AGREEMENT OF PURCHASE AND SALE

The undersigned Purchaser(s) hereby agrees to and with the undersigned Vendor to purchase the property (the "Property") described below (and as may be shown on a schedule attached hereto) on the following terms:

Purchaser:	(DOB)
Purchaser:	(DOB)
Vendor: Arista Homes (Vellore Trails) Inc.	
Real Estate Broker: RE/MAX PREMIER	Site Staff:
Potl No: Model Type:	Elevation
Plan No: Municipality: Vaughan	
Street:	

Purchase Price:	
Initial Deposit:	**Due with offer**
Further Deposit Due Date:	**Due:**
Further Deposit Due Date:	**Due:**
Further Deposit Due Date:	**Due:**
Further Deposit Due Date:	**Due:**
Balance Due on Closing:	

The following Schedules attached hereto form a part of this agreement:

A, B, OU, HST CALCULATION, REN, NC, W, X, SK, CEC, ACK, STATEMENT OF CRITICAL DATES AND ADDENDUM TO AGREEMENT OF PURCHASE AND SALE (herein referred to as the TARION Addendum and Statement of Critical Dates), WARRANTY INFORMATION FOR NEW HOMES IN PARCELS OF TIED LAND, REBATE,____, ____

Date of Offer: The _____ day of _____

Irrevocable Date: The _____ day of _____

1st Tentative Occupancy Date: The _____ day of _____

(SUBJECT TO THE EXTENSION PROVISIONS OF THIS AGREEMENT)

The Purchaser shall be required to take Occupancy (the term "Occupancy" and "Closing" in this Agreement shall have the meaning ascribed thereto in the Tarion Addendum and Statement of Critical Dates) of the Property in accordance with and on the date established and pursuant to the provisions of the Tarion Addendum attached hereto which date is referred to herein as the "Occupancy Date". This Agreement shall be completed and a transfer of the Property delivered to the Purchaser in accordance with the terms of this Agreement on a date (the "Closing Date") that is the later of (i) the Occupancy Date: and (ii) a date fixed by the Vendor upon which the transfer of the Property acceptable for registration is delivered to the Purchaser or his Solicitor, at which time the balance of the Purchase Price shall be payable to the Vendor together with adjustments as provided for herein.

ORAL REPRESENTATIONS DO NOT FORM PART OF, NOR CAN THEY AMEND THIS AGREEMENT.

Signed, Sealed and Delivered)
in the presence of)
) _____
) Purchaser:
)
_____)
Witness:) _____
Purchaser:

Purchaser's address: _____

Purchaser 1 Number: _____ Purchaser 2 Number: _____

Purchaser 1 Email: _____ Purchaser 2 Email: _____

Notify the Vendor in writing of any changes to this information immediately following such changes.

The undersigned hereby accepts the Offer and its terms and covenants, promises and agrees to and with the above-named Purchaser duly to carry out the same on the terms and conditions above-mentioned and hereby accepts the said deposit.

SIGNED this _____ day of _____, 2026

Arista Homes (Vellore Trails) Inc.

per:_____
authorized signing officer

Purchaser's Solicitor:

_____

_____

_____

Vendor's Solicitors:

BRATTY'S, LLP
Attention: Anthony Romanelli
7501 Keele Street, Suite 200,
Vaughan, Ontario L4K 1Y2
Tel: (905) 760-2600 x 381
Facsimile:(905) 760-2900

Date Accepted: _____

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VELLORE TRAILS

An Enclave Community

By Arista Homes

SCHEDULE "A"
EXCEPTIONAL STANDARD FEATURES
ENERGY STAR™ CERTIFIED - TOWNHOMES

Appealing Exterior Features & Structural Components

1. Advanced floor joist system utilizing upgraded "**Engineered Floor Joist Technology.**"

2. Tongue and groove sub-flooring with sanded joints, glued and fastened with screws for additional stability.

3. All exterior walls with **2" X 6"** framing.

4. Poured concrete basement floors and foundation walls with weeping tiles, damp proofing, and drainage membrane applied to exterior walls.

5. For added comfort and sustainability, homes will be constructed to current **ENERGY STAR™** requirements and will be rated and certified as an **ENERGY STAR™** Home**.** These requirements exceed current Ontario Building Code specifications.

6. For enhanced energy efficiency, minimized air leakage and economical heating, the home will be insulated in accordance with current **ENERGY STAR™** requirements including full height basement insulation, continuous exterior insulated sheathing, expanding foam insulation to all garage ceilings (where finished areas are above), around all windows and exterior doors, and **ENERGY STAR™** rated mechanical & electrical equipment.

7. Convenient cold cellars complete with an interior light and a weather-stripped solid core or steel insulated door (as per Builder's discretion) and floor drain, as per plan and only where grade permits.

8. Urban Towns feature **8'-0" ceilings on the ground floor (if applicable as per plan), with 9'-0" ceilings on the main and upper floors.** All other designs include **9'-0" ceilings on Ground (if applicable as per plan), Main and Upper Floors.** Except where boxes, bulkheads and mechanical piping/systems require that the ceilings be dropped. The location and size of ceiling drops remain at the discretion of the Builder or Builder's architects/consultants. The purchaser shall accept the same. Double height features vaulted and cathedral ceilings, as per plan.

9. Prominent usage of architecturally selected and controlled colour-coordinated clay brick, precast, stone, vinyl, aluminum and other unique materials. Masonry and Stonework as per applicable elevation. Colour, style, materials, and elevations are pre-selected and architecturally controlled by a delegate of the municipality or other 3rd party to achieve an architecturally pleasing streetscape.

10. Durable, pre-finished aluminum or vinyl soffits, fascia, eavestrough, downpipes, and siding – all colour coordinated.

11. **Limited lifetime manufacturer's warranty**, self-sealing asphalt shingles and accenting metal roof details, as per plan.

12. Prominent insulated front entry door with upgraded satin nickel grip set and deadbolt, featuring glass inserts to all front entry door features, as per plan. Complimenting granite exterior door sills to both front and rear doors.

13. Prefinished aluminum or vinyl exterior railing for porches, balconies, and decorative applications, as required by Building Code and as per plan. Urban Towns to receive metal railings with glass as per plan. All other designs, balconies and decks to have pre-finished aluminum or vinyl railings. Decks to be pressure treated if applicable and as per plan.

14. Distinguished insulated sectional garage door(s) with complementing glass inserts as per elevation.

15. **ENERGY STAR™** labelled vinyl Low-E Argon Thermopane casement windows throughout for improved interior temperature regulation, complete with screens on operable windows. Applicable designs to receive Garden Doors as per plan. All exterior doors include weather stripping. All windows and doors are colour-coordinated to match architecturally approved and controlled exterior colour packages.

16. Vinyl horizontal sliding basement windows approximately 30" x 16". Subject to grade. Window wells as required at the discretion of the Builder. Basement window colour may not match the colour of ground (if applicable), main and upper floor windows, the purchaser accepts the same.

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17. Professionally graded and sodded lot with precast patio slab and steps at front walkway. Precast step(s) at rear door, as required by grade and as per plan.

18. Base coat paved asphalt driveway included. Topcoat driveway paving will be charged as an adjustment (plus applicable taxes) on closing as per applicable home type. See Schedule X for details.

19. **"Standard"** at-grade lots will receive precast step(s) at main or ground floor access doors to rear yard (as per plan). **"Look-Out" or "Deck Lot"** grade conditions will receive a deck (as per builder standard spec.) with steps to grade from main or ground floor rear yard access door (Lot premiums may apply). **"Walk-Out"** lot grade conditions will receive a deck at the main or ground floor rear access door (as per builder standard spec and as per plan) with no steps to grade (Lot premiums may apply).

Kitchen & Baths

1. Quality designed cabinetry throughout with a choice of granite countertops in Kitchen. All selections are from the Builder's standard samples. 1 standard Granite edge profile will be provided.

2. Extended kitchen upper cabinets throughout all designs. Pantries, breakfast bars and serveries, as per plan.

3. Undermount double compartment, stainless steel sink with a chrome single lever faucet and an integrated pull-out vegetable sprayer, in kitchen.

4. Choice of post formed laminate countertops in all bathrooms, from the Builders standard samples.

5. Freestanding soaker tub with deck mounted dual lever faucet in Principal ensuite, as per plan and if applicable.

6. All stand-alone showers to receive a ceramic mosaic tile base. Ceramic tiles on shower walls up to and including ceilings as per plan and Builder standard samples.

7. Principal ensuite enclosed shower stall features **complimenting chrome framed glass shower**, as per plan and as per Builder standards.

8. Ceramic wall tiles are installed in combination tub and shower enclosures up to but not including ceiling.

9. All bathroom tub and shower enclosures to receive "mould resistant drywall."

10. Mirrors over vanities in all bathrooms.

11. Pedestal sink and mirror in powder room.

Design Conscious Interior Finishes

1. Sunken or raised foyer, mud room, laundry room, garage entrance landing as per plan (where permitted or dictated by grade). The purchaser accepts the same.

2. Smooth ceilings in kitchen, laundry, bathrooms, and dinette/breakfast area. Spray textured stippled ceilings with 4" smooth border throughout balance of home. Walk-in closets to be stippled only, no border.

3. All low walls are trimmed and painted.

4. Upgraded interior trim with approximately **4" baseboards and 2-1/2" casing** throughout.

5. Interior door styles to be smooth with two panels.

6. Interior hardware to be satin nickel levers with complimenting hinges.

7. All homes receive a **natural varnished oak staircase** (veneer risers and stringers) with **oak handrail, wood pickets and newel posts** (also varnished natural), where applicable, to finished areas, as per plan. All upper hallways receive oak nosing (natural).

8. Thoughtful storage considerations with well-appointed Linen, Pantries and Mud Room closets, as per plan.

9. All interior trim and doors are painted classic white. The interior walls are to be painted with your choice of one (1) low VOC paint colour throughout, from Builders' standard samples.

10. Professional home cleaning prior to occupancy, including windows and duct system.

Floor Coverings

1. Minimum **3" wide Engineered Oak hardwood flooring throughout Ground Floor (if applicable), and Main Floor**, excluding tiled areas, as per plan, from the Builders' standard samples.

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2. 40 oz. broadloom, under pad and adhesive are Carpet Rug Institute (CRI) Green-Label Plus Certified and confirmed to be an environmentally responsible product with low emissions of Volatile Organic Compounds (VOCs).

3. Contemporary ceramic tile flooring in foyer, kitchen, breakfast/dinette, all bathrooms, and finished laundry areas from Builders' standard samples.

Mechanical & Plumbing Systems

1. Flexible water pipe solution using PEX (polyethylene) to reduce noise and eliminate solder contaminants within plumbing system.

2. **Forced Air Hi-Efficiency ENERGY STAR™ heating system** complete with electronic (programmable) thermostat.

3. **ENERGY STAR™** rated hot water delivery system (on rental basis).

4. Ductwork, in basement, to be sealed for better air flow. All duct work is sized to allow for future central air conditioning.

5. **ENERGY STAR™ Heat Recovery Ventilator (HRV)** for fresh air exchange, energy efficiency and a healthier home.

6. **ENERGY STAR™** exhaust fans installed in all finished bathrooms.

7. Stainless steel hood fan over stove vented to the exterior.

8. Provisional rough-in for future dishwasher (electrical run from panel to underside of subfloor located at sink).

9. Two exterior hose bibs are provided, one at rear (or side) and one in garage. Urban Towns receive one hose bib in garage.

10. Free standing laundry tub includes hot/cold water connections and will be installed as per plan with location to be determined by the builder.

11. All showers receive the comfort of pressure balance control valves.

12. All sink basins and plumbing fixtures to include the convenience of separate shut-off valves.

13. Water efficient shower heads and faucet aerators are designed to conserve water and help the environment, while maintaining water flow.

14. **Convenient 2" flexible fire rated conduit from electrical panel to attic for purchaser's future use and/or rooftop purchaser's future Solar Panel installation (subject to local governing authority approval).**

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Electrical Components

1. Black exterior coach lights on front and rear elevations.

2. 100-amp electrical service with breaker panel.

3. Weatherproof exterior electrical outlets, one at rear of home and one at the front porch.

4. **Electric Vehicle** (EV) Rough-In for future car charging capability.

5. 220 volt Heavy – Duty receptacle for future stove and dryer.

6. Ground fault indicator receptacles, as per building code.

7. The security of hard-wired visual smoke detectors on all floors and each bedroom. Carbon monoxide detectors as applicable and as per code.

8. White Decora light switches and receptacles throughout.

9. Ceiling light fixtures in all bedrooms, hallways, side halls, foyer, kitchen, breakfast/dinette, living room, dining room, and family room, if applicable, as per plan. Bathrooms to receive a strip light fixture over the vanity and/or ceiling fixture. Powder rooms receive a ceiling fixture.

10. Pot light within Principal ensuite shower enclosure If applicable and as per plan

11. Rough-in for future central vacuum system with dedicated plug within garage (termination of pipe may be in basement, garages or both - as determined by Vendor). Does not apply to Urban Towns.

12. Convenient ceiling receptacle in garage for future garage door opener.

13. Single switch operating all basement lighting.

14. **ENERGY STAR**™ LED light bulbs where applicable, helping reduce energy cost.

15. Principal bedroom and family room are pre-wired for cable TV rough-ins, and the home is pre-wired for 2 telephone rough-in locations. All above referenced rough-in locations are predetermined by the Builder.

16. All purchasers will have a personally scheduled appointment with the Builder's Home Automation Contractor to coordinate any additional home automation requirements, should they desire.

Added Features

1. Tasteful stone municipal address plaque provided.

2. Drywalled garages, with one coat taped and primed walls, excluding concrete and block walls.

3. Insulated garage to house access door installed with dead bolt and safety closer if grade permits. In the event that grade does not permit, no credits will apply, and the Purchaser shall accept the same.

Warranty

ARISTA Homes warranty is backed by the TARION Warranty Program. **ARISTA Homes** is dedicated to minimizing home deficiencies through our quality control practices, and our excellent Homecare specialists.

- **7 years** for major structural defects in accordance with TARION Guidelines
- **2 years** for plumbing, heating, and electrical systems and building envelope in accordance with TARION Guidelines
- **1 year** for all other items in accordance with TARION Guidelines

ARISTA Homes recommends all buyers review the **TARION Warranty Program** to understand the fully defined coverage under each warranty period. The purchaser accepts the same.

Additional Conditions

1. Purchaser(s) accepts that the number of steps to front entrance, rear entrance and side entrance, if applicable, may be increased or decreased depending on final grading.

2. The Purchaser acknowledges that finishing materials contained in any model home, décor store or sales office display, including broadloom, furniture, mirrors, fireplaces, electrical fixtures, drapes, ceramic/porcelain flooring, vinyl flooring, hardwood flooring, marble flooring, upgraded kitchen and vanity cabinets and countertops, stained staircase and railing, painting, wallpaper, etc., may be for display purposes only and may not be of the same tiered level or type, or may not necessarily be included in the dwelling unit purchased herein, unless expressly called for in this Agreement.

3. Corner lots, townhome end units and priority lots may have special treatments which may require window changes and interior modifications to balance and improve the elevations of the house exposed to the street. The Purchaser accepts such changes as constructed or as necessary.

4. When the Purchaser is buying a house already under construction, Purchaser acknowledges that there may be deviations from the floor plan, elevation, colour package, interior finishes or layout of this model. The Purchaser agrees to accept such changes as constructed or as necessary.

5. House types and streetscapes are subject to final Architectural approval of the **local governing municipality**, or the Developer's Architectural Control Architect and final siting, and approval of the Builder's Architect.

6. Variations from Vendor's samples may occur in exterior/interior materials, due to normal production process, availability or site condition. Purchaser accepts the same.

Client Initial: _____

Client Initial: _____ Vendor: _____

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VELLORE TRAILS

An Enclave Community

By Arista Homes

SITE PLAN
SCHEDULE B

PURCHASER _____ DATE _____

PURCHASER _____ DATE _____

VENDOR _____ DATE _____

All plans and lot dimensions are approximate and subject to change at the discretion of the Vendor. Lot dimensions if applicable have been rounded to the nearest whole number. Model types, landscaping, road patterns and sidewalks are proposed only and may change. Driveway locations to be finalized at the Vendor's sole discretion. Purchaser shall accept the same. Lot conditions and grading is based upon preliminary engineering and is subject to change without notice. The amenity features, walkways, trails, woodlot, parks, open spaces and lay by / visitor parking (if applicable) are as determined by the municipality and subject to change. Plan is artist's concept only. E. & O. E.

ARISTA

SCHEDULE OU
OPTIONS AND UPGRADES AGREEMENT - TOWNS
Arista Homes (Vellore Trails) Inc.

Blk/Unit No.:		**Purchaser:**	
Address:		**Phone Home:**	
Subdivision:	**Arista Homes (Vellore Trails) Inc.**	**Contract Date:**	
Model/Elev:		**First Tentative:**	
Co-Buyers:		**Co-Buyers:**	

	Qty	Total
1) The amount in upgrades to be chosen at the time of colour chart selection, amount includes G.S.T and P.S.T where applicable (No cash value): $5,000.00 (FIVE THOUSAND DOLLARS) IN DÉCOR	1.00	BONUS
2) Builder to supply and install an Energy Recovery Ventilator (ERV) in lieu of Standard Heat Recover Ventilator (HRV).	1.00	BONUS
3) Supply & install Air Conditioning Unit Sized for Model.	1.00	BONUS
4) 3 Piece Plumbing Rough-In in Basement. As per plan. Does not apply to Urban Towns.	1.00	BONUS
5) Appliance Package – Supply Only – Stainless Steel Builder Appliances: Fridge, Electric Stove, Dishwasher, White Washer and White Electric Dryer. Client is to arrange delivery and installation after closing. Final Supplier, make and model of appliances remains at the Vendor's discretion and subject to change.	1.00	BONUS
6) SMART HOME SOLUTIONS BONUS PACKAGE – – 1 SMART Doorbell * – 1 SMART Thermostat – 1 SMART Water Leak Detector – 1 SMART Hub – One (1) year of Smart Home remote access subscription Location and Installation of above-referenced SMARTHOME Solutions Bonus Package features within the home at the sole discretion of the Vendor. Items may or may not be installed at time of occupancy. Purchaser agrees to accept the same. *Smart Home remote access subscription is required to be fully functional. A remote access subscription renewal will be required after free one (1) year remote access subscription has expired. Any subsequent renewals will be at Purchaser's expense.	1.00	BONUS
7) Purchaser(s) acknowledge(s) and accept(s) that all existing promotions are applied herein.	1.00	$0.00
8) Door from garage (if applicable) to home included IF GRADE PERMITS AND IS SUBJECT TO MUNICIPAL APPROVAL. Door location may vary depending on home design. In the event that it is deemed that said door from garage is not permissible, then the Purchaser(s) agrees to accept the same without credit or abatement to the purchase price.	1.00	$0.00
9) Purchaser(s) acknowledge(s) and accepts that future final lot/grading conditions and final home sitings may require the introduction of inset steps at Portico/Covered Porch (as per plan) or also require that the front/rear foyers and or laundry/mud room areas (as per plan) be sunken - in either of these instances it will be required that the Vendor include additional interior stairs in applicable main floor areas. Purchaser further acknowledges that in the event of such changes/modifications are required the Purchaser agrees to accept the same without credit or abatement to the Purchase Price.	1.00	$0.00
10) Purchaser(s) acknowledge(s) and accepts that sidewalk locations, utility pedestals, hydro transformers, mailboxes, rear yard catch basins, street light poles and other street utility furniture are proposed only, and subject to change at the sole discretion of the Vendor, Municipality and Engineering Authorities. Purchaser(s) accept(s) the same.	1.00	$0.00
11) Purchaser(s) acknowledge(s) and accepts that all renderings are Artists Concept Only and that Porch/Portico pickets and railings will only be installed if required by the Ontario Building Code, the governing Municipal Authority or at the Vendors sole discretion. Purchaser(s) accept(s) the same.	1.00	$0.00
12) All dimensions, if any, are approximate. Wall locations are approximate, and walls or portions of walls may be furred out or have vertical boxes installed and/or wall thickness may vary or be altered to accommodate structural and/or mechanical requirements. Ceiling heights will be less than the stated ceiling height where ceiling bulkheads are installed and where dropped ceilings are required. In such cases, the Purchaser shall accept the home "As Built" without credit and/or abatement to the Purchase Price.	1.00	$0.00

Sub Total	**$0.00**
LCO Fees	**$0.00**
Incentives	**$0.00**
Discounts	**$0.00**
Taxes	**$0.00**
Total Addendum No 1/[1]	**$0.00**

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SCHEDULE OU
OPTIONS AND UPGRADES AGREEMENT - TOWNS
Arista Homes (Vellore Trails) Inc.

Blk/Unit No.:		**Purchaser:**	
Address:		**Phone Home:**	
Subdivision:	**Arista Homes (Vellore Trails) Inc.**	**Contract Date:**	
Model/Elev:		**First Tentative:**	
Co-Buyers:		**Co-Buyers:**	

PUCHASER'S REQUEST FOR EXTRAS AND OPTIONS	PRICE
Number 1:	
Number 2:	
Number 3:	
Number 4:	
Number 5:	
Number 6:	
Number 7:	
Number 8:	
Number 9:	
Number 10:	
SUBTOTAL:	**$**
HST:	**$ INCLUSIVE**
TOTAL PURCHASER'S EXTRAS:	**$**

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	Date	Arista Homes (Vellore Trails) Inc.	Date
	Date	Arista Homes (Vellore Trails) Inc.	Date

The Purchaser(s) & Vendor agree that:
a) The Purchaser will be charged a $1,000 fee for any changes made to approved paperwork.
b) The Purchaser(s) is responsible to replace any payment returned as "NSF" or "stopped payment" within 24 hours PLUS a $500 fee (as liquidated damages and not as a penalty) by certified cheque or bank draft only.
c) The above-noted changes or additions will be built/installed only if the total costs of the changes/additions are paid in full at the time of execution.
d) The Vendor will not accept any change(s) if the stage of construction affected by the change(s) has been deemed too late by the Vendor.
e) Oral Representations are not valid and do not form part of this agreement.
f) The Vendor shall not be liable for the quality of the changes, and makes no warranties in respect thereto. Vendor to transfer to the Purchaser(s) any guarantees or warranties received from the manufacturer or suppliers of the said changes. The Vendor at its discretion may substitute any and all materials for those of equal or better quality where it deems necessary or applicable.
g) As pertains to room labelling, the word "Master" is interchangeable with "Principal". Purchaser accepts the same.
h) The Purchaser(s) acknowledge that the Vendor may deposit/cash/process Purchaser(s)' payments for extras prior to confirmation of prices and/or availability of extras without prejudice to the Vendor's right to confirm pricing of extras with the Purchaser(s) and to confirm availability of such extras for the dwelling unit being constructed for the Purchaser(s). If such extras are not available, the provisions hereof shall be applicable. Extras pricing may vary and are subject to change at the discretion of the Vendor. Purchaser accepts the same.
i) If there is any discrepancy between this schedule/change order and other schedules included in the Purchase and Sale Agreement, then it is agreed to by all parties that this schedule/change order takes precedence. If written instructions are not clear, the Purchaser(s) agrees to accept the change(s) as interpreted and installed at the Vendor's sole discretion.
i) All taxes will be added to each applicable change order and/or additional item and fees outlined above.
k) The Purchaser(s) acknowledges and agrees that payment(s) for extras ordered from the Vendor included herein shall be treated as a further deposit(s) on account of the Purchase Price as per Agreement of Purchase and Sale. Any and all such extras will be an addition to the Purchase Price of the dwelling.

l) Purchaser(s) acknowledge(s) that any and all extras selected by the Purchaser(s) shall be made by way of an appointment scheduled with the Vendor at the Vendor's Head Office Décor Studio (the "Appointment") and shall not be final and binding until the Purchaser(s) execute(s) and delivers the Vendor's form of written acknowledgement, full payment for any and all extras selected and confirmation of those selections to the Vendor. Should the Purchaser fail to properly execute and deliver the Vendor's form of acknowledgment, full payment and confirmation for any extras selected by the Purchaser(s) at the Appointment, then the Purchaser(s) shall have five (5) days following date of the scheduled Appointment to complete their selection of extras, make full payment and execute and deliver the Vendor's form of written acknowledgment and confirmation to the Vendor. Should the Purchaser(s) fail to do so, the Vendor shall have the option, in its sole, absolute, unfettered and subjective discretion, of voiding any and all extras selected by the Purchaser(s). In such event, the Vendor will complete the colour selection on behalf of the Purchaser(s), in the Vendor's sole, absolute and unfettered and subjective discretion, by selecting standard choice being offered by the Vendor and the Purchaser hereby agrees to accept same. It is further acknowledged and accepted by the Purchaser(s) that should the Vendor need to exercise this option, the Purchaser(s) will be charged an administration fee of $1,000.00 plus Applicable Taxes on the Statement of Adjustments.

Arista Homes (Vellore Trails) Inc.

HST CALCULATION SCHEDULE

Purchaser(s) :

Potl No :
Model :
Elev :

Total Sales Price (Taxes Included)*	**$0.00**
Sale Price (Pre-Taxes)	**$0.00**
	$0.00
	$0.00
	$0.00
GST	**$0.00**
Less: GST Rebate	**$0.00** * Assigned to the Builder
PST-HST	**$0.00**
Less: HST Rebate	**$0.00** * Assigned to the Builder

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*This price reflects the applicable sales tax and rebates, not including any extras that may or may not be purchased after the initial purchase. Therefore, the calculations may be subject to change, if and when extras are purchased at a later date.

_____ _____
Purchaser Initials

SCHEDULE "REN"

Purchaser acknowledges and confirms that the hot water heating system and related equipment (the "Equipment") is not included in the Purchase Price and shall remain chattel property, rented by the supplier of such Equipment (the "**Supplier**") to the Purchaser. The Purchaser shall comply with the provisions of Schedule "X" and this Schedule "REN" of the Agreement of Purchase and Sale in regards to the Equipment, in all respects.

It is anticipated by the Vendor that the Supplier of the Equipment rented to the Purchaser shall be Enercare) (defined below), although the Supplier is subject to change. The Purchaser acknowledges that, should the Supplier designated by the Vendor be Enercare then the Equipment is anticipated to consist of the following Hot Water Heating equipment/products/systems outlined below and specific to the applicable home type purchased. Type of Equipment and associated products will be selected and/or installed at the discretion of the Vendor and subject to the Standard Terms and Conditions of Enercare outlined below.

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Hot Water Delivery Package #1:

- Equipment = Tankless Hot Water Heater
- Rental Rate = $40.99/month plus HST
- Applicable to = 2-Storey Townhomes
- Term = Useful Life

PACKAGE 1 ENERCARE HOME AND COMMERCIAL SERVICES LIMITED PARTNERSHIP – RESIDENTIAL HVAC RENTAL CONTRACT

enercare Advantage™

RESIDENTIAL WATER HEATER AGREEMENT

Water Heater Model:	Current Calendar Year Rental Rate:
Rinnai RX160IN	$40.99/month plus hst

1. Commitment. "Our", "us" "we" or **"Enercare"** means **Enercare Home and Commercial Services Limited Partnership**. Our commitment to you, our rental customer, (**"you"**, **"your"** or **"customer"**), is to provide you with a reliable, trouble- free water heater in accordance with this Residential Water Heater Agreement (the "**Agreement**"). The water heater ("**Water Heater**") you rent from us, as set out above, is backed by Enercare to the extent provided in this Agreement.

2. Term. The term of this Agreement commences on the date you agreed to this Agreement (which is the same as the date of your agreement of purchase and sale for the home). The term of the Water Heater rental ends if this Agreement is terminated by you or us in accordance with its terms (which, for greater certainty, includes you exercising your buyout option in accordance with the terms of this Agreement) or when the useful life of the Water Heater has ended. The useful life of the Water Heater ends when Enercare or its authorized service provider determines, having regard to the relevant factors, including without limitation, the age of the Water Heater and the cost of any repairs to be made to the Water Heater, that it is no longer commercially reasonable to repair the Water Heater. For greater certainty, you do not have any right to subsequently request a different water heater than the one you rent from us under this Agreement.

3. Our Obligation to You. Our obligation to you is to service and repair the Water Heater with no service charges or parts replacement charges **except** in the following circumstances:

a) i f you (or a third party not authorized by us) alter, modify, adjust, damage, service, repair, move or disconnect, the Water Heater;
b) if service or repairs to the Water Heater are necessary because the Water Heater was used for an unintended or unauthorized purpose, including non- residential purposes;

c) unless you are paying our hard water rental rate, if the Water Heater requires de-liming, flushing or other repair due to water conditions or the quality of the environment in which the Water Heater is situated. For greater certainty, Enercare determines hard water conditions. In such situations, we cover only diagnostic work;
d) where venting, piping, wiring, plumbing, ducting and/or electric services requires cleaning, repair, replacement or installation, including to meet applicable laws or installation requirements;
e) where re-setting is required due to FVIR "lock-out" as described below under "Customer Advisory";
f) if you fail to maintain the Water Heater in accordance with the requirements set out below under "Customer Obligations - Safety";
g) for service charges or parts replacement related to the use of load control devices, peak savings, load timers and all other energy saving devices; or
h) if you fail to notify us as described below under "Customer Obligations - Duty to Maintain".

Should you require assistance, our 24-hour per day, 7 days per week emergency phone number is **1-844-enercare.** Should we update this phone number, the updated number can be found on the Enercare website at www.enercare.ca.

4. Customer Obligations. In return for fulfilling our obligations to you, you agree that:

a) Rental Charges – The rate on the date of this Agreement for your monthly rental charge is indicated above. You will be responsible for paying rental charges from the date the Water Heater is installed or, if you purchased the premises after the Water Heater was installed, from the closing date of the purchase. We may increase our rental rates on January 1 of each calendar year by a percentage up to the percentage increase to CPI plus 2%. For the purposes of this Agreement, "CPI" means the All-items Consumer Price Index (not seasonally adjusted) for Ontario or the equivalent thereof, or any comparable successor index thereof, published by Statistics Canada in October in respect of the immediately preceding September to September period, or by any other equivalent or duly authorized department of the Government of Canada (for clarity, the Consumer Price Index in Canada is expressed in terms of 2002 = 100). We will notify you of any such rental rate increases in advance in bill inserts, by letter or by any method permitted by law.

b) Payment of Charges – You will pay your charges billed under this Agreement when due. You agree to pay HST and any other taxes payable in connection with this Agreement. Your charges may be included on your utility bill, or we may choose to bill you separately or through our service provider. Acceptable methods of payment, which currently include pre-authorized payment, payment by cheque, by telephone or in person, or online banking, will be set out on the bill you receive. Should any payment be returned for non- sufficient funds ("NSF"), you agree to pay a NSF charge of $25. A late payment charge will apply to all overdue amounts on your bill, including applicable federal and provincial taxes. The rate for late payment charges is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your bill is due on the date indicated on the bill.

Late Payment Charges on your Enbridge Gas Distribution ("EGD") Bill (applicable only if your charges are included on your EGD bill) – A late payment charge will apply to all overdue amounts on your EGD bill, including applicable federal and provincial taxes. The late payment charge will be calculated and applied as approved by the Ontario Energy Board ("OEB"). The current OEB- approved late payment rate is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your EGD bill is due when you receive it, which is considered to be three days after the bill date. If you do not pay your bill in full by the late payment effective date on the first page of your EGD bill, a late payment charge equal to the late payment rate multiplied by a total of all unpaid charges will be added to your EGD bill.

c) Access – You will provide us with timely access to the Water Heater whenever required by us to perform our obligations or exercise our rights under this Agreement.

d) Safety – You will use the Water Heater safely and responsibly. In particular, you will:

i) maintain effective operation of any plumbing and pumping systems supplying water to the Water Heater;
ii) ensure that no combustible, hazardous or flammable materials are used or stored in the same room as, or near, the Water Heater;
iii) ensure that the Water Heater is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation;
iv) provide us with access to the Water Heater whenever reasonably required for purposes of inspection, repair, maintenance or removal;
v) inspect the area around the Water Heater on a regular basis for any sign of water leakage;
vi) contact us for service if you see any sign of carbon or rust on the bottom or sides of the Water Heater or any signs of water leakage;
vii) ensure that the Water Heater is located in an area with sufficient drainage in the vicinity, and that the drainage is open, unrestricted and effective;
viii) if the Water Heater is gas-fired, ensure that the vents and openings for combustion air are kept clear and clean and otherwise well-maintained and there is adequate ventilation; and
ix) not permit anyone who has not been authorized by us to service, repair, modify, alter, adjust, move or disconnect the Water Heater.

e) Duty to Maintain – If the Water Heater is gas-fired, you are required, as the user of the Water Heater, under law to ensure that it is maintained in a safe operating condition [Ontario regulation 212/01 Section 15]. In the event that a service or repair is required please call **1-844-enercare.**

f) Ownership, Credit and Security Interest. You agree that:

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i) if more than one customer is named on the account, each of you is individually liable, and all of you are collectively liable, for all obligations imposed on you by this Agreement;
ii) during the term of this Agreement, the Water Heater remains our property, does not become a fixture, and you will not tamper with any tag(s) or sticker(s) identifying the Water Heater as rented equipment or that it is owned by us;
iii) we may inquire about your credit history and, if necessary, use the personal information you have provided to us to do so. For greater certainty, you authorize any credit reporting agency to give us credit or other personal information about you from time to time during the term of this Agreement. You can withdraw this authorization at any time. If you do or we are not satisfied with the results of any credit check, we may end this Agreement and the provisions of "Termination - Termination by Us" will apply;
iv) you will promptly inform us of any change in your: (i) mailing address at least 30 days in advance of such change; and/or (ii) if previously provided, bank account or credit card information promptly after such change is made;
v) this Agreement is binding upon and will enure to your heirs,
personal representatives, successors and permitted assigns; and
vi) we may register, at your expense, our interest in the Water Heater against you and/or against title to the premises. To the extent permitted by law, you agree to waive any right to receive a copy of such registration and appoint us as your lawful attorney for the purpose of doing any such registrations. You agree that the Water Heater will remain personal property even though it may become affixed to the premises. You agree to keep the Water Heater free of all liens, security interests, mortgages and other claims.

5. Sale of your Home – If you sell or otherwise transfer the premises, you are required to inform the transferee, at or before the effective date of the sale or transfer, of the existence of this Agreement and the rental Water Heater installed in the premises. We will permit the transferee to assume your rights and obligations under this Agreement, effective from the date of sale or transfer; provided that:

a) you or your representative notify the transferee in the sale or transfer agreement that the Water Heater is rented and is subject to this Agreement;
b) you or your representative advise us in advance of the transferee's name and the intended date of sale or transfer;
c) you or your representative advise us in advance of the address and telephone number where you can be contacted after the date of sale or transfer;
d) the transferee agrees in writing or by conduct to assume your obligations under this Agreement; and
e) you have paid us all amounts owing under this Agreement. Unless and until these conditions are satisfied, or unless Enercare otherwise waives any or all of these conditions, which we are under no obligation to do, you will remain responsible for the Water Heater rental and your obligations under this Agreement, including making all rental payments. You hereby authorize us to respond to information requests relating to your account made by or on behalf of the transferee.

6. Customer Advisory. The Water Heater may be equipped with flammable vapour ignition resistant (**"FVIR"**) technology. Enercare encourages you to read the Water Heater Use & Care Manual provided to you upon or after installation of the Water Heater. Certain activities such as, without limitation, painting or using solvents could cause the FVIR technology to "lockout" the Water Heater causing it to no longer function until reset by a qualified service technician. Resetting the Water Heater caused by FVIR "lockout" is not covered by Enercare under this Agreement and, if applicable, you will be charged for both parts and labour at our then current rates.

7. Warranties and Liability.

a) Warranties – We make no representations, warranties or conditions as to the performance of the Water Heater except for those which are given by statute and which you cannot waive and except any express warranties provided by the manufacturer of the Water Heater, except as provided below. Subject to you carrying-out your obligations under this Agreement (including those under "Customer Obligations") and subject to the limitations set out under "Liability", we hereby warrant that the Water Heater will work and provide hot water, and will not leak or rupture, for the term of this Agreement, reasonable wear and tear excepted. We are not the manufacturer of the Water Heater and we are not making any warranty or guarantee in respect of it, the supplier or the manufacturer of the Water Heater, including whether the Water Heater is suitable for you, except as provided above. Any warranties or guarantees provided under applicable legislation are hereby excluded to the extent permitted by law.

b) Liability – Except as otherwise expressly provided in this Agreement, we will not be liable for any loss, damage or injury of any type (including as a result of water leakage or any electrical or natural gas related events) arising out of or related to this Agreement or caused or contributed to in any way by the supply, installation, use and/or operation of the Water Heater. We shall not be responsible for any indirect, incidental, special or consequential damages, even if reasonably foreseeable. If we are unable to perform any of our obligations under this Agreement because of circumstances or events beyond our control, we shall be excused from the performance of such obligations for the duration of such circumstances or events and we shall not be liable to you for such failure to perform.

c) Indemnity – You will indemnify us from all claims, losses and costs that we may suffer or pay or may be required to pay, including legal expenses, in connection with this Agreement, including its termination or enforcement, or the supply, use and/or operation of the Water Heater including any claims against us for any injury or death to individuals or damage to property, including from your negligence or misuse of the Water Heater. This obligation survives the termination of this Agreement for any reason.

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d) Insurance – During the term of this Agreement, you are responsible for any loss or damage to the Water Heater from any cause, whether or not insured, until all of your obligations under this Agreement have been fulfilled.

8. Personal Information About You. We collect personal information about you in order to establish and manage our, and our authorized service provider's, business relationship with you. We won't knowingly share this information with third parties without your permission, other than to service providers, parties that provide us with credit information, parties to whom we transfer, assign, encumber or otherwise dispose of this Agreement or the Water Heater or otherwise in accordance with our Privacy Policy which is available at enercare.ca/privacy-policy or can be obtained from our Privacy Officer. In light of this, you hereby (i) consent to the collection, use, disclosure and maintenance of personal information and to receiving commercial electronic messages and promotional offers (such as tips to help you run your home or place of business more efficiently and reliably, special money-saving offers available to our customers and news about products and services that may be of interest to you) in accordance with the terms of our Privacy Policy, you may opt out at any time by contacting our Privacy Officer using the information below; (ii) authorize us to use and disclose your personal information to: verify your identity when you request information about your account by telephone or email; bill, collect payment, manage your account and/or supply services to you under this Agreement; review information about your bill payments; provide to our authorized technicians and other companies that provide service under this Agreement; comply with law enforcement and/or a legal requirement; process past due accounts of yours which have been passed to a debt collection agency; and undertake a credit reference check and we agree that the results thereof, any other personal information provided by or about you shall be handled by us in accordance with applicable laws and the Privacy Policy; and (iii) if your Water Heater is billed by your gas utility, you authorize your gas utility to provide us with any information about your Water Heater, including charges and payment information. We may record our telephone conversation with you and disclose the recordings to achieve the purposes set out in this section.

You may contact our Privacy Officer to discuss any questions or concerns related to the Privacy Policy, how your information is being handled, or to request that your personal information be revised or removed from our promotional list by telephone at 416-649-1862, e-mail at privacy@ enercare.ca, or mail at: Privacy Officer, Enercare Inc., 7400 Birchmount Rd., Markham, ON L3R 5V4.

9. Termination

***Termination by Us* –** If you fail to meet any of your obligations (including payment obligations) set out in this Agreement, you agree that we may terminate this Agreement and bill you for the applicable buyout price and on the other terms set out below under "Termination – Termination by You". You agree to pay the buyout price when invoiced by us.

***Termination by You* – Your sole method of terminating this Agreement prior to the end of the useful life of the Water Heater is to purchase the Water Heater.** You may purchase the Water Heater at any time for a buyout price that reflects, among other things, the unpaid cost of the Water Heater and related installation, finance and servicing costs, which buyout price can be found on our website. You can also confirm the buyout price by calling an Enercare Rental Specialist at **1-877-334-1846.** You may exercise your buyout option by notifying us in writing or by calling an Enercare Rental Specialist at **1-877-334-1846.**

When you exercise your buyout option, you accept the Water Heater in an "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume full responsibility for the Water Heater and its repair and maintenance. You also agree to pay the buyout price when invoiced by us.

Once payment has been received for the buyout price, and no other amounts are outstanding pursuant to this Agreement, this Agreement will end for the Water Heater and, as set out more particularly below in the section called "End of this Agreement", you will have no further obligation to pay rent and we will have no further obligation to you.

10. End of this Agreement. At the end of this Agreement (for whatever reason):

a) Rent – you are not obligated to rent and we are not obligated to supply replacement equipment (including a water heater), unless we mutually agree at the time and enter into a new water heater rental agreement.

b) Replacement – Enercare is not responsible for replacing the Water Heater or re-connecting any ancillary or other equipment including without limitation venting, piping, plumbing, wiring, ducting, and/or electrical services.

c) Removal and Disposal – if the Water Heater has reached the end of its useful life and we are not installing a replacement Water Heater, you shall at such time own the Water Heater, and if you wish for us to disconnect and/or dispose of the Water Heater, you must contact us by calling 1-877-334-1846 to make such arrangements. We will charge you in accordance with our then current fee schedules for removals or disposals.

d) No Further Obligations – you will have no further obligation to pay rent (other than rent owing prior to the end of this Agreement) and, subject to any statutorily mandated requirements, we will have no further obligations of any kind or manner to you.

11. Assignments. We may transfer, assign, encumber or otherwise dispose of all or any part of our interest in this Agreement and/or the Water Heater to another party at any time without notice to you and without your permission. To the extent permitted by law, you will not assert against any transferee any claims, defences, set-offs, deductions or counter-claims which you may now or in the future be entitled to assert against us. Except as otherwise provided in this Agreement, you may not transfer, assign or encumber all or part of your interest in this Agreement or the Water Heater without our prior written consent (see the section called "Sale of your Home").

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12. Invalidity of Provision. If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable, such provision shall be severed and the remainder of this Agreement shall continue to remain in full force and effect subject to such modifications as may be necessary to carry out the provisions and intent of this Agreement.

13. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and federal laws of Canada applicable therein.

14. Entire Agreement and Amendments. You understand that this Agreement is the entire agreement between you and us and super-cedes all prior agreements, understandings or discussions, whether oral or written, and there are no warranties, representations or other agreements except as specifically set out in this Agreement. This Agreement may be amended from time to time by us by notice in bill inserts, by letter or by any method permitted by law in which case you will have the option to not accept such amendment and retain this Agreement unchanged.

15. How to Contact Us. You may contact us as follows:
Enercare Home Services
7400 Birchmount Road
Markham, Ontario L3R 5V4
Attention: "Rental Administration"
1-844-enercare (1-844-363-7227)
Visit us at **enercare.ca**

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Hot Water Delivery Package #2:

- Equipment = Boiler + Storage Tank
- Rental Rate = $58.74/month plus HST ($52.00 + $6.74 + HST)
- Applicable to = 3-Storey Townhomes
- Term = Useful Life

PACKAGE 2 ENERCARE HOME AND COMMERCIAL SERVICES LIMITED PARTNERSHIP – RESIDENTIAL HVAC RENTAL CONTRACT

enercare home

RESIDENTIAL HVAC RENTAL CONTRACT
PLEASE PRINT

Equipment	Quantity	Manufacturer	Model Number	Current Calendar Year Rental Rate ($) (excl. taxes)
1. Boiler	1	GLOW	C95	$52.00
2.				
3.				
4.				
5.				
6.				

1.General
This Residential HVAC Rental Agreement (the "Agreement") is a legal agreement entered into between Enercare Home and Commercial Services Limited Partnership ("Enercare") and you, our rental customer ("you", "your" or "customer") in respect of the rental HVAC and related equipment described above together with all fittings, parts and connections supplied by Enercare and listed on a schedule attached hereto (the "Equipment") installed or to be installed in your premises (the "Premises"). In this Agreement "we", "our" and "us" means Enercare and/or our authorized service providers.

2.Term of Rental
The term of this Agreement commences on the date you agreed to this Agreement (which is either the date of your agreement of purchase and sale or the closing date for the purchase of the Premises). This Agreement (as it relates to a particular piece of Core Equipment Type) will end upon the end of the Useful Life of the applicable Core Equipment Type (but it will continue, as amended as referenced above in the definition of Useful Life, in respect of the remaining Core Equipment Type(s) and related Equipment) unless terminated earlier by you through your buy-out option (see "Your Buy-out Option" below) or by us if you fail to meet any of your commitments (see "Termination of Agreement by Us" below**)**. After this Agreement is terminated, we will not be required to supply, service or maintain, and you will not be required to rent, any replacement equipment. If you want to change the Equipment or rent additional equipment, a new agreement will be required to replace this Agreement and a new rental rate will be calculated. If not fully satisfied, all obligations owned by you prior to the termination of this Agreement shall survive termination until fully satisfied, as determined by us. The "Useful Life" ends when we determine in our reasonable discretion that it is no longer commercially reasonable to repair the Equipment, having regard to the age of the Equipment, the cost of repair or other relevant factors and notice of such determination is given to you. If there is more than one Core Equipment Type marked or listed above (being an air conditioner, furnace and/or boiler), then each such Core Equipment Type will have its own Useful Life. If we determine that less than all Core Equipment Types have reached the end of their Useful Lives, the rental rate(s) set out above will be reduced by us and the list of Equipment above and/or on any schedule attached to this Agreement will be modified by us, in each case, so

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as to reflect the fact that you will no longer be renting the applicable Core Equipment Type (and all necessary pipes and parts related to the applicable Core Equipment Type as determined by us) that has reached the end of its Useful Life.

3. Enercare's Commitment

In consideration of the rent paid by you, we agree:

i. New Equipment: the Equipment delivered under this Agreement will not be used or reconditioned.

ii. Installation: to install the Equipment. All normal installation costs will be included within the monthly rental rate, except the cost of any permits or inspections local laws may require and for any extraordinary installation costs incurred by us. We will make reasonable efforts to tell you in advance if there are any additional installation costs, but it may not always be possible for us to do so. You agree to pay all of these additional costs, and understand that we may terminate this Agreement if you do not pay them.

iii. Service & Maintenance: to provide repair and maintenance on the Equipment during the Useful Life of the applicable Equipment with no service charges or part replacement charges except (i) in the circumstances described in paragraph 4, (ii) if you (or a third party not authorized by us) alter, modify, adjust, damage, service, repair, move or disconnect the Equipment or if repairs are necessary because of use for which the Equipment was not intended, (iii) where venting, piping, wiring, ducting and/or electrical services require cleaning, repair or replacement, or (iv) as described below. Our 24-hour per day, 7-days-per-week emergency phone number is 1-844-enercare.

iv. Periodic Inspection: to, from time-to-time (which may be more or less frequently than annually), contact you to arrange a mutually agreeable time for us to attend at the Premises to inspect the state of maintenance and repair of the Equipment and to confirm compliance by you with your obligations in this Agreement.

v. Ancillary Piping, Venting: that you will own any related piping, venting, wiring or ducting we install on the Premises, unless it is expressly itemized and included within the Equipment you are renting. We are not required to remove these items after this Agreement ends and have no responsibility for them if any of the Equipment is removed.

