



WATERFRONT CONDOMINIUMS

DISCLOSURE STATEMENT

Phase 1



**AQUAZUL CONDOMINIUMS
CONCORD PLACE, GRIMSBY**

INDEX

	<u>TAB</u>
DISCLOSURE STATEMENT TABLE OF CONTENTS.....	1
DISCLOSURE STATEMENT.....	2
Schedules	
A	- Schedule of Units (Phase One and Phase Two)
B	- Statement of Amenities
C	- Description of Significant Features of Agreements
D	- Budget Statement and Notes – Phase One
E	- Budget Statement and Notes – Both Phases
F	- Purchaser’s Rescission Rights under the <i>Condominium Act</i> , 1998
G	- Sketch of Property
H	- Schedule “D” to Declaration (Proportion of Common Interest & Contributions to Common Expenses after of both Phase One and Phase Two)
Draft DECLARATION.....	3
Schedules	
A	- Description of Property
B	- Consent of Mortgagee
C	- Boundaries of Units
D	- Proportion of Common Interest & Contributions to Common Expenses – Phase One
E	- Specification of Common Expenses
F	- Exclusive Use Common Elements
G	- Architect’s/Engineer’s Certificate
BY-LAWS.....	4
Number 1 – General	
CONDOMINIUM MANAGEMENT AGREEMENT.....	5
RULES.....	6

TAB 1

Concord Place, Grimsby
AQUAZUL CONDOMINIUMS

DISCLOSURE STATEMENT TABLE OF CONTENTS
(under subsection 72(4) of the *Condominium Act*, 1998)

Declarant’s Name: HOMES BY DESANTIS (LAKE) INC.

Declarant’s municipal address: 461 Green Road, Unit 10, Stoney Creek, ON L8E 5B4

Brief legal description of the property/proposed property:

PT LT 17 CON 1 NORTH GRIMSBY AS IN RO544827; GRIMSBY, being all of PIN 46006-0016 (LT); and
PT LT 17 CON 1 NORTH GRIMSBY AS IN RO406148; TOWN OF GRIMSBY, being all of PIN 46006-0017 (LT)

Mailing address of the property/proposed property: 8 and 12 Concord Place, Grimsby

Municipal address of the property/proposed property (if available): TBD

Condominium Corporation: Condominium plan not registered (known as the “Corporation”)

The Table of Contents is a guide to where the Disclosure Statement deals with some of the more common areas of concern to purchasers. Purchasers should be aware that the disclosure statement, which includes a copy of the existing or proposed Declaration, By-laws and Rules, contains provisions that are of significance to them, only some of which are referred to in this Table of Contents.

Purchasers should review all documentation.

In this Table of Contents,

“unit” or “units” includes proposed unit or units;

“common elements” includes proposed common elements;

“common interest” includes a proposed common interest; and

“property” includes proposed property.

This disclosure statement deals with significant matters, including the following:

MATTER		The article, paragraph (and/or clause) and page number where the matter is dealt with in the existing or proposed declaration, by-laws, rules or other material in the disclosure statement.
1. The Corporation is a freehold condominium corporation that is a standard condominium corporation, which will be phased.	Yes	Refer to Section 4 of Disclosure Statement and see Declaration, Section 1.2
2. The property or part of the property is or may be subject to the <i>Ontario New Home Warranties Plan Act</i> .	Yes	Refer to Section 5(g) of the Disclosure Statement

3. The common elements and the units are enrolled or are intended to be enrolled in the Plan within the meaning of the <i>Ontario New Home Warranties Plan Act</i> in accordance with the regulations made under that Act. Note: Enrolment does not necessarily mean that claimants are entitled to warranty coverage. Entitlement to warranty coverage must be established under the <i>Ontario New Home Warranties Plan Act</i> .	Yes	Refer to Section 5(g) of the Disclosure Statement.
4. A building on the property or a unit has been converted from a previous use.	No	Refer to Section 5(h) of the Disclosure Statement.
5. One or more units or a part of the common elements may be used for commercial or other purposes not ancillary to residential purposes.	No	Refer to Section 4 of the Disclosure Statement and Section 4.1 of the Declaration.
6. A provision exists with respect to pets on the property.	Yes	Refer to Section 4.1(f) of the Declaration; Section 29 of the Rules generally.
7. There exist restrictions or standards with respect to the use of common elements or the occupancy or use of units that are based on the nature or design of the facilities and services on the property or on other aspects of the buildings located on the property.	Yes	Refer to Articles III and IV of the Declaration; and the Rules generally.
8. The Declarant intends to lease a portion of the units. The portion of units to the nearest anticipated 25 per cent, that the declarant intends to lease is 25 per cent.	No	Refer to: N/A
9. The common interest appurtenant to one or more units differs in an amount of ten (10) percent or more from that appurtenant to any other unit of the same type, size and design.	No	Refer to Schedule D of the Declaration.
10. The amount that the owner of one or more units is required to contribute to the common expenses differs in an amount of ten (10) percent or more from that required of the owner of any other unit of the same type, size and design.	No	Refer to Schedule D of the Declaration.
11. One or more units are exempt from a cost attributable to the rest of the units.	No	Refer to Schedule D of the Declaration.
12. There is an existing or proposed by-law establishing what constitutes a standard unit. Under clause 43(5)(h) of the <i>Condominium Act</i> , 1998, the Declarant is required to deliver to the board, a schedule setting out what constitutes a standard unit.	No	Refer to Paragraph 5(l) of the Disclosure Statement.
13. Part or the whole of the common elements are subject to a lease or license.	No	Refer to: N/A
14. Parking for owners is allowed:		
(a) in or on a parking unit	Yes	Refer to Section 4(c) of the Disclosure Statement and Section 4.2 of the Declaration
(b) on the common elements	No	Paragraph 25 of the Rules.
(c) on a part of the common elements of which an owner has exclusive use.	No	Refer to: N/A
There are restrictions on parking:	Yes	Refer to Section 4.2 of the Declaration and Section 25 of the Rules.
15. Visitors must pay for parking.	No	Refer to: Section 5(n) of the Disclosure Statement.

There is visitor parking on the property.	Yes	Refer to: Section 5(n) of the Disclosure Statement.
16. The Declarant may provide major assets and property, even though it is not required to do so.	No	Refer to: N/A
17. The corporation is required:		
(a) to purchase units or assets;	No	Refer to: N/A
(b) to acquire services;	Yes	Refer to: Management Agreement
(c) to enter into agreements or leases with the Declarant or a subsidiary body corporate, holding body corporate or affiliated body corporate of the Declarant.	No	Refer to: N/A
18. The Declarant or a subsidiary body corporate, holding body corporate or affiliated body corporate of the Declarant owns land adjacent to the land described in the description:	Yes	Refer to: Section 4 of the Disclosure Statement
(a) the current use of the land is a Commercial development site.		
(b) The Declarant has made representations respecting the future use of the lands.	Yes	Refer to Section 4(b) of Disclosure Statement.
(c) Applications have been submitted to an approval authority respecting the use of the land. The disclosure statement contains a summary of the applications.	Yes	Refer to Sections 5(m) of Disclosure Statement.
19. To the knowledge of the Declarant, the Corporation intends to amalgamate with another corporation or the Declarant intends to cause the Corporation to amalgamate with another corporation within sixty (60) days of the date of registration of the declaration and description for the Corporation.	No	Refer to Section 5(i) of the Disclosure Statement
10. There are two (2) pay per use electric charging stations for electric vehicles.	Yes	Refer to Section 4(d) of the Disclosure Statement

The purchaser's rights under the *Condominium Act*, 1998 to rescind an Agreement of Purchase and Sale are set out in Schedule F of the Disclosure Statement.

This disclosure statement is made this 1st day of September, 2016

TAB 2

Concord Place, Grimsby
AQUAZUL CONDOMINIUMS

DISCLOSURE STATEMENT

- 1. **Name and Address of Proposed Declarant:**
HOMES BY DESANTIS (LAKE) INC.
461 Green Road, Unit 10
Grimsby, Ontario
L8E 5B4
- 2. **Condominium:**
Niagara North Standard Condominium Corporation No. _____
Grimsby, Ontario
- 3. **Municipal and Mailing Address of the Property:**

8 and 12 Concord Place, Grimsby, Ontario
- 4. **General Description of the Condominium Project:**

(a) **Type of Condominium:**

The condominium project being developed by the declarant is a freehold condominium corporation that is a standard condominium corporation, and may be created in two (2) phases. (the "Condominium").

(b) **Division and Composition of the Project/Phased Condominium Part XI of the *Condominium Act, 1998* (the "Act")**

The Condominium may be developed as a phased condominium in accordance with Part XI of the Act. Part XI allows for the incremental development of this Condominium through the vehicle of a single condominium. This Disclosure Statement reflects the requirements of the Act for disclosure of Phase one ("**Phase One**") which will be registered as a standard condominium corporation. Following registration and in compliance with Part XI of the Act, one (1) additional phase ("**Phase Two**"), when marketed and constructed, may be created by registration of amendments to the declaration and description pursuant to Section 146 of the Act. When the additional phases are registered, all registered phases will constitute one condominium corporation and be governed by a single declaration and single set of by-laws and rules. The statutory requirements for disclosure with respect to a phased condominium corporation created under Part XI of the Act are set out in Paragraph 6 of this Disclosure Statement.

The Declarant may register all of the units in Phase One and Phase Two at the same time, at the time of the registration of the Declaration.

Delivered to each Purchaser with this Disclosure Statement is a draft sketch showing the proposed location of the Condominium. The draft sketch shows the location of buildings, units, road and amenities for the Condominium. The draft sketch indicates the delineation of each phase of the proposed condominium (See Schedule "G").

NOTE TO PURCHASERS: The actual location of structures on the draft plan of condominium and the number of units in either or both phases may be altered and/or revised to comply with the final site plan and other approvals from the Town of Grimsby and other appropriate governmental authorities.

Phase One, also referred to as East Building, and municipally known as 12 Concord Place, Grimsby, will consist of one (1) building with six (6) storeys and more or less one hundred and sixty-four (164) residential units ("East Building").

Phase Two (being the Phase to be registered after Phase One) will consist of one (1) building, also referred to as West Building, and municipally known as 8 Concord Place, Grimsby, with six (6) storeys and more or less one hundred forty-four (144) residential units

("West Building"). **NOTWITHSTANDING, PURCHASERS ARE ADVISED THAT THE AMOUNT OF STOREYS/UNITS IN THE WEST BUILDING IS SUBJECT TO THE FINAL DISCRETION OF THE MUNICIPALITY AND OTHER GOVERNMENTAL BODIES, AND NO SUCH INCREASE, ADDITION, ALTERATION OR CHANGE TO THE PROPOSED WEST BUILDING SHALL CONSTITUTE A MATERIAL CHANGE.**

Purchasers in the Condominium are notified that during the construction of the Condominium and the future phase, the Declarant, its contractors, suppliers and trades supplier and trades will be entitled to use those portions of the common elements of the Condominium as may be necessary and that during construction, a certain amount of dust, noise and heavy traffic will occur. The Declarant will take reasonable efforts to ensure that its contractors, suppliers and trades will carry out their work on behalf of the Declarant, in such a manner as to reasonably reduce and minimize the degree of interference and discomfort of the residents of the Condominium, with their use and enjoyment of the Property, provided that nothing shall derogate from the right of the Declarant to complete construction of the Condominium and the future phases.

Attached as Schedule "G" to this Disclosure Statement is a draft Site Plan.

In addition to the Condominium, the Declarant (or an affiliated corporation or entity) also intends to further develop on the adjacent lands (hereinafter referred to as the "Adjacent Lands Development"), which may or may not include a commercial office building. **PURCHASERS ARE ADVISED THAT THE NATURE OF THE ADJACENT LANDS DEVELOPMENT IS SUBJECT TO THE FINAL DISCRETION OF THE MUNICIPALITY AND OTHER GOVERNMENTAL BODIES, AND NO SUCH ADDITION, ALTERATION OR CHANGE TO THE PROPOSED ADJACENT LANDS DEVELOPMENT SHALL CONSTITUTE A MATERIAL CHANGE.** The Adjacent Lands Development will not form part of the Condominium.

NOTE TO PURCHASERS: Reciprocal easements as between the Condominium and the adjacent Aquablu Condominium and Adjacent Lands Development may be required in order to accommodate parking and access for that development.

(c) **Proposed Types and Number of Units**

Residential, Parking and Locker Units

NOTE TO PURCHASERS: It is currently anticipated that upon completion of both Phase One and Phase Two, there will be 308 residential units in total. However, this number of units may fluctuate between 308 and 380 residential units depending upon Final Site Plan approval and other approvals from the Town of Grimsby and other appropriate governmental authorities. The total number of storeys in a particular building may also be increased depending upon Final Site Plan approval and other approvals from the Town of Grimsby and other appropriate governmental authorities.

A REDUCTION OF THE NUMBER OF UNITS BELOW 308 MAY RESULT IN A MODEST INCREASE IN THE PERCENTAGE INTEREST IN THE COMMON ELEMENTS AND AS A RESULT, AN INCREASE IN THE MONTHLY COMMON EXPENSES. SUCH INCREASE SHALL NOT CONSTITUTE A MATERIAL CHANGE.

PURCHASERS ARE ADVISED THAT IN THE EVENT A UNIT PURCHASED IS ELIMINATED DUE TO CHANGES IN THE NUMBER OF UNITS DUE TO FINAL SITE PLAN APPROVAL OR OTHER APPROVALS, THE ELIMINATED UNIT WILL BE SUBSTITUTED WITH A COMPARABLE UNIT ON THE SAME OR HIGHER LEVEL, WITHIN THE SAME BUILDING AND SUCH SUBSTITUTION SHALL NOT CONSTITUTE A MATERIAL CHANGE.

AN INCREASE IN THE TOTAL NUMBER OF STOREYS IN A PARTICULAR BUILDING SHALL NOT CONSTITUTE A MATERIAL CHANGE.

- (i) It is estimated that there will be 189 Locker Units located in East Building and 124 Locker Units located in West Building for a total of 313 Locker Units; however, the total number of Locker Units remains subject to change at the discretion of the municipality.

- (ii) It is estimated that there will be 387 Parking Units in East Building, which will be for the use of both East Building and West Building; however, the total number of Parking Units shall remain subject to change at the discretion of the municipality.
- (iii) The purchase of a unit within the Condominium will automatically entitle the owners of the units to ownership of one (1) Locker Unit and one (1) Parking Unit.
- (iv) All Parking Units and Locker Units will be assigned by the Declarant, at the Declarant's discretion, acting reasonably, prior to registration of the Declaration.
- (v) In the event the Declarant retains ownership of any unsold Parking Units or Locker Units, it may ultimately deal with its interest in such Parking Units/Locker Units in the following manner:
 - (A) by offering to lease additional Parking Units/Locker Units, with or without an option to purchase to unit owners and tenants in actual occupation of a unit; and/or
 - (B) by offering to sell some or all of the additional Parking Units/Locker Units, following completion of all or substantially all of the unit sales, to the condominium corporation, or the unit owners or the tenants in actual occupation of a unit, at the then prevailing market price.
- (vi) In the event the Corporation acquires additional Parking Units from the Declarant, the Board of Directors of the Corporation may, from time to time, designate such Parking Units as visitor parking or for storage or other alternate uses provided that such alternate use(s) complies with municipal by-laws and has first been approved by the unit owners at a special meeting duly called for such purpose.
- (vii) Two (2) parking spaces located underground will be pay per use electric vehicle charging stations.

(d) Description of Amenities:

This Condominium will have the benefit of the following recreational facilities or other amenities, which shall be shared amongst East Building and West Building:

Amenity Balcony
 Billiard Room
 Fitness Centre
 Club Room
 Theatre Room
 Electric Car Charging Stations (pay per use)
 Swimming Pool

 Bike Room

5. Miscellaneous:

- (a) The Declarant reserves its right to sell blocks of units to investors. In the event that the Declarant is unable to sell all of the units to unit owners, the Declarant may lease some of the unsold residential units to tenants. It is anticipated that the portion of residential units leased will not exceed twenty-five percent (25%).
- (b) A description of the significant features of the proposed Management Agreement is set out in Schedule "C" to this Disclosure Statement.
- (c) Descriptions of the significant features of agreements regarding provisions of various services are set out in Schedule "C" attached to this Disclosure Statement.
- (d) The proposed budget summary and budget statement for the one (1) year period immediately following the registration of the condominium are attached as Schedules "D" and "E".

(e) Upon registration, the condominium property may be subject to easements in favour of gas, telephone and utility providers, a cable TV company, and easements for the installation and maintenance of equipment and sewer drainage, together with the right of access to portions of the project which are unencumbered by buildings or other structures incidental to the exercise of the easements. The locations of all of these easements have not yet been finally established and may, in fact, not all be reflected by registered agreements. In addition, upon registration, the condominium property will be subject to Pre-Servicing Agreement, Site Plan Agreement, and Development Agreements and Maintenance and Use Agreements in favour of the City of Grimsby (and/or its predecessors).

(f) Purchasers of units are advised the heating pump in each unit will form part of the unit and will be subject to a lease agreement with Enercore Homes Services, at a monthly rental rate of \$39.50, and which agreement will be automatically assumed by the purchaser upon occupation of the unit; the monthly rental rate shall be paid directly to Enercore Homes Services by the purchaser. Gas and water will be bulk metered and paid through common expenses and hydro shall be separately metered for each unit and paid directly to the provider.

(g) The Condominium property will be subject to the Ontario *New Home Warranty Plan Act* and the Declarant intends to enroll the proposed units and common elements in the Plan within the meaning of the Ontario *New Home Warranty Plan Act* in accordance with the regulations made under that Act.

(h) No building on the Condominium property or a unit or a proposed unit has been converted from a previous use.

(i) The Declarant does not intend to cause the Condominium Corporation to amalgamate with another condominium corporation within sixty (60) days of the date of registration of the declaration and description for the Condominium Corporation.

(j) Attached hereto as Schedule "F" to this Disclosure Statement is a copy of Sections 73 and 74 of the *Condominium Act*, 1998, which sets out the Purchaser's rights under the *Condominium Act*, 1998 to rescind an Agreement of Purchase and Sale.

(k) Pursuant to subsection 82(8) of the *Condominium Act*, 1998, the Declarant is entitled to retain the excess of all interest earned on money held in trust over the interest that is required to be paid to a purchaser under Section 82 of the *Condominium Act*, 1998.

(l) There is no by-law or proposed by-law of the Corporation establishing what constitutes a standard unit, however, under Clause 43(5)(h) of the Act, the Declarant will deliver to the Board within thirty (30) days of the turn-over meeting, a schedule setting out what constitutes a standard unit for each class of unit that the Declarant specifies for the purpose of determining the responsibility for repairing improvements after damage and insuring them.

(m) The Declarant has submitted an application for zoning approval for the proposed Condominium and the Adjacent Lands Development.

(n) There will be outdoor visitor parking on the property and there will not be a fee charged for visitor parking.

(o) Private garbage collection will be provided for the Condominium and paid for through common expenses.

(p) The Common Expenses are calculated by multiplying the total expenses (as set out in the current budget) by the percentage contribution applicable to each unit, as set out in Schedule "D" to the Declaration.

6. Phased Condominium Corporation

(a) Intent to Create Phases

The Declarant may register Phase Two (being West Building) as a phase after the registration of the Declaration to create the units in East Building, although it may register

East Building and West Building as one (1) Standard Condominium upon the registration of the initial Declaration.

(b) No Requirement to Create Phases

Under clauses 147(1)(b) of the Act, the Declarant is not required to create a phase after the creation of the Unit or proposed Unit.

(c) Projected Years to Create Future Phases

The projected year of registration of the amendment to the Declaration and Description required for creating Phase Two (being West Building) that the Declarant intends to create is September, 2020.

(d) Number of Units in Future Phases

The number of units that the Declarant intends to create in Phase Two (West Building) is one hundred forty-four (144) residential units and one hundred twenty-four (124) locker units.

NOTE TO PURCHASERS: The Declarant reserves the right to increase or decrease the number of Units in any Phase, including the first phase which will result in a concomitant addition or reduction of an equal number of units in one or more of the other phases. The total number of Units in a particular phase may be modified as a result of market conditions and the total number of phases may be reduced as a result of market conditions. THE TOTAL NUMBER OF UNITS AND STOREYS IN A PARTICULAR BUILDING MAY BE INCREASED OR DECREASED DEPENDING UPON FINAL SITE PLAN APPROVAL AND OTHER APPROVALS FROM THE TOWN OF GRIMSBY AND OTHER APPROPRIATE GOVERNMENTAL AUTHORITIES.

(e) Legal Description of Future Phases

The legal description for Phase Two that the Declarant intends to create after creation of the Unit or proposed Unit is as follows:

PT LT 17 CON 1 NORTH GRIMSBY AS IN RO544827 and RO406148, GRIMSBY, being part of PIN 46006-0016 and PIN 46006-0017 (LT)

(f) Location of Buildings and Structures in Future Phases

The approximate location of the buildings and structures to be contained in Phase Two (West Building) that the Declarant intends to create are displayed on a sketch or draft plan of condominium for each future phase, which are included as part of this Disclosure Statement. However, this may be subject to change at the discretion of the municipality.

(g) Shared Facilities and Services in Future Phases

The facilities and services to be contained in each phase that the Declarant intends to create are:

- Amenity Balcony
- Billiard Room
- Fitness Centre
- Club Room
- Theatre Room
- Electric Car Charging Stations (pay per use)
- Swimming Pool
- Bike Room

It is intended that all amenities as set out in Schedule B to this Disclosure Statement will be completed in Phase One.

(h) Common Interest/Common Expenses Proportion

The proportions, expressed in percentages, of the common interests and common expenses attributable to the Units after the creation of Phase Two are set out in Schedule “H”, which is the proposed Schedule “D” to the Declaration following registration of the amendment to the Declaration to create Phase Two.

(j) Quality of Material/Appearance of Buildings

There are no representations with respect to the quality of materials or appearance of buildings to be created in future phases other than those specifically set out as represented in the Disclosure Statement.

(k) Ten Year Limitation

No amendments to the Declaration and Description creating a phase may be registered after more than ten (10) years after the registration of the Declaration and Description that created the Corporation.

SCHEDULE “A”

**TO
DISCLOSURE STATEMENT FOR
8 and 12 Concord Place, Grimsby
AQUAZUL CONDOMINIUMS**

SCHEDULE OF UNITS

NOTE TO PURHCASERS: It is currently anticipated that upon completion of both Phase One and Phase Two, there will be 308 residential units in total. However, this number of units may fluctuate depending upon Final Site Plan approval and other approvals from the Town of Grimsby and other appropriate governmental authorities. The total number of storeys in a particular building may be increased depending upon Final Site Plan approval and other approvals from the Town of Grimsby and other appropriate governmental authorities.

Phase One – East Building

Residential Units

Level 1	Units 1 – 26
Level 2	Units 1 – 26
Level 3	Units 1 – 26
Level 4	Units 1 – 30
Level 5	Units 1 – 29
Level 6	Units 1 – 27

Parking Units

Level A - Units 1 – 387

Locker Units

Level A – Units 388 – 444
Level 3 – Units 27 – 59
Level 4 – Units 31 – 63
Level 5 – Units 30 – 62
Level 6 – Units 28 – 60

Phase Two – West Building

Level 1	Units 27 – 51
Level 2	Units 27 – 51
Level 3	Units 60 – 84
Level 4	Units 64 – 87
Level 5	Units 63 – 83
Level 6	Units 61 – 82

Locker Units

Level 3 – Units 85 – 115
Level 4 – Units 88 – 118
Level 5 – Units 84 – 114
Level 6 – Units 83 – 113

Note: Numbering will change upon registration of condominium to accommodate numbering of residential, parking and locker units.

Locker Units – 313 Units between both buildings
Parking Units – 387 Units between both buildings

SCHEDULE "B"**TO****DISCLOSURE STATEMENT - Concord Place, Grimsby
AQUAZUL CONDOMINIUMS****AMENITIES**

Amenity Balcony
Billiard Room
Fitness Room
Club Room
Theatre Room
Electric Car Charging Stations
Swimming Pool
Bike Room

Proposed Commencement Date

The Declarant estimates that construction of the amenities will commence by approximately December 31, 2018.

