Escrow Date and thereafter, as the office of the property manager retained from time to time on behalf of the Two Condominiums.

5.06 Use of the Party Room

The party room (comprising part of the Phase I Recreation Centre Unit) shall only be used to accommodate the parties and/or meetings which are convened or arranged by (and which benefit) the Declarant (while it owns any unit in either of the Two Condominiums), or the owners and/or tenants of the dwelling units in either of the Two Condominiums. The use of the party room shall be subject to the terms and provisions of any applicable by-laws and regulations of the Governmental Authorities, and shall also be governed by the rules and regulations of the Phase I Condominium (until the Transfer Date and thereafter, the Shared Facilities Committee) in force from time to time. A damage deposit, together with a service/cleaning charge, will have to be paid, in advance, for each day/night of use or occupancy of the party room, in accordance with the rules and regulations passed by the board of directors of the Phase I Condominium (until the Transfer Date and thereafter, by the Shared Facilities Committee) from time to time in connection therewith. In addition, a security charge covering the cost of retaining temporary security personnel to monitor the access and egress of all guests or attendees of such parties or meetings (as the case may be) may be levied by the board of directors of the Phase I Condominium (until the Transfer Date, and thereafter by the Shared Facilities Committee) from time to time, in its sole discretion. However, no damage deposit, service/cleaning charge or security charge shall be paid or posted by the Declarant, nor paid or posted with respect to any meetings of the board of directors of either of the Two Condominiums and/or the unit owners of either of the Two Condominiums and/or the Shared Facilities Committee, convened for the purposes of formally conducting the business and affairs of either of the Two Condominiums and/or the Shared Facilities Committee.

5.07 Use of the Visitor Parking Spaces

Save as hereinafter otherwise provided to the contrary, each of the visitor parking spaces within the Shared Visitor Parking Areas shall be used only by the respective visitors and guests of the owners, residents and tenants of the dwelling units in each of the Two Condominiums, and by the Declarant and its employees, agents, representatives, contractors and invitees, for the purposes of parking thereon (on a temporary basis only) only one motor vehicle per space, and each such space shall be individually so designated by means of clearly visible signs. Notwithstanding the foregoing to the contrary, the Declarant, its marketing/sales staff, its authorized personnel or agents, and any prospective unit purchasers shall together have the right to use any of the visitor parking spaces, either individually or as a block of visitor parking spaces (with any such block to comprise no less than ten (10) visitor parking spaces, and to be designated by the Declarant in its sole, unfettered, unchallenged and unreviewable discretion), which right shall cease forthwith upon the sale of all dwelling units owned by the Declarant in each of the Two Condominiums. None of the visitor parking spaces shall be assigned, leased or sold to any unit owner(s) or to any other party or parties, nor otherwise conveyed or encumbered. The use and operation of the visitor parking spaces shall be monitored and controlled by the security concierge or security personnel retained by or on behalf of the Two Condominiums.

ARTICLE 6.00 - THE EASEMENTS

6.01 Confirmation of Easements

The parties hereto hereby acknowledge and agree that the Easements, created or reserved [pursuant to the provisions of Section 40(1 of the Land Titles Act, R.S.O. 1990, as amended, and/or the provisions of section 9(1)(b) and section 20(1)(a) of the Act] o otherwise referred to in the Phase I Condominium's declaration, are hereby expressly confirmed, ratified and agreed to, namely:

Vehicular and Pedestrian Access Easements

a) pedestrian and vehicular access and egress over those portions of the Phase I Lands designated as Part 12 on Reference Pla 66R-20618 (hereinafter referred to as the "**Phase I Common Roadway**"), in favour of the owners from time to time o the Phase II Lands and their successors and assigns, including without limitation, the Phase II Condominium, as well a any owners of units therein, for the purposes of providing pedestrian and vehicular access and egress thereover by sai owners, their service personnel and their tenants, subtenants, permitted occupants and respective invitees or licensee (including without limitation, such pedestrian and vehicular access and egress thereover as may be necessary or desirabl from time to time for the construction and development of any buildings, installations, structures and/or improvements upo the Phase II Lands);

b) pedestrian access and egress over those portions of the Phase I Lands designated as Parts 4, 5 and 6 on Reference Plan 66R 20618 (hereinafter referred to as the "**Phase I Common Walkways & Landscaped Areas**"), in favour of the owners fro time to time of the Phase II Lands and their successors and assigns, including without limitation, the Phase II Condominiun as well as any owners of units therein, for the purposes of providing pedestrian access and egress thereover by said owner their service personnel and their tenants, subtenants, permitted occupants and respective invitees or licensees (includin without limitation, such pedestrian and vehicular access and egress thereover as may be necessary or desirable from tim

to time for the construction and development of any buildings, installations, structures and/or improvements upon the Phase II Lands);

c) vehicular and pedestrian access and egress over those portions of the Phase I Lands designated as Part 13 on Reference Plan 66R-20618 (hereinafter referred to as the "**Phase I Underground Garage Drivelanes & Walkways**"), in favour of the owners from time to time of the Phase II Lands and their successors and assigns, including without limitation, the Phase II Condominium and the owners of units therein from time to time, for the purposes of providing pedestrian and vehicular access and egress thereover by said owners, their service personnel and service vehicles and their tenants, subtenants, permitted occupants and invitees (including without limitation, such pedestrian and vehicular access and egress thereover as may be necessary or desirable from time to time for the construction and development of any buildings, installations, structures and/or improvements upon the Phase II Lands);

d) pedestrian and vehicular access and egress over those portions of the Phase I Lands designated as Parts 7, 8, 9, 10 and 11 on Reference Plan 66R-20618 (hereinafter referred to as the "**Phase I Shared Visitor Parking Areas**"), in favour of the invitees of the owners from time to time of the Phase II Lands and their successors and assigns, including without limitation the invitees of the Phase II Condominium, as well as the invitees of any owners, residents or tenants of the units therein, for the purposes of providing pedestrian access and egress thereover by said invitees and their service personnel/vehicles (including without limitation, such pedestrian and vehicular access and egress thereover as may be necessary or desirable from time to time for the construction and development of any buildings, installations, structures and/or improvements upon the Phase II Lands);

Servicing, Maintenance and Repair Easements

e) an easement, right of way and right in the nature of an easement over, along, upon, across and through the common element areas of the Phase I Condominium (hereinafter referred to as the "**Phase I Servicing Easement Areas**"), in favour of the owners from time to time of the Phase II Lands, the Phase II Condominium and the owners of units therein and their respective successors and assigns for the following purposes:

(i) installing, maintaining, operating, altering, repairing, replacing, inspecting and monitoring such lines, pipes, wires, conduits, cables, watermains, valves and/or meters (including the supply and receipt of services and the discharge of storm and sanitary sewer, effluents and drainage through same) whether presently existing or installed hereafter (and whether same comprise a part of the Shared Servicing Systems or services the Phase II Condominium only) as from time to time may be required or convenient to provide water, hydro, gas, telephone, telecommunication, cable television, irrigation, storm and/or sanitary sewer service(s) to the Phase II Condominium and the unit owners, residents, tenants and permitted occupants therein; and

(ii) providing pedestrian and vehicular access and egress to the Phase II Condominium's service personnel and service vehicles, together with any equipment, materials and/or machinery required to maintain, repair, replace and/or inspect any part of the buildings, installations, structures, improvements and/or services located upon the Phase II Lands (or any portion thereof), or situate upon the Phase I Lands but servicing and benefitting the Phase II Condominium;

including, without limitation, the right to penetrate, cross, drill through, bore onto or travel through any floor slab, ceiling slab, concrete, block or masonry walls, drywall enclosures, or similar installations located upon or within the Phase I Servicing Easement Areas for any of the foregoing purposes, provided that such right shall not impair or diminish the load-bearing capacity or structural integrity of the Phase I Servicing Easement Areas or any portion thereof, or any support that same is or may be providing to any portion of the buildings, structures, installations or improvements located from time to time on the Phase I Lands, nor unreasonably interfere with the use and enjoyment of the Phase I Lands by the unit owners within the Phase I Condominium.