Our commitment specifically does not cover any costs of diagnosis, service, repair, parts replacement or adjustment to the extent that/in respect of, or otherwise cover:

- Repairs needed as a result of abuse, tampering, alterations or repairs by persons other than us;
- Repairs needed as a result of accidental or deliberate damage, loss, theft, freezing weather conditions, subsidence, structural repairs, fire, lightening, explosion, earthquake, tornado, flood, storm, acts of war or other insurable risks;
- The thermostat is not at the proper setting;
- The pilot light has been extinguished by someone other than us;
- The household or building electrical fuse or breaker required for the Equipment is blown;
- The Equipment has been turned off;
- Renovation related work;
- The costs of redecoration and restoration costs required as a result of any work performed in connection with this Agreement, including, but not limited to, wall coverings, drywall, plaster, wallpaper, paint, floor coverings, tile, cabinetry, counter tops, landscaping or repair of any structural or cosmetic defects. If it is necessary for us to dig on your property in connection with work performed in connection with this Agreement, we will fill any holes and leave the ground level or mounded, but we will not restore the original surface or construction, including upgrades or the cost of construction, carpentry, or other modifications made necessary by the Equipment;
- Loss or damage to property caused by the heating, cooling, appliance, electrical or plumbing or drains system breaking down (e.g., damage to furniture caused by water leaks);
- Repairs needed as a result of lack of reasonable maintenance (e.g., pipe bursts due to cold weather or inadequate heating within the home or equipment failure due to a lack of regular filter replacement);
- Service or repairs that are related to design or any modification to the Equipment, unless performed by us under this Agreement;
- Electronic, computerized or energy management systems or devices, such as "Smart House";
- Providing for or closing access to covered items;
- Service, maintenance, repair, or replacement necessitated by any loss or damage resulting from any cause other than normal usage. Loss or damage due to chemical or sedimentary build-up, misuse or abuse, unauthorized repair by others, failure to clean or maintain the Equipment, rust, corrosion, insect infestation, mould, mildew or bacterial manifestations, missing parts, structural change, fire, freezing, electrical failure or surge, water damage, lightning, mud, earthquake, tornado, soil movement, windstorms, hail, theft, negligence (other than by us), intentional acts (other than by us), riot, accidents (other than caused by us), pet or pest damage, acts of God, or failure due to excessive water pressure or any other perils are not considered loss or damage by normal use;
- Preventative maintenance other than to the extent noted above; and
- Consumable items, including but not limited to filters and fuses.

If, after installation, building or other code violations are discovered before or during the diagnosis or repair of Equipment, we will not be required to repair or service such Equipment until the necessary corrective work is completed at your own expense. If additional costs are incurred in order to comply with local, provincial, or federal law, we shall not be responsible for that additional expense and you shall pay for same. We are not responsible for service or repair of Equipment when permits cannot be obtained and we will not pay any costs relating to permits.

Our commitment does not cover any service involving hazardous or toxic materials, asbestos, lead or the disposal of refrigerants or contaminants.

If a thermostat that is included in the Equipment fails, we will provide a replacement thermostat with a make/model, of our choice, that enables like operation of your dependent heating, ventilation and/or air conditioning equipment. Zone thermostats/controls and energy management controls are not covered by our commitment.

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We are not responsible for insufficient air distribution due to existing ductwork design or clogged duct work or for insufficient water flow due to existing piping or radiators or clogged piping or radiators. Costs of refrigerant recovery, vacuuming and refill are excluded from our commitment.

If the monthly rental rate includes a charge for duct cleaning performed by us, it is a one-time service and our commitment is limited to a 30-day limited satisfaction guarantee (from the date of performance by us of the duct cleaning), pursuant to which we will redo your duct cleaning.

4. Customer's Commitment

In consideration of receiving and using the Equipment, you agree that:

- You will pay your charges billed under this Agreement when due. You agree to pay HST and any other taxes payable in connection with this Agreement.
- You will promptly inform us of any change in i) your mailing address at least 30 days in advance of such change; and/or ii) if previously provided, bank account or credit card information you provided us promptly after such change is made.
- Your charges may be included on your utility bill, or we may choose to bill you separately or through our service provider. Acceptable methods of payment, which currently include pre-authorized payment, payment by cheque, by telephone or in person, or online banking, will be set out on the bill you receive. Should any payment be returned for non-sufficient funds ("NSF"), you agree to pay a NSF charge of $25. A late payment charge will apply to all overdue amounts on your bill, including applicable federal and provincial taxes. The rate for late payment charges is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your bill is due on the date indicated on the bill.
- *Late Payment Charges on your Enbridge Gas Distribution ("EGD") Bill* (applicable only if your charges are included on your EGD bill): A late payment charge will apply to all overdue amounts on your EGD bill, including applicable federal and provincial taxes. The late payment charge will be calculated and applied as approved by the Ontario Energy Board ("OEB"). The current OEB-approved late payment rate is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your EGD bill is due when you receive it, which is considered to be three days after the bill date. If you do not pay your bill in full by the late payment effective date on the first page of your EGD bill, a late payment charge equal to the late payment rate multiplied by a total of all unpaid charges will be added to your EGD bill.
- The rate on the date of this Agreement for your monthly rental charge is the amount set out above. You will be responsible for paying rental charges from the date the Equipment is installed or, if you purchased the premises after the Equipment was installed, from the closing date of the purchase. You agree that we may increase our rental rates on January 1 of each calendar year by a percentage up to the percentage increase to CPI plus 2%. For the purposes of this Agreement, "CPI" means the All-items Consumer Price Index (not seasonally adjusted) for Ontario or the equivalent thereof, or any comparable successor index thereof, published by Statistics Canada in October in respect of the immediately preceding September to September period, or by any other equivalent or duly authorized department of the Government of Canada (for clarity, the Consumer Price Index in Canada is expressed in terms of 2002 = 100). We will notify you of any such rental rate increases in advance in bill inserts, by letter or by any method permitted by law. You agree to pay HST and any other taxes payable in connection with this Agreement.
- You will provide us with timely access to the Equipment whenever required by us to perform our obligations or exercise our rights under this Agreement.
- You will use the Equipment safely and responsibly, and in particular you will:
  i. ensure that no combustible, hazardous or flammable materials are used or stored in the same room as, or near, the Equipment;
  ii. ensure that the Equipment is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation;
  iii. ensure that the filters, vents and openings are kept clear and clean and are otherwise kept well maintained by you;
  iv. provide us with access to the Equipment whenever reasonably required for purposes of inspection, maintenance, repair or removal and in connection therewith will authorize site personnel at your location to permit us access to the Premises; and
  v. obtain our approval before you connect any add-on equipment, such as air handlers, humidifiers, storage tanks, air duct systems or hydronic baseboards to the Equipment. We are not responsible for the installation or maintenance of any add-on equipment, or for any damage caused by this add-on equipment or the Equipment if the damage occurred because of the add-on equipment.
- You will notify us promptly if the Equipment breaks down or is damaged.
- You will not permit anyone but us to service, repair, modify, move or disconnect the Equipment.
- You will be responsible for any damage to, or loss of, the Equipment, including if caused by you or third parties, unless caused by us or is otherwise part of Enercare's commitment described above. You will also be responsible for any damage to, or loss of, the Equipment if caused by fire, flood, accident or other insurable risks.
- You will maintain in good working order the ancillary piping, venting, wiring or ducting owned by you that relate to, but are not included within the Equipment.
- During the term of this Agreement, the Equipment remains our property, is not intended to become a fixture and you will not tamper with any plate(s), tag(s) or sticker(s) identifying the Equipment as rented Equipment owned by us.
- If you sell, lease or otherwise transfer the Premises, you will, in addition to your obligations in Section 9 (Transferring This Agreement), advise us in advance and advise the transferee that the Equipment is rented pursuant to this Agreement.
- At the end of the Useful Life of any Equipment, you are not obligated to rent and we are not obligated to supply replacement Equipment therefor, unless we mutually agree at the time pursuant to a new agreement.
- If the Equipment is gas-fired, you are required, as the user of the Equipment, under law to ensure that it is maintained in a safe operating condition *[Ontario regulation 212/01 Section 15]*. In the event that a service or repair is required please call 1-844-enercare.
- This Agreement is binding upon and will enure to your heirs, personal representatives, successors and permitted assigns.

5. Ownership of Equipment

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- During the term of this Agreement, the Equipment remains the property of Enercare or its assignee and although it may be affixed to the Premises, is not intended to become a fixture.
- You agree to assist in protecting our ownership interest by signing and providing any further documents we may reasonably require and you acknowledge that we may register notices of security or ownership as we deem appropriate, including on title to the Premises.
- You agree to keep the Equipment free of all liens, security interests, mortgages and other claims.

6. Personal Information About You

We collect personal information about you in order to establish and manage our, and our authorized service provider's, business relationship with you. We won't knowingly share this information with third parties without your permission, other than to service providers, parties that provide us with credit information, parties to whom we transfer, assign, encumber or otherwise dispose of this Agreement or the Equipment or otherwise in accordance with our Privacy Policy, which is available at enercare.ca/privacy-policy or can be obtained from our Privacy Officer. In light of this, you hereby: (i) consent to the collection, use, disclosure and maintenance of personal information and to receiving commercial electronic messages and promotional offers (such as tips to help you run your home or place of business more efficiently and reliably, special money-saving offers available to our customers and news about products and services that may be of interest to you) in accordance with the terms of our Privacy Policy (you may opt out at any time by contacting our Privacy Officer using the information below); (ii) authorize us to use and disclose your personal information to: verify your identity when you request information about your account by telephone or email; bill, collect payment, manage your account and/or supply services to you under this Agreement; review information about your bill payments; provide to our authorized technicians and other companies that provide service under this Agreement; comply with law enforcement and/or a legal requirement; process past due accounts of yours which have been passed to a debt collection agency; and undertake a credit reference check and we agree that the results thereof, any other personal information provided by or about you shall be handled by us in accordance with applicable laws and the Privacy Policy; and (iii) if your Equipment is billed by your gas utility, you authorize your gas utility to provide us with any information about your Equipment, including charges and payment. We may record our telephone conversations with you and disclose the recordings to achieve the purposes set out in this section.

You may contact our Privacy Officer to discuss any questions or concerns related to the Privacy Policy, how your information is being handled, or to request that your personal information be revised or removed from our promotional list by telephone at: 416-649-1862, e-mail at: privacy@enercare.ca, or mail at: Tracy LI, Privacy Officer, Enercare Inc., 7400 Birchmount Road, Markham, ON, L3R 5V4.

7. Your Buy-out Option

- **You may not terminate this Agreement except as provided below.**
- **You may purchase the Equipment at any time. You may not purchase less than all of the Equipment.** You may exercise your buy-out option by notifying us in writing or by calling 1-844-enercare. If you tell us you want to buy the Equipment, we will calculate and tell you the purchase price. The purchase price is based on, among other things, the unpaid cost of the Equipment and related installation, finance, service and maintenance costs.
- When you exercise your buy-out option, you accept the Equipment in "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume responsibility for the Equipment and its repair and maintenance. You also agree to pay the buy-out price, plus any applicable taxes, when invoiced by us.
- Once we receive payment of the buy-out price, this Agreement will terminate and you will have no further obligation to pay rent and we will have no further obligation to you.

8. Removal and Disposal

- If any Equipment has reached the end of its Useful Life and we are not installing replacement equipment and you wish us to disconnect and/or dispose of the Equipment you should contact us by calling 1-844-enercare.
- We will charge you in accordance with our then current fee schedules for removals or disconnections.
- We are not responsible for replacing the Equipment or re-connecting any ancillary or other equipment, venting, piping, wiring or ducting, nor are we responsible for any of such ancillary items.

9. Transferring This Agreement

If you sell or otherwise transfer the Premises, you are required to inform the transferee, at or before the effective date of the sale or transfer, of the existence of this Agreement and the rental Equipment installed in the Premises. We will permit the purchaser to assume your rights and obligations under this Agreement, effective from the date of sale, or other transfer, provided that (i) you or your representative notify the transferee in the sale or transfer agreement that the Equipment is rented and is subject to this Agreement, (ii) you or your representative advise us in advance of the transferee's name and the intended date of sale or other transfer, (iii) you or your representative advise us in advance of the address and telephone number where you can be contacted after the date of sale or transfer, (iv) the transferee agrees in writing or by conduct with us to assume your obligations, and (v) you have paid us all amounts owing under this Agreement. Unless and until these conditions are satisfied, or unless Enercare otherwise waives any or all of these conditions, which we are under no obligation to do, you will remain responsible for the Equipment rental and your obligations under this Agreement, including making all rental payments. You hereby authorize us to respond to information requests relating to your account made by or on behalf of the transferee. We may also accept performance of your obligations (including payment obligations) from other parties (such as tenants) but will not be required to do so.

10. Termination of Agreement by Us

Each of the following will be events of default (a "Default") by you:

- If any bankruptcy, insolvency or receivership proceedings are commenced with respect to you; and/or
- If you breach any provision of, or fail to perform any of your obligations under, this Agreement, including but not limited to any failure to pay any amount when due.

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At any time while there is a Default, we may, on 30 days written notice require that you immediately purchase the Equipment at the buy-out price and on the other terms set out in paragraph 7. If we choose not to exercise this option, or if you fail to pay the buy-out price, then we may also exercise one or more of the following rights without further advance notice:

- Terminate this Agreement;
- Enter the Premises and disconnect, remove and use or dispose of the Equipment for our own account; and/or
- Pursue any other remedies we may have at law.

If we choose to terminate this Agreement and/or remove the Equipment as a result of a Default, you agree to pay a removal charge in accordance with our then current fee schedules for removals or disconnections. You also acknowledge that we have no obligation to remove or re-sell the Equipment and you are not entitled to any proceeds of sale.
Upon termination of this Agreement and/or removal of the Equipment, all amounts owing hereunder are due and payable.

11. Protecting Our Rights To The Equipment
To protect our rights to the Equipment, we may register a notice of security or ownership of the Equipment as we deem appropriate, including a notice on title to the Premises. You agree to sign and give us any documents or guarantees we need to preserve our rights to the Equipment and protect us against any claims to it.

12. Warranties
We make no representations, warranties or conditions as to the performance of the Equipment except for those which are given by statute and which you cannot waive and except any express warranties provided by the manufacturer of the Equipment, except as provided below. Subject to you carrying out your obligations under this Agreement (including those under "Customer's Commitment") and subject to the limitations set out under "Limitations of Liability", we hereby warrant that the Equipment will work for the term of this Agreement. We are not the manufacturer of the Equipment and we are not making any warranty or guarantee in respect of it, the supplier or the manufacturer of the Equipment, including whether the Equipment is suitable for you, except as provided above. Any warranties or guarantees provided under applicable legislation are hereby excluded to the extent permitted by law.

13. Limitation on liability
We will not be liable for any loss, damage or injury of any type (including as a result of water leakage or any electrical or natural gas related events) arising out of or related to this Agreement or caused or contributed to in any way by the supply, installation, use and/or operation of the Equipment. We shall not be responsible for any indirect, incidental, special or consequential damages, even if reasonably foreseeable. If we are unable to perform any of our obligations under this Agreement because of circumstances or events beyond our control, we shall be excused from the performance of such obligations for the duration of such circumstances or events and we shall not be liable to you for such failure to perform.

14. Indemnification
You will indemnify us from all claims, losses and costs that we may suffer or pay or may be required to pay, including legal expenses, in connection with this Agreement, including its termination or enforcement, or the supply, use and/or operation of the Equipment including any claims against us for any injury or death to individuals or damage to property, including from your negligence or misuse of the Equipment. This obligation survives the termination of this Agreement for any reason.

15. Insurance
During the term of the Agreement, you are responsible for any loss or damage to the Equipment from any cause, whether or not insured, until all of your obligations under the Agreement have been fulfilled.

16. Assignment
We may transfer, assign, encumber or otherwise dispose of all or any part of our interest in this Agreement and/or the Equipment to another party at any time without notice to you and without your permission. To the extent permitted by law, you will not assert against any transferee any claims, defences, set-offs, deductions or counter-claims which you may now or in the future be entitled to assert against us. Except as otherwise provided in this Agreement, you may not transfer, assign or encumber all or part of your interest in this Agreement or the Equipment without our prior written consent (see Section 9 (Transferring This Agreement)).

17. Invalidity of Provision
If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable, such provision shall be severed and the remainder of this Agreement shall continue to remain in full force and effect subject to such modifications as may be necessary to carry out the provisions and intent of this Agreement.

18. Governing Law
This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and federal laws of Canada applicable therein.

19. Entire Agreement and Amendments
You understand that this Agreement is the entire agreement between you and us and supercedes all prior agreements, understandings or discussions, whether oral or written, and there are no warranties, representations or other agreements except as specifically set out in this Agreement. This Agreement may be amended from time to time by us by notice in bill inserts, by letter or by any method permitted by law.

20. How To Contact Us:
7400 Birchmount Road
Markham, Ontario L3R 5V4
Attention: Customer Operations
1-844-enercare (1-844-363-7227)
Enercare.ca

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ENERCARE HOME AND COMMERCIAL SERVICES LIMITED PARTNERSHIP – RESIDENTIAL HOT WATER HEATER AGREEMENT

enercare

RESIDENTIAL WATER HEATER AGREEMENT

Water Heater Model:	Current Calendar Year Rental Rate:
Giant Storage Tank 142ETE 9G7M EC	$6.74plus hst

1. Commitment. "Our", **"us" "we"** or **"Enercare"** means **Enercare Home and Commercial Services Limited Partnership**. Our commitment to you, our rental customer, (**"you"**, **"your"** or **"customer"**), is to provide you with a reliable, trouble- free water heater in accordance with this Residential Water Heater Agreement (the "**Agreement**"). The water heater ("**Water Heater**") you rent from us, as set out above, is backed by Enercare to the extent provided in this Agreement.

2. Term. The term of this Agreement commences on the date you agreed to this Agreement (which is the same as the date of your agreement of purchase and sale for the home). The term of the Water Heater rental ends if this Agreement is terminated by you or us in accordance with its terms (which, for greater certainty, includes you exercising your buyout option in accordance with the terms of this Agreement) or when the useful life of the Water Heater has ended. The useful life of the Water Heater ends when Enercare or its authorized service provider determines, having regard to the relevant factors, including without limitation, the age of the Water Heater and the cost of any repairs to be made to the Water Heater, that it is no longer commercially reasonable to repair the Water Heater. For greater certainty, you do not have any right to subsequently request a different water heater than the one you rent from us under this Agreement.

If this Agreement is terminated within the first eighteen (18) months following the date we install the Equipment, in addition to payment of the buy-out price contemplated in Section 9 of this Agreement, you agree to pay us the total amount of (a) any monthly rental payments waived as part of any applicable promotion and (b) the value of any prepaid credit card or other product provided to you as part of any applicable promotion.

3. Our Obligation to You. Our obligation to you is to service and repair the Water Heater with no service charges or parts replacement charges **except** in the following circumstances:

a) i f you (or a third party not authorized by us) alter, modify, adjust, damage, service, repair, move or disconnect, the Water Heater;
b) if service or repairs to the Water Heater are necessary because the Water Heater was used for an unintended or unauthorized purpose, including non- residential purposes;
c) unless you are paying our hard water rental rate, if the Water Heater requires de-liming, flushing or other repair due to water conditions or the quality of the environment in which the Water Heater is situated. For greater certainty, Enercare determines hard water conditions. In such situations, we cover only diagnostic work;
d) where venting, piping, wiring, plumbing, ducting and/or electric services requires cleaning, repair, replacement or installation, including to meet applicable laws or installation requirements;
e) where re-setting is required due to FVIR "lock-out" as described below under "Customer Advisory";
f) if you fail to maintain the Water Heater in accordance with the requirements set out below under "Customer Obligations - Safety";
g) for service charges or parts replacement related to the use of load control devices, peak savings, load timers and all other energy saving devices; or
h) if you fail to notify us as described below under "Customer Obligations - Duty to Maintain".

Should you require assistance, our 24-hour per day, 7 days per week emergency phone number is **1-844-enercare.** Should we update this phone number, the updated number can be found on the Enercare website at www.enercare.ca.

4. Customer Obligations. In return for fulfilling our obligations to you, you agree that:

a) Rental Charges – The rate on the date of this Agreement for your monthly rental charge is indicated above. You will be responsible for paying rental charges from the date the Water Heater is installed or, if you purchased the premises after the Water Heater was installed, from the closing date of the purchase. We may increase our rental rates on January 1 of each calendar year by a percentage up to the percentage increase to CPI plus 2%. For the purposes of this Agreement, "CPI" means the All-items Consumer Price Index (not seasonally adjusted) for Ontario or the equivalent thereof, or any comparable successor index thereof, published by Statistics Canada in October in respect of the immediately preceding September to September period, or by any other equivalent or duly authorized department of the Government of Canada (for clarity, the Consumer Price Index in Canada is expressed in terms of 2002 = 100). We will notify you of any such rental rate increases in advance in bill inserts, by letter or by any method permitted by law.

b) Payment of Charges – You will pay your charges billed under this Agreement when due. You agree to pay HST and any other taxes payable in connection with this Agreement. Your charges may be included on your utility bill, or we may choose to bill you separately or through our service provider. Acceptable methods of payment, which currently include pre-authorized payment, payment by cheque, by telephone or in person, or online banking, will be set out on the bill you receive. Should any payment be returned for non- sufficient funds ("NSF"), you agree to pay a NSF charge of $25. A late payment charge will apply to all overdue amounts on your bill, including applicable

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federal and provincial taxes. The rate for late payment charges is 1.5% per month or 18% per year (for an effective rate of 19.56% per year). Your bill is due on the date indicated on the bill.

c) Access – You will provide us with timely access to the Water Heater whenever required by us to perform our obligations or exercise our rights under this Agreement.

d) Safety – You will use the Water Heater safely and responsibly. In particular, you will:

i) maintain effective operation of any plumbing and pumping systems supplying water to the Water Heater;
ii) ensure that no combustible, hazardous or flammable materials are used or stored in the same room as, or near, the Water Heater;
iii) ensure that the Water Heater is not confined in a location where it is difficult to service or remove or where there is inadequate ventilation;
iv) provide us with access to the Water Heater whenever reasonably required for purposes of inspection, repair, maintenance or removal;
v) inspect the area around the Water Heater on a regular basis for any sign of water leakage;
vi) contact us for service if you see any sign of carbon or rust on the bottom or sides of the Water Heater or any signs of water leakage;
vii) ensure that the Water Heater is located in an area with sufficient drainage in the vicinity, and that the drainage is open, unrestricted and effective;
viii) if the Water Heater is gas-fired, ensure that the vents and openings for combustion air are kept clear and clean and otherwise well-maintained and there is adequate ventilation; and
ix) not permit anyone who has not been authorized by us to service, repair, modify, alter, adjust, move or disconnect the Water Heater.

e) Duty to Maintain – If the Water Heater is gas-fired, you are required, as the user of the Water Heater, under law to ensure that it is maintained in a safe operating condition [Ontario regulation 212/01 Section 15]. In the event that a service or repair is required please call **1-844-enercare.**

f) Ownership, Credit and Security Interest. You agree that:

i) if more than one customer is named on the account, each of you is individually liable, and all of you are collectively liable, for all obligations imposed on you by this Agreement;
ii) during the term of this Agreement, the Water Heater remains our property, does not become a fixture, and you will not tamper with any tag(s) or sticker(s) identifying the Water Heater as rented equipment or that it is owned by us;
iii) we may inquire about your credit history and, if necessary, use the personal information you have provided to us to do so. For greater certainty, you authorize any credit reporting agency to give us credit or other personal information about you from time to time during the term of this Agreement. You can withdraw this authorization at any time. If you do or we are not satisfied with the results of any credit check, we may end this Agreement and the provisions of "Termination - Termination by Us" will apply;
iv) you will promptly inform us of any change in your: (i) mailing address at least 30 days in advance of such change; and/or (ii) if previously provided, bank account or credit card information promptly after such change is made;
v) this Agreement is binding upon and will enure to your heirs, personal representatives, successors and permitted assigns; and
vi) we may register, at your expense, our interest in the Water Heater against you and/or against title to the premises. To the extent permitted by law, you agree to waive any right to receive a copy of such registration and appoint us as your lawful attorney for the purpose of doing any such registrations. You agree that the Water Heater will remain personal property even though it may become affixed to the premises. You agree to keep the Water Heater free of all liens, security interests, mortgages and other claims.

5. Sale of your Home – If you sell or otherwise transfer the premises, you are required to inform the transferee, at or before the effective date of the sale or transfer, of the existence of this Agreement and the rental Water Heater installed in the premises. We will permit the transferee to assume your rights and obligations under this Agreement, effective from the date of sale or transfer; provided that:

a) you or your representative notify the transferee in the sale or transfer agreement that the Water Heater is rented and is subject to this Agreement;
b) you or your representative advise us in advance of the transferee's name and the intended date of sale or transfer;
c) you or your representative advise us in advance of the address and telephone number where you can be contacted after the date of sale or transfer;
d) the transferee agrees in writing or by conduct to assume your obligations under this Agreement; and
e) you have paid us all amounts owing under this Agreement.

Unless and until these conditions are satisfied, or unless Enercare otherwise waives any or all of these conditions, which we are under no obligation to do, you will remain responsible for the Water Heater rental and your obligations under this Agreement, including making all rental payments. You hereby authorize us to respond to information requests relating to your account made by or on behalf of the transferee.

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6. Customer Advisory. The Water Heater may be equipped with flammable vapour ignition resistant (**"FVIR"**) technology. Enercare encourages you to read the Water Heater Use & Care Manual provided to you upon or after installation of the Water Heater. Certain activities such as, without limitation, painting or using solvents could cause the FVIR technology to "lockout" the Water Heater causing it to no longer function until reset by a qualified service technician. Resetting the Water Heater caused by FVIR "lockout" is not covered by Enercare under this Agreement and, if applicable, you will be charged for both parts and labour at our then current rates.

7. Warranties and Liability.

a) Warranties – We make no representations, warranties or conditions as to the performance of the Water Heater except for those which are given by statute and which you cannot waive and except any express warranties provided by the manufacturer of the Water Heater, except as provided below. Subject to you carrying-out your obligations under this Agreement (including those under "Customer Obligations") and subject to the limitations set out under "Liability", we hereby warrant that the Water Heater will work and provide hot water, and will not leak or rupture, for the term of this Agreement, reasonable wear and tear excepted. We are not the manufacturer of the Water Heater and we are not making any warranty or guarantee in respect of it, the supplier or the manufacturer of the Water Heater, including whether the Water Heater is suitable for you, except as provided above. Any warranties or guarantees provided under applicable legislation are hereby excluded to the extent permitted by law.

b) Liability – Except as otherwise expressly provided in this Agreement, we will not be liable for any loss, damage or injury of any type (including as a result of water leakage or any electrical or natural gas related events) arising out of or related to this Agreement or caused or contributed to in any way by the supply, installation, use and/or operation of the Water Heater. We shall not be responsible for any indirect, incidental, special or consequential damages, even if reasonably foreseeable. If we are unable to perform any of our obligations under this Agreement because of circumstances or events beyond our control, we shall be excused from the performance of such obligations for the duration of such circumstances or events and we shall not be liable to you for such failure to perform.

c) Indemnity – You will indemnify us from all claims, losses and costs that we may suffer or pay or may be required to pay, including legal expenses, in connection with this Agreement, including its termination or enforcement, or the supply, use and/or operation of the Water Heater including any claims against us for any injury or death to individuals or damage to property, including from your negligence or misuse of the Water Heater. This obligation survives the termination of this Agreement for any reason.

d) Insurance – During the term of this Agreement, you are responsible for any loss or damage to the Water Heater from any cause, whether or not insured, until all of your obligations under this Agreement have been fulfilled.

8. Personal Information About You. We collect personal information about you in order to establish and manage our, and our authorized service provider's, business relationship with you. We won't knowingly share this information with third parties without your permission, other than to service providers, parties that provide us with credit information, parties to whom we transfer, assign, encumber or otherwise dispose of this Agreement or the Water Heater or otherwise in accordance with our Privacy Policy which is available at enercare.ca/privacy-policy or can be obtained from our Privacy Officer. In light of this, you hereby (i) consent to the collection, use, disclosure and maintenance of personal information and to receiving commercial electronic messages and promotional offers (such as tips to help you run your home or place of business more efficiently and reliably, special money-saving offers available to our customers and news about products and services that may be of interest to you) in accordance with the terms of our Privacy Policy, you may opt out at any time by contacting our Privacy Officer using the information below; (ii) authorize us to use and disclose your personal information to: verify your identity when you request information about your account by telephone or email; bill, collect payment, manage your account and/or supply services to you under this Agreement; review information about your bill payments; provide to our authorized technicians and other companies that provide service under this Agreement; comply with law enforcement and/or a legal requirement; process past due accounts of yours which have been passed to a debt collection agency; and undertake a credit reference check and we agree that the results thereof, any other personal information provided by or about you shall be handled by us in accordance with applicable laws and the Privacy Policy; and (iii) if your Water Heater is billed by your gas utility, you authorize your gas utility to provide us with any information about your Water Heater, including charges and payment information. We may record our telephone conversation with you and disclose the recordings to achieve the purposes set out in this section.

You may contact our Privacy Officer to discuss any questions or concerns related to the Privacy Policy, how your information is being handled, or to request that your personal information be revised or removed from our promotional list by telephone at 416-649-1862, e-mail at privacy@enercare.ca or mail at: Privacy Officer, Enercare Inc., 7400 Birchmount Rd., Markham, ON L3R 5V4.

9. Termination

Termination by Us – If you fail to meet any of your obligations (including payment obligations) set out in this Agreement, you agree that we may terminate this Agreement and bill you for the applicable buyout price and on the other terms set out below under "Termination – Termination by You". You agree to pay the buyout price when invoiced by us.

Termination by You – **Your sole method of terminating this Agreement prior to the end of the useful life of the Water Heater is to purchase the Water Heater.** You may purchase the Water Heater at any time for a buyout price that reflects, among other things, the unpaid cost of the Water Heater and related installation, finance and servicing costs, which buyout price can be found on our website. You can also confirm the buyout price by calling an Enercare Rental Specialist at **1-877-334-1846.** You may exercise your buyout option by notifying us in writing or by calling an Enercare Rental Specialist at **1877-334-1846.**

When you exercise your buyout option, you accept the Water Heater in an "as-is" condition, subject to the balance of any transferable manufacturer's warranty, and you assume full responsibility for the Water Heater and its repair and maintenance. You also agree to pay the buyout price when invoiced by us.

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Once payment has been received for the buyout price, and no other amounts are outstanding pursuant to this Agreement, this Agreement will end for the Water Heater and, as set out more particularly below in the section called “End of this Agreement”, you will have no further obligation to pay rent and we will have no further obligation to you.

10. End of this Agreement. At the end of this Agreement (for whatever reason):

a) Rent – you are not obligated to rent and we are not obligated to supply replacement equipment (including a water heater), unless we mutually agree at the time and enter into a new water heater rental agreement.

b) Replacement – Enercare is not responsible for replacing the Water Heater or re-connecting any ancillary or other equipment including without limitation venting, piping, plumbing, wiring, ducting, and/or electrical services.

c) Removal and Disposal – if the Water Heater has reached the end of its useful life and we are not installing a replacement Water Heater, you shall at such time own the Water Heater, and if you wish for us to disconnect and/or dispose of the Water Heater, you must contact us by calling 1877-334-1846 to make such arrangements. We will charge you in accordance with our then current fee schedules for removals or disposals.

d) No Further Obligations – you will have no further obligation to pay rent (other than rent owing prior to the end of this Agreement) and, subject to any statutorily mandated requirements, we will have no further obligations of any kind or manner to you.

11. Assignments. We may transfer, assign, encumber or otherwise dispose of all or any part of our interest in this Agreement and/or the Water Heater to another party at any time without notice to you and without your permission. To the extent permitted by law, you will not assert against any transferee any claims, defences, set-offs, deductions or counter-claims which you may now or in the future be entitled to assert against us. Except as otherwise provided in this Agreement, you may not transfer, assign or encumber all or part of your interest in this Agreement or the Water Heater without our prior written consent (see the section called “Sale of your Home”).

12. Invalidity of Provision. If any provision of this Agreement or the application thereof to any person or circumstance is held to be invalid or unenforceable, such provision shall be severed and the remainder of this Agreement shall continue to remain in full force and effect subject to such modifications as may be necessary to carry out the provisions and intent of this Agreement.

13. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and federal laws of Canada applicable therein.

14. Entire Agreement and Amendments. You understand that this Agreement is the entire agreement between you and us and super-cedes all prior agreements, understandings or discussions, whether oral or written, and there are no warranties, representations or other agreements except as specifically set out in this Agreement. This Agreement may be amended from time to time by us by notice in bill inserts, by letter or by any method permitted by law in which case you will have the option to not accept such amendment and retain this Agreement unchanged.

15. How to Contact Us. You may contact us as follows:

Enercare Home Services
7400 Birchmount Road
Markham, Ontario L3R 5V4
Attention: “Rental Administration”
1-844-enercare (1-844-363-7227)
Visit us at **enercare.ca**

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SCHEDULE "X"

1. ADJUSTMENTS, REIMBURSEMENTS AND OTHER FEES

The balance due after credit of the deposits paid by the Purchaser to the Vendor (the "Deposits") shall be adjusted on the Occupancy Date (or adjusted on the Closing Date if so required by the Vendor) as to the items required by the terms of this Agreement (plus Applicable Taxes) which shall include, without limiting the generality of the foregoing, the following:

(a) The Purchaser agrees to take all necessary steps to assume immediately on the Occupancy Date, charges for electricity, water, gas and other services, and the Vendor may recover any payments made by the Vendor on account of the Property from the Purchaser. The gas meter/water meter/electricity meter is/are not included in the purchase if it/they is/are not the Property of the Vendor. The Purchaser shall pay, or reimburse the Vendor for the cost of, the charge made for, or prepayments for, or security performance deposits relating to, any of the water, electricity or gas service, including, without limitation, the cost and/or installation of any meters, and the installation, connection and/or energization fees for any of such services. The Purchaser agrees to accept the utility suppliers designated by the Vendor. Subsequent to the Occupancy Date and prior to assumption of the Subdivision by the City of Vaughan (the "**Municipality**") (the term "**Subdivision**" meaning a plan(s) of subdivision to be registered (or registered) by the subdivider thereof (the "**Subdivider**") upon lands that comprise the Property as well as other nearby lands, if the Purchaser changes any or all of the utility suppliers, the Purchaser shall be responsible for the repair of any damage caused to the Property and neighbouring lands by such alternate utility suppliers and any costs incurred by the Vendor to restore the Property to the original state provided by the Vendor or Subdivider to restore the Property to the original state provided by the Vendor. The Purchaser shall pay, or reimburse the Vendor for any other prepaid or current expense, such as gas, electricity and water expenses; and any expenses, charges or costs paid or incurred by the Vendor or an affiliate or related company to bring, provide, deliver and/or make available services, systems and/or utilities to the Property and/or the Subdivision which may include, without limitation, infrastructure and related construction costs, including, without limitation, any expenses, charges or costs with respect to: roadway construction, sewer relocation works, the construction, connection or reconnection of sewers (storm and sanitary), sewer impost charges, the installation and/or connection of electricity, water and/or gas services (including, without limitation, any energization charges and any deposits required by any utility or service provider), and/or the installation of meters for any of the foregoing and the cost of such meters, notwithstanding that the Purchaser shall not own such meters. If the aforementioned expenses, charges and costs are not assessed against the Property directly, then the Vendor shall be entitled to a reimbursement for the foregoing, as may be apportioned by the Vendor, equally among all of the residential dwellings within the Subdivision, equally among all of the residential dwellings being marketed for sale by the Vendor within the Subdivision (said dwellings being referred to herein as the "**Project**") or in such other manner as the Vendor may elect;

(b) Taxes, fuel, water rates, assessment rates and local improvements to be apportioned and adjusted with the Vendor being responsible for all such charges up to the Occupancy Date with the Purchaser being responsible for all such charges from and including the Occupancy Date. Where the Vendor has posted security for taxes, made payment for taxes or has been advised by the applicable authority that taxes will be billed to its account for the current year and/or following year, taxes shall be adjusted as if such sum had been paid by the Vendor notwithstanding that the same may not by the Occupancy Date have been levied or paid, subject, however, to readjustment upon the actual amount of said realty taxes being ascertained. In the event realty taxes have not been individually apportioned or assessed in respect of this Property and remain en bloc, then notwithstanding that such en bloc taxes may be outstanding and unpaid, the Purchaser covenants to complete this transaction and accept the Vendor's undertaking to pay realty taxes once individually assessed against this Property and agrees to pay on either of the Occupancy Date or the Closing Date (as selected by the Vendor) a deposit to be readjusted and to be applied on account of the Purchaser's portion of realty taxes applicable to this Property. The Purchaser's portion of realty taxes applicable to the Property may, at the Vendor's sole and absolute discretion, be based on its common interest or alternately, the Purchaser's portion may be allocated equally among all of the residential dwellings in the Project or in such other manner as the Vendor may elect, acting reasonably. Alternatively and at the Vendor's option realty taxes shall not be adjusted until individual residential dwelling assessments have been made. The Purchaser shall be responsible for all realty tax reassessments and/or supplementary tax bills relating to the Property subsequent to the Occupancy Date or the Closing Date if there is no Occupancy Date. Notwithstanding the foregoing, the Vendor shall not be obliged to make any readjustment of the foregoing deposit in the event that such readjustment is equal to or less than $150.00;

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(c) The transaction levy surcharge imposed upon the Vendor or its solicitors by the Law Society of Ontario plus Applicable Taxes shall be reimbursed to the Vendor;

(d) any enrolment and/or regulatory fees paid by the Vendor for the Property under, pursuant to or as a requirement or prerequisite of any governmental authority and any of the following: the Ontario New Home Warranties Plan Act (the "Warranty Act"), New Home Construction Licensing Act, 2017, the Act, the Condominium Management Services Act, or by any of the regulators or authorities pursuant to any of the foregoing, including, without limitation, the Tarion Warranty Corporation, the Home Construction Regulatory Authority and/or the Condominium Authority of Ontario;

(e) a $500.00, plus Applicable Taxes, administrative fee shall be charged to the Purchaser for any payment made for a deposit, occupancy fee or for any upgrades/extras and the like which is not honoured or accepted by the Purchaser's bank for any reason, including, without limitation, a cheque returned N.S.F. or upon which a "stop payment" has been ordered. At the Vendor's sole, absolute and unfettered discretion, such administrative fee may be charged to the Purchaser on the Closing Date or at the time such direct deposit or cheque is not honoured or accepted by the Purchaser's bank for any reason as aforesaid;

(f) the amount of the development charges and education development charges paid by the Vendor with respect to the Property pursuant to the Development Charges Act, the Education Act or any successor or replacement legislation in excess of the amount of the development charges and education development charges that would have been payable by the Vendor with respect to the Property if same had been paid on June 1, 2025, plus Applicable Taxes thereon. If the amounts owing under this subsection are attributable, assessed against, charged or imposed against the Project as a whole and not against the whole or any part of the Property separately, then the Vendor shall be entitled to a reimbursement for the foregoing, as may be apportioned by the Vendor in accordance with Section 1(b) above. There shall be no credit or adjustment whatsoever in favour of the Purchaser in the event of any decrease in the amount of development charges and/or education development charges payable by the Vendor pursuant to the Development Charges Act, the Education Act or any successor or replacement legislation;

(g) in addition to the amount set out in Section 1(f) above, the amount of any other levies, charges, payments, contributions, fees or assessments, including without limitation, any parks levies, cash-in-lieu of parkland dedication payments, community benefit charges, new development charges, new education development charges, public art contributions and/or impost charges, assessed against or attributable to the Property by the Municipality, a regional municipality, a transit authority, a public or separate school board or any other authority having jurisdiction under the Development Charges Act, the Education Act, the Planning Act and any other existing or new legislation, regulation, bylaw and/or policy of a similar nature, plus Applicable Taxes thereon. If the amounts owing under this subsection are attributable, assessed against, charged or imposed against the Project as a whole and not against the whole or any part of the Property separately, then the Vendor shall be entitled to a reimbursement for the foregoing, as may be apportioned by the Vendor in accordance with Section 1(b) above;

(h) a $200.00, plus Applicable Taxes, administrative fee shall be charged to the Purchaser for each sum that the Vendor permits to be paid to the Vendor's solicitor on account of the Purchase Price for the Property by wire transfer. All payments by wire transfer shall be made in strict accordance with the provisions of the Vendor's solicitor's wire transfer form, which may be amended by the Vendor's solicitor from time to time. All payments by wire transfer must also include the Vendor's bank's wiring fee and/or the Vendor's solicitor's bank's wiring fee. Without derogation from any other right or remedy of the Vendor, if such form is not complied with by the Purchaser, the Purchaser shall pay an additional adjustment of $350.00, plus Applicable Taxes, as an administrative fee per occurrence;

(i) a $250.00, plus Applicable Taxes, administrative fee shall be charged to the Purchaser for each deposit cheque in the possession of the Vendor that the Vendor permits to be: (i) exchanged for a replacement cheque or (ii) deposited on a later date than the date indicated on the face of said cheque. The Purchaser acknowledges and agrees that any deposit cheques that are exchanged for a replacement cheque shall, at the sole option of the Vendor, either be destroyed by the Vendor and not be returned to the Purchaser or the Purchaser's solicitor, or be returned by the Vendor to the Purchaser or the Purchaser's solicitor;

(j) All proper readjustments shall be made after Closing, if necessary, forthwith upon written request. The Vendor and the Purchaser shall not be obliged to make any readjustment of any item in the event that such readjustment is equal to or less than $50.00. Any monies owing to the Vendor pursuant to such readjustment or as a result of any expenses incurred by the Vendor arising from a breach by the Purchaser of any of the Purchaser's obligations described in this Agreement shall be payable upon written demand by the Vendor and shall

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bear interest from the date of written demand at the rate of twelve (12%) percent per annum, calculated daily, not in advance and shall be a charge on the Property until paid and such charge shall be enforceable in the same manner as a mortgage in default. The Vendor may reserve a Vendor's Lien or Charge, following the Vendor's usual form, for unpaid purchase monies or adjustments or claims herein provided together with the interest thereon as provided for herein, and the Purchaser covenants and agrees to forthwith pay all costs in relation to said Vendor's Lien or Charge including, without limitation, the Vendor's solicitor's legal fees and disbursements and the cost to register said Vendor's Lien or Charge on title to the Property. The Purchaser hereby authorizes and directs the Vendor's solicitor to register such Lien or Charge on title to the Property and furthermore, on or before the Closing Date, the Purchaser shall sign an acknowledgment and direction and any other documents, if and as required by the Vendor and/or its solicitor, in their sole, absolute and unfettered discretion, in favour of the Vendor's solicitor authorizing and directing the Vendor's solicitor to register such Lien or Charge on title to the Property. The Vendor will upon request deliver to the Purchaser (for registration at the Purchaser's expense) a release of the Vendor's Lien or a discharge of the Vendor's Charge after such unpaid purchase monies or adjustments or claims herein provided, as applicable, together with the interest thereon as provided for herein have been received by the Vendor and upon payment of a discharge fee of $500.00 plus Applicable Taxes;

(k) The Purchaser shall provide a refundable security deposit in the amount of $1,500.00 on the Occupancy Date (the "**Security Deposit**") to secure compliance with the Purchaser's obligations hereunder including, without limitation, the Purchaser's grading and Project damage covenants. The Purchaser and/or the Purchaser's designate does hereby agree that at the time of the PDI or such other time as may be set by the Vendor, the Purchaser and/or the Purchaser's designate will attend at the Property and upon such request, the Purchaser and/or the Purchaser's designate and Vendor mutually agree that they will attend at the Property to inspect with the Vendor the services and/or features installed by the Vendor or others and to compile a list of all existing damages or defects to the Project services and/or features, including buried or damaged water boxes and keys, damaged curbs or sidewalks, retaining walls, acoustic barriers, fences and other such applicable services and/or features. Such compiled list shall be signed by the Vendor and the Purchaser and/or the Purchaser's designate, and the Purchaser shall not under any circumstances be responsible for the cost of repair, rectification or replacement of such existing damages or defects and the Vendor shall not apply any portion of the Security Deposit paid by the Purchaser in compliance with this Agreement in respect of the repair, rectification or replacement of any such existing damages to the Project services and/or features. The Vendor's consulting engineer for this Project shall be the authority for the development of the Project as a whole and will determine responsibility and damages and costs therefore and in the event that the Vendor's consulting engineer determines the responsibility for the cost of repair, rectification and/or replacement is that of the Purchaser, then the Vendor will charge the Purchaser accordingly, save and except for those items listed on inspection as noted herein and the Purchaser agrees to abide by such engineer's decision and the Vendor will deduct the cost of such repair, rectification or replacement from the Security Deposit relevant thereto. Should the cost of such repairs, rectification or replacement EXCEED the value of the Security Deposit, then the Vendor shall be entitled to compensation from the Purchaser for the difference between the Security Deposit and such costs and the Purchaser shall pay such shortfall amount upon demand by the Vendor. The Security Deposit (or any balance thereof after applicable deductions as herein described) shall be released to the Purchaser(s) named in this Agreement after the delivery of a written request for such return by the Purchaser to the Vendor and after the LATER of the occurrence of the following events: (i) municipal assumption of Subdivision services and/or features; (ii) 18 months after the creation of the Condominium Corporation (as defined in Schedule "CEC" appended hereto); and (iii) the turnover of the Condominium Corporation pursuant to Section 43 of the *Condominium Act, 1998*;

(l) In the event the Vendor has undertaken an obligation for project esthetic enhancement such as boulevard treatment or improvement, or landscaping (including tree planting), or Project entrance features, or corner lot fencing, or fences or retaining walls, in the Project, the Purchaser shall reimburse the Vendor as to the cost thereof for the Property, the cost to be absolutely determined and apportioned by the Vendor, said funds to be capped at no more than $400.00, plus Applicable Taxes;

(m) $800.00 plus Applicable Taxes for the top coat of asphalt for a single driveway within the Property;

(n) an amount paid by the Vendor to the Municipality and/or other governmental authority with respect to "Blue Boxes" or other recycling programs plus Applicable Taxes, such amount to be absolutely determined by statutory declaration sworn on the part of the Vendor shall be reimbursed to the Vendor;

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(o) The fee, plus Applicable Taxes, paid by the Vendor to Canada Post for the provision of mail delivery services to the Property by way of a central mailbox shall be reimbursed to the Vendor on the Closing. Said fee to be capped at no more than $250.00 plus Applicable Taxes; and

(p) In the event the Vendor has provided the Purchaser with a building or foundation survey, the Purchaser shall pay the Vendor same in the amount of $500.00, plus Applicable Taxes as an adjustment on Closing; and

(q) if requested by the Vendor or the Electricity Provider (as defined below), then the Purchaser agrees to enter into or assume a contract with the provider of electricity and/or the party monitoring consumption of electricity to the Property (the "Electricity Provider"), on the Electricity Provider's form, for the provision and/or metering of electricity services to the Property. The fees, costs and charges (including, without limitation, any rental, security deposit, administration, commodity and non-commodity fees/charges) for such electricity services and/or for monitoring consumption of same shall be adjusted for the month of Occupancy with the Purchaser being responsible for such fees, costs and charges from and after the Occupancy Date;

(r) if requested by the Vendor or the Water Provider (as defined below), then the Purchaser agrees to enter into or assume a contract with the provider of water and/or the party monitoring consumption of water to the Property (the "Water Provider"), on the Water Provider's form, for the provision and/or metering of water services to the Property. The fees, costs and charges (including, without limitation, any rental, security deposit, administration, commodity and non-commodity fees/charges) for such water services and/or for monitoring consumption of same shall be adjusted for the month of Occupancy with the Purchaser being responsible for such fees, costs and charges from and after the Occupancy Date; and

(s) if requested by the Vendor or the Gas Provider (as defined below), then the Purchaser agrees to enter into or assume a contract with the provider of gas and/or the party monitoring consumption of gas to the Property (the "Gas Provider"), on the Gas Provider's form, for the provision and/or metering of gas services to the Property. The fees, costs and charges (including, without limitation, any rental, security deposit, administration, commodity and non-commodity fees/charges) for such gas services and/or for monitoring consumption of same shall be adjusted Occupancy Date for the month of Occupancy with the Purchaser being responsible for such fees, costs and charges from and after the Occupancy Date.