Proposed Completion Date

The Declarant estimated that construction of the amenities will be completed approximately June 28, 2020, but in any event no sooner than 120 days following the first occupancy of a residential dwelling unit in the building and will be available for use by occupancy immediately following its completion.

NOTE: The Declarant reserves the unfettered right to amend, alter or otherwise change or delete any one or more of the proposed Amenities all in its sole, absolute and unfettered discretion. As of the date of this Disclosure Statement, the Declarant is unable to describe the amenities that will be available to the occupants of the Condominium during the interim occupancy period.

The anticipated commencement and completion date may, however, be delayed due to strikes or other labour disruptions, shortages in materials and equipment, inclement weather conditions or by other causes or events beyond the Declarant's control.

The Agreement of Purchase and Sale executed by purchasers of units in the Condominium provides that the Vendor may extend the Occupancy Date for every purchaser, by a period or periods of time as more particularly specified therein. All purchasers are hereby notified that any delay in the Occupancy Date specified in their agreement of purchase and sale may ultimately lead to similar delay in the commencement and completion date of the Amenities.

SCHEDULE “C”

TO

**DISCLOSURE STATEMENT - Concord Place, Grimsby
AQUAZUL CONDOMINIUMS**

DESCRIPTION OF SIGNIFICANT FEATURES OF PROPOSED AGREEMENTS

The following is a brief description of the significant features of all Agreements and proposed Agreements mentioned in sections 111, 112, 113 and 114 of the Condominium Act and all agreements or proposed agreements between the corporation and another corporation. This description is not meant to be exhaustive and does not contain a full summary of all provisions of agreements, but does contain a summary of certain material provisions of them and of applicable provisions. Any statement herein as to the provisions of the agreements is qualified in all respects by the contents of such agreements, and reference should be made to the actual agreements.

The Management Agreement and Service Agreements which will be entered into by the Condominium Corporation when the majority of the members of the Board of Directors have been elected when the Declarant is the registered owner of a majority of the units and that will not expire within twelve (12) months after their effective date, are as follows:

Cable TV

The Declarant will enter into a cable television agreement for installation of a cable television or other distribution system in the buildings. No master TV antenna will be provided. Unit owners wishing to have cable television service will be able to obtain cable television service at current prevailing monthly rates. No other cable television or television antenna distribution system may be installed in the building and the materials used to install the cable television system may remain the property of the supplier.

Utilities

The usual utility contracts for electricity, gas and water will be entered into by the Condominium Corporation.

Heating Pump Lease Agreement

The Purchasers will be obligated to enter into a lease agreement for the heating pump which forms part of their unit, and which is rented for a monthly rental rate of \$39.50.

Operating Service Contracts

Operating Service Contracts will be entered into by the manager on behalf of the Corporation. Some of the contracts will be for a term extending beyond a one (1) year period but the terms of the contract have not been negotiated.

Management Agreement

The Condominium Corporation will enter into a Management Agreement with PROPERTY MANAGEMENT GUILD INCORPORATED (the “Manager”) pursuant to which the Manager is to be the sole and exclusive representative and managing agent of the Corporation for a period of one (1) year following registration of the condominium and thereafter from year to year until terminated by either party. The Manager is entitled thereunder to act in the name of the Corporation as may be necessary for the performance of the Corporation’s duties under the Declaration, the *Condominium Act, 1998* and By-Laws.

The duties of the Manager are as set out in the Management Agreement which is provided to each Purchaser and do not include the duties of the officers of the Corporation as set forth in the By-laws, except as may be specifically provided otherwise. A brief summary of the Manager’s duties,

which does not include all of the duties and does not give full particulars of the duties, is set out in the notes to the budget.

On a yearly basis, the management company will prepare a budget for the maintenance, operation and repair of the condominium property and submit it to the Owners of the units for approval.

SCHEDULE "D"

TO

**DISCLOSURE STATEMENT - Concord Place, Grimsby
AQUAZUL CONDOMINIUMS**

BUDGET STATEMENT AND BUDGET NOTES - PHASE ONE

I. INDIVIDUAL UNIT COMMON EXPENSES

The monthly common expenses for each unit are determined by the unit's percentage contribution of common expenses as described in Schedule "D" to the Declaration, which will result in the monthly common expense charge for each particular unit.

II. OPERATING EXPENSES

A. ADMINISTRATION

1. Bank Charges
Monthly banking charges.
2. Condo Corp Unassigned P&L
Unassigned parking spots and lockers common fee as per Schedule D
3. Office
This is the estimated cost of holding annual or special meetings, during the year, together with the cost of office supplies for notices, newsletters, postage, etc.
4. Taxes
As determined by MPAC.

B. REPAIRS AND MAINTENANCE

1. Building Maintenance, Electrical and Plumbing
Various miscellaneous common area repairs and maintenance, as required.
2. Keys and Locks
Various replacement of keys and locks, as required.

C. PROFESSIONAL SERVICES

1. Audit Fees
The Condominium Act of Ontario requires all Condominiums to have the services of a professional Auditor at the end of the first year, following registration of the Corporation.
3. Legal
Provision has been made for the appointment of legal counsel for the Corporation at the discretion of the Board of Directors. Periodically, the Corporation may wish to retain outside consultants for various purposes.
4. Garbage Removal
Weekly private collection of building garbage.
5. Management
The budget provides for an experienced professional condominium management company to administer the affairs of the condominium corporation. The budget allows for the Management Company to manage the assets of the Corporation, consult on policies as well monitor the financial health. The details of this contract will be included in the Disclosure Statement for the Corporation.
6. Off Site Servicer
Contractor to remove garbage from each floor and relocate to basement 3 times a week and to have ready for outside weekly pick up.
7. On-Site Superintendent
The on-site superintendent will assist with the cleaning and the general maintenance of the common areas. The superintendent will respond to emergencies and assist (the property

manager) in the general operations of the building. The budget allows for the cost of the on-site superintendent residence.

8. Engineering Performance Audit
The Engineer will conduct an Engineering Performance Audit in accordance with Tarion requirements.
9. Insurance Appraisal
An Insurance Appraisal is required every three (3) years to assess current insurance needs.

D. UTILITIES

1. Hydro
Budgeted to cover all common elements electrical expenses except the units. Included in the common elements are: hallways and stairways lights, elevators, underground parking and exhaust fans, all circulating pumps and HVAC equipment in the building.
2. Water/ Sewer & Water main charges
Estimated cost of water usage, sewer and water main charges in the building.
3. Gas
Estimated gas costs for building, including all fresh make up air.
4. Telephone/Intercom
Covers the telephone/intercom for lines necessary for operation of the building.

E. INSURANCE

1. Building
The site will be insured for its replacement cost under an all-risk insurance policy, which is typical in the industry.
- Liability
Comprehensive general liability insurance coverage for the corporation.
- Directors & Officers
The coverage for Directors' and Officers' insurance for the corporation will be required to be obtained at turnover by the new board.

F. GROUNDS MAINTENANCE

1. Landscaping
A landscaping company is hired to maintain the exterior of the property and this includes cutting the grass and maintaining landscaped area around the building. A contractor is hired to clear snow, etc. from any common areas, as necessary.

G. SUPPLIES

This category includes the cost for cleaning and lighting supplies for the building.

H. CONTRACTS

Various contracts will be entered into with respect to the general maintenance of the building, including with respect to the elevator, fire protection, and pest control and cleaning services.

I. CONTRIBUTION TO THE RESERVE FUND

The Condominium Act of Ontario defines the reserve fund as a fund set up by the Corporation in a special account for the major repair and replacement of common elements and assets of the corporation. The Act requires that a Reserve Fund Study be conducted prior to the conclusion of the first year of the Corporation. In the absence of this study the amount has been set at approximately 11.5 % of the total operating expenses. Future funds will be dictated by the reserve fund study, to be completed in the first year of registration.

NOTES

All the items included in this budget relate to the common areas only and do not relate to any area within any unit.

This budget includes only ordinary repairs to, and maintenance of, the common elements and does not include any repairs or maintenance required as a result of abuse, vandalism or theft.

The Declarant has no actual knowledge of any judgments or any pending law suits material to the property, which may affect the property after the registration of a deed to any unit from the Declarant to a Purchaser.

There are no current or expected fees or charges to be paid by unit owners, for the use of the common elements or part thereof and other facilities related to the property. Fees and charges, however, may be established in this regard by the Board of Directors elected by unit owners (purchasers) after the Condominium Corporation is created and sales of units are completed to individual purchasers.

There are no services that the Condominium Corporation will provide or for which it will pay that might reasonably be expected will become a common expense at any subsequent time.

SCHEDULE "E"
TO
DISCLOSURE STATEMENT - Concord Place, Grimsby
AQUAZUL CONDOMINIUMS
BUDGET – PHASE ONE

BUDGET	
NIAGARA CONDOMINIUM CORPORATION	
AQUAZUL WATERFRONT CONDOMINIUMS Phase 1	
12 Concord Place, GRIMSBY, ON	
Period From	
Two years from the date of the declaration's registration *	
REVENUE	
The unit fee is based on the percentage allotment listed in the Declaration for each unit calculated from this total.	\$ 496,280.00
EXPENSES	
Grounds Maintenance	
Landscape Contract	24,000.00
TOTAL GROUNDS MAINTENANCE	\$ 24,000.00
Repairs and Maintenance	
General Building Maintenance	11,925.00
Keys & Locks	500.00
Maintenance - Electrical	500.00
Maintenance - Plumbing	500.00
TOTAL REPAIR AND MAINTENANCE	\$ 13,425.00
Supplies	
Supplies - Cleaning	350.00
Supplies - Lighting & Ballast	300.00
TOTAL CLEANING	\$ 650.00
Utilities	
Gas	34,000.00
Hydro	61,000.00
Telephone (intercom & elevators)	2,500.00
Water / Sewer & Watermain Charges	47,000.00
TOTAL UTILITIES	\$ 144,500.00
Professional Services	
Audit	3,700.00
Engineer Performance Audit phs 2	7,500.00
Garbage Removal	3,500.00
Insurance Appraisal	500.00
Legal	6,000.00
Management Fee	42,650.00
TOTAL PROFESSIONAL SERVICES	\$ 63,850.00
Superintendent Cost	
Suite Fee	2,100.00
Suite Mortgage Fee	20,595.00
Suite Real Estate Taxes	3,500.00
Wages	45,000.00
Condominium's Portion of Employee Deductions (cpp,wsib,uic)	5,100.00
TOTAL SUPERINTENDANT COSTS	\$76,295.00

Administration	
Bank Charges	850.00
Office (copy, postage, etc.)	1,425.00
Taxes	250.00
TOTAL ADMINISTRATION	\$ 2,525.00
Insurance	
Insurance Premium	31,500.00
TOTAL INSURANCE	\$ 31,500.00
Contracts	
Cleaning Contract	5,000.00
Electric power station	1,100.00
Elevator Inspections / License TSSA	950.00
Elevator Maintenance	15,300.00
Fire Alarm Monitoring	1,500.00
Fire Protection Annual Inspection	3,500.00
Fire Protection - Maintenance	3,000.00
Mechanical Contract	1,000.00
Pest Control	1,000.00
Pool Equipment	5,000.00
Pool Maintenance Contract	20,000.00
Relief Superintendent	15,000.00
Roof Anchors	300.00
Window Cleaning	3,500.00
TOTAL CONTRACTS	\$ 76,150.00
TOTAL OPERATING	\$ 432,895.00
Reserve Contribution	
Reserve for Major Repair & Replacement	63,385.00
TOTAL RESERVE TRANSFERS	\$ 63,385.00
TOTAL EXPENSES	\$ 496,280.00

If the declaration is not registered by March 31, 2020 this budget shall increase by 2%.

SCHEDULE “E”

TO

**DISCLOSURE STATEMENT - Concord Place, Grimsby
AQUAZUL CONDOMINIUMS**

FIRST YEAR BUDGET FOR PHASE TWO (Including East Building and West Building)

BUDGET		
NIAGARA CONDOMINIUM CORPORATION		
AQUAZUL WATERFRONT CONDOMINIUMS both Phases		
12 Concord Place, GRIMSBY, ON		
Period From		
Two years from the date of the declaration's registration *		
REVENUE		
The unit fee is based on the percentage allotment listed		
In the Declaration for each unit calculated from this total.		
		\$ 732,165.00
EXPENSES		
Grounds Maintenance		
Landscape Contract	29,900.00	
TOTAL GROUNDS MAINTENANCE		\$ 29,900.00
Repairs and Maintenance		
General Building Maintenance	15,000.00	
Keys & Locks	750.00	
Maintenance - Electrical	750.00	
Maintenance - Plumbing	750.00	
TOTAL REPAIR AND MAINTENANCE		\$ 17,250.00
Supplies		
Supplies - Cleaning	500.00	
Supplies - Lighting & Ballast	500.00	
TOTAL CLEANING		\$ 1,000.00
Utilities		
Gas	61,000.00	
Hydro	106,500.00	
Telephone (intercom & elevators)	5,000.00	
Water / Sewer & Watermain Charges	85,210.00	
TOTAL UTILITIES		\$ 257,710.00
Professional Services		
Audit	4,250.00	
Engineer Performance Audit phs 2	7,500.00	
Garbage Removal	5,500.00	
Insurance Appraisal	500.00	
Legal	6,000.00	
Management Fee	71,000.00	
TOTAL PROFESSIONAL SERVICES		\$ 94,750.00
Superintendent Cost		
Suite Fee	2,100.00	will change based on % allotment
Suite Mortgage Fee	20,595.00	25yr @ 5yr fixed @ 4.6%
Suite Real Estate Taxes	3,500.00	
Wages	45,000.00	
Condominium's Portion of Employee Deductions (cpp,wsib,ulc)	5,100.00	
TOTAL SUPERINTENDANT COSTS		\$76,295.00

Administration	
Bank Charges	1,540.00
Office (copy, postage, etc.)	2,600.00
Taxes	500.00
TOTAL ADMINISTRATION	\$ 4,640.00
Insurance	
Insurance Premium	55,000.00
TOTAL INSURANCE	\$ 55,000.00
Contracts	
Cleaning Contract	7,500.00
Electric power station	1,100.00
Elevator Inspections / License TSSA	1,900.00
Elevator Maintenance	30,600.00
Fire Alarm Monitoring	1,500.00
Fire Protection Annual Inspection	5,500.00
Fire Protection - Maintenance	4,000.00
Mechanical Contract	2,000.00
Pest Control	2,000.00
Pool Equipment	2,500.00
Pool Maintenance Contract	20,000.00
Relief Superintendant	15,000.00
Roof Anchors	300.00
Window Cleaning	7,000.00
TOTAL CONTRACTS	\$ 100,900.00
TOTAL OPERATING	\$ 637,445.00
Reserve Contribution	
Reserve for Major Repair & Replacement	94,720.00
TOTAL RESERVE TRANSFERS	\$ 94,720.00
TOTAL EXPENSES	\$ 732,165.00

*If the declaration is not registered by March 31, 2020 this budget shall increase by 2%

SCHEDULE “F”

TO

DISCLOSURE STATEMENT - Concord Place, Grimsby AQUAZUL CONDOMINIUMS

The Purchaser's rights under the *Condominium Act*, 1998 (the “Act”) to rescind an Agreement of Purchase and Sale are contained in Sections 73 and 74 of the Act, a copy of which is set out below.

1. (1) A purchaser who receives a Disclosure Statement under subsection 72 (1) may, in accordance with this section, rescind the Agreement of Purchase and Sale before accepting a deed to the unit being purchased that is in registerable form. 1998, c. 19, s. 73 (1).
- (2) To rescind an Agreement of Purchase and Sale under this section, a purchaser or the purchaser's solicitor shall give a written notice of rescission to the declarant or to the declarant's solicitor who must receive the notice within ten (10) days of the later of,
 - (a) the date that the purchaser receives the disclosure statement; and
 - (b) the date that the purchaser receives a copy of the Agreement of Purchase and Sale executed by the declarant and the purchaser. 1998, c. 19, s. 73 (2).
- (3) If a declarant or the declarant's solicitor receives a notice of rescission from a purchaser under this section, the declarant shall promptly refund, without penalty or charge, to the purchaser, all money received from the purchaser under the agreement and credited towards the purchase price, together with interest on the money calculated at the prescribed rate from the date that the declarant received the money until the date the declarant refunds it. 1998, c. 19, s. 73 (3).
2. (1) Whenever there is a material change in the information contained or required to be contained in a disclosure statement delivered to a purchaser under subsection 72 (1) or a revised disclosure statement or a notice delivered to a purchaser under this section, the declarant shall deliver a revised disclosure statement or a notice to the purchaser. 1998, c. 19, s. 74(1).
- (2) In this section,

“material change” means a change or a series of changes that a reasonable purchaser, on an objective basis, would have regarded collectively as sufficiently important to the decision to purchase a unit or proposed unit in the corporation that it is likely that the purchaser would not have entered into an Agreement of Purchase and Sale for the unit or the proposed unit or would have exercised the right to rescind such an Agreement of Purchase and Sale under section 73, if the disclosure statement had contained the change or series of changes, but does not include,

 - (a) a change in the contents of the budget of the corporation for the current fiscal year if more than one (1) year has passed since the registration of the declaration and description for the corporation,
 - (b) a substantial addition, alteration or improvement within the meaning of subsection 97 (6) that the corporation makes to the common elements after a turn-over meeting has been held under section 43,
 - (c) a change in the portion of units or proposed units that the declarant intends to lease,
 - (d) a change in the schedule of the proposed commencement and completion dates for the amenities of which construction had not been completed as of the date on which the disclosure statement was made, or
 - (e) a change in the information contained in the statement described in subsection 161(1) of the services provided by the municipality or the Minister of Municipal Affairs and Housing, as the case may be, as described in that subsection, if the unit or the proposed unit is in a vacant land condominium corporation. 1998, c. 19, s. 74 (2).

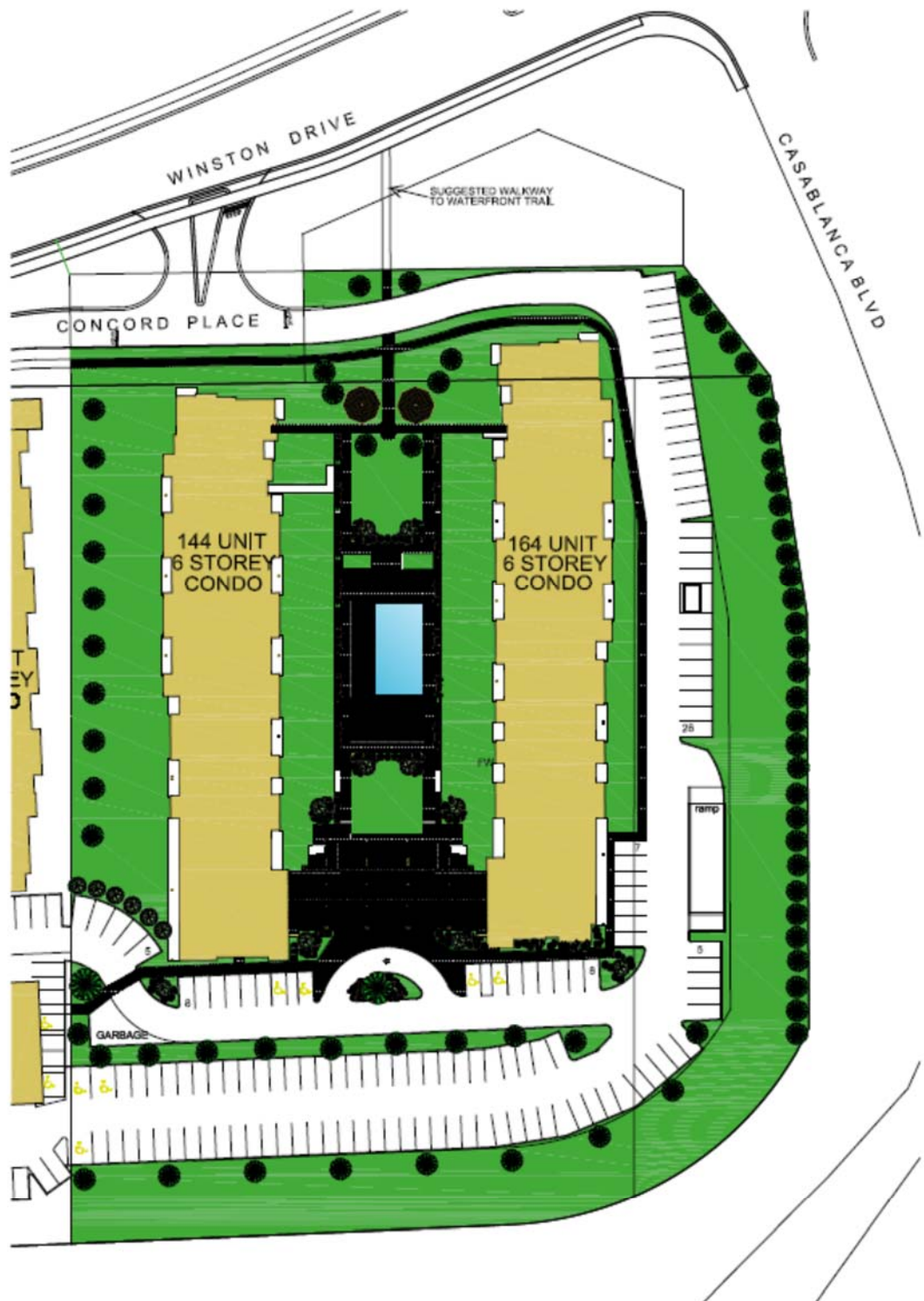
- (3) The revised disclosure statement or notice required under subsection (1) shall clearly identify all changes that in the reasonable belief of the declarant may be material changes and summarize the particulars of them. 1998, c. 19, s. 74 (3).
- (4) The declarant shall deliver the revised disclosure statement or notice to the purchaser within a reasonable time after the material change mentioned in subsection (1) occurs and, in any event, no later than ten (10) days before delivering to the purchaser a deed to the unit being purchased that is in registerable form. 1998, c. 19, s. 74 (4).
- (5) Within ten (10) days after receiving a revised disclosure statement or a notice under subsection (1), a purchaser may make an application to the Superior Court of Justice for a determination whether a change or a series of changes set out in the statement or notice is a material change. 1998, c. 19, s. 74 (5); 2000, c. 26, Sched. B, s. 7 (5).
- (6) If a change or a series of changes set out in a revised disclosure statement or a notice delivered to a purchaser constitutes a material change or if a material change occurs that the declarant does not disclose in a revised disclosure statement or notice as required by subsection (1), the purchaser may, before accepting a deed to the unit being purchased that is in registerable form, rescind the Agreement of Purchase and Sale within ten (10) days of the latest of,
 - (a) the date on which the purchaser receives the revised disclosure statement or the notice, if the declarant delivered a revised disclosure statement or notice to the purchaser;
 - (b) the date on which the purchaser becomes aware of a material change, if the declarant has not delivered a revised disclosure statement or notice to the purchaser as required by subsection (1) with respect to the change; and
 - (c) the date on which the Superior Court of Justice makes a determination under subsection (5) or (8) that the change is material, if the purchaser or the declarant, as the case may be, has made an application for the determination. 1998, c. 19, s. 74 (6); 2000, c. 26, Sched. B, s. 7 (5).
- (7) To rescind an Agreement of Purchase and Sale under this section, a purchaser or the purchaser's solicitor shall give a written notice of rescission to the declarant or to the declarant's solicitor. 1998, c. 19, s. 74 (7).
- (8) Within ten (10) days after receiving a notice of rescission, the declarant may make an application to the Superior Court of Justice for a determination whether the change or the series of changes on which the rescission is based constitutes a material change, if the purchaser has not already made an application for the determination under subsection (5). 1998, c. 19, s. 74 (8); 2000, c. 26, Sched. B, s. 7 (5).
- (9) A declarant who receives a notice of rescission from a purchaser under this section shall refund, without penalty or charge, to the purchaser, all money received from the purchaser under the agreement and credited towards the purchase price, together with interest on the money calculated at the prescribed rate from the date that the declarant received the money until the date the declarant refunds it. 1998, c. 19, s. 74 (9).
- (10) The declarant shall make the refund,
 - (a) within ten (10) days after receiving a notice of rescission, if neither the purchaser nor the declarant has made an application for a determination described in subsection (5) or (8) respectively; or
 - (b) within ten (10) days after the court makes a determination that the change is material, if the purchaser has made an application under subsection (5) or the declarant has made an application under subsection (8). 1998, c. 19, s. 74 (10).