Declarant's Construction Easement

f) an easement, right of way and right in the nature of an easement over those portions of the common elements of the Phase I Condominium designated as Parts 12 and 13 on Reference Plan 66R-20618 (hereinafter referred to as the "**Phase I Construction Easement Areas**"), in favour of the owners from time to time of the Phase II Lands and their successors and assigns, for the following purposes:

(i) vehicular and pedestrian access and egress thereover;

(ii) the temporary storage and retention of construction equipment and/or materials thereon;

(iii) excavating, backfilling, removing and replacing fill and topsoil and undertaking any other works thereon;

as may be required from time to time by said owners, their retained contractors, agents, employees and/or workmen in order to facilitate the construction and erection of the Phase II Condominium upon the Phase II Lands and all of the buildings, installations, structures and/or services required in connection therewith, as well as to facilitate the integration of same with the buildings, installations, structures and/or services comprising the Phase I Condominium located upon the Phase I Lands, and which easement, right of way and right in the nature of an easement shall include, without limitation, the right to penetrate, cross, drill through, bore onto or travel through any floor slab, ceiling slab, concrete, block or masonry walls, drywall enclosures or similar installations within the confines of the Phase I Construction Easement Areas, provided that such right shall not impair or diminish the load-bearing capacity or structural integrity of the Phase I Construction Easement

Areas or any support that same are or may be providing to any portion of the buildings, structures, installations or improvements located on the Phase I Lands, and provided further that this easement, right of way or right in the nature of an easement shall automatically terminate (and be of no further force or effect) 180 days after the registration of the Phase II Condominium; and

Support Easements

g) a right of support over the common elements of the Phase I Condominium on levels A, B and C thereof (hereinafter referred to as the "**Phase I Support Areas**"),in favour of the owners from to time of the Phase II Lands, including without limitation, the Phase II Condominium and any owners of units therein, in respect of, from and by any Support Structure located from time to time within that Phase I Support Areas as are required for the purpose of supporting the buildings, structures, improvements, installations and appurtenances intended to comprise part of the Phase II Condominium, whether same are presently existing or are constructed after the date of registration of the Phase I Condominium.

)2 Invalidity of Easements

Without limiting the generality of the foregoing, and to the extent that any of the Easements shall be finally interpreted or adjudged (by a court of competent jurisdiction) as failing to, or incapable of, creating a right or interest in land, any such Easement so adjudged or interpreted shall be deemed to constitute a licence in favour of those parties and for those specific purposes, as set out herein and the parties hereto shall execute any and all documentation that may be required in order to give further effect to this provision.

)3 General Use of Easements

a) The use and enjoyment of the Easements by the Benefitting Owners, shall be subject to the overriding provisions and/or restrictions set forth in the Declarations and this Agreement.

b) Subject to the provisions set out in sections 6.04, 6.05 and 6.06 of this Agreement with respect to the use of specific Easements:

(i) the Benefitting Owners, in exercising their rights under the Easements, shall act (and cause any other persons using the Easements to act) in a prudent and reasonable manner and in accordance with all applicable laws so as to minimize (insofar as is reasonably possible) the interference and inconvenience occasioned thereby to the owner(s) of the Easement Areas;

(ii) each of the Two Condominiums shall have the right to partially obstruct (on a temporary basis only) an Easement Area (or alternatively, temporarily suspend the benefit of the Easement relating thereto) within its respective lands, in order to maintain and/or repair any buildings, installations, structures and/or services that said condominium has a duty to maintain and repair under the Act, upon ten (10) days prior written notice of such partial obstruction or temporary suspension (as the case may be), being given to the Benefitting Owners, provided however, that in the event said maintenance and repair work involves any part of the Shared Facilities, such maintenance and repair work shall only be carried out in accordance with and pursuant to the provisions of Article 7.00 hereof;

(iii) subject to sections 6.04, 6.05 and 6.06 hereof, there shall be no partial obstruction of an Easement Area (or temporary suspension of the Easements relating thereto) for any purpose other than those specifically set out in this section 6.03, without the consent of the Benefitting Owners, unless alternate arrangements with respect to the use and enjoyment of an Easement Area, satisfactory to the Benefitting Owners, acting reasonably, are implemented.

c) Notwithstanding any provisions contained herein to the contrary, the Shared Facilities Committee shall be entitled to partially obstruct (on a temporary basis) an Easement Area and/or temporarily suspend an Easement if the suspension and/or obstruction is necessary or convenient for the purposes of inspecting, maintaining and/or repairing all or any portion of the Shared Facilities provided, however, that five (5) days prior written notice of the temporary suspension or partial obstruction shall be given to the Benefitting Owners.

d) The temporary suspension of an Easement and/or the partial obstruction of an Easement Area shall be carried out in a reasonable and/or prudent manner so as to minimize the interference or inconvenience occasioned thereby to the Benefitting Owners.

04 Use of Vehicular and Pedestrian Access Easement

Subject only to the provisions of section **6.03(c)** hereof, there shall be no partial obstruction of the Common Roadway, the Underground Garage Drivelanes & Walkways and/or the Shared Visitors Parking Areas (or any temporary suspension of the Easement(s) providing for the use and enjoyment of same) unless and until alternative arrangements for both access and egress to and from the Underground Garage and the provision of visitors' parking satisfactory to the Shared Facilities Committee have been implemented.

.05 Use of Servicing and Maintenance and Repair Easements

a) Subject to section **6.03(c)** hereof there shall be no obstruction or suspension (partial, temporary or otherwise) of the Servicing and Maintenance and Repair Easements if same would result in the interruption of utilities and/or services to any

one or more of the Benefitting Owners for a period of more than three (3) hours without the consent of the Benefitting Owners.

b) Except in the case of an emergency no entry pursuant to the Servicing and Maintenance and Repair Easement shall be made unless and until forty-eight (48) hours prior written notice of the intention to enter is given to the Servient Owners, which notice shall specify the intended time of commencement and completion of the Work intended to be carried out.

c) Any work to be conducted pursuant to the Servicing and Maintenance and Repair Easements shall be carried out in accordance with the provisions of Article 7.00 hereof.

6 **Use of Declarant's Construction Easement**

a) The benefit of the Declarant's Construction Easement shall not be partially obstructed or temporarily suspended without the Declarant's prior written consent thereto.

b) In the event that any buildings, soil, structures or other improvements situate within the Phase I Lands are damaged, destroyed or materially altered by the Declarant or by its workmen, agents, representatives and/or retained contractors or consultants, or by anyone else for whom the Declarant is in law liable or responsible, in the course of the exercise of the Declarant's Construction Easement, then the Declarant shall be responsible for repairing and restoring same to substantially the same condition as existed prior to such damage, destruction or material alteration.

7 **Use of Support Easement**

There shall be no partial obstruction (on a temporary basis) of a Support Structure or temporary suspension of the Support Easements, unless and until sufficient alternate measures providing for the support of any buildings, installations, structures, improvements and appurtenances of the Benefitting Owners have been implemented to the satisfaction of the Benefitting Owners, acting reasonably.

Relocation of Easements

(a) The Declarant shall have the unilateral right to relocate any of the Easement Areas within the Total Site (which relocated easements areas shall be hereinafter referred to as the "**Relocated Easement Areas**"), as well as amend the Easements relating thereto so that same reflect the Relocated Easement Areas (which amended Easements shall be hereinafter referred to as the "**Relocated Easements**"), in order to re-align the Easement Areas with the as-built location of any building, structure, facility and/or improvements intended to be used pursuant to the Easement or to rectify any encroachment of a building, structure, facility and/or improvement that was not intended to be part of the Easement Area, provided however that:

(i) any relocation of an Easement Area and/or amendment of an Easement does not diminish the benefit of the Easement to such an extent that it would no longer be adequate for the purposes intended;

(ii) the Declarant shall prepare a reference plan delineating the Relocated Easement Areas; and

(iii) the Declarant shall be responsible for procuring any and all consents from the Governmental Authorities required in connection with the relocation of the Easements, on the understanding that the Phase I Condominium shall co-operate with the Declarant in satisfying any conditions imposed with respect thereto.

(b) The Phase I Condominium shall use its best efforts to procure any such releases and reconveyances as may be required from time to time in order to evidence and confirm the Relocated Easements and/or Relocated Easement Areas, as hereinbefore contemplated, and shall execute any and all documentation and do and suffer any act necessary to give effect to same, and there shall be no additional consideration payable by any of the parties hereto to the other with respect to the aforesaid release and reconveyance of the relevant Easements, and the transfer, grant and conveyance of the Relocated Easements, provided that the preparation and registration of all of the aforesaid documentation shall be undertaken by the Declarant, all at its sole cost and expense.