In the event that the Vendor (or a company or person affiliated or related to the Vendor or a company or person acting as agent for and on behalf of the Vendor) receives any rebate, credit, recovery, adjustment, discount or similar benefit from any party or parties in respect of any item that the Vendor is entitled to charge the Purchaser for in accordance with this Agreement, then the Vendor (or a company or person affiliated or related to the Vendor or a company or person acting as agent for and on behalf of the Vendor) shall be entitled to retain any such rebate, credit, recovery, adjustment, discount or similar benefit for its own use and as its own property absolutely and shall not be obliged to credit or adjust with the Purchaser for any such rebate, credit, recovery, adjustment, discount or similar benefit.

2. PROJECT MATTERS

(a) The Vendor, the subdivider (the "Subdivider") of the Subdivision or their servants or agents may, notwithstanding Closing of the Property, for such period after the Occupancy Date as is designated by the Subdivider and/or Vendor, enter upon the Property and the Project at all reasonable hours to enable completion or correction of sodding, fencing, corner lot screens or fences, project esthetic enhancement features, to inspect, repair, complete or rectify construction, grade and undertake modifications to the surface drainage, including installation of catch basins, without liability therefor, and the Transfer/Deed may contain such provisions.

(b) The Purchaser will not alter the grading of the Property contrary to the municipally approved drainage pattern, and provided that lot grading has been completed in accordance with the municipally approved drainage and/or grading control plan, the Purchaser is estopped both from objecting thereto and from requiring any amendments thereto. If the Vendor has not undertaken to pave or finish the driveway pursuant to this Agreement, the Purchaser shall not pave or finish the driveway without the prior written consent of the Vendor and the prior written consent of the Subdivider and the Municipality, if required by a subdivision agreement or any other development, site plan, municipal agreement, or similar agreements with respect to the Subdivision and/or the Property (the "**Development Agreements**"). Following such approval and prior to completing the driveway, the Purchaser shall notify the Vendor in writing so that water keys/boxes can be located and raised, if necessary. The Purchaser covenants and agrees not to damage or alter any Project service, and shall be liable for the cost of rectification of any such damage or

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alteration, and in the event same is not paid upon demand, the Vendor shall have the right to register a lien on title to secure such payment. The Purchaser agrees that neither the Purchaser(s) nor their successors or assigns shall construct or install a swimming pool, hot tub, underground sprinkler system, fencing, decking, curbs, retaining walls, landscape rocks, trees, shrubs, gazebos or other structures, nor shall the Purchaser alter or widen the driveway upon the Property until after the event of municipal assumption of Subdivision services, and after the Purchaser has made due application for (if applicable) any permits required for such work to the Municipality or any other authority with jurisdiction. The Purchaser agrees to remove such additions and/or improvements at its own cost upon the Vendor's request, failing which the Vendor may remove same at the Purchaser's expense. Any changes to the grading in contravention of the foregoing by the Purchaser shall result in the forfeiture of the Security Deposit and the Purchaser reimbursing the Vendor for any costs over and above the Security Deposit resulting from the Purchaser's contravention of the foregoing.

(c) The Purchaser and/or the Purchaser's designate does hereby agree that at the time of the PDI or such other time as may be set by the Vendor, the Purchaser and/or the Purchaser's designate will attend at the Property and upon such request, the Purchaser and/or the Purchaser's designate and Vendor mutually agree that they will attend at the Property to inspect with the Vendor, from time to time, the services installed by the Vendor or others and to compile a list of all existing damages or defects to the Subdivision services, including buried or damaged water boxes and keys, damaged curbs or sidewalks, retaining walls, acoustic barriers, fences and other such applicable services. Such compiled list shall be signed by the Vendor and the Purchaser and/or the Purchaser's designate. The Vendor's consulting engineer for this Subdivision shall be the authority for the development of the Subdivision as a whole and will determine responsibility and damages and costs therefore and in the event that the Vendor's consulting engineer determines the responsibility for the cost of repair, rectification and/or replacement is that of the Purchaser, then the Vendor will charge the Purchaser accordingly for such costs of repair, rectification and/or replacement.

(d) The Purchaser acknowledges that construction of the Dwelling may be subject to the requirements of the architect appointed by the Vendor (the "Vendor's Architect") and/or the Municipality and the Purchaser agrees to accept the Property subject to any changes, variations or restrictions now or hereafter imposed by the Vendor, the Vendor's Architect and/or the Municipality.

(e) The Purchaser acknowledges that the dimensions, specifications, layouts and sizes of the Property and/or the Dwelling and that the exterior design of the Dwelling set out in this Agreement or on any schedule attached hereto or shown on any drawings, brochures, renderings or plans made available to the Purchaser on site or otherwise are approximate only and subject to change without notice. In the event the dimensions, specifications, layouts and sizes (including without limitation the exterior design of the Dwelling and/or the frontage, depth or area of the Property and/or useable floor space of the Dwelling are varied from those specified in the Agreement, or on any schedule attached hereto or shown on drawings, brochures, renderings or plans made available to the Purchaser on site or otherwise, as aforesaid, or any or all of the foregoing and provided the Property complies with municipal and other governmental requirements including zoning by-laws, the Purchaser agrees to accept all such variations without claim for abatement in the Purchase Price and this Agreement shall be read with all amendments required thereby. In addition to the foregoing, if minor variations to the size of the Dwelling including internal dimensions of any areas are made to the Dwelling the Purchaser shall accept such minor variations without any abatement to the Purchase Price. The Purchaser acknowledges that the Dwelling is a model type, and may not match the floor plans and elevations specified in the Agreement, or on any schedule attached hereto or shown on drawings, brochures, renderings or plans made available to the Purchaser on site or otherwise. In addition to and notwithstanding anything herein, the following alterations and adjustments may be made by the Vendor to the lot and model type selected by the Purchaser for any reason, and shall be deemed for all purposes to be minor or adjustable, and the Purchaser shall accept the dwelling constructed on the Property with any or all of the following changes without compensation: (a) a change in the front elevation of the Property that results in an increase or decrease in the number of steps to the front door and any change to the grading which affects or alters the steps and entry to the dwelling from the front door to the lot line of the Property; (b) the deletion or addition or relocation of any and all entry doors to the garage; (c) the relocation or the raising or lowering of the elevation of any other entry doors into the dwelling or the elevation of the laundry area; (d) the addition or deletion of steps into any and all of the rear yard, the side yard and the garage; (e) the installation of a threshold dividing rooms or living areas required by differences in surface elevations or floor materials; (f) the substitution of a door for a patio door, or a patio door for a door, (g) the substitution of a door or patio door for a window, or a window for a door or patio door; (h) the construction of the dwelling reversed to the layout shown on the model floor plans; (i) any other substitution by the Vendor permitted under this Agreement; or changes in the location in the basement of the furnace, the water tank, or other services; (k) a reduction in

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the area of the dwelling within the tolerances permitted by the Tarion requirements; (l) any changes imposed by the Municipality or the architectural control architect, either before or after approval of the plans by either or both; (m) any other change that does not reduce the market value of the property as of the Closing Date; and/or (n) any other change that the Vendor's architect and/or technologist in his unfettered discretion considers minor, and the statutory declaration of the architect and/or technologist or his employee in charge of the Subdivision and/or Project shall be deemed to be conclusive and binding on the Purchaser. If the Vendor makes any other change that is not deemed minor or adjustable without compensation, the Purchaser's sale remedy shall be to complete the Closing and make a claim for compensation, measured by the reduction to the market value of the Property as of the Closing Date. **The Purchaser is notified of the following statement pursuant to the requirements of the applicable Home Construction Regulatory Authority Directive: "Note: Actual usable floor space may vary from the stated floor area".**

(f) All exterior elevations and colours are architecturally controlled and approved. No changes whatsoever will be permitted to the aforementioned prior to assumption of the Subdivision by the Municipality, and the Purchaser hereby acknowledges notice of same and agrees to accept the exterior elevation and colour scheme as architecturally controlled and approved. Any changes to the aforementioned by the Purchaser shall result in the forfeiture of the Security Deposit and the Purchaser shall reimburse the Vendor for any costs over and above said deposits resulting from the aforementioned Purchaser's changes.

(g) The Purchaser acknowledges and agrees that the parcel of land on which the townhome that is the subject of this Agreement is to be constructed will not necessarily be equal to any other parcel of land on which any other townhome (whether similarly sized or not) constructed by the Vendor. The Purchaser agrees to accept any such unequal division of such lot or block.

(h) Project esthetic enhancements such as boulevard treatments, landscaping (including tree planting), entrance features, or corner lot fencing, or fences or retaining walls may be erected/placed/installed within the Project in accordance with municipally approved plans. Such project esthetic enhancements may not necessarily apply to/benefit all dwellings within the Project. The erection/placement/installation and/or spacing of project esthetic enhancements such as municipal trees and/or privacy fencing may be sporadic in accordance with municipally approved plans and the overall design objectives of the Municipality or Subdivider. Purchasers who do not receive/benefit from any project esthetic enhancements such as a municipal tree or privacy fencing are not entitled to any refund/abatement of any sums payable to the Vendor hereunder. In the event this Agreement, any schedule hereto or other matter obligates the Vendor to install or provide any of the features set out herein, such matters will be provided and installed at the times determined by the Vendor and shall not comprise outstanding deficiencies or matters with respect to the completion of the Dwelling, and the Purchaser specifically acknowledges, covenants and agrees that any such features shall be installed at the times determined by the Vendor in its sole and absolute discretion.

3. CONSTRUCTION

(a) The Vendor will construct (if not already constructed) and complete upon the Property a dwelling (the "Dwelling") of the type hereinbefore indicated in accordance with the plans of the Vendor therefore and filed or to be filed with the Municipality in order to obtain a building permit set out in the Floorplans, Blockplans & Elevations annexed hereto. The Dwelling shall be deemed to be completed for the purposes of Occupancy when the requirements of the Tarion Addendum and Statement of Critical Dates have been met and the Purchaser agrees in such case to close this transaction without holdback of any part of the Purchase Price, on the Vendor's undertaking given pursuant to section headed "COMPLETION AND ONTARIO NEW HOME WARRANTIES INSPECTION" hereof to complete the Dwelling, and the Purchaser hereby agrees to accept the Vendor's covenant of indemnity regarding lien claims which are the responsibility of the Vendor, its trades and/or suppliers, in full satisfaction of the Purchaser's rights under the Construction Act, and will not claim any lien holdback on the Occupancy Date or Closing Date, as the case may be. If by reason of "Unavoidable Delay" as defined in or as otherwise permitted by the Tarion Addendum and Statement of Critical Dates the Vendor is required to extend the Occupancy Date, the Vendor shall be entitled to extend the Occupancy Date provided the Vendor complies with the provisions of the Tarion Addendum and Statement of Critical Dates in respect of such extensions. The Dwelling shall be deemed to be completed when all interior work has been substantially completed as determined by the Vendor and provided that the provisions of paragraph 10 of the Tarion Addendum and Statement of Critical Dates attached hereto have been complied with. The Purchaser agrees to complete this transaction notwithstanding any claims submitted to the Vendor and/or Tarion or otherwise in respect of apparent deficiencies or incomplete work.

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(b) Acceptance of construction, siting and grading by the Municipality shall conclusively constitute acceptance by the Purchaser. The Vendor shall have the right to substitute materials for those designated in the exterior elevation(s), plans and/or specifications provided the quality is equal or better, and also to make minor changes in exterior elevation(s), plans, siting and specifications, provided there is no objection from the Municipality.

(c) The Purchaser acknowledges and agrees that architectural control of external elevations, driveway construction and location, boulevard tree planting, landscaping, acoustical barriers, corner lot fencing (including the location of such acoustical barriers and corner lot fencing), exterior colour schemes, corner lot and rear lot treatments, or any other matter external to the Dwelling designed to enhance the esthetics of the community as a whole, may be imposed by the Municipality and/or the Vendor/Subdivider. In the event the Vendor is required, in compliance with such architectural control requirements, to construct an external elevation for this Dwelling other than as specified in this Agreement, or amend the driveway construction, boulevard tree planting or landscaping plan for this Dwelling (all of which is hereinafter referred to as the "Amended Elevation"), the Purchaser hereby irrevocably authorizes the Vendor to complete the Dwelling herein including the required Amended Elevation, and the Purchaser hereby irrevocably agrees to accept such Amended Elevation in lieu of the elevation specified in this Agreement. The Vendor shall have the right, in its sole, absolute and unfettered discretion, to construct the hereinbefore described Dwelling either as shown on the sales brochures, renderings and other plans and specifications approved by the Municipality or any other authority having jurisdiction over same, or, to construct such Dwelling on a reverse mirror image plan, including reversal of garage siting and reversal of interior floor plan layout. Construction of a reverse mirror image Dwelling plan is hereby irrevocably accepted by the Purchaser without any right of abatement of Purchase Price and in full satisfaction of the Vendor's obligations as to construction of the Dwelling type hereinbefore described. Further, in the event the Vendor determines, at its sole, absolute and unfettered discretion, to construct the Dwelling at a grade level different than as depicted in the plans or drawings attached hereto, sales brochures, any marketing materials, renderings or any other plans and specifications whether or not approved by the Municipality or any other authority having jurisdiction over same, necessitating a step, landing or series of steps to the front door, side door, rear door, or any door from the garage (if any) to the interior of the Dwelling (notwithstanding that such step, landing or series of steps may encroach into the garage parking area and/or affect the interior floor area of the dwelling adjacent to such step, landing or series of steps) or to relocate and/or remove any side door, rear door or door from the garage (if any) to the interior of the Dwelling, the Purchaser hereby irrevocably agrees to accept such changes or deletions without any right of abatement of Purchase Price and in full satisfaction of the Vendor's obligation as to construction of the Dwelling type hereinbefore described.

(d) The Purchaser hereby acknowledges that complete engineering data in respect of the Municipally approved final grading of the Property may not, as yet, be complete and accordingly, it may not be possible to construct a Dwelling with a walk-out basement, look-out or rear deck where so indicated in this Agreement, or vice versa. In the event this Agreement calls for a walk-out basement, look-out or rear deck and such is not possible or reasonable in the Vendor's opinion or in the event this Agreement does not call for a walk-out basement, look-out or rear deck and such is required, pursuant to final approved grading and engineering plans, the Purchaser shall accept a credit in the Purchase Price, or, pay the additional cost involved in constructing such walk-out basement, look-out or rear deck, as the case may be (such costs shall be absolutely determined by the Vendor).

(e) The Purchaser acknowledges that certain lots within the Project may, at the Vendor's sole, absolute and unfettered discretion, require catch basins in the rear or front yard and associated leads, drainage systems, weeping pipe/sump pump systems, retaining walls, fencing, landscaping, sidewalks and other project enhancement features, and the Purchaser covenants and agrees that in the event the Property contains any of the foregoing items, on/after the Occupancy Date, the Purchaser shall maintain all such items in proper working condition. Additionally, the Purchaser is advised that electricity transformers, super mailbox, telecommunication pedestals, street light poles and hydrants may front onto or be located within certain lots (including the Property) within the Project. The Purchaser agrees to accept the Property subject to any catch basins and associated leads, drainage systems, weeping tile/sump pump systems, retaining walls, fencing, landscaping, sidewalks and other project enhancement features, and that electricity transformers, super mailbox, telecommunication pedestals, street light poles and hydrants required pursuant to the municipally approved plans, and the Purchaser covenants and agrees to maintain all foregoing items in proper working order in the event the Property contains such items.

(f) In the event the Purchaser completes this transaction and occupies the Dwelling at a time prior to the Vendor completing all of its work or construction within the Project, the Purchaser covenants and agrees to permit the Vendor and its agents and subtrades to

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enter upon the Property for the purposes of completing work on the Property, an adjoining property or other properties in the Project and the Purchaser shall not interfere with any work or construction being so performed by the Vendor, the Subdivider and their agents and subtrades. The Purchaser agrees that this covenant may be pleaded by the Vendor as an estoppel to any action or opposition by the Purchaser.

(g) The Purchaser covenants and agrees that the Purchaser shall pay to the Vendor for all extras, upgrades or changes ordered by the Purchaser in accordance with the terms of any documents/agreements pertaining to the purchase of said extras, upgrades or changes and the Purchaser further acknowledges and agrees that such payment is non-refundable in the event that this transaction is not completed as a result of any default hereunder of the Purchaser. Until such payment is made by the Purchaser in full, the Vendor will not commence the installation of any such extras, upgrades or changes ordered. Payment for extras, upgrades or changes ordered by the Purchaser may be required prior to the Vendor's confirmation of the cost of such extras, upgrades or changes. The price and/or cost of such extras, upgrades or changes is not included in the Purchase Price. Any and all payments that the Purchaser makes towards the price and/or cost of such extras, upgrades or changes shall be treated as a further deposit and not as partial payment of the price and/or cost of such extras, upgrades or changes or partial payment of the Purchase Price. Notwithstanding anything herein contained to the contrary, the Purchaser acknowledges and agrees that if, upon the Closing Date, any of the extras, upgrades or changes ordered by the Purchaser remain incomplete in whole or in part or if the Vendor shall, in its sole, absolute and unfettered discretion, determine that it will not provide extras, upgrades or changes or cannot complete the extras, upgrades or changes then there may be refunded or credited to the Purchaser that portion of the amount paid by the Purchaser in connection with such extras, upgrades or changes allocated to those extras, upgrades or changes which remain incomplete in whole or in part as aforesaid, as determined by the Vendor in its sole, absolute and unfettered discretion. The Purchaser further acknowledges and agrees that any amount so paid to the Purchaser (or for which, in the alternative, in the Vendor's sole, absolute and unfettered discretion, the Purchaser received credit in the Statement of Adjustments) shall be accepted by the Purchaser as full and final settlement of any claim by the Purchaser with respect to the extras, upgrades or changes which remain incomplete as aforesaid. The Purchaser further acknowledges that the Vendor's liability with respect to such incomplete extras, upgrades or changes shall be limited to the return of the amounts referred to aforesaid and, thereafter, there shall be no further liability upon the Vendor in connection with such incomplete extras, upgrades or changes and upon such payment being made or credit being given, the Vendor shall be released from any and all obligation, claims or demands whatsoever with respect to such incomplete extras, upgrades or changes. In the event the Purchaser neglects to advise the Vendor forthwith upon request as to the Purchaser's selection of finishing specifications, or orders any extras, upgrades in interior finishings, or performs any work in or about the Dwelling which causes delay in the Vendor's construction operations, the Vendor may require the Purchaser to complete this transaction on the Closing Date herein set out without holdback of any part of the Purchase Price, on the Vendor's undertaking to complete any of the Vendor's outstanding work.

(h) The Vendor is not responsible for shade difference occurring in the manufacture of items such as, but not limited to, finishing materials or products such as carpet, floor tiles, roof shingles, brick, cement board, aluminum or vinyl siding, bathtubs, water closets, sinks, stone, stucco and other such products where the product manufacturer establishes the standard for such finishes. The Vendor is also not responsible for colour variations or variations in material characteristics or features such as veining, grain or grain direction, knotting etc. in natural products or the finishes on natural products such as but not limited to marble, granite, hardwood flooring, kitchen cabinets, wood stair railings, steps, spindles, trim, nosings, thresholds as well as stains or finishes applied to any of the aforesaid which colours may vary when finishes are applied to them. Nor shall the Vendor be responsible for shade difference in colour of components manufactured from different materials but which components are designed to be assembled into either one product or installed in conjunction with another product such as but not limited to toilet seats, toilets, bathtubs, cabinet finishes and paint and in these circumstances the product as manufactured shall be accepted by the Purchaser. Purchaser acknowledges and agrees that (i) carpeting may be seamed in certain circumstances and said seams may be visible; (ii) hardwood, laminate or other flooring materials may react to normal fluctuating humidity levels contributing to gapping or cupping, and (iii) there may be different levels of flooring which may require transition strips, nosings or thresholds, and the Purchaser agrees that in any of the forgoing eventualities are considered to be acceptable by industry standards and the Purchaser shall make no claim whatsoever against the Vendor in the event of same.

(i) All dimensions and specifications and useable floor space on sales brochures and other sales aides are artists' concepts only and are approximate and subject to modification without prior notice at the sole, absolute and unfettered discretion of the Vendor in compliance with the Ontario Building Code. The designation of door swings, including

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entrance doors and doors from the garage to the interior of the Dwelling, if any, in any schedules attached hereto or sales brochures and other sales aides are conceptual only and are subject to modification without prior notice at the sole, absolute and unfettered discretion of the Vendor. The Purchaser acknowledges and agrees that attic hatches or access points may be located within any location determined by the Vendor in its sole, absolute and unfettered discretion, including without limitation, within any hallway, room, closet or interior wall. In the case of the purchase of a townhome by the Purchaser (if applicable) the Purchaser acknowledges that: the concept plans displayed in the sales office and/or in promotional brochures or media (including any websites), do not necessarily represent any specific block to be built by the Vendor; the Vendor has not artistically rendered all block scenarios and combinations of model types available; final block plans will feature similar but not necessarily identical architectural details; variances from block to block will reflect, amongst other things, the number of lots in respective blocks, final siting combinations of actual model types within respective blocks, roof designs that evolve in conjunction with the combination of various model types constituting specific blocks, unit stepping due to grading within respective blocks and the location of required partywalls and firewalls (if applicable) per respective block plan. The location of mechanical installations, structural posts and beams may not be as shown (or not shown, as the case may be) on sales documentation and/or marketing materials and will be located in accordance with approved plans and/or acceptable industry standards and may result in room size or garage size reduction caused by the mechanicals being installed. The Purchaser acknowledges being advised by the Vendor that the Vendor has experienced a high rate of theft of air-conditioning units when they are installed prior to the Occupancy Date. Accordingly, the Purchaser acknowledges that if the Agreement herein calls for the Vendor to install an air-conditioning unit, the Vendor has the right to install that unit, in accordance with the Agreement, within thirty (30) days after the Occupancy Date, weather permitting. The Purchaser shall not be entitled to any holdback on account of the Purchase Price notwithstanding that the air-conditioning unit is not installed at the Occupancy Date.

(j) Where any portion of any fence is within fifteen (15) centimetres of the Property line, such fence shall be deemed not to be an encroachment at that point (the "Permitted Encroachment") and the Purchaser agrees to accept title to the Property and to complete the sale contemplated herein, without abatement of the Purchase Price. If any portion of any fence is not deemed to be a Permitted Encroachment (an "Unpermitted Encroachment") then the Purchaser shall complete the transaction herein either upon the Vendor's undertaking to take all reasonable lawful steps to remove the Unpermitted Encroachment; or, at the Vendor's sole option, upon an abatement in the Purchase Price, such abatement to be calculated by multiplying the Purchase Price by the ratio of the area of the Unpermitted Encroachment to the total area of the Property. Despite anything hereinbefore set out, the whole of any fence erected by any governmental authority, utility or railway or pursuant to any Development Agreements shall be deemed to be a Permitted Encroachment and the Purchaser agrees to maintain all such fencing to the satisfaction of the appropriate authority.

(k) Where a dwelling type has a sunken foyer, landing or hallway leading to a front and/or rear porch (at the front and/or rear door entry), the ceiling area below the porch slab and other relevant areas will be reduced and this height may vary up or down, caused by the number of risers from the main floor to the dropped landing, as per applicable plan. Notwithstanding that the sales aids, such as brochure plans or sketches may refer to these areas as cold rooms, storage areas, cantinas or fruit cellars, they shall be treated and referred to as crawl space, notwithstanding that the Purchaser may be desirous of using this space for other purposes. The Purchaser hereby acknowledges these facts and accepts the Dwelling as built and will make no claims whatsoever relevant thereto. Furthermore, any reference to ceiling heights in this Agreement, the schedules attached hereto or in sales material shall mean the approximate height and such heights will be reduced by sound attenuation features, finishes of floors and ceilings and installations such as bulkheads, etc., as required and/or deemed necessary by the Vendor, at its sole, unfettered and absolution discretion.

(l) In the event that the Dwelling includes stucco to be installed on the exterior of the Dwelling, the Purchaser acknowledges that there may be a variance or unevenness in accordance with the Tarion standards, which the Purchaser agrees to accept, without objection or claim for compensation. In the event that the Dwelling includes stucco to be installed on the exterior of the Dwelling, the Purchaser acknowledges that there may be variance in the colour of such stucco and that the Vendor shall choose, in its sole, absolute and unfettered discretion, the texture of such stucco, and the Purchaser agrees to accept same without objection or claim for compensation.

(m) The Purchaser acknowledges and agrees that drainage holes may be required, as determined and where required by the Vendor, on all or any of the exterior finishing and/or cladding of the Dwelling.

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(n) The Purchaser acknowledges that certain lots located along the perimeter of the Project (or otherwise) will contain one-meter wide rear yard infiltration trenches. In the event the Property purchased herein contains any infiltration trenches, the Purchaser covenants and agrees to accept the Property subject to said trenches and the Purchaser covenants and agrees not to tamper with, harm or damage said trenches or the operation thereof. Further, the Purchaser covenants and agrees not to place any items (including softscape items such as plants, trees, shrubs and soil and the like, as well as hardscape items such as patios, sheds, walkways, pavers, planters and the like) upon the one-meter wide rear yard infiltration trenches.

(o) The Purchaser covenants and agrees that the Purchaser will exhaust all the remedies available to him with Tarion (as defined below) with respect to any claim relating to defects in workmanship or materials or with respect to any other claim arising under the Warranty Act or in respect of the Tarion Addendum and Statement of Critical Dates annexed hereto, prior to pursuing any other means of redress with regard to such claims. In the event the Purchaser does not comply with the provisions of this subsection, or takes any unwarranted or unreasonable actions with respect to such claims, the Purchaser shall be held liable for any damages or costs (legal or otherwise) sustained by the Vendor as a result thereof.

(p) The Purchaser acknowledges that due to the nature and extent of construction work which will be required to be undertaken by the Vendor on the Property in connection with the excavation, erection, and construction of the Dwelling, one or more trees may be removed from the Property or nearby lands within the Subdivision, such as street and boulevard trees, and others may or will suffer damage or destruction both before and after Closing, as a result of the removal, interference or the destruction of roots, contact with trunks by equipment or machinery or otherwise. The Purchaser hereby acknowledges, covenants, and agrees that the Vendor shall not be responsible or liable in any manner, whatsoever, for any loss or destruction to trees or for any loss or destruction to the property of the Purchaser howsoever caused nor shall the Vendor be responsible or liable for the removal of any trees or parts thereof, from the Property, at any time, whatsoever. It is understood and agreed that the Vendor has made no representation, warranty, guarantee, collateral agreement or condition whatsoever, regarding the preservation, removal, condition or health of trees on the Property.

(q) Notwithstanding anything contained in this Agreement it is understood and agreed by the parties hereto that in the event that the Vendor cannot complete the herein transaction on the Closing Date other than as a result of the Purchaser's default, the Vendor shall not be responsible or liable to the Purchaser in any way for any damages or costs whatsoever including without limitation loss of bargain, relocation costs, loss of income, professional fees and disbursements and any amount paid to third parties on account of decoration, construction or fixturing costs, other than the delayed closing compensation set out in the Tarion Addendum and Statement of Critical Dates.

(r) The Purchaser covenants and agrees to pay to the Vendor all amounts to correct and remedy all damage caused by the Purchaser or those for whom the Purchaser is in law responsible to any services installed within the Subdivision, which service shall, without limitation, include survey stakes, landscaping, trees, curbs, curb cuts, streets, roads, sidewalks, street signs, street lighting, sanitary and storm sewers and any underground services installed by or on behalf of any public or private utilities. The amounts so paid by the Vendor shall form and constitute a Vendor's Lien or Charge against the Property.

(s) The Purchaser acknowledges and agrees that the Vendor may insert or add any items, including without limitation, windows, columns, conduits, beams, posts and/or bulkheads within the Dwelling and/or remove, change, delete, vary, alter or modify the number, size and location of any of the foregoing items from the number, size and/or location of same as displayed or illustrated in the sketch of the Dwelling attached hereto this Agreement of Purchase and Sale or any promotional material or information which may include, without limitation, sales brochure(s), model(s), rendering(s), vignette(s) and/or floor plan(s) previously delivered or shown to the Purchaser or to the public (regardless of the extent or impact thereof).

(t) The Purchaser covenants and agrees that the Purchaser is a "home buyer" within the meaning of the *Construction Act* of Ontario, as may be amended, and the Purchaser shall not be entitled to request or demand that any holdback for construction liens be maintained for any portion of Purchase Price on the Closing Date.

4. RENTAL EQUIPMENT

The Purchaser acknowledges that while it may not currently be the express intention of the Vendor to have any equipment servicing the Property (save and except the equipment set out in Schedule “REN”, which will be rented pursuant to the provisions of such Schedule “REN”) (the “Equipment”) rented to the Purchaser, the Purchaser acknowledges and agrees (i) that certain Equipment may, at the sole, absolute

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and unfettered discretion of the Vendor, be rented to the Purchaser and the Purchase Price shall not be adjusted to reflect the fact that the Equipment shall remain chattel property, (ii) the Purchaser shall execute such rental documents as may be required by the Vendor, in its sole, absolute and unfettered discretion and such executed documents shall be delivered to the Vendor (or as it may otherwise direct) at such times as the Vendor may require, in its sole, absolute and unfettered discretion; and (iii) the terms of the rental documents may (or may not) contain buy-out options allowing the Purchaser to purchase the Equipment.

If any provider of the Equipment no longer rents the Equipment and if arrangements are not made with another supplier for the installation of the Equipment on a rental basis, then notwithstanding anything to the contrary in this Agreement, the Purchaser shall pay, as an adjustment on Occupancy, the cost of the Equipment, such cost to be determined by statutory declaration sworn on the part of the Vendor.

5. COMPLETION AND ONTARIO NEW HOME WARRANTIES INSPECTION

(a) The Purchaser or its designate shall inspect the Dwelling, such inspection hereinafter referred to as the Pre-Delivery Inspection (the "**PDI**") prior to the Occupancy Date with a representative of the Vendor at a time appointed by the Vendor and the parties shall indicate on the face of the Warranty Act's Certificate of Completion and Possession Form (the "**Certificate**"), the approval of the Purchaser, which shall be subject only to the completion of seasonal work, and any items uncompleted, and listed thereon (or on an addendum thereto), and save as to such list the Purchaser shall be conclusively deemed to have accepted the Dwelling as complete in accordance with this Agreement. On or before the PDI, the Purchaser shall access and review all materials within the online Learning Hub of Tarion Warranty Corporation ("**Tarion**"), including, without limitation, any and all modules, brochures and/or other materials. The Vendor will complete all matters set out in the said Certificate as soon as reasonably practicable. Further, the Vendor agrees to rectify any defects in materials or workmanship covered by the Warranty Act's warranty issued to the Purchaser as soon as reasonably practicable after the same will have been called to the Vendor's attention by notice in writing and in accordance with the guidelines of Tarion. Except for the aforementioned inspection with the Vendor's representative, the Purchaser shall not enter (and shall not direct or cause anyone to enter) the Property and the Dwelling until the Purchaser has completed the Purchaser's obligations under this Agreement on the Occupancy Date. The Purchaser shall provide the Vendor with written notice, at least 5 days prior to the date appointed by the Vendor for the PDI, irrevocably appointing the Purchaser's designate, if any. If the Purchaser appoints a designate to the PDI, the Purchaser acknowledges and agrees that the Purchaser shall be bound by all of the documentation executed by such designate to the same degree and with the force and effect as if executed by the Purchaser directly. Furthermore, the Purchaser acknowledges that the Purchaser shall execute any confirmation or statements if and as required by the Vendor from time to time confirming the Purchaser has reviewed the online Learning Hub.

(b) The completion of the foregoing inspection and the preparation and endorsement of the Certificate are conditions of the Vendor's obligation to complete this transaction. Failure by the Purchaser to attend at the appointed time for the inspection and to complete the Certificate shall be deemed to be a default by the Purchaser under this Agreement. The Vendor, at its sole option, may thereupon either terminate the transaction in accordance with the provisions set out in the paragraph(s) headed "Contract and Default" herein, or may elect to complete the Certificate on behalf of the Purchaser. The Purchaser hereby irrevocably nominates, constitutes and appoints the Vendor or any of its authorized signing officers to be and act as the Purchaser's lawful attorney in the Purchaser's name, place and stead for this purpose.

(c) The Purchaser agrees to forthwith upon request do all acts and execute and deliver all documents, both before and after Closing, as may be required by the Vendor or the Municipality in connection with the acceptance of the Project as a whole by the Municipality.

(d) Keys will be released to the Purchaser at the construction site or the sales office or from any other location designated by the Vendor, as the Vendor in its sole, absolute discretion determines, unless otherwise specifically agreed in writing between the Vendor and the Purchaser. The Purchaser agrees that the Vendor's advice that keys are available for release to the Purchaser constitutes a valid tender of keys on the Purchaser. Upon completion of this transaction, if the Purchaser fails to attend to pick up the keys by five o'clock (5:00) p.m. on that day, the Vendor may retain the keys and release same to the Purchaser on the next business day (in this Agreement the term "business day" or "business days" shall mean Monday to Friday, excluding statutory holidays in the Province of Ontario).

(e) Notwithstanding what may otherwise be expressed in this Agreement, the Vendor covenants that on the Occupancy Date a written warranty in the Warranty Act standard form will be requested by the Vendor from the administrator of the Warranty Act. The Purchaser agrees to accept such warranty in lieu of any other warranty or guarantee, expressed or implied, it being understood and agreed that there is no representation,

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warranty, guarantee, collateral agreement or condition precedent to, concurrent with, or in any way affecting this Agreement or the Property other than as expressed in the Warranty Act.

(f) Notwithstanding the foregoing or anything contained in the said warranty, the Purchaser waives any right to any claim against the Vendor for damage to any ceilings or walls due to normal shrinkage and the Purchaser agrees that this Agreement may be pleaded by the Vendor in estoppel of any such claims by the Purchaser.

(g) The Purchaser hereby releases the Vendor from any liability whatsoever in respect of water damage caused to the Purchaser's improvements, if any, and chattels stored in the Property, and acknowledges and agrees that the Vendor shall not be liable or responsible for any damage to improvements, chattels or décor caused by shrinkage, twisting or warpage, nor for any secondary or consequential damages whatsoever resulting from any defects in materials, design or workmanship related to the Property, nor for any item requiring rectification or completion in respect of which the Purchaser has attempted to complete or rectify on the Purchaser's own, and the Vendor's only obligation shall be to rectify any defects pursuant to the terms of this Agreement. The Purchaser agrees to remove at the Purchaser's expense any finishes and/or improvements made by the Purchaser as requested by the Vendor in order to enable the Vendor to do any completion or rectification work. In addition, if the Purchaser orders the installation of engineered flooring, laminate or a similarly offered product within the kitchen, the Purchaser acknowledges and agrees that product warranties and responsibilities of the Vendor will not extend to: (a) water damage; (b) damage from the installation and/or movement of appliances; and (c) other kitchen related issues arising from such installation.

(h) The Purchaser acknowledges that the Property will be constructed to at least the minimum Ontario Building Code requirements. The Purchaser covenants and agrees the Purchaser shall have no claims against the Vendor for any higher or better standards of workmanship or materials than what may be expressed herein or in the Warranty Act. The Purchaser hereby covenants and agrees with the Vendor that the Purchaser shall not, directly or indirectly, through any party whatsoever make any claim of any type whatsoever against the Vendor in respect of the Property or any other matter relating to the Property other than a claim pursuant to the Warranty Act. The Purchaser agrees that the foregoing may be pleaded by the Vendor as an estoppel in any action brought by the Purchaser or the Purchaser's successors in title against the Vendor.

6. OCCUPANCY

In accordance with the Tarion Addendum and Statement of Critical Dates, if the Property is occupiable before Closing, the Purchaser agrees to complete an occupancy closing on the Occupancy Date and take possession of the home in accordance with the occupancy terms contained in Schedule "C" of the Tarion Addendum and Statement of Critical Dates, which terms include the obligation of the Purchaser to pay an Occupancy Fee as prescribed therein.

7. TITLE

(a) Provided the title is good and free from all encumbrances except as herein provided, and except as to building and other restrictions, and to any easement or right-of-way granted or to be granted for installation and/or maintenance of services, telecommunication, cable television systems, and all related or appurtenant equipment, mutual driveways, and for maintenance and repair of adjoining dwellings, if applicable. Furthermore, title to the Property may be subject to encroachments by portions of the buildings located on abutting lands, including eaves, eavestroughing, downpipes, or other attachments to the roofs, footings, drainage pipes, utility meters and other projections of the buildings, and the Purchaser further acknowledges that portions of the Dwelling may encroach onto abutting lands where the right to do so exists. The Purchaser accepts legal access to the subject Property even though it may be restricted by 0.3 metre reserves owned by the Municipality and not yet dedicated as public highway. The Purchaser is not to call for the production of any title deeds, abstract or other evidence of title except as are in the possession of the Vendor. The Purchaser is to be allowed 60 days prior to the Closing, to examine the title at the Purchaser's own expense and if, within that time, any valid objection to title is made in writing to the Vendor which the Vendor shall be unable or unwilling to remove and which the Purchaser will not waive this Agreement shall, notwithstanding any intermediate act or negotiations be void and the deposit monies shall be returned, with interest, and the Vendor and the Broker shall not be liable for any damages or costs whatsoever. Save as to any valid objection so made within such time, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Property. The Purchaser acknowledges and agrees that the Vendor shall be entitled to respond to some or all of the requisitions submitted by the Purchaser through the use of a standard title memorandum or title advice statement prepared by the Vendor's solicitors and that the same shall constitute satisfactory manner of responding to the Purchaser's requisitions. Further, the Purchaser agrees that

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in the event that any valid requisition is not sufficiently answered by the Vendor, then the requisition shall be deemed sufficiently answered if a title insurance policy, available for issuance to the Purchaser by any company which issues title insurance policies in Ontario, would insure over the title matter which is being requisitioned.

(b) The Purchaser agrees to accept the Property subject to municipal regulations and restrictions now or hereafter affecting the ownership or use of the Property and the Purchaser shall observe and comply with the said regulations and restrictions and with the terms and obligations imposed by any subdivision or development agreement. The Purchaser agrees to accept title to the Property subject to any easements or licences for the installation of the maintenance of public or other utilities including, without limitation, telephone, electricity, gas, sewer, sump pumps, water and cable television, as well as any rights or easements reserved by the Vendor and/or granted in favour of other lands for maintenance purposes, drainage and roof overhangs, downpipes, footings, drainage pipes, sump pumps, utility meters and other projections of the Dwelling, if necessary on or about the Property. The Purchaser shall also accept title to the Property subject to any rights of entry in favour of the Subdivider, the Vendor, the Municipality or any other utility/service provider or public or private governmental authority. The Purchaser shall execute any easements required for the said purposes upon being requested by the Vendor both before or after Closing. The Purchaser acknowledges that the Transfer/Deed of the Property may reserve such rights and easements. In the event the Municipality or any other governmental authority or the Vendor requires the granting of maintenance and/or private drainage easements which have not been created on or before Closing, the Purchaser shall execute and deliver to the Vendor on Closing an Acknowledgement and Direction authorizing and directing the Vendor to register after Closing any such easements on behalf of the Purchaser. The Purchaser agrees to accept title to the Property subject to any easements, rights of way, licenses, agreements with the local municipality, regional or county municipality or other tier of municipal government having jurisdiction with respect to future services to be installed, or any other purpose.

(c) In the event the Property abuts land owned by any government, utility, or railway such authority may require fences, entrance gates or other structures to be located within the Property line and the Purchaser agrees to accept same and agrees to maintain same, if required by such authority.

(d) The Purchaser acknowledges that title may be conveyed directly from the Subdivider of the lands or from another person or entity (the "**Transferor**"), and not the Vendor, and the Purchaser hereby releases the Subdivider or Transferor, as the case may be, from all obligation, liability and responsibility whatsoever arising out of or associated with this Agreement, the construction of the Dwelling, the installation of all other improvements within the lot boundaries and the conveyance of title to the Property to the Purchaser, and the Purchaser agrees to execute and deliver on Closing a separate acknowledgment and release in favour of the Subdivider or Transferor, as the case may be, to this effect. Furthermore, in the event that the Vendor is not the registered owner of the Property, the Purchaser agrees to accept a conveyance of title from the registered owner in lieu of the Vendor's and the Purchaser acknowledges and agrees that the consideration shown on the transfer of title is the consideration paid by the Purchaser to the Vendor and not to such registered owner, and that such registered owner has no contractual or other obligation or liability whatsoever to the Purchaser. The Purchaser hereby release(s) such registered owner from all claims, demands, obligations, liability and responsibility whatsoever arising out of or associated with this Agreement, the construction of the Dwelling and any other improvements by the Vendor upon the above-mentioned lands and the conveyance of title to the Purchaser, and the Purchaser agrees to execute and deliver on the Closing Date a separate acknowledgment and release in favour of such registered owner to this effect.

(e) In the event any mortgages are outstanding on Closing the discharge of which is the Vendor's obligation, the Purchaser agrees to accept the Vendor's solicitor's undertaking to obtain and register the discharge of the same within a reasonable period of time after Closing in full satisfaction of the Vendor's obligation in that regard.

(f) The Purchaser agrees to confirm the name, address and telephone number of the Purchaser's solicitor to the Vendor or its solicitor in writing no later than ninety (90) days prior to the Occupancy Date. Should the Purchaser fail to confirm this information and/or during such 90 day period change solicitors, the Purchaser may be charged a fee plus Applicable Taxes on the Statement of Adjustments, as determined by the Vendor and/or its solicitor. The Purchaser agrees to provide the Vendor's solicitor with a written direction as to whom title is to be conveyed no later than sixty (60) days prior to the Occupancy Date, failing which, the Vendor is hereby directed to convey title to the Purchaser(s) set forth and named in this Agreement. Prior to Closing, the Purchaser covenants not to register this Agreement or any other document on title to the Property.

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(g) If, on or after registration of the Plan of Subdivision or such other land severance or lot creation process, the lot number or municipal address of the Property is changed, the Purchaser agrees to accept such variation in lot number and municipal address and this Agreement shall be read with all amendments required thereby.

(h) The Purchaser agrees to accept title to the Property subject to any Certificates of Property Use, Notice of Requirement or other notices or directives of any governmental authority, including, without limitation the Ministry of the Environment, provided that the Vendor or the Property, as the case may be, is in compliance thereof.

(i) The Purchaser agrees to accept title to the Property subject to any easements, rights-of-way, easement agreements and/or any other agreements with or in favour of the Ministry of Transportation and/or other governmental authorities.

(j) The Purchaser agrees to accept title to the Property subject to any specific and/or blanket easements, right-of-way, easement agreements and/or other agreements with or in favour of utilities, other individual townhouse lots within the Project ("Potls", each individually a "Potl"), the Condominium Corporation (as defined in Schedule "CEC") and/or other applicable entities for installation and/or maintenance of services, telecommunication, cable television systems, and all related or appurtenant equipment.

(k) The Purchaser agrees to accept title to the Property subject to any certificates, notices or other title registrations of the Ministry of the Environment or other authority relating to the environmental status of the property, including without limitation, any certificates of requirement or certificates of property use registered on title pursuant to applicable environmental legislation.

(l) The Purchaser agree to accept title to the Property subject to any easements, rights-of-way, easement agreements and/or any other agreements with or in favour of Metrolinx, including without limitation, an environmental easement for operational emissions;

(m) The Purchaser agree to accept title to the Property subject to any agreements with the City of Vaughan relating to, governing and/or pertaining to the discharge of water from the Condominium or any portion thereof.

(n) The Purchaser agrees to accept title to the Property subject to any easements, rights-of-way, easement agreements and/or any other agreements with or in favour of the Ministry of Transportation and/other governmental authorities.

(o) The Purchaser agrees to accept title to the Property subject to any reciprocal easement and operating agreements, cost sharing agreements, easement and cost sharing agreements and/or reciprocal agreements.

(p) The Purchaser agrees to accept title to the Property subject to any easements, rights-of-way, easement agreements, development agreements, subdivision agreements or site plan agreements and any other agreements with the Municipality or other governmental body or agency having jurisdiction, applicable by-laws whether registered or not.

(q) The Purchaser agrees to accept title to the Property subject to any agreement(s), easement(s), covenants and restrictions between or among the Vendor on its behalf and on behalf of the owner(s) of improvements constructed or to be constructed on lands adjoining or in the vicinity of the Property and/or Project.

(r) **The Purchaser agrees to accept title to the Property subject to any agreement(s), covenants and restrictions that prohibit or restrict, inter alia, any changes to landscaping on the Property and any changes to the esthetics of the external Dwelling features from that as provided by the Vendor.**

8. SUBDIVISION/DEVELOPMENT AGREEMENT REQUIREMENTS

(a) The Purchaser acknowledges and agrees that title may on Closing be subject to one or more subdivision or other development agreements and that the Subdivider has agreed at its own expense to construct, install and pay for roads, sanitary sewers, water mains and all other services in accordance with the requirements of the Municipality, which the Vendor herein is not responsible to construct, install or pay for. The Purchaser agrees that the Vendor shall not be obligated on Closing or thereafter to obtain releases of such subdivision or other development agreements provided that the same have been complied with as of the Closing and the Purchaser shall satisfy himself as to compliance.