SCHEDULE “G”

TO

**DISCLOSURE STATEMENT - Concord Place, Grimsby
AQUAZUL CONDOMINIUMS**

SKETCH OF PROPERTY



Homes By DeSantis - AQUAZUL
Homes By DeSantis



SCHEDULE “H”
TO
DISCLOSURE STATEMENT - AQUAZUL
Schedule “D” to Declaration – Proportion of Common Interest & Contributions to
Common Expenses after Registration of Phase One and Phase Two

RESIDENTIAL UNITS

<u>Unit No.</u>	<u>Level No.</u>	<u>Suite #</u>	<u>Percentage</u>
1	1	101	0.374020%
2	1	102	0.360780%
3	1	103	0.319680%
4	1	104	0.319680%
5	1	105	0.319680%
6	1	106	0.319680%
7	1	107	0.319680%
8	1	108	0.272640%
9	1	109	0.319680%
10	1	110	0.319680%
11	1	111	0.272640%
12	1	112	0.392290%
13	1	113	0.392290%
14	1	114	0.319680%
15	1	115	0.319680%
16	1	116	0.319680%
17	1	117	0.319680%
18	1	118	0.319680%
19	1	119	0.319680%
20	1	120	0.272640%
21	1	121	0.272640%
22	1	122	0.272640%
23	1	123	0.360780%
24	1	124	0.213730%
25	1	125	0.213730%
26	1	126	0.213730%
27	1	127	0.213730%
28	1	128	0.213730%
29	1	129	0.213730%
30	1	130	0.213730%
31	1	131	0.272640%
32	1	132	0.272640%
33	1	133	0.272640%
34	1	134	0.319680%
35	1	135	0.319680%
36	1	136	0.319680%
37	1	137	0.319680%
38	1	138	0.319680%
39	1	139	0.319680%
40	1	140	0.392290%
41	1	141	0.392290%

42	1	142	0.272640%
43	1	143	0.319680%
44	1	144	0.319680%
45	1	145	0.272640%
46	1	146	0.319680%
47	1	147	0.319680%
48	1	148	0.319680%
49	1	149	0.319680%
50	1	150	0.360780%
51	1	151	0.374020%
1	2	201	0.374020%
2	2	202	0.360780%
3	2	203	0.319680%
4	2	204	0.319680%
5	2	205	0.319680%
6	2	206	0.319680%
7	2	207	0.319680%
8	2	208	0.272640%
9	2	209	0.319680%
10	2	210	0.319680%
11	2	211	0.272640%
12	2	212	0.392290%
13	2	213	0.392290%
14	2	214	0.319680%
15	2	215	0.319680%
16	2	216	0.319680%
17	2	217	0.319680%
18	2	218	0.319680%
19	2	219	0.319680%
20	2	220	0.272640%
21	2	221	0.272640%
22	2	222	0.272640%
23	2	223	0.360780%
24	2	224	0.213730%
25	2	225	0.213730%
26	2	226	0.213730%
27	2	227	0.213730%
28	2	228	0.213730%
29	2	229	0.213730%
30	2	230	0.213730%
31	2	231	0.272640%
32	2	232	0.272640%
33	2	233	0.272640%
34	2	234	0.319680%
35	2	235	0.319680%
36	2	236	0.319680%
37	2	237	0.319680%
38	2	238	0.319680%
39	2	239	0.319680%
40	2	240	0.392290%
41	2	241	0.392290%

42	2	242	0.272640%
43	2	243	0.319680%
44	2	244	0.319680%
45	2	245	0.272640%
46	2	246	0.319680%
47	2	247	0.319680%
48	2	248	0.319680%
49	2	249	0.319680%
50	2	250	0.360780%
51	2	251	0.374020%
1	3	301	0.374020%
2	3	302	0.360780%
3	3	303	0.319680%
4	3	304	0.319680%
5	3	305	0.319680%
6	3	306	0.319680%
7	3	307	0.319680%
8	3	308	0.272640%
9	3	309	0.319680%
10	3	310	0.319680%
11	3	311	0.272640%
12	3	312	0.392290%
13	3	313	0.392290%
14	3	314	0.319680%
15	3	315	0.319680%
16	3	316	0.319680%
17	3	317	0.319680%
18	3	318	0.319680%
19	3	319	0.319680%
20	3	320	0.272640%
21	3	321	0.272640%
22	3	322	0.272640%
23	3	323	0.360780%
24	3	324	0.213730%
25	3	325	0.213730%
26	3	326	0.213730%
60	3	327	0.213730%
61	3	328	0.213730%
62	3	329	0.213730%
63	3	330	0.213730%
64	3	331	0.272640%
65	3	332	0.272640%
66	3	333	0.272640%
67	3	334	0.319680%
68	3	335	0.319680%
69	3	336	0.319680%
70	3	337	0.319680%
71	3	338	0.319680%
72	3	339	0.319680%
73	3	340	0.392290%
74	3	341	0.392290%

75	3	342	0.272640%
76	3	343	0.319680%
77	3	344	0.319680%
78	3	345	0.272640%
79	3	346	0.319680%
80	3	347	0.319680%
81	3	348	0.319680%
82	3	349	0.319680%
83	3	350	0.360780%
84	3	351	0.374020%
1	4	401	0.374020%
2	4	402	0.360780%
3	4	403	0.319680%
4	4	404	0.319680%
5	4	405	0.319680%
6	4	406	0.319680%
7	4	407	0.319680%
8	4	408	0.272640%
9	4	409	0.319680%
10	4	410	0.319680%
11	4	411	0.568110%
12	4	412	0.342970%
13	4	413	0.272640%
14	4	414	0.272640%
15	4	415	0.319680%
16	4	416	0.319680%
17	4	417	0.319680%
18	4	418	0.319680%
19	4	419	0.272640%
20	4	420	0.272640%
21	4	421	0.272640%
22	4	422	0.360780%
23	4	423	0.239300%
24	4	424	0.239300%
25	4	425	0.239300%
26	4	426	0.319680%
27	4	427	0.334290%
28	4	428	0.334290%
29	4	429	0.334290%
30	4	430	0.319680%
64	4	431	0.239300%
65	4	432	0.239300%
66	4	433	0.239300%
67	4	434	0.239300%
68	4	435	0.272640%
69	4	436	0.272640%
70	4	437	0.272640%
71	4	438	0.319680%
72	4	439	0.319680%
73	4	440	0.319680%
74	4	441	0.319680%

75	4	442	0.272640%
76	4	443	0.272640%
77	4	444	0.342970%
78	4	445	0.568110%
79	4	446	0.319680%
80	4	447	0.319680%
81	4	448	0.272640%
82	4	449	0.319680%
83	4	450	0.319680%
84	4	451	0.319680%
85	4	452	0.319680%
86	4	453	0.360780%
87	4	454	0.374020%
1	5	501	0.374020%
2	5	502	0.360780%
3	5	503	0.319680%
4	5	504	0.319680%
5	5	505	0.319680%
6	5	506	0.319680%
7	5	507	0.319680%
8	5	508	0.272640%
9	5	509	0.319680%
10	5	510	0.319680%
11	5	511	0.512850%
12	5	512	0.514220%
13	5	513	0.272640%
14	5	514	0.319680%
15	5	515	0.319680%
16	5	516	0.319680%
17	5	517	0.319680%
18	5	518	0.272640%
19	5	519	0.272640%
20	5	520	0.272640%
21	5	521	0.360780%
22	5	522	0.239300%
23	5	523	0.239300%
24	5	524	0.239300%
25	5	525	0.319680%
26	5	526	0.334290%
27	5	527	0.334290%
28	5	528	0.334290%
29	5	529	0.319680%
63	5	530	0.239300%
64	5	531	0.239300%
63	5	532	0.239300%
64	5	533	0.239300%
65	5	534	0.272640%
66	5	535	0.272640%
67	5	536	0.272640%
68	5	537	0.319680%
69	5	538	0.319680%

70	5	539	0.319680%
71	5	540	0.319680%
72	5	541	0.272640%
73	5	542	0.514220%
74	5	543	0.512850%
75	5	544	0.319680%
76	5	545	0.319680%
77	5	546	0.272640%
78	5	547	0.319680%
79	5	548	0.319680%
80	5	549	0.319680%
81	5	550	0.319680%
82	5	551	0.360780%
83	5	552	0.374020%
1	6	601	0.374020%
2	6	602	0.360780%
3	6	603	0.319680%
4	6	604	0.319680%
5	6	605	0.319680%
6	6	606	0.319680%
7	6	607	0.319680%
8	6	608	0.272640%
9	6	609	0.319680%
10	6	610	0.319680%
11	6	611	0.745760%
12	6	612	0.272640%
13	6	613	0.319680%
14	6	614	0.319680%
15	6	615	0.319680%
16	6	616	0.319680%
17	6	617	0.272640%
18	6	618	0.272640%
19	6	619	0.272640%
20	6	620	0.360780%
21	6	621	0.239300%
22	6	622	0.239300%
23	6	623	0.239300%
24	6	624	0.319680%
25	6	625	0.504630%
26	6	626	0.504630%
27	6	627	0.319680%
61	6	628	0.239300%
62	6	629	0.239300%
63	6	630	0.239300%
64	6	631	0.239300%
65	6	632	0.272640%
66	6	633	0.272640%
67	6	634	0.272640%
68	6	635	0.319680%
69	6	636	0.319680%
70	6	637	0.319680%

71	6	638	0.319680%
72	6	639	0.272640%
73	6	640	0.745250%
74	6	641	0.319680%
75	6	642	0.319680%
76	6	643	0.272640%
77	6	644	0.319680%
78	6	645	0.319680%
79	6	646	0.319680%
80	6	647	0.319680%
81	6	648	0.360780%
82	6	649	0.374020%

TOTAL RESIDENTIAL UNITS 96.523300%

PARKING UNITS

<u>Unit No.</u>	<u>Level No.</u>	<u>Percentage</u>
Units 1 to 387		
387 units at 0.0068 each	A	2.631600%

TOTAL PARKING UNITS 2.631600%

LOCKER UNITS

<u>Unit No.</u>	<u>Level No.</u>	<u>Percentage</u>
Units 388 to 444	A	0.153900%
57 units at 0.0027% each		
Units 27 to 59 and 85 to 115	3	0.172800%
64 units at 0.0027% each		
Units 31 to 63 and 88 to 118	4	0.172800%
64 units at 0.0027% each		
Units 30 to 62 and 84 to 114	5	0.172800%
64 units at 0.0027% each		
Units 28 to 60 and 83 to 113	6	0.172800%
64 units at 0.0027% each		

TOTAL LOCKER UNITS 0.845100%

TOTAL PERCENTAGE 100.000000%

TAB 3

DISCLOSURE STATEMENT - Concord Place, Grimsby
AQUAZUL CONDOMINIUMS

DECLARATION

THIS DECLARATION (hereinafter referred to as the "Declaration") is made and executed pursuant to the provisions of the *Condominium Act*, 1998, and the regulations made thereunder (all of which are hereinafter referred to as the "Act"),

BY:

HOMES BY DESANTIS (LAKE) INC.

(Hereinafter referred to as the "Declarant")

WHEREAS the Declarant is the owner in fee simple of lands and premises situate in the Town of Grimsby, and being more particularly described in **Schedule "A"** attached hereto, and in the Description submitted herewith by the Declarant for registration in accordance with the Act;

AND WHEREAS the Declarant has constructed one (1) six (6) storey building upon the said lands containing one hundred sixty-four (164) residential units, three hundred eighty-seven (387) parking units and one hundred eighty-nine (189) locker units being a Project known as AQUAZUL CONDOMINIUMS, which will consist of one (1) Condominium Corporation;

AND WHEREAS this Declaration will create a Freehold Standard Condominium Corporation that is a Phased Condominium Corporation.

AND WHEREAS the Declarant intends that the said lands together with the said building constructed thereon shall be governed by the Act.

NOW THEREFORE THIS DECLARANT DECLARES AS FOLLOWS:

ARTICLE 1
Introduction

1.1 Definitions

All words used herein which are defined in the Act shall have ascribed to them the meanings set out in the Act, as amended from time to time, provided however that the definition of "unit", for the purposes of the duties to repair and maintain under Sections 89 and 90 of the Act and this Declaration shall extend to all improvements made by the Declarant in accordance with its architectural plans notwithstanding that some of such improvements may be made after registration of the Declaration.

1.2 Statement of Intention

The Declarant intends that the land and interests appurtenant to the land described in the Description and as described in **Schedule "A"** annexed hereto shall be governed by the Act and any amendments thereto. The registration of this Declaration and Description will create a freehold condominium corporation that is a standard phased condominium corporation.

1.3 Consent of Encumbrancers

The consent, in the prescribed form of every person having a registered mortgage against the land or interest appurtenant to the land described in **Schedule "A"**, is contained in **Schedule "B"** attached hereto.

1.4 Boundaries of Units and Monuments

The monuments controlling the extent of the units are the physical surfaces and planes described in **Schedule "C"** attached hereto.

Notwithstanding the foregoing, a unit shall not include any structural element providing roof support and services such as pipes, wires, cables, conduits or public utility lines used for servicing of the other units, but shall include the fixtures, outlets and other facilities which are within the unit and which serve the unit only.

1.5 Common Interests and Common Expenses

Each owner shall have an undivided interest in the common elements as a tenant in common with all other owners and shall contribute to the common expenses in the proportions set forth opposite each unit number in **Schedule "D"** attached hereto. The total of the proportions of the common interests and the common expenses shall be one hundred percent (100%).

1.6 Address for Service and Mailing Address of the Corporation

The Corporation's address for service and mailing shall be: 461 Green Road, Unit 10, Stoney Creek, ON L8E 5B4, or such other address as may be determined by resolution of the board.

1.7 Architect's Certificate

The Certificate, in the prescribed form, of the Declarant's architect under clause 8(1) of the Act is attached hereto as **Schedule "G"**.

ARTICLE II Common Expenses

2.1 Specification of Common Expenses

Common Expenses without limiting the definition ascribed thereto by the Act, shall include those expenses set out in **Schedule "E"** attached hereto.

2.2 Payment of Common Expenses

Each owner, including the Declarant, shall pay to the Corporation his proportionate share of the common expenses, as may be provided for by the by-laws of the Corporation, and the assessment and collection of contributions toward the common expenses may be regulated by the board pursuant to the by-laws of the Corporation. In addition to the foregoing, any losses, costs or damages incurred by the Corporation by reason of a breach of any rules and regulations of the Corporation in force from time to time by any unit owner, or by members of his family and/or their respective tenants, invitees or licensees, shall be borne and paid for by such owner and may be recovered by the Corporation against such owner in the same manner as common expenses.

ARTICLE III Common Elements

3.1 Use of Common Elements

Subject to the provisions of the Act, this Declaration, the by-laws and the rules, each owner has the full use, occupancy and enjoyment of the whole or any part of the common elements, except as herein otherwise provided. However, no condition shall be permitted to exist and no activity shall be carried on in the common elements that is likely to damage the property or that will unreasonably interfere with the use or enjoyment by other unit owners of the common elements or the other units, or that results in cancellation of any policy of insurance referred to in this Declaration.

3.2 Exclusive Use of Parts of Common Elements

Subject to the provisions of the Act, this Declaration, the by-laws and the rules, the owner of each unit shall have the exclusive use of those parts of the common elements as set out in **Schedule "F"** attached hereto.

3.3 Restrictive Access

Without the prior written consent of the board, no owner shall have any right of access to those parts of the common elements used from time to time as utilities areas, building maintenance storage areas, operating machinery or any other parts of the common elements used for the care, maintenance or operation of the property. Provided, however, that this paragraph shall not apply to any first mortgagee holding mortgages on at least ten percent (10%) of the number of units, who shall have a right of access for inspection upon forty-eight (48) hours' notice to the board.

3.4 Declarant's Signs

Notwithstanding anything herein provided to the contrary, and notwithstanding any rules or by-laws of the Corporation to the contrary, the Declarant shall be entitled to erect and maintain signs for marketing and/or sales purposes upon the common elements and within or outside any unsold dwelling units pursuant to the Declarant's ongoing marketing and/or sales program in respect of this Corporation, and having such dimensions as the Declarant may determine in its sole discretion, until such time as all units or proposed units in this Corporation have been sold by the Declarant.

3.4.1 Owners' Signs

No sign, advertisement or notice (including the usual signs offering a unit for sale or rent) shall be inscribed, painted or affixed on any part of the building whatsoever, or the inside of the building, without the prior written consent of the board.

3.5 Additions, Alterations and Improvements

- (a) For the purposes of Section 97(4) of the Act, the board shall decide whether any addition, alteration or improvement to, or renovation of, the common elements, or any change in the assets of the Corporation is substantial.
- (b) No alteration, work, repairs, decoration, painting, maintenance, structure, fence, screen, hedge or erection of any kind whatsoever (hereinafter called the "work") shall be performed, done, erected or planted within or in relation to the common elements (including any part thereof over which any owner has the exclusive use) except by the Corporation or as otherwise permitted by the prior written consent of the board or by this Declaration, the by-laws or the rules and in accordance with Sections 97 and 98 of the Act.
- (c) The Corporation shall have access at all reasonable times to any part of the common elements over which any owner has the exclusive use.
- (d) Notwithstanding the foregoing, each owner shall have the right to maintain the air distribution unit provided by the Declarant upon the following terms and conditions:
 - (i) the original air distribution unit and any replacement unit, provided that the following are complied with, shall not require an agreement pursuant to Section 98 of the Act;
 - (ii) each owner shall comply with all laws, regulations and zoning by-laws applicable to the air distribution unit in relation to its installation, use, maintenance, removal and replacement, and obtain all necessary permits as may be required. Any replacement unit shall be of comparable size with the original air distribution unit and shall be installed with the approval of the Renewable Energy Supplier and accordance with the terms of any Renewable Energy Supply Agreement
 - (iii) the ownership of the air distribution unit shall at all times remain with the owner, from time to time, of the unit which benefits from the air distribution unit. The air distribution unit shall not be considered as being a fixture or part of the common elements;
 - (iv) in the event that the owner fails to maintain and repair the air distribution unit in accordance with the conditions imposed herein, the Corporation may cause the air distribution unit to be maintained or repaired and charge the cost of such maintenance and repair to the owner at the sole discretion of

the Board of Directors or order the removal of the air distribution unit or any part thereof at the owner's sole expense.

3.6 Animals

No animal, livestock or fowl other than a pet shall be kept or allowed, upon the common elements, including those parts thereof of which any owner has the exclusive use. All pets shall be kept in accordance with the rules established by the board, from time to time, subject to the provisions of Sub Article 4.1 (f) herein.

ARTICLE IV Units

4.1 Occupation and Use of Residential Units

The occupation and use of the units shall be in accordance with the following restrictions and stipulations:

- (a) Each residential unit shall be occupied and used only as a private, single-family residence and for no other purpose, but the foregoing shall not prevent the Declarant from completing the building and all improvements to the property, maintaining units as models for display and sale purposes, and otherwise maintaining construction offices, displays and signs until all units have been sold by the Declarant.
- (b) No unit shall be occupied or used by anyone in such a manner as to result in the cancellation or threat of cancellation of any policy of insurance placed by or on behalf of the Corporation.
- (c) There shall be no partition or dividing of a unit, unless the prior consent of the board of the Condominium Corporation has been obtained.
- (d) The owner of each unit shall comply and shall require all residents and visitors in his unit to comply with the Act, this Declaration, the by-laws and the rules.
- (e) Without the prior consent in writing of the Declarant (pending completion of all unit sales) and of the Board of Directors, no owner shall make any structural change or alteration in or to his Unit or make any change to an installation upon the common elements, or maintain, decorate, alter or repair any part of the common elements, except for maintenance of those parts of the common elements which he has a duty to maintain.
- (f) No owner or occupant of any unit shall maintain, keep or shelter any animal, livestock or fowl therein other than a household pet as herein defined and subject to the following restrictions. For the purpose of this restriction upon the use and occupation of units, the term "household pet" shall mean caged birds, aquarium fish, cats or dogs under 50 lbs. No owner or occupant shall shelter more than two household pets at any one time and further provided that only one of such household pets may be a dog under 50 lbs or if there are two (2) dogs, the cumulative weight of the two (2) dogs must be under 50 lbs. In the event that a household pet becomes a nuisance and causes unreasonable interference with the use and enjoyment of owners of other units and the common elements, the Condominium Corporation may require the pet owner to permanently remove such pet from the property upon two (2) weeks' written notice.
- (g) No noise shall be permitted to be transmitted from one dwelling unit to another. If the board determines that any noise is being transmitted to another unit and that such noise is in annoyance and/or a nuisance and/or disruptive, then the owner of such unit shall at his expense take such steps as shall be necessary to abate such noise to the satisfaction of the board. If the owner of such residential unit fails to abate the noise, the board shall take such steps as it deems necessary to abate the noise and the owner shall be liable to the Corporation for all expenses incurred by the Corporation in abating the noise (including reasonable solicitor's fees).

- (h) No owner shall revise or repair any fixture or item within a dwelling unit that is directly connected to the common elements without utilizing the services of a mechanic, licensed in the Town of Grimsby, to perform the type of work being revised or repaired. This restriction is intended to work to any humidification equipment which may be added by the owner to the heating, air distribution and ventilation equipment serving the unit, plumbing fixtures directly connected to the building's water mains or drainage system including hoses, pipes and outlets of any washer and dryer or electrical work that may affect common power lines.
- (i) No commercial activities, including babysitting and/or daycare, shall be permitted within any Residential Unit or upon the Common Elements of this Condominium Plan without the prior written consent of the Board, which may be unreasonably withheld, and revoked, if given. Any such consent granted by the Board must conform to all municipal zoning by-laws. Notwithstanding such, commercial activities shall not include Unit Owners leasing their Unit(s) for residential purposes.
- (j) Owners of Residential Units shall only use window coverings which appear white from the exterior.

4.2 Parking Units

- (a) Each Parking Unit shall be used and occupied only for motor vehicle parking purposes, in strict compliance with the Rules of the Corporation in force from time to time, and without limiting any wider definition of the term "motor vehicle" as may be imposed by the board from time to time, the term "motor vehicle" shall be restricted to an automobile, station wagon, motorcycle, mini-van and truck not exceeding six feet (6') six (6") inches in height, and shall exclude any truck larger than a one-ton pickup, trailer or recreational vehicle, as well as any van, motor-home, boat and/or snowmobile (and such other vehicles as the board may wish to exclude from the property from time to time), but shall nevertheless specifically include any construction, service and/or loading vehicles utilized by the Declarant and/or any of its agents, employees or contractors in the course of constructing or servicing this Condominium. In no instance shall any portion of any motor vehicle or recreational vehicle encroach upon any portion of the common elements or exceed the permissible loads as set forth or contemplated in the structural plans and specifications of the condominium's underground garage. The Owner of a Parking Unit shall keep such Unit in a clean and sightly condition. The Corporation may make provisions in its annual budget for the cleaning and sweeping of the Parking Units, either in their totality or in groups of Parking Units. Notwithstanding the foregoing, the Declarant shall, while it continues to own one or more units in the condominium be permitted to park in any parking unit which he owns. No Parking Unit may be used for storage.
- (b) The Declarant, at its option, shall have the right to use and allow its sales staff, authorized personnel or any prospective purchaser or tenant to use any unsold Parking Units which right shall continue until such time as all the Residential Units in the Corporation have been sold.
- (c) Notwithstanding the provisions of this paragraph, in the event the Corporation becomes the Owner of certain of the Parking Units the Board may, from time to time, designate the said Parking Units for alternate uses, provided that such alteration of use is in accordance with the requirements and the by-laws of the Municipality and approved by the requisite number of Owners at a meeting duly called for that purpose.
- (d) Parking Units may only be Owned by Residential Unit owners in the Condominium and leased to Occupants of Residential Units in the Condominium

4.2.1 Accessible Parking Units

There are certain Parking Units, which will be accessible for persons with disabilities ("Accessible Parking Units").