Omitted Easements

In the event that a party hereto (referred to in this paragraph as the "**Dominant Owner**") at any time and from time to time shall deliver written notice to any other party hereto (referred to in this paragraph as the "**Servient Owner**") that any easement, right and right in the nature of an easement in, on, over, across, through, above, under, or otherwise pertaining to such Servient Owner's Lands as servient tenement, in favour of the Dominant Owner's Lands which is, in its opinion, acting reasonably, required for the proper and efficient functioning of the Dominant Owner's project, has not been created for any reason, the Servient Owner shall grant, transfer and convey such easement, right, and right in the nature of an easement in accordance with the following provisions of this paragraph and shall co-operate with the Dominant Owner in satisfying any conditions imposed to obtain all necessary consents with respect thereto. The Dominant Owner shall deliver to the Servient Owner with its request for any such an easement a draft reference plan prepared by an Ontario Land Surveyor engaged at the sole cost and expense of the Dominant Owner, depicting thereon those portions of the Servient Owner's Lands which are intended to be made subject to the said easement, together with written reasons explaining why such easement is required. In the event that the Servient Owner shall dispute the requirement for such an easement, such dispute shall be resolved pursuant to the arbitration provisions contained in this Agreement based on the criteria for such an easement set forth above in this paragraph. Provided that the Dominant Owner obtains the necessary consent(s) (if required by operation of law) of the Committee of Adjustment, thirty (30) days following the later of the date upon which such consent(s) becomes final, binding and incapable of further appeal the Servient Owner shall grant, transfer and convey the said easement to the

Dominant Owner. The form of any transfers of easement required to give effect to the aforesaid grant, transfer and conveyance of the said easement, shall be mutually agreed upon by the parties, failing which the form of such transfer of easement shall be decided pursuant to arbitration as provided for by this Agreement. There shall be no additional consideration payable by the parties with respect to the transfer, grant and conveyance of the said easement, provided that the preparation and registration of all of the aforesaid documentation shall be performed by the Dominant Owner all at its sole cost and expense. The obligation to grant, transfer and convey any easement pursuant to this paragraph shall be stayed pending the decision of the arbitration panel with respect to any arbitration initiated pursuant to this paragraph.

ARTICLE 7.00 - MAINTENANCE AND REPAIR WORK

01 The inspection, maintenance, repair and/or replacement of any buildings, installations, structures, improvements and/or services pursuant to the Servicing and Maintenance and Repair Easements or otherwise including any repair after damage (hereinafter collectively referred to as the "**Work**") shall be carried out in accordance with the following conditions, provisions and restrictions:

(i) any Work relating to the Shared Facilities (hereinafter referred to as the "**Shared Work**") undertaken (or required to be undertaken) prior to the creation of the Shared Facilities Committee, shall be carried out and completed under the direction and control of the Declarant, while any Shared Work undertaken (or required to be undertaken) after the creation of the Shared Facilities Committee shall be the sole responsibility of the Shared Facilities Committee and be carried out and completed under the direction and control of the Shared Facilities Committee, and in either case, the cost of undertaking and completing the Shared Work shall comprise part of the Shared Facilities Costs; and

(ii) any Work that does not relate to the Shared Facilities (the "**Exclusive Work**") shall be the responsibility of and carried out under the direction and control of the Benefitting Owners, all at their sole cost and expense.

.02 The Shared Work shall be carried out as soon as reasonably possible, having due regard, to weather conditions and the availability of labour, materials and equipment.

.03 In the event any buildings, soil or structures or other improvements situate within the applicable phase (ie. the Phase I Lands, and/or the Phase II Lands) encompassing the Easement Areas are physically altered or damaged in the course of carrying out the Work, then such alteration or damage shall be forthwith restored and/or repaired (as the case may be) to substantially the same condition as existed prior to such physical alteration or damage having occurred or arisen by:

(i) the Shared Facilities Committee if said damage and/or alteration arose pursuant to any Shared Work; or alternatively

(ii) the Benefitting Owners if said damage and/or alteration arose pursuant to any Exclusive Work, or pursuant to any Shared Work carried out by the Benefitting Owners pursuant to Article 8.00 of this Agreement.

ARTICLE 8.00 - SELF-HELP REMEDIES

.01 Notwithstanding anything hereinafter provided to the contrary, it is expressly understood and agreed that in the event that:

(i) the Shared Facilities Committee has failed to implement, carry out and/or complete any Shared Work that any one or both of the Two Condominiums would otherwise have a duty to implement, carry out and/or complete under the Act;

(ii) any of the Responsible Parties (as hereinafter defined) or the Shared Facilities Committee (as the case may be) fails to obtain and maintain the Shared Facilities Insurance (as that term is hereinafter defined) it is obliged to obtain and maintain pursuant to Article 12.00 hereof; and

(iii) either of the Two Condominiums fails to enter into its Shared Trust Agreement (as hereinafter defined) in accordance with Article 13.00 hereof;

(for the purposes of this section the party failing to carry out the Shared Work, obtain and maintain the Shared Facilities Insurance and/or enter into its Shared Trust Agreement, as the case may be, shall be hereinafter referred to as a "**Defaulting Party**" and the party intending to carry out the Shared Work, obtain and maintain the Shared Facilities Insurance and/or enter into the Shared Trust Agreement, as the case may be, for and on behalf of the Defaulting Party shall be hereinafter referred to as the "**Non-Defaulting Party**") then provided:

(i) written notice has been delivered to the Defaulting Party; and

(ii) the default set out in the aforesaid written notice has not been rectified within fourteen (14) days of the Defaulting Party's receipt of said notice;

the Non-Defaulting Party shall be entitled to carry out the Shared Work (provided however that the provisions of Section 7.02 and 7.03 hereof shall apply mutatis mutandis to said Shared Work), obtain and maintain the Shared Facilities Insurance and/or enter into the Shared Trust Agreement for and on behalf of the Defaulting Party and the cost incurred by the Non-Defaulting Party in connection with any of the foregoing provisions shall, for all purposes, constitute Shared Facilities Costs to be shared and paid for in accordance with the provisions of Article 9.00 hereof.

8.02 For the purposes of this Article 8.00, the commencement of any Shared Work by the Shared Facilities Committee shall be evidenced by either its institution of a tendering process in respect of the Shared Work, or by the actual implementation or utilization of physical labour and/or materials with respect thereto.

Notwithstanding anything hereinbefore provided to the contrary, each of the Two Condominiums shall be entitled to carry out the Shared Work without notice in the case of an Emergency provided however that each of the Two Condominiums shall make reasonable efforts to give prior notice of the nature of the emergency and of the nature and scope of the Shared Work necessary in light of the emergency to the Shared Facilities Committee.

The parties hereto hereby covenant and agree that the amount of any costs incurred by a Non-Defaulting Party in connection with any of the foregoing matters shall not be challenged by any of the other condominiums or the Shared Facilities Committee, unless said amount(s) is clearly demonstrated to be substantially in excess of the reasonable costs and/or expenses that would have otherwise been incurred by the Defaulting Party.

ARTICLE 9.00 - SHARED FACILITIES COSTS

Responsibility for Paying the Shared Facilities Costs

The Shared Facilities Costs shall be allocated and paid for as follows:

a) From and after the registration of the Phase I Condominium to and until the Phase II Escrow Date, the Phase I Condominium shall pay (on a monthly basis) and be solely responsible for two-thirds of the Shared Facilities Costs, and the Declarant shall pay (on a monthly basis) and be solely responsible for the remaining one-third share of the Shared Facilities Costs.

b) From and after the Phase II Escrow Date:

   (i) the Phase I Condominium shall pay (on a monthly basis) and be solely responsible for its Proportionate Share of the Shared Facilities Costs (reflecting the number of dwelling units within this Condominium and the Phase II Condominium as at the Phase II Escrow Date, excluding any designated superintendent suite which may be situate therein); and

   (ii) the Declarant shall pay (on a monthly basis) and be solely responsible for the Phase II Condominium's Proportionate Share of the Shared Facilities Costs (reflecting the number of dwelling units within this Condominium and the Phase II Condominium as at the Phase II Escrow Date, excluding any designated superintendent suite which may be situate therein).

c) Upon the registration of the Phase II Condominium, the Phase II Condominium shall assume and be solely responsible for paying the Phase II Condominium's Proportionate Share of the Shared Facilities Costs and the Declarant shall be automatically released, relieved and fully discharged from any further obligation or liability whatsoever (arising under this Agreement or otherwise) to pay any portion of the Phase II Condominium's Proportionate Share of the Shared Facilities Costs, and forthwith upon the request of the Declarant, each of the Phase I Condominium and Phase II Condominium shall execute a formal release of the Declarant in order to evidence and confirm the foregoing cessation of the Declarant's liability for any further portion of the Shared Facilities Costs, together with such further documents and assurances as the Declarant may reasonably require in this regard.

d) Notwithstanding anything hereinbefore or hereinafter provided to the contrary, it is expressly understood and agreed that there shall be no retroactive re-adjustment (relative to any period of time prior to the registration of the Phase II Condominium) for any portion of the Shared Facilities Costs paid for by either the Phase I Condominium or the Declarant prior to the registration of the Phase II Condominium, in the event of (or as a result of) the total registered dwelling unit count of the Phase II Condominium varying from the estimated dwelling unit count of the Phase II Condominium proposed as at the date of registration of the Phase I Condominium, or as at the Phase II Escrow Date. However, from and after the registration of the Phase II Condominium, the Proportionate Shares of each of the Two Condominiums shall reflect the final registered dwelling unit count of each of the Two Condominiums, and shall be fixed and crystalized.