(b) The Purchaser hereby acknowledges receipt of notice from the Vendor that the Vendor and/or the Subdivider or a company (or other entity) related, associated or affiliated with the Vendor, or any entity or person with the consent of the Vendor, may apply for re-zonings, severances, part lot control exempting by-laws, minor variances, site plan

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approvals, development approvals or official plan amendments or any similar applications with respect to the lands within, adjacent to or near the Project, the Purchaser and the Purchaser's successors and assigns, shall consent to any such application and agrees that this paragraph may be pleaded as a bar to any objection by the Purchaser to such re-zonings, severances, part lot control exempting by-laws, minor variances, site plan approvals, development approvals, official plan amendments, signage by-law variances, signage approval applications or any similar applications. The Purchaser further acknowledges that the Vendor or a company (or other entity) related, associated or affiliated with the Vendor, or any entity or person with the consent of the Vendor, may make any such application without any further notice to the Purchaser or the Purchaser's successors and assigns. The Vendor shall have the right to remove any objection(s) made by the Purchaser, the Purchaser's successors and assigns, with respect to any such application and the Purchaser shall reimburse the Vendor for all legal fees, expenses and costs that it incurs as a result of such objection(s). The Purchaser covenants to include the provisions of this clause in any conveyance or disposition, other than a charge or mortgage, of the Property and upon request by the Vendor to assign the benefit of such covenant to the Vendor or a company (or other entity) related, associated or affiliated with the Vendor. The Purchaser shall insert this clause in all agreements of purchase and sale and leases in respect of the Property. The Vendor may, at its sole, absolute and unfettered discretion, register a restriction on title to the Property, for such term as determined by the Vendor in its sole, absolute and unfettered discretion, containing the terms of this provision or language similar thereto and/or include same in the transfer/deed to the Property. The Purchaser covenants and agrees to accept title to the Property subject to said restriction and to accept the transfer/deed containing this provision or language similar thereto.

(c) The Purchaser acknowledges and agrees that the relevant governing authorities and/or any subdivision or development agreements may require the Vendor to provide the Purchaser with certain notices ("Notices"), including, without limitation, notices regarding land usage, landscaping, maintenance of fencing, school transportation, noise and vibration warning resulting from existing or proposed highways and public transportation systems or corridors, railways, garbage, buffers, school pick-up, transit routes, bus-stops and/or shelter locations, in some instances the absence of door-to-door mail delivery, the location of "super mailboxes", and in general, any other matter that may be deemed by the Municipality to inhibit the enjoyment by the Purchaser of this Property. Such Notices, when available, may be delivered to the Purchaser in accordance with the notice provisions herein and delivery in accordance with any methods described in said notice provisions shall be deemed to constitute appropriate notification of the Purchaser. The Purchaser agrees to be bound by the contents of any such Notices and covenants to execute forthwith upon request, an acknowledgment containing such Notices if and when requested to do so by the Vendor. In the event any subdivision agreement or other development, site plan or similar agreement is not registered as of the date of acceptance of this Agreement, and therefore the Notices are not yet available, or if after they are available, they are amended by the Municipality, or are inadvertently omitted or misquoted by the Vendor and if the Municipality requires the Purchaser to receive a copy of the Notices, then a copy of the Notices as revised as necessary shall be delivered to the Purchaser in accordance with the notice provisions herein and delivery in accordance with any methods described in said notice provisions shall be deemed to constitute appropriate notification. Without limiting the generality of the foregoing, to the extent that any Notices are provided to the Purchaser by the Vendor after this Agreement has been made, such Notices shall be deemed to have been included in this Agreement at the time that this Agreement has been made. The Purchaser acknowledges and agrees that any Notices and warning clauses may be registered on title to the Property, at the sole, absolute and unfettered discretion of the Vendor. Purchasers/tenants are advised that despite the inclusion of noise control features in this development area and within dwellings, noise levels from increasing road traffic from nearby roadways may be of concern occasionally interfering with some activities of the dwelling occupants.

(d) The Purchaser hereby unconditionally acknowledges that the Purchaser is aware of the above matters and warning clauses and the notices set out in this Agreement and any schedule attached hereto and confirms that the Purchaser does not object, in any manner whatsoever, to any of these matters and warning clauses nor to any of the notices set out in this Agreement or any schedule attached hereto nor will the Purchaser be entitled to raise any objections with respect to the above matters and warning clauses or notices set out in this Agreement and any schedule attached hereto and the Purchaser hereby waives and releases any claims that the Purchaser may have against the Vendor with respect to the above matters, warning clauses and the notices set out in this Agreement and any schedule attached hereto and any additional notices and warning clauses as referred to at a future date.

(e) The Purchaser acknowledges and agrees that the notices and warning clauses set out in this Agreement, any schedule attached hereto and any additional notices and warning clauses as referred to in subparagraph (c) above may be registered on title to the Property

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and may be included in the Creating Documents when registered, at the sole, absolute and unfettered discretion of the Vendor.

9. DAMAGES BEFORE CLOSING

All buildings and equipment shall be and remain at the Vendor's risk until Closing. In the event of any damage to the Dwelling, however caused, the Vendor shall be entitled to the insurance proceeds payable under any insurance policy coverage on the Dwelling.

In the event that the Property or the Dwelling are substantially damaged or destroyed, and the Vendor's lender requires that insurance proceeds be applied to reduce its loan rather than to the reconstruction of the Dwelling and the Vendor does not have alternative financing arrangements satisfactory to the Vendor, in its sole, absolute and unfettered discretion, then the Purchaser and Vendor agree that such event shall constitute a frustration of this Agreement and the Purchaser's deposits shall be returned to the Purchaser with interest as required by law, without deduction, and the Vendor shall not be liable for any costs and/or damages incurred by the Purchaser thereby whatsoever, including, without limitation, costs and/or damages arising from (or in connection with) the termination of this transaction, by virtue of the frustration of this contract.

10. AFTER OCCUPANCY/CLOSING

(a) In the event that after taking possession of the Dwelling, the Purchaser shall complete and/or install any additions and/or improvements such as, but not limited to, porches, patios, plantings, paved driveways, pool or hot tubs, curbs or fences which are located within 6 feet of an external wall or within any area which interferes with the Subdivider or Vendor installing any required services, the Purchaser will remove such addition and/or improvements at the Purchaser's own expense within five (5) business days of written request from the Vendor and prior to the Vendor taking any corrective actions which it is required to take.

(b) In the event that after taking possession of the Dwelling, the Purchaser shall complete and/or install any improvements, additions or alterations thereto, including, but not limited to, finishing basement, wallpapering, cabinetry and/or mouldings and/or finishings, porch finishes, pools or hot tubs, the Purchaser shall be required to remove such improvements, additions or alterations at the Purchaser's own expense, in the event that the Vendor shall be required to carry out any repairs or replacements to the Dwelling in the area of such improvements, additions or alterations.

(c) The Purchaser acknowledges that grading and sodding shall be done between June and October (weather permitting and subject to availability of supplies) of any year as per the Vendor's scheduling program. The Purchaser agrees that the Purchaser shall be solely responsible for watering and general maintenance of sod from the Occupancy Date or from the date that sod is laid, whichever shall be the later, and the Vendor shall have no obligation in that regard. In the event the Vendor is, for any reason, required to replace laid sod, the Vendor shall not be obligated to do so until payment has been made therefor by the Purchaser and if so replaced, the Purchaser agrees to reimburse the Vendor for the costs and expenses of same as determined by the Vendor, which costs and expenses may be deducted from the Security Deposit at the Vendor's sole, absolute and unfettered discretion. Further, the Purchaser acknowledges that the order of occupancy of the Property and/or the order of completion or occupancy of other lots sold by the Vendor is not indicative of the order of sodding of the Property and said other lots.

(d) The Purchaser covenants to occupy the Dwelling forthwith after the Occupancy Date. The Purchaser agrees not to finish the whole or any part of the basement of the Dwelling for a period of 24 months after the Occupancy Date or such longer period which is equivalent to the warranty period under the Warranty Act for basement repairs. The Purchaser hereby releases the Vendor from any liability whatsoever in respect of water damage to basement improvements and chattels stored in basement resulting from water seepage or leakage, including any consequential damages arising therefrom.

(e) The Purchaser acknowledges that the Vendor has a master key for the Project and in the event that the Purchaser wishes to change any locks, the Purchaser may do so, at the Purchaser's own expense, any time after the Occupancy Date.

(f) If settlement occurs due to soil disturbances around the Dwelling, the walkways, driveways and sodded areas, all minor settlements shall be the responsibility of the Purchaser, and the Vendor will rectify any major settlement once only, and such work, unless of an emergency nature, will be completed when reasonably feasible and according to the Vendor's work program and availability of materials and tradesmen's services. The Vendor is not responsible for any damage to the Dwelling which the Vendor considers of a minor nature by reason of such settlement.

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(g) No request by the Purchaser for homeowner service will be processed by the Vendor unless such request is in writing and pertains to a warrantable Tarion deficiency. In the event the Vendor is requested by the Purchaser to perform a homeowner service call for repairs and the Vendor determines in its sole, absolute and unfettered discretion that such repairs are not related to a warrantable Tarion deficiency, the Vendor shall not be required to attend to such service call. Further, if the Vendor attends at the Property for a service call and the Vendor determines, after attendance at the Property and in the Vendor's sole, absolute and unfettered discretion, that such service call is not related to a warrantable Tarion deficiency, the Purchaser shall pay to the Vendor the sum of $350.00 per homeowner service call, plus the cost of all materials utilized by the Vendor, plus Applicable Taxes thereon.

(h) The Purchaser agrees that after Closing, if required by the Municipality or any public or private utility such as the local electric authority, gas company, telecommunication or television system provider the Purchaser will grant an easement for the installation and maintenance of such utilities, including without limitation, for sewers, water mains, lines, electricity equipment and appurtenances, gas equipment and appurtenances, telephone equipment and appurtenances or any other similar installations.

(i) The Purchaser agrees that the Purchaser will not, for a period of at least two (2) years from the Closing Date or assumption of the Subdivision by the Municipality, whichever is the later, plant any trees, shrubs, vines, hedges or other landscaping on the Property without the express written consent of the Vendor which consent may be withheld in the Vendor's sole, absolute, subjective and unfettered discretion. The Vendor shall have the right during such period to enter on the Property, without notice to the Purchaser, and to remove, without any liability whatsoever, any such trees, shrubs, vines, hedges or other landscaping planted on the Property in contravention of this Section without such act being a trespass.

(j) If, after Closing, the Property is sold before the LATER OF: the municipal assumption of subdivision services within the Subdivision, the completion of all the Tarion warranty periods for the Property and 24 months after the Closing Date, the Purchaser shall ensure that this Agreement (and all schedules hereto) is attached to the sales agreement and make the new purchaser responsible for all the terms and provisions of this Agreement to be complied with by the Purchaser hereunder.

(k) The Purchaser agrees that until all the properties, dwellings and/or other structures in the Subdivision are sold, the Vendor, the Subdivider and/or other vendors of properties, dwellings and/or other structures within the Subdivision shall have the exclusive rights to maintain model homes, signs, sales staff and marketing material(s) in the Subdivision and to show prospective purchasers through the Subdivision and through any unsold properties, dwellings, sales offices and/or other structures.

11. BREACH OF CONTRACT

Any breach by the Purchaser of any of the provisions of this Agreement shall entitle the Vendor, in addition to any rights or remedies that the Vendor may have in law or otherwise, to give notice to the Purchaser declaring this Agreement terminated, whereupon all deposit monies paid hereunder, and any monies paid for extras, shall be forfeited to the Vendor as liquidated damages and not as a penalty.

12. SELLING, ASSIGNING, LEASING, LISTING ETC.

(a) The Purchaser covenants not to offer for sale, lease and/or transfer the Property, nor to sell, lease, assign or transfer the Purchaser's interest under this Agreement (or in the Property), nor to advertise, list, allow or cause to be advertised or listed for sale, lease, assignment or otherwise the Property or an interest under this Agreement on a listing service or sales service including, without limitation, the Multiple Listing Service ("MLS") or on, by or through any other publication or medium, including without limitation, any form of social media or through any website or application, until after acquisition of title to the Property on the Closing Date and the Vendor having received payment of all of the Purchase Price. The Purchaser acknowledges and agrees that once a breach of any of the preceding covenant occurs, such breach is (or shall be) incapable of rectification, and accordingly the Purchaser acknowledges and agrees that in the event of such breach, the Vendor shall have the unilateral right and option of terminating this Agreement effective upon delivery of notice of termination to the Purchaser or the Purchaser's solicitor, whereupon the provisions of this Agreement dealing with the consequence of termination by reason of the Purchaser's default, shall apply.

(b) The Purchaser represents to the Vendor (upon which representation the Vendor has relied in accepting the Purchaser's offer) that the Purchaser is purchasing the Property for the Purchaser's own personal use and not for investment, short term and/or speculative purposes.

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(c) The Purchaser covenants and agrees that it shall not place or allow to be placed any "for sale", "for lease" or "for rent" signs within the Dwelling that are visible from the exterior thereof or upon any portion of the Property or lands adjacent thereto until the later of: (a) the closing of the herein transaction and (b) until all of the dwellings in the Subdivision have been sold, which occurrence shall be determined by the Vendor in its sole, absolute, subjective and unfettered discretion. In the event that the Purchaser places or allows to be placed any such signs in contravention of the aforementioned, the Vendor shall have the absolute right to enter onto the Property and remove such sign without such act being an act trespass and the Vendor shall not be liable to the Purchaser for such removal, either in contract, tort or otherwise. The aforementioned covenant of the Purchaser and right of the Vendor shall survive the closing of the herein transaction.

13. UNLAWFUL WORKS

(a) In the event that the Purchaser shall without the consent in writing of the Vendor, enter upon the Property and carry out changes or additions to the Dwelling (the "**Unlawful Works**") being constructed by the Vendor, the Purchaser will forthwith pay to the Vendor the amount incurred by it in order to correct any damages caused by the installation or existence of the Unlawful Works including, without limiting the generality of the foregoing, time lost by the resulting delays and interest on monies invested, and at the Vendor's option it may declare this Agreement terminated. In addition to the foregoing, if the Unlawful Works shall be determined by any inspector having jurisdiction in that regard as not complying with the statutes, by-laws or regulations applying thereto, the Purchaser shall forthwith carry out any required work to remedy any such non-compliance and failing which, the Vendor, at its option may carry out such work at the expense of the Purchaser which the Purchaser shall pay to the Vendor forthwith upon written request for payment for same and/or at the option of the Vendor, it may declare this Agreement terminated. The Purchaser agrees that anything constructed by the Vendor which is not accessible due to the Unlawful Works shall not be covered under the Warranty Act's warranties.

(b) In the event that the Vendor shall choose the option as set forth above to declare the Agreement terminated, it shall be entitled to retain the Purchaser's deposit paid plus the value of the Unlawful Works. The parties agree that the damages which may be suffered by the Vendor as a result of the Unlawful Works cannot be assessed monetarily and the retention of the deposit and Unlawful Works, shall be deemed to be liquidated damages and not a penalty. **THE PURCHASER ACKNOWLEDGES THAT THE UNLAWFUL WORKS SHALL NOT BE COVERED UNDER THE WARRANTY ACT'S WARRANTIES.**

(c) The Purchaser covenants and agrees that it will not be entitled nor permitted to enter upon the Property prior to the Occupancy Date to supply any material and/or to perform any work or labour to or on the Dwelling or Property respectively. The Purchaser further covenants and agrees that the Vendor will not contract for the supply and installation of extras to the Dwelling to be constructed other than by way of written contract on a specific form supplied by the Vendor for that purpose.

(d) The Purchaser shall not enter upon the Property at any time without the consent in writing of the Vendor or accompanied by a representative of the Vendor. Failure to comply with the foregoing shall constitute a trespass by the Purchaser on the Property and will entitle the Vendor to bring criminal or civil proceedings for such trespass against the Purchaser. In respect of any entry with the Vendor's prior written consent or when accompanied by a representative of the Vendor, the Purchaser agrees to comply with all regulations under the Occupational Health & Safety Act, including the wearing of head and foot protection and such other safety apparel as designated by the Vendor. The Purchaser further agrees to indemnify the Vendor against any damages, losses and fines incurred as a result of non-compliance with this provision by the Purchaser.

(e) The Vendor in its discretion may invite the Purchasers or one of them as the Vendor deems appropriate to visit and view the Dwelling with a representative of the Vendor prior to drywall installation provided that construction timing and weather conditions permit. The Purchaser covenants and agrees that should such entry be permitted by the Vendor, the Purchaser shall enter the premises at their own risk and the Purchaser agrees to comply with all regulations under the Occupational Health & Safety Act, including the wearing of head and foot protection and such other safety apparel as designated by the Vendor. The Vendor shall supply hard hat and safety boots to Purchasers at no expense to the Purchasers. The Purchasers covenant and agree that the Vendor assumes no responsibility nor any liability for any injury that may occur to any Purchaser and the Purchasers acknowledge and confirm that they assume all liability and responsibility for any injury which they may suffer or incur as a result of such entry. The Purchasers also acknowledge that such entry shall only take place in the presence of and under the supervision of a representative of the Vendor and any visit may be terminated by the Vendor's representative in their sole and absolute discretion. The Purchasers further covenant and agree to execute any form of release prior to such entry that may be required by the Vendor. The Purchaser further

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agrees to indemnify the Vendor against any damages, losses and fines incurred as a result of non-compliance with this provision by the Purchaser.

14. CONTRACT AND DEFAULT

The Purchaser shall be deemed to be in default under this Agreement if the Purchaser registers any instrument against title to the Property other than the transfer to be delivered by the Vendor, or if any lien, execution or encumbrance arising from any action or default whatsoever of the Purchaser is charged against or affects the Property.

The deposit monies are expressly deemed to be deposit monies only, and not partial payments. The Purchaser acknowledges that the deposits paid hereunder may be used by the Vendor, in the Vendor's sole, unfettered and subjection discretion, for the servicing/construction of the Property and/or the surrounding dwellings/lands.

If any (a) monetary default by the Purchaser occurs under this Agreement; or (b) any non-monetary default by the Purchaser occurs under this Agreement and such non-monetary default continues for 5 days after written notice thereof is given to the Purchaser or the Purchaser's solicitor, then the Vendor may retain all monies paid as liquidated damages without prejudice to any other rights and/or remedies available to the Vendor and the Vendor may thereupon terminate this Agreement. If the Vendor is required to pay any lien, execution or encumbrance, the Purchaser shall reimburse the Vendor for all amounts and costs so paid. Any monies owing to the Vendor (a) pursuant to this Agreement and not paid to the Vendor in accordance with the terms hereof; or (b) as a result of any expenses incurred by the Vendor arising from a breach by the Purchaser of any of the Purchaser's obligations described in this Agreement, shall bear interest at the rate of 12% per annum, calculated daily, not in advance, from the date of default with respect to any monetary default and from the date of written demand with respect to the aforesaid expenses. In the event this Agreement, in future, is amended in order to accelerate the Occupancy Date and/or Closing of the transaction or to change or alter the construction specifications of the Dwelling by giving the Purchaser a credit or reduction against the Purchase Price and the Purchaser fails to complete the transaction, all damages shall be assessed as if such amendment was not entered into. The Purchaser shall pay the Vendor's solicitor's fees in the amount of $500.00 (plus Applicable Taxes and disbursements) for each letter or other form of notice sent to the Purchaser or the Purchaser's solicitor relating to any default by the Purchaser.

In the event that the person(s) executing this Agreement as Purchaser have done so for a disclosed or undisclosed beneficiary or principal, such person(s) executing this Agreement shall nevertheless be deemed and construed to constitute the personal indemnity of such person(s) so signing with respect to the obligations of the Purchaser herein and shall be fully liable to the Vendor for the Purchaser's obligations under this Agreement and shall not plead such agency, trust relationship or other relationship as a defence to such liability.

In the event that this Agreement is terminated and the Purchaser is entitled to the return of its deposits in accordance with this Agreement, the Purchaser acknowledges that the Vendor and any undisclosed beneficiary, agent or other person or corporation, shall not be required to return any amount paid by the Purchaser to the Vendor as Occupancy Fee. The Purchaser further acknowledges that the Vendor and any undisclosed beneficiary, agent or other person or corporation shall not be liable for any damages or costs whatsoever incurred by the Purchaser resulting from the termination of this Agreement including, without limitation, relocation costs, moving costs, professional fees and disbursements, opportunity costs, loss of bargain or other damages or costs incurred by the Purchaser, whether direct or indirect and the Purchaser further acknowledges that this provision may be pleaded by the Vendor as a complete defence to any claim, action or proceeding which may be made or brought against the Vendor and/or its agents and/or affiliates.

15. COLOUR AND MATERIAL SELECTION

(a) Wherever in this Agreement that the Purchaser has the right to choose colours or materials, the Purchaser shall do so within ten (10) days after notification by the Vendor and the Purchaser shall make the Purchaser's selection of such colours and/or materials, whatever the case may be, from the Vendor's samples by way of an appointment with the Vendor or its designate and list same on the Vendor's colour selection form. The Purchaser shall conduct the selection of colours and/or materials in the manner set out by the Vendor in its sole, absolute and unfettered discretion, including without limitation, by electronic mail or similar electronic transmission, mail, personal attendance, video call/video conference, and at a time and location designated by the Vendor in its sole, absolute and unfettered discretion. The Vendor is not responsible for any errors in the selection of colours and/or materials arising from any limitations and/or restrictions in the methods, media, systems and/or technologies used to make such selections. If the Purchaser fails to attend such appointment, or cancels or reschedules such appointment with less than 72 hours notice, the Purchaser shall be charged a fee of $500.00 plus Applicable Taxes on the Statement of Adjustments.

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(b) In the event that the Purchaser shall desire to select colours or materials from other than the Vendor's samples, the Vendor may, at its sole, absolute and unfettered discretion, allow the Purchaser to negotiate such colours or materials directly with the Vendor or the Vendor's subtrade or supplier. If the Vendor allows for such negotiation, the Purchaser must negotiate such colours or materials directly with the Vendor or the Vendor's subtrade or supplier as directed by the Vendor and attend to payment of any additional cost as a result of such choice to the Vendor or the Vendor's subtrade or supplier directly, as directed by the Vendor.

(c) In the event that the Purchaser shall have made a choice of colours and/or materials from either the Vendor's samples or otherwise as aforesaid and because of lack of supply or other reasons the installation of such colour choice and material cannot be completed in accordance with the Vendor's construction schedule, the Purchaser shall choose alternate colours and materials within five (5) days of notification by the Vendor and in the event the Purchaser fails to make an alternate selection as aforesaid, the Vendor shall have the option of choosing the colours and materials and the Purchaser shall be obligated to accept same.

(d) In the event that by the Occupancy Date the installation of the selected colours and upgraded materials to be performed by the Vendor or its subtrade(s) has not been completed, and as a result thereof the Dwelling has not been completed, then the Purchaser shall, notwithstanding such incomplete work, complete the transaction on the Occupancy Date and/or the Closing Date and shall pay the full amount required to be paid on Closing in accordance with this Agreement, notwithstanding that an occupancy permit may not be available as a result thereof.

(e) In the event that the Purchaser shall not have made the Purchaser's selection within ten (10) days after notification by the Vendor or an extended date acceptable to the Vendor, then the Vendor shall have the option of choosing the colours and materials for and on behalf of the Purchaser and the Purchaser agrees to accept same. The Purchaser shall further be charged a fee of $1,000.00 plus Applicable Taxes on the Statement of Adjustments for the Vendor's administrative fee for choosing colours and materials on behalf of the Purchaser.

(f) In the event that the Purchaser has installed or has requested the Vendor to install a different floor covering than that which the Vendor would normally install in the Dwelling, then the Purchaser agrees that if any defects should come to light for which the Vendor is normally responsible and repairs to which require the removal of the said floor covering, the Vendor will not be responsible to effect such repairs. For purposes of this Agreement "floor covering" shall mean any type of finished floor covering which is normally placed on the sub-floor and without limiting the generality of the foregoing, shall include tile, hardwood, laminate, natural stone, terrazzo, ceramic and porcelain.

(g) Where omissions occur on the original colour and/or materials selection sheet, the Purchaser acknowledges that selection by the Vendor will be final.

(h) The Purchaser agrees that if after having made the original colour and/or materials selections the Purchaser does make a change erroneously or otherwise, the Purchaser will be deemed responsible for all errors resulting from any double and/or erroneous selections.

(i) The Purchaser further agrees that in the event that the Vendor has preselected colours prior to the purchase herein of the Property, the prescribed colours shall be final notwithstanding that the Purchaser may have completed a colour selection/chart.

(j) In the event that any of the terms and conditions stated on a contract, addendum or schedule requesting extras, upgrades or changes (the "Options and Upgrades Agreement") are in conflict or contradiction of any terms or conditions stated in this Agreement, it is hereby agreed that the terms and conditions stated on the Options and Upgrades Agreement shall take precedence over the terms and conditions of this Agreement provided such provisions do not conflict with the provisions of the Tarion Addendum and Statement of Critical Dates annexed hereto, in which case the provisions of the Tarion Addendum and Statement of Critical Dates annexed hereto shall be read to form part of the Options and Upgrades Agreement in the place and stead of the conflicting or contradictory provisions thereof. Without limiting the foregoing, the Vendor and Purchaser agree that the provisions of the Tarion Addendum and Statement of Critical Dates annexed hereto shall prevail over any provision contained in this agreement, in any amendment to this Agreement or in any other document between the Vendor and Purchaser in relation hereto that derogates from, conflicts with or is inconsistent with the provisions of the Tarion Addendum and Statement of Critical Dates annexed hereto.

(k) The Purchaser agrees that if after having made the original colour and/or materials selections and/or having made signed the Options and Upgrades Agreement the Purchaser

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wishes to make changes to such colour and/or materials selections or such Options and Upgrades Agreement, the Purchaser shall be charged a fee of $1,000.00 plus Applicable Taxes on the Statement of Adjustments for the Vendor's administrative fee for such changes.

16. MODEL HOMES

(a) The Purchaser acknowledges that the Purchaser has purchased the Dwelling on the basis of plans appended to this Agreement and not from a model, vignette, sales office samples or 3D or virtual renderings, modelling or illustrations. The Purchaser acknowledges that the model homes, if any, may have items installed for decor purposes, such as, but not limited to, upgraded flooring materials, ceramic tile, hardwood, laminate, carpet, paint, kitchen cabinets, countertops, lighting and fixtures, driveways, walkways, railings and pickets, skylights, entry doors, interior doors, paneling, wallpaper, window treatment, drapes, curtains, plumbing supplies, intercom systems, alarm systems, smart home features, appliances, landscaping, underground sprinkler systems, underground lighting, decks and finished basements. The Purchaser acknowledges and agrees that these decor items will not be included in the Purchase Price and that the contract will consist of only those items listed on Schedule "A" annexed hereto.

(b) Notwithstanding anything herein written, if at the time that this Agreement is executed, the Dwelling constructed on the Property has already been substantially completed, the Purchaser shall purchase the Property in an "as built" and "as-is, where-is" condition without regard to its state of repair and condition rather than in accordance with any other understandings, agreements, representations, covenants and warranties herein contained. The Purchaser covenants and agrees to and with the Vendor that it shall complete the transaction notwithstanding any of the foregoing.

(c) Furthermore, in the event that the Dwelling has been used as a model or show home, the Purchaser acknowledges that the subject premises has been used extensively as a "Model" or "Show" home, and as such, has been subjected to the normal wear and tear associated with that purpose. Unless otherwise specifically agreed in writing, no refinishing shall be done by the Vendor on the subject premises and the purchaser agrees to accept the Dwelling on closing on an "as-is" basis. For the purposes of clarity only, and without restricting the generality of the foregoing, the Purchaser hereby waives any claim in respect of scratched floors, counters or plumbing fixtures; or, sun-faded paint and stain colours.

17. HST CLAUSE

The Purchaser and Vendor agree that the harmonized sales tax (the "HST") applies to this transaction and the Purchase Price includes the HST, net of the federal and Ontario new housing rebates or the like (collectively the "Rebate"). The Purchaser shall assign in a form required by the Vendor and/or by any of the Government of Canada, Government of Ontario and/or any other governmental and/or tax authority (collectively, the "Government") to the Vendor (or to such other party as the Vendor may otherwise require or direct) all of the Purchaser's right, title and interest in the Rebate to which the Purchaser is entitled. In connection with such assignment, the Purchaser shall deliver to the Vendor (or to such other party as the Vendor may otherwise require or direct), upon request by the Vendor, on or after the Closing Date, such application, documents and affidavits as may be required by the Vendor and/or the Government to establish the Purchaser's entitlement to the Rebate. If the Purchaser is not entitled to the Rebate for any reason whatsoever or if the Rebate is reduced or withdrawn by the Government and not replaced with an amount equivalent to the amount of the Rebate to which the Purchaser is entitled by the Government or if the Rebate is not or cannot be assigned to the Vendor (or to such other party as the Vendor may otherwise require or direct) or the Rebate is claimed and payment/credit of the Rebate to the Vendor (or to such other party as the Vendor may otherwise require or direct) is denied by the Government or if, following the Closing Date, the Vendor (or such other party identified by the Vendor) believes that the Purchaser does not qualify for the Rebate for whatever reason, including, without limitation, a request for a status certificate or the Property being offered, listed or advertised for sale, lease or transfer privately or otherwise on a listing service system, then, the Purchaser shall forthwith upon demand by the Vendor pay to the Vendor (or to such other party as the Vendor may otherwise require or direct) an amount equal to the Rebate or the amount so reduced or withdrawn and until so paid, the amount of the Rebate shall form a charge against the Property which charge shall be recoverable by the Vendor (or by such other party identified by the Vendor) in the same manner as a mortgage in default. If the Vendor (or such other party identified by the Vendor) does not receive the full benefit of the Rebate for any reason whatsoever, whether or not as a result of the Purchaser's acts or omissions, the Purchaser shall indemnify and save the Vendor (or such other party identified by the Vendor) harmless in the amount that the Vendor (or such other party identified by the Vendor) would have been entitled to had such Rebate been received, together with all interest and penalties thereon, and all losses, costs, damages and liabilities which the Vendor (or such other party identified by the Vendor) may suffer, incur or be charged with in connection therewith, as a result of the Purchaser's failure to qualify for the Rebate, or as a result of the Purchaser having qualified initially but being subsequently disentitled to the Rebate, or as a result of the inability to assign the benefit of the Rebate to the Vendor (or to such other party as the Vendor may otherwise require or direct), or as a result of the ineffectiveness of the documents purporting to assign the benefit of the Rebate to the Vendor (or to

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such other party as the Vendor may have otherwise required or directed), which indemnity shall survive the Closing Date. Notwithstanding anything herein contained to the contrary, the Vendor shall have the right to register a Vendor's Lien or Notice for the amount of the Rebate against the Property immediately following the Closing Date to secure the Vendor's entitlement (or the entitlement of such other party as may be identified by the Vendor) to the Rebate as herein provided. The Purchaser acknowledges and agrees that the Purchaser shall not be entitled to any refund, credit or abatement in any manner whatsoever should the HST, or any portion thereof, not apply to this transaction for any reason whatsoever. The HST that is included in the Purchase Price is based on the federal portion and the provincial portion of the HST at the rates of 5% and 8%, respectively. If either or both of the rates increase, the Purchaser shall be responsible for the increase and shall pay same as an adjustment on the Closing Date, and if either or both of the rates decrease, the Purchaser shall not be entitled to any abatement or reduction of the Purchase Price. Notwithstanding that the Purchase Price is inclusive of the HST net of the Rebate as aforesaid, the Purchaser, shall, at the Purchaser's own cost and expense, be responsible for the payment of the HST and all other taxes, value added taxes, sales taxes, use taxes or transfer taxes and any increases thereof which may be applicable (collectively the "Applicable Taxes") on all closing adjustments and amounts payable for extras, changes, upgrades, fees and charges.

If the Vendor (or such other party identified by the Vendor) believes, for whatever reason, that the Purchaser does not qualify for the Rebate, regardless of any documentation provided by or on behalf of the Purchaser (including any statutory declaration sworn by the Purchaser) to the contrary, and the Vendor's (or such other party identified by the Vendor) belief or position on this matter is communicated to the Purchaser or the Purchaser's solicitor on or before the Closing Date, then notwithstanding anything hereinbefore or hereinafter provided to the contrary, the Purchaser shall be obliged to pay to the Vendor (or to whomsoever the Vendor may in writing direct), as an adjustment on Closing (or such other manner as may be determined by the Vendor in its sole, absolute and unfettered discretion), an amount equivalent to the Rebate, in addition to the Purchase Price. In those circumstances where the Purchaser maintains that the Purchaser is eligible for the Rebate despite the Vendor's (or such other party identified by the Vendor) belief to the contrary, the Purchaser shall (after payment of the amount equivalent to the Rebate as aforesaid) be fully entitled to file the rebate form directly with (and pursue the procurement of the Rebate directly from) the Canada Revenue Agency. Regardless of whether or not the Purchaser is a registrant under the Excise Tax Act, the Purchaser shall not be entitled to self-assess the HST payable in respect of this transaction.

The Purchaser acknowledges and agrees for any matter related to HST that is applicable to this transaction, including without limiting the generality of the foregoing, the Rebate, that the Vendor may designate another person (including the Subdivider or any party in which the Vendor is acting as the disclosed or undisclosed agent for when it entered into this Agreement of Purchase and Sale) to be listed as a party to the HST documentation and the Purchaser agrees to execute such HST documentation notwithstanding that a party other than the Vendor may be the recipient, addressee or beneficiary of the Rebate. Where the Vendor determines that such HST documentation is incomplete, incorrect or insufficient for the Rebate to be claimed, the Purchaser, without limiting the generality of Section 32, hereby irrevocably nominates, constitutes and appoints the Vendor (and any other party as may be directed by the Vendor) as its duly authorized attorney, agent and representative to amend, correct and complete, as applicable, such HST documentation including the Rebate form.

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18. AGREEMENT CONDITIONAL

This Agreement and the transaction arising therefrom are conditional upon compliance with the provisions of the Planning Act of Ontario, and amendments thereto at the Vendor's expense.

19. AGREEMENT NOT TO BE REGISTERED

The Purchaser acknowledges this Agreement confers a personal right only and not any interest in the Property and that the registration against title of any notice or caution or other reference to this Agreement or the Purchaser's interest is likely to cause inconvenience and prejudice or irreparable harm to the Vendor and other purchasers of dwellings within the Project. If any such registration occurs, the Vendor may terminate this Agreement forthwith and take full forfeiture of the Purchaser's deposits as liquidated damages and not as a penalty. Further, the Purchaser hereby irrevocably consents to a court order removing such registration and agrees to pay all Vendor's costs and expenses in obtaining such court order including, but not limited to, fees of its solicitors on a full indemnity basis together with any Applicable Taxes thereon. Additionally, the Purchaser hereby irrevocably nominates, constitutes and appoints the Vendor or any of its authorized signing officers to be and act as the Purchaser's lawful attorney in the Purchaser's name, place and stead, without liability or claim, for the purpose of removing any such registration from title.

20. TENDER

Any tender of documents or money may be made by the Vendor upon the Purchaser hereto or upon the respective solicitor, will be deemed to be good and valid if made in accordance with the provisions of paragraph herein headed "ELECTRONIC REGISTRATION". The Vendor shall not be required to register any discharge of any outstanding mortgage, charge or other encumbrance not being assumed by the

Purchaser on the Closing Date, in order to validate or perfect the Vendor's tender upon the Purchaser, and need only make arrangements to discharge same in accordance with the provisions of paragraph headed "TITLE" herein in the event that the Purchaser completes this transaction. The parties agree that payment of monies must be made or tendered in such form and by such method as may be directed in writing by the Vendor, in its sole, absolute and unfettered discretion. Unless otherwise directed, in accordance with the foregoing, payment shall be made by way of the Purchaser's solicitor's certified cheque drawn on such solicitor's trust account, which trust account must be with one of the Schedule "I" Banks in Canada and which solicitor must be both in good standing with the Law Society of Ontario and an authorized ERS user. The Purchaser further acknowledges and agrees that the Vendor shall not be required to provide any key(s) as part of any tender made by it and that this Agreement provides for the release of keys on or following Occupancy.

Notwithstanding anything contained herein to the contrary, in the event the Purchaser or the Purchaser's solicitor advise the Vendor or the Vendor's solicitors, on or before the Closing Date that the Purchaser is unable or unwilling to complete the purchase of the Property or take occupancy of same, the Vendor is relieved of any obligation to make any formal tender upon the Purchaser or the Purchaser's solicitor and the Purchaser may exercise forthwith any and all of its right and remedies provided for in this Agreement and at law.

21. EXTENSION AND TERMINATION

(a) The Purchaser acknowledges that the Occupancy Date as described in this Agreement may be extended in accordance with the Warranty Act and the Tarion Addendum and Statement of Critical Dates.

(b) Forthwith upon any termination of this Agreement the Purchaser shall execute and deliver to the Vendor the form of Mutual Release and Termination Agreement that may be required by the Vendor and/or Tarion in the circumstances of such termination.

(c) The Vendor shall have the option, in its sole, absolute and unfettered discretion, to extend the Firm Occupancy Date or Delayed Occupancy Date (as set out in the Tarion Addendum and Statement of Critical Dates hereof), as the case may be, for one business day to avoid the necessity of tender where the Purchaser is not ready to complete the transaction on either of such dates.

(d) The Closing Date, once established by the Vendor, may be extended or accelerated from time to time by the Vendor.

22. AGREEMENT NOT TO MERGE WITH TRANSFER

All of the covenants, warranties and obligations contained in this Agreement to be performed by the Purchaser and all of the Purchaser's acknowledgments, waivers, releases and indemnities contained in this Agreement shall survive Closing and completion of this transaction and shall remain in full force and effect notwithstanding the transfer of title to the Property to the Purchaser. It is provided that in the event of a breach of any covenant, warranty or obligation contained in this Agreement to be performed by the Purchaser, the Vendor shall be entitled, at its option, to declare this Agreement terminated and to retain all amounts paid by the Purchaser without prejudice to any other rights of the Vendor arising from that breach.

23. WAIVER

No provision of this Agreement may be waived by either party except in writing. The waiver of any of the provisions hereunder shall not affect the right of either party to enforce all other provisions not so waived.

The Purchaser acknowledges and agrees that the covenants and obligations of the Vendor contained in this Agreement shall be those of the Vendor only. The Purchaser further acknowledges and agrees that in the event that the Vendor has entered this Agreement as a trustee or agent for and on behalf of an undisclosed beneficiary or principal, whether or not so stated herein, there shall be no liability on such undisclosed beneficiary or principal and the only recourse or remedy that the Purchaser shall have on default by the Vendor herein is against the Vendor and the Property, the Purchaser hereby waiving any and all rights of recovery or recourse against such beneficiary or principal whether in law, equity or otherwise. The Purchaser further acknowledges and agrees that this acknowledgment, agreement and waiver may be pleaded as an estoppel and bar against the Purchaser in any action, suit, application or proceeding brought by or on behalf of the Purchaser to assert any of such rights of recovery or recourse against any such beneficiary or principal.

24. SUBORDINATION AND ASSIGNMENT OF AGREEMENT

The Purchaser agrees that this Agreement shall be subordinate to and postponed to any mortgages arranged or to be arranged by the Vendor and any advances thereunder from time to time, and to any easement, service agreement and other similar agreements made by the Vendor concerning the property or lands. The Purchaser agrees to do all acts necessary and execute and deliver all necessary documents

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as may be reasonably required by the Vendor from time to time to give effect to this undertaking and in this regard the Purchaser hereby irrevocably nominates, constitutes and appoints the Vendor or any of its authorized signing officers to be and act as the Purchaser's lawful attorney in the Purchaser's name, place and stead for the purpose of signing all documents and doing all things necessary to implement this provision.

The Vendor may assign this Agreement and its covenants and obligations herein to a third party including any lender (i.e. a chartered bank, trust company or other lending entity), provided following such assignment, the Vendor shall notify the Purchaser of such assignment. Such assignment shall be in a form prescribed or approved by the Vendor and upon notification of assumption of this Agreement and such assignment to the Purchaser, the Vendor shall be automatically released from all obligations arising pursuant to this Agreement and the assignee shall continue from the date of such assignment as the Vendor as if it had been the original party to this Agreement. As it relates to an assignment of this Agreement to a lender as aforesaid the lender's liability shall be limited as provided for in the assignment.

25. ACCEPTANCE

This Offer by the Purchaser when accepted by the Vendor shall constitute a binding agreement of purchase and sale, without requiring notice of such acceptance to be delivered to the Purchaser prior to such time. Without limiting the generality of the foregoing, acceptance of this Offer (or any counter offer with respect thereto) may be made by way of telefax transmission, pdf electronic mail or similar electronic transmission, reproducing the original, provided all of the necessary signatures and initials of both parties hereto are duly reflected on (or represented by) the telefaxed, emailed or electronic copy of the Agreement are so transmitted, and such offer and/or acceptance shall be deemed to have been effected or made when the Agreement is telefaxed, emailed or sent electronically to the intended party, and the parties irrevocably acknowledge and agree that such telefaxed, emailed or electronic transmission of the Agreement shall be binding upon the parties to the same extent as if originally signed.

26. TIME OF ESSENCE

Time shall in all respects be strictly of the essence of this Agreement and no extension of time for any payment by the Purchaser or rectification of any breach of any agreement, stipulations, condition or restriction shall operate as a waiver of this provision with respect to any other payment or rectification of any other breach, except as specifically agreed upon in writing by the Vendor or the Purchaser, as the case may be.

27. PREPARATION AND COST OF REGISTERING DOCUMENTS

The Transfer/Deed is to be prepared by the Vendor on the Vendor's standard form. If required by the Vendor, the Transfer/Deed may contain covenants on the part of the Purchaser to comply with the stipulations set out herein and the covenants, conditions, provisions and restrictions set out in the declaration and by-laws and rules, and is to be executed by the Purchaser. Any discharges of underlying mortgages (collectively, the "Discharges") shall be prepared by the Vendor on the Vendor's standard form; the Discharges to be at the expense of the Purchaser, being a fee of $250.00 plus Applicable Taxes in total, irrespective of the number of Discharges required. The Purchaser shall pay the cost for registration and any exigible taxes on the registration of the Transfer/Deed and Discharges. The Purchaser agrees to provide a statutory declaration on or before closing confirming that there are no judgments outstanding against him and the Purchaser agrees to provide reasonable evidence confirming same, including a creditor's letter if necessary, if requested by the Vendor, if there is any judgment filed against a person with the same or similar name. That statutory declaration shall also include the birth date and social insurance number of the Purchaser. In the event that the electronic document registration system is operative in the relevant Land Registry Office in which the Property is situate, at the Vendor's discretion the Purchaser shall enter into the Vendor's form of escrow closing agreement which shall include provisions relating to the delivery of funds and keys and the exchange, delivery and registration of documentation.

28. SEVERABILITY

If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal or invalid, or beyond the powers or capacity of the parties hereto, then provided such provision is not, in the Vendor's sole opinion, essential or fundamental to the completion of this transaction, such provision shall be deemed and construed to be severed and deleted from this Agreement, and the remainder of this Agreement shall continue in full force and effect.

29. NOTICE

(a) Save and except for any notices to be provided pursuant to the Tarion Addendum and Statement of Critical Dates, any notice desired or required to be given to the Purchaser shall be in writing, and either delivered personally or by prepaid mail, addressed to the Purchaser's solicitor or to the Purchaser at the address as provided on the front page of this Agreement or in the Tarion Addendum and Statement of Critical Dates, or telefaxed to the Purchaser's solicitor or the Purchaser's telefax number as provided in the Tarion

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Addendum and Statement of Critical Dates, or electronically mailed to either the Purchaser at the address contained in the Tarion Addendum and Statement of Critical Dates or to the Purchaser's solicitor, with all such address and contact information set out on the front page of this Agreement or in the Tarion Addendum and Statement of Critical Dates being subject to other or updated information that may be provided to the Vendor from time to time or otherwise in accordance with this Agreement. If such notice is mailed, it shall be deemed to have been received by the Purchaser on the day (excluding Saturdays, Sundays and statutory holidays) following the date of its mailing, and if such notice is personally delivered, same shall be deemed to have been received on the date of such personal delivery, and if telefaxed, same shall be deemed to have been received on the day (excluding Saturdays, Sundays and statutory holidays) of the transmission of the telefax, and if electronically mailed, same shall be deemed to have been received on the day (excluding Saturdays, Sundays and statutory holidays) of its electronic mailing.

(b) Save and except for any notices to be provided pursuant to the Tarion Addendum and Statement of Critical Dates, any notice desired or required to be given to the Vendor shall be in writing, and either delivered personally or by prepaid mail, addressed to the Vendor's solicitor at the address noted herein and to the Vendor, or telefaxed to the Vendor's solicitor. If such notice is mailed, it shall be deemed to have been received by the Vendor on the 3rd day (excluding Saturdays, Sundays and statutory holidays) following the date of its mailing, and if such notice is personally delivered, same shall be deemed to have been received on the date of such personal delivery, and if telefaxed, same shall be deemed to have been received on the day (excluding Saturdays, Sundays and statutory holidays) following the transmission of the telefax.

(c) The Purchaser acknowledges and agrees that upon entering into this Agreement, the Purchaser shall provide in the Tarion Addendum and Statement of Critical Dates the Purchaser's electronic mail address, and forthwith upon request by the Vendor the Purchaser's solicitor's electronic mail address.

(d) The Purchaser shall advise the Vendor of any changes in any of its mailing address, telephone number or electronic mail address or of its solicitors forthwith upon such change, failing which the Purchaser shall be charged a fee of $250.00 plus Applicable Taxes on the Statement of Adjustments.

(e) The Purchaser covenants to forthwith and without delay retrieve, collect, receive and read all notices sent to the Purchaser by the Vendor or the Vendor's solicitor.

Provided that during periods of postal interruption or impending postal interruption, notice may not be sent by mail and must be sent by personal delivery, telefax or electronic mail in accordance with sub-paragraphs (a) and (b) above.

Purchasers are hereby notified that information of an important nature may be communicated by the Vendor to the Purchaser by electronic mail. In order to facilitate such communication by electronic mail, the Purchaser shall ensure that the Purchaser's computer settings permit receipt of electronic mail from the Vendor and its representatives.

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30. GENDER AND NUMBER

This Offer and its acceptance are to be read with all changes of gender and number as may be required by the context.

31. SUCCESSORS AND ASSIGNS

Except as expressly herein provided, the parties hereto further agree that the covenants, agreements, provisos and conditions in this Agreement contained shall extend to and be binding upon and enure to the benefit of the parties hereto, and their respective heirs, executors, administrators, successors and permitted assigns.

32. POWER OF ATTORNEY

(a) In accordance with the provisions of the Powers of Attorney Act R.S.O. 1990, as amended, the Purchaser hereby confirms and agrees that each and every power of attorney granted to the Vendor or its signing officers in accordance with the terms of this Agreement may be exercised by the donee(s) during any subsequent legal incapacity of the Purchaser.