In the event that a purchaser who has been issued an Accessible Parking Permit by the governing authority ("Qualified Purchaser") acquires a Residential Unit, which has not been allocated an

Accessible Parking Unit, and requests an Accessible Parking Unit, the owner of the Accessible Parking Unit, which is the closest to the Parking Unit allocated to the Qualified Purchaser and who has not been issued an Accessible Parking Permit, shall be required to allow the Qualified Purchaser to use his or her Accessible Parking Unit and shall be entitled to use the Qualified Purchaser's Parking Unit, notwithstanding the ownership of such Parking Units.

For greater certainty, the foregoing provisions relating to Accessible Parking Units shall run with the units and be binding on all owners of such units. All purchasers of Accessible Parking Units shall execute an acknowledgement confirming the foregoing on or prior to the title closing date and shall require all subsequent purchasers to execute such an acknowledgement. The Condominium Corporation shall keep copies of all such acknowledgements and shall keep a record of who is using each Accessible Parking Unit.

4.3 Rights of Entry to Unit

- (a) The Corporation or any insurer of the property or any part thereof, their respective agents, or any other person authorized by the board, shall be entitled to enter any unit or any part of the common elements over which any owner has exclusive use, at all reasonable times and upon giving reasonable notice, to perform the objects and duties of the Corporation, and, without limiting the generality of the foregoing, for the purpose of making inspections, adjusting losses, making repairs, correcting any condition which violates the provisions of any insurance policy and remedying any condition which might result in damage to the property.
- (b) In case of any emergency, an agent of or any other person authorized by the Corporation may enter a unit at any time and without notice for the purpose of repairing the unit or the common elements including any part of the common elements over which any owner has the exclusive use, or for the purpose of correcting any condition which might result in damage or loss to the property. The Corporation or anyone authorized by it may determine whether an emergency exists.
- (c) If an owner shall not be personally present to grant entry to his unit, the Corporation or its agents or any other person authorized by it may enter upon such unit without rendering it, or them, liable to any claim or cause of action or damages by reason thereof provided that they exercise reasonable care.
- (d) The rights and authority hereby reserved to the Corporation, its agents, or any other persons authorized by it, or any insurer or its agents, do not impose any responsibility or liability whatever for the care or supervision of any unit except as specifically provided in this Declaration or the by-laws.
- (e) Any unit containing a common area water meter will be subject to the Corporation's right to gain access to the water meter at all reasonable times and on reasonable notice for the purpose of reading and maintenance of the said water meter.

4.4 Temporary Model Suites

At the time of registration, any unsold dwelling units and/or parking units and/or locker units in this Condominium may be used as temporary model suites for marketing/sale purposes, and the Declarant, its sales staff and their respective invitees shall be entitled to use the common elements for access to, and egress from, the model suites. The Declarant shall be entitled to maintain the model suites, together with all sales/marketing displays and signs, until the Declarant has sold all the dwelling units in this Condominium.

4.5 Requirements for Leasing

- (a) No owner shall lease his unit unless he causes the tenant to deliver to the Corporation an agreement signed by the tenant, to the following effect:

"I, _____, covenant and agree that I, the members of my household and my guests from time to time, will, in using the unit rented by me and the common elements, comply with the *Condominium Act, 1998* the Declaration and the By-laws, and all rules of the Condominium Corporation, during the term of my tenancy, and will be subject to the same duties imposed by the above as if I were a unit owner, except

for payment of common expenses, unless otherwise provided by the *Condominium Act, 1998*.

Furthermore, I acknowledge that students from this development are likely to be redirected to schools outside the area with available capacity and that students may be transported as governed by the Board Transportation Policy.”

- (b) No tenant shall be liable for the payment of common expenses unless notified by the Corporation that the owner is in default of payment of common expenses, in which case the tenant shall deduct from the rent payable to the owner the owner's share of the common expenses and shall pay the same to the Corporation.
- (c) Any owner leasing his unit shall not be relieved thereby from any of his obligations with respect to the unit, which shall be joint and several with his tenant.

ARTICLE V

By-laws and Rules

5.1 By-laws

The board may pass by-laws, not contrary to the Act or to this Declaration which by-laws shall not be effective until they are confirmed with or without variation by the owners, who own not less than fifty-one percent (51%) of the units, at a meeting duly called for that purposes,

- (a) governing, regulating, specifying or respecting those matters specified in the Act from time to time; and
- (b) respecting, regulating or governing any other matter or purpose not inconsistent with this Declaration or the Act.

5.2 Rules

The Board may make rules respecting the use of the common elements and units or any of them not inconsistent with the Act, this Declaration and the By-laws, which rules shall be complied with and enforced in the same manner as the by-laws. Any such rules shall be effective thirty (30) days after notice thereof has been given to each owner unless the board is in receipt of a requisition in writing made under Section 46 of the Act requiring a meeting of owners to consider the rules.

ARTICLE VI

Maintenance and Repair

6.1 Owner's Responsibilities

Each owner shall maintain his unit and those parts of the common elements of which he has exclusive use, and, subject to the provisions of this Declaration and Section 123 of the Act, each owner shall repair his unit and those parts of the common elements designated for his exclusive use after damage, all at his own expense.

Each owner shall be responsible for damage to any and all other units or to the common elements which is caused by the failure of the owner to so maintain and repair his unit or any common elements designated for his exclusive use, save and except for any such damages for which the cost of repairing same may be recovered under any policy or policies of insurance held by the Corporation. The owners shall obtain fire insurance to cover the inside portion of their unit and its contents.

Notwithstanding anything hereinbefore or hereinafter provided to the contrary, each unit owner shall be responsible for the cleaning and sweeping of any balcony or patio area set aside for the exclusive use of such owner. The owner of a dwelling unit with an appurtenant balcony may install any rug, carpet or similar flooring material (of his choice) within such balcony area provided however that no owner may alter or repair said balcony area, nor apply any paint, stucco, wallpaper, varnish, stain or other covering to any portion of said balcony area (or to any portion of the exterior window glazing), nor alter or change the colour, texture and/or materials constituting same, without the prior written consent of the Corporation. Upon the Corporation's request, each owner shall provide access to the balcony or patio area set aside for the exclusive use of such

owner, to the Corporation's authorized workmen, agents or contractors, for the purposes of facilitating and/or expediting any requisite maintenance and/or repair work to same.

Each owner shall also be responsible for the watering and maintenance of all grass, flowers, plants, shrubs and flora growing or placed within the exclusive use portion of the common elements. Each owner shall be responsible for snow removal within his or her exclusive use portion of the common elements, except for the portions which are the responsibility of the Corporation. Moreover, no addition or alteration (including a change in colour, design, texture or materials) intended or desired to be made by any such unit owner on level 1 to any of the interlocking stones, the concrete slabs, the paved stones, the planter boxes, any type of privacy fence, and/or any other landscaping materials or features, whether in the course of carrying out such owner's maintenance and repair responsibilities or otherwise, shall be made or implemented without the prior written consent of the Corporation obtained pursuant to Section 98 of the Act.

No one shall bring onto, place, affix, erect or install on or within any balcony, terrace or patio area, any object, material or thing that exceeds the permissible load(s) set forth or contemplated in the structural plans or specifications of the Condominium.

6.2 Corporation's Responsibilities

The Corporation shall maintain and repair those parts of the common elements which are not subject to exclusive use, and shall repair and maintain all doors which provide the means of ingress and egress from a unit, and all windows, save and except for the interior surfaces of windows and doors providing ingress and egress from a unit and save and except for windows and doors separating the unit from those parts of the common elements to which the unit owner has exclusive use, all at its own expense, whether such doors and windows are part of a unit or are part of the common elements, save and except as aforesaid.

With respect to Residential Units in the five (5) storey building only, the Corporation shall further maintain, repair and replace the heating, air distribution and ventilation equipment, including thermostatic controls, in such units.

Each owner shall forthwith reimburse the Corporation for the cost of repairs made by the Corporation, in accordance with this Section 6.2, to any windows and/or doors serving his or her unit and/or, with respect to Residential Units in the five (5) storey building only, heating, air distribution and ventilation equipment, including thermostatic controls, serving his or her unit, which repairs were necessitated by damage caused by such owner's negligence or willful misconduct, or as a result of the negligence or willful misconduct of the residents, tenants, invitees or licensees of his or her unit.

6.3 Repair By The Corporation

The Corporation shall make any repairs that an owner is obligated to make and that he does not make within a reasonable time, and in such event, an owner shall be deemed to have consented to having repairs done by the Corporation to his unit, and those parts of the common elements of which he has exclusive use, and the owner shall reimburse the Corporation in full for the cost of such repairs, including any legal or collection costs incurred by the Corporation in order to collect the costs of such repairs, and all such sums of money shall bear interest at the rate equal to the prime rate of interest per annum charged by the Royal Bank of Canada, in the City of Grimsby, to its most creditworthy customers, plus four percent (4%), from time to time and compounded monthly until paid by such owner. All such payments are deemed to be additional contributions toward the common expenses and recoverable as such.

ARTICLE VII Insurance

7.1 By the Corporation

The Corporation shall obtain and maintain, to the extent obtainable from the insurance industry, the following insurance, in one or more policies:

- (a) insurance against major perils and such other perils as the board may from time to time deem advisable, insuring:
 - i. the property, but excluding improvements and betterments made or acquired by an owner, and,

- ii. personal property owned by the Corporation, but not including furnishings, furniture or other personal property supplied or installed by the owners,

in an amount equal to the replacement cost of such real and personal property, without deduction or depreciation, and which policy may be subject to a loss deductible clause.

Such policies of insurance shall insure the interest of the Corporation and the owners from time to time, as their respective interest may appear with mortgagee endorsements, which shall be subject to the provisions of the Declaration and the Insurance Trust Agreement and shall contain the following provisions:

- (i) that loss shall be payable to the Insurance Trustee;
 - (ii) waivers of subrogation against the Corporation, its managers, agents, employees and servants, and as against the owners, and any member of the household or guests of any owner or occupant of a unit, except for arson, fraud, vehicle impact, vandalism or malicious mischief;
 - (iii) that such policy or policies of insurance shall not be terminated or substantially modified without at least sixty (60) days prior written notice to all parties whose interests appear therein; and
 - (iv) a waiver of the insurer's option to repair, rebuild or replace in the event that after damage, the government of the property by the Act is terminated.
- b. Public liability and property damage insurance, and insurance against the Corporation's liability resulting from a breach of duty as occupier of the common elements, insuring the liability of the Corporation and the owners from time to time, with limits to be determined by the board, and without right of subrogation as against the Corporation, its manager, agents, employees and servants and as against the owners and any member of the household or guests of any owner or occupant of a unit.
 - c. Insurance against the Corporation's liability arising from the ownership, use, operation, by or on its behalf, of boilers, machinery, pressure vessels and motor vehicles to the extent required as the board may from time to time deem advisable.
 - d. Condominium Board of Directors liability insurance.

7.2 General Provisions

- (a) Prior to obtaining any policy of insurance under paragraph (a) of Section 7.1, or any renewal or renewals thereof, or at such other time as the board may deem advisable, the board shall obtain an appraisal from an independent qualified appraiser of the full replacement cost of the property for the purpose of determining the amount of insurance to be effected and the cost of such appraisal shall be a common expense.
- (b) The board shall have the exclusive right, on behalf of the Corporation and as agents for the owners, to adjust any loss and settle any claims with respect to all insurance placed by the Corporation, and to give such releases as are required, and any claimant, including the owner of the damaged unit, shall be bound by such adjustment. The board may, however, authorize an owner in writing to adjust any loss to his unit.
- (c) A certificate of memorandum of all insurance policies and endorsements thereto shall be issued as soon as possible to each owner, and a duplicate original or certified copy of the policy to each mortgagee. Renewal Certificates or certificates of new insurance policies shall be furnished to each owner and renewal certificates or certified copies of new insurance policies to each mortgagee not later than ten (10) days before the expiry of any current insurance policy. The master policy for any insurance coverage shall be kept by the Corporation in its offices, available for inspection by an owner or mortgagee on reasonable notice to the Corporation.

- (d) No insured, other than the Corporation, shall be entitled to amend any policy or policies of insurance obtained and maintained by the Corporation, or to direct that loss shall be payable in any manner other than as provided in this Declaration and the Act.
- (e) Every mortgagee shall be deemed to have agreed to waive any right to have proceeds of any insurance applied on account of the mortgage where such application would prevent application of the insurance proceeds in satisfaction of an obligation to repair. This paragraph (e) shall be read without prejudice to the right of a mortgagee to exercise the right of an owner to vote or to consent, if the mortgage itself contains a provision giving the mortgagee that right, and also to the right of any mortgagee subject to the provisions of the Act, to receive the proceeds of any insurance policy, if the property is not repaired.

7.3 By the Owner

It is acknowledged that the foregoing insurance is the only insurance required to be obtained and maintained by the Corporation and that the following insurance, or any other insurance, should be obtained and maintained by an owner for his own benefit:

- (a) Insurance on additions, improvements or betterments made by the owner to his unit and for furnishings, fixtures, equipment, decorating and personal property and chattels of the owner contained within his unit, property and chattels stored elsewhere on the property, including his automobile or automobiles, and for loss of use and occupancy of his unit in the event of damage. Every such policy of insurance shall contain a waiver of subrogation against the Corporation, its manager, agents, employees and servants, and against the other owners and any members of their household or guests, except for arson, fraud, vehicle impact, vandalism or malicious mischief.
- (b) Public liability insurance covering any liability of any owner to the extent not covered by any public liability and property damage insurance obtained and maintained by the Corporation.

ARTICLE VIII Insurance Trustee

8.1 Insurance Trustee

The Corporation may enter into an agreement with an Insurance Trustee (an "Insurance Trust Agreement") which may be a Trust Company registered under The Loan and Trust Corporations Act, a Chartered Bank, an insurance adjuster, a quantity surveyor, a solicitor or any other reputable person or firm (the "Insurance Trustee") with considerable experience in settling claims arising from proceeds of insurance which agreement shall without limiting its generality, provide the:

- (a) the receipt by the Insurance Trustee of any proceeds of insurance payable by the Corporation in excess of ten thousand dollars (\$10,000.00);
- (b) the holding of such proceeds in trust for those entitled thereto pursuant to the provisions of the Declaration;
- (c) the disbursement of such proceeds in accordance with the provision of the Insurance Trust Agreement; and
- (d) the notification by the Insurance Trustee to the mortgagees of any insurance monies received by it.

If the Corporation is unable to enter into such agreement with such Trust Company or such Chartered Bank, by reason of its refusal to act, the Corporation may enter into such agreement with such other corporation authorized to act as a trustee, as the owners may approve by by-law at a meeting called for that purpose. The Corporation shall pay the fees and disbursements of any Insurance Trustee and any fees and disbursements shall constitute a common expense.

8.2.1 Disbursement of Funds by Trustee

If:

- (a) the Corporation is obligated to repair any unit insured in accordance with the provisions of the Act, the Insurance Trustee shall hold all proceeds for the Corporation and shall disburse same in accordance with the provisions of the Insurance Trust Agreement in order to satisfy the obligation of the Corporation to make such repairs.
- (b) there is no obligation to repair any unit in accordance with the provisions of the Act, and if there is termination in accordance with the provisions of the Act, or otherwise, the Insurance Trustee shall hold all proceeds for the owners in the proportion of their respective interests in the common elements and shall pay such proceeds to the owners in such proportions upon registration of a notice of termination by the Corporation. Notwithstanding the foregoing, any proceeds payable as aforesaid shall be subject to payment in favour of any mortgagee or mortgagees to whom such loss is payable in any policy of insurance and in satisfaction of the amount due under a Notice of Lien registered by the Corporation against such unit, in accordance with the priorities thereof.
- (c) the Board, in accordance with Section 123 of the Act, determines that:
 - (i) there has not been substantial damage to the buildings, or
 - (ii) determines that there has been substantial damage to the buildings and within sixty (60) days thereafter, the owners who own eighty percent (80%) of the units do not vote for termination, then the Insurance Trustee shall hold all proceeds for the Corporation and owners whose units have been damaged and shall disburse same in accordance with the provisions of the Insurance Trust Agreement in order to satisfy their respective obligations to make repairs pursuant to the provisions of the Declaration and the Act.

ARTICLE IX Duties of the Corporation

9.1 General Duties

In addition to any other duties set out elsewhere in this declaration, and specified in the by-laws of the Corporation, the Corporation shall have the following duties, namely:

- (a) To enter into, abide by and comply with, the terms and provisions of the outstanding agreements (and any successor or supplementary agreement(s) with respect thereto) which are (or will be) registered against the units and/or common elements (hereinafter collectively referred to as the "Outstanding Municipal Agreements").
- (b) To grant, immediately after the registration of this Declaration, if so required, an easement in perpetuity in favour of Bell Canada over, under, upon, across and through the common elements, for the purposes of facilitating the construction, installation, operation, maintenance and/or repair of telecommunication services and/or fibre optic digital switching equipment sites.
- (c) To grant, immediately after the registration of this Declaration, if so required, an easement in perpetuity in favour of any cable company and/or public utility over, under, upon, across and through the common elements, for the purposes of facilitating the construction, installation, operation, maintenance and/or repair of service lines (and all necessary appurtenances thereto) in order to facilitate the supply of services to this Condominium, and if so requested to enter into (and abide by the terms and provision of) an agreement with the service provider pertaining to the provision of services to the Condominium.
- (d) To take all reasonable steps to collect from each unit owner, his or her proportionate share of the common expenses, and to maintain and enforce the Corporation's lien arising pursuant to Section 85(1) of the Act, against each unit in respect of which the owner has defaulted in the payment of common expenses.

- (e) To enter into (or assume, as the case may be) accept, perform and be bound by the covenants, agreements and obligations which it may or is required to assume and to take any steps which may be requested of it and/or required to fully implement in a timely manner the purpose, intent and provision of any development agreements.

ARTICLE X WARNING CLAUSES

- 10.1 Purchasers/Tenants are advised that despite the inclusion of noise control features in this development area and within the building units, sound levels from increasing road traffic may occasionally interfere with some activities of the dwelling occupants as the noise level exceeds the municipality's and the Ministry of the Environment's (MOE) noise criteria. This dwelling unit has been equipped with a central air conditioning system which will allow windows and exterior doors to remain closed, thereby ensuring that the indoor sound levels are within the municipality's and the MOE's noise criteria.
- 10.2 Purchasers/Tenants are advised that due to the proximity of adjacent commercial, retail and office facilities, the sound from which may at times be audible.

ARTICLE XI Miscellaneous

11.1 Invalidity

The invalidity of any part of this Declaration shall not impair or affect in any manner the validity, enforceability and effect of the balance thereof.

11.2 Gender

The use of the masculine gender in this Declaration shall be deemed to include the feminine and neuter genders and the use of the singular shall be deemed to include plural wherever the context so requires, and vice versa.

11.3 Waiver

No restriction, condition, obligation or provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

11.4 Headings

 The headings in the body of this Declaration form no part of the Declaration but shall be deemed to be inserted for convenience of reference only.

DATED at _____, this day of 20 .

HOMES BY DESANTIS (LAKE) INC.

Per:

I have authority to bind the Corporation.

SCHEDULE “A”

**Concord Place, Grimsby
AQUAZUL CONDOMINIUMS**

[DRAFT NOTE: to be finalized to include any municipal, utility or other easements or agreements, as necessary, prior to registration]

PT LT 17 CON 1 NORTH GRIMSBY AS IN RO544827; GRIMSBY, being part of PIN 46006-0016;

And

PT LT 17 CON 1 NORTH GRIMSBY AS IN RO406148; TOWN OF GRIMSBY, being part of PIN 46006-0017 (LT)

Subject to a future easement in favour of the adjoining property to the west (which is owned by the Declarant) for the purpose of parking and access to accommodate future Adjacent Lands Development.

Town of Grimsby, Province of Ontario

The following is a legal description of the servient lands:

PT LT 17 CON 1 NORTH GRIMSBY AS IN RO544827; GRIMSBY, being part of PIN 46006-0016;

And

PT LT 17 CON 1 NORTH GRIMSBY AS IN RO406148; TOWN OF GRIMSBY, being part of PIN 46006-0017 (LT)

In my opinion, based on the parcel register and the plans and documents recorded in them, 1) the legal description is correct, 2) the easements shown in the Description will exist in law upon the registration of the declaration and description, and 3) the Declarant is the registered owner of the land and the appurtenant interests.

Dated at Hamilton, this _____ day of _____, 20____

James Mahler (Solicitor for the Declarant)
Scarfone Hawkins LLP

SCHEDULE "B"

CONSENT

(under clause 7(2)(b) of the Condominium Act, 1998)

[draft note: To be completed to set out the lender as at the time of registration of the Declaration]

1. The undersigned, _____, has a registered mortgage within the meaning of clause 7(2)(b) of the Condominium Act, 1998, registered as Number _____ in the Land Titles Division of Niagara North Registry Office (No. 20).
2. The undersigned consents to the registration of this Declaration, pursuant to the Act, against the land or the interests appurtenant to the land, as the land and the interests are described in the description.
3. The undersigned postpones the mortgage and the interests under it to the Declaration and the easements described in Schedule "A" to the Declaration.
4. The undersigned is entitled by law to grant this consent and postponement.

DATED this _____ day of _____, 2016

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE “C”

BOUNDARIES OF UNITS

Each residential unit, parking unit, and locker unit shall comprise the area within the heavy lines shown on Part 1, Sheets 1 to 4, inclusive of the Description with respect to the unit numbers indicated thereon. The monuments controlling the extent of the units are the physical surfaces referred to immediately below, and are illustrated on Part 1, Sheets 1 to 4 inclusive of the Description, and all dimensions shall have reference to them.

Without limiting the generality of the foregoing, the boundaries of each unit are as follows:

Each residential unit, parking unit, and locker unit shall comprise the area within the heavy lines shown on Part 1, Sheets 1 to 4, inclusive of the Description with respect to the unit numbers indicated thereon. The monuments controlling the extent of the units are the physical surfaces referred to immediately below, and are illustrated on Part 1, Sheets 1 to 4 inclusive of the Description, and all dimensions shall have reference to them.

Without limiting the generality of the foregoing, the boundaries of each unit are as follows:

1. **Boundaries of the Residential Units**

(Being Units 1 to 26 inclusive on Levels 1, 2, and 3, Units 1 to 30 inclusive on Level 4, Units 1 to 29 inclusive on Level 5 and Units 1 to 27 inclusive on Level 6)

a) Each Condominium Unit is bounded vertically by:

- i) The unfinished upper or unit side surface and plane of the concrete floor topping.
- ii) The unfinished upper or unit side surface and plane of the concrete floor slab.
- iii) The upper face and plane of the drywall ceilings and their production.

b) Each Condominium Unit is bounded horizontally by:

- i) The backside surface and plane of the drywall on all exterior walls, and walls separating one unit from another such unit or the common elements and the backside surface of the drywall around columns and pipe spaces.
- ii) The unfinished interior or unit side surfaces of all exterior doors, exterior door frames and window frames, and the interior surface of all glass panels therein, the said doors and windows being in a closed position.

2. **Boundaries of the Parking Units**

(Being Units 1 to 387 inclusive on Level A)

a) Each Condominium Unit is bounded vertically by:

- i) The unfinished upper or unit side surface and plane of the concrete floor slab.
- ii) The horizontal plane defined by measurement.

b) Each Condominium Unit is bounded horizontally by:

- i) The unfinished unit side surface and plane of the concrete walls and support columns separating the unit from the common element and the production thereof.
- ii) The vertical plane established by measurement.

3. Boundaries of the Locker Units

(Being Units 388 to 444, inclusive on Level A, Units 27 to 59, inclusive on Level 3, Units 31 to 63, inclusive on Level 4, Units 30 to 62, inclusive on Level 5 and Units 28 to 60 inclusive on Level 6)

- a) Each Condominium Unit is bounded vertically by:
 - i) The unfinished upper or unit side surface and plane of the concrete floor slab or concrete floor topping.
 - ii) The lower or unit side surface and plane of the steel mesh and production thereof.
- b) Each Condominium Unit is bounded horizontally by:
 - i) The unfinished unit side surface and plane of the poured concrete or concrete block walls and columns and the production thereof or the unit side face and plane of the dry wall were applicable.
 - ii) The unit side surface and plane of the steel mesh and the production thereof.