ARTICLE 10.00 - THE SHARED FACILITIES COMMITTEE

The Shared Facilities Committee shall consist of four (4) members, two (2) of which shall be appointed by (and be members of) the board of directors of each of the Two Condominiums. The appointment of the members to the Shared Facilities Committee shall take place as soon as reasonably possible after the Transfer Date, and all such appointments to the Shared Facilities Committee shall be for a period of one year each (unless such appointment is terminated earlier by the appointment of a replacement member).

In the event that the Phase II Condominium is not registered as of the Transfer Date, then the Declarant shall be entitled to appoint two members to the Shared Facilities Committee, until such time as the Phase II Condominium has been registered. The two members of the Shared Facilities Committee so appointed by the Declarant shall resign (and be concurrently replaced) as soon as reasonably possible after the registration of the Phase II Condominium (and in no event later than the first directors meeting held after the turnover meeting of the Phase II Condominium convened pursuant to Section 43 of the Act).

At least one representative of each of the Two Condominiums (or of the Declarant in respect of the unregistered Phase II Condominium as aforesaid) must be present, in person or by proxy, in order to constitute a quorum for any meeting held or convened by the Shared Facilities Committee, and all decisions of the Shared Facilities Committee shall be determined, effected and evidenced by the unanimous vote of all members who are present (or represented by proxy) at any such meeting, and the chairman of such meeting(s) shall <u>not</u> have a casting or deciding vote.

10.04 Any meeting(s) of the Shared Facilities Committee may be held or convened by way of teleconference, or by any other form of communication system that allows all of the members of the Shared Facilities Committee (or their respective proxies) to participate concurrently, and to communicate with each other simultaneously and instantaneously, provided that all of the members of the Shared Facilities Committee participating in a meeting held or convened by such means have consented thereto, and a member (or his or her proxy) so participating in any such meeting held or convened by such means shall be deemed for all purposes to be present at such meeting. All of the members of the Shared Facilities Committee may, by written resolution signed by all of them, provide their collective consent, in advance, to have any or all meetings of the Shared Facilities Committee conducted in the manner contemplated herein, without the necessity of requiring new consents prior to each and every meeting, provided that such resolution (and the standing consent referred to therein) shall be automatically rendered ineffective from and after (but not prior to) the delivery to the Shared Facilities Committee by any member of a written notice revoking his or her consent to such resolution.

10.05 Once the Shared Facilities Committee has been established following the Transfer Date, the Shared Facilities Committee shall, inter alia, be responsible for the following:

i) making recommendations to each of the Two Condominiums from time to time in connection with any joint by-laws or rules respecting the Shared Facilities, which must ultimately be enacted in accordance with the provisions of section 59 of the Act, including without limitation, rules and procedures with respect to the use, operation, staffing, illumination, maintenance and/or repair of the Shared Facilities, and the manner in which all maintenance and/or repair work with respect to same shall be carried out;

ii) making arrangements for the illumination, maintenance and/or repair of the Shared Facilities, including all equipment and fixtures utilized in connection with the ongoing operation of same, as well as all landscaping, structures, components and/or features comprising any portion of the Shared Facilities, and procuring all requisite public liability and property damage insurance coverage with respect to same;

iii) making arrangements for the provision of all requisite utilities and equipment (eg. heat, water and hydro services) security services and/or computer monitoring services, equipment, staff and programs for the Shared Facilities, including without limitation, the installation and/or reading of separate consumption or check meters measuring the consumption of utilities supplied to the Shared Facilities;

iv) preparing and submitting the Shared Facilities Budget to each of the Two Condominiums, not less than once annually outlining the Shared Facilities Costs, for incorporation by each of the Two Condominiums as part of their respective overal annual budgets, in accordance with the foregoing provisions hereof, including, without limitation, paragraph 4.02 hereof and

v) reimbursing any Non-Defaulting Party for costs incurred in connection with the Self-Help Remedies set out in Article 8.0(hereof.

10.06 It is expressly understood and agreed by the parties hereto that all decisions made (and all actions taken) by the Shared Facilitie Committee shall forthwith be adopted, ratified and confirmed by the respective boards of directors of the Two Condominiums. I addition, the board of directors of each of the Two Condominiums shall jointly determine such other provisions relating to th conduct, activities and operation of the Shared Facilities Committee as may be consistent with the provisions of the Act, th provisions of their respective declarations, and the provisions of this Agreement.

10.07 The Phase I Condominium and its board of directors shall forthwith adopt, ratify and confirm all actions and/or decisions of th Shared Facilities Committee made pursuant to the foregoing provisions.

ARTICLE 11.00 - MUTUAL INDEMNITIES

11.01 The Phase I Condominium hereby covenants and agrees to forthwith repair and/or replace any landscaping, equipment or oth property (both realty and personalty) within the Phase II Lands which is altered, damaged or destroyed by any unit owner(s) in t Phase I Condominium (or by such owner's residents, tenants or invitees) or by the Phase I Condominium's workmen, agent representatives, contractors and/or subcontractors, or by anyone else for whom the Phase I Condominium is in law responsible liable (either vicariously or otherwise), in the course of using (or enjoying the benefits of) the Shared Facilities.

11.02 The Declarant hereby covenants and agrees to forthwith repair and/or replace any landscaping, equipment or other property (bo realty and personalty) within the Phase I Lands which is altered, damaged or destroyed by its workmen, agents, representative contractors and/or subcontractors, or by anyone else for whom the Declarant is in law responsible or liable (either vicariously otherwise), in the course of using (or enjoying the benefits of) the Shared Facilities.

11.03 Subject to the foregoing provisions of this Article, each of the Two Condominiums shall hereafter indemnify and save the oth condominium corporation harmless, from and against all claims, costs, damages and/or liabilities which either of the T Condominiums may hereafter suffer or incur as a result of (or in connection with) the other condominium corporation's u operation, maintenance and/or repair of the Shared Facilities, or any portion thereof, provided however that neither of the T Condominiums shall be indemnified for its own acts or instances of gross negligence or wilful misconduct (nor for any gr negligent acts or omissions or wilful misconduct committed by any one else for whom either of the Two Condominiums so seek indemnification may be vicariously liable, at law or in equity).

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ARTICLE 12.00 - INSURANCE

Until the Transfer Date and the creation thereafter of the Shared Facilities Committee, each of the Two Condominiums (or the Declarant on behalf of the Phase II Condominium until it is registered) (which parties shall be hereinafter individually referred to as a "**Responsible Party**" and collectively referred to as the "**Responsible Parties**") shall obtain and maintain the following insurance with respect to those portions of the Shared Facilities and/or Support Structure (hereinafter collectively referred to as the "**Shared Facilities Insurance**") which are contained within or situate upon their respective lands (which Shared Facilities and Support Structure shall be hereinafter referred to as their "**Respective Portions**"):

(i) public liability insurance with respect to incidents or occurrences happening upon their Respective Portions providing a minimum coverage of $5,000,000.00 per occurrence;

(ii) fire and property damage insurance sufficient to cover 100% of the repair and/or replacement cost of all damaged property (both realty and personalty) comprising part of their Respective Portions; and

(iii) comprehensive boiler, machinery and pressure vessel insurance on a repair and replacement basis, in such amount as would be normally maintained by prudent owners of such buildings and which amount shall initially not be less than $5,000,000.00 and shall contain a "disputed loss agreement" between the property loss insurers and the boiler and machinery insurers;

in accordance with the applicable provisions of the Act and this Agreement.

Each of the insurance policies maintained pursuant to the foregoing section 12.01, shall:

(i) shall not contain any co-insurance clause and name each of the Responsible Parties as a named insured;

(ii) contain a provision whereby the insurer will not cancel or alter or refuse to renew such policy prior to its expiration, except after sixty (60) days prior written notice to each named insured thereunder;

(iii) be taken out and maintained with the same insurer, which insurer shall, until the creation of the Shared Facilities Committee, be chosen by the Declarant, acting reasonably; and

(iv) contain waivers of subrogation which cover at a minimum the Insurance Trustee (as hereinafter defined), the directors, officers, managers, agents, employees, invitees and servants of each of the Two Condominiums and/or the Declarant save and except for arson, fraud, vandalism or wilful misconduct.