(b) If any documents, instruments, etc. required to be executed and delivered by the Purchaser to the Vendor are, in fact, executed by a third party appointed as the attorney for the Purchaser, then the power of attorney appointing such person shall be registered in the Land Titles Office for the Property, and a duplicate registered copy thereof (together with a statutory declaration sworn by the attorney or the Purchaser's solicitor confirming that said

power of attorney has not been revoked) shall be delivered to the Vendor along with such documents.

(c) Where a third party has been appointed as the attorney for the Purchaser for the purposes of executing any documents contemplated by this Agreement, then any notices required or desired to be delivered to the Purchaser in accordance with this Agreement may be given to the said attorney, in lieu of the Purchaser or the Purchaser's solicitor (and shall be deemed to have been received by the Purchaser when so delivered to the Purchaser's attorney).

(d) Where the Purchaser is required to execute and deliver any document herein to the Vendor and fails to do so, the Purchaser hereby irrevocably nominates, constitutes and appoints the Vendor to be and act as the Purchaser's lawful attorney, in the Purchaser's name, place and stead, in order to execute any such documents in accordance with the provisions of the Powers of Attorney Act (Ontario) as amended from time to time.

33. ELECTRONIC DOCUMENTS AND TRANSFER OF FUNDS

(a) Pursuant to subsection 3(1) of the Electronic Commerce Act of Ontario, as amended (or any successor or similar legislation) (the "EC Act"): (i) the Purchaser acknowledges and agrees to use and accept any information and/or document to be provided by the Vendor and/or its solicitors in respect of this transaction in an electronic form if, when and in the form provided by the Vendor and/or its solicitors including, without limitation, accepting and providing electronic signatures, delivery by electronic mail and/or by the Vendor making information or documentation available to the Purchaser or its solicitor for access or download from a website; and (ii) the Purchaser acknowledges and agrees to provide to the Vendor and/or its solicitors any information and/or document required in respect of this transaction in an electronic form or in originally executed paper form as, when and in the form required by the Vendor and/or its solicitors, in their sole, absolute and unfettered discretion. The terms "electronic", "electronically" and "electronic signature" utilized in this Agreement shall have the meanings ascribed to them in the EC Act. In the event that the Purchaser and/or its solicitor is not willing or able to use, provide and/or accept information and documentation in electronic form in accordance with the foregoing, the Vendor in its sole, absolute and unfettered discretion may provide or accept documentation or information other than in electronic form, in which event the Purchaser agrees to pay all of the Vendor's solicitor legal fees and disbursements for same forthwith.

(b) The Purchaser acknowledges and agrees that the Vendor shall determine, in its sole, absolute and unfettered discretion, the method by which the Purchaser is to make payment of any funds payable by the Purchaser in respect of this transaction. Such method may include, at the option of the Vendor, delivery of funds by the Purchaser electronically through an electronic funds transfer system (the "EFTS") designated by the Vendor or the Vendor's Solicitors, including, without limitation, the Closure Service provided by Teranet Inc.. In such case:

(i) the Purchaser's solicitor shall be registered with the provider of the EFTS, and, at the request of the Vendor's solicitors, shall provide evidence of such registration to the Vendor's solicitors at least 10 days prior to the Closing Date;

(ii) the Purchaser and/or the Purchaser's solicitor shall execute such documents as the Vendor or the Vendor's solicitors may require in connection with the EFTS; and

(iii) the Purchaser shall pay as an adjustment on Closing to the Vendor or its solicitors all fees and charges imposed by the provider of the EFTS together with any wire transfer fees and charges imposed upon the Vendor or its solicitors by their banks in connection with the transfer of funds.

34. ELECTRONIC REGISTRATION

If the electronic registration system (hereinafter referred to as the "Electronic System" or "ERS") is operative in the applicable Land Registry Office in which the Property is registered, the following provisions shall prevail, namely:

(a) the Purchaser shall be obliged to retain a lawyer in good standing with the Law Society of Ontario to represent the Purchaser in connection with the completion of the transaction, and shall authorize such lawyer to enter into an escrow closing agreement with the Vendor's solicitor on the latter's standard form (hereinafter referred to as the "Escrow Document Registration Agreement"), establishing the procedures and timing for completing this transaction. The Purchaser shall reimburse the Vendor as an adjustment on Closing for any additional legal costs that the Vendor may incur to complete this transaction under ERS of $350.00, plus Applicable Taxes.

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(b) the delivery and exchange of documents and monies for the Property and the release thereof to the Vendor and the Purchaser, as the case may be:

(i) shall not occur contemporaneously with the registration of the Transfer/Deed (and other registerable documentation); and

(ii) shall be governed by the Escrow Document Registration Agreement, pursuant to which the solicitor receiving the documents and/or certified funds will be required to hold same in escrow, and will not be entitled to release same except in strict accordance with the provisions of the Escrow Document Registration Agreement;

(c) if the Purchaser's lawyer is unwilling or unable to complete this transaction via ERS, in accordance with the provisions contemplated under the Escrow Document Registration Agreement, then said lawyer (or the authorized agent thereof) shall be obliged to personally attend at the office of the Vendor's solicitor prior to 2:00 p.m. on the scheduled Closing Date or at such time on the scheduled Closing Date as may be directed by the Vendor's solicitor or as mutually agreed upon, in order to complete this transaction via ERS utilizing the computer facilities in the Vendor's solicitor's office;

(d) the Purchaser expressly acknowledges and agrees that the Purchaser will not be entitled to receive the Transfer/Deed to the Property for registration until the balance of funds due on Closing, in accordance with the statement of adjustments, are either remitted by certified cheque via personal delivery (or by wire transfer if agreed to or required by the Vendor's solicitor) to the Vendor's solicitor (or in such other manner as the latter may direct) prior 2:00 p.m. on the scheduled Closing Date and prior to the release of the Transfer/Deed for registration;

(e) the Purchaser covenants and agrees to deliver the balance of funds due on closing to the Vendor in accordance with the foregoing subparagraph (d) together with all other Purchaser's documents not intended for registration on title to the Property prior to 2:00 p.m. on the scheduled Closing Date;

(f) the Purchaser covenants and agrees that it will cause its solicitor to complete, prior to 2:00 p.m. on the scheduled Closing Date, all steps required by the ERS in order to permit the Vendor's solicitor to sign the transfer/deed for completion and release without the cooperation or the participation of the Purchaser's solicitor; and

(g) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the parties hereto that an effective tender shall be deemed to have been validly made by the Vendor upon the Purchaser when the Vendor's solicitor has:

(i) delivered all closing documents and/or funds to the Purchaser's solicitor in accordance with the provisions of the Escrow Document Registration Agreement;

(ii) advised the Purchaser's solicitor, in writing, that the Vendor is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Agreement; and

(iii) has completed all steps required by ERS in order to complete this transaction that can be performed or undertaken by the Vendor's solicitor without the cooperation or participation of the Purchaser's solicitor, and

(iv) without the necessity of personally attending upon the Purchaser or the Purchaser's solicitor with the aforementioned documents and/or funds, and without any requirement to have an independent witness evidencing the foregoing.

35. HEADINGS

The headings to the clauses of this Agreement form no part of the agreement but shall be deemed to be inserted for convenience of reference only.

36. MEANING OF WORDS

In the event there is a conflict between any term(s) in this Agreement, the Vendor shall determine which of the conflicting term(s) prevail(s). In the event that there is a conflict between any provision of this Agreement and the Act, and the Act provides that the provision in the Act prevails, then the provision of the Act shall prevail.

37. APPLICABLE LAW AND JOINT AND SEVERAL LIABILITY

This Agreement of Purchase and Sale shall be governed by the laws of the Province of Ontario. If more than one individual, partnership and/or company comprises the Purchaser, then all of the covenants, obligations and agreements of the Purchaser herein shall be deemed and construed to be the joint and

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several covenants, obligations and agreements of all the individuals, partnerships and companies comprising the Purchaser.

38. PURCHASER INFORMATION, TITLE AND HST REBATE CLAIM

(a) The Purchaser covenants and agrees to provide through its solicitor to the Vendor's solicitor, at least 60 days prior to the Occupancy Date: (i) the full name(s), birth date(s), marital status and social insurance number(s) of all parties comprising the Purchaser and (ii) the address for service to be inserted in the transfer. If the Purchaser does not provide such information, then the Vendor shall be entitled to engross Occupancy, the transfer to the Property and all other documents in the name of the Purchaser as noted on the front page of this Agreement, insert such other details for the Purchaser as may be determined by the Vendor and absolutely no changes shall be permitted to same following the 60th day prior to the Occupancy Date.

(b) The Purchaser covenants and agrees that it shall not, and that it is not permitted, to: (i) direct title or the right of occupancy to any other parties; (ii) add any additional parties to title or the right of occupancy; or (iii) direct or re-direct title to only some of the parties which comprise the Purchaser. The sole purpose of any title direction contemplated herein or in any closing documents shall be for the purposes of confirming the full name(s), date(s) of birth, address for service, social insurance number(s) and such other information as the Vendor may require.

(c) The Purchaser shall provide the name of its solicitor to the Vendor not later than the 30th day following the execution of this Agreement. Failure to provide same shall constitute a default pursuant to the terms of this Agreement. If the Purchaser does not provide the name of its solicitor when required hereunder, changes solicitors, or the Purchaser or its solicitor (i) fail to provide any required information; (ii) change or amend any of the information provided, including title information required for engrossing the Occupancy Agreement or the transfer to the Property as required in this Agreement or in respect of the Rebate; or (iii) provide information to the Vendor or its solicitors that is incorrect or amended for any reason, the Purchaser shall be charged $325.00 plus Applicable Taxes on the Statement of Adjustments.

(d) The Purchaser covenants and agrees to provide through its solicitor to the Vendor's solicitor, at least 60 days prior to the Occupancy Date, all information required by the Vendor with respect to or evidencing the Purchaser's entitlement to the Rebate. Such information shall include, without limitation, (i) confirmation of which of the parties comprising the Purchaser will be occupying the Property if there is more than 1 party comprising the Purchaser; (ii) if there is more than 1 party comprising the Purchaser, the relationship between the parties; (iii) whether any other person(s) will be occupying the Property together with the Purchaser, including their name(s) and date(s) of birth; and (iv) if the person(s) occupying the Property together with the Purchaser are not the spouse or child of the Purchaser, and the Vendor consents to same, copies of valid identification for such persons (such as a driver's license or passport) acceptable to the Vendor in its sole, absolute and unfettered discretion. If the Purchaser does not provide the foregoing information at least 60 days prior to the Occupancy Date, or if the Purchaser provides information upon which the Vendor determines that it will not permit the Purchaser to claim and assign the Rebate to the Vendor (or as the Vendor may otherwise require or direct) as part of this transaction, then the Vendor shall prepare all adjustments and closing documents on the basis that the Purchaser will not be claiming and assigning the Rebate to the Vendor (or as the Vendor may have otherwise required or directed) as part of this transaction and the amount of the Rebate shall be added to the statement of adjustments and paid by the Purchaser on the Closing Date in addition to the Purchase Price. The Purchaser acknowledges, covenants and agrees that no changes to the information required to be provided herein shall be permitted following the day that is 60 days prior to the Occupancy Date. In addition, once the Purchaser has provided the information required to be provided herein and there are any changes to same, such changes to the information shall entitle the Vendor (or such other party designated by the Vendor) to elect not to permit the Purchaser to claim and assign the Rebate to the Vendor (or as the Vendor may have otherwise required or directed) as part of this transaction. If the Purchaser is prohibited from claiming the Rebate and assigning same to the Vendor (or as the Vendor may have otherwise required or directed) as part of this transaction or does not do so for any other reason, or the determination of the Vendor in its sole, absolute and unfettered discretion is that the Purchaser is not entitled to claim the Rebate, then the Purchaser shall retain the option of pursuing the Rebate or any other similar or related rebates directly from the Canada Revenue Agency following the Closing Date.

39. FINANCIAL INFORMATION

The Purchaser represents that the Purchaser is capable of obtaining the financing the Purchaser requires to enable the Purchaser to complete this transaction. The Purchaser hereby consents to the Vendor

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obtaining a consumer report containing credit and/or personal information for the purposes of this transaction. In addition, the Purchaser shall deliver to the Vendor, within ten (10) days of acceptance of this Agreement by the Vendor and thereafter within fourteen (14) days of demand from the Vendor or any agent thereof from time to time, all necessary financial and personal information required by the Vendor in order to evidence the Purchaser's ability to pay the balance of the Purchase Price on the Closing Date, including without limitation, written confirmation of the Purchaser's income and evidence of the source of the payments required to be made by the Purchaser in accordance with this Agreement and a mortgage commitment from one of the Schedule "I" Canadian Chartered banks with respect to this transaction of purchase and sale, all of the foregoing to be satisfactory to the Vendor in its sole, absolute and unfettered discretion. Any failure by the Purchaser to comply with the provisions of this paragraph shall constitute a default by the Purchaser, pursuant to which the Vendor shall have the right to terminate this Agreement and take forfeiture of the Purchaser's deposit in accordance with the provisions of this Agreement. In this regard, the Purchaser acknowledges and agrees that (a) the aforesaid information has been provided with the Purchaser's knowledge and consent that such information may be used by the Vendor, its consultants and its lending institution(s) for the purpose of arranging financing to complete the transaction contemplated by this Agreement and; (b) such information may remain on file by the Vendor for future reference.

40. PERSONAL INFORMATION

(a) The Purchaser hereby: (1) agrees and confirms that the Purchaser has entered this Agreement on the Purchaser's own account and not as a trustee or agent for an undisclosed beneficiary or principal; (2) confirms that the name, address, date of birth, country of residence for tax purposes and taxpayer identification number (e.g., Social Insurance Number, Business Number, Trust Number, or foreign Taxpayer Identification Number) set out on the front page of this Agreement are accurate as of the date of this Agreement and will continue to be accurate during the entire course of this Agreement; (3) covenants and agrees to provide to the Vendor and/or the Vendor's solicitors, agents, consultants and sales representatives (collectively, including the Vendor, the "Vendor Parties"), within five (5) days from request, all information required by the Canada Revenue Agency, any other governmental authority and all applicable laws in order to complete all fillings, returns and/or other documentation required by the Canada Revenue Agency or other governmental authority, including, without limitation, the T3 return and Schedule 15 filing; and (4) agrees to any one or more of the Vendor Parties completing and submitting all filings, returns and/or other documentation with the Purchaser's personal information as required by the Canada Revenue Agency or any other governmental authority, including, without limitation, T3 return and Schedule 15 filing.

(b) Furthermore, the Purchaser hereby: (1) consents to the Vendor Parties collecting and possessing the Purchaser's "personal information" (as such term is defined in the Personal Information Protection and Electronic Documents Act, SC 2000, c.5), including, without limitation, the information set out in Section 40(a) hereinabove and all other information required by the Vendor Parties, the Canada Revenue Agency and/or any other governmental authority from the Purchaser, (2) confirms that the aforesaid personal information has been provided to the Vendor Parties with the Purchaser's knowledge and consent; and (3) agrees to the Vendor Parties using, releasing, disclosing and/or retaining on file the Purchaser's personal information, including, without limitation, to: (i) a company or organization affiliated, associated or related to the Vendor, in order to provide the Purchaser with information relating to this project and other projects of such entities; (ii) any provider of utilities, services and/or commodities to the Dwelling (including, without limitation, gas, electricity, water, telephone, internet and other communication services, cable, heating, cooling, satellite t.v., appliances and/or property tax assessments) for the purpose of marketing, promoting and providing such utilities, services and/or commodities to the Dwelling; (iii) the Vendor's consultants and lending institution(s) for the purpose of arranging financing to complete the transaction contemplated by this Agreement; (iv) the Vendor's sales agents and representatives for the purpose of using same for promotional and marketing purposes; (v) any trades/suppliers and/or sub-trades/suppliers, if retained by or on behalf of the Vendor (or are otherwise dealing with the Vendor), to facilitate the installation of and/or supply of finishings to the Dwelling; and (vi) the Canada Revenue Agency and all other governmental authorities as may be required by all applicable laws, statutes, regulations, bylaws, ordinances, orders, and the like.

(c) The Purchaser consents to the Vendor Parties retaining the Purchaser's personal information through any type of files, servers and/or systems, including, without limitation, cloud-based servers and/or systems provided by third parties, and/or hardware data retention systems. The Vendor Parties do not represent or guarantee that its files, its servers and/or its systems, its hardware data retention systems and/or any cloud-based servers and/or software provided by third parties will be free from loss, corruption, attack, viruses, interference, hacking or other security intrusion and the Purchaser's name and personal information may be subject to such security intrusions and/or unauthorized disclosure. The Purchaser hereby irrevocably releases and forever discharges the Vendor Parties from all losses, actions, claims, demands, proceedings and all other matters relating

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to the such security intrusions and unauthorized disclosure and same may be pleaded as an estoppel or bar to any action, claim, demand or proceeding by the Purchaser in this regard. The Vendor Parties may rely on this release notwithstanding that the Vendor Parties, other than the Vendor, are not parties to this Agreement.

41. ELECTRONIC COMMUNICATIONS

The federal government has enacted legislation that requires the Vendor to obtain the Purchaser's consent to send the Purchaser electronic communications, which may include correspondence, requests, announcements, update or other information that may be of interest to the Purchaser.

By signing this Agreement the Purchaser agrees to receive electronic communications from the Vendor, as well as from its affiliated corporations and/or related entities. In addition, the Purchaser consents to receiving electronic commercial messages from the Vendor's trades, businesses , bodies or agencies which shall include but not be limited to (i) financial institutions or private lenders; (ii) insurance companies; (iii) any of the Vendor's trades or suppliers or any sub-trades and sub-suppliers; and (iv) providers of telephone, television, telecommunications, security, appliances and utility services.

The Purchaser can withdraw consent to receiving electronic communications, other than those directly pertaining to this Agreement, at any time by contacting sales@aristahomes.com.

42. ADVERTISING AND PROMOTIONAL MATERIALS

The Purchaser acknowledges and agrees that the Vendor shall have the right to use drawings, photographs, videos or other depictions of the interior and/or exterior of the Dwelling and/or the Project or any components or features thereof in any promotional or advertising materials without notice to or consent from the Purchaser being required in any manner whatsoever.

43. ENTIRE AGREEMENT

This Agreement and all schedules referred to in this Agreement constitute the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject-matter of this Agreement and supersedes all prior or contemporaneous understandings or agreements or usage or course of dealings of the parties. Oral representations or warranties by the Vendor or its officers, directors, sales personnel, employees or agents prior to or at the time of entering into this Agreement or at any time thereafter shall not form part of nor shall they amend this Agreement. There is no oral and/or written representation, warranty, collateral agreement or condition affecting this Agreement or the Property, or supported hereby, except as set forth herein in writing. No reliance is placed by the Purchaser on any oral or written representations, opinions, advice or assertions of fact made by the Vendor or its officers, directors, sales personnel, employees or agents prior to or at the time of entering into this Agreement or at any time thereafter except as set forth herein in writing. Accordingly, there shall be no liability either in tort or contract, assessed in relation to such warranty, representation, opinion advice or assertion of fact except to the extent aforesaid. The Purchaser has not been induced to enter into this Agreement by, nor is the Purchaser relying on, any representation, understanding, agreement, commitment or warranty outside those expressly set forth in this Agreement. The Purchaser acknowledges that the new home industry is multi-faceted and complex and that while sales personnel, agents, construction staff and/or head office staff may be knowledgeable about most issues regarding the purchase and construction of a new home, they cannot be expected to know all aspects in detail. The Purchaser is encouraged to have this Agreement reviewed by the Purchaser's solicitor prior to signing same. The Purchaser acknowledges having read all paragraphs and schedules of this Agreement.

44. IRREVOCABLE

This Offer is irrevocable by the Purchaser until one minute before midnight on the Irrevocable Date hereinbefore set out, after which time if not accepted, this Agreement shall be void and the deposit monies returned to the Purchaser, without interest. On the Occupancy Date, vacant possession of the Dwelling is to be given to the Purchaser.

45. ONE PURCHASER BINDS ALL PURCHASERS

In the event that more than one party comprises the Purchaser herein, the obligations of such parties under this Agreement shall be joint and several, and in the event that any one of the parties comprising the Purchaser executes any agreement, amendments, extension agreement, notice, colour or materials or upgrades selections charts or order forms or any other agreement, notice, acknowledgment or matter in respect of this Agreement or the Property, all of the parties comprising the Purchaser shall be bound by the document executed by the one party on behalf of the others and each such party hereby grants a Power of Attorney to the other or others for any such purpose. The Vendor may, but shall not be required, to obtain the signatures or execution of all parties comprising the Purchaser to any other documents as aforesaid.

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46. RIGHT OF SURVIVORSHIP

Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed that if the Purchaser comprises more than one individual, then all individuals comprising the Purchaser shall be deemed and construed to have acquired the Property on joint account with right of survivorship, and accordingly should any of the individuals comprising of the Purchaser die before Closing and the completion of this Agreement, then the Vendor is hereby irrevocably authorized and directed to engross the Transfer/Deed in the name of the surviving individual(s) comprising the Purchaser, without requiring probate of the deceased individual's last will and testament (and regardless of the provisions of any last will and testament of the deceased individual comprising the Purchaser and/or any rules applicable on the Purchaser's intestacy), provided however that the surviving individual(s) comprising the Purchaser shall nevertheless be obliged to deliver to the Vendor's solicitor a notarial copy of the death certificate, or the funeral director's certificate, or other satisfactory proof of death of the deceased individual comprising the Purchaser, and shall also be obliged to execute and deliver, on or before Closing, the Vendor's standard form of indemnity pursuant to which the surviving individual(s) comprising the Purchaser shall jointly and severally indemnify and save the Vendor and its solicitors harmless from and against all costs, claims, damages and/or liabilities which either or both of them may suffer or incur as a result of transferring title to the Property to the surviving individual(s) exclusively (including any claims from any children, relatives or other heirs of the deceased individual comprising the Purchaser, or from any beneficiaries of the estate of the deceased individual comprising the Purchaser).

47. RETURN OF DEPOSITS AND REPLACEMENT CHEQUES

If the deposits paid hereunder are returned to the Purchaser due to the termination of this Agreement, the Purchaser acknowledges and agrees that the deposits shall be returned by cheque payable to the Purchaser and not payable to the payor(s) of any deposits if said payor(s) are different than the Purchaser. If the Purchaser is comprised of more than one entity or person, the Purchaser acknowledges and agrees that the aforementioned deposits shall be made payable to all entities and persons that comprise the Purchaser, as payees. The Purchaser acknowledges and agrees that said deposits shall be delivered to the Purchaser at the Purchaser's address in accordance with the Section entitled "Notice", above. The Purchaser acknowledges and agrees that any deposit cheques which have been delivered to the Vendor with respect to the deposits and which have not yet been negotiated by the Vendor on the date of termination shall, at the sole option of the Vendor, either be destroyed by the Vendor and not be returned to the Purchaser or the Purchaser's solicitor, or be returned by the Vendor to the Purchaser or its solicitor. Furthermore, the Purchaser agrees to, and to cause its solicitors to, forthwith and without charge, provide replacement cheque(s) for any cheque(s) that the Purchaser and/or its solicitors has(have) provided to the Vendor or the Vendor's solicitors which have been inadvertently misplaced and which have not yet been negotiated by the Vendor or the Vendor's solicitors.

48. AGENCY

The Purchaser hereby consents to and authorizes the Vendor to act as the Purchaser's agent in the payment of the following amounts applicable to or on the Property and related to the time following the Closing Date (the "**Payments**"): (a) common expenses, (b) an amount deposited to the reserve fund of the Condominium Corporation, and (c) realty taxes. The Purchaser approves of the Payments to be made by the Vendor to third parties to whom such Payments are payable and owed. As the Payments are to be made by the Vendor on the Purchaser's behalf, the Purchaser confirms that the Purchaser shall reimburse the Vendor with an amount equal to such Payments as part of the balance due on the Closing Date. This section may be relied upon by the Vendor and/or the H.S.T. registrant and may be disclosed to the Canada Revenue Agency (the "CRA") in connection with any matters raised by the CRA in respect of the Vendor and/or the H.S.T. registrant's H.S.T. account. This section shall enure to the benefit of the Vendor, H.S.T. registrant and the Vendor's solicitor and their respective successors and assigns.

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SCHEDULE "CEC"

COMMON ELEMENT CORPORATION PROVISIONS

1. The meaning of words and phrases used in this Schedule shall have the meaning ascribed to them in the Condominium Act, 1998, the regulations thereunder and any amendments thereto (the "Act") and other terms used herein shall have ascribed to them the definitions in the Condominium Documents unless otherwise provided for as follows:

(a) "Agreement" shall mean the agreement of purchase and sale to which this Schedule is attached including all other Schedules attached hereto and made a part hereof;

(b) "Condominium Documents" shall mean the Creating Documents (as hereinafter defined), the by-laws and rules of the Condominium Corporation, the disclosure statement and budget statement, as may be amended from time to time;

(c) "Condominium Corporation" shall mean the Common Elements Condominium Corporation created upon registration by the Vendor of the Creating Documents;

(d) "Creating Documents" means the declaration and description (as such terms are defined in the Act), which are intended to be registered against title to the lands comprising the Condominium Corporation and which will serve to create the Condominium Corporation, as may be amended from time to time;

(e) "Property" means the property being purchased by the Purchaser pursuant to the Agreement and defined as the Property therein.

2. The Purchaser acknowledges and agrees that attached to the Property is an undivided common interest in the Condominium Corporation and that the portion of the purchase price attributable to such common interest is $2.00, with the balance of the purchase price being attributable to the freehold land that is the subject of this Agreement and that is referred to as a "Potl" in the Creating Documents..

3. The Purchaser agrees to accept title to the Property subject to the Condominium Documents or any notice thereof pursuant to the Act notwithstanding that same may be amended or varied from the proposed Condominium Documents provided to the Purchaser and acknowledges that upon receipt of a Transfer/Deed of Land to the Property, the common interest in the Condominium Corporation cannot be severed from the Property upon any subsequent sale of the Property.

4. The Vendor's proportionate amount of the common expenses attributable to the Property shall be apportioned and allowed to the Closing Date.

5. The Purchaser acknowledges that the Condominium Corporation and the purchase of a common interest in the Condominium Corporation is not warranted by the Ontario New Home Warranties Plan Act.

6. The Purchaser acknowledges that the common elements on the registration of the Creating Documents will be constructed to standards and/or the requirements of the Municipality. The Purchaser covenants and agrees that the Purchaser shall have no claims against the Vendor for any higher or better standards of workmanship or materials. The Purchaser agrees that the foregoing may be pleaded by the Vendor as an estoppel in any action brought by the Purchaser or the Purchaser's successors in title against the Vendor. The Vendor may, from time to time, change, vary or modify in its sole, absolute and unfettered discretion or at the instance of any governmental authority or mortgagee, any part of the common element(s) condominium to conform with any municipal requirements related to official plan or official plan amendments, zoning by-laws, committee of adjustment and/or land division committee decisions, or municipal site plan approval. Such changes may be to the plans and specifications existing at inception of the Condominium Corporation or as they existed at the time the Purchaser entered into this Agreement, or as illustrated on any sales brochures or otherwise. The Purchaser shall have no claim against the Vendor for any such changes, variances or modifications nor shall the Vendor be required to give notice thereof. The Purchaser hereby consents to any such changes, variances, modifications or alterations and agrees to complete the sale notwithstanding any of the same.

7. The Purchaser shall pay as an adjustment on Closing a charge of $100.00 plus Applicable Taxes with respect to the provision of a status certificate.

8. The Purchaser covenants and agrees to deliver to the Vendor, if so requested on Closing, either a series of twelve (12) post-dated cheques or a pre-authorized form, both in amounts estimated to be payable to the Condominium Corporation for payments due on account of common expenses for the ensuing 12 month period following Closing. The Purchaser shall also pay an amount equal to the common expenses of the Condominium Corporation payable by the Property for a period of 2 months, which sum shall be payable directly to the Condominium Corporation by way of a certified cheque on Closing to become part of the reserve fund and which shall be in addition to any common expenses otherwise payable to the Condominium Corporation.

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SCHEDULE "ACK"

ACKNOWLEDGEMENT OF RECEIPT OF DISCLOSURE MATERIALS

AND CONDOMINIUM GUIDE

THE UNDERSIGNED PURCHASER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THE FOLLOWING DOCUMENTS:

(a) copy of the Agreement of Purchase and Sale executed by the Vendor and the Purchaser;

(b) copy of the Current Disclosure Statement in accordance with the requirements of Section 72 of the Condominium Act, 1998 (herein referred to as the "Disclosure Documents"); and

(c) copy of the current Ontario's Residential Condominium Buyers' Guide (the "Condo Guide").

The Purchaser hereby acknowledges and agrees that the above noted documents may be delivered on USB, CD-Rom, any other electronic media or in hard copy/paper format and hereby acknowledges receipt of such documents as of the date hereof. The Purchaser further acknowledges and agrees that if the Purchaser and/or the Vendor execute the Agreement of Purchase and Sale (including all schedules and other documents that form part of the Agreement of Purchase and Sale, including, without limitation, the Tarion Addendum and Statement of Critical Dates, and any amendments to the Agreement of Purchase and Sale) and/or any forms and/or documents in relation to the transaction contemplated herein using an electronic signature, such execution shall be effective as delivery of an original signature.

The Purchaser hereby acknowledges and agrees that the Condo Guide being provided by the Vendor is only current as of the date hereof. The contents of the Condo Guide may be amended by the Condominium Authority of Ontario and/or the Minister (as defined in the Act) from time to time. The Purchaser acknowledges and agrees that the Purchaser will keep himself/herself/itself apprised of any and all amendments to the Condo Guide and that the Vendor will not be responsible for providing the Purchaser with and/or notifying the Purchaser of any amendments to the Condo Guide. Furthermore, the Purchaser undertakes to review the Condominium Authority of Ontario's website (currently https://www.condoauthorityontario.ca/) and Tarion's website (currently https://www.tarion.com/) from time to time to keep himself/herself/itself apprised of any and all amendments to the Condo Guide and any and all information from Condominium Authority of Ontario and Tarion that may pertain to this transaction.

DATED this _____ day of _____, 20____.

Witness: _____ Purchaser (Signature): _____

Purchaser (Printed): _____

Witness: _____ Purchaser (Signature): _____

Purchaser (Printed): _____

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SCHEDULE "W"

WARNING CLAUSES AND NOTICE PROVISIONS

The following warning clauses and notifications **shall be** included in **ALL** offers of purchase and sale for all lots and/or Blocks/Units, some of which may also be registered on title. The following Warning Clauses are preliminary conditions set forth by the Subdivider and are **subject to change as a result of final Municipal Approval**. The Purchaser(s) acknowledges and accepts all possible future changes and recognizes they may be required to sign and initial a revised set of Warning Clauses at a future time(s) as set forth by the Vendor which they hereby agree to provide forthwith following a request by the Vendor to do so.

This set of Warning Clauses supersedes any previous versions and is based on the warning clauses contained within the Subdivision Agreement

The Purchaser shall execute any and all acknowledgments and releases required by the relevant governmental authorities in accordance with the provisions of this Agreement.

The Purchaser is hereby notified of the following warning and notice clauses:

(a) Purchasers are advised that the woodlot within Block 161, Plan 65M-3348, currently known as Vellore Tract Woodlot, is not owned by the Vendor and/or its affiliated or related company and therefore the Vendor has no control over such parcel of land, including whether or not such parcel of land will be developed. The Vendor makes no representation and/or warranty as to the current and/or future use of Block 161, Plan 65M-3348.

(b) Purchasers are advised that the Property owner is required to maintain such owner's front, side and/or back yards and any fencing and/or retaining wall within the Property in accordance with the City of Vaughan's by-laws for yard and/or property maintenance, or otherwise in accordance with standards set by the Condominium Corporation from time to time. In the event that the Condominium Corporation has given such owner notice that the yard(s), fencing and/or retaining wall have not been maintained to such standard and such owner does not correct same forthwith, the Condominium Corporation may enter into such Property and complete such maintenance. All expenses incurred by the Condominium Corporation shall be paid by such owner on demand and failing payment, shall form a charge against the Property and in addition, may be collected in the same manner as common expenses.

(c) The following provisions are required by the City of Vaughan:

(i) "Purchasers and/or tenants are advised that the planting of trees on City boulevards in front of residential units is a requirement of the City and a conceptual location Plan is included in the subdivision agreement. While every attempt will be made to plant trees as shown, the City reserves the right to relocate or delete any boulevard tree without further notice.

The City has not imposed an amount of a 'Tree Fee' or any other fee which may be charged as a condition of purchase for the planting of trees. Any 'Tree Fee' paid by the purchasers for boulevard trees does not guarantee that a tree will be planted on the boulevard in front or on the side of a residential dwelling."

(ii) "Purchasers and/or tenants are advised that proper grading of all lots in conformity with the Subdivision Grading Plans is a requirement of this Subdivision Agreement.

The City has taken a Letter of Credit from the Owner (Subdivision Developer) for the security to ensure all municipal services including, but not limited to lot grading, are constructed to the satisfaction of the City. Direct cash deposit from the Purchasers to the City and/or Owner, for lot grading purposes, is NOT a requirement of this Subdivision Agreement. The City of Vaughan does not control the return of such deposits and purchasers/tenants must direct inquiries regarding this return to their vendor/landlord."

(iii) "Purchasers and/or tenants are hereby put on notice that the Telecommunications Act and the CRTC authorize telephone and telecommunication facilities and services to be provided by telecommunication carriers other than traditional carriers for such services and that purchasers and tenants are advised to satisfy themselves that such carriers servicing the lands provide sufficient service and facilities to meet their needs."

(iv) "Purchasers and/or tenants are advised that driveway widths and curb cut widths are governed by City of Vaughan By-law 1-88, as amended, as follows:

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i) The maximum width of a driveway shall be 6 metres measured at the street curb, provided circular driveways shall have a maximum combined width of 9 metres measured at the street curb.

ii) Driveway in either front or exterior side yards shall be constructed in accordance with the following requirements:

Lot Frontage	Maximum Width of Driveway
6.0 – 6.99 m[1]	3.5 m
7.0 – 8.99 m	3.75 m
9.0 – 11.99 m	6.0 m
12.0 m and greater[2]	9.0 m

[1] The Lot Frontage for Lots between 6 – 11.99 m shall be comprised of a Minimum of 33% Landscaped Front or Exterior side yard and a minimum sixty percent (60%) of the Minimum Landscaped Front or Exterior side yard shall be soft landscaping in accordance with Paragraph 4.1.2 of Zoning By-law 1-88.

[2] The Lot Frontage for Lots 12 m and greater shall be comprised of a Minimum of 50% Landscaped Front or Exterior side yard and a minimum sixty percent (60%) of the Minimum Landscaped Front or Exterior side yard shall be soft landscaping in accordance with Paragraph 4.1.2 of Zoning By-law 1-88."

(v) "Purchasers and/or tenants are advised that mail delivery will be from a designated community mailbox as per requirements dictated by Canada Post. The location of the mailbox shall be shown on the community plan provided by the Owner in its Sales Office."

(vi) "Purchasers and/or tenants are advised that despite the inclusion of noise control features within both the development area and the individual building units, noise levels, including from construction activities, may be of concern and occasionally interfere with some activities of the building occupants."

(vii) "Purchasers and/or tenants are advised that fencing and/or noise attenuation features along the lot lines of lots and blocks abutting public lands, including public highway, laneway, walkway or other similar public space, is a requirement of this Subdivision Agreement and that all required fencing and barriers shall be constructed with all fencing materials, including foundations, completely on private lands and totally clear of any 0.3 m reserve, as shown on the Construction Drawings."

(viii) "The City has taken a Letter of Credit from the Owner for security to ensure all fencing including, but not limited to privacy fencing, chain link fencing and acoustic fencing, are constructed to the satisfaction of the City. Direct cash deposit from the Purchasers to the City and/or Owner, for fencing, is not a requirement of this Subdivision Agreement."

(ix) "Purchasers and/or tenants are advised that fencing along the lot lines of Lots and Blocks abutting public lands is a requirement of this Subdivision Agreement and that all required fencing, noise attenuation features and barriers shall be constructed with all fencing materials, including foundations, completely on private lands and totally clear of any 0.3 m reserve, as shown on the Construction Drawings.

The City has taken a Letter of Credit from the Owner (Subdivision Developer) for the security to ensure all fencing including, but not limited to privacy fencing, chain link fencing and acoustic fencing, are constructed to the satisfaction of the City. Direct cash deposit from the Purchasers to the City and/or Owner, for fencing, is NOT a requirement of this Subdivision Agreement.

The maintenance of the noise attenuation feature or fencing shall not be the responsibility of the City or the Region of York, and shall be maintained by the Owner until assumption of the services of the Plan. Thereafter the maintenance of the noise attenuation features or fencing shall be the sole responsibility of the lot owner. Landscaping provided on Regional Road right-of-ways by the Owner or the City for aesthetic purposes shall be approved by the Region and maintained by the City with the exception of the usual grass maintenance."

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(x) "Purchasers and/or tenants are advised that this Plan is designed to include rear lot catchbasins. The rear lot catchbasin is designed to receive and carry only clean stormwater. It is the homeowner's responsibility to maintain the rear lot catchbasin in proper working condition by ensuring that the grate is kept clear of ice, leaves and other debris that would prevent stormwater from entering the catchbasin. The rear lot catchbasins are shown on the Construction Drawings and the location is subject to change without notice."

(xi) "Purchasers and/or tenants are advised that the Owner (Subdivision Developer) has made a contribution towards recycling containers for each residential unit as a requirement of this Subdivision Agreement. The City has taken this contribution from the Owner to off-set the cost for the recycling containers, therefore, direct cash deposit from the Purchasers to the Owner for recycling containers purposes is not a requirement of the City of Vaughan. The intent of this initiative is to encourage the home Purchasers to participate in the City's waste diversion programs and obtain their recycling containers from the Joint Operation Centre (JOC), 2800 Rutherford Road, Vaughan, Ontario, L4K 2N9, (905) 832-8562; the JOC is located on the north side of Rutherford Road just west of Melville Avenue."

(xii) "Purchasers and/or tenants are advised that the multi-use recreational trail system is an integral and necessary part of the City's recreation and transportation system as identified in the 2020 Pedestrian and Bicycle Master Plan including access to the open space and park system for utilitarian purposes. The trails adjacent to the residential lots shall have a minimum of 10m setback from the rear lot lines or side yard boundaries and will be constructed at no cost to the City to the City's standards for multi-use recreational trails. The trails system shall also include appropriate signage to warn the users of the risks per City of Vaughan Trails systems guidelines."

(xiii) "For all units adjacent to the municipal park (Comdel Park) and/or walkway:

(A) "Purchasers and/or tenants are advised that there is an adjacent neighborhood park (Comdel Park) and that lighting and noise should be expected from the use of the park for recreation purposes and active use of adjacent outdoor facilities."

(B) "Purchasers and/or tenants are advised that any encroachments and/or dumping from the lot to the park, are prohibited"

(C) "Purchasers and/or tenants are advised that the lot abuts a municipal park (Comdel Park), which may be subject to future redevelopment opportunities where additional/renewed recreational activities may be provided resulting in the potential for noise and/or lighting."

(D) "Purchasers and/or tenants are advised that the lot abuts a publicly accessible pedestrian walkway, and the walkway may be subject to future redevelopment and maintenance that may result in increased usage, lighting and/or noise."

(xiv) "Purchasers are advised that despite the inclusion of noise attenuation features within the development area and within the individual building units, noise levels will continue to increase, occasionally interfering with some activities of the building's occupants."

(xv) For all lots/units abutting and adjacent to the municipal park (Comdel Park):

(A) "Purchasers and/or tenants are advised that there is an adjacent neighborhood park (Comdel Park) and that lighting and noise should be expected from the use of the park for recreation purposes and active use of adjacent outdoor facilities."

(B) "Purchasers and/or tenants are advised that any encroachments and/or dumping from the lot to the park, are prohibited."

(C) "The park may be subject to future redevelopment opportunities where additional/renewed recreational activities may be provided resulting in the potential for noise and/or lighting."

(D) "Purchasers and/or tenants are advised that the lot abuts a municipal park, and the park may be subject to future redevelopment resulting in additional/revised and/or renewed recreational opportunities that may result in increased usage, lighting and/or noise."

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(xvi) "Purchasers and/or tenants are advised that proper grading of all lots in conformity with the Subdivision Grading Plans is a requirement of the subdivision agreement. The City has taken a Letter of Credit from the Owner (9465 Weston Limited.) for the security to ensure all municipal services including, but not limited to lot grading, are constructed to the satisfaction of the City. Direct cash deposit from the Purchasers to the City and/or Owner, for lot grading purposes, is NOT a requirement of the subdivision agreement. The City of Vaughan does not control the return of such deposits and purchasers/tenants must direct inquiries regarding this return to their vendor/landlord."

(xvii) "Purchasers and/or tenants are hereby put on notice that the Telecommunications Act and the CRTC and Innovation, Science and Economic Development Canada (ISEDC) authorize telephone and telecommunication facilities and services to be provided by telecommunication carriers other than traditional carriers for such services and that purchasers and tenants are advised to satisfy themselves that such carriers servicing the lands provide sufficient service and facilities to meet their needs."

(xviii) "Purchasers and/or tenants are advised that the Owner (9465 Weston Limited) has made a contribution towards recycling containers for each residential unit as a requirement of the subdivision agreement. The City has taken this contribution from the Owner to off-set the cost for the recycling containers, therefore, direct cash deposit from the Purchasers and/or tenants to the Owner for recycling containers purposes is NOT a requirement of the City of Vaughan. The intent of this initiative is to encourage the home Purchasers to participate in the City's waste diversion programs and obtain their recycling containers from the Joint Operation Centre (JOC), 2800 Rutherford Road, Vaughan, Ontario, L4K 2N9, (905) 832-8562; the JOC is located on the north side of Rutherford Road just west of Melville Avenue."

(xix) "Purchasers and/or tenants are advised that this plan of subdivision is designed to include rear lot catchbasins. The rear lot catchbasin is designed to receive and carry only clean stormwater. It is the homeowner's responsibility to maintain the rear lot catchbasin in proper working condition by ensuring that the grate is kept clear of ice, leaves and other debris that would prevent stormwater from entering the catchbasin. The rear lot catchbasins are shown on the Construction Drawings and the location is subject to change without notice."

(xx) "Purchasers and/or tenants are advised that air conditioner units are to be located on the lot in compliance with the provisions of the City of Vaughan By-Law 1-88."

(xxi) For all lots/units within the development that may abut a public highway, laneway, walkway, park, open space or similar public space:

"Purchasers and/or tenants are advised that fencing and/or noise attenuation features along the lot lines of Lots and Blocks abutting public lands, including public highways, walkways or other similar public spaces is a requirement of the subdivision agreement and that all required fencing, noise attenuation feature and barriers shall be constructed with all fencing materials, including foundations, completely on private lands and totally clear of any 0.3 metre reserve, as shown on the Construction Drawings.

The City has taken a Letter of Credit from the Owner (9465 Weston Limited.) for the security to ensure all fencing including, but not limited to privacy fencing, chain link fencing and acoustic fencing, are constructed to the satisfaction of the City. Direct cash deposit from the Purchasers to the City and/or Owner, for fencing, is NOT a requirement of the subdivision agreement.

The maintenance of the noise attenuation feature or fencing shall not be the responsibility of the City, or the Region of York and shall be maintained by the Owner until assumption of the services of the Plan. Thereafter the maintenance of the noise attenuation feature or fencing shall be the sole responsibility of the lot owner. Landscaping provided on Regional Road right-of-ways by the Owner or the City for aesthetic purposes shall be approved by the Region and maintained by the City with the exception of the usual grass maintenance."

(xxii) For all Potls within Block 1 of the development:

"Purchasers and/or tenants are advised that despite the inclusion of noise control features in the development and within the building units, sound levels due to increasing road traffic may on occasions interfere with some activities of the dwelling occupants as the sound levels exceed the Municipality's and the Ministry of Environment, Conservations, and Parks noise criteria."

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(xxiii) For all Potls within Blocks 2, 3 & 17 of the development:

"Purchasers and/or tenants are advised that sound levels due to increasing road traffic may occasionally interfere with some activities of the dwelling unit occupants as the sound levels exceed the Municipality's and the Ministry of the Environment, Conservation and Parks' noise criteria."

(xxiv) For all Potls within Blocks 2 & 3 of the development:

"This dwelling unit has been fitted with a forced air heating system and the ducting etc., was sized to accommodate central air conditioning. Installation of central air conditioning will allow windows and exterior doors to remain closed, thereby ensuring that the indoor sound levels are within the Municipality's and the Ministry of the Environment, Conservation and Parks' noise criteria. (Note: The location and installation of the outdoor air conditioning device should be done so as to minimize the noise impacts and comply with criteria of MECP publication NPC-300.)."

(xxv) For all Potls within Blocks 1 & 17 of the development:

"This dwelling unit has been supplied 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 sound level limits of the Municipality and the Ministry of the Environment."

(xxvi) For all Potls within Blocks 1, 2, 3 & 17 of the development:

"Purchasers are advised of the proximity of adjacent commercial facilities, the sound from which may at times be audible."

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SCHEDULE "N-C"
NON-CANADIAN PURCHASERS

Purchaser:_____ Property: _____

Vendor: _____

(a) The Purchaser hereby covenants, warrants and represents to the Vendor that: the Purchaser has executed this Agreement of Purchase and Sale (and this Schedule) entirely voluntarily; the Purchaser has no obligation to execute this Agreement of Purchase and Sale (including this Schedule); the Purchaser has had the opportunity to obtain legal advice prior to executing this Agreement of Purchase and Sale (including this Schedule).

(b) The Purchaser hereby covenants, warrants and represents to the Vendor that it is aware of, and understands, the provisions contained in the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* and all regulations thereto (*Prohibition on the Purchase of Residential Property by Non-Canadians Act* and all regulations thereto, as may be amended from time to time, are herein collectively referred to as the "**PRPNC Act**").

(c) The Purchaser covenants, warrants and represents to the Vendor that the Purchaser is not a non-Canadian as defined by the PRPNC Act, or if the Purchaser is a non-Canadian, that the Purchaser qualifies for an exception as set out in the PRPNC Act (an "**Exception**") from the prohibition as set out in the PRPNC Act (the "**Prohibition**").

(d) If, on or before the Closing Date, the Purchaser is a Non-Canadian (and does not qualify for an Exception from the Prohibition), same shall constitute a breach under this Agreement of Purchase and Sale which shall, at the Vendor's sole option, entitle the Vendor to terminate this Agreement and retain the deposit monies and all other monies paid pursuant to this Agreement of Purchase and Sale as liquidated damages and not as penalty in addition to and without prejudice to any other remedy available to the Vendor arising out of such default and the Purchaser shall have no further right to or interest in the Property.