I hereby certify that the written description of the monuments and boundaries of the Units contained herein accurately corresponds with the diagrams of the Units shown on Part 1, Sheets 1 to 4 inclusive.

Dated at the City of Hamilton
this 16th day of September, 2016

S.D. McLaren,
Ontario Land Surveyor

SCHEDULE “D”
Proportion of Common Interest & Contributions to
Common Expenses

RESIDENTIAL UNITS

<u>Unit No.</u>	<u>Level</u> <u>No.</u>	<u>Suite #</u>	<u>Percentage</u>
1	1	101	0.684810%
2	1	102	0.660570%
3	1	103	0.585310%
4	1	104	0.585310%
5	1	105	0.585310%
6	1	106	0.585310%
7	1	107	0.585310%
8	1	108	0.499190%
9	1	109	0.585310%
10	1	110	0.585310%
11	1	111	0.499190%
12	1	112	0.718260%
13	1	113	0.718260%
14	1	114	0.585310%
15	1	115	0.585310%
16	1	116	0.585310%
17	1	117	0.585310%
18	1	118	0.585310%
19	1	119	0.585310%
20	1	120	0.499190%
21	1	121	0.499190%
22	1	122	0.499190%
23	1	123	0.660570%
24	1	124	0.391320%
25	1	125	0.391320%
26	1	126	0.391320%
1	2	201	0.684810%
2	2	202	0.660570%
3	2	203	0.585310%
4	2	204	0.585310%
5	2	205	0.585310%
6	2	206	0.585310%
7	2	207	0.585310%
8	2	208	0.499190%
9	2	209	0.585310%
10	2	210	0.585310%
11	2	211	0.499190%
12	2	212	0.718260%
13	2	213	0.718260%
14	2	214	0.585310%
15	2	215	0.585310%

16	2	216	0.585310%
17	2	217	0.585310%
18	2	218	0.585310%
19	2	219	0.585310%
20	2	220	0.499190%
21	2	221	0.499190%
22	2	222	0.499190%
23	2	223	0.660570%
24	2	224	0.391320%
25	2	225	0.391320%
26	2	226	0.391320%
1	3	301	0.684810%
2	3	302	0.660570%
3	3	303	0.585310%
4	3	304	0.585310%
5	3	305	0.585310%
6	3	306	0.585310%
7	3	307	0.585310%
8	3	308	0.499190%
9	3	309	0.585310%
10	3	310	0.585310%
11	3	311	0.499190%
12	3	312	0.718260%
13	3	313	0.718260%
14	3	314	0.585310%
15	3	315	0.585310%
16	3	316	0.585310%
17	3	317	0.585310%
18	3	318	0.585310%
19	3	319	0.585310%
20	3	320	0.499190%
21	3	321	0.499190%
22	3	322	0.499190%
23	3	323	0.660570%
24	3	324	0.391320%
25	3	325	0.391320%
26	3	326	0.391320%
1	4	401	0.684810%
2	4	402	0.660570%
3	4	403	0.585310%
4	4	404	0.585310%
5	4	405	0.585310%
6	4	406	0.585310%
7	4	407	0.585310%
8	4	408	0.499190%
9	4	409	0.585310%
10	4	410	0.585310%
11	4	411	1.040180%
12	4	412	0.627960%
13	4	413	0.499190%

14	4	414	0.499190%
15	4	415	0.585310%
16	4	416	0.585310%
17	4	417	0.585310%
18	4	418	0.585310%
19	4	419	0.499190%
20	4	420	0.499190%
21	4	421	0.499190%
22	4	422	0.660570%
23	4	423	0.438150%
24	4	424	0.438150%
25	4	425	0.438150%
26	4	426	0.585310%
27	4	427	0.612070%
28	4	428	0.612070%
29	4	429	0.612070%
30	4	430	0.585310%
1	5	501	0.684810%
2	5	502	0.660570%
3	5	503	0.585310%
4	5	504	0.585310%
5	5	505	0.585310%
6	5	506	0.585310%
7	5	507	0.585310%
8	5	508	0.499190%
9	5	509	0.585310%
10	5	510	0.585310%
11	5	511	0.939010%
12	5	512	0.941520%
13	5	513	0.499190%
14	5	514	0.585310%
15	5	515	0.585310%
16	5	516	0.585310%
17	5	517	0.585310%
18	5	518	0.499190%
19	5	519	0.499190%
20	5	520	0.499190%
21	5	521	0.660570%
22	5	522	0.438150%
23	5	523	0.438150%
24	5	524	0.438150%
25	5	525	0.585310%
26	5	526	0.612070%
27	5	527	0.612070%
28	5	528	0.612070%
29	5	529	0.585310%
1	6	601	0.684810%
2	6	602	0.660570%
3	6	603	0.585310%
4	6	604	0.585310%

5	6	605	0.585310%
6	6	606	0.585310%
7	6	607	0.585310%
8	6	608	0.499190%
9	6	609	0.585310%
10	6	610	0.585310%
11	6	611	1.365430%
12	6	612	0.499190%
13	6	613	0.585310%
14	6	614	0.585310%
15	6	615	0.585310%
16	6	616	0.585310%
17	6	617	0.499190%
18	6	618	0.499190%
19	6	619	0.499190%
20	6	620	0.660570%
21	6	621	0.438150%
22	6	622	0.438150%
23	6	623	0.438150%
24	6	624	0.585310%
25	6	625	0.923960%
26	6	626	0.923960%
27	6	627	0.585310%

TOTAL RESIDENTIAL UNITS

95.374000%

PARKING UNITS

<u>Unit No.</u>	<u>Level No.</u>	<u>Percentage</u>
Units 1 to 387		
387 at 0.01% each	A	3.870000%

TOTAL PARKING UNITS

3.870000%

LOCKER UNITS

<u>Unit No.</u>	<u>Level No.</u>	<u>Percentage</u>
Units 388 to 444		
57 at 0.004% each	A	0.228000%
Units 27 to 59		
33 units at 0.004% each	3	0.132000%

Units 31 to 63 33 units at 0.004% each	4	0.132000%
Units 30 to 62 33 units at 0.004% each	5	0.132000%
Units 28 to 60 33 units at 0.004% each	6	0.132000%
TOTAL LOCKER UNITS		0.756000%
TOTAL PERCENTAGE		100.000000%

SCHEDULE “E”

COMMON EXPENSES

Common expenses, without limiting the definition ascribed thereto, shall include the following:

- (a) all expenses of the Corporation incurred by it or the Board in the performance of the objects and duties of the Corporation whether such objects or duties are imposed under the provisions of the Act or in this Declaration or performed pursuant to an agreement with the owners of the adjacent property, or any by-law of the Corporation;
- (b) all sums of money paid or payable by the Corporation in connection with the performance of any of its objects, duties and powers whether such objects, duties and powers are imposed by the Act or this Declaration and By-laws of the Corporation or other law or by agreement;
- (c) all sums of money properly paid by the Corporation on account of any and all public and private suppliers to the Corporation of insurance coverage, utilities and services including, without limiting the generality of the foregoing, levies or charges payable on account of:
 - i. insurance premiums;
 - ii. utilities (water, sewage, gas and electricity, etc.) respecting common elements, as applicable;
 - iii. water and gas respecting the residential units in the building portion of the condominium;
 - iv. fees and payments due under all utility agreements entered into by the Condominium Corporation;
 - v. maintenance materials, tools and supplies;
 - vi. snow removal from common element roads and to remove same from the site, if required, and landscaping of common element areas;
 - vii. facilities, including without limitation, services, entrance features, sound attenuation measures and supporting structures; and
 - viii. Garbage collection and related services.
- (d) all sums of money paid or payable by the Corporation pursuant to any management contract which may be entered into between the Corporation and a manager;
- (e) all sums of money required by the Corporation for the acquisition or retention of real property for the use and enjoyment of the property or for the acquisition, repair, maintenance or replacement of personal property for the use and enjoyment in or about the common elements;
- (f) all sums of money paid or payable by the Corporation to any and all persons, firms or companies engaged or retained by the Corporation, its duly authorized agents, servants and employees for the purpose of performing any or all of the objects, duties and powers of the Corporation including, without limitation, legal, engineering, accounting, auditing, expert appraising, advising, maintenance, managerial, secretarial or other professional advice and service required by the Corporation;
- (g) the cost of equipment for use in and about the Common Elements including the repair, maintenance or replacement thereof;

- (h) the cost of borrowing money for the carrying out of the objects, duties and powers of the Corporation;
- (i) the fees and disbursements of the Insurance Trustee, if and when required, and of obtaining insurance appraisals;
- (j) the cost of maintaining fidelity bonds as provided by By-law;
- (k) all sums required to be paid to the reserve fund as required by the Declaration or in accordance with the agreed upon annual budget of the Corporation; and
- (l) all costs associated with the repair and maintenance of the Building(s), including, but not limited to carpet cleaning, CCTV Systems, Overhead Door, elevator licensing, pest control, window cleaning, janitorial, garbage, fire alarm/sprinkler

Schedule "F"
Exclusive Use Common Elements

Subject to the provisions of the Declaration, the By-Laws and Rules of the Corporation and the right of entry in favour of the Corporation thereto and thereon, for the purpose of facilitating any requisite maintenance and/or repair work, or to give access to the utility and service areas appurtenant thereto:

- a) The owners of Condominium Units 27 to 51 inclusive on Level 1 have the exclusive use of a porch or patio to which said unit provides direct access. The said patios and porches are located on Level 1 and designated by the letter 'P' follow by a number defining the units, as illustrated on Sheet 1, Part 2 of the description.

i.e. P27 denotes exclusive use area for Unit 27, Level 1
- b) The owners of Condominium Units Units 27 to 51 inclusive on Level 2, Units 60 to 84 inclusive on Level 3, Units 64 to 87 inclusive on Level 4, Units 63 to 83 inclusive on Level 5 and Units 61 to 82 inclusive on Level 6 shall have the exclusive use to balconies and/or terraces to which said Units provide direct and sole access.

SCHEDULE “G”

**CERTIFICATE OF ARCHITECT OR ENGINEER
(SCHEDULE G TO DECLARATION FOR A STANDARD OR LEASEHOLD
CONDOMINIUM CORPORATION)
(UNDER CLAUSES 5 (8) (A) OR (B) OF ONTARIO REGULATION 48/01 OR CLAUSE 8
(1) (E) OR (H) OF THE *CONDOMINIUM ACT, 1998*)
*Condominium Act, 1998***

I certify that:

[Strike out whichever is not applicable:]

Each building on the property

OR

(In the case of an amendment to the declaration creating a phase:

Each building on the land included in the phase)]

has been constructed in accordance with the regulations made under the *Condominium Act, 1998*, with respect to the following matters:

(Check whichever boxes are applicable)

1. ☐ The exterior building envelope, including roofing assembly, exterior wall cladding, doors and windows, caulking and sealants, is weather resistant if required by the construction documents and has been completed in general conformity with the construction documents.
2. ☐ Except as otherwise specified in the regulations, floor assemblies are constructed to the sub-floor.
3. ☐ Except as otherwise specified in the regulations, walls and ceilings of the common elements, excluding interior structural walls and columns in a unit, are completed to the drywall (including taping and sanding), plaster or other final covering.
4. ☐ All underground garages have walls and floor assemblies in place.

OR

- ☐ There are no underground garages.
5. ☐ All elevating devices as defined in the *Elevating Devices Act* are licensed under that Act if it requires a licence, except for elevating devices contained wholly in a unit and designed for use only within the unit.

OR

- ☐ There are no elevating devices as defined in the *Elevating Devices Act*, except for elevating devices contained wholly in a unit and designed for use only within the unit.
- 6. ☐ All installations with respect to the provision of water and sewage services are in place.
- 7. ☐ All installations with respect to the provision of heat and ventilation are in place and heat and ventilation can be provided.
- 8. ☐ All installations with respect to the provision of air conditioning are in place.

OR

- ☐ There are no installations with respect to the provision of air conditioning.
- 9. ☐ All installations with respect to the provision of electricity are in place.
- 10. ☐ All indoor and outdoor swimming pools are roughed in to the extent that they are ready to receive finishes, equipment and accessories.

OR

- ☐ There are no indoor and outdoor swimming pools.
- 11. ☐ Except as otherwise specified in the regulations, the boundaries of the units are completed to the drywall (not including taping and sanding), plaster or other final covering, and perimeter doors are in place.

Dated this day of,

.....
(signature)

.....
(print name)

(Strike out whichever is not applicable:

Architect
Professional Engineer)

TAB 4

**Concord Place, Grimsby
AQUAZUL CONDOMINIUMS**

NIAGARA NORTH STANDARD CONDOMINIUM CORPORATION NO. _____

BY-LAW NO. 1

BE IT ENACTED as a by-law of Niagara North Standard Condominium Corporation No. _
(hereinafter referred to as the "Corporation") as follows:

ARTICLE I – DEFINITIONS

1.1 In addition to those words, terms and/or phrases specifically defined in this by-law, the words, terms and/or phrases used herein which are defined in the *Condominium Act, 1998*, S.O. 1998, C.19 as amended, and the regulations made thereunder (hereinafter referred to as the "Act") and in the declaration of the Corporation (hereinafter referred to as the "Declaration") shall have ascribed to them the meanings set out in the Act or the Declaration, unless the context requires otherwise.

ARTICLE II – SEAL

2.1 The corporate seal of the Corporation shall be in the form impressed hereon. Notwithstanding that the Corporation has a seal, any document that would otherwise require a seal need not be executed under seal, provided the statement, "I/We have authority to bind the Corporation", is noted below the signature(s) of the person(s) duly authorized to sign the document and such as document has the same effect for all purposes as if executed under seal.

ARTICLE III - RECORDS

3.1 The Corporation shall keep and maintain all records required by Section 55 of the Act, including the following records (hereinafter called the "Records"):

- (e) the financial records of the Corporation for at least six (6) years from the end of the last fiscal period to which they relate;
- (f) a minute book containing the minutes of owners' meeting and the minutes of board meetings;
- (g) a copy of the registered Declaration, registered by-laws and current rules;
- (h) a copy of all applications made under Section 109 of the Act to amend the Declaration, if applicable;
- (i) the seal of the Corporation;
- (j) copies of all agreements entered into by the Corporation or by the Declarant or the Declarant's representatives on behalf of the Corporation, including all management contracts, deeds, leases, licenses, easements and any agreements entered into pursuant to Section 98 of the Act;
- (k) copies of all policies of insurance and the related certificates or memoranda of insurance and all insurance trust agreements;
- (l) bills of sale or transfers for all items that are assets of the Corporation, but not part of the property;

- (m) the names and addresses for service of each owner and mortgagee that the Corporation receives, in writing, from owners and mortgagees in accordance with subsection 47(1) of the Act;
- (n) all written notices received by the Corporation from owners that their units have been leased, together with the lessee's name, the owner's address, a copy of the lease or renewal or a summary of same, pursuant to subsection 83(1) of the Act;
- (o) all written notices received by the Corporation from owners that a lease of the owner's unit has terminated and has not been renewed pursuant to subsection 83(2) of the Act;
- (p) all records that the Corporation has related to employees of the Corporation;
- (q) all existing warranties and guarantees for all equipment, fixtures and chattels including in the common elements;
- (r) the as-built architectural, structural, engineering, mechanical, electrical and plumbing plans;
- (s) the as-built specifications indicating all substantive changes, if any, from the original specifications;
- (t) all existing plans for underground site services, site grading, drainage and landscaping and television, radio or other communication services;
- (u) all other existing plans and information that are relevant to the repair or maintenance of the property;
- (v) a table that the Declarant has delivered pursuant to clause 43(5)(g) of the Act setting out the responsibilities for repair after damage and maintenance, and indicating whether the Corporation or the owners are responsible;
- (w) all reserve fund studies and all plans to increase the reserve fund;
- (x) a copy of the most current disclosure statement delivered by the Declarant to a purchaser prior to the turnover meeting;
- (y) a copy of the written performance audit report received by the Corporation;
- (z) a copy of any order appointing an inspector or administrator, if applicable, pursuant to Section 130 or 131 of the Act, together with any report that the Corporation receives from an inspector in accordance with subsection 130(4) of the Act;
- (aa) a copy of all status certificates issued within the previous ten (10) years;
- (bb) a copy of all notices of meetings sent by or on behalf of the Corporation within the previous ten (10) years;
- (cc) all proxies, for not more than ninety (90) days from the date of the meeting at which the proxies were utilized;
- (dd) a copy of all notices of lien issued by the Corporation to delinquent owners pursuant to subsection 85(4) of the Act, in respect of which the corresponding certificates of lien have not been discharged or vacated by court order;
- (ee) all records relating to actual or pending litigation (or insurance investigations) involving the Corporation (as contemplated by clause 55(4)(b) of the Act), together with copies of all outstanding judgments against the Corporation (as contemplated in clause 76(1)(h) of the Act);
- (ff) a copy of the budget of the Corporation for the current fiscal year, together with the last annual audited financial statements and auditor's report on such statements;
- (gg) a copy of all minutes of settlement and/or written decisions made by any mediator or arbitrator appointed pursuant to Section 132 of the Act, regarding any issue(s) in

dispute involving the Corporation (or to which the Corporation is a party), together with copies of all court orders issued in those circumstances where the Corporation was a party to the proceeding or otherwise directly affected thereby; and,

- (hh) all other records as may be prescribed or specified in any other by-laws of the Corporation, together with copies of all other materials received by the Corporation that the regulations to the Act may hereafter require the Declarant to deliver on or shortly after the turnover meeting (as contemplated in clause 43(5)(m) of the Act).

ARTICLE IV – THE CORPORATION

4.1 Duties of the Corporation

The duties of the Corporation shall include, but shall not be limited to the following:

- (a) the operation, care, upkeep, maintenance and repair of the common elements as provided for in the Act and in the Declaration;
- (b) the collection of contributions toward common expenses from the owners;
- (c) the arranging or the supply of all requisite utility services to the common elements (unless separately metered) except where prevented from carrying out such duty by reason of any event beyond the reasonable control of the Corporation. The Corporation shall not be liable for indirect or consequential damage or for damages for personal discomfort or illness by reason of the breach of such duty;
- (d) obtaining and maintaining insurance for the property as may be required by the Act, the Declaration or the By-laws;
- (e) the retention of legal counsel to prepare, register and discharge, following payment, certificates of lien for arrears of common expenses;
- (f) the preparation and delivery of status certificates as required by the Act;
- (g) the preparation of a yearly budget;
- (h) the supervision of all public or private service companies which enter upon the property for the purpose of supplying, installing, replacing and servicing their systems;
- (i) the obtaining and maintaining of fidelity bonds for any person dealing with Corporation monies and in such amounts as the board may deem reasonable;
- (j) the purchase and maintenance of insurance for the benefit of all directors and officers in respect of anything done or permitted to be done by them in respect of the execution of the duties of their offices except insurance against a liability, cost, charge or expense of such directors or officers incurred as a result of a contravention of any of the duties imposed upon them pursuant to the Act;
- (k) the preparation and maintenance of the records to be kept by the Corporation in accordance with Article III hereof;
- (l) the calling and holding of meetings and the delivery of notices, as required;
- (m) the consistent and timely enforcement of the provisions of the Act, the Declaration, the By-laws and the rules of the Corporation; and,
- (n) establishing and maintaining adequate reserve funds for the major repair or replacement of the common elements and of the assets of the Corporation in accordance with the Act.

4.2 Powers of the Corporation

The powers of the Corporation shall include, but shall not be limited to the following:

- (a) the employment and dismissal of personnel necessary for the maintenance and operation of the common elements;
- (b) the investment of reserve monies held by the Corporation in accordance with the Act;
- (c) the settling, adjusting or referring to mediation and/or arbitration of any claim or claims which may be made upon or which may be asserted on behalf of the Corporation;
- (d) entering into the following agreements as required from time to time:
 - (i) a management agreement with an individual or corporation to manage the affairs and assets of the Corporation at such compensation and upon such terms as the board may determine in its sole discretion;
 - (ii) an insurance trust agreement;
 - (iii) an agreement required by the supplier of any utility or service to the Corporation upon such terms as the board may determine in its sole discretion; and,
 - (iv) any other agreements which may be permitted by the Act and the Declaration and which are deemed advisable, desirable or necessary by the board.
- (e) the authority to appeal to assessments under the Assessment Act on behalf of owners if it gives notice of the objections to the owners and to authorize the defraying of costs of objections out of the common expenses;
- (f) the borrowing of such amounts in any fiscal year as the board determines are necessary or desirable in order to protect, maintain, preserve or ensure the due and continued operation of the property in accordance with the Act, Declaration and by-laws of the Corporation and the securing of any loan of any amount by mortgage, pledge or charge of an asset (other than the reserve fund) of the Corporation, subject in each case to approval of each such borrowing, loan or security by a majority vote of the owners at a meeting duly called for that purpose or as required by the Act, provided however, the Board may maintain overdraft protection in its general account, in an amount not exceeding one-twelfth (1/12) of the Corporation's current budget without requiring the approval of the Owners;
- (g) leasing any part of the non-exclusive use common elements, or granting or transferring any easement, right-of-way or license over, upon, under or through (or otherwise affecting) any part or parts of the common elements, and/or releasing and abandoning any appurtenant easement(s) or right(s)-of-way heretofore or hereafter granted to (or created in favour of) the Corporation, in respect of any servient tenement burdened or encumbered thereby, on the express understanding that to the extent that subsection 21(1) of the Act requires a by-law to authorize such a lease, license, easement or right-of-way, or such a release and abandonment of easement, then this by-law shall accordingly be deemed and construed for all such purposes to be (and constitute) the by-law providing the board with the requisite authority to enter into any such lease, license, easement or right-of-way or any such release and abandonment of easement, and any such lease, license, easement, right-of-way or release of easement may be executed on behalf of the Corporation by the authorized signing officers of the Corporation, with or without the seal of the Corporation affixed thereto, and same shall be valid and binding on the Corporation without requiring the consent or concurrence of (or the written authorization or signature of) any owner(s) thereto.

ARTICLE V – MEETINGS OF OWNERS

5.1 Annual Meeting

The annual meeting of owners shall be held within six (6) months following the Corporation's fiscal year end at such place and on such day and time in each year as the board may from time to time determine, for the purpose of receiving reports and statements required by the Act, the Declaration and by-laws of the Corporation, electing directors, appointing the auditor and fixing or authorizing the board to fix the auditor's remuneration, and for the transaction of such other business as may be set out in the notice of meeting.

5.2 The First Annual General Meeting

Pursuant to subsection 45(2) of the Act, the Board shall hold the first annual general meeting of owners not more than three (3) months after the registration of the Declaration, and subsequently within six (6) months of the end of each fiscal year of the Corporation. The owners shall, at such first meeting, appoint one or more auditors to hold office until the close of the next annual meeting, and if the owners fail to so, the board shall forthwith make such appointment. The remuneration of an auditor shall be fixed by the owners (if the auditor is appointed by the owners), or fixed by the board (if authorized to do so by the owners, or if the auditor is appointed directly by the board). The Corporation shall then give Notice in writing to an auditor of his or her appointment forthwith after such appointment is made.

5.3 Special Meetings

The board shall, upon receipt of a requisition in writing made by owners who together own not less than fifteen (15%) percent of the units, call and hold a meeting of the owners within thirty-five (35) days of the receipt of the requisition or if the requisitionists so request in the requisition or consent in writing, add the business to be presented at the requisitioned meeting to the agenda for the next annual general meeting. If the meeting is not called and held within thirty-five (35) days of receipt of the requisition, any of the requisitionists may call the meeting, which meeting shall be held within forty-five (45) days of the day on which the meeting is called. The board may at any time call a special meeting of the owners for the transaction of any business, the nature of which shall be specified in the notice calling the meeting.

5.4 Notices

At least fifteen (15) days written notice of every meeting specifying the place, the date, the hour and the nature of the business to be presented shall be given to the auditor of the Corporation and to each owner and mortgagee entitled to vote and entered on the records twenty (20) days before the date of the meeting in accordance with subsection 47(5) and 70(2) of the Act. The Corporation shall not be obligated to give notice to any Owner who has not notified the Corporation that he/she has become an Owner nor give notice to any mortgagee who has not notified the Corporation of his/her entitlement to vote and address for service.