Any proceeds arising from the Shared Facilities Insurance shall be payable as follows:

(i) to the Insurance Trustee with respect to any loss occasioned to any Respective Portions comprising part of (or encompassed within) the description of any one or both of the Two Condominiums;

(ii) to the Declarant with respect to any loss occasioned to any Respective Portions not yet contained (or encompassed within) a condominium description;

for the purposes of carrying out any Shared Work arising as a result of damage in accordance with Article 7.00 hereof. In the event there are any surplus funds remaining after the completion of said work the applicable Responsible Party whose Respective Portions has been repaired and/or restored shall be entitled to receive and/or retain all of said surplus funds.

Nothing contained in this Agreement shall be construed to prohibit any of the parties hereto from arranging for additional insurance above and beyond that contemplated herein, provided however, that any premiums with respect to same shall be paid by the party obtaining such additional insurance coverage.

From and after the Transfer Date, the responsibility for procuring the Shared Facilities Insurance shall devolve upon the Shared Facilities Committee for and on behalf of both of the Two Condominiums.

The Responsible Parties (or the Shared Facilities Committee, if same is in existence) shall obtain an appraisal from one or more independent and qualified appraisers in order to ascertain the full replacement cost of the Shared Facilities whenever they mutually agree that such an appraisal is necessary, but not in any event, later than once every three (3) years and the costs of said appraisals shall constitute part of the Shared Facilities Costs.

For purposes of greater certainty and clarity there shall be no obligation to obtain insurance with respect to any portion of the Shared Facilities that have not yet been constructed from time to time nor with respect to any boiler, machinery or pressure valves not yet installed and/or operating or that may not be constructed within any of the phases comprising the Total Project.

ARTICLE 13.00 - INSURANCE TRUSTEE

Each of the Two Condominiums (as and when same are created) shall at all times retain the same insurance trustee (the "**Insurance Trustee**"), and shall enter into (and keep in good standing) an insurance trust agreement with the Insurance Trustee in respect of the Shared Facilities Insurance (hereinafter referred to as the "**Insurance Trust Agreement**").

The Insurance Trust Agreement shall contain provisions regarding the use and/or distribution of any insurance proceeds arising under the Shared Facilities' policies which reflect the terms and provisions of this Agreement, as well as any other provisions (which are

not inconsistent with the terms of this Agreement) that may be agreed upon from time to time, provided however that in the event of any conflict or inconsistency between the provisions of the Insurance Trust Agreement and this Agreement, then the terms of this Agreement shall govern and prevail.

3.03 Each of the Two Condominiums shall fully comply with the provisions of the Insurance Trust Agreement (or any separate insurance trust agreement that each of the Two Condominiums may enter into separately with the Insurance Trustee in respect of the Shared Facilities or any portion thereof).

ARTICLE 14.00 - DAMAGE TO SHARED FACILITIES

4.01 In the event that there is any damage to the Shared Facilities, the Shared Facilities Committee shall be responsible and/or obliged to repair and restore same in accordance with the provisions of Article 7.00 hereof.

4.02 In the event it is necessary to relocate any of the Easement Areas within the Total Site and/or amend the Easements relating thereto as a result of the repair and restoration of damage to the Shared Facilities, in order to re-align the Easement Areas with the as-built location of any building, structure, facility and/or improvements intended to be used pursuant to the Easement or to rectify any encroachment of a building, structure, facility and/or improvement that was not intended to be part of the Easement Area, the provisions of section 6.08 hereof shall apply, mutatis mutandis, to the relocation and/or amendment of the Easements provided however that any obligations imposed therein upon the Declarant shall be the responsibility of the Responsible Parties and/or the Shared Facilities Committee if same is in existence.

ARTICLE 15.00 - TERMINATION OF CONDOMINIUMS

5.01 The obligations and responsibilities contained in this Agreement (including without limitation the obligation to repair after damage set out in Article 14.00 hereof) shall apply notwithstanding that any one or both of the Two Condominiums has elected to terminate the government of its lands under the Act, and in the event of such termination each of the unit owners (and for greater certainty it is acknowledged that said unit owners would be owners of the lands which were formerly encompassed within the condominium, as tenants in common) shall be bound by the terms and provisions of this Agreement as if they were original signatories hereto and shall be jointly and severally liable to comply with all the obligations and covenants contained in this Agreement and shall execute such further assurances as may be required or desired by the other Responsible Parties to give full force and effect to this Article 15.00.

5.02 For the purposes of Section 127(1) of the Act, the obligations arising under this Agreement (including without limitation the obligations contained herein to carry out the Repair and Restoration Work) shall be deemed to be encumbrances against each unit and their appurtenant common interests contained within the description for each of the Two Condominiums that have been created after the registration of the relevant Declaration.

ARTICLE 16.00 - THE EASEMENT CHARGE

16.01 In the event that any of the parties hereto (or in the event that the Phase II Condominium, following its registration under the Act) shall fail to pay or contribute any monies required to be paid or contributed in accordance with the foregoing provisions of this Agreement (including without limitation, any portion of the Shared Facilities Costs incurred pursuant to the Self-Help Remedies set out in Article 8.00 hereof) (hereinafter referred to as a "**Delinquent Party**") within 30 days after receiving written notice from the other party hereto (or from the Phase II Condominium following its registration, provided it is not then in default of its obligations hereunder) or from the Shared Facilities Committee (hereinafter referred to as the "**Non-Delinquent Party**") requesting such monies to be paid or contributed, then the Non-Delinquent Party shall be entitled to pay or contribute those monies which the Delinquent Party should have paid or contributed, and all monies so expended shall, until repaid by the Delinquent Party, bear interest at the rate of **24% per annum**, calculated and compounded monthly on such amount as is from time to time unpaid, and until so paid, such outstanding amount (together with all interest accruing thereon as aforesaid) shall, to the extent thereof, be and constitute a lien and charge against the Delinquent Party's lands (or common element areas, as the case may be) (hereinafter referred to as the "**Easement Charge**").

16.02 Subject to the overriding provisions of section 16.04 hereof, the Easement Charge shall be enforceable by the Non-Delinquent Party in the same manner, and to the same extent, as a real property mortgage or charge, with all of the powers, rights and remedies inherent in, or available to, a mortgagee or chargee when a mortgage or charge of real property is in default pursuant to the provisions of the Mortgages Act, R.S.O. 1990, as amended, and/or any other applicable statutory provision or common law principle applicable thereto.

16.03 In the event that the Land Registrar requires the Non-Delinquent Party 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 the Delinquent Party's lands or common elements to be formally encumbered by the Easement Charge, then the Non-Delinquent Party shall be entitled to forthwith apply to such court for any required order, direction, advice or authorization, and the Delinquent Party shall, for all purposes, be deemed to have consented to any such application so being made for this purpose, and the Delinquent Party shall be forever barred and estopped from bringing or instituting any action, suit, claim or other proceeding to defend, defeat, hinder or delay any such application by the Non-Delinquent Party, or its enforcement of the Easement Charge (save for the institution of arbitration proceedings pursuant to the provisions hereinafter set out, in order to dispute any alleged default and/or the Non-Delinquent Party's entitlement to the Easement Charge). Alternatively, if the Land Registrar permits, the Easement Charge may be enforced by the filing of a caution, a certificate of pending litigation, or any restriction or notice as may be permitted by the provisions of the Land Titles Act, R.S.O. 1990, as amended.

.04 The Easement Charge need not be registered against the title to the Delinquent Party's lands (or common elements), assets or appurtenant interests (nor registered elsewhere) in order to enable or entitle the Non-Delinquent Party to maintain or pursue a civil action against the Delinquent Party for breach of this Agreement. However, notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed that the Easement Charge shall not have any priority claim whatsoever over (or in respect of) the interest of any third party (or parties) in or to the Delinquent Party's lands, assets and appurtenant interests, unless and until the Easement Charge (or any notice thereof, or any caution or certificate of pending litigation with respect thereto) has been registered against the title to same, and once such registration occurs, the Easement Charge shall then be deemed to be fully postponed and subordinate to all liens, mortgages, charges, interests and any other encumbrances (including any and all amendments thereto or extensions thereof made from time to time) which are registered against the Delinquent Party's lands and/or appurtenant interests in priority to the registration of the Easement Charge (all hereinafter collectively referred to as the "**Prior Charges**"), and shall also be deemed to be fully postponed and subordinate to all mortgage advances theretofore made (and thereafter to be made) under any of the Prior Charges.