(e) The Purchaser hereby indemnifies and saves harmless the Vendor and all corporations and partnerships related, affiliated or associated therewith, and their respective directors, officers, partners, employees and agents, and their legal personal representatives, successors or assigns of each, from and against all loss, liability, claims, demands, damages, costs and expenses which may be made or brought against any of them, or which they may sustain by reason of the Purchaser being a non-Canadian or not qualifying for an Exception from the Prohibition in accordance with the PRPNC Act or the Purchaser's breach of the terms hereof.

(f) The Purchaser shall within ten (10) days of request by the Vendor provide such written evidence and confirmation as required by the Vendor from time to time that the Purchaser is not a non-Canadian or that the Purchaser qualifies for an Exception to the Prohibition in accordance with the PRPNC Act.

(g) On the Closing Date, the Purchaser shall cause the Purchaser's solicitor to deliver to the Vendor's solicitor such documentation as the Vendor may request to confirm that the covenants, warranties and representations contained herein were true and accurate as at the date the Purchaser executed this Agreement of Purchase and Sale (and this Schedule) and continued to be true and accurate up to and including the Closing Date.

DATED this day of , 202__.

_____ _____
Witness: Signature of Purchaser

_____ _____
Witness: Signature of Purchaser

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Property _____

Statement of Critical Dates

Delayed Occupancy Warranty

This Statement of Critical Dates forms part of the Addendum to which it is attached, which in turn forms part of the agreement of purchase and sale between the Vendor and the Purchaser relating to the Property. **The Vendor must complete all blanks set out below. Both the Vendor and Purchaser must sign this page.**
NOTE TO HOME BUYERS: ***Home buyers are encouraged to refer to the Home Construction Regulatory Authority's website www.hcraontario.ca to confirm a vendor's licence status prior to purchase as well as to review advice about buying a new home. Please visit Tarion's website: www.tarion.com for important information about all of Tarion's warranties including the Delayed Occupancy Warranty, the Pre-Delivery Inspection and other matters of interest to new home buyers. The Warranty Information Sheet, which accompanies your purchase agreement and has important information, is strongly recommended as essential reading for all home buyers. The website features a calculator which will assist you in confirming the various Critical Dates related to the occupancy of your home.***

VENDOR Arista Homes (Vellore Trails) Inc.
Full Name(s)

PURCHASER _____
Full Name(s)

1. Critical Dates

The **First Tentative Occupancy Date**, which is the date that the Vendor anticipates the home will be completed and ready to move in, is:

A **Second Tentative Occupancy Date** can subsequently be set by the Vendor by giving proper written notice at least 90 days before the First Tentative Occupancy Date. The Second Tentative Occupancy Date can be up to 120 days after the First Tentative Occupancy Date, and so could be as late as:

The Vendor must set a **Firm Occupancy Date** by giving proper written notice at least 90 days before the Second Tentative Occupancy Date. The Firm Occupancy Date can be up to 120 days after the Second Tentative Occupancy Date, and so could be as late as:

If the Vendor cannot provide Occupancy by the Firm Occupancy Date, then the Purchaser is entitled to delayed occupancy compensation (see section 7 of the Addendum) and the Vendor must set a Delayed Occupancy Date.

The Vendor can set a Delayed Occupancy Date that is up to 365 days after the earlier of the Second Tentative Occupancy Date and the Firm Occupancy Date: This **Outside Occupancy Date** could be as late as:

2. Notice Period for an Occupancy Delay

Changing an Occupancy date requires proper written notice. The Vendor, without the Purchaser's consent, may delay Occupancy twice by up to 120 days each time by setting a Second Tentative Occupancy Date and then a Firm Occupancy Date in accordance with section 1 of the Addendum and no later than the Outside Occupancy Date.
Notice of a delay beyond the First Tentative Occupancy Date must be given no later than:
(i.e., at least **90 days** before the First Tentative Occupancy Date), or else the First Tentative Occupancy Date automatically becomes the Firm Occupancy Date.
Notice of a second delay in Occupancy must be given no later than:
(i.e., at least **90 days** before the Second Tentative Occupancy Date), or else the Second Tentative Occupancy Date becomes the Firm Occupancy Date.

3. Purchaser's Termination Period

If the home is not complete by the Outside Occupancy Date, then the Purchaser can terminate the transaction during a period of **30 days** thereafter (the **"Purchaser's Termination Period"**), which period, unless extended by mutual agreement, will end on:

If the Purchaser terminates the transaction during the Purchaser's Termination Period, then the Purchaser is entitled to delayed occupancy compensation and to a full refund of all monies paid plus interest (*see sections 7, 11 and 12 of the Addendum*).

Note: ***Any time a Critical Date is set or changed as permitted in the Addendum, other Critical Dates may change as well. At any given time the parties must refer to: the most recent revised Statement of Critical Dates; or agreement or written notice that sets a Critical Date, and calculate revised Critical Dates using the formulas contained in the Addendum. Critical Dates can also change if there are unavoidable delays (see section 5 of the Addendum).***

Acknowledged this ____ day of _____, 20____.

VENDOR: _____ PURCHASER: _____

_____ _____

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Addendum to Agreement of Purchase and Sale
Delayed Occupancy Warranty

This addendum, including the accompanying Statement of Critical Dates (the "**Addendum**"), forms part of the agreement of purchase and sale (the "**Purchase Agreement**") between the Vendor and the Purchaser relating to the Property. This Addendum is to be used for a transaction where the home is freehold but also involves an interest in a common elements condominium corporation. This Addendum contains important provisions that are part of the delayed occupancy warranty provided by the Vendor in accordance with the *Ontario New Home Warranties Plan Act* (the "ONHWP Act"). If there are any differences between the provisions in the Addendum and the Purchase Agreement, then the Addendum provisions shall prevail. **PRIOR TO SIGNING THE PURCHASE AGREEMENT OR ANY AMENDMENT TO IT, THE PURCHASER SHOULD SEEK ADVICE FROM A LAWYER WITH RESPECT TO THE PURCHASE AGREEMENT OR AMENDING AGREEMENT, THE ADDENDUM AND THE DELAYED OCCUPANCY WARRANTY.**

Tarion recommends that Purchasers register on Tarion's **MyHome** on-line portal and visit Tarion's website – **tarion.com**, to better understand their rights and obligations under the statutory warranties.

The Vendor shall complete all blanks set out below.

VENDOR Arista Homes (Vellore Trails) Inc.
Full Name(s)

B64160	600 Applewood Crescent		
HCRA Licence Number	Address		
(905) 660-5000	Vaughan	Ontario	L4K 4B4
Phone	City	Province	Postal Code
(905) 660-8805	amontanaro@aristahomes.com		
Fax	Email*		

PURCHASER
Full Name(s)

Address	City	Province	Postal Code
Phone			
Fax	Email*		

PROPERTY DESCRIPTION

Municipal Address		
Vaughan	Ontario	
City	Province	Postal Code

A portion of the lands described as PT S 1/2 PART LOT 17, CON 5, PT 1 65R40380; CITY OF VAUGHAN
Short Legal Description

Number of Homes in the Freehold Project _____ (if applicable – see Schedule A)

INFORMATION REGARDING THE PROPERTY

The Vendor confirms that:

(a) The Property is within a plan of subdivision or a proposed plan of subdivision. ⊘ Yes ○ No
If yes, the plan of subdivision is registered. ○ Yes ⊘ No
If the plan of subdivision is not registered, approval of the draft plan of subdivision has been given. ⊘ Yes ○ No

(b) The Vendor has received confirmation from the relevant government authorities that there is sufficient:
(i) water capacity; and (ii) sewage capacity to service the Property. ⊘ Yes ○ No

If yes, the nature of the confirmation is as follows:
Written confirmation from municipality via adoption of Council resolution

If the availability of water and sewage capacity is uncertain, the issues to be resolved are as follows:

(c) A building permit has been issued for the Property. ○ Yes ⊘No
(d) Commencement of Construction: ○ has occurred; or ⊘ is expected to occur by the 1st day of Dec., 2026.

The Vendor shall give written notice to the Purchaser within 10 days after the actual date of Commencement of Construction.

Note: Since important notices will be sent to this address, it is essential that you ensure that a reliable email address is provided and that your computer settings permit receipt of notices from the other party.

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SETTING AND CHANGING CRITICAL DATES

1. Setting Tentative Occupancy Dates and the Firm Occupancy Date

(a) **Completing Construction Without Delay**: The Vendor shall take all reasonable steps to complete construction of the home subject to all prescribed requirements, to provide Occupancy of the home without delay, and, to register without delay the declaration and description for the related common elements condominium corporation.
(b) **First Tentative Occupancy Date**: The Vendor shall identify the First Tentative Occupancy Date in the Statement of Critical Dates attached to this Addendum at the time the Purchase Agreement is signed.
(c) **Second Tentative Occupancy Date**: The Vendor may choose to set a Second Tentative Occupancy Date that is no later than 120 days after the First Tentative Occupancy Date. The Vendor shall give written notice of the Second Tentative Occupancy Date to the Purchaser at least 90 days before the First Tentative Occupancy Date, or else the First Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date.
(d) **Firm Occupancy Date:** The Vendor shall set a Firm Occupancy Date, which can be no later than 120 days after the Second Tentative Occupancy Date or, if a Second Tentative Occupancy Date is not set, no later than 120 days after the First Tentative Occupancy Date. If the Vendor elects not to set a Second Tentative Occupancy Date, the Vendor shall give written notice of the Firm Occupancy Date to the Purchaser at least 90 days before the First Tentative Occupancy Date, or else the First Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date. If the Vendor elects to set a Second Tentative Occupancy Date, the Vendor shall give written notice of the Firm Occupancy Date to the Purchaser at least 90 days before the Second Tentative Occupancy Date, or else the Second Tentative Occupancy Date shall for all purposes be the Firm Occupancy Date.
(e) **Notice:** Any notice given by the Vendor under paragraphs (c) and (d) must set out the stipulated Critical Date, as applicable.

2. Changing the Firm Occupancy Date – Three Ways

(a) The Firm Occupancy Date, once set or deemed to be set in accordance with section 1, can be changed only:
  (i) by the Vendor setting a Delayed Occupancy Date in accordance with section 3;
  (ii) by the mutual written agreement of the Vendor and Purchaser in accordance with section 4; or
  (iii) as the result of an Unavoidable Delay of which proper written notice is given in accordance with section 5.
(b) If a new Firm Occupancy Date is set in accordance with section 4 or 5, then the new date is the "Firm Occupancy Date" for all purposes in this Addendum.

3. Changing the Firm Occupancy Date – By Setting a Delayed Occupancy Date

(a) If the Vendor cannot provide Occupancy on the Firm Occupancy Date and sections 4 and 5 do not apply, the Vendor shall select and give written notice to the Purchaser of a Delayed Occupancy Date in accordance with this section, and delayed occupancy compensation is payable in accordance with section 7.
(b) The Delayed Occupancy Date may be any Business Day after the date the Purchaser receives written notice of the Delayed Occupancy Date but not later than the Outside Occupancy Date.
(c) The Vendor shall give written notice to the Purchaser of the Delayed Occupancy Date as soon as the Vendor knows that it will be unable to provide Occupancy on the Firm Occupancy Date, and in any event at least 10 days before the Firm Occupancy Date, failing which delayed occupancy compensation is payable from the date that is 10 days before the Firm Occupancy Date, in accordance with paragraph 7(c). If notice of a new Delayed Occupancy Date is not given by the Vendor, before the Firm Occupancy Date, then the new Delayed Occupancy Date shall be deemed to be the date which is 90 days after the Firm Occupancy Date.
(d) After the Delayed Occupancy Date is set, if the Vendor cannot provide Occupancy on the Delayed Occupancy Date, the Vendor shall select and give written notice to the Purchaser of a new Delayed Occupancy Date, unless the delay arises due to Unavoidable Delay under section 5 or is mutually agreed upon under section 4, in which case the requirements of those sections must be met. Paragraphs (b) and (c) above apply with respect to the setting of the new Delayed Occupancy Date.
(e) Nothing in this section affects the right of the Purchaser or Vendor to terminate the Purchase Agreement on the bases set out in section 11.

4. Changing Critical Dates – By Mutual Agreement

(a) This Addendum sets out a framework for setting, extending and/or accelerating Critical Dates, which cannot be altered contractually except as set out in this section 4. Any amendment not in accordance with this section is voidable at the option of the Purchaser. For greater certainty, this Addendum does not restrict any extensions of the Closing date (i.e., title transfer date) where Occupancy of the home has already been given to the Purchaser.
(b) The Vendor and Purchaser may at any time, after signing the Purchase Agreement, mutually agree in writing to accelerate or extend any of the Critical Dates. Any amendment which accelerates or extends any of the Critical Dates must include the following provisions:

  (i) the Purchaser and Vendor agree that the amendment is entirely voluntary – the Purchaser has no obligation to sign the amendment and each understands that this purchase transaction will still be valid if the Purchaser does not sign this amendment;
  (ii) the amendment includes a revised Statement of Critical Dates which replaces the previous Statement of Critical Dates;

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(iii) the Purchaser acknowledges that the amendment may affect delayed occupancy compensation payable; and
(iv) if the change involves extending either the Firm Occupancy Date or the Delayed Occupancy Date, then the amending agreement shall:

i. disclose to the Purchaser that the signing of the amendment may result in the loss of delayed occupancy compensation as described in section 7;
ii. unless there is an express waiver of compensation, describe in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation; and
iii. contain a statement by the Purchaser that the Purchaser waives compensation or accepts the compensation referred to in clause ii above, in either case, in full satisfaction of any delayed occupancy compensation payable by the Vendor for the period up to the new Firm Occupancy Date or Delayed Occupancy Date.

If the Purchaser for his or her own purposes requests a change of the Firm Occupancy Date or the Delayed Occupancy Date, then subparagraphs (b)(i), (iii) and (iv) above shall not apply.

(c) A Vendor is permitted to include a provision in the Purchase Agreement allowing the Vendor a one-time unilateral right to extend a Firm Occupancy Date or Delayed Occupancy Date, as the case may be, for one (1) Business Day to avoid the necessity of tender where a Purchaser is not ready to complete the transaction on the Firm Occupancy Date or Delayed Occupancy Date, as the case may be. Delayed occupancy compensation will not be payable for such period and the Vendor may not impose any penalty or interest charge upon the Purchaser with respect to such extension.
(d) The Vendor and Purchaser may agree in the Purchase Agreement to any unilateral extension or acceleration rights that are for the benefit of the Purchaser.

5. Extending Dates – Due to Unavoidable Delay

(a) If Unavoidable Delay occurs, the Vendor may extend Critical Dates by no more than the length of the Unavoidable Delay Period, without the approval of the Purchaser and without the requirement to pay delayed occupancy compensation in connection with the Unavoidable Delay, provided the requirements of this section are met.
(b) If the Vendor wishes to extend Critical Dates on account of Unavoidable Delay, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, and an estimate of the duration of the delay. Once the Vendor knows or ought reasonably to know that an Unavoidable Delay has commenced, the Vendor shall provide written notice to the Purchaser by the earlier of: 20 days thereafter; and the next Critical Date.
(c) As soon as reasonably possible, and no later than 20 days after the Vendor knows or ought reasonably to know that an Unavoidable Delay has concluded, the Vendor shall provide written notice to the Purchaser setting out a brief description of the Unavoidable Delay, identifying the date of its conclusion, and setting new Critical Dates. The new Critical Dates are calculated by adding to the then next Critical Date the number of days of the Unavoidable Delay Period (the other Critical Dates changing accordingly), provided that the Firm Occupancy Date or Delayed Occupancy Date, as the case may be, must be at least 10 days after the day of giving notice unless the parties agree otherwise. Either the Vendor or the Purchaser may request in writing an earlier Firm Occupancy Date or Delayed Occupancy Date, and the other party's consent to the earlier date shall not be unreasonably withheld.
(d) If the Vendor fails to give written notice of the conclusion of the Unavoidable Delay in the manner required by paragraph (c) above, then the notice is ineffective, the existing Critical Dates are unchanged, and any delayed occupancy compensation payable under section 7 is payable from the existing Firm Occupancy Date.
(e) Any notice setting new Critical Dates given by the Vendor under this section shall include an updated revised Statement of Critical Dates.

EARLY TERMINATION CONDITIONS

6. Early Termination Conditions

(a) The Vendor and Purchaser may include conditions in the Purchase Agreement that, if not satisfied, give rise to early termination of the Purchase Agreement, but only in the limited way described in this section.
(b) The Vendor is not permitted to include any conditions in the Purchase Agreement other than: the types of Early Termination Conditions listed in Schedule A; and/or the conditions referred to in paragraphs (j), (k) and (l) below. Any other condition included in a Purchase Agreement for the benefit of the Vendor that is not expressly permitted under Schedule A or paragraphs (j), (k) and (l) below is deemed null and void and is not enforceable by the Vendor, but does not affect the validity of the balance of the Purchase Agreement.
(c) The Vendor confirms that this Purchase Agreement is subject to Early Termination Conditions that, if not satisfied (or waived, if applicable), may result in the termination of the Purchase Agreement. ○ Yes ⊗ No
(d) If the answer in (c) above is "Yes", then the Early Termination Conditions are as follows. The obligation of each of the Purchaser and Vendor to complete this purchase and sale transaction is subject to satisfaction (or waiver, if applicable) of the following conditions and any such conditions set out in an appendix headed "Early Termination Conditions":

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Condition #1 (if applicable)
Description of the Early Termination Condition:

The Approving Authority (as that term is defined in Schedule A) is: _____

The date by which Condition #1 is to be satisfied is the _____day of_____, 20 _____.

Condition #2 (if applicable)
Description of the Early Termination Condition:

The Approving Authority (as that term is defined in Schedule A) is: _____

The date by which Condition #2 is to be satisfied is the _____day of _____, 20_____.

The date for satisfaction of any Early Termination Condition may be changed by mutual agreement provided in all cases it is set at least 90 days before the First Tentative Occupancy Date, and will be deemed to be 90 days before the First Tentative Occupancy Date if no date is specified or if the date specified is later than 90 days before the First Tentative Occupancy Date. This time limitation does not apply to the condition in subparagraph 1(b)(iv) of Schedule A which must be satisfied or waived by the Vendor within 60 days following the later of: (A) the signing of the Purchase Agreement; and (B) the satisfaction or waiver by the Purchaser of a Purchaser financing condition permitted under paragraph (l) below.

Note: The parties must add additional pages as an appendix to this Addendum if there are additional Early Termination Conditions.

(e) There are no Early Termination Conditions applicable to this Purchase Agreement other than those identified in subparagraph (d) above and any appendix listing additional Early Termination Conditions.

(f) The Vendor agrees to take all commercially reasonable steps within its power to satisfy the Early Termination Conditions identified in subparagraph (d) above.

(g) For conditions under paragraph 1(a) of Schedule A the following applies:

(i) conditions in paragraph 1(a) of Schedule A may not be waived by either party;
(ii) the Vendor shall provide written notice not later than five (5) Business Days after the date specified for satisfaction of a condition that: (A) the condition has been satisfied; or (B) the condition has not been satisfied (together with reasonable details and backup materials) and that as a result the Purchase Agreement is terminated; and
(iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed not satisfied and the Purchase Agreement is terminated.

(h) For conditions under paragraph 1(b) of Schedule A the following applies:

(i) conditions in paragraph 1(b) of Schedule A may be waived by the Vendor;
(ii) the Vendor shall provide written notice on or before the date specified for satisfaction of the condition that: (A) the condition has been satisfied or waived; or (B) the condition has not been satisfied nor waived, and that as a result the Purchase Agreement is terminated; and
(iii) if notice is not provided as required by subparagraph (ii) above then the condition is deemed satisfied or waived and the Purchase Agreement will continue to be binding on both parties.

(i) If a Purchase Agreement or proposed Purchase Agreement contains Early Termination Conditions, the Purchaser has three (3) Business Days after the day of receipt of a true and complete copy of the Purchase Agreement or proposed Purchase Agreement to review the nature of the conditions (preferably with legal counsel). If the Purchaser is not satisfied, in the Purchaser's sole discretion, with the Early Termination Conditions, the Purchaser may revoke the Purchaser's offer as set out in the proposed Purchase Agreement, or terminate the Purchase Agreement, as the case may be, by giving written notice to the Vendor within those three Business Days.

(j) The Purchase Agreement may be conditional until Closing (transfer to the Purchaser of title to the home), upon compliance with the subdivision control provisions (section 50) of the *Planning Act* and, if applicable, registration of a related common elements condominium corporation under the *Condominium Act, 1998*, which compliance shall be obtained by the Vendor at its sole expense, on or before Closing.

(k) The Purchaser is cautioned that there may be other conditions in the Purchase Agreement that allow the Vendor to terminate the Purchase Agreement due to the fault of the Purchaser.

(l) The Purchase Agreement may include any condition that is for the sole benefit of the Purchaser and that is agreed to by the Vendor (e.g., the sale of an existing dwelling, Purchaser financing or a basement walkout). The Purchase Agreement may specify that the Purchaser has a right to terminate the Purchase Agreement if any such condition is not met, and may set out the terms on which termination by the Purchaser may be effected.

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MAKING A COMPENSATION CLAIM

7. Delayed Occupancy Compensation

(a) The Vendor warrants to the Purchaser that, if Occupancy is delayed beyond the Firm Occupancy Date (other than by mutual agreement or as a result of Unavoidable Delay as permitted under sections 4 and 5), then the Vendor shall compensate the Purchaser up to a total amount of $7,500, which amount includes: (i) payment to the Purchaser of a set amount of $150 a day for living expenses for each day of delay until the Occupancy Date; or the date of termination of the Purchase Agreement, as applicable under paragraph (b) below; and (ii) any other expenses (supported by receipts) incurred by the Purchaser due to the delay.

(b) Delayed occupancy compensation is payable only if: (i) Occupancy and Closing occurs; or (ii) the Purchase Agreement is terminated or deemed to have been terminated under paragraph 11(b) of this Addendum. Delayed occupancy compensation is payable only if the Purchaser's claim is made to Tarion in writing within one (1) year after Occupancy, or after termination of the Purchase Agreement, as the case may be, and otherwise in accordance with this Addendum. Compensation claims are subject to any further conditions set out in the ONHWP Act.

(c) If the Vendor gives written notice of a Delayed Occupancy Date to the Purchaser less than 10 days before the Firm Occupancy Date, contrary to the requirements of paragraph 3(c), then delayed occupancy compensation is payable from the date that is 10 days before the Firm Occupancy Date.

(d) Living expenses are direct living costs such as for accommodation and meals. Receipts are not required in support of a claim for living expenses, as a set daily amount of $150 per day is payable. The Purchaser must provide receipts in support of any claim for other delayed occupancy compensation, such as for moving and storage costs. Submission of false receipts disentitles the Purchaser to any delayed occupancy compensation in connection with a claim.

(e) If delayed occupancy compensation is payable, the Purchaser may make a claim to the Vendor for that compensation after Occupancy or after termination of the Purchase Agreement, as the case may be, and shall include all receipts (apart from living expenses) which evidence any part of the Purchaser's claim. The Vendor shall assess the Purchaser's claim by determining the amount of delayed occupancy compensation payable based on the rules set out in section 7 and the receipts provided by the Purchaser, and the Vendor shall promptly provide that assessment information to the Purchaser. The Purchaser and the Vendor shall use reasonable efforts to settle the claim and when the claim is settled, the Vendor shall prepare an acknowledgement signed by both parties which:

   (i) includes the Vendor's assessment of the delayed occupancy compensation payable;
   (ii) describes in reasonable detail the cash amount, goods, services, or other consideration which the Purchaser accepts as compensation (the "Compensation"), if any; and
   (iii) contains a statement by the Purchaser that the Purchaser accepts the Compensation in full satisfaction of any delayed occupancy compensation payable by the Vendor.

(f) If the Vendor and Purchaser cannot agree as contemplated in paragraph 7(e), then to make a claim to Tarion the Purchaser must file a claim with Tarion in writing within one (1) year after Occupancy. A claim may also be made and the same rules apply if the sale transaction is terminated under paragraph 11(b), in which case, the deadline for a claim is one (1) year after termination.

(g) If delayed occupancy compensation is payable, the Vendor shall either: pay the compensation as soon as the proper amount is determined; or pay such amount with interest (at the prescribed rate as specified in subsection 19(1) of O.Reg. 48/01 of the *Condominium Act, 1998),* from the Occupancy Date to the date of Closing, such amount to be an adjustment to the balance due on the day of Closing.

8. Adjustments to Purchase Price

Only the items set out in Schedule B (or an amendment to Schedule B), shall be the subject of adjustment or change to the purchase price or the balance due on Closing. The Vendor agrees that it shall not charge as an adjustment or readjustment to the purchase price of the home, any reimbursement for a sum paid or payable by the Vendor to a third party unless the sum is ultimately paid to the third party either before or after Closing. If the Vendor charges an amount in contravention of the preceding sentence, the Vendor shall forthwith readjust with the Purchaser. This section shall not: restrict or prohibit payments for items disclosed in Part I of Schedule B which have a fixed fee; nor shall it restrict or prohibit the parties from agreeing on how to allocate as between them, any rebates, refunds or incentives provided by the federal government, a provincial or municipal government or an agency of any such government, before or after Closing.

9. Occupancy

If the Purchaser accepts or is required to accept Occupancy in advance of receiving a title transfer of the home, then the provisions of Schedule C shall apply.

MISCELLANEOUS

10. Ontario Building Code – Conditions of Occupancy

(a) On or before the Occupancy Date, the Vendor shall deliver to the Purchaser:
   (i) an Occupancy Permit (as defined in paragraph (d)) for the home; or

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(ii) if an Occupancy Permit is not required under the Building Code, a signed written confirmation by the Vendor that all conditions of occupancy under the Building Code have been fulfilled and Occupancy is permitted under the Building Code.

(b) Notwithstanding the requirements of paragraph (a), to the extent that the Purchaser and the Vendor agree that the Purchaser shall be responsible for one or more prerequisites to obtaining permission for Occupancy under the Building Code, (the "Purchaser Occupancy Obligations"):
   (i) the Purchaser shall not be entitled to delayed occupancy compensation if the reason for the delay is that the Purchaser Occupancy Obligations have not been completed;
   (ii) the Vendor shall deliver to the Purchaser, upon fulfilling all prerequisites to obtaining permission for Occupancy under the Building Code (other than the Purchaser Occupancy Obligations), a signed written confirmation that the Vendor has fulfilled such prerequisites; and
   (iii) if the Purchaser and Vendor have agreed that such prerequisites (other than the Purchaser Occupancy Obligations) are to be fulfilled prior to Occupancy, then the Vendor shall provide the signed written confirmation required by subparagraph (ii) on or before the Occupancy Date.

(c) If the Vendor cannot satisfy the requirements of paragraph (a) or subparagraph (b)(ii), the Vendor shall set a Delayed Occupancy Date (or new Delayed Occupancy Date) on a date that the Vendor reasonably expects to have satisfied the requirements of paragraph (a) or subparagraph (b)(ii), as the case may be. In setting the Delayed Occupancy Date (or new Delayed Occupancy Date), the Vendor shall comply with the requirements of section 3, and delayed occupancy compensation shall be payable in accordance with section 7. Despite the foregoing, delayed occupancy compensation shall not be payable for a delay under this paragraph (c) if the inability to satisfy the requirements of subparagraph (b)(ii) is because the Purchaser has failed to satisfy the Purchaser Occupancy Obligations.

(d) For the purposes of this section, an "Occupancy Permit" means any written or electronic document, however styled, whether final, provisional or temporary, provided by the chief building official (as defined in the *Building Code Act*) or a person designated by the chief building official, that evidences that permission to occupy the home under the Building Code has been granted.

11. Termination of the Purchase Agreement

(a) The Vendor and the Purchaser may terminate the Purchase Agreement by mutual written agreement. Such written mutual agreement may specify how monies paid by the Purchaser, including deposit(s) and monies for upgrades and extras are to be allocated if not repaid in full.

(b) If for any reason (other than breach of contract by the Purchaser) Occupancy has not been given to the Purchaser by the Outside Occupancy Date, then the Purchaser has 30 days to terminate the Purchase Agreement by written notice to the Vendor. If the Purchaser does not provide written notice of termination within such 30-day period then the Purchase Agreement shall continue to be binding on both parties and the Delayed Occupancy Date shall be the date set under paragraph 3(c), regardless of whether such date is beyond the Outside Occupancy Date.

(c) If: calendar dates for the applicable Critical Dates are not inserted in the Statement of Critical Dates; or if any date for Occupancy is expressed in the Purchase Agreement or in any other document to be subject to change depending upon the happening of an event (other than as permitted in this Addendum), then the Purchaser may terminate the Purchase Agreement by written notice to the Vendor.

(d) The Purchase Agreement may be terminated in accordance with the provisions of section 6 or Schedule C.

(e) Nothing in this Addendum derogates from any right of termination that either the Purchaser or the Vendor may have at law or in equity on the basis of, for example, frustration of contract or fundamental breach of contract.

(f) Except as permitted in this section, the Purchase Agreement may not be terminated by reason of the Vendor's delay in providing Occupancy alone.

12. Refund of Monies Paid on Termination

(a) If the Purchase Agreement is terminated (other than as a result of breach of contract by the Purchaser), then unless there is agreement to the contrary under paragraph 11(a), the Vendor shall refund all monies paid by the Purchaser including deposit(s) and monies for upgrades and extras, within 10 days of such termination, with interest from the date each amount was paid to the Vendor to the date of refund to the Purchaser. The Purchaser cannot be compelled by the Vendor to execute a release of the Vendor as a prerequisite to obtaining the refund of monies payable as a result of termination of the Purchase Agreement under this paragraph, although the Purchaser may be required to sign a written acknowledgement confirming the amount of monies refunded and termination of the purchase transaction. Nothing in this Addendum prevents the Vendor and Purchaser from entering into such other termination agreement and/or release as may be agreed to by the parties.

(b) The rate of interest payable on the Purchaser's monies shall be calculated in accordance with the *Condominium Act, 1998*.

(c) Notwithstanding paragraphs (a) and (b) above, if either party initiates legal proceedings to contest termination of the Purchase Agreement or the refund of monies paid by the Purchaser, and obtains a legal determination, such amounts and interest shall be payable as determined in those proceedings.

13. Definitions

"Business Day" means any day other than: Saturday; Sunday; New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day; Boxing Day; and any special holiday proclaimed by the Governor General or the Lieutenant Governor; and

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where New Year's Day, Canada Day or Remembrance Day falls on a Saturday or Sunday, the following Monday is not a Business Day, and where Christmas Day falls on a Saturday or Sunday, the following Monday and Tuesday are not Business Days; and where Christmas Day falls on a Friday, the following Monday is not a Business Day.
"Closing" means the completion of the sale of the home including transfer of title to the home to the Purchaser.
"Commencement of Construction" means the commencement of construction of foundation components or elements (such as footings, rafts or piles) for the home.
"Critical Dates" means the First Tentative Occupancy Date, the Second Tentative Occupancy Date, the Firm Occupancy Date, the Delayed Occupancy Date, the Outside Occupancy Date and the last day of the Purchaser's Termination Period.
"Delayed Occupancy Date" means the date, set in accordance with section 3, on which the Vendor agrees to provide Occupancy, in the event the Vendor cannot provide Occupancy on the Firm Occupancy Date.
"Early Termination Conditions" means the types of conditions listed in Schedule A.
"Firm Occupancy Date" means the firm date on which the Vendor agrees to provide Occupancy as set in accordance with this Addendum.
"First Tentative Occupancy Date" means the date on which the Vendor, at the time of signing the Purchase Agreement, anticipates that the home will be complete and ready for Occupancy, as set out in the Statement of Critical Dates.
"Occupancy" means the right to use or occupy the home in accordance with the Purchase Agreement.
"Occupancy Date" means the date the Purchaser is given Occupancy on or before Closing.
"Outside Occupancy Date" means the latest date that the Vendor agrees to provide Occupancy to the Purchaser, as confirmed in the Statement of Critical Dates.
"Property" or "home" means the freehold home being acquired by the Purchaser from the Vendor, and its interest in the related common elements condominium corporation.
"Purchaser's Termination Period" means the 30-day period during which the Purchaser may terminate the Purchase Agreement for delay, in accordance with paragraph 11(b).
"Second Tentative Occupancy Date" has the meaning given to it in paragraph 1(c).
"Statement of Critical Dates" means the Statement of Critical Dates attached to and forming part of this Addendum (in form to be determined by Tarion from time to time), and, if applicable, as amended in accordance with this Addendum.
"The ONHWP Act" means the *Ontario New Home Warranties Plan Act* including regulations, as amended from time to time.
"Unavoidable Delay" means an event which delays Occupancy which is a strike, fire, explosion, flood, act of God, civil insurrection, act of war, act of terrorism or pandemic, plus any period of delay directly caused by the event, which are beyond the reasonable control of the Vendor and are not caused or contributed to by the fault of the Vendor.
"Unavoidable Delay Period" means the number of days between the Purchaser's receipt of written notice of the commencement of the Unavoidable Delay, as required by paragraph 5(b), and the date on which the Unavoidable Delay concludes.

14. Addendum Prevails

The Addendum forms part of the Purchase Agreement. The Vendor and Purchaser agree that they shall not include any provision in the Purchase Agreement or any amendment to the Purchase Agreement or any other document (or indirectly do so through replacement of the Purchase Agreement) that derogates from, conflicts with or is inconsistent with the provisions of this Addendum, except where this Addendum expressly permits the parties to agree or consent to an alternative arrangement. The provisions of this Addendum prevail over any such provision.

15. Time Periods, and How Notice Must Be Sent

(a) Any written notice required under this Addendum may be given personally or sent by email, fax, courier or registered mail to the Purchaser or the Vendor at the address/contact numbers identified on page 2 or replacement address/contact numbers as provided in paragraph (c) below. Notices may also be sent to the solicitor for each party if necessary contact information is provided, but notices in all events must be sent to the Purchaser and Vendor, as applicable. If email addresses are set out on page 2 of this Addendum, then the parties agree that notices may be sent by email to such addresses, subject to paragraph (c) below.
(b) Written notice given by one of the means identified in paragraph (a) is deemed to be given and received: on the date of delivery or transmission, if given personally or sent by email or fax (or the next Business Day if the date of delivery or transmission is not a Business Day); on the second Business Day following the date of sending by courier; or on the fifth Business Day following the date of sending, if sent by registered mail. If a postal stoppage or interruption occurs, notices shall not be sent by registered mail, and any notice sent by registered mail within 5 Business Days prior to the commencement of the postal stoppage or interruption must be re-sent by another means in order to be effective. For purposes of this section 15, Business Day includes Remembrance Day, if it falls on a day other than Saturday or Sunday, and Easter Monday.
(c) If either party wishes to receive written notice under this Addendum at an address/contact number other than those identified on page 2 of this Addendum, then the party shall send written notice of the change of address, fax number, or email address to the other party in accordance with paragraph (b) above.
(d) Time periods within which or following which any act is to be done shall be calculated by excluding the day of delivery or transmission and including the day on which the period ends.
(e) Time periods shall be calculated using calendar days including Business Days but subject to paragraphs (f), (g) and (h) below.

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(f) Where the time for making a claim under this Addendum expires on a day that is not a Business Day, the claim may be made on the next Business Day.
(g) Prior notice periods that begin on a day that is not a Business Day shall begin on the next earlier Business Day, except that notices may be sent and/or received on Remembrance Day, if it falls on a day other than Saturday or Sunday, or Easter Monday.
(h) Every Critical Date must occur on a Business Day. If the Vendor sets a Critical Date that occurs on a date other than a Business Day, the Critical Date is deemed to be the next Business Day.
(i) Words in the singular include the plural and words in the plural include the singular.
(j) Gender-specific terms include both sexes and include corporations.

16. Disputes Regarding Termination

(a) The Vendor and Purchaser agree that disputes arising between them relating to termination of the Purchase Agreement under section 11 shall be submitted to arbitration in accordance with the *Arbitration Act, 1991* (Ontario) and subsection 17(4) of the ONHWP Act.
(b) The parties agree that the arbitrator shall have the power and discretion on motion by the Vendor or Purchaser or any other interested party, or of the arbitrator's own motion, to consolidate multiple arbitration proceedings on the basis that they raise one or more common issues of fact or law that can more efficiently be addressed in a single proceeding. The arbitrator has the power and discretion to prescribe whatever procedures are useful or necessary to adjudicate the common issues in the consolidated proceedings in the most just and expeditious manner possible. The *Arbitration Act, 1991* (Ontario) applies to any consolidation of multiple arbitration proceedings.
(c) The Vendor shall pay the costs of the arbitration proceedings and the Purchaser's reasonable legal expenses in connection with the proceedings unless the arbitrator for just cause orders otherwise.
(d) The parties agree to cooperate so that the arbitration proceedings are conducted as expeditiously as possible, and agree that the arbitrator may impose such time limits or other procedural requirements, consistent with the requirements of the *Arbitration Act, 1991* (Ontario), as may be required to complete the proceedings as quickly as reasonably possible.
(e) The arbitrator may grant any form of relief permitted by the *Arbitration Act, 1991* (Ontario), whether or not the arbitrator concludes that the Purchase Agreement may properly be terminated.

For more information please visit www.tarion.com

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SCHEDULE A

Types of Permitted Early Termination Conditions

1. The Vendor of a home is permitted to make the Purchase Agreement conditional as follows:

(a) upon receipt of Approval from an Approving Authority for:
- (i) a change to the official plan, other governmental development plan or zoning by-law (including a minor variance);
- (ii) a consent to creation of a lot(s) or part-lot(s);
- (iii) a certificate of water potability or other measure relating to domestic water supply to the home;
- (iv) a certificate of approval of septic system or other measure relating to waste disposal from the home;
- (v) completion of hard services for the property or surrounding area (i.e., roads, rail crossings, water lines, sewage lines, other utilities);
- (vi) allocation of domestic water or storm or sanitary sewage capacity;
- (vii) easements or similar rights serving the property or surrounding area;
- (viii) site plan agreements, density agreements, shared facilities agreements or other development agreements with Approving Authorities or nearby landowners, and/or any development Approvals required from an Approving Authority; and/or
- (ix) site plans, plans, elevations and/or specifications under architectural controls imposed by an Approving Authority.

The above-noted conditions are for the benefit of both the Vendor and the Purchaser and cannot be waived by either party.

(b) upon:
- (i) subject to paragraph 1(c), receipt by the Vendor of confirmation that sales of homes in the Freehold Project have exceeded a specified threshold by a specified date;
- (ii) subject to paragraph 1(c), receipt by the Vendor of confirmation that financing for the Freehold Project on terms satisfactory to the Vendor has been arranged by a specified date;
- (iii) receipt of Approval from an Approving Authority for a basement walkout; and/or
- (iv) confirmation by the Vendor that it is satisfied the Purchaser has the financial resources to complete the transaction.

The above-noted conditions are for the benefit of the Vendor and may be waived by the Vendor in its sole discretion.

(c) the following requirements apply with respect to the conditions set out in subparagraph 1(b)(i) or 1(b)(ii):
- (i) the 3 Business Day period in section 6(i) of the Addendum shall be extended to 10 calendar days for a Purchase Agreement which contains a condition set out in subparagraphs 1(b)(i) and/or 1(b)(ii);
- (ii) the Vendor shall complete the Property Description on page 2 of this Addendum;
- (iii) the date for satisfaction of the condition cannot be later than 9 months following signing of the purchase Agreement; and
- (iv) until the condition is satisfied or waived, all monies paid by the Purchaser to the Vendor, including deposit(s) and monies for upgrades and extras: (A) shall be held in trust by the Vendor's lawyer pursuant to a deposit trust agreement (executed in advance in the form specified by Tarion Warranty Corporation, which form is available for inspection at the offices of Tarion Warranty Corporation during normal business hours), or secured by other security acceptable to Tarion and arranged in writing with Tarion, or (B) failing compliance with the requirement set out in clause (A) above, shall be deemed to be held in trust by the Vendor for the Purchaser on the same terms as are set out in the form of deposit trust agreement described in clause (A) above.

2. The following definitions apply in this Schedule:

"Approval" means an approval, consent or permission (in final form not subject to appeal) from an Approving Authority and may include completion of necessary agreements (i.e., site plan agreement) to allow lawful access to and use and occupancy of the property for its intended residential purpose.
"Approving Authority" means a government (federal, provincial or municipal), governmental agency, Crown corporation, or quasi-governmental authority (a privately operated organization exercising authority delegated by legislation or a government).
"Freehold Project" means the construction or proposed construction of three or more freehold homes (including the Purchaser's home) by the same Vendor in a single location, either at the same time or consecutively, as a single coordinated undertaking.

3. Each condition must:

(a) be set out separately;
(b) be reasonably specific as to the type of Approval which is needed for the transaction; and
(c) identify the Approving Authority by reference to the level of government and/or the identity of the governmental agency, Crown corporation or quasi-governmental authority.

4. For greater certainty, the Vendor is not permitted to make the Purchase Agreement conditional upon:

(a) receipt of a building permit;
(b) receipt of an occupancy permit; and/or
(c) completion of the home.

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SCHEDULE B
Adjustments to Purchase Price or Balance Due on Closing

PART I Stipulated Amounts/Adjustments. These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing, the dollar value of which is stipulated in the Purchase Agreement and set out below.

1. N.S.F. ADMINISTRATIVE FEE (if applicable)
Section 1(e) of Schedule "X"
$500.00 plus Applicable Taxes

2. WIRE TRANSFER FEE (if applicable) AND FAILURE TO COMPLY WITH WIRE FORM (if applicable)
Section 1(h) of Schedule "X"
$200.00 plus Applicable Taxes wire transfer fee and $350.00 plus Applicable Taxes fee for failure to comply with wire form, per occurrence

3. FEE TO EXCHANGE DEPOSIT CHEQUE OR DEPOSIT CHEQUE ON A LATER DATE (if applicable)
Section 1(i) of Schedule "X"
$250.00 plus Applicable Taxes, per occurrence

4. RELEASE OF VENDOR'S LIEN OR DISCHARGE OF VENDOR'S CHARGE (if applicable)
Section 1(j) of Schedule "X"
$500.00 plus Applicable Taxes

5. SECURITY DEPOSIT
Section 1(k) of Schedule "X"
$1,500.00

6. TOP COAT OF ASPHALT ON DRIVEWAY
Section 1(m) of Schedule "X"
$800.00 plus Applicable Taxes

7. BUILDING OR FOUNDATION SURVEY, IF PROVIDED
Section 1(p) of Schedule "X"
$500.00, plus Applicable Taxes

8. HOMEOWNER SERVICE CALL (if applicable)
Section 10(g) of Schedule "X"
$350.00 per call, plus cost of materials utilized, plus Applicable Taxes

9. LETTER / NOTICE TO PURCHASER FOR DEFAULT (if applicable)
Section 14 of Schedule "X"
$500.00 plus disbursements and Applicable Taxes, for each letter/notice

10. FEE FOR FAILURE TO ATTEND APPOINTMENT TO CHOOSE COLOURS/MATERIALS / CANCELLATION/RESCHEDULING OF APPOINTMENT (if applicable)
Section 15(a) of Schedule "X"
$500.00 plus Applicable Taxes

11. FEE IF VENDOR CHOOSES COLOURS OR MATERIALS ON BEHALF OF PURCHASER (if applicable)
Section 15(e) of Schedule "X"
$1,000.00 plus Applicable Taxes

12. CHANGES TO ANY OF THE ORIGINAL COLOUR AND MATERIAL SELECTIONS OR TO OPTIONS AND UPGRADES AGREEMENT (if applicable)
Section 15(k) of Schedule "X"
$1,000.00 plus Applicable Taxes

13. REGISTRATION OF DISCHARGES
Section 27 of Schedule "X"
$250.00 plus Applicable Taxes

14. FAIL TO INFORM VENDOR OF CHANGE OF PURCHASER'S INFORMATION (if applicable)
Section 29(d) of Schedule "X"
$250.00 plus Applicable Taxes

15. VENDOR'S LEGAL COSTS RE: ELECTRONIC REGISTRATION SYSTEM FEE
Section 34(a) of Schedule "X"
$350.00 plus Applicable Taxes

16. FEE IF PURCHASER DOES NOT PROVIDE THE NAME OF ITS SOLICITOR WHEN REQUIRED, CHANGES SOLICITORS, OR PURCHASER OR ITS SOLICITOR (i) FAIL TO PROVIDE ANY REQUIRED INFORMATION; (ii) CHANGE OR AMEND ANY OF INFORMATION PROVIDED OR (iii) PROVIDE INFORMATION TO THE VENDOR OR ITS SOLICITORS THAT IS INCORRECT OR AMENDED
Section 38(c) of Schedule "X"
$325.00 plus Applicable Taxes

17. STATUS CERTIFICATE FEE
Section 7 of Schedule "CEC"
$100.00, plus any Applicable Taxes

PART II All Other Adjustments to be determined in accordance with the terms of the Purchase Agreement. These are additional charges, fees or other anticipated adjustments to the final purchase price or balance due on Closing which will be determined after signing the Purchase Agreement, all in accordance with the terms of the Purchase Agreement.