5.5 Reports

A copy of the financial statement and a copy of the auditor's report shall be furnished to every owner and mortgagee entered on the record at least twenty (20) days before the date of any annual general meeting of Owners. A copy of the minutes of meetings of owner and of the board shall be furnished to any owner or mortgagee who has requested same, within thirty (30) days of such request upon payment to the Corporation of a reasonable charge for labour and photocopying.

5.6 Persons Entitled to Be Present

The only persons entitled to attend a meeting of owners shall be the owners and mortgagees entered on the Record, and any others entitled to vote thereat, the auditor of the Corporation, the directors and officers of the Corporation, a representative of the property manager, and others who, although not entitled to vote, are entitled or required under the provisions of the Act or the Declaration and by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.

5.7 Quorum

At any meeting of owners, a quorum shall be constituted when persons entitled to vote and owning not less than twenty-five (25%) percent of the units are present in person or represented by proxy. If thirty (30) minutes after the time appointed for the holding of any meeting of owners,

a quorum is not present, the meeting shall stand adjourned and if the meeting was an annual general meeting, the board shall call a further meeting of the owners in accordance with the Act.

5.8 Right to Vote

Subject to the restrictions in paragraphs 5.11 and 5.13 of this Article V, every owner of a unit that has the right to vote in accordance with the Act, shall be entitled to vote who is entered on the Record as an owner or has given notice to the Corporation, in a form satisfactory to the Chairperson of the meeting that he/she is an owner. If a unit has been mortgaged, and the person who mortgaged such unit (or his/her proxy) has expressly authorized or empowered the mortgagee to vote and exercise the right of the owner to vote in respect of such unit and such mortgagee has, at least four (4) days before the date specified in the notice of meeting, notified the owner and the Corporation of his/her intention to exercise such right, such mortgagee shall be entitled to vote upon filing with the Secretary of the meeting, sufficient proof of same. Any dispute over the right to vote shall be resolved by the Chairperson of the meeting upon such evidence as the Chairperson may deem sufficient. Each owner or mortgagee shall be entitled to only one (1) vote per unit.

5.9 Conduct of Meetings and Method of Voting

At any meeting of owners, the president of the Corporation (or to whomever the president may delegate the responsibility) or failing him/her, the vice-president, or failing him/her, some other person appointed by the board or failing such appointment, such other person elected at the meeting shall act as chairperson of the meeting and the secretary of the Corporation shall act as secretary of the meeting or, failing him/her, the chairperson shall appoint a secretary. Any questions shall be decided by a show of hands unless a poll is required by the chairperson or is demanded by an owner or mortgagee present in person or by proxy and entitled to vote, and unless a poll is so required or demanded, a declaration by the chairperson that the vote upon the question has been carried, or carried by a particular majority, or not carried, is prime facie proof of the fact without proof of the number of votes recorded in favour of or against such question; provided, however, that voting for the election of directors shall be by ballot only, other than in the case of acclamation. A demand for a poll may be withdrawn. If a poll is so required or demanded and the demand is not withdrawn, a poll upon the question shall be taken in such manner as the chairperson shall direct.

5.10 Representatives

An estate trustee, committee of a mentally incompetent person, or the guardian or trustee of an owner or mortgagee (and where a corporation acts in such capacity, any person duly appointed a proxy for such corporation) upon filing with the Secretary sufficient proof of his/her appointment, shall represent the owner or mortgagee at all meetings of the owners, and may vote in the same manner and to the same extent as such owner or mortgagee. If there be more than one (1) estate trustee, committee, guardian or trustee, the provision of paragraph 5.11 of this Article V shall apply.

5.11 Co-Owners

If a unit or a mortgage on a unit is owned by two (2) or more persons, any one of them present or represented by proxy may in the absence of the other or others vote, but if more than one of them are present or represented by proxy, the majority of the owners of the unit shall decide how the vote is exercised.

5.12 Votes to Govern

At all meetings of owners, every question shall, unless otherwise required by the Act, Declaration or by-laws, be decided by a majority of the votes duly cast on the question.

5.13 Entitlement to Vote

Save and except in those instances where the Act provides or stipulates that the unanimous vote of all owners is required on any matter, issue, resolution or motion, an owner or mortgagee is not entitled to vote at any meeting if any common expenses or other monetary contributions that are payable in respect of the owner's or mortgagee's unit are in arrears for more than thirty (30) days prior to the meeting, provided however that such an owner or mortgagee may nevertheless vote if the Corporation receives payment, by way of a certified cheque, of all the arrears (and all other costs and expenses owing to the Corporation) before the meeting is held.

5.14 Proxies

Every owner or mortgagee entitled to vote at a meeting of the owners may, by instrument in writing, appoint a proxy, who need not be an owner or mortgagee, to attend and act at the meeting in the same manner, to the same extent and with the same power, as if the owner or mortgagee was present at the meeting. The instrument appointing a proxy shall be in writing signed by the appointer of his/her attorney authorized in writing, and shall be effective for a particular meeting only. The instrument appointing a proxy shall be deposited with the secretary prior to the start of the meeting.

ARTICLE VI – BOARD OF DIRECTORS

6.1 The Corporation

The affairs of the Corporation shall be managed by a Board of Directors.

6.2 Number of Directors and Quorum

The number of directors shall be five (5) of whom a majority shall constitute a quorum for the transaction of business at any meeting of the Board. Notwithstanding vacancies, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

6.3 Qualifications

Each director shall be eighteen (18) or more years of age and need not be an owner of a unit in the Corporation. No undischarged bankrupt or mentally incompetent person shall be a director and if a director becomes a bankrupt or mentally incompetent person he/she thereupon ceases to be a director. A director immediately ceases to be a director if a certificate of lien has been registered against a unit owned by the director and the director does not obtain a discharge of the lien within ninety (90) days of the registration of the lien.

Further provided that, if a director does not attend three (3) regularly constituted meetings; or, if a director is a party to an action against the Condominium Corporation or is involved in litigation which relates to the Condominium Corporation, or, if a director does not comply with the 'Directors' Code of Conduct' (to be established by the Board), the Board shall be entitled to call for the resignation of such director.

6.4 Consent

No election or appointment of a person as a director shall be effective unless:

- (a) he/she consents in writing to act as a director before his/her election or appointment or within ten (10) days thereafter; or
- (b) he/she was present at the meeting when he/she was elected or appointed and did not refuse at that meeting to act as a director.

6.5 Election and Term

- (a) The directors of the Corporation shall be elected in rotation and shall be eligible for re-election. At the first meeting of the owners held to elect Directors, one (1) director shall be elected to hold office for a term of one (1) year; one (1) director shall be elected to hold office for a term of two (2) years; and one (1) director shall be elected to hold office for a term of three (3) years. If more than one (1) of such directors whose terms are not of equal duration shall resign from the board prior to the expiration of their respective terms, and shall be replaced at a meeting of owners called for that purpose, the director or directors receiving the greater number of votes shall complete the longest remaining terms of the resigning directors. At each annual meeting thereafter, a number of directors equal to the number of directors retiring in such year shall be elected for a term of three (3) years.

- (b) If at least fifteen (15%) percent of the units are owner occupied (as defined in subsection 51(5) of the Act), no persons other than the owners of owner-occupied units may elect a person to one of the positions on the board. If fifteen (15%) percent of the units are owner-occupied at the turnover meeting, the position on the board to be elected by owners of owner-occupied units shall be the director elected for the one (1) year term and thereafter when that position becomes vacant (either because of resignation or the term has expired) the director for that position shall be voted upon only by the owner of non-occupied units. If at least fifteen (15%) percent of the units are not owner-occupied at the turnover meeting, but in any subsequent year more than fifteen (15%) percent of the units becomes owner-occupied, the position of a director whose term expires in that year shall be designated the director to be elected by owners of owner-occupied units and thereafter when the position becomes vacant (either because of resignation or the term has expired), the director for that position shall be voted upon only by the owners of owner-occupied units.

6.6 Filling of Vacancies and Removal of Directors

- (a) If a vacancy in the membership of the board occurs, other than by way of removal by the owners or as a result of the number of directors being increased, subject to subparagraph (c) of this paragraph 6.6, the majority of the remaining members of the board may appoint any person qualified to be a member of the board to fill the vacancy until the next annual meeting at which time the vacancy shall be filled by election of the owners.
- (b) Where the number of directors is increased, the vacancies resulting from such increase shall be filled only by election at such meeting of the owners and the director(s) so elected shall not act until the by-law increasing the number of directors is registered.
- (c) When there is not a quorum of directors in office, the director(s) then in office shall forthwith call a meeting of owners to fill the vacancies and, in default or if there are no directors then in office, the meeting may be called by an owner.
- (d) Any director may be removed before the expiration of his term by a vote of owners who together own a majority of the units and the owners may elect, in accordance with the by-laws dealing with the election of directors, any person qualified to be a member of the board for the remainder of the term of the director removed, provided the director elected by the owners of owner-occupied units may only be removed by a vote of the owners of owner-occupied units in accordance with the Act.

6.7 Calling of Meetings

Meetings of the board shall be held from time to time at such place and at such time and on such day as the President or any two (2) directors may determine, and the Secretary shall call meetings when authorized by them. Notice of any meeting so called shall be delivered personally, by prepaid mail, courier delivery or electronic communication to each director addressed to him at his latest address entered on the Record of the Corporation not less than forty-eight (48) hours (excluding any part of a Sunday or of a holiday as defined by the Interpretation Act of Canada for the time being in force) before the time when the meeting is to be held, save that no notice of a meeting shall be necessary if all the directors are present and consent to the holding of such meeting, or if those absent have waived notice of or otherwise signified in writing their consent to the holding of such meeting.

6.8 Regular Meetings

The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the board fixing a place and time of regular meetings of the board shall be given to each director forthwith after being passed, but no other notice shall be required for any such regular meeting.

6.9 Teleconference

A meeting of the board may be held or convened by way of teleconference, or any other form of communication system that allows all of the directors to participate concurrently and to

communicate with each other simultaneously and instantaneously, provided that all of the directors participating in a meeting held or convened by such means have consented thereto, and a director so participating in any such meeting held or conveyed by such means shall be deemed (for the purposes of subsection 35(5) of the Act and this by-law) to be present at such meeting. The board may, by resolution signed by all the directors, provide their consent, in advance, to have meetings of the board 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 board by any director of a written notice revoking his or her consent to such resolution.

6.10 First Meeting of New Board

The board may without notice hold its first meeting for the purpose of organization and the election and appointment of officers immediately following the appointment of the directors of the first board, provided a quorum of directors be present.

6.11 Conflict of Interest

A director shall not be disqualified by reason of his office from contracting with the Corporation. Subject to the provisions of the Act, a director shall not by reason only of his office be accountable to the Corporation or to its owners for any profit or gain realized from a contract or transaction in which he has an interest, and such contract or transaction shall not be voidable by reason only of such interest, provided that the provisions in the Act relating to a declaration of interest have been followed.

6.12 Protection of Directors and Officers

No director or officer of the Corporation shall be liable for any acts, neglect or default of any other director or officer or for any loss or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any of the monies, securities or effects of the Corporation shall be deposited or for any loss occasioned by an error of judgment or oversight on his part or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his/her office or in relation thereto, unless the same shall happen through his/her own dishonest or fraudulent act or acts.

6.13 Indemnity of Directors and Officers

Every director and officer of the Corporation and their respective heirs, estate trustees, successors, and other legal personal representatives shall at all times be indemnified and saved harmless by the Corporation from and against:

- (a) any liability and all costs, charges and expenses that the director or officer sustains or incurs in respect of any action, suit or proceeding that is proposed or commenced against him or her for or in respect of anything done, permitted to be done, or omitted to be done, by him or her, in respect of the execution of the duties of his or her office; and
- (b) all other costs, charges and expenses that such director or officer sustains or incurs in respect of the affairs of the Corporation,

excluding, however, all costs, charges and expenses incurred directly or indirectly as a result of such director's or officer's own dishonest or fraudulent act or acts, or through or by such director's or officer's gross negligence, recklessness, willful blindness or intentional misconduct (with all of the liabilities and costs for which each director and officer shall be indemnified being hereinafter collectively referred to as the "Liabilities"), unless the Act or the by-laws of the Corporation provide otherwise, on the express understanding that:

- i) no director or officer shall be indemnified by the Corporation in respect of any liabilities, costs, charges and/or expenses that he or she sustains or incurs arising from any action, suit or other proceeding in which such

director or officer is adjudged to be in breach of his or her duty to act honestly and in good faith;

- ii) the Corporation is advised of any such action, suit or other proceeding (and of all liabilities, costs, charges and expenses in connection therewith) forthwith after the director or officer receives notice thereof or otherwise becomes aware of same; and,
- iii) the Corporation is given the right to join in the defense of any such action, suit or proceeding.

6.14 Insurance

Subject to the limitations contained in the Act, the Corporation shall purchase and maintain such insurance for the benefit of the directors and officers as the board may from time to time determine.

6.15 Standard of Care

Every director and officer shall exercise the powers and discharge the duties of his or her office honestly and in good faith, and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

6.16 Consent of Director at Meeting

A director who is present at a meeting of directors or committee of directors, is deemed to have consented to any resolution passed at such meeting or to any action taken thereat, unless such director:

- (a) requests that his or her dissent is entered in the minutes of the meeting; or,
- (b) delivers a written dissent to the secretary of the meeting before the meeting is terminated.

A director who votes for (or consents to) a resolution is not entitled to dissent under or pursuant to the foregoing provisions hereof.

6.17 Deemed Consent of a Director

A director who was not present at a meeting at which a resolution was passed or any action taken is deemed to have consented thereto unless within seven (7) days after becoming aware of the resolution, the director:

- (a) causes his or her dissent to be entered into (or annexed to) the minutes of the meeting; or,
- (b) delivers a written dissent to the Corporation personally or by registered mail.

ARTICLE VII – OFFICERS

7.1 Elected President

At the first meeting of the board, after each election of directors and whenever a vacancy in the office occurs, the board shall elect from among its members, a President. Until such elections, the then incumbent (if a member of the board) shall hold office.

7.2 Other Elections and Appointments

The board shall appoint or elect a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any such officers. The officers so elected may, but need not be, members of the board. One person may hold more than one office.

7.2 Term of Office

The board may by resolution remove at its pleasure, any officer of the Corporation.

7.3 President

The President shall, when present unless he/she has delegated the responsibility, preside at all meetings of the owners and of the board, and shall be charged with the general supervision of the business and affairs of the Corporation. Except when the board has appointed a General Manager or Managing Director, the President shall also have the powers and be charged with the duties of that office.

7.4 Vice-President

During the absence of the President, his/her duties may be performed and his/her powers may be exercised by the Vice-President, or if there are more than one, the Vice-Presidents, in order of seniority as determined by the board. If a Vice-President exercises any such duty or power, the absence of the President shall be presumed with reference thereto. A Vice-President shall also perform such duties and exercise such powers as the board may prescribe.

7.5 General Manager

The General Manager, if one be appointed, shall have the general management and direction, subject to the authority of the board and the supervision of the President, of the Corporation's business and affairs and the power to appoint and remove any and all employees and agents of the Corporation not elected or appointed directly by the board, and to settle the terms of their employment and remuneration. The terms of employment and remuneration of the General Manager appointed by the board shall be settled from time to time by the board.

7.6 Secretary

The Secretary shall give or cause to be given all notices required to be given to the owners, directors, auditors, mortgagees and all others entitled thereto; he/she shall attend all meetings of the directors and owners and shall enter or cause to be entered in records kept for that purpose, minutes of all proceedings at such meetings; he/she shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation, and he/she shall perform such other duties as may from time to time be prescribed by the board.

7.7 Treasurer

The Treasurer shall keep or cause to be kept full and accurate books of account in which shall be recorded all receipts and disbursements of the Corporation and under the direction of the board shall control the deposit of money, the safekeeping of securities and the disbursement of funds of the Corporation; he/she shall render to the board whenever required of him/her an account of all his/her transactions as Treasurer, and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board. The offices of Secretary and Treasurer may be combined.

7.8 Other Officers

The duties of all other officers of the Corporation shall be as set out in the terms of their employment or as the board further declares. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant unless the board otherwise directs.

7.9 Agents and Attorneys

The board shall have power from time to time to appoint agents or attorneys for the Corporation with such power of management or otherwise (including the power to subdelegate) as may be thought fit.

7.10 Committees

In order to assist the board in managing the affairs of the Corporation, the board may from time to time establish or constitute such advisor committees to advise and make recommendations to the board in connection with any activities undertaken (or under consideration) by the board, including those related to management, budgets, rules and/or any other matters related to the common elements or any facilities, services or amenities (or any portion thereof). The members

of such committees shall be appointed by the board to hold office, and may be removed at any time by resolution of the board.

ARTICLE VIII – BANKING ARRANGEMENTS AND CONTRACTS

8.1 Arrangements

The banking business of the Corporation or any part thereof shall be transacted with such bank or trust company as the board may designate or appoint from time to time by resolution, and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers or other persons as the board may designate, direct or authorize from time to time by resolution and, to the extent herein provided, including without restricting the generality of the foregoing, the operation of the Corporation's accounts, the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders relating to any property of the Corporation, the execution of any agreement relating to any such banking business and defining the rights and powers of the parties hereto, and the authorizing of any officer of such bank to do any act or thing on the Corporation's behalf to facilitate such banking business.

8.2 Execution of Instruments

Subject to the provisions of the Act, and subject to the provisions of any other by-law(s) of the Corporation specifically designating the person or persons authorized to execute any type or class of documents on behalf of the Corporation, all deeds, transfers, assignments, contracts and obligations on behalf of the Corporation may be signed by any two (2) directors of the Corporation. Any contract or obligation within the scope of any management agreement entered into by the Corporation may be executed on behalf of the Corporation in accordance with the provisions of such management agreement. The manager of the Corporation, any two (2) members of the board, or the Corporation's solicitor, may execute a certificate of lien or discharge thereof. Subject to the provisions of the Act and the Declaration, but notwithstanding any provisions to the contrary contained herein or in any other by-laws of the Corporation, the board may at any time (and from time to time) by resolution direct the manner in which, and the person or persons by whom, any particular deed, transfer, assignment, contract, cheque or obligation, or any class of deeds, transfers, assignments, contracts, cheques or obligations of the Corporation may or shall be signed.

8.3 No Seal

Despite anything contained in this by-law to the contrary, any document or instrument that would otherwise require a seal need not be executed under the seal of the Corporation, provided that same has been duly executed by the person or persons expressly authorized and empowered to execute same on behalf of the Corporation, nor shall any such document or instrument be duly witnessed in order to be valid, effective and binding upon the Corporation, provided that the name of the signatory, his or her office in the Corporation and the phrase, "I/We have authority to bind the Corporation" are clearly set out below the signature(s) of the person(s) expressly authorized and empowered to execute same on behalf of the Corporation and any such duly executed document or instrument shall have the same validly and binding effect on the Corporation (for all purposes) as if same has been duly executed under the seal of the Corporation.

8.4 Execution of Status Certificates

Status certificates may be signed by any officer or any director of the Corporation provided that the board may by resolution direct the manner in which, and the person by whom, such certificates may or shall be signed from time to time.

ARTICLE IX – FINANCIAL YEAR END

9.1 Financial Year End

The financial year end of the Corporation shall end on the last day of the month in which the declaration and description creating the Corporation were registered, in each year, or on such other day as the board by resolution may determine.

ARTICLE X – NOTICE

10.1 Method of Giving Notices

Except as otherwise specifically provided in the Act, the Declaration, this by-law, or any other by-law(s) of the Corporation hereafter enacted, any notice(s), communication(s) or other document(s), including budgets and notices of assessment required to be given, served or delivered shall be sufficiently given or served if given in accordance with the following provisions:

- (a) to an owner: (who has notified the Corporation in writing of his or her ownership interest in any unit, and of his or her name and address for service), by giving same to such owner (or to any director or officer of such owner if the owner is a corporation), either:
 - (i) personally, by courier, or by ordinary mail, postage prepaid, addressed to such owner at the address for service given by such owner to the Corporation; or
 - (ii) by facsimile transmission, electronic mail, or by any other method of electronic communication (if the owner agrees in writing that the party giving the notice may do so in this manner; or
 - (iii) delivered at the owner's unit or at the mail box for the owner's unit, unless:
 - A. the party giving the notice has received a written request from the owner that the notice not be given in this manner; or
 - B. the address for service that appears in the Records is not the address of the unit of the owner.
- (b) to a mortgagee: (who has notified the Corporation in writing of his or her interest as mortgagee in any unit, and of his or her name and address for service, and of his or her right under the terms of the mortgage to vote at a meeting of owners (or to consent in writing) in the place and stead of the mortgagor/owner), by giving same to such mortgagee (or to any director or officer of such mortgagee, if the mortgagee is a corporation), either:
 - (i) personally, by courier, or by ordinary mail, postage prepaid, addressed to such mortgagee at the address for service given by such mortgagee to the Corporation; or
 - (ii) by facsimile transmission, electronic mail, or by any other method of electronic communication (if the mortgagee agrees in writing that the party giving the notice may do so in this manner).
- (c) to the Corporation: by giving same personally to any director or officer of the Corporation, or by courier or by registered mail, postage prepaid, addressed to the Corporation at its address for service as set out in the Declaration or as changed in accordance with the requirements of the Act.

10.2 Receipt of Notice

If any notice is delivered personally, by courier, or by facsimile transmission or by any other method of electronic communication, then such notice shall be deemed to have been received (and to be effective) on the next day following the day on which same was personally delivered, couriered, telefaxed, or sent by any other method of electronic communication, as the case may be.

10.3 Omissions and Errors

Except as may otherwise be provided in accordance with the Act, the accidental omission to give any notice to anyone entitled thereto, or the non-receipt of such notice, or any error in any notice not affecting the substance thereof, shall not invalidate any action taken at any meeting of owners or directors held pursuant to such notice or otherwise founded thereon.

ARTICLE XI – ASSESSMENT AND COLLECTION OF COMMON EXPENSES

11.1 Duties of the Board

All expenses, charges and costs of maintenance of the common elements and any other expenses, charges or costs which the board may incur or expend pursuant hereto shall be assessed by the board and levied against the owners in the proportions in which they are required to contribute to the common expenses as set forth in the Declaration. The board shall from time to time, and at least annually, prepare a budget for the property and determine by estimate, the amount of common expenses for the next ensuing fiscal year, or remainder of the current fiscal year, as the case may be, which shall include provision for a reserve fund as required by the Act. The board shall advise all owners promptly in writing of the amount of common expenses payable by each of them respectively determined as aforesaid, and shall deliver copies of each budget on which common expenses are based to all owners and mortgagees entered in the Record.

11.2 Owner's Obligations

Each owner shall pay to the Corporation the amount of such assessment in equal monthly payments on the first day of each and every month next following notice of such assessment by way of twelve (12) postdated cheques or execution of a pre-authorized payment plan, until such time as a new assessment has been provided to such owner.

11.3 Extraordinary Expenditures

In addition to the annual assessment, extraordinary expenditures not contemplated in the foregoing budget and for which the board shall not have sufficient funds, may be assessed at any time during the year by the board serving notice of such assessment on all owners, as an additional common expense. The notice shall include a written statement setting out the reasons for the assessment. The assessment shall be payable by each owner within ten (10) days after the delivery thereof to him or within such further period of time or in such instalments as the board may determine.

11.4 Default in Payment of Assessment

- (a) Arrears of payments required to be made under the provisions of this Article 11 shall bear interest at a rate determined by the board from time to time and in default of such determination shall bear interest at the rate of eighteen (18%) percent per annum and shall be compounded monthly until paid.
- (b) In addition to any remedies or liens provided by the Act, if any owner is in default in payment of an assessment levied against him/her for a period of fifteen (15) days, the board may retain a solicitor on behalf of the Corporation to enforce collection and there shall be added to any amount due, all costs of such solicitor as between a solicitor and his/her own client and such costs may be collectible against the defaulting owner in the same manner as common expenses.
- (c) The board when giving notice of default in payment of common expenses or any other default to the owner of the unit shall concurrently send a copy of such notice to each mortgagee of such unit who has requested that such notices be sent to him/her.

ARTICLE XII – LIABILITY FOR COSTS

12.1 Abatement and Restraint of Violations by Owners and Liability for Costs

The owner of a unit is responsible for any cost incurred by repair:

- (a) damage to the common elements or other units that may have been caused by either the Owner's use or his/her residents or their visitors use of same; and
- (b) damage to the common elements that has been caused by the deliberate or negligent conduct of any owner, resident or their invited guests.