ARTICLE 17.00 - ARBITRATION

01 Any dispute, difference, issue or question arising between or amongst any or all of the parties hereto (or between or amongst either of the Two Condominiums) which concerns (or touches upon) the validity, construction, meaning, performance or effect of this Agreement, or the rights and liabilities of any of the parties hereto or with respect to any matter(s) arising out of (or connected with) this Agreement, shall be referred to (and resolved by) arbitration pursuant to the Arbitration Act, 1991, S.O. 1991, as amended, in accordance with the overriding provisions set out in this Article. The substantive rules of law applicable to the dispute being arbitrated pursuant to the provisions hereof shall be those of the Province of Ontario, and the arbitration decision so rendered shall be binding upon the parties hereto, and their respective successors and assigns (including each of the Two Condominiums, and their respective unit owners from time to time), and shall <u>not</u> be subject to appeal under any circumstances (whether with respect to a question of law, a question of fact, a question of mixed fact and law, or otherwise).

02 Subject to the provisions of section 17.03 hereof, the arbitration shall be conducted by a single arbitrator, and the parties hereto shall make every reasonable effort to reach an agreement on a single arbitrator within ten (10) days after the arbitration commences (or is deemed to have commenced) in accordance with the provisions of section 17.06 hereof.

03 The arbitration shall be conducted before three (3) arbitrators if the parties hereto fail to agree on a single arbitrator within ten (10) days after the arbitration commences (or is deemed to have commenced) in accordance with the provisions of section 17.06 hereof, or if the amount in dispute exceeds $50,000.00.

04 Any arbitrator appointed pursuant to the provisions of this Article shall have the following qualifications, namely:

a) be a lawyer in good standing with the Law Society of Upper Canada who has been called to the Bar of the Province of Ontario for at least 5 years, and whose practice is primarily devoted to real estate and/or condominium development law;

b) be a member of the ADR Institute of Ontario Inc., or someone who has successfully completed the Arbitration II course at the University of Toronto, or an equivalent course of study focussing on arbitration, or someone who possesses accreditation or certification as a qualified arbitrator in the Province of Ontario; and

c) be impartial and independent of the parties hereto, if acting as a sole arbitrator (other than by virtue of the circumstances set out in section 17.15(b) hereof), or if acting as the third arbitrator/chairperson [ie selected by the other two arbitrators appointed by the disputing parties, or selected or appointed by the Ontario Superior Court of Justice, as the case may be].

05 Any notice or document desired or required to be served or given in connection with the arbitration proceedings conducted in accordance with the provisions hereof shall be in writing, and shall be delivered to the intended party by bonded courier, or sent by telefax, in the manner (and via the telefax number) set out in Article 19.00 hereof.

06 Any party hereto desiring arbitration (the "**Initiating Party**") shall indicate same by notice to the other disputing party or parties hereto (hereinafter individually referred to as the "**Responding Party**" and collectively referred to as the "**Responding Parties**"), setting forth a brief description of the issue(s) or matter(s) submitted for arbitration [and if appropriate, the pertinent sections of this Agreement which are relevant to the determination of the matter(s) or issue(s) in dispute], and said notice (hereinafter referred to as the "**Initiating Notice**") shall be deemed for all purposes to have commenced the arbitration proceedings. The Initiating Party and the Responding Parties shall then have ten (10) days following the delivery of the Initiating Notice (the "**Sole Arbitrator Selection Period**") within which to agree upon a sole arbitrator having the qualifications set forth in section 17.04 hereof. If such agreement is not attained within such time, then the Initiating Party shall, by delivering notice (hereinafter referred to as the "**Appointment Notice**") to each of the Responding Parties within five (5) days after the expiry of the Sole Arbitrator Selection Period, appoint or designate an arbitrator of its own choice. Each of the Responding Parties shall, within five (5) days after receiving the Appointment Notice, appoint or designate another arbitrator (of its own choice) and give notice thereof (hereinafter referred to as the "**Corresponding Appointment Notice**") to the Initiating Party and to the other Responding Party. The three (3) arbitrators so appointed shall, within ten (10) days after the delivery of the Corresponding Appointment Notice, select a chairperson of the arbitral tribunal from amongst themselves. If said arbitrators are unable to agree upon the selection of such chairperson within such time, then the chairperson shall be designated or appointed (from amongst the three arbitrators so chosen or appointed by the parties hereto) by the Ontario Superior Court of Justice, pursuant to an application submitted by any of the disputing parties in accordance with the provisions of the Arbitration Act ,1991, S.O. 1991, as amended, on notice to the other parties hereto. Moreover, if only one of the Responding Parties has appointed or designated an arbitrator of its choice, then the two arbitrators so chosen shall, within ten (10) days after the delivery of the Corresponding Appointment Notice (pursuant to which the second arbitrator was confirmed), select a third arbitrator having the qualifications set forth in section 17.04 hereof who shall act as the chairperson of the arbitral tribunal, and if the said two arbitrators are unable to agree on the selection of said chairperson within such time, then the chairperson shall

be designated or appointed by the Ontario Superior Court of Justice upon an application submitted by any of the disputing parties in accordance with the provisions of the Arbitration Act, 1991, S.O. 1991, as amended, on notice to the other parties hereto.

7.07 The arbitration proceedings shall take place in the City of Toronto, and the chairperson of the arbitral tribunal shall fix the time, date and place within the City of Toronto for the purpose of conducting the formal arbitration proceedings, and hearing such evidence and representations as the parties hereto may present, subject to the provisions hereinafter set forth.

7.08 The chairperson shall (with or without the participation of the other two arbitrators comprising the arbitral tribunal) conduct a pre-arbitration hearing with the disputing parties, not less than five (5) days prior to any date scheduled for the holding of any hearing for the presentation of evidence, in order to identify and narrow the issues in dispute, to discern the relevant evidence to be submitted and the number (and names) of the witnesses to be called (if any), including any expert witnesses needed or desired (and to limit the number of expert witnesses to be called), and to ultimately assess the approximate length of time that the arbitration proceedings will take.

7.09 To reduce the expenses of the arbitration process, no formal transcribing or recording of evidence shall be undertaken unless all parties to the dispute agree thereto (and concomitantly agree to the payment of all costs and expenses associated therewith), but any of the disputing parties and/or the arbitral tribunal may have a tape recorder present to assist in confirming what evidence has been submitted and to monitor the general conduct of the proceedings.

7.10 Each of the disputing parties will be required to submit brief written statements summarizing their respective claims or defences (as the case may be) within the time frame specified by the chairperson, indicating the facts supporting their respective positions, identifying the point(s) in issue and the relief sought, and accompanied by any documents considered relevant. A hearing will thereafter be convened by the arbitral tribunal for the presentation of evidence and the submission of oral arguments by or on behalf of the disputing parties, and the chairperson shall determine any matters of procedure regarding the arbitration proceedings which are not specified herein. To ensure the timeliness of the proceedings, the chairman of the arbitral tribunal may impose financial penalties for the breach of any time limits imposed or established in connection with the submission of written statements, the provision of any documents, or the taking of any step or action by any of the parties hereto in respect of the arbitration proceedings, not exceeding the sum of $500.00 per breach.

7.11 The arbitral tribunal, with or without the request of any party to the dispute, shall have the power to make an order for the detention, preservation or inspection of property and documents that are the subject matter of the arbitration (or connected with any question that may arise during the arbitration proceedings), and shall have the power to order any party to provide security in connection with same, akin to the powers exercisable under section 18(1) of the Arbitration Act, 1991, S.O. 1991, as amended. Any objection to the lack of jurisdiction of the arbitral tribunal to arbitrate the matter(s) or issue(s) in dispute, or pertaining to the arbitral tribunal exceeding its authority, shall be raised by the party alleging same as soon as reasonably possible after the arbitration proceedings have commenced, and any such objection shall be ruled upon by the arbitral tribunal as a preliminary question (rather than being dealt with in its ultimate award), and there shall be no appeal or review of such ruling under section 17(8) of the Arbitration Act, 1991, S.O. 1991, as amended. Moreover, under no circumstances shall the arbitration proceedings be terminated by the arbitral tribunal prior to rendering its decision (and written reasons therefor), simply because the arbitral tribunal finds that the continuation of the arbitration has become unnecessary or impossible pursuant to section 43(3)(b) of the Arbitration Act, 1991, S.O. 1991, as amended.