1. COST OF, CHARGE MADE FOR, OR PREPAYMENTS FOR, OR SECURITY PERFORMANCE DEPOSITS RELATING TO, ANY WATER, ELECTRICITY OR GAS SERVICE, INCLUDING, WITHOUT LIMITATION, THE COST AND/OR INSTALLATION OF ANY METERS, AND THE INSTALLATION, CONNECTION AND/OR ENERGIZATION FEES FOR ANY OF SUCH SERVICES
Section 1(a) of Schedule "X"

2. REPAIR OF ANY DAMAGE CAUSED TO THE PROPERTY AND NEIGHBOURING LANDS BY ALTERNATE UTILITY SUPPLIERS AND ANY COSTS INCURRED BY THE VENDOR TO RESTORE THE PROPERTY TO THE ORIGINAL STATE
Section 1(a) of Schedule "X"

3. PAYMENT OR REIMBURSEMENT FOR OTHER PREPAID OR CURRENT EXPENSES, SUCH AS GAS, ELECTRICITY AND WATER EXPENSES; EXPENSES, CHARGES OR COSTS TO BRING, PROVIDE, DELIVER AND/OR MAKE AVAILABLE SERVICES, SYSTEMS AND/OR UTILITIES TO PROPERTY AND/OR SUBDIVISION WHICH MAY INCLUDE, WITHOUT LIMITATION, INFRASTRUCTURE AND RELATED CONSTRUCTION COSTS, INCLUDING, WITHOUT LIMITATION, ANY EXPENSES, CHARGES OR COSTS WITH RESPECT TO: ROADWAY CONSTRUCTION, SEWER RELOCATION WORKS, CONSTRUCTION, CONNECTION OR RECONNECTION OF SEWERS (STORM AND SANITARY), SEWER IMPOST CHARGES, INSTALLATION AND/OR CONNECTION OF ELECTRICITY, WATER AND/OR GAS SERVICES (INCLUDING, WITHOUT LIMITATION, ENERGIZATION CHARGES AND DEPOSITS REQUIRED BY UTILITY / SERVICE PROVIDER), AND/OR INSTALLATION OF METERS FOR ANY OF THE FOREGOING AND THE COST OF SUCH METERS
Section 1(a) of Schedule "X"

4. TAXES, FUEL, WATER RATES, ASSESSMENT RATES & LOCAL IMPROVEMENT RATES
Section 1(b) of Schedule "X"

5. LAW SOCIETY TRANSACTION LEVY SURCHARGE
Section 1(c) of Schedule "X"

6. ENROLMENT/REGULATORY FEES (E.G. PAYABLE UNDER ONTARIO NEW HOME WARRANTIES PLAN ACT, NEW HOME CONSTRUCTION LICENSING ACT, 2017, THE ACT, THE CONDOMINIUM MANAGEMENT SERVICES ACT)
Section 1(d) of Schedule "X"

7. AMOUNT OF DEVELOPMENT CHARGES AND EDUCATION DEVELOPMENT CHARGES PAID BY VENDOR IN EXCESS OF THE AMOUNT OF DEVELOPMENT CHARGES AND EDUCATION DEVELOPMENT CHARGES THAT WOULD HAVE BEEN PAYABLE, IF PAID ON JUNE 1, 2025
Section 1(f) of Schedule "X"

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8. IN ADDITION TO THE AMOUNTS AT SECTION 1(f) OF SCHEDULE “X”, THE AMOUNT OF ANY OTHER LEVIES, CHARGES, PAYMENTS, CONTRIBUTIONS, FEES OR ASSESSMENTS, INCLUDING WITHOUT LIMITATION, ANY PARKS LEVIES, CASH-IN-LIEU OF PARKLAND DEDICATION PAYMENTS, COMMUNITY BENEFIT CHARGES, NEW DEVELOPMENT CHARGES, NEW EDUCATION DEVELOPMENT CHARGES, PUBLIC ART CONTRIBUTIONS AND/OR IMPOST CHARGES, ASSESSED AGAINST OR ATTRIBUTABLE TO THE PROPERTY BY THE MUNICIPALITY, REGIONAL MUNICIPALITY, TRANSIT AUTHORITY, PUBLIC OR SEPARATE SCHOOL BOARD OR ANY OTHER AUTHORITY HAVING JURISDICTION UNDER DEVELOPMENT CHARGES ACT, EDUCATION ACT, PLANNING ACT AND ANY OTHER EXISTING OR NEW LEGISLATION, REGULATION, BYLAW AND/OR POLICY OF A SIMILAR NATURE
Section 1(g) of Schedule “X”

9. MONIES OWING TO VENDOR PURSUANT TO A READJUSTMENT OR ANY EXPENSES INCURRED BY THE VENDOR ARISING FROM BREACH BY THE PURCHASER OF ANY OF PURCHASER’S OBLIGATIONS, PLUS INTEREST AT 12% PER ANNUM, CALCULATED DAILY, NOT IN ADVANCE (if applicable)
Section 1(j) of Schedule “X”

10. VENDOR’S LIEN OR CHARGE FEES, INCLUDING, WITHOUT LIMITATION, THE VENDOR’S SOLICITOR’S LEGAL FEES AND DISBURSEMENTS AND THE COST TO REGISTER SAID VENDOR’S LIEN OR CHARGE (if applicable)
Section 1(j) of Schedule “X”

11. COST OF REPAIRS, RECTIFICATION OR REPLACEMENT THAT EXCEED SECURITY DEPOSIT
Section 1(k) of Schedule “X”

12. PROJECT ESTHETIC ENHANCEMENTS, CAPPED AT NO MORE THAN $400.00, PLUS APPLICABLE TAXES
Section 1(l) of Schedule “X”

13. COST RE: RECYCLING CONTAINERS/BINS AND RECYCLING PROGRAMS
Section 1(n) of Schedule “X”

14. FEE PAID TO CANADA POST FOR MAIL DELIVERY BY CENTRAL MAILBOX, CAPPED AT NO MORE THAN $250.00, PLUS APPLICABLE TAXES
Section 1(o) of Schedule “X”

15. ELECTRICITY FEES, COSTS OR CHARGES ETC. (if applicable)
Section 1(q) of Schedule “X”

16. WATER FEES, COSTS OR CHARGES ETC. (if applicable)
Section 1(r) of Schedule “X”

17. GAS SERVICES FEES, COSTS OR CHARGES ETC. (if applicable)
Section 1(s) of Schedule “X”

18. COST TO RECTIFY DAMAGE OR ALTERATION TO SERVICE / LIEN / REMOVAL OF ADDITIONS/IMPROVEMENTS (if applicable)
Section 2(b) of Schedule “X”

19. FORFEITURE OF THE SECURITY DEPOSIT AND REIMBURSEMENT FOR ANY COSTS OVER AND ABOVE THE SECURITY DEPOSIT
Sections 2(b) and 2(f) of Schedule “X”

20. COST OF REPAIR, RECTIFICATION AND/OR REPLACEMENT OF DAMAGED SUBDIVISION SERVICES
Section 2(c) of Schedule “X”

21. COST RE LOOK-OUT OR REAR DECK (if applicable)
Section 3(d) of Schedule “X”

22. EXTRAS, UPGRADES OR CHANGES ORDERED BY THE PURCHASER
Section 3(g) of Schedule “X”

23. LIABILITY FOR ANY DAMAGES OR COSTS SUSTAINED BY THE VENDOR AS A RESULT OF PURCHASER PURSUING OTHER MEANS OF REDRESS WITH REGARD TO CLAIMS (OTHER THAN REMEDIES AVAILABLE WITH TARION)
Section 3(o) of Schedule “X”

24. ALL AMOUNTS TO CORRECT AND REMEDY ALL DAMAGE TO ANY SERVICES INSTALLED WITHIN THE SUBDIVISION
Section 3(r) of Schedule “X”

25. COST OF EQUIPMENT (if no longer rented)
Section 4 of Schedule “X”

26. OCCUPANCY FEE (if applicable)
Section 6 of Schedule "X"

27. FEE FOR FAILURE TO CONFIRM INFORMATION (if applicable)
Section 7(f) of Schedule “X”

28. REIMBURSEMENT FOR ALL LEGAL FEES, EXPENSES AND COSTS VENDOR INCURS RE: OBJECTION(S) TO VENDOR’S APPLICATIONS
Section 8(b) of Schedule “X”

29. COST FOR REPLACEMENT OF LAID SOD (if applicable)
Section 10(c) of Schedule “X”

30. COSTS RE: UNLAWFUL WORKS (if applicable)
Section 13(a) of Schedule “X”

31. INDEMNIFICATION OF VENDOR RE: ENTRY ONTO PROPERTY (if applicable)
Section 13(d) and 13(e) of Schedule “X”

12. MONIES OWING UNDER AGREEMENT OR EXPENSES OF VENDOR DUE TO PURCHASER DEFAULT, PLUS INTEREST OF 12% PER ANNUM, CALCULATED DAILY, NOT IN ADVANCE (IF APPLICABLE)
Section 14 of Schedule “X”

13. COSTS RE: SELECTION OF COLOURS OR MATERIALS OTHER THAN FROM VENDOR’S SAMPLES (if applicable)
Section 15(b) of Schedule “X”

14. PAYMENT OF HST REBATE (if applicable)
Sections 17 and 38(d) of Schedule “X”

15. COSTS AND EXPENSES OF COURT ORDER TO DELETE AGREEMENT FROM TITLE (if applicable)
Section 19 of Schedule “X”

16. VENDOR’S SOLICITOR’S FEES AND DISBURSEMENTS RE: NON-ELECTRONIC DOCUMENTATION/INFORMATION (if applicable)
Section 33(a) of Schedule “X”

17. EFTS FEES AND CHARGES (if applicable)
Section 33(b)(iii) of Schedule “X”

18. INDEMNIFICATION OF VENDOR AND ITS SOLICITORS RE TRANSFERRING TITLE TO PROPERTY TO SURVIVING INDIVIDUAL(S) (if applicable)
Section 46 of Schedule “X”

19. COMMON EXPENSES/RESERVE FUND CONTRIBUTION
Sections 4 and 8 of Schedule "CEC"

20. INDEMNITY OF VENDOR BY REASON OF THE PURCHASER BEING A NON-CANADIAN OR NOT QUALIFYING FOR AN EXCEPTION (if applicable)
Section (e), Schedule “N-C”

Note to Purchaser: capitalized headings herein are for descriptive purposes only – for more particulars, please refer to appropriate provisions of the Agreement of Purchase and Sale.

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SCHEDULE C

Terms of Occupancy Licence

If the purchaser takes Occupancy of the home before the date of Closing or is required to do so under the Purchase Agreement, then the following provisions shall apply:

1. The Purchaser shall be given Occupancy of the home on the Occupancy Date.

2. The Purchaser shall not be required to pay the balance due on the purchase price on the Occupancy Date unless the Occupancy Date is also the Closing Date.

3. The Purchaser shall pay to the Vendor a monthly **Occupancy Fee** from and after the Occupancy Date which shall not exceed an amount calculated as follows:

   (i) interest calculated on a monthly basis on the unpaid balance of the purchase price at the prescribed rate as specified in subsection 19(1) of O.Reg 48/01 to the Condominium Act, 1998; plus

   (ii) an amount reasonably estimated by the Vendor on a monthly basis for municipal realty taxes attributable by the Vendor to the home; plus

   (iii) the projected monthly common expense contribution for the home's share of the common elements condominium corporation (CEC).

   The Occupancy Fee shall be payable on the first day of each month in advance until the date of Closing. The Occupancy Fee is a fee for the use of the home and no part of it shall be credited as payments on account of the Purchase Price. If Occupancy does not occur on the first day of the month, the Purchaser shall pay on the Occupancy Date a pro rata amount for the balance of the month.

4. If the Vendor charges the Purchaser a monthly Occupancy Fee for longer than six (6) months and the monthly Occupancy Fee includes a projected contribution to the reserve fund for the CEC, then, with respect to the Occupancy Fee for each month after the sixth month, the Vendor shall hold in trust and remit to the CEC upon registering the declaration and description for the CEC, the portion of the monthly Occupancy Fee that represents the projected contribution to the reserve fund.

5. The Vendor, during the Purchaser's period of Occupancy,
   (a) shall provide those services that the CEC corporation will have a duty to provide to owners after the registration of the CEC declaration and description;
   (b) shall repair and maintain the CEC property in the same manner as the CEC corporation will have a duty to repair after damage and maintain after the registration of the CEC declaration and description;
   (c) has the same right of entry to CEC property that the CEC corporation will have after the registration of the CEC declaration and description;
   (d) may withhold consent to an assignment of the right to use CEC property; and
   (e) may charge a reasonable fee for consenting to an assignment of the right to use CEC property.

6. The Vendor shall proceed with due diligence to register the CEC declaration and description. The Vendor shall, within 30 days of the registration of the CEC declaration and description, notify the Purchaser in writing of the date and instrument numbers of the registration, unless within that time the Purchaser receives a deed to the home that is in registerable form. Upon registration of the CEC declaration and description, the Vendor and Purchaser shall proceed to complete the title transfer on a date designated by the Vendor or its solicitor which shall be no later than sixty (60) days after the registration of the CEC declaration and description. If the Vendor for any reason whatsoever is unable to register the CEC declaration and description and therefore is unable to deliver a registerable Transfer/Deed to the Purchaser within twelve (12) months of the Occupancy Date, the Purchaser shall have the right for a period of 30 days after such twelve (12) month period, to give sixty (60) days written notice to the Vendor, to terminate the Occupancy licence and this Purchase Agreement. If the Purchaser gives notice of termination, the Purchaser shall give up vacant possession and pay the Occupancy Fee to the date of termination, after which this Purchase Agreement and Occupancy licence shall be terminated and section 7 of the Addendum applies.

7. The rights and duties described in section 5 above, apply despite any provision to the contrary in the *Residential Tenancies Act, 2006.*

8. The Vendor shall, on delivering to the Purchaser a Transfer Deed that is in registerable form or as soon as is practicable after delivery, refund to the Purchaser the portion of the monthly Occupancy Fee that the Purchaser has paid on account of municipal taxes attributable to the home in excess of the amount actually assessed against the home.

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9. If the portion of the monthly Occupancy Fee that the Purchaser has paid on account of municipal taxes attributable to the home is insufficient to pay the amount actually assessed against the home, the Vendor may require the Purchaser to pay the difference between the two amounts.

10. Sections 149, 150, 151, 165, 166 and 167 and Part VII of the *Residential Tenancies Act, 2006*, do not apply to Occupancy and monthly Occupancy Fees charged under this Schedule C.

11. In accordance with section 58(1).4 of the *Residential Tenancies Act, 2006*, if the Occupancy arose by virtue of or collateral to the Purchase Agreement, then if the Purchase Agreement is terminated, the Occupancy shall correspondingly be terminated.

12. The Purchaser shall maintain the home in a clean and sanitary condition and not make any alterations or improvements without the prior written approval of the Vendor which may not be unreasonably withheld.

13. The Purchaser shall be responsible for all utility, telephone expenses, cable television service, or other charges and expenses billed directly to the occupant of the home by the supplier of such services.

14. The Purchaser shall as at the Occupancy Date insure the home for the full replacement value thereof and provide a copy of the insurance certificate to the Vendor. The Vendor is not liable for the Purchaser's loss occasioned by fire, theft or other casualty, unless caused or contributed to by the Vendor.

15. The Vendor and Purchaser may agree upon additional provisions relating to Occupancy, provided such provisions do not derogate from, do not conflict with and are not inconsistent with provisions of this Schedule C.

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VELLORE TRAILS

An Enclave Community

By Arista Homes

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3. Schedule I — A copy of the Corporation's proposed Declaration.
4. Schedule II — A copy of the Corporation's proposed By-Law No. 1.
5. Schedule III — A copy of the Corporation's proposed By-Law No. 2.
6. Schedule IV — A copy of the proposed Management Agreement.
7. Schedule V — The Budget Statement for the one year period immediately following the registration of the proposed Declaration and description.
8. Schedule VI — A copy of sections 73 and 74 of the Act.
9. Schedule VII — Draft Condominium Plan and Draft Reference Plan
10. Schedule VIII — A copy of the proposed Rules.
11. Schedule IX — A copy of the proposed Restrictive Covenants.

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VELLORE TRAILS

An Enclave Community

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Disclosure Statement
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DISCLOSURE STATEMENT
TABLE OF CONTENTS
(UNDER SUBSECTION 72 (4) OF THE *CONDOMINIUM ACT, 1998*)

Condominium Act, 1998

Declarant's name: ARISTA HOMES (VELLORE TRAILS) INC.

Declarant's municipal address: 600 Applewood Crescent, Vaughan, Ontario L4K 4B4

Brief legal description of the property/proposed property: In the City of Vaughan, in the Regional Municipality of York being comprised of a part of PT S 1/2 PART LOT 17, CON 5, PT 1 65R40380; CITY OF VAUGHAN, which is proposed to subsequently form a part of proposed Block 16 on a plan (M-plan) to be registered within the City of Vaughan, as may be amended from time to time by the Declarant.

Mailing address of the property/proposed property: c/o property manager at 111 Gordon Baker Road, Suite 700, Toronto, Ontario M2H 3R1

Municipal address of the property/proposed property: There is presently no municipal address for the proposed common elements condominium as it consists for the most part of an internal road system. The parcels of tied land are expected to have either a single municipal address (with individual unit numbers) in Vaughan, Ontario or alternatively, each townhouse will receive a separate municipal address as determined by the Declarant in conjunction with the municipality.

Condominium corporation: York Region Common Elements Condominium Corporation No. * (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" include 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:

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Matter		Specify 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 common elements condominium corporation.		Refer to: Disclosure Statement, Part D.Section 1, page 1, and Declaration, 2nd Recital, page 1, and Section 3, page 2.
2. The property or part of the property is or may be subject to the *Ontario New Home Warranties Plan Act*. The Declarant does intend to enrol the Potls within the Property under the Ontario New Home Warranties Plan (the "Plan") within the meaning of the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, c.O-31 (the "Warranties Plan Act"). The common elements are not subject to nor covered by the provisions of the Plan.	Yes ☐ No X	Refer to: Disclosure statement, Part G(d), page 7
3. N/A	N/A	N/A
4. A building on the property has been converted from a previous use.	Yes ☐ No X	Refer to: Disclosure statement, Part G(e), page 7
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.	Yes ☐ No X	Refer to: Disclosure statement, Part G(f), page 7
6. A provision exists with respect to pets on the property.	Yes X No ☐	Refer to: Schedule VIII Rules, Paragraphs 12 and 13, page 2
7. There exist restrictions or standards with respect to the use of common elements 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 X No ☐	Refer to: Schedule VIII Rules, all Paragraphs, pages 1-2

Matter		Specify 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
8. The declarant intends to lease a portion of the common interests. The portion of the common interests, to the nearest anticipated 25 per cent, that the Declarant intends to lease is 25 per cent. Notwithstanding the foregoing, the Declarant reserves the right to change the percentage of any portion of the common interests that it intends to lease.	Yes X No ☐	Refer to: Disclosure statement, Part G(g), page 7
9. N/A	N/A	N/A
10. N/A	N/A	N/A
11. One or more common interests that is attached or will attach to an owner's parcel of land are exempt from a cost attributable to the rest of the common interests.	Yes ☐ No X	Refer to: Schedule "D" to the Declaration and the Budget
12. There is an existing or proposed by-law establishing what constitutes a standard unit. Under clause 43 (5) (h) of the Condominium Act, 1998, the declarant is required to deliver to the board a schedule setting out what constitutes a standard unit.	Yes ☐ No X	No reference. There are no units in this common elements condominium corporation.
13. Part or the whole of the common elements are subject to a lease or licence. NOTE: Part or the whole of the common elements may be subject to a licence under Utility Supply and Services Agreement (as defined in the Disclosure Statement) to be entered into with the Provider (as defined in the Disclosure Statement). Part or the whole of the common elements may be subject to a licence under the Access Agreements (as defined in the Disclosure Statement), if entered into.	Yes ☐ No X	Refer to: Disclosure Statement, Part F(c), page 6. Disclosure Statement, Part F(b), page 6.
14. Parking for owners is allowed: (a) N/A (b) on the common elements; (c) on a part of the common elements of which an owner has exclusive use.	N/A Yes ☐ No X Yes ☐ No X	Refer to: N/A Schedule VIII Rules, Paragraph 11, pages 1-2 and Declaration, Section 14(g), page 5. N/A
15. Visitors must pay for parking. There is visitor parking on the property.	Yes ☐ No X Yes X No ☐	Refer to: Disclosure statement, Part D.Section 2, page 3. Disclosure statement, Part D.Section 2, page 3.
16. The declarant may provide major assets and property, even though it is not required to do so.	Yes ☐ No X	Refer to: N/A
17. The corporation is required: (a) to purchase units or assets; (b) to acquire services; The Corporation will enter into a management agreement with a company appointed by the Declarant (the "Manager") pursuant to which the Manager will be the exclusive representative and managing agent of the Corporation, for a term described in the management agreement. If necessary, as determined by the Declarant in its sole, absolute and unfettered discretion, the Corporation shall enter into the Access Agreements, the Utility Supply and Services Agreement, and the Miscellaneous Agreements between the Corporation and the Declarant, as such terms are defined in the Disclosure Statement.	Yes ☐ No X Yes X No ☐	Refer to: N/A Refer to: Disclosure statement, Part F(a), page 6. Disclosure statement, Part F(b), F(c) and F(e), pages 6-7.

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Matter		Specify 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
(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. The Corporation shall enter into or assume the Easement and Cost Sharing Agreement.	Yes No X ☐	Refer to: Disclosure Statement, Part D.Section 7, pages 4 and 5, and Part F(d), page 7. Declaration, Section 25(a) and (b), page 8.
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. (1) The current use of the land is that said land is currently either vacant, under construction, being used for the purpose of a sales office or being used for the purpose of a construction site office.	Yes No X ☐	Refer to: Disclosure statement, Part G(k), page 8.
(2) The declarant has made representations respecting the future use of the land.	Yes No ☐ X	Disclosure statement, Part G(k)(ii), page 8.
(3) Applications have been submitted to an approval authority respecting the use of the land. The disclosure statement contains a summary of the applications.	Yes No X ☐	Disclosure statement, Part G(k)(iii), page 8.
19. N/A	N/A	N/A
20. Under clause 143 (a) of the Condominium Act, 1998, the common interest is attached or will attach to the owner's parcel of land described in the declaration and cannot be severed from the parcel upon the sale of the parcel or the enforcement of an encumbrance registered against the parcel.		
21. The declaration contains a list of the buildings, structures, facilities and services to be included in the common elements.		Refer to: Schedule H to the declaration
22 to 27.	N/A	N/A

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The purchaser's rights under the *Condominium Act, 1998* to rescind an agreement of purchase and sale are set out at a Schedule to the Disclosure Statement.

This disclosure statement is made this June 4, 2026.

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By Arista Homes

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Disclosure Statement

CURRENT DISCLOSURE STATEMENT

This disclosure statement is delivered to the purchaser ("Purchaser") of each proposed parcel of tied land pursuant to the Condominium Act, 1998, and regulations thereunder (hereinafter the "Act"). All terms which are referred to in this disclosure statement and which are defined in the Act shall have the meaning as defined in the Act unless the context herein otherwise requires.

A. TABLE OF CONTENTS

The table of contents forms part of this disclosure statement.

B. DATE OF DISCLOSURE STATEMENT

This disclosure statement is made this June 4, 2026.

C. NAME AND MUNICIPAL ADDRESS

The name and municipal address of the proposed declarant (the "Declarant"), the mailing and municipal address of the proposed property and a brief legal description of the proposed property (the "Property") are as follows:

DECLARANT: ARISTA HOMES (VELLORE TRAILS) INC.

Declarant's municipal address: 600 Applewood Crescent, Vaughan, Ontario L4K 4B4

PROPERTY: In the City of Vaughan, in the Regional Municipality of York being comprised of a part of PT S 1/2 PART LOT 17, CON 5, PT 1 65R40380; CITY OF VAUGHAN, which is proposed to subsequently form a part of proposed Block 16 on a plan (M-plan) to be registered within the City of Vaughan,, as may be amended from time to time by the Declarant.

The municipal address is currently anticipated to be as follows: There is presently no municipal address for the proposed common elements condominium as it consists for the most part of an internal road system. The parcels of tied land, being the Potls, are expected to have either a single municipal address (with individual unit numbers) in Vaughan, Ontario or alternatively, each townhouse will receive a separate municipal address as determined by the Declarant in conjunction with the municipality.

The mailing address is proposed to be that of the property manager at: 111 Gordon Baker Road, Suite 700, Toronto, Ontario M2H 3R1

D. GENERAL DESCRIPTION OF THE CONDOMINIUM PROJECT

Section 1 - Type of Condominium Corporation

The proposed condominium corporation (the "Condominium") is a freehold condominium corporation that is a common elements condominium corporation as defined by the Act which will be created upon registration of the declaration and description against the Property.

Section 2 - Description of the Condominium

The overall site (the "Project") is shown on the reduced copy of the draft plan of condominium and reduced reference plan attached hereto (collectively the "Plans"). The Plans illustrate the lands of the Declarant which includes: (i) the individual townhouse lots on which the Declarant proposes to build each dwelling (the "Potls" and individually a "Potl"); and (ii) the internal roadway, services and other facilities and services as detailed below, which will form the common elements to be created upon registration of the declaration and description against the Property. Said Plans and all improvements shown thereon are preliminary only and are subject to change, from time to time, by the Declarant, in its sole, absolute and unfettered discretion. The Property will not contain any exclusive use common elements. The Plans provide an overview of the general location of the Project and the individual Potls. The location of any structures, internal roadway or other features are shown on the Plans which may be altered and/or revised to comply with municipal, regional or other governmental requirements including, without limiting the generality of the foregoing, applicable zoning, site plan approval and condominium draft plan conditions.

The Declarant proposes to develop the Property by the construction thereon of either: (i) a single phase Project of 155 Potls, or (ii) a multi-phase residential development of 2 projects, in which case the first phase to be constructed is the Project or herein referred to as the "Phase 1 Project" and the second phase to be constructed is herein referred to as the "Phase 2 Project", and the Potl being acquired by the Purchaser shall be located in the Project. The Project is presently proposed to contain 77 Potls. The Phase 2 Project is presently proposed to contain 78 Potls. The Project is proposed to be developed on the westerly portion of the Property and the Phase 2 Project is proposed to be developed on the easterly portion of the Property.

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The lands on which the Project and the Phase 2 Project are proposed to be constructed are herein referred to as the “Single Phase Lands”. The condominium corporation proposed to be created upon registration of the declaration and description upon the Single Phase Lands is herein referred to as the “Single Phase Corporation”.

The lands on which the Project is proposed to be constructed are herein referred to as the “Lands” or the “Phase 1 Lands”. The condominium corporation proposed to be created upon registration of the declaration and description upon the Lands is herein referred to as the “Corporation” or the “Phase 1 Corporation”. The lands on which the Phase 2 Project is proposed to be constructed are herein referred to as the “Phase 2 Lands”. The condominium corporation proposed to be created upon registration of the declaration and description upon the Phase 2 Lands is herein referred to as the “Phase 2 Corporation”.

The declarant of the Phase 2 Lands may be different than the Declarant. If the Property is developed in a single phase then the declarant of the Single Phase Lands may be the Declarant, the declarant of the Phase 2 Lands or both the Declarant and the declarant of the Phase 2 Lands.

The owner(s) of the Phase 2 Lands reserves the unfettered right to decide when or whether to develop the Phase 2 Lands and when or whether to construct the Potls or make any modifications thereto, all in its sole, absolute and unfettered discretion. The tenure, design, use, etc. of the Phase 2 Lands and the Phase 2 Project, the construction timetable for same, the number of Potls contained therein, and the type, character, composition, etc. of the improvements to be constructed thereon will be totally at the discretion and control of the owner(s) of the Phase 2 Lands. The configuration, layout, boundary and area of the Phase 2 Lands and Phase 2 Project are subject to change by the owner(s) of the Phase 2 Lands, in its sole, absolute and unfettered discretion. Purchasers are further advised that the Phase 2 Project, if developed, may be further divided into further phases and the development of the Phase 2 Project as multiple phases will not constitute a material change within the meaning of the Act.

Each Purchaser will have an undivided interest in the Corporation and contribute to the common expenses in the percentages set forth in Schedule D to the Declaration. The Declarant reserves the right, at its option, to: (i) increase or decrease the number of Potls; and (ii) alter the common interest percentages and/or the common expense contribution percentages, provided that each Purchaser’s common interest percentage and /or common expense contribution percentage will not change materially and which change will not constitute a material change within the meaning of the Act.

Notwithstanding anything herein, the Declarant reserves the right to bulk meter any utility which is being separately metered or check or consumption metered and as a result the budget will be amended and the costs for such bulk metered utility will be included as part of the common expenses and purchasers are specifically put on notice of same and any such change shall not constitute a material change within the meaning of the Act.

Purchasers are notified that during the construction of the Project, the Declarant, its agents, servants, contractors, suppliers and trades will be entitled to use those portions of the common elements 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 agents, servants, 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 to the owners and residents of the Potls, with their use and enjoyment of the Potls and common elements, provided that nothing shall derogate from the right of the Declarant to complete construction of the Project.

The configuration, layout, boundaries and area of the Property are subject to change by the Declarant in its sole, absolute and unfettered discretion prior to the registration of the declaration and description previously referred to.

Purchasers are advised that if waste removal and disposal of garbage and/or recycling is not provided as a municipal service to the Potls, then same must be done privately. In such event, the costs for same shall be added to the common expenses of the Corporation and the budget forming a part of this disclosure statement will need to be amended to account for the costs for such private waste removal and disposal of garbage and/or recycling, as the case may be. Purchasers are advised to refer to the notes to the budget forming part of this disclosure statement for the current estimated costs of private waste removal and disposal of garbage and/or recycling that may be added to the common expenses of the Corporation should such service not be provided by the municipality. Any changes contemplated herein shall not constitute a material change within the meaning of the Act.

In the event that the sidewalk along Weston Road is not maintained by municipality, purchasers are advised that same will have to be maintained by the owners of the Potls which front onto Weston Road.

Purchasers are advised that Potls may be subject to agreement(s), covenants and restrictions that prohibit or restrict, inter alia, any changes to landscaping on the Potls and any changes to the esthetics of the external dwelling features from that as provided by the Declarant, and that any proposed changes must be approved by the board of directors of the Corporation. A copy of the proposed restrictions are attached hereto as Schedule IX. The Declarant, at its sole, absolute and unfettered discretion, may

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amend such proposed restrictions or add new restrictions and purchasers are specifically put on notice of same and any such change shall not constitute a material change within the meaning of the Act.

Purchasers are advised that there is proposed to be 16 visitor parking spaces available on the Property which are to be used by visitors to the Potls within the Phase 1 Lands and visitors to the Potls within the Phase 2 Lands and shall form part of the common elements of the Corporation. Such visitor parking spaces on the Property may be used at no cost by permitted visitors to the Potls within the Phase 1 Lands and permitted visitors to the Potls within the Phase 2 Lands for visitor parking purposes only in accordance with the Declaration, bylaws and rules of the Corporation. Visitor parking is also available in the following location: within the driveway (if applicable) and/or garage area (if applicable) of the Potl that the visitor is visiting, which the Declarant assumes the subject Potl owner will allow free of charge to his/her visitors.

The Declarant reserves the right, in its sole, unfettered and subjective discretion, to register all or a portion of the Property as one or more separate condominiums and to exclude such condominium or condominiums from the definition of the "Condominium" referred to herein.

Section 3 - Non-severability of the Common Interest

A common interest in the Corporation attaches and is appurtenant to each of the Potls, and cannot be severed from any of the Potls upon a sale or enforcement of an encumbrance registered against any of the Potls.

Section 4 - Buildings, Structures, Facilities, and Services

It is presently anticipated that the Potls within the Project shall be contained within 13 blocks of townhomes.

The common elements are currently proposed to include an outdoor open space, visitor parking spaces, water distribution works and appurtenances, sanitary sewage works and appurtenances, storm sewage works and appurtenances, underground storm water tank, catch basins, manholes, main line tee, shut off valves, fire hydrants, street lighting, electrical facilities and appurtenances, road system and appurtenances, gas service, telephone conduits, television and cable conduits, mail kiosk, sidewalks, common area privacy and acoustic fencing and gates and bicycle storage racks. At present, it is intended that all wires, cables, conduits and pipes of the electrical, gas, telephone, television and any other utilities shall be owned by the respective utilities, however all or part of such facilities may be owned by the Corporation where so determined by the Declarant or the subject utility company at their sole, absolute and unfettered discretion. It is currently proposed that the common elements will not contain building(s) and/or structure(s). The Declarant may, at its sole, absolute and unfettered discretion and with no obligation to do so, construct an entrance feature on portions of the common elements.

Purchasers are advised that some or all of said services, works, facilities etc. being or to be constructed by the Declarant to service the development may be beneath or upon the internal road and/or may be required to be located in areas beyond the limits of the internal road and possibly within certain areas of the proposed townhomes and Potls, including, without limitation, the front yard, side yards and/or the rear yards. These areas therefore may be subject to various specific and/or blanket easements in favour of the Corporation, utilities, or other Potls enjoying the use of same, including, without limitation, in order to allow for the maintenance, repair and replacement of any such services, works and/or facilities by the Corporation, utilities or other Potl owners.

Section 5 – Description of Recreational and Other Amenities

There will be constructed within the Condominium an outdoor open space, the current location and configuration of which is shown on the Condominium Plan (the "Open Space"), which will benefit the residents of the Condominium. The Open Space will form part of the common elements of the Condominium.

The Declarant estimates that construction of the Open Space will be commencing approximately September 1, 2028, but potentially no earlier than 180 days after commencement of occupancy of Potls with an interest in the Property, and that the Open Space will be completed by approximately June 1, 2029 but potentially no earlier than 180 days after completion of occupancy of all the Potls with an interest in the Property. As of the date hereof, the Declarant is unable to describe the amenities that will be available to the occupants of the Condominium during the period of interim occupancy."

Purchasers are advised that their Potls may be situated in the vicinity of the amenities set out herein, and that there may be noise and other disturbances arising from the use of such amenities and activities therein which may interfere with the enjoyment of the Potls. Purchasers are advised that the Declarant may locate all or part of any of such areas on other areas of the Property, and as a result Potls are or may be situate adjacent or in proximity to amenities which may result in disturbances arising from the use of such amenities which may impact the Potls. The Declarant reserves the right to: (a) relocate any of the amenities set out herein; (b) locate additional amenities throughout other areas of the Property; (c)

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locate amenities adjacent to or in proximity to Potls, and (d) make other changes and modifications to the use, size, location, amenities and equipment comprising any amenity areas, including eliminating any of the amenity areas set out herein, all in its absolute and unfettered discretion

Section 6 - Easements and Development Agreements

The Declarant may be required to enter into various development and/or condominium agreements with the City of Vaughan, Regional Municipality of York, other governmental authorities and utility and service providers. Such agreements may be registered on title to the Property and shall or may be binding upon the Property, the Corporation, the owners of the Potls and their successor and assigns.

The Property and/or the Potls may, as determined by the Declarant in its sole, absolute and unfettered discretion, be subject to those easements as disclosed by the registered title. Additionally, the Property and the Potls shall be subject to and together with those easements to be created in Schedule "A" to the registered Declaration, and the Property and/or the Potls may further be subject to and/or together with further easements as may be required or determined by the Declarant in its sole, absolute and unfettered discretion.

It is anticipated that each Potl owner shall receive, from a Provider (being, as at the date of this Disclosure Statement, Wyse Meter Solutions Inc., although such Provider is subject to change by the Declarant in its sole, absolute and unfettered discretion, if prior to the creation of the Corporation, and by the Corporation, thereafter), and that each Potl owner shall be responsible for the payment of invoices with respect to water consumed at and within their Potl to said Provider, plus all associated administrative and processing fees and the like, which obligation shall be separate from any other obligations of Potl owners to pay common expenses to the Corporation. It is currently anticipated that the monthly administrative fee payable by each Potl owner to the Provider, as at the date of this Disclosure Statement, is $14.99, plus applicable taxes, although said amount may be increased by said Provider and/or may be subject to annual or other escalating rates, as determined by the Provider in its sole, absolute and unfettered discretion. Further, it is currently anticipated that each Potl owner will pay a one-time security deposit to the Provider and a one-time account setup fee to the Provider. As at the date of this Disclosure Statement, it is anticipated that said security deposit shall be $130.00 and that the setup fee shall be $50.00, plus applicable taxes, although said amounts may be increased by said Provider and/or may be subject to escalating rates, as determined by the Provider in its sole, absolute and unfettered discretion. Further, it is anticipated that the payment of said security deposit may be waived by the Provider should the owner of the Potl arrange for the pre-authorized payment of sums owing to the Provider.

Section 7- Sharing of Costs of Services and Easements

If the Property is developed in more than a single phase, as provided for herein, then certain facilities, services and areas within the said lands may benefit any one or both of the Phase 1 Lands and the Phase 2 Lands and/or the buildings/structures proposed to be built thereon and certain costs for same may be shared amongst the benefitting lands, all as determined by the Declarant in its sole, absolute and unfettered discretion. If the Phase 1 Lands and the Phase 2 Lands are developed in a single phase, then the obligations of the Corporation and the Phase 2 Corporation as set out hereinbelow in this Section 7 shall become the obligations of the Single Phase Corporation and furthermore the Declaration shall be amended accordingly, as determined by the Declarant in its sole, absolute and unfettered discretion. The composition and location of the shared facilities, services and areas shared between the Corporation and the Phase 2 Corporation cannot be finalized until the Project and the Phase 2 Project have been fully constructed or such earlier time as determined by the Declarant at its sole, absolute and unfettered discretion.

Nevertheless, at this time it is proposed that the costs of services and easements to be shared by the Corporation and the Phase 2 Corporation are as follows (which is subject to change as mentioned above and below):

(I) The Corporation and the Phase 2 Corporation will together share the cost of operating maintaining, repairing, replacing and inspecting:

(a) the visitor parking spaces within the Phase 1 Lands and the Phase 2 Lands;

(b) the outdoor amenity area and appurtenances located within the Phase 1 Lands (if any);

(c) the road system and appurtenances within the Phase 1 Lands and the Phase 2 Lands;

(d) the underground services, including without limitation, storm (including the underground storm water tank within the Phase 1 Lands), sanitary and water, within the Phase 1 Lands and/or the Phase 2 Lands serving both the Phase 1 Project and Phase 2 Project;

(e) any exterior landscaped areas and facilities located within the Phase 1 Lands and/or the Phase 2 Lands;

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(f) the pedestrian walkways within the Phase 1 Lands and the Phase 2 Lands;

the cost of which are included within the common expenses described in the budget annexed hereto as Schedule V, and are collectively the "Shared Facilities".

(II) Each of the Corporation and the Phase 2 Corporation will be responsible for its proportionate share of the cost of operating, maintaining, repairing, replacing and inspecting the Shared Facilities, such share being equal to the proportion that the total number of Potls contained within each of the Project and the Phase 2 Project bears to the total number of Potls contained in both of the Project and the Phase 2 Project.

(III) The Corporation and the declarant of the Phase 2 Lands (on behalf of the Phase 2 Corporation) shall enter into an Easement and Cost Sharing Agreement which shall provide generally as follows:

(a) The Easement and Cost Sharing Agreement shall provide that as a declaration and description is registered on the lands which are the subject of such agreement, thereby creating a condominium corporation under the Act, such newly created condominium corporation shall execute a counter-part of the Easement and Cost Sharing Agreement pursuant to which such condominium corporation shall assume its benefits and burdens under the Easement and Cost Sharing Agreement.

(b) The Easement and Cost Sharing Agreement may, at the Declarant's sole, absolute and unfettered discretion, describe and convey the various easements over various parts of the Lands and the Phase 2 Lands, including, without limitation, easements for the following purposes: pedestrian and vehicular access, support, installing, maintaining, operating, altering, repairing, replacing and inspecting utilities and other systems, permitting the use and enjoyment of various parts of the property, the maintenance and repair of the property, the purpose of construction, sale and maintenance of the building to be constructed on the subject lands.

(c) The Easement and Cost Sharing Agreement shall establish the cost sharing mechanism(s) between the Corporation and the Phase 2 Corporation with respect to the expenses of operating, maintaining, repairing, replacing and inspecting the Shared Facilities, to be used in the manner provided for in the Easement and Cost Sharing Agreement.

(d) In relation to the costs proposed to be shared by the Corporation and the Phase 2 Corporation as referred to in Section 7 (I) and (II)hereinabove, the Easement and Cost Sharing Agreement will provide in the manner established by the Declarant that until such time as any portion of the Phase 2 Project is constructed and 40 Potls in the Project is occupied by the public, the owner(s) of the Phase 2 Lands shall not be required to contribute towards its proportionate share of the expenses contemplated pursuant to the above referenced cost sharing mechanism and such share will be borne by the Phase 1 Corporation alone. However, upon the construction on any portion of the Phase 2 Lands and the occupancy of 40 Potls in the Phase 2 Project by the public, the proportionate share of the shared costs (as referred to in Section 7 (I) and (II) hereinabove) relating to all the Potls in the Phase 2 Project shall be thereafter assumed by the owner(s) of the Phase 2 Lands.

(e) The Easement and Cost Sharing Agreement shall provide that the Declarant shall control the use, maintenance, repair, etc. of the Shared Facilities until the earlier of 10 years following the date of the creation of the Phase 1 Corporation, the creation of all of the Phase 1 Corporation and the Phase 2 Corporation, and such earlier date as may be established by the Declarant, in its sole, absolute and unfettered discretion.

(f) The Easement and Cost Sharing Agreement shall include such other provisions as are required to give effect to matters therein contained, including provisions for the collection of the amounts due under the Easement and Cost Sharing Agreement, administration of the matters therein provided, and such other matters as may be deemed appropriate by the Declarant, in its sole, absolute and unfettered discretion.

E. MARKETING OF BLOCK OF POTLS

The Declarant does not presently intend to market any Potls within the Project (and common interests attaching thereto) in blocks to investors but reserves the right to do so; however, no restriction has been placed on the number of Potls within the Project (and common interests attaching thereto) that may be purchased by an individual or corporation.

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F. SIGNIFICANT FEATURES OF THE AGREEMENTS

The following represents a brief narrative description of the significant features of the agreements required to be described under section 72(3)(n) of the Act, but any statements made below are qualified in all respects by the contents of such documents.

(a) Management Agreement

The Corporation will enter into a management agreement with the Declarant or a company related to or appointed by the Declarant (the "Manager") pursuant to which the Manager will be the exclusive representative and managing agent of the Corporation, for a term described in the management agreement. The duties of the Manager are fully set out in the management agreement and include, among other things, the enforcement of the terms of the Declaration, by-laws and rules, the collection of common expenses, the repair and maintenance of common elements, and the keeping of accounts of all financial transactions involved in managing the property of the Corporation. The Manager shall be entitled to a payment for its managerial services, which during the first year following the registration of this Corporation shall be in the amount set out in the Budget (subject to the terms set out in the Budget statement forming part of this Disclosure Statement). In addition to this amount, the Manager shall also be entitled to a payment for its managerial services in respect of the Shared Facilities, which during the first year following the registration of this Corporation shall be in an amounts set out in the budget statement forming a part of this Disclosure Statement and shall be subject to the terms set out in said budget statement. The management agreement may be terminated by the Corporation in accordance with Section 111 of the Act. The Manager may terminate the management agreement by the Manager giving to the Corporation sixty (60) days' written notice to such effect. A copy of the proposed management agreement is attached hereto as Schedule IV.

(b) Access Agreements

The Corporation may, at the sole, absolute and unfettered discretion of the Declarant, be required to enter into or assume an agreement(s) with the adjacent or nearby property owners, municipal authorities and/or other persons relating to, *inter alia*, the making available certain portions of the common elements of the Condominium for use by the public and/or by persons other than occupants of the Potls; the granting of easements and/or licences over the Property; the granting of easements and/or licences over lands owned by adjacent or nearby property owners, municipal authorities, the public and/or other persons and the Corporation's responsibility for the operation, maintenance, repair, replacement, cleaning and/or inspection (and the Corporation's responsibility for the payment of the costs thereof) of certain easements, licences, lands, spaces and features. Said agreement(s) may, at the sole, absolute and unfettered discretion of the Declarant, contain clauses which require the Corporation to indemnify the parties thereto and/or the Declarant for certain obligations and covenants contained therein. The agreements described in this section are hereinafter known as the "Access Agreements".

(c) Services, Utilities and Proposed Agreements with Providers

It is intended that the cost of services and utilities consumed within a Potl, including water, gas and hydro service, will be borne by that Potl owner as a cost that is in addition to and not forming part of the common expenses payable by that Potl owner. Any services consumed by the Condominium, however, will form part of the budgeted costs of the Condominium and therefore part of the common expenses payable by the owners of the Potls. Certain service providers, currently gas and hydro, have advised the Declarant that they will individually meter and bill Potl owners directly for utilities consumed within a Potl and that they will also meter and bill the Condominium for its consumption. At present, the water service provider has indicated that they will only provide one bulk meter and bill to the Condominium for all water consumed within the Potls and by the Condominium. In the case of any bulk service such as water service, check meters will be installed in each Potl and each Potl owner will receive a bill for its share of the bulk bill, which again will be in addition to and not forming part of the Potl owner's common expense payment. It is possible that any service that is currently bulk metered and billed to the condominium by the supplier will be individually metered and billed to each Potl owner and Condominium, and vise versa. Nevertheless, it will remain the intention that each Potl owner bear its own cost of such services, in addition to and not forming part of its common expenses. In the event of any changes contemplated herein between bulk and individual metering/billing, such changes shall not constitute material changes within the meaning of the Act.

In respect of any service or utility supplier, the Corporation may enter into or assume an agreement (the "Utility Supply and Services Agreement") with the supply provider (a "Provider"), which provides for a Provider owning, operating, maintaining and repairing the respective distribution infrastructure within the Condominium. In this regard, the Utility Supply and Services Agreement will grant to and in favour of the Provider a licence or right of access or easement over, under and across the common elements of the Condominium in order to install, maintain, repair, replace, and operate the service or utility distribution system throughout the common elements of the Condominium. Each Potl will be separately metered to measure the consumption of the service or utility. Consumption costs for each Potl shall not be part of the common expenses allocated to such Potls. The owner of each respective Potl shall be responsible for the payment of all costs and expenses for service or utility consumed by such Potl including the

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following: (a) the cost of the commodity; (b) any required deposits; (c) any meter installation fees; (d) an administration fee payable to the Provider for reading the meter and administering the monthly billing; and (e) a distribution fee payable to the Provider as prescribed by any authority having jurisdiction over the utility or service from time to time. On or before the closing date, each owner shall enter into a supply and services agreement directly with the Provider. The Utility Supply and Services Agreement may provide that if the Corporation desires to contract with another provider, the Corporation must purchase the distribution system upon the terms and conditions set out in the Utility Supply and Services Agreement at a cost equal to the undepreciated cost of the system. The Utility Supply and Services Agreement may contain provisions which require the Declarant and/or Corporation to provide a licence to the Provider (including its employees, agents and sub-contractors) to access and use the common elements for the purposes of allowing the Provider to perform its obligations under the said agreement, including, without limitation, providing the distribution system, and delivering, designing, inspecting, repairing, relocating, maintaining, testing, connecting or replacing equipment, meters, wiring and other works or any part thereof.

(d) Easement and Cost Sharing Agreement

The Corporation shall enter into or assume an Easement and Cost Sharing Agreement, the general provisions of which are summarized above under D.Section 7.

(e) Miscellaneous Agreements

The Corporation may enter into or assume agreements (the "Miscellaneous Agreements") which may be necessary, from time to time, for the provision of services to the proposed condominium including, without limitation, landscaping, garbage and waste disposal, snow removal, supplies, insurance, accounting services, legal services, common element utilities and other matters as may be required for the orderly operation of the business and affairs of the proposed condominium.

G. MISCELLANEOUS MATTERS, STATEMENTS, ETC.

(a) The Declarant has no actual knowledge of any judgments against the Corporation to be created by the Declarant, nor does it have any actual knowledge of any pending lawsuits to which the Corporation is a party.

(b) There are no current or expected fees or charges to be paid by Potl owners, or any of them, for the use of the common elements or part thereof and other facilities related to the Property, except as otherwise may be expressly provided for in this Disclosure Statement or in the documents prepared in conformity therewith.

(c) The Declarant has not made an application for approval, as described under subsection 72(3)(e) of the Act, with respect to the Property.

(d) The Declarant does intend to enroll the Potls within the Property under the Ontario New Home Warranties Plan (the "Plan") within the meaning of the Ontario New Home Warranties Plan Act, R.S.O. 1990, c.O-31 (the "Warranties Plan Act"). The common elements are not subject to nor covered by the provisions of the Plan.