In those cases where it has been determined that the responsibility for payment of the cost to repair is that of an owner, or where an owner requests to repair a common element himself/herself, the board of directors shall approve the selection of the contractor and/or the method of repair. This decision, at the discretion of the board, shall be based on a minimum of two (2) bids, the method of repair, the meeting of standards of uniformity and consideration of the convenience of the owner(s) involved.

12.2 Additional Rights of Corporation

The violation of any provisions of the Act, the Declaration, the By-laws, and/or the rules adopted by the board of directors, shall give the board the right, in addition to any other rights set forth in these by-laws:

- (a) to enter the unit in which or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the board shall not thereby be deemed guilty in any manner of trespass; or
- (b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, including without limiting the generality of the foregoing, an application for an order for compliance by implementing such proceedings as provided for in Part IX of the Act.

12.3 Insurance Deductible

Pursuant to subsections 105(2) and (3) of the Act, where any insurance policy obtained or maintained by the Corporation contains a deductible clause that limits the amount payable by the insurer, then the portion of any loss that is excluded from coverage shall be deemed a common expense, provided however that if an owner, tenant or any other person residing in the owner's unit with the permission or knowledge of the owner, by or through any act or omission causes damage to such owner's unit, or to any other units, or to any portion of the common elements, in those circumstances where such damage was not caused or contributed by any act or omission of the Corporation (or any of its directors, officers, agents or employees), then the amount which is equivalent to the lesser of the cost of repairing the damage and the deductible limit of the Corporation's insurance policy shall be added to the common expenses payable in respect of such owner's unit, together with all costs and expenses incurred by the Corporation (either directly or indirectly) in resolving such claim and/or having such damage fully rectified (including the increase in insurance premiums, if any, charged or levied against the Corporation by its insurer as a result of such claim or damage, together with all legal costs incurred by the Corporation on a solicitor and client basis), and shall be recoverable from such owner in the same manner (and upon the same terms) as unpaid common expenses.

ARTICLE XIII – PROCEDURES FOR MEDIATING DISPUTES

13.1 Mediation Procedures

For the purposes of complying with Sections 125 and 132 of the Act (if and where applicable), the procedure with respect to the mediation of disputes or disagreements between the Corporation and any owner(s) shall be conducted in accordance with the rules of procedure for the conduct of mediation attached hereto as Appendix "A".

ARTICLE XIV – MISCELLANEOUS

14.1 Invalidity

The invalidity of any part of this by-law shall not impair or affect in any manner the validity, enforceability or effect of the balance thereof.

14.2 Gender

The use of the masculine gender in this by-law shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include plural wherever the context so requires, and vice versa.

14.3 Waiver

No restriction, condition, obligation or provision contained in this by-law shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

14.4 Headings

The headings in the body of this by-law form no part thereof but shall be deemed to be inserted for convenience and reference only.

14.5 Alterations

This by-law or any part thereof may be varied, altered or repealed by a by-law passed in accordance with the provisions of the Act and the Declaration.

14.6 Conflicts

In the case of a conflict between the provisions of the Act and any provision in the Declaration, By-law or Rules, the Act shall prevail. In the case of a conflict between the provisions in the Declaration and any provision in the By-laws or rules, the Declaration shall prevail. In the event the provisions of the Act or in the Declaration are silent, the provisions of the By-laws shall prevail.

DATED at _____, this __ day of _____, 20__

The foregoing By-law No. 1 is hereby passed by the Directors of the Corporation pursuant to the *Condominium Act*, 1998, as evidenced by the respective signatures hereto of all the Directors.

DATED at _____, this __ day of _____, 20__

The undersigned, which owns one hundred percent (100%) of the units, hereby confirms, pursuant to the provisions of the *Condominium Act*, 1998, the foregoing By-law No. 1 of the By-laws of the said Corporation signed by all the Directors of the said Corporation as a by-law thereof pursuant to the provisions of the *Condominium Act*, 1998, on the __ day of _____, 20__

DATED this _____ day of _____, 20__

HOMES BY DESANTIS (LAKE) INC.

Per:

I have authority to bind the Corporation.

APPENDIX "A" TO BY-LAW NO. 1
ARTICLE 1- PRE-MEDIATION PROCEEDINGS

Prior to submitting a dispute on any question or matter to a mediator appointed by the parties in accordance with Section 132 of the *Condominium Act*, 1998 as set forth below, and within fourteen (14) days of the dispute first arising, the owner (or owners) and the Board of Directors shall meet on at least one (1) occasion, and shall use their best efforts to resolve the question or matter in dispute through good faith negotiations conducted at such meeting and, if the parties are able to agree upon the selection of a neutral person who may be and include the Corporation's property manager and/or a highly regarded member of the community, the meeting shall include such neutral person(s), all acting with a view to securing a resolution of the question or matter in dispute without further proceedings, including the conduct of mediation with the assistance of an outside mediator.

If one of the parties to the question or matter in dispute is unable or unwilling to participate in the initial meeting described in the preceding paragraph, then either party to the dispute may within five (5) business days give written notice to the other that it is submitting the question or matter in dispute to the mediation and arbitration procedures set forth below.

If the parties having met and used their best efforts to resolve the question or matter in dispute through good faith negotiation, have been unable to resolve the question or matter in dispute, then either party may, thereafter, give notice to the other that it is submitting the question or matter in dispute to mediation.

ARTICLE 2 - MEDIATION

Within thirty (30) days following the giving of notice by one party to the other party or parties as set forth above, the question or matter in dispute shall be settled, initially, by mediation proceedings in accordance with Section 132 of the *Condominium Act*, 1998.

Selection and Role of the Mediator

The party serving notice of mediation shall set forth in the notice to the other party the names, qualification and experience of two or more mediators from whom the other party may select one, or alternatively, may furnish to the first party its own list of two (2) or more persons qualified to act as a mediator, and within seven (7) days thereafter, the parties shall communicate directly with one another to select a mediator. If the parties are unable to agree upon the selection of a mediator within seven (7) days, or within such longer period of time as may be agreeable to the parties, then the appointment of a mediator shall be conducted by any one of the founding members or by the executive director of the Condominium Dispute Resolution Centre (the "CDRC") whose decision in the appointment of a qualified mediator for this purpose shall be final and binding upon the parties.

The mediator selected by the parties or, failing their agreement, appointed by the CDRC, shall not have had any current or past relationship of any kind with any of the parties that might otherwise give rise to justifiable doubts as to his or her impartiality or independence in assuming a neutral role as a mediator to assist the parties in the resolution of their dispute.

The mediator's role is to assist the parties to negotiate a resolution of their dispute. The mediator will not make decisions for the parties about how the matter should or must be resolved.

Party Confidentiality

The parties to the question or matter in dispute acknowledge that mediation is a confidential settlement process, and that they are participating in the process with the understanding that anything discussed in the mediation cannot be used in any other proceeding.

Pre-mediation information

Each of the parties shall provide to the mediator a brief description of the dispute in writing in order to facilitate a more complete understanding of the controversy and the issues to be mediated not less than two (2) days prior to the first mediation session, which date the mediator shall have authority to establish at the earliest possible and convenient date to the parties.

Authority to Settle

The parties or those representing them at the mediation shall have full, unqualified authority to settle the controversy.

Mediator Confidentiality

The mediator shall not disclose to anyone who is not a party to the mediation anything said or any materials submitted to the mediator except when ordered to do so by judicial authority or where required to do so by law.

Legal Representation

The parties may seek legal representation or advice prior to or during the mediation. They may have lawyers present at the mediation, if they so desire. If the mediator selected by the parties is a qualified lawyer, he or she will not provide legal representation or legal advice to any party at any time, and the mediator has no duty to assert or protect the legal rights and responsibilities of any party, or to raise any issue not raised by the parties themselves, or to determine who should participate in the meditation.

Right to Withdraw

In accordance with Section 132 of the *Condominium Act*, 1998, it is mandatory that each party to the dispute attend the initial mediation session. Prior to such attendance, each party shall provide the mediator with a brief description of the dispute in writing. Subject to the foregoing requirements, each party shall be entitled to withdraw at and from the initial mediation session.

Costs of the Mediation

In accordance with Section 132 of the *Condominium Act*, 1998, each party shall pay the share of the mediator's fees and expenses that the settlement specifies, if a settlement is obtained, or the mediator specifies in the notice stating that the mediation has failed, if the mediation fails.

Notice and Report

In the event that the parties are unable, with the assistance of the mediator, to settle their dispute, the mediator shall deliver a notice to the parties stating that the mediation has failed, and the parties shall thereafter resolve their dispute by arbitration under the *Arbitration Act*, 1991 and in the manner set forth below.

Settlement

In accordance with Section 132 of the *Condominium Act*, 1998, upon obtaining a settlement between the parties with respect to the disagreement submitted to mediation, the mediator shall make a written report of the settlement which shall form part of the agreement or matter that was the subject of the mediation.

TAB 5

**Concord Place, Grimsby
AQUAZUL CONDOMINIUMS**

CONDOMINIUM MANAGEMENT AGREEMENT

A G R E E M E N T

BETWEEN:

NIAGARA NORTH STANDARD CONDOMINIUM CORPORATION
(AQUAZUL)
(Hereinafter called the "Corporation")

OF THE FIRST PART

and -

PROPERTY MANAGEMENT GUILD INCORPORATED
(Hereinafter called the "Manager")

OF THE SECOND PART

WHEREAS The Corporation has been created pursuant to the Condominium Act, 1998, as amended.

AND WHEREAS the Corporation desires the Manager to manage the Property and Assets of the Corporation and the Manager desires to do so according to the terms and conditions of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements herein contained and other valuable consideration, the Corporation appoints Property Management Guild Incorporated and Property Management Guild Incorporated hereby accepts appointment as the exclusive Manager of the Property and the Assets of the Corporation on the terms and conditions hereinafter set forth.

DEFINITIONS

- "Owner(s)" shall include all Owners, residents and other occupants of a unit and their families, guests and invitees.
- "Manager" shall include the Manager's employees.
- "Corporation" shall include the Declarant of a proposed condominium, if this agreement is entered into by the Declarant in anticipation of registration of the Declarant's condominium, until such time as the condominium is registered at which time the "Corporation" shall be the condominium Corporation registered by the Declarant.
- Unless a contrary intent is expressed in this Agreement the terms used herein shall have ascribed to them the definitions contained in the Act.
- Headings are for convenience only and shall not affect the interpretation of this Agreement.

1. NOMENCLATURE

The terms used herein shall have ascribed to them the definitions contained in the Condominium Act, 1998, as amended, and the Regulations made there under, (The Act and Regulations are hereinafter referred to as "the Act").

2. COMMENCEMENT

The Corporation hereby appoints the Manager to be its sole and exclusive representative and Managing Agent, subject to the overall control of the Corporation by the Board of Directors and to the specific provisions hereof, to manage the property

commencing on the day of 201 and shall remain in force for a period of one (1) year and thereafter shall continue in force from year to year unless one party gives to the other at least sixty (60) days written notice to expire to the end of the term of this agreement, or unless sooner terminated in accordance with the provisions of paragraph 8 or as otherwise provided by law, for the purpose thereof, in the name of the Corporation, to act in its behalf in carrying out the duties of the Manager as herein set out, and to enter into such contracts and agreements in the name of the Corporation, as may be necessary in the performance of such duties.

3. MANAGEMENT STANDARDS

a) The Manager hereby accepts such appointment and agrees to manage the property on behalf of the Corporation in a faithful, diligent and honest manner and subject to the direction of the Board.

b) The Manager acknowledges that it is familiar with the terms of the Act, Declaration and By-laws registered pursuant to the Act and the Rules of the Corporation and that its management of the property shall be subject to the specific instructions of the Corporation as expressed by its Board.

c) The Manager agrees to respond to the questions/requests of the Board of Directors in a timely and expeditious manner.

4. MANAGER'S DUTIES

The Manager shall utilize its experience and knowledge to assist the Board of Directors of the Corporation in the management, supervision, control and administration of the Property and of the assets of the Corporation. In this regard, the Manager accepts the relationship of trust and confidence established between itself, the Board of Directors, and the Owners by virtue of entering into this Agreement. The Manager covenants to manage the property and the assets of the Corporation in a faithful, diligent and honest manner and furnish its best skill and judgment and to cooperate in furthering the interests of the Corporation. The duties of the Manager shall not include the duties of the Officers of the Corporation set forth in the Declaration or By-laws of the Corporation except as specifically otherwise set out in this agreement. The Manager in the performance of its duties hereunder shall undertake duties and responsibilities as outlined below:

a) ENFORCEMENT:

The Manager shall immediately become familiar with all of the provisions set out in the major agreements, resolutions, policies and professional opinions applicable to the Corporation and use its best efforts, in co-operation with and in consultation with the Board, to enforce the terms of the Act, the Declaration, By-laws and Rules and any amendments thereto which presently exist or which may be hereafter made and made known to the Manager in writing. The Manager shall take such action within its power short of legal action to enforce the terms of the Act, the Declaration, the By-Laws, and the Rules and amendments to any of the foregoing which may be in force from time to time subject to the direction of the Board, and to instruct legal counsel as directed by the Board, provided that all legal expenses and court cost incurred to enforce the said terms shall be borne by the Corporation.

b) ADVISE BOARD:

The Manager shall advise and consult with the Board with respect to any further by-laws and Rules which in the opinion of the Manager ought to be established to further the harmonious and satisfactory operation of the property for the common benefit of the unit Owners and as may be beneficial under the Condominium Act 1998, as amended, and Regulations passed pursuant thereto.

c) INFORM OWNERS:

The Manager shall forthwith communicate to all Owners the text and import of any By-laws and Rules and prepare and distribute newsletters to all Owners at regular intervals upon being directed to do so by the Board, provided that the content of such

newsletters shall be provided and/or approved by the Board. Such photocopying costs and postage incurred shall be borne by the Corporation.

d) CORPORATE REGISTER:

The Manager shall prepare, maintain and keep current the Corporation's register in accordance with the Act and use its best efforts to keep an up-to-date record of the names and addresses of all unit Owners and of any tenancies of which it has knowledge. If the Corporation receives notices or written communication from registered mortgagees or any other persons claiming an interest in the unit, the Corporation shall forthwith communicate that information to the Manager.

e) MEETINGS AND NOTICE OF MEETINGS:

The Manager will attend meetings of the Board of Directors and the Annual General Meeting of the owners. Notices for the meetings with the Board of Directors will be distributed not less than ten days prior to the scheduled meeting. The place date and time shall be confirmed by the Board. At the direction of the Board, the manager shall schedule and arrange facilities for, and be present at, all annual, general or special meetings of the Owners and deliver to the Owners such notices and other information as is required in connection with the holding of such meetings provided that rental fees, printing costs, envelopes, postage and photocopying and other expenses relating to the calling and the holding of such meetings shall be borne by the Corporation. The Manager shall prepare notices of meetings and other information in sufficient quantity for distribution to all persons entitled to receive same.

f) INFORMATION AND REQUEST FOR SERVICE:

The Manager shall receive in writing (except in case of emergency) and coordinate the disposition of, requests for information and service concerning or relating to the duties and obligations of the Manager as provided by this Agreement, in all cases referring to the Board of Directors such requests as involve policy decisions or interpretations of the Act, the Declaration, By-Laws or Rules and Regulations of the Corporation. A copy of correspondence issued and/or received by the Manager will be forwarded to the Board at the Manager's expense.

g) MINUTE BOOK AND RECORDS:

The Manager shall record the minutes of all meetings. The minute book, records and files will be to be maintained at the office of the Manager. All books and records pertaining to the operation of the Property and the business of the Corporation as may be permitted or required by the Act will be made available at reasonable (pre-arranged) times and at the Manager's place of business or such other reasonable location as the Manager may direct, whenever requested by an Owner of the Corporation, and/or other designated representatives upon receipt of proper identification. The owner or requester shall reimburse the Manager for all reasonable costs it incurs, including but not limited to, photocopying and labour, in respect of permitting such access.

All books and records including but not limited to contracts, files, plans, drawings, specifications, architectural and engineering documents, manuals, and correspondence kept in relation to the management of the Corporation shall be the property of the Corporation and upon termination of this Agreement shall be forthwith surrendered to the Corporation or to a representative of the Corporation, designated in writing. Any time during the term of this Agreement and any renewal period, the said books of account and records shall be accessible to the Board of Directors and the officers of the Corporation, who shall have free access at all reasonable times to inspect and examine same. At the expense of the Manager, Corporation records will be retained for the Corporation and the records fiscal year ends. The storage of additional records, which may be either, at an on-site location or at an off-site location, as determined by the Board at the time and any rate for storage if any will be negotiated between the Board and Manager

h) SECRETARIAL SERVICES:

The Manager shall type minutes of meetings of the Board of Directors, the minutes of the annual general meeting and special meetings of the Corporation and provide a copy of the minutes to the members with the Board of Directors at no additional charge to the Corporation within 10 working days.

Secretarial service is available if requested for special general or annual general meetings of the Corporation under this Agreement at a cost to the Corporation of, currently, One Hundred and Fifty Dollars (\$150.00) or such other rate to be negotiated.

When extra copies of correspondence or reports are requested by the Board above those that are stated to be at the expense of the Manager in this agreement the costs incurred by the Manager for reproducing and providing them shall be at the expense of the Corporation.

i) MAINTENANCE AND REPAIRS:

The Manager shall repair and maintain or cause to be so repaired and maintained at the expense of the Corporation, those parts of the property and assets which require repair and maintenance by the Corporation in accordance with the provisions of the Declaration and By-laws. Without limiting the generality of the foregoing, such repair and maintenance as budgeted and approved by the Corporation shall include properly caring for all lawns and landscaped areas; snow clearing; keeping the common elements in a neat and tidy condition, including the removal of litter there from; keeping in good working order all electrical wiring circuits and lighting in the common elements; providing for the removal and disposal of garbage; arranging for the employment of staff (all such on-site personnel shall be employees of the Corporation and not of the Manager) or contractors considered necessary to carry out the work contemplated herein all at the expense of the Corporation. The Manager may contract on behalf of the Corporation any person firm or Corporation to perform any work or services for the Corporation within the scope of the Manager's duties under this agreement subject however that any contract to perform work or services entered into by the Manager shall be for a reasonable consideration usual in the industry and be budgeted for by the Corporation. In the event that any contract for work or services shall be for a consideration in excess of that usual in the industry or in excess of that budgeted for by the Corporation, then prior to entering into such contract the Manager shall first obtain a resolution of the Board approving such contract.

Notwithstanding anything to the contrary that may be contained within this Agreement, either directly or implied, it is understood that the Managers shall not be responsible for reading meters, issuing invoices, collecting of accounts for sub-metered utilities or any additional administrative duties that may relate to such sub-metered utilities.

j) FINANCIAL RECORDS AND REPORTING:

The Manager shall keep accurate accounts of the financial transactions involved in the management of the property.

The Manager shall provide the Board of Directors at the expense of the Manager, with monthly and year-to-date itemized unaudited financial statements showing:

1. Corporation income on a cash or an accrual basis;
2. Dollar amount of common expenses collected;
3. Dollar amount of each disbursement as compared with budget expenses by budget categories;
4. The units of the Corporation who are delinquent in payment of their required contribution to common expenses and the amount of each delinquency;
5. The units and amounts of all other delinquent accounts;
6. Particulars of accounts, term deposits, certificates and any other instruments respecting investment income and other assets and liabilities of the Corporation in accordance with generally accepted accounting principles;
7. Particulars of significant variations from budget; and
8. The month's balance sheet, income and expense statement;

All accounting and financial reporting which is required under the terms of this Agreement to be provided by the Manager to the Corporation shall be in accordance with the reasonable requests of the Corporation's auditors as to format and shall be provided within the reasonable time limit prescribed by the Corporation's auditors.

If requested by the Board, the Manager shall provide on a monthly basis a copy of the following:

- A. General bank statement ;
- B. Reserve Fund bank statement ;

- C. Bank Reconciliation for the General Account;
- D. Bank Reconciliation for the Reserve Account;

(i) DISBURSEMENTS

The Manager shall make payments of all accounts properly incurred by or on behalf of the Corporation with the approval of the Board. With the exception of Board approved preauthorized payments, all invoices are to be presented to the Board at their meetings for review.

(ii) EMPLOYEE RECORDS

On-site personnel shall be employees of the Corporation and not the Manager. All salaries, taxes and other payable on account of such employees shall constitute common expenses of the Corporation and not the expenses of the Manager. If applicable, the Manager shall execute and file all returns and other instruments and do and perform all acts required of the Corporation as an employer of on-site personnel (on-site personnel shall be employees of the Corporation and not of the Manager. All salaries, taxes and other expenses payable on account of such employees shall constitute common expenses of the Corporation and not expenses of the Manager) in respect of employment insurance contributions and deductions, Canada Pension Plan contributions and payments, the income Tax of Canada and any other employee and employer contributions or payments required under any social, labour or tax legislation enforced from time to time. The Manager shall maintain proper payroll records with respect to all employees of the Corporation.

k) COMMON ELEMENT ASSESSMENT:

The Manager shall use every effort to collect and receive all monies payable by the Owners under the Declaration and By-laws, payable to and on behalf of the Corporation, provided that any legal/collection expenses incurred in the collection of said monies shall be borne by the Corporation, all such monies shall forthwith be deposited in the account of the Corporation at any Chartered Bank or Trust Company as the Board may from time to time direct. The Manager shall provide the Corporation with appropriate banking documentation to be executed by the Corporation's Directors indicating the authorized signing officers of the Corporation who shall sign all cheques drawn on the Corporation's accounts. Standing authorization may be provided by the Board to the Manager for the payment of regular payments and utility accounts or any other accounts as may be authorized by the Board from time to time.

l) COMMON ELEMENT ASSESSMENT ARREARS:

The Manager shall prepare a monthly listing which shall disclose all units who are in arrears of common element assessment and the dollar amounts of such arrears. The Manager shall, in addition to its covenant to enforce the By-Laws of the Corporation as hereinbefore contained, actively pursue the collection of outstanding common expenses from Owners (and where appropriate under Section 87 of the Act, tenants) with a view to reducing these receivables to the lowest minimum monthly balance and without incurring additional cost save in those instances where legal action including registration of Certificates of Lien pursuant to Section 85 and 86 of the Act is required. The Corporation will reimburse the Manager for correspondence issued by registered mail and/or by courier.

It is understood that the Manager shall instruct the Corporation's solicitor to register a Certificate of Lien in the appropriate Land Registry Office at least two (2) weeks prior to the limitation prescribed in the Act or as directed by the Board of Directors, after the date on which the Owner first defaults. Within sixty (60) days of the arrears first arising, the Manager shall send, by way of regular mail, at least one (1) written notice of the Lien pursuant to Section 85(4) of the Act to any Owner in default of his/her contributions, in the form prescribed under the Act and shall forward a copy of same, with evidence that notice was sent, to the Corporation's solicitor with instructions to lien the unit. In the event the Manager fails to instruct the Corporation's solicitor to register a Certificate of Lien covering the arrears of common expenses, interest charges and legal costs within the time specified above, resulting in any loss or any additional cost to the Corporation, the Manager shall be directly liable to the Corporation for such cost. This provision shall survive the termination of this Agreement.