17.12 The arbitral tribunal shall, after reviewing the statements submitted and hearing the evidence and arguments presented by or on behalf of the disputing parties, render a decision, together with written reasons therefor, as soon as reasonably possible, but in no event later than thirty (30) days following the date that the final submissions have been made by or on behalf of the parties to the dispute and the hearings with respect thereto have been formally concluded, and shall deliver a copy thereof to each of the parties hereto forthwith following the rendering of same. The decision of a majority of the arbitrators comprising the arbitral tribunal shall constitute the award of the tribunal enforceable in accordance with the provisions of the Act, and shall be binding upon the parties hereto, and their respective successors and assigns (including each of the Two Condominiums in existence, and their respective unit owners), and shall <u>not</u> be subject to appeal under any circumstances (whether with respect to a question of law, a question of fact, a question of mixed fact and law, or otherwise).

17.13 The arbitration tribunal shall <u>not</u>, on its own initiative, nor at the request of any party hereto, make any additional award to deal with a claim that was presented or raised (or that could have been presented or raised, based on the evidence or arguments submitted by or on behalf of the parties) in the arbitration proceedings so conducted but nevertheless omitted from the earlier award, as otherwise provided or contemplated under section 44(2) of the Arbitration Act, 1991, S.O. 1991, as amended.

17.14 Unless otherwise provided in the arbitral decision to the contrary, each disputing party shall bear (and be solely responsible for) the costs of its own legal counsel and witnesses, and if the arbitral tribunal comprises three arbitrators, each disputing party shall bear (and be solely responsible for) the costs of the arbitrator that such party has appointed, and if the arbitration proceedings are conducted by a sole arbitrator, then each disputing party shall bear (and be solely responsible for) an equal share of the costs of such sole arbitrator. Notwithstanding the foregoing to the contrary, the chairperson of the arbitration tribunal or sole arbitrator shall, upon hearing brief oral submissions requested to be made with respect to an award of costs, have the power and discretion to award any scale of costs [ie. party and party scale (or partial indemnity scale), solicitor and client scale (or substantial indemnity scale) , etc.], or to fix costs between or amongst the disputing parties, in such amounts (and in such proportions) as the chairperson or sole arbitrator may deem appropriate, provided however that:

a) no prejudgment or postjudgment interest shall be considered or calculated in any award of costs;

b) a party who exceeds any limit imposed by the chairperson of the arbitral tribunal or by the sole arbitrator at the pre-arbitration hearing with respect to the number of witnesses to be called, and/or the number of expert witnesses to be heard,

shall be disentitled to receive any award of costs which purports to compensate such party (in whole or in part) for the provision or attendance of such excess witnesses/experts; and

c) in no event shall any award of costs exceed the sum of $3,500.00 per day (for each day of the arbitration hearings/proceedings) or $50,000.00 in the aggregate.

17.15 Notwithstanding anything hereinbefore provided to the contrary, it is understood and agreed by the parties hereto that if:

a) the arbitration is conducted by a single arbitrator agreed to by all of the disputing parties, as provided or contemplated in section 17.02 and section 17.06 hereof; or

b) if each of the Responding Parties fails to appoint an arbitrator (of its own choice) within five (5) days after receiving the Appointment Notice from the Initiating Party, as provided or contemplated in section 17.06 hereof, then the arbitrator appointed by the Initiating Party may proceed alone to determine the matter(s) or issue(s) in dispute, as the sole arbitrator;

then in either of such cases, all of the provisions hereinbefore set forth pertaining to the timing, manner and conduct of the arbitration proceedings, including the ultimate decision (and costs, if any) awarded in connection therewith shall apply, *mutatis mutandis*, to the arbitration proceedings conducted by such sole arbitrator (and all references to the powers, actions and/or decisions of the chairperson of the arbitral tribunal shall be deemed and construed to be references to the powers, actions and/or decisions of such sole arbitrator), and the decision of such sole arbitrator shall be binding upon the disputing parties, and their respective successors and assigns, and shall not be subject to appeal under any circumstances (whether with respect to a question of law, a question of fact, a question of mixed fact and law, or otherwise).

ARTICLE 18.00 - RELEASE OF THE DECLARANT

8.01 Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed that upon the registration of the Phase II Condominium, the Declarant shall be automatically released, relieved and fully discharged from any and all further obligations and liabilities arising from (or in connection with) the Phase II Condominium under this Agreement or any successor agreement, including without limitation, the obligation to pay any portion of the Shared Facilities Costs, and forthwith upon the request of the Declarant made at any time after the registration of the Phase II Condominium, each of the Two Condominiums shall each execute a formal release of the Declarant in order to evidence and confirm the foregoing cessation of the Declarant's obligations and liabilities, together with such further documents and assurances as the Declarant may reasonably require in connection therewith.

ARTICLE 19.00 - NOTICES

).01 All notices required or desired to be given to any of the parties hereto in connection with this Agreement, or arising herefrom, shall be in writing, and shall be hand delivered to an officer or director of the intended party at the following address, or be delivered by registered mail to the intended party at the following address [and if so mailed, same shall be deemed to have been delivered, received and effective on the 3rd day (excluding Saturdays, Sundays and statutory holidays) following the day on which such notice was mailed]:

a) to the Phase I Condominium - c/o its property manager Del Property Management Inc. 4800 Dufferin Street, Suite 109, Toronto, Ontario, M3H 5S9, Attention: Mr. Saul York

b) to the Declarant - 4800 Dufferin Street, Suite 200, Toronto, Ontario, M3H 5S9, Attention: Mr. Harvey Fruitman

c) to the Shared Facilities Committee (when established or created) by giving same to at least two (2) committee members (who are not representatives or nominees of the same condominium corporation) either personally or by ordinary mail, postage prepaid, address to such member's respective dwelling units.

'.02 Either party hereto may, from time to time, by written notice to the other party hereto, delivered in accordance with the foregoing provisions, change the address to which its notices are to be delivered.

ARTICLE 20.00 - REGISTRATION OF THIS AGREEMENT

:.01 The parties hereto hereby consent to the registration of this Agreement against the title to the Total Site, and hereby acknowledge, confirm and agree that this Agreement shall be deemed and construed to run with the title to each of the Phase I Lands and the Phase II Lands, respectively.

.02 The Declarant further covenants and agrees that upon the registration of the Phase II Condominium, it shall cause the Phase II Condominium to enter into:

(i) an agreement with the Phase I Condominium that is substantially the same as this Agreement, or alternatively to execute a counterpart of this Agreement (with or without the Declarant or the Phase I Condominium as a party or signatory thereto), which formally evidences and confirms that the Phase II Condominium shall be bound by all of the terms, provisions and conditions contained in this Agreement, and shall perform and fulfill all of the obligations of the Declarant set out in this Agreement, insofar as the Phase II Condominium and/or the Phase II Lands are concerned, to the same extent as if the Phase II Condominium had been an original party to this Agreement in the place and stead of the Declarant; and

(ii) an Insurance Trust Agreement with the Insurance Trustee, in respect of any portion of the Shared Facilities comprising part of the Phase II Condominium.

Moreover, notwithstanding anything provided in this Agreement to the contrary, it is expressly understood and agreed that as and when the Phase II Condominium is registered, the Declarant shall be automatically released and forever discharged from all of its covenants, obligations and liabilities arising under this Agreement with respect to the Phase II Condominium and/or the Phase II Lands.

ARTICLE 21.00 - STATUS CERTIFICATE

21.01 Each of the Two Condominiums (and the Declarant on behalf of the Phase II Condominium until same is registered) (hereinafter referred to as a **"Receiving Party"**) shall, within ten (10) days after receiving a written request (hereinafter referred to as a **"Certificate Request"**) accompanied by payment of a fee not in excess of $100.00 (or such higher fee as may be appropriate based on inflationary fee increases), from or by any party interested in the status of this Agreement (hereinafter called the **"Requesting Party"**), execute, acknowledge and deliver to the Requesting Party a certificate (hereinafter called the **"Certificate"**) confirming:

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

(ii) whether or not the terms and provisions of this Agreement have been complied with to date, and whether or not there is any outstanding default alleged (or complained of) by or against any of the Two Condominiums, the Declarant and/or the Shared Facilities Committee, as well as the nature and extent of the default so alleged;

(iii) whether or not any Work or Shared Work has been (or is presently being) performed by either of the Two Condominiums, the Declarant and/or the Shared Facilities Committee, for which the costs will be claimed or charged against either or both of the Two Condominiums, the Declarant and/or the Shared Facilities Committee pursuant to provisions of this Agreement.

21.02 Notwithstanding any provision contained herein to the contrary, it is expressly understood and agreed that nothing shall be charged to (or levied against) the Declarant if it requests at any time hereafter (or any authorized agent or representative of the Declarant hereafter requests) a Certificate pursuant to this Article 21.00.

21.03 The contents of the Certificate may be pleaded as (and shall constitute) a complete defence by the Requesting Party to any litigated claim or action that is inconsistent with the facts recited in the Certificate.

21.04 If a Receiving Party fails to execute and deliver to the Requesting Party the Certificate so requested from them, within ten days after receiving the Certificate Request and the accompanying fee, then they shall be deemed to have certified to the Requesting Party that:

(i) there is no outstanding default by either of the Two Condominiums, the Declarant and/or the Shared Facilities Committee under this Agreement; and

(ii) no Work or Shared Work has been (or is presently being) performed by either or both of the Two Condominiums, the Declarant and/or the Shared Facilities Committee, for which the cost of same is (or may be) claimed or charged against either or both of the Two Condominiums, the Declarant and/or the Shared Facilities Committee, pursuant to the provisions of this Agreement.

ARTICLE 22.00 - RECIPROCAL BENEFIT AND BURDEN

22.01 The parties hereto hereby declare and confirm their mutual intention that the principles of reciprocal benefit and burden (as espousec in the seminal case of Halsall v. Brizell [1957] 1 All E. R. 371), as well as the doctrine of conditional grant of benefits (as outlinec in Halsbury's Laws of England 4th edition, volume 14 at page 79, and as further described in Megarry and Wade's Law of Rea Property 5th edition, at page 769) shall apply to their relationship, and that each of the easements, rights and/or privileges hereinbefor described are intended to establish a basis or framework for the mutual and reciprocal use and enjoyment of the Shared Facilities which are intended to be used, enjoyed and shared by each of the Two Condominiums and the respective unit owners thereof fron time to time (and their respective residents, tenants, customers, officers, directors, employees and invitees). As an integral an material consideration for the continuing right of each of the Two Condominiums to use and enjoy the aforementioned easements rights and privileges (as specifically confirmed in this Agreement, or as subsequently confirmed or incorporated by way of an supplementary Reciprocal Agreement or alternatively any counterpart to the Reciprocal Agreement), each of the parties hereto hereb accepts (and agrees to assume) the corresponding burdens and obligations imposed upon them by virtue of the provisions an covenants set forth in this Agreement. The provisions of this Agreement are intended to run with the real property benefitted an burdened thereby, specifically the Phase I Lands and the Phase II Lands respectively, and shall accordingly bind and correspondingl enure to the benefit of the respective successors in title thereof once this Agreement, or notice thereof, or a counterpart to th Reciprocal Agreement, has been registered against the title to same.

ARTICLE 23.00 - VACATING CONSTRUCTION LIENS

23.01 Each of the parties hereto covenants and agrees to forthwith make any required payment or filing of any security, so as to forthwi remove any construction lien (claimed in respect of a supply of materials and/or the provision of services contracted for by it) whic encumbers the other party's lands, common elements or units (as the case may be), by no later than thirty (30) days after the recei of a written request to do so delivered by or on behalf of the other party (including the Declarant on behalf of the Phase Condominium prior to its registration), failing which the party requesting such lien removal (or the Declarant making such reque on behalf of the Phase II Condominium prior to its registration) may make the requisite payment or post the requisite security in ord to vacate or discharge such construction lien from the title to its lands, common elements or units (as the case may be), and sha thereafter be entitled to full reimbursement from the defaulting party for all monies so expended (and all costs so incurred) vacating such lien.

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ARTICLE 24.00 - SUCCESSORS AND ASSIGNS

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

02 Notwithstanding anything provided in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that:

a) any reference to the Phase I Condominium in this Agreement, where the context pertains to the use or enjoyment of an easement (or some other right, benefit or interest), shall be deemed to include the Phase I Condominium's duly authorized agents, representatives, employees, contractors and/or subcontractors, and shall also specifically include the unit owners thereof and their respective tenants, residents and invitees;

b) any reference to the Declarant and/or the Phase II Condominium in this Agreement, where the context pertains to the use or enjoyment of an easement (or some other right, benefit or interest), shall specifically include the Declarant and the condominium corporation which is ultimately created on the Phase II Lands, and its duly authorized agents, representatives, employees, contractors and/or subcontractors, together with all of the unit owners of said condominium corporation, and their respective tenants, residents and invitees; and

c) any reference to the Shared Facilities Committee shall, unless the context provides otherwise, mean the Declarant in the event that said committee has not yet been created, provided however that any obligations imposed upon the Shared Facilities Committee, including without limitation, the obligation to carry out and/or pay for any maintenance or repair work (hereinafter referred to as the **"Shared Obligations"**), shall apply to the Declarant only insofar as the appropriate contributions have been made by such of the Two Condominiums in existence from time to time (or insurance proceeds are available) to enable the Declarant to carry out and/or pay for any of the Shared Obligations.

ARTICLE 25.00 - FURTHER ASSURANCES

1 The parties hereto hereby covenant and agree to forthwith execute all further documents, instruments and assurances as may be necessary or required in order to carry out the true intent of these presents, and to register this Agreement (or notice thereof) against the title to the Phase I Lands and the Phase II Lands. Without limiting the generality of the foregoing, the parties hereto hereby covenant and agree to execute all such further documents, instruments and agreements as may be required in order to realign the boundaries of the Shared Easement Areas so that same align more accurately with the final location thereof, as finally constructed. Moreover, the Phase I Condominium specifically covenants and agrees to execute, forthwith upon the request of the Declarant following the registration of the Phase II Condominium:

a) such further or supplementary Reciprocal Agreements pertaining to (and generally confirming) those matters and details more particularly set out herein, and containing such additional provisions as the Declarant may deem necessary or desirable in order to more accurately reflect the sharing of the Shared Facilities by the Two Condominiums, but in no case derogating in any material respect from the overall nature and intent of this Agreement;

b) in the event that the Phase II Condominium is registered against less than all of the Phase II Lands, the Phase I Condominium agrees to execute whatever releases or other documents are required in order to delete this agreement from title to that portion of the Phase II Lands which ultimately do not form part of the Phase II Condominium; and

c) such documents, releases and assurances as the Declarant may require in order to evidence and confirm the cessation of the Declarant's obligations and liabilities hereunder with respect to the Phase II Condominium, and the release of all claims by the Phase I Condominium and the Phase II Condominium against the Declarant arising from, or in connection with, this Agreement or any supplementary or further Reciprocal Agreements.

Notwithstanding anything hereinbefore provided to the contrary, it is expressly understood and agreed that if the Phase II Condominium executes a counterpart of this Agreement shortly after it is registered under the Act [which counterpart agreement may or may not have the Declarant and/or the Phase I Condominium as a party or signatory thereto, but which counterpart agreement expressly evidences and confirms the Phase II Condominium's agreement to be bound by all of the terms, provisions and conditions contained in this Agreement, and to perform and fulfill all of the obligations of the Declarant set out in this Agreement, insofar as the Phase II Condominium and/or the Phase II Lands are concerned, to the same extent as if the Phase II Condominium had been an original party to this Agreement in the place and stead of the Declarant], in lieu of executing or entering into any of the supplementary agreements referred to in paragraph 25.01(a) hereof [which would require the execution thereof by each of the Phase I Condominium and the Phase II Condominium], then the Phase I Condominium shall nevertheless be bound by all of the terms and provisions of the said counterpart agreement, to the same extent as if the Phase I Condominium had duly executed same together with the Phase II Condominium.

ARTICLE 26.00 - MISCELLANEOUS PROVISIONS

This Agreement is subject to compliance with the subdivision and part-lot control provisions of the Planning Act, R.S.O. 1990, as amended.

The headings used throughout the body of this Agreement form no part hereof, but shall be deemed to be inserted for convenience of reference only.

This Agreement shall be read and construed with all changes in gender and/or number as may be required by the context.

)4 If any clause or section of this Agreement shall be determined by a court of competent jurisdiction to be illegal or unenforceable, then such clause or section shall be considered separate and severable from the rest of this Agreement, and the remaining provisions hereof shall remain in full force and effect, and shall continue to be binding upon the parties hereto as though the said illegal or unenforceable clause or section had never been included.

)5 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.

WITNESS WHEREOF the parties hereto have hereunto executed this Agreement, by their respective authorized signing officers, as of date first above-mentioned.

RONTO STANDARD CONDOMINIUM
RPORATION NO. 1566

Elio Zoffranieri - President

ıve authority to bind the Corporation

MONDEO DEVELOPMENTS INC.

Per: Sam Lazaroff

Sam Lazaroff - President

I have authority to bind the Corporation