The Corporation's solicitor shall not be instructed by the Manager to commence power of sale or foreclosure proceedings without the Manager first obtaining the approval of the

Board of Directors.

m) STATUS CERTIFICATES:

The Manager shall prepare for execution by the Corporation or, where a resolution of the Board has been made, by the Manager, under corporate seal, Status Certificates in the form prescribed by regulation pursuant to the Act and to issue and provide Status Certificates together with the statements and information required pursuant to the Act to any person or persons entitled to same under the Act within the time permitted for the delivery of such certificates, statements and information prescribed in the Act. The Manager is responsible for the accuracy and completeness of all information contained in the Status Certificate, however, the Manager shall not be liable for any pertinent information within the knowledge of the Board that has not been communicated to the Manager. The Manager shall be entitled to charge a fee to the requester equivalent to the fee prescribed by regulation pursuant to the Act for the preparation and issuance of the status certificate. The photocopying of the accompanying Corporation's documents shall be borne by the Corporation.

n) INSPECTIONS:

The Manager shall make inspections of the common elements as may be deemed reasonably necessary between the Manager and the Corporation.

o) INSURANCE:

The Manager shall arrange for and ensure that the policies of insurance are properly placed without lapse in coverage and arrange for any appraisal in connection therewith which may be required by the Insurer, the Condominium's documents or the Board and ensure payment for insurance required by the Corporation in accordance with the Act, Declaration and By-laws as directed by the Board. The Manager shall arrange for comprehensive liability insurance on the Property to a limit of not less than \$3,000,000.00 inclusive and the Corporation further agrees that the Manager shall be named as an insured party along with the Corporation as their interest may appear in each such policy or policies which shall provide protection against any claims for personal injury, death or property damage or loss for which either the Corporation or the Manager might be held liable as a result of their respective obligations, and the Corporation further agrees, if so requested, to provide the Manager with a Certificate of Insurance in respect of any such policy which shall include an understanding that the Insurer will provide the Manager with at least ten (10) days prior written notice of cancellation or any material change in the provisions of any such policy.

The Manager shall take prompt action to deal with any occurrence of personal injury (including death) or property damage of which the Manager or its representatives are made aware and may result in:

1. Any claim by the Corporation under any of its insurance policies
2. Any claim by the Corporation against an Owner for damage resulting from the owner's default in the performance of an obligation to maintain and repair; or
3. Any other claim by or against the Corporation.

The Manager shall monitor and report to the Board, or if prompt action is required, to an appropriate officer of the Corporation, developments in the processing of insurance or other claims by or against the Corporation, and see that the rights of the Corporation in respect of such claims are protected, including the filing of a notice of claim but excluding the adjusting of any loss.

p) ADDITIONAL COSTS:

Any legal action initiated by the Corporation or against the Corporation by another party and/or any action initiated by the Corporation or another party in the connection with inherent building defects, Declaration, By-law and/or Rule infractions, Reciprocal Agreements, (or similar agreements) which results in a material increase in time, labour and material required by the Manager shall be billed to the Corporation as additional charges in excess of the fees as specified in this agreement. Any billing pursuant to this section shall be negotiated and approved in advance and in writing by the Board of Directors, supported by adequate time dockets and charged at the Manager's hourly rate and, if applicable, staff members' hourly rate in effect at such time.

q) PURCHASE OF SUPPLIES:

The Manager shall purchase on behalf of the Corporation such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the Property. All such purchases and contracts shall be in the name of and at the expense of the Corporation.

r) AUDITS:

The Manager shall remain available to advise and consult with the Corporation's auditors as required by the Board and as required by the auditors.

s) FIDELITY BOND:

The Manager shall obtain and maintain a fidelity bond for and in respect of any of its employees or representatives dealing in any manner whatsoever with the trust accounts or monies of the Corporation in an amount of not less than \$200,000.00 per occurrence with loss payable to the Corporation. The fidelity bond shall not be terminable by either the insurer or the Manager unless ninety (90) days written notice of cancellation has been personally delivered to an officer of the Corporation other than the Manager

t) MANAGER'S AFFILIATIONS:

The Manager shall not perform any work or services for the Corporation not within the scope of the Manager's duties. The Manager does not have any connection or affiliation with any other contractors or trades. If this changes in the future the change will be disclosed to the Board in writing prior to hiring the said contractor or firm.

u) RESERVE FUNDS:

The Manager shall deposit with a Canadian chartered bank to the credit of and in the sole name of the Corporation in a separate account as the reserve for major repair and replacement of the common elements and assets of the Corporation, on an annual or a monthly basis, the proportionate amount of the total budgeted expenditure allocated by the Corporation in its annual budget statement for the establishment of the reserve fund. The Manager shall arrange, at the expense of the Corporation, Reserve Fund Study and subsequent updates in accordance with the Act setting out the amounts that, calculated on the basis of expected repair and replacement costs and life expectancy of things comply with the requirements of Section 93 of the Act and any subsequent statutory requirements. In addition, the Manager shall develop and monitor an investment program as approved by the Board to obtain the highest possible return on all revenues of the Corporation including interest accumulating in surplus cash and in long-term reserve accounts and, in this endeavour, the Manager shall invest surplus cash and reserves in interest-bearing accounts, term deposits, or other eligible security as prescribed by the Act, as directed by the Board of Directors provided that such investments are limited to those investments guaranteed by the Government of Canada, Canadian Provincial Governments or Deposits of any kind which are fully insured by the Canadian Deposit Insurance Corporation. The Manager shall bring to the Board for approval all transactions respecting the Reserve Fund and recommendations when appropriate to transfer from operations account any un-allocated surplus prior to the year end to the reserve account until such times as the reserves are deemed to be adequate.

v) BUDGET:

The Manager shall provide , no less than 60 days prior to the beginning of each fiscal year during the currency of this agreement, to the Board in writing an estimated budget for the following year setting forth by categories the Manager's best estimate of all expenses of operation of the property for the coming year including, without limiting the generality of the foregoing, any taxes payable by the Corporation, insurance premiums, water, gas and electric rates, costs of all repairs, renewals, maintenance and supervision of the property. Upon request of the Board or whenever, in the opinion of the Manager and with Board approval, any change from the expenditures forecast in the annual budget makes it desirable to do so, the Manager will submit to the Board a supplementary budget covering the expenses of the operation of the property for the then remaining portion of the fiscal year. The Manager will at all times hold itself available for consultation with the Board for the purpose of establishing or revising the common element assessment to be paid by the Owners under the provisions of the Declaration and By-laws.. The Manager shall not be responsible for any deficit in the budget occurring

in any fiscal year arising as a result of unforeseeable circumstances, (e.g. utility increases) or as a result of reductions in the budget required by the Board.

w) EMERGENCY AND NIGHT SERVICE:

The Manager will at all times keep the Board and all Owners advised of the telephone number or numbers at which the Manager and/or an agent of the Manager may be reached during normal business hours in respect of any infraction of the Act, Declaration, By-laws or Rules or at any time during the day or night in respect of any emergency at the property. The Manager will make arrangements to deal promptly with such infraction(s) and immediately with any emergency arising in connection with the maintenance and operation of the property. The Manager shall deal in the first instance with minor emergencies and infractions and shall forthwith report to the Board any major emergency, significant accident or any persistent, flagrant or serious violation of the Act, Declaration, By-laws or Rules. The Manager shall in its discretion determine whether an emergency is of a minor or major nature.

x) GENERAL AUTHORITY:

Subject to approval of the Board either for specific contracts and agreements or for certain classes of contracts or agreements, the Manager shall generally do and perform and where desirable contract as agent for and in the name of the Corporation for all things desirable or necessary for the proper and efficient management of the Property (including the giving of proper attention to any complaints and endeavouring as far as is economical to reduce waste) and to perform every other act whatsoever in or about the Property to carry out the intent of this agreement, provided that, the Manager shall not authorize any work, repairs, alterations or maintenance estimated to cost in excess of \$2,000.00 on for any one item or project without first obtaining the Board's approval to proceed with such work except for monthly or recurring operating charges, and provided further that in the case of any work, repairs, alterations or maintenance estimated to cost in excess of \$2,000.00 the Manager shall obtain the prior approval of the Board. For all such expenditures that require the approval of the Board, at least three quotations will be obtained by the Manager for the Board's review, if requested. Where the Board's approval is required the Board shall provide its approval or other direction to the Manager within seven (7) days of receipt, whether verbal or written, of the Manager's request for approval. In the event the aforementioned approval or other direction is not provided within the said seven (7) day period it shall be deemed that the Manager may use its sole discretion. Furthermore, if in the Manager's opinion there exists a hazardous situation which could cause immediate personal injury or damage to the Property of the Corporation or its equipment or contents or which could impair the value of the Owners' investment or which could cause the suspension of any service to the Corporation at a time when the Corporation or its representatives cannot be reasonably located for the purpose of giving approval for such work, or if failure to do such work might expose either the Corporation or the Manager or both to the imposition of penalties, fines, imprisonment or any other substantial liability, then the Manager is hereby authorized to proceed with such work it reasonably determines to be urgently necessary for the protection and preservation of the Property of the Corporation or its equipment or contents or the Owners' investment therein or to protect the Corporation or the Manager from exposure to fines, penalties, imprisonment or any other substantial liability, subject always to Sections 89-90, 91-92 of the Act and any subsequent equivalent provision.

The Manager shall in the case of an emergency situation report to the Board as soon as possible.

y) ACCESS TO UNITS:

Subject to the relevant provisions of the Act, the Declaration and By-Laws, the Manager and its agents, servants and employees may enter a unit or exclusive use area of the common elements in order to perform its duties hereunder, provided always that the Manager shall give reasonable notice to the unit owner of its intention to enter the unit or exclusive use area. The Manager, in any emergency situation, may enter any unit, upon such reasonable notice as may be possible in the circumstances, with or without the consent of the Owner to

perform such work or repairs as it reasonably determines to be urgently necessary for the protection and preservation of the Owners and the Property and the assets of the Corporation for any equipment or chattels, or to protect the Corporation and the Manager from exposure to fines, penalties, imprisonment or any other liability provided that in the event such entry is made, the Manager shall use reasonable efforts to ensure that at least two people are present in the unit for the entire duration of the entry.

z) UNIT REPAIRS:

Notwithstanding any other provision of this Agreement, the Manager is given no authority or responsibility for maintenance of or repairs to the units which shall be the sole responsibility of the Owners individually, save and except in those circumstances where the Corporation has a legal obligation to repair the units after damage in accordance with the Act upon the express written direction of the Board

5. CORPORATION'S OBLIGATIONS:

a) MANAGER'S COMPENSATION:

The Corporation shall pay to the Manager, monthly, on the first business day of each and every month during the currency of the agreement, for its Managerial services as herein before set out fees in the amount of \$20.50 + tax per unit per month by preauthorized payment from the day of 201 to the last day of 201 and each succeeding anniversary of this agreement, the then current management fee shall be increased by a percentage equal to the cost of living change from the same month of the immediately preceding year as determined by Statistics Canada's last monthly published Consumer Price Index. It is agreed and understood that the Manager shall be additionally compensated at the rate of, currently, One Hundred Dollars (\$100.00) or such other rate to be negotiated per hour per person including travel time for its attendance at courts, hearings, legal interviews, tribunals, municipal council and committee meetings, warranty hearings and related site attendance and Corporation membership meetings reconvened due to lack of quorum at the first calling of such meeting and all other duties not expressly set out herein Said fee shall not include legal and audit expenses or liability or insurance premiums or any cost of performing any of the services set out in paragraph 4 (i) hereinbefore which services shall be an additional cost state in this agreement as being borne by the Corporation.

b) ADVANCEMENT OF FUNDS BY THE MANAGER:

Noted nothing herein contained shall be construed to obligate the Manager to make any advance for the account of the Corporation.

c) DELIVERY OF DOCUMENTS:

The Corporation shall deliver to the Manager copies of all documents, books, plans, records, corporate seal which may be required by the Manager in the execution of its duties and provide copies of all Rules forthwith after passing by the Board.

d) LIAISON OFFICERS:

The Corporation shall advise the Manager in writing from time to time as required the names of those officers, directors or other representatives who are authorized to act for and on behalf of the Corporation to enable the Manager to consult with the Corporation or obtain the Corporation's approval before proceeding with any work, act or actions when such work, act or actions does not fall within the Manager's discretion as set out in this agreement. The Board may designate from time to time an individual(s) in addition to the President who shall be authorized to deal with the Manager on any matter relating to the management of the property, and if such designation is made, the Manager is directed not to accept directions or instructions with regard to the management of the property from anyone else. In the absence of any designation by the Board, or if a designation is revoked then until another designation is made, the President of the Board shall have sole authority. The Corporation agrees to co-operate with the Manager to the extent required to perform expeditiously, efficiently and economically the management services required under this Agreement and to provide with such evidence of authority by way of certified resolution or otherwise and such specific directions as the Manager may reasonably require.

e) BONDING:

If the Manager is required by the Corporation to be bonded the Corporation shall name the Manager as an officer of the Corporation and shall so inform the Corporation's Bond Agent at the time this agreement commences.

f) INDEMNIFICATION:

The Corporation shall, during and after the termination of this Agreement, indemnify and save the Manager completely free and harmless from any and all liability and from all claims and demands arising out of damage or injuries to persons or property in or about or in any way connected to the Property and from all claims, actions, obligations, liabilities, costs, expenses and fees arising by reason of any cause whatsoever as a result of or related to, the Manager carrying out the provisions of this Agreement or acting upon the directions of the Corporation and defend at the expense of the Corporation all suits which may be brought against the Manager on account, unless as a result of the Manager not fulfilling its obligations under this agreement or the negligence, illegal act, or fraud of the Manager. The Corporation shall obtain and maintain adequate Directors and Officers Liability Insurance which shall include the Manager as a named insured. The Manager shall obtain and maintain adequate Errors and Omissions Insurance against the Manager's liability to the Corporation.

6. OTHER BUSINESS:

Nothing in this agreement shall be construed to prevent or restrict the absolute right of the Corporation or the Manager to engage in, or to enter into, any other business, venture contract other than a contract which may conflict with, or negate, this agreement on their behalf or on behalf of others.

7. TERMINATION OF CONDOMINIUM:

Upon termination of the government of the property by the Act this agreement shall terminate and all obligations of the Manager shall cease and the Corporation shall pay to the Manager any monies due to it up to the date of the registration of the terminating documents.

8. TERMINATION OF AGREEMENT

a) The Corporation may terminate this agreement without cause on or before the first of the any month giving sixty (60) days notice in writing to the Manager, provided that such notice to terminate is approved by the Board of Directors at a meeting called to vote on the authorization of such termination by a Resolution passed at such meeting.

b) The Manager may terminate this Agreement upon giving sixty (60) days notice in writing to the Corporation or to any liaison officers of the Corporation, indicating such termination.

c) Upon termination of this agreement the Manager shall deliver to the Corporation all contracts, records, files, cancelled cheques, post-dated cheques, from the Corporation, and any and all other plans, documents or information pertinent to the continuing operation of the property within fourteen (14) business days of the termination period of this agreement provided that such records, documents etc., are in the possession of or under the control of the Manager.

9. NOTICES:

All notices required or permitted to be given hereunder shall be sufficiently given:

a) To the Corporation if signed by or on behalf of the party so giving notice hereunder and delivered or mailed by prepaid registered post to the secretary of the Corporation at such address as the Corporation may from time to time designate by written notice pursuant hereto;

b) To the Manager if signed by or on behalf of the party so giving notice hereunder and delivered or mailed by prepaid ordinary post or prepaid registered post to the Manager at

We have the authority to bind the Corporation (seal)

PROPERTY MANAGEMENT GUILD INCORPORATED

PER: _____

(seal)

TAB 6

**Concord Place, Grimsby
AQUAZUL CONDOMINIUMS
NIAGARA NORTH STANDARD CONDOMINIUM CORPORATION NO. _____
RULES AND REGULATIONS**

The following rules and regulations shall be observed by the Owners and the term "Owners" of any of the Units in the Corporation and whenever the expression "Owner" or "Owners" is used herein, it is understood and agreed that the same shall extend and apply to any Owner or Owners and his, her or their family members, guests, servants, agents, tenants or occupants, for whose actions the Owner or Owners shall be responsible and liable. Whenever the expression "Corporation" is used herein, it is understood and agreed that the same shall extend to, or operate through, Corporation management or the Board of Directors (the "Board") of the Corporation acting through a resolution of the Board, or as may be required by a majority of the members of the Corporation, present at a meeting duly called and held confirming any action of the Board or of the Corporation.

1. The sidewalks, halls, entry passages and stairways shall not be obstructed by any Owner or used by them for any other purpose than for ingress and egress to and from their respective units.
2. Nothing shall be placed on the outside of windows, porches, patios, balconies or terraces and in particular and without limiting the foregoing, no awnings, shades, screens, enclosures or window air conditioners shall be erected over or outside of the windows, terraces or balconies without the prior written consent of the Board.
3. The balconies, patios, porches and terraces may only be furnished with tasteful patio furnishing and plants and other items that may be customarily incidental to the use of such areas and shall under no circumstances be used as a storage area for, among other items, bicycles, skis or toys or for the purpose of hanging or drying of clothes.
4. There shall be no decorating or painting done or effected or caused to be done on any balcony or patio area, otherwise than as expressly approved by the Board in writing.
5. All exterior windows may only be shaded by blinds of a neutral off-white or white shade, unless otherwise approved by the Board in writing and any owner contravening these rules shall be liable to have any other window treatments or shades removed by the Board.
6. All Owners must observe strict care not to allow their windows to remain open so as to admit rain or snow. For any injury caused to the property of other Owners, or to the property of the Corporation by such carelessness, the Owners neglecting this rule shall be held responsible.
7. The water closets and other water apparatus shall not be used for any purposes other than their usual intended use and no objects shall be thrown therein. Any damage resulting to them from misuse or from unusual or unreasonable use shall be borne by the Owner.
8. Water shall not be left running unless in actual use.
9. No sign, election sign, advertisement or notice (including the usual signs offering a unit for sale or rent), shall be inscribed, painted or affixed on any part of the building whatsoever, or the inside of the building, without the prior written consent of the Board. This rule shall not apply to the Declarant or any of its authorized sales or rental agents in any attempt by them to sell or rent any unit owned by the Declarant, or any attempt by the Declarant or any of the parties so entitled to enforce any easement, license, or right any of them may have pursuant to any transfer or grant thereof by the Corporation.
10. No additional lock shall be placed upon any door of the building, without the prior written consent of the board.
11. No Owner shall do, or permit anything to be done in his Residential Unit, Parking Unit or Locker Unit, or bring or keep anything therein, which will in any way increase the risk of fire or the rate of fire insurance on the building, or on the property kept therein, or obstruct or

interfere with the rights of other Owners, or in any way injure or annoy them, or conflict with the law relating to fire or with the regulations of the Fire Department, or with any insurance policy upon the building or any part thereof, or conflict with any of the rules and ordinances of the Board of Health or with any statute or municipal or City by-law.

12. All glass, locks and trimmings, in or upon doors or windows of the premises, shall be kept whole, and whenever any part thereof shall become lost or broken the same shall be immediately replaced or repaired under the direction and to the satisfaction of the Corporation or its agent, and such replacements and repairs shall be paid for by the Owner of the said unit.
13. An owner shall not, except as provided for below, leave, place or permit to be placed or left in or upon the common elements any debris, refuse or garbage. Unit owners will be required to place their garbage in designated areas. Newspapers are to be disposed of in accordance with instructions posted. Refuse or garbage shall be contained in properly tied polyethylene or plastic garbage bags not exceeding one (1) foot in diameter. Where such debris, refuse or garbage consists of packing cartons or crates, the owner shall arrange with the manager to place such packing cartons or crates in a special area.
14. Owners shall not make or permit the creation or continuance of any noise or nuisance which, in the opinion of the Board, may or does disturb the comfort or quiet enjoyment of the units or common elements by other owners their families, guests, visitors, servants, and persons having business with them.
15. Nothing shall be thrown out of the windows or doors, or off the balconies or terraces of the building.
16. Owners shall not overload existing electrical circuits in their units.
17. The Owners shall keep their unit and their exclusive use portions of the common elements in a proper state of cleanliness. No mops, brooms, dusters, rugs or beddings shall be shaken or beaten from any window, door or those parts of the common elements over which the Owner has exclusive use.
18. No auction sale shall be held on the property, without the consent in writing of the Corporation.
19. No storage of any combustible or offensive goods, provisions or materials shall be kept upon the premises if such storage would increase the risk of fire in the building or the Unit, except for cleaning fluids in small quantities.
20. No outdoor cooking devices, including gas, propane and charcoal barbeques shall be stored or operated on balconies, patios or terraces.
21. The Owner will be held responsible for any damage to the building caused by moving furniture in or out of the said premises.
22. Nothing shall be erected on or fastened to any unit, or any portion of the common elements without the prior written consent of the Board of Directors pursuant to the *Condominium Act*, 1998.
23. No one shall harm, mutilate, destroy, alter or litter any of the landscaping work on the property, including grass, trees, shrubs, hedges, flowers or flower beds.
24. No one shall uproot existing plants, hedges, shrubs or trees, or plant new shrubs, hedges or trees anywhere upon the common elements, including common elements the exclusive use of which is given to one (1) or more Owners, without the prior written approval of the Board.
25. No motor vehicle, other than a private automobile, motorcycle, one ton pickup truck or smaller, station wagon or van, shall be parked in any parking space. No servicing or repairs shall be made to any motor vehicle, trailer, boat, snowmobile, or equipment of any kind on the common elements or in any parking unit without the express written consent of the Corporation's Manager or Board. No motor vehicle shall drive on any part of the common elements other than on a driveway or parking space. Under no circumstances

are the parking spaces to be used for storage.

26. No motor vehicle, trailer, boat, snowmobile, mechanical toboggan, machinery or equipment of any kind shall be parked on any part of the common elements, nor in any unit other than in a designated parking unit but this provision shall not apply for the purposes of loading and unloading furniture, or other household effects of the unit owners provided that the length of time where such parking is permitted shall be no longer than is reasonably necessary to perform the service and shall be done at the designated loading area for the property. Owners will ensure that they will park their vehicles as tight as possible to the front of their parking unit so as to allow access by other owners into their parking unit. No owner shall in any way alter or damage the asphalt paving comprising his parking unit.
27. All bicycles, tricycles, toys and like objects must be removed from the common elements including exclusive use common elements when not in use and stored within each owner's unit.
28. Each Owner is to use his best efforts to prevent his children or other children from playing in the roadways and thoroughfare common element areas.
29. No owner or occupant of any unit shall maintain, keep or shelter any animal, livestock or fowl therein other than a household pet as herein defined and subject to the following restrictions. For the purpose of this restriction upon the use and occupation of units, the term "household pet" shall mean caged birds, aquarium fish, cats or dogs under 35 lbs. No owner or occupant shall shelter more than two household pets at any one time and further provided that only one of such household pets may be a dog under 50 lbs or if there are two (2) dogs, the cumulative weight of the two (2) dogs must be under 50 lbs. No pet that is deemed by the board or property manager, in its or his absolute discretion, to be a nuisance shall be kept by any owner or any occupant in any unit or in any other part of the property. When on the common elements, all dogs must be under leash or carried, and each unit owner shall clean up all pet feces, provided that if a unit owner does not clear up pet feces to the satisfaction of the board, the board may arrange for such feces to be cleaned up at the expense of the unit owner. If the board or property manager receives any written notice of complaint with respect to any owners' pet, the owner shall within two (2) weeks of receipt of written notice from the board or the property manager be given the opportunity to dispute such complaint(s) and in the event that the board or the property manager is not satisfied that the offending conduct of the pet will cease, the owner shall permanently remove such pet from the property.
30. Should the unit owner fail to fulfil his maintenance responsibility as provided for in the Declaration within forty-eight (48) hours of written notice to that effect from the Corporation, the Corporation may at the unit owner's expense complete the necessary maintenance. The Corporation may take such steps as it deems appropriate to collect from the unit owner any amount so expended.
31. Residential units may only be used as a single-family residence, and shall not be used (in whole or in part) for a business or commercial use or as a daycare.
32. It is understood and agreed between the Corporation and the Owner that no assent or consent to changes in, or waiver of, any part of these Rules and Regulations in spirit or letter shall be deemed or taken as made, unless the same be done in writing and attached to, or endorsed thereon by the Corporation or its agents.
33. The Corporation shall have the right to make such other and further reasonable rules and regulations as in its judgment may from time to time be needful for the safety and cleanliness of the premises and for the preservation of good order therein.
34. Any loss, cost or damages incurred by the Corporation by reason of a breach of any rules and regulations in force from time to time by an Owner, his or her family, guests, servants, agents, tenants or occupants of his unit shall be borne and/or paid by such Owner and may be recovered by the Corporation against such owner in the same manner as common expenses.
35. Owners and their guest may only smoke in designated smoking areas and in accordance with local Bylaws and Provincial Laws and shall dispose of smoking debris in designated

receptacles.

36. Owners and their guests shall be respectful of other Owners, occupants and guest when using amenity areas, including playing music at reasonable sound levels.
37. Owners and occupants of Residential Units shall be prohibited from hanging flags from windows or balconies.