(e) No building on the Property has been converted from a previous use. Therefore, in respect to the Condominium, the Declarant has not made application pursuant to subsection 9(4) of the Act for approval to convert previously used or existing rented residential premises to condominium tenure. Some of the Potls may, at the sole and absolute discretion of the Declarant, be used for a sales office(s) and/or model home(s).

(f) None of the Potls may be used for commercial or other purposes not ancillary to residential purposes, save and except that the owner of a Potl may use the dwelling located on his/her Potl for those purposes permitted by and in conformity with all applicable zoning and building by-laws and regulations of the City of Vaughan and in conformity with the by-laws, rules and regulations of any other governmental authority or agency having jurisdiction. No part of the common elements may be used for commercial or other purposes not ancillary to residential purposes. Purchasers acknowledge that some of the Potls and/or part of the common elements may, at the sole and absolute discretion of the Declarant, be used for a sales office(s) and/or model home(s) and that the Declarant reserves the right to add additional sales office(s)/model home(s) on the Potls and common elements, in its sole and absolute discretion. Purchasers further acknowledge that the internal road system and other portions of the common elements of the Corporation may be open to the general public.

(g) The portion of the common interests, to the nearest anticipated 25 per cent, that the Declarant intends to lease is 25 per cent. Notwithstanding the foregoing, the Declarant reserves the right to change the percentage of any portion of the common interests that it intends to lease.

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(h) The Declarant does not intend to cause the Corporation to amalgamate with another corporation within sixty (60) days of the date of registration of the Declaration and description of the Corporation.

(i) The Declarant does not intend to require the Corporation to pay fees or charges to the Declarant or another person, save and except for those fees or charges set out in the Budget Statement annexed hereto, as otherwise expressly provided for in this Disclosure Statement or in the documents prepared in conformity therewith and as may be payable pursuant to the Access Agreements, the Utility Supply and Services Agreement and the Miscellaneous Agreements.

(j) Under subsection 82(8) of the Act, the Declarant is entitled to retain the excess of all interest earned on money held in trust over the interest that it is required to pay to the purchaser under section 82 of the Act.

(k) The Declarant or a subsidiary body corporate, holding body corporate and/or affiliated body corporate of the Declarant does own land that is adjacent to the land described in the description, and the following applies to such adjacent lands:

(i) Current Use

The adjacent lands owned by the Declarant or any such subsidiary body corporate, holding body corporate and/or affiliated body corporate of the Declarant are currently either vacant, under construction, being used for the purpose of a sales office or being used for the purpose of a construction site office.

(ii) Representations Respecting Future Use

The Declarant has not made any representations respecting the future use of the lands adjacent to the land described in the description, the use of which is completely at the sole, absolute and unfettered discretion of the owners thereof.

(iii) Applications

The following applications respecting the use of the lands adjacent to the lands described in the description have been or may be submitted to an approval authority:

(A) Applications for Draft Plan of Subdivision;

(B) Applications for Draft Condominium Plan Approval;

(C) Applications for minor variances regarding building area, set back, height, etc.;

(D) Applications for re-zoning or Official Plan Amendment;

(E) Applications for demolition;

(F) Site plan application(s);

(G) Applications for part lot control exemption; and

(H) Applications for such other purposes to permit the adjacent lands to be developed in the manner required by their respective owners.

H. SCHEDULES

Attached hereto are the following documents:

Schedule I	A copy of the Corporation's proposed Declaration.
Schedule II	A copy of the Corporation's proposed By-law No. 1.
Schedule III	A copy of the Corporation's proposed By-law No. 2.
Schedule IV	A copy of the proposed Management Agreement.
Schedule V	The proposed Budget Statement for the one year period immediately following the registration of the proposed Declaration and description.
Schedule VI	A copy of sections 73 and 74 of the Act.
Schedule VII	Draft Condominium Plan and Draft Reference Plan
Schedule VIII	A copy of the proposed Rules.
Schedule IX	A copy of the proposed Restrictive Covenants.

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VELLORE TRAILS

An Enclave Community

By Arista Homes

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SCHEDULE I
A copy of the Corporation's proposed Declaration

SCHEDULE I

DECLARATION

MADE PURSUANT TO THE CONDOMINIUM ACT

THIS DECLARATION (hereinafter called the "Declaration") is made, executed and registered pursuant to the provisions of the Condominium Act, 1998, S.O. 1998, c.19, as amended from time to time, and the regulations made thereunder (all of which are hereinafter collectively referred to as the "Act"), BY:

ARISTA HOMES (VELLORE TRAILS) INC.
(hereinafter called the "Declarant")

WHEREAS the Declarant is the owner in fee simple of certain lands and premises situate in the City of Vaughan, Regional Municipality of York, in the Province of Ontario, and being more particularly described in Schedule "A" annexed hereto (herein and hereinafter defined and referred to as the "Lands" or "Property") and in the description submitted herewith by the Declarant for registration in accordance with Section 8 of the Act (hereinafter called the "description");

AND WHEREAS the registration of the Declaration and description will create a freehold condominium corporation that is a common elements condominium corporation as defined by the Act;

AND WHEREAS the Declarant intends that the said lands shall be governed by the Act;

AND WHEREAS a parcel of tied land may not be divided into two or more parcels unless an amendment is registered to the Declaration that takes into account the division of the parcel of tied land;

AND WHEREAS this Declaration and description will attach to 77 parcels of tied land.

NOW THEREFORE THE DECLARANT HEREBY DECLARES AS FOLLOWS:

PART ONE - INTRODUCTION

Section 1 - Definitions

The terms used in the Declaration shall have the meanings ascribed to them in the Act unless the Declaration specifies otherwise or unless the context otherwise requires, and in particular:

(a) "Amenity Area" means the outdoor amenity area and appurtenances located within the Lands;

(b) "Common Elements" and "common elements" means all the Property;

(c) "Common Interest" and "common interest" means the interest in the common elements appurtenant to a Potl;

(d) "Corporation" means the corporation created upon the registration of the Declaration and description on the Lands;

(e) "Development Agreements" shall mean any agreements entered into with any one or more of the City of Vaughan, Regional Municipality of York and any other municipal, provincial and/or federal government authority or agency, which are registered on title to the Property or which otherwise affect the Property;

(f) "Easement and Cost Sharing Agreement" certain agreement to be entered into or already entered into among the Corporation and the declarant of the Phase 2 Lands on behalf of the Phase 2 Corporation (if the Phase 2 Corporation is not yet created on the execution of such agreement) in order, among other things, to provide for the sharing of the costs of maintaining, operating, repairing, replacing and inspecting the Visitor Parking Spaces, the Amenity Area, the Roads, the Services, the Exterior Landscaped Areas and Facilities and the Walkways among the Corporation and the Phase 2 Corporation, as well as to provide for the granting and definition of certain easements and rights among them;

(g) "Exterior Landscaped Areas and Facilities" means any exterior landscaped areas and facilities located within the Lands and/or the Phase 2 Lands;

(h) "Owner" means a person who owns a freehold interest(s) in a Potl and its appurtenant common interest, but does not include a mortgagee unless in possession;

(i) "Phase 2 Corporation" means, if the Phase 2 Lands are developed as a common element condominium, the condominium corporation proposed to be created upon registration of a declaration and description upon the Phase 2 Lands;

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(j) "Phase 2 Lands" means the lands on which the Phase 2 Project is proposed to be constructed;

(k) "Phase 2 Potls" means parcels of tied land with an appurtenant common interest in the Phase 2 Corporation;

(l) "Phase 2 Project" means the development of parcels of tied land and internal roadway, services and other facilities which will form common elements to be created upon registration of the declaration and description against the Phase 2 Lands;

(m) "Potl" or Potls" means the parcel or parcels of tied land to which a common interest is attached, as described in Schedule "D" to this Declaration;

(n) "Project" means the development of: (i) parcels of tied land; and (ii) internal roadway, services and other facilities which will form common elements to be created upon registration of the declaration and description against the Lands;

(o) "Property" or "property", as the context may require, means the land and interests appurtenant to the land described in the description and in Schedule "A" annexed hereto, and includes any land and interests appurtenant to land that are added to the common elements;

(p) "Proportionate Share" means, in relation to the Visitor Parking Spaces, the Amenity Area, the Roads, the Services, the Exterior Landscaped Areas and Facilities and the Walkways, the respective costs to be borne by each of the Corporation and the Phase 2 Corporation towards the total amount of costs incurred in maintaining, operating, repairing, replacing and inspecting of those facilities as determined in accordance with the terms of the Easement and Cost Sharing Agreement;

(q) "Roads" means the road system and appurtenances within the Lands and the Phase 2 Lands;

(r) "Rules" means rules passed by the Board of Directors (hereinafter called the "board") of the Corporation and becoming effective pursuant to Section 58 of the Act;

(s) "Services" means the underground services, including without limitation, storm (including the underground storm water tank within the Lands), sanitary and water, within the Lands and/or the Phase 2 Lands serving both the Project and the Phase 2 Project;

(t) "Visitor Parking Spaces" means the visitor parking spaces within the Lands and the Phase 2 Lands;

(u) "Walkways" means the pedestrian walkways within the Lands and the Phase 2 Lands.

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Section 2 - Statement of Intention

The Declarant intends that the lands described in Schedule "A" and in the description, together with all interests appurtenant to the said lands (herein collectively referred to as the "Lands") be governed by the Act, and any amendments thereto.

Section 3 - Common Elements Condominium

The registration of this Declaration and description will create a freehold condominium corporation that is a common elements condominium corporation as defined by the Act.

Section 4 - Division of Potls

A Potl may not be divided into 2 or more parcels unless an amendment is registered to the Declaration that takes into account the division of such Potl.

Section 5 - Consent of Encumbrancers

The consent of every person having a registered mortgage against the Lands is contained in Schedule "B" annexed hereto.

Section 6 - Common Interest and Common Expenses Allocation

Each Owner shall have an undivided interest in the Common Elements as a tenant in common with all other Owners in the proportions set forth opposite each Potl number in Schedule "D" attached hereto and shall, save and except as provided herein, contribute to the common expenses in the proportions set forth opposite each Potl number in Schedule "D" attached hereto. The total of the proportions of the common interests and proportionate contribution to common expenses shall each be one hundred (100%) percent.

Section 7 - Exclusive Use Common Elements

There are no exclusive use common element areas.

Section 8 - Mailing Address and Address for Service

The address for service and mailing address of the Corporation shall be:

c/o Crossbridge Condominium Services Ltd.
111 Gordon Baker Road, Suite 700, Toronto, Ontario M2H 3R1

or such other address as the Corporation may determine by resolution of the board.

Section 9 - Architect/Engineer Certificates

The certificate(s) of the architect and/or engineer that each building and structure that the Declaration and description show are included in the common elements has been constructed in accordance with the regulations made under the Act is/are contained in Schedule "G" annexed hereto.

PART TWO - SPECIFICATION OF COMMON EXPENSES

Section 10 - Meaning of Common Expenses

Common expenses shall be the expenses of the performance of the objects and duties of the Corporation and, without limiting the generality of the foregoing, such other costs, expenses and sums of money designated as common expenses in the Act, or in this Declaration, or as are listed in Schedule "E" attached hereto.

Section 11 - Payment of Common Expenses

(a) Payment of Common Expenses

(i) Each Owner shall pay to the Corporation his proportionate share of the common expenses, and the assessment and collection of the 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 by-laws of the Corporation in force from time to time by any 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.

(ii) In addition to the foregoing, any losses, costs or damages incurred by the Corporation by reason of a breach of any provision of this Declaration or of any by-laws or Rules of the Corporation in force from time to time committed by any Owner, or by such Owner's tenants, and/or their respective invitees or licensees, or as a result of any breach or non-compliance with any applicable zoning by-laws, or other laws or regulations, or by reason of an increase in the premium of any insurance policy insuring the interest of the Corporation and which is directly attributable to the use made by any Owner of his Potl or by such Owner's tenants, employees, as aforesaid and/or their respective 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.

Section 12 - Reserve Fund

(a) The Corporation shall establish and maintain one or more reserve funds in respect of the common elements and assets and shall collect from the Owners, as part of their contribution towards the common expenses, amounts that are reasonably expected to provide sufficient funds for major repair and/or replacement of common elements and assets of the Corporation, all in accordance with the provisions of the Act.

(b) No part of the reserve fund shall be used except for the purposes for which the fund was established. The amount of the reserve fund shall constitute an asset of the Corporation and shall not be distributed to any Owner except on termination of the Corporation.

(c) In accordance with Section 94 of the Act, the Corporation shall conduct periodic studies to determine whether the amount of money in the reserve fund and the amount of contributions collected by the Corporation are adequate to provide for the expected costs of major repair and replacement of the common elements and assets of the Corporation.

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Section 13 - Certificate of Common Expenses

The Corporation shall, upon request, provide the requesting party with a status certificate and accompanying statements and information in accordance with Section 76 of the Act. The Corporation may charge the prescribed fee for providing the status certificate. Notwithstanding the foregoing, the Corporation shall forthwith provide the Declarant with a certificate and all such accompanying statements and information, as may be requested from time to time by or on behalf of the Declarant in connection with a sale or mortgage of any Potls or for any other reason, all at no charge or fee to the Declarant or the person requesting same on behalf of the Declarant.

PART THREE - OCCUPATION AND USE OF COMMON ELEMENTS

Section 14 - General Use

(a) The Common Elements are intended for the use and enjoyment of the Owners for the purpose of Clause 140(a) of the Act. Each Owner may make reasonable use of and has the right to occupy and enjoy the whole or any part of the common elements, and each Owner has the right to make reasonable use of, and has the right to enjoy any exclusive use common element area which has been designated to his Potl in Schedule “F”, subject to any conditions or restrictions set out in the Act, the Declaration, the Corporation's by-laws (herein called the “by-laws”), the Rules, the Easement and Cost Sharing Agreement and easements and rights registered against the common elements. 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 common elements or that will unreasonably interfere with the use or enjoyment by other Owners of the common elements, that results in the cancellation or threatened cancellation of any policy of insurance referred to in the Declaration, or that will lead to a contravention of any covenant, term or condition contained in the Easement and Cost Sharing Agreement or any easements and rights registered against the common elements.

(b) No Owner shall make any installation or any change or alteration to an installation upon the common elements, or maintain, decorate, alter or repair any part of the common elements, except for maintaining those parts of the common elements which he has a duty to maintain, without obtaining the written approval of the Corporation in accordance with the Act, unless otherwise provided for in this Declaration or in the by-laws.

(c) Notwithstanding anything hereinbefore or hereinafter provided to the contrary, and notwithstanding any Rules or by-laws of the Corporation to the contrary, the Declarant and any entity related, associated or affiliated thereto (the “Related Company”) shall be entitled to erect and maintain signs for marketing/sales/rental/leasing/construction purposes upon the common elements, and within or outside any unsold Potls, pursuant to the Declarant's ongoing marketing/sales/rental/leasing/construction program in respect of the Potls at such locations and having such dimensions as the Declarant may determine in its sole discretion provided same complies with municipal requirements. In addition, the Declarant and any Related Company, their sales staff, their authorized personnel or agents, and any prospective purchasers shall together have the right to use the Visitor Parking Spaces for marketing/sales/rental/leasing/construction programs in connection with the Potls any other units and/or areas and/or the Phase 2 Potls, and within any other project by the Declarant or a Related Company within the vicinity of the Potls (collectively the “Other Properties”), which right shall cease forthwith upon the later of the sale and construction of all Potls owned by the Declarant and the Other Properties.

(d) Notwithstanding anything hereinbefore or hereinafter provided to the contrary, and notwithstanding any Rules or by-laws of the Corporation to the contrary, until the sale of all Potls and the completion of construction of the dwellings thereon, the Declarant, its agents and contractors may operate model home(s) within Potl(s); maintain construction trailers or offices on the Common Elements; maintain construction materials on the Common Elements; and have access to the Common Elements to complete construction.

(e) No one shall carry on any activity or do any act upon or within the common elements, which would lead to a contravention by the Corporation of any terms or provisions of any of the Development Agreements, or which would require obtaining the consent or approval of any person pursuant to the terms of any of the Development Agreements unless such consent or approval has been obtained. No one shall, by any conduct or activity undertaken in or upon any part of the common elements, impede, hinder or obstruct any right, privilege, easement or benefit given to any party, person or other entity pursuant to (or by virtue of) this Declaration, any by-law and/or any agreement(s) authorized by any by-law.

(f) Notwithstanding any provisions of this Declaration to the contrary, until construction of the dwellings on the Potls is completed by the Declarant, the Declarant shall be entitled to close off and restrict access to portions of the Common Elements where the Declarant deems it advisable for safety purposes.

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(g) No Owner shall park or leave his/her vehicle, machinery or equipment on the Visitor Parking Spaces. Such Visitor Parking Spaces may be used by visitors to the Potls, which clause does not apply to the Declarant. The Declarant, and any Related Company, their sales staff, their authorized personnel or agents, and any prospective purchasers may park or leave their vehicle, machinery or equipment on the Visitor Parking Spaces.

Section 15 - Restricted Access

Notwithstanding anything herein, without the consent in writing of the board, no Owner or its respective employees, agents, tenants, invitees or licensees shall have any right of access to those parts of the common elements used from time to time as a utilities area, maintenance or storage area or any mechanical or servicing system servicing the Corporation nor shall he have access to any other parts of the common elements used for the care, maintenance or operation of the Property or any part of the Property.

Section 16 - Modification of Common Elements and Assets

(a) The Corporation may, by a vote of Owners who own at least sixty-six and two thirds (66 2/3%) per cent of the Potls, make any substantial addition, alteration or improvements to or renovation of the common elements, or may make any substantial change in the assets of the Corporation or a substantial change in a service that the Corporation provides.

(b) Where the Corporation has sent a notice to the Owners in accordance with Section 97(3) of the Act, and the Owners have either not requisitioned a meeting in accordance with Section 46 of the Act or the Owners have requisitioned a meeting in accordance with Section 46 of the Act but have not voted against the proposed addition, alteration, improvement or change at the meeting, the Corporation may make any other addition, alteration or improvement to or renovation of the common elements, or may make any other change to the assets of the Corporation or any change in a service that the Corporation provides.

(c) For the purposes of this section, any addition, alteration, improvement or change is substantial if it meets the prescribed meaning of substantial change as set out in Section 97(6) of the Act or the board elects to treat it as substantial.

(d) For the purposes of this Declaration, and for the purposes of operating and managing the affairs of the Corporation, and the Corporation's compliance with any provisions of the Act, or any change or alteration effected pursuant to an obligation imposed upon the Corporation pursuant to any provision of the Easement and Cost Sharing Agreement or any easements or rights registered against the Property or otherwise shall not be considered an addition, alteration, improvement to or renovation of the Common Elements of the Corporation.

(e) A copy of the complete set of “as-built” architectural, structural, engineering, mechanical, electrical, plumbing, underground site servicing, site grading, drainage, landscaping, and television, radio and other communications services plans and specifications for the common elements, including copies of all plans and specifications for any additions, alterations or improvements from time to time made to the Common Elements which may require the prior written consent of the Board, shall be maintained in the office of the Corporation at all times, or at such other place as the Board shall from time to time determine by resolution, for the use of the Corporation in rebuilding or repairing any damage to the Common Elements, and/or the use of any Owner or mortgagee. This provision does not in any way apply to the Potls and any of the plans relating to the improvements, buildings and structures completed by the Declarant thereon.

PART FOUR - MAINTENANCE AND REPAIRS AFTER DAMAGE

Section 17 - Responsibility of Owner for Damage

Each Owner is responsible for all damages to the Common Elements which are caused by the negligence or wilful misconduct of the Owner, his tenants, licensees or invitees, save and except for any such damage for which the cost of repairing same may be recovered under any policy of insurance held by the Corporation which may be subject to rights of subrogation against the Owner as contained/reserved in any such policy of insurance.

Section 18 - Maintenance and Repairs to Common Elements by the Corporation

Subject to the provisions of the Act, and of this Declaration, the Corporation is to repair and maintain the Common Elements, at its own expense. The Corporation shall also maintain and repair (save and except where a utility (whether public or private) is responsible for maintenance and repair) all services and facilities (including without limitation, water mains and hydrants, storm and sanitary sewers, hydro facilities and street lights, gas lines, telephone and cable television cables, wires and services) which service more than one Potl, and are located within the Common Elements and the Corporation.

Notwithstanding anything herein:

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(a) the Corporation and its agents shall, at all times, be entitled to access the Potls for the maintenance and repair of any items, services and facilities located thereon, therein or thereunder, upon the Common Elements or otherwise and which items, services and facilities are required to be maintained or repaired pursuant to this Declaration or under any agreement with any utility or governmental authority;

(b) each Owner shall maintain such Owner's front, side and/or back yards in accordance with the City of Vaughan's by-laws for yard and/or property maintenance, or otherwise in accordance with standards set by the Corporation from time to time. In the event that the Corporation has given an Owner notice that the yard(s) have not been maintained to such standard and the Owner does not correct same forthwith, the Corporation may enter into such Potl and complete such maintenance. All expenses incurred by the Corporation shall be paid by the Owner on demand and failing payment, shall form a charge against the Potl and in addition, may be collected in the same manner as common expenses;

(c) each Owner shall maintain any fencing within such Owner's Potl in accordance with the City of Vaughan's by-laws for property maintenance, or otherwise in accordance with standards set by the Corporation from time to time. In the event that the Corporation has given an Owner notice that the fencing has not been maintained to such standard and the Owner does not correct same forthwith, the Corporation may enter into such Potl and complete such maintenance. All expenses incurred by the Corporation shall be paid by the Owner on demand and failing payment, shall form a charge against the Potl and in addition, may be collected in the same manner as common expenses.

(d) each Owner shall maintain any retaining wall within such Owner's Potl in accordance with the City of Vaughan's by-laws for property maintenance, or otherwise in accordance with standards set by the Corporation from time to time. In the event that the Corporation has given an Owner notice that the retaining wall has not been maintained to such standard and the Owner does not correct same forthwith, the Corporation may enter into such Potl and complete such maintenance. All expenses incurred by the Corporation shall be paid by the Owner on demand and failing payment, shall form a charge against the Potl and in addition, may be collected in the same manner as common expenses

Section 19 - Snow Clearance by Corporation

The Corporation may pile snow cleared from the Common Elements onto the front or side yards or driveways of the Potls.

Section 20 - Maintenance and Management of Subsurface Infrastructure by Corporation

The Corporation shall maintain and manage any subsurface infrastructure situated within the Potls and that provides a service or benefit to more than one Potl and/or to the Property. The Corporation reserves a right of entry onto the applicable Potls to carry out such obligations.

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PART FIVE - INSURANCE

Section 21 - Insurance Maintained by the Corporation

(a) Property Insurance

The Corporation shall obtain and maintain insurance, on its own behalf and on behalf of the Owners, for damage to the common elements and personal property owned by the Corporation that is caused by major perils as defined in the Act, and insurance against such other perils or events as the board may from time to time deem advisable, in an amount equal to the full replacement cost of such real and personal property, without deduction for depreciation. This insurance may be subject to a loss deductible clause, which may vary in respect of the various perils insured against as advised by the Corporation's insurance advisors or managing agent.

(b) Other Insurance

The Corporation shall obtain and maintain insurance against its liability resulting from a breach of duty as occupier of the common elements or land that the Corporation holds as an asset, and insurance against its liability arising from its ownership, use or operation, by or on its behalf, of machinery and motor vehicles.

(c) General Provisions re Policies of Insurance

Such policy or policies of insurance will insure the interest of the Corporation and shall contain the following provisions:

(i) waivers of subrogation against the Corporation, its managers, agents, employees and servants;

(ii) such policy or policies of insurance shall not be cancelled or substantially modified without at least sixty (60) days' written notice sent by registered mail to all parties whose interests appear thereon, and to the Corporation, and to any first mortgagee who has charges on more than twenty-five (25%) per cent of the Potls;

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

(iv) provision that the same shall be primary insurance in respect to any other insurance carried by the Owner;

(v) waiver of the insurer's option to repair, rebuild or replace in the event that after damage the government of the property is terminated pursuant to the Act, which provision shall not be required to be contained in the Corporation's policy referred to in PART Five - Section 21 - (b) above.

Section 22 - General Provisions Regarding the Condominium Insurance

(a) Prior to obtaining any policy or policies of insurance under this Part, save for the Corporation's policy referred to in PART Five - Section 21 - (b) above, or any renewal or renewals thereof, or at such other times as the board may deem advisable, and also upon the request of the mortgagee or mortgagees holding mortgages on 50% or more of the Potls as the board shall, (unless it is satisfied that its current appraisal of the full replacement cost of the property is sufficient for its purposes) 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 pursuant thereto, and the costs of such appraisals shall be a common expense. In this regard, the board can rely on the appraisal obtained pursuant to the Easement and Cost Sharing Agreement with respect to the property covered by such appraisals and provided that no appraisal shall be necessary for the period prior to the turnover meeting required to be held pursuant to the Act, with respect to the initial policy or policies placed by the Declarant.

(b) Save as set forth herein or save as set forth in the Easement and Cost Sharing Agreement, the Corporation, its board and its officers, shall have the exclusive right, on behalf of itself 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 shall be bound by such adjustment.

(c) The master policies for any insurance coverage maintained by the Corporation shall be kept by the Corporation in its offices, available for inspection by an Owner or mortgagee or other insured 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 or for the Corporation, or to direct that loss shall be payable in any manner other than as provided in this Declaration.

Section 23 - Indemnity Insurance

The Corporation, no earlier than the date of the turnover meeting held pursuant to Section 43 of the Act, shall (and prior thereto may at its option) obtain and maintain insurance for the benefit of directors and officers of the Corporation, in order to indemnify them against any liability, cost, charge or expense (the “liabilities”) incurred by them in the execution of their duties, provided that such insurance shall not indemnify them against liabilities incurred as a result of a contravention of Section 37(1) of the Act.

Section 24 - Indemnification by Owners

Each Owner shall indemnify and save the Corporation harmless from any loss, costs, damage, injury or liability which the Corporation may suffer or incur resulting from or caused by any act or omission of such Owner, or any resident, tenant, invitee or licensee of his Potl, to or with respect to the Property, except for any loss, costs, damage, injury or liability insured against by the Corporation and for which insurance proceeds are in fact payable. Each Owner shall also indemnify and save the Corporation harmless from any loss, costs, damage, injury or liability which the Corporation may suffer by reason of any breach of any Rules or by-laws in force from time to time by any Owner, his family, guests, tenants, licensees, invitees or occupants of his Potl. All payments to be made by any Owner pursuant to this Section are deemed to be additional contributions toward the common expenses payable by such Owner, and are allocated and recoverable as such.

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PART SIX - DUTIES OF THE CORPORATION

Section 25 - Duties

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

(a) to enter into or assume the Easement and Cost Sharing Agreement and to comply with all of the covenants, conditions, restrictions, agreements, obligations, terms and provisions registered against the Property, in addition to any requirements set forth in the Act, the Declaration, by-laws or Rules of the Corporation;

(b) the Corporation shall provide or cause to be provided, in accordance with the Easement and Cost Sharing Agreement, all services required to allow the Visitor Parking Spaces, the Amenity Area, the Roads, the Services, the Exterior Landscaped Areas and Facilities and the Walkways to operate or be used in accordance with their permitted uses during those times in which said facilities will operate or ordinarily be used;

(c) to enter into, abide by and comply with the terms and provisions of the Development Agreements, all agreements registered on title to the Lands and any subdivision, encroachment, condominium, site plan, development, waste services or similar agreements with the City of Vaughan, The Regional Municipality of York or other governmental authorities, whether or not such agreements are registered on title to the Lands (as well enter into a formal assumption agreement with the City of Vaughan, The Regional Municipality or York or other governmental authorities relating thereto, if so required by the City of Vaughan, The Regional Municipality or York or other governmental authorities);

(d) to grant (or assume the obligations of the owner of the Lands if same has been entered into prior to the registration of the Declaration), immediately after the registration of this Declaration, if required, an easement(s) in perpetuity in favour of utility suppliers, telecommunication service providers and/or cable television operators over, under, upon, across and through the Property or any part(s) thereof, for the purposes of facilitating the marketing, promotion, construction, installation, access, operation, maintenance and/or repair of utility, telecommunication services or cable television lines or equipment (and all necessary appurtenances thereto) in order to facilitate the supply of utilities, telecommunication services and cable television service to the Property and to the Potls, and if so requested by the grantees of such easements, to enter into and abide by the terms and provisions of an agreement(s) (or immediately after the registration of this Declaration assume the obligations of the owner of the Lands if such agreement(s) has been entered into prior to the registration of the Declaration) with the utility, telecommunication and/or cable television supplier pertaining to access to the Lands and for such purposes shall enact such by-laws as may be required to sanction the foregoing;

(e) to ensure that no actions or steps are taken by or on behalf of the Corporation, or by any Owner or its respective tenants or invitees which would prohibit, restrict, limit, hinder or interfere with: (1) the Declarant's ability to utilize portions of the Property for its marketing/sale/lease/rental/construction programs in connection with this condominium, the Potls, the Phase 1 Potls and any project by the Declarant and/or a Related Company; and (2) the permitted access and egress over, and use of, the shared facilities and common elements, as set out in the provisions of this Declaration or the Easement and Cost Sharing Agreement;

(f) to take all reasonable steps to collect from each Potl Owner his or her proportionate share of the common expenses and to maintain and enforce the Corporation's lien arising pursuant to the Act, against each Potl in respect of which the Owner has defaulted in the payment of common expenses; and

(g) to take all actions reasonably necessary as may be required to fulfil any of the Corporation's duties and obligations pursuant to this Declaration.

PART SEVEN - GENERAL MATTERS

Section 26 - Rights of Entry

The Declarant and its authorized agents and contractors shall be entitled to enter upon the Common Elements of the Corporation to rectify any matter required to be satisfied under any municipal, regional and/or utility agreement until all of the Declarant's obligations under such agreements have been satisfied in full.

Section 27 - Owner's Default

If any Owner of a Potl fails to pay the Corporation any amount (the "Amount") of money required to be paid pursuant to this Declaration that may not be a common expense, the Corporation's by-laws and/or Rules or otherwise when required, then in addition to any other rights, powers or remedies available to the Corporation at common law, by statute, or in equity, the Corporation shall be entitled to:

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(a) charge and levy interest against such Owner (hereinafter referred to as the "Defaulting Owner") in respect of such unpaid Amount and on all costs and expenses incurred by the Corporation in collecting (or attempting to collect) same, including all legal expenses incurred by the Corporation on a solicitor-and-his/her-own-client basis, at a rate equal to 24% per annum, calculated monthly, not in advance, with interest on the unpaid Amount commencing to accrue from and after the date which the Amount is due and payable and with interest on all of the expenses incurred in collecting (or attempting to collect) same commencing to accrue from and after the respective dates that the Corporation incurred or expended same, and all such interest shall continue to accrue at the aforesaid rate until the date that all of the foregoing amounts are fully paid; and

(b) maintain and enforce a lien against the Defaulting Owner's Potl(s), as security for the payment of the Amount (hereinafter referred to as the "Lien") and all costs and expenses incurred by the Corporation in collecting (or attempting to collect) same together with all outstanding interest accruing thereon as aforesaid, with the Lien being enforceable by the Corporation in the same manner, and to the same extent, as a real property mortgage or charge, and with all the powers, rights and remedies inherent in (or available to) a mortgagee or chargee when a mortgage or charge of real estate is in default, pursuant to the provisions of The Mortgages Act R.S.O. 1990 as amended and/or any other applicable statutory provision or common law principle applicable thereto, and in the event that the Land Registrar requires the Corporation, as a prerequisite to the registration and/or enforcement of Lien, to apply to a court of competent jurisdiction of any order, direction, advice or authorization, then the Corporation shall be entitled to forthwith apply to such court for same and Defaulting Owner shall for all purposes be deemed to have consented to any such application by the Corporation, and concomitantly, the Defaulting Owner shall be forever barred and estopped from bringing or instituting any action, suit, claim or other proceeding to defend, defeat, hinder or delay any such application by the Corporation or the maintenance and enforcement of the Lien by the Corporation.

Section 28 - Invalidity

Each of the provisions of this Declaration shall be deemed independent and severable, and the invalidity or unenforceability in whole or in part of any one or more of such provisions shall not be deemed to impair or affect in any manner the validity or enforceability of the remainder of this Declaration.

Section 29 - Waiver

The failure to take action to enforce any provision contained in the Act, the Declaration, the Easement and Cost Sharing Agreement, the by-laws or the Rules of the Corporation, irrespective of the number of violations or breaches which may occur, shall not constitute a waiver of the right to do so thereafter, nor shall same be deemed to abrogate or waive any such provision.

Section 30 - Notice

Except as provided in the Act or as hereinbefore set forth, any notice, direction or other instrument required to be given shall be given as follows:

(a) Method of giving notice: Any notice, communication or other document, including budgets and notices of assessments required to be given or delivered by the Corporation, shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the address noted in the record, or if mailed by prepaid ordinary mail in a sealed envelope addressed to him at such address or if sent by means of wire or wireless or any other form of transmitted or recorded communication, to such address or, where such notice is required to be given to a Potl Owner, delivered to the Owner's Potl or at the mailbox of the Potl unless, the Corporation has received a written request from such Owner that the notice not be given in this manner, or the address for service that appears in the record is not the address of the Potl of the Owner. Any notice, communication or other document to be given by the Corporation to any other person entitled to notice and who is not an owner shall be given or delivered to such person in the manner aforesaid to the address shown for him on the record. Such notice, communication or document shall be deemed to have been given when it is delivered personally or delivered to the address aforesaid; provided that a notice, communication or document so mailed shall be deemed to have been given when deposited in a post office or public letter box and notice sent by any means of wire or wireless or any other form of transmitted or recorded communication shall be deemed to have been given when delivered to the appropriate communication company or agency or its representative for dispatch.

(b) Notice to the Board or Corporation: Any notice, communication or other document to be given to the Board or Corporation shall be sufficiently given if mailed by prepaid ordinary mail or air mail in a sealed envelope addressed to it at the address for service of the Corporation set out in the Declaration. Any notice, communication or document so mailed shall be deemed to have been given when deposited in a post office or public letter box.

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(c) Omissions and Errors: 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 held pursuant to such notice or otherwise founded thereon.

If such notice is mailed as aforesaid, the same shall be deemed to have been received and to be effective on the third (3rd) business day following the day on which it was mailed.

Section 31 - Notice

Owners are advised that they will be required to maintain a storage area for their solid waste bins/bags (including but not limited to green bins for kitchen organics, blue boxes for recycling, leaf and yard waste bins or bags) in the garage and move the garbage to the public street or private road, as applicable, on the scheduled collection day. Storage bins and bags will not be permitted to be stored on the private road and driveways of the Potls between collection days.

Section 32 - Non-Objection

The Corporation acknowledges receipt of notice from the Declarant that the Declarant or a company (or other entity) related, associated or affiliated with the Declarant, or any entity or person with the consent of the Declarant, may apply for re-zonings, severances, part lot control exempting by-laws, minor variances or official plan amendments with respect to the lands adjacent to or near the Lands and the Corporation, the Corporation's successors and assigns, shall consent to any such application and agrees that this paragraph may be pleaded as a bar to any objection by the Corporation to such re-zonings, severances, part lot control exempting by-laws, minor variances or official plan amendments. The Corporation further acknowledges that the Declarant or a company (or other entity) related, associated or affiliated with the Declarant, or any entity or person with the consent of the Declarant, may make any such application without any further notice to the Corporation or the Corporation's successors and assigns. The Declarant shall have the right to remove any objection(s) made by the Corporation, the Corporation's successors and assigns, with respect to any such application and the Corporation shall reimburse the Declarant for all legal fees, expenses and costs that it incurs as a result of such objection(s).

Section 33 - Construction of Declaration

This Declaration shall be read with all changes of number and gender required by the context, and all recitals to this Declaration shall be deemed to form part of this Declaration.

Section 34 - Headings

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

Section 35 - Municipal Requirements

The Potl owner(s) and the Corporation (via the property management where applicable) must ensure clear access on the private road at all times for waste and/or other collection and/or emergency vehicles which includes but is not limited to ensuring: a) all snow and snow piles be removed in timely fashion; b) storage of any materials on roadway or in the vicinity of the roadway where it may impede waste and/or other collection vehicles is prohibited; c) parking on the roadway is prohibited.

Section 36 - Water Submetering

(a) The Corporation shall contract for the submetering of water consumption in the Potls. Water consumption in each Owner's Potl shall be measured by the submetering system operated by a company that measures/submeters water consumption (the "Water Metering Company") and shall be invoiced to such Owner by the Water Metering Company in accordance with agreement(s) to be entered into by the Corporation, and/or the respective Potl Owner, and the Water Metering Company.

(b) Each Potl Owner shall receive and be responsible for payment of the invoice with respect to the water consumption for his/her Potl. The Potl Owner shall remit payment to the Water Metering Company for water consumption, separate from any other obligations the Potl Owner has with respect to payment of common expenses. For greater certainty, the cost of water consumption within the Potls shall not form part of the common expenses.

(c) In the event a Potl Owner is in default of payment of invoices to the Water Metering Company, such that the Corporation either: (A) has not or will not receive payment from the Water Metering Company for the amounts the Corporation has fronted to the Water Metering Company for the invoices applicable to such Potl; or (B) otherwise is responsible for the payment of such invoices applicable to such Potl, the amounts that the Corporation has fronted in (d)(A) or has to pay in

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(d)(B) (each a "Water Debt") shall thereupon be a debt owed by such Potl Owner shall be collectable by the Corporation as if same were common expenses in arrears and for such purposes only shall be considered common expenses. Payment to the Corporation shall be made in such manner and with such frequency as determined by the board from time to time acting reasonably in the event of such default. Interest will accrue on arrears of money owing for a Water Debt at a rate equal to that for arrears of common expense payments as set out in the Corporation's Declaration and/or by-laws.

(d) The Corporation shall be entitled, subject to complying with all other laws and regulations, to register a common expense lien against the Potl for a Water Debt.

DATED in this day of , 20____.

IN WITNESS WHEREOF the Declarant has hereunto affixed its corporate seal under the hand of its proper signing officer duly authorized in that behalf.

ARISTA HOMES (VELLORE TRAILS) INC.

Per:_____
Name:
Title:
I have authority to bind the Corporation.

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SCHEDULE "A"
Legal Description

In the City of Vaughan, Regional Municipality of York, being comprised of part of Block 16, Plan 65M-UNREG designated as PARTS 78, 79, 80, 81, 82, 84, 85, 86 and 87 on Reference Plan 65R-Phase_1 (hereinafter referred to as "**the Common Elements Condominium Lands**") being all of P.I.N. 03329-XXXX(LT)

Reserving an easement over part of the Common Elements Condominium Lands designated as Part 78, 79 and 81 on Reference Plan 65R-Phase_1 in favour of Part of Block 16 on Plan 65M-UNREG designated as Part 88 on Reference Plan 65R-Phase_1 for the purpose of the access of persons, vehicles, materials and equipment necessary for the servicing, maintenance, repair, operation, construction and reconstruction of the structures, improvements, utilities and services situated or to be situated within Part 88, Reference Plan 65R-Phase_1.

Together with rights of way or rights in the nature of easements, in favour of the owners, their successors and assigns of the Common Elements Condominium Lands in, over, along and upon those part of Block 16, Plan 65M-UNREG, designated as PARTS 1 TO 77, inclusive on Reference Plan 66R-Phase_1, being all of P.I.N.s 03329-____(LT) to 03329-____(LT), inclusive (collectively the "POTL's"), for the access of persons, materials, vehicles and equipment for the further purpose of installing, maintaining, operating, altering, repairing, replacing and inspecting any concrete curbing, fencing, entrance signage features, retaining walls, street light fixtures, storm and sanitary sewer pipes, catch basins and manholes, drainage swale, water main pipes, valves and hydrants, electrical, telephone, television and cable conduits, cables and wires, gas lines and various other services and utilities, together with all appurtenances thereto as may be necessary or convenient from time to time to provide for such services and utilities to any parts of the Common Elements Condominium Lands or other Parcels of Tied Land (POTL's) associated with this condominium. This easement further permits the encroachment of any such services and facilities appurtenant to them, as well as any curb or sidewalk, to exist and remain upon the servient lands. In the exercise of the rights and easements hereby transferred, the entrant shall restore the surface of the ground to the approximate condition in which it existed at the time of each and every entry upon the Lands. Provided that the easement herein granted shall not include any right of entry on any part of the lands upon which any building or permanent structures are erected.

In my opinion, based on the parcel register and the plans and documents recorded in them, the legal description is correct, the described easements will exist in law upon the registration of the Declaration and Description and the Declarant is the registered owner of the property and appurtenant interests.

BRATTYS LLP, Barristers and Solicitors and duly authorized agents for **ARISTA HOMES (VELLORE TRAILS) INC.**

Date: _____

Per: _____
Anthony Romanelli

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Condominium Act, 1998

CONSENT
SCHEDULE "B" TO THE DECLARATION OF
ARISTA HOMES (VELLORE TRAILS) INC.
(under clause 7(2)(b) of the *Condominium Act, 1998)*

1. We, _____, have a registered mortgage within the meaning of clause 7(2)(b) of the *Condominium Act, 1998*, registered as Instrument No. _____ in the Land Registry Office for the Land Titles Division of the Regional Municipality of York.

2. We, _____, consent 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. We, _____, postpone the mortgage and the interests under it to the declaration and the easements described in Schedule "A" to the declaration.

4. We, _____, are entitled by law to grant this consent and postponement.

DATED this _____ of _____, 20___.

*****

Per:_____
Name:
Title:

Per:_____
Name:
Title:

I/We have authority to bind the Corporation.

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Condominium Act, 1998

CONSENT TO ATTACHMENT OF TIED LAND
SCHEDULE "B" TO THE DECLARATION OF
ARISTA HOMES (VELLORE TRAILS) INC.
(under clause 7(2)(b) of the *Condominium Act, 1998)*

5. We, _____, have a registered mortgage within the meaning of clause 7(2)(b) of the *Condominium Act, 1998*, registered as Instrument No. _____ in the Land Registry Office for the Land Titles Division of the Regional Municipality of York against a parcel of land (known as the "Parcel") to which a common interest in a common elements condominium corporation (known as the "Corporation") will attach upon the registration of the attached declaration (known as the "Declaration") dated _____ _____, 20___, the description (known as the "Description") creating the Corporation.

6. We, _____, acknowledge that, upon the registration of the Declaration and Description, the Parcel will become subject to all encumbrances, if any, outstanding against the property described in Schedule A to the Declaration.

7. We, _____, consent to the registration of a notice in the prescribed form indicating that a common interest in the Corporation, as the common interest is set out in Schedule D to the Declaration, attaches to the Parcel upon the registration of the Declaration and Description.

DATED this _____ of _____, 2023.

*****

Per:_____
Name:
Title:

Per:_____
Name:
Title:

I/We have authority to bind the Corporation.

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SCHEDULE "C"

Not applicable

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May 1, 2026

VELLORE TRAILS PHASE 1

SCHEDULE ' D '

PARCEL OF TIED LAND (POTL) NO.	POTL DESCRIPTION	PROPORTIONS EXPRESSED IN THE PERCENTAGES IN WHICH THE OWNERS ARE TO CONTRIBUTE TO THE COMMON EXPENSES	PROPORTION EXPRESSED IN PERCENTAGES OF THE COMMON INTEREST THAT WILL ATTACH TO EACH POTL
1	PART BLOCK 1, PLAN65M- BEING PART 1, being all of P.I.N	1.2987	1.2987
2	PART BLOCK 1, PLAN65M- BEING PART 2, being all of P.I.N	1.2987	1.2987
3	PART BLOCK 1, PLAN65M- BEING PART 3, being all of P.I.N	1.2987	1.2987
4	PART BLOCK 1, PLAN65M- BEING PART 4, being all of P.I.N	1.2987	1.2987
5	PART BLOCK 1, PLAN65M- BEING PART 5, being all of P.I.N	1.2987	1.2987
6	PART BLOCK 1, PLAN65M- BEING PART 6, being all of P.I.N	1.2987	1.2987
7	PART BLOCK 1, PLAN65M- BEING PART 7, being all of P.I.N	1.2987	1.2987
8	PART BLOCK 1, PLAN65M- BEING PART 8, being all of P.I.N	1.2987	1.2987
9	PART BLOCK 1, PLAN65M- BEING PART 9, being all of P.I.N	1.2987	1.2987
10	PART BLOCK 1, PLAN65M- BEING PART 10, being all of P.I.N	1.2987	1.2987
11	PART BLOCK 1, PLAN65M- BEING PART 11, being all of P.I.N	1.2987	1.2987
12	PART BLOCK 1, PLAN65M- BEING PART 12, being all of P.I.N	1.2987	1.2987
13	PART BLOCK 1, PLAN65M- BEING PART 13, being all of P.I.N	1.2987	1.2987
14	PART BLOCK 1, PLAN65M- BEING PART 14, being all of P.I.N	1.2987	1.2987
15	PART BLOCK 1, PLAN65M- BEING PART 15, being all of P.I.N	1.2987	1.2987
16	PART BLOCK 1, PLAN65M- BEING PART 16, being all of P.I.N	1.2987	1.2987
17	PART BLOCK 1, PLAN65M- BEING PART 17, being all of P.I.N	1.2987	1.2987
18	PART BLOCK 1, PLAN65M- BEING PART 18, being all of P.I.N	1.2987	1.2987
19	PART BLOCK 1, PLAN65M- BEING PART 19, being all of P.I.N	1.2987	1.2987
20	PART BLOCK 1, PLAN65M- BEING PART 20, being all of P.I.N	1.2987	1.2987
21	PART BLOCK 1, PLAN65M- BEING PART 21, being all of P.I.N	1.2987	1.2987
22	PART BLOCK 1, PLAN65M- BEING PART 22, being all of P.I.N	1.2987	1.2987
23	PART BLOCK 1, PLAN65M- BEING PART 23, being all of P.I.N	1.2987	1.2987
24	PART BLOCK 1, PLAN65M- BEING PART 24, being all of P.I.N	1.2987	1.2987
25	PART BLOCK 1, PLAN65M- BEING PART 25, being all of P.I.N	1.2987	1.2987
26	PART BLOCK 1, PLAN65M- BEING PART 26, being all of P.I.N	1.2987	1.2987
27	PART BLOCK 1, PLAN65M- BEING PART 27, being all of P.I.N	1.2987	1.2987
28	PART BLOCK 1, PLAN65M- BEING PART 28 and 82, being all of P.I.N	1.2987	1.2987
29	PART BLOCK 1, PLAN65M- BEING PART 29, being all of P.I.N	1.2987	1.2987
30	PART BLOCK 1, PLAN65M- BEING PART 30, being all of P.I.N	1.2987	1.2987
31	PART BLOCK 1, PLAN65M- BEING PART 31, being all of P.I.N	1.2987	1.2987
32	PART BLOCK 1, PLAN65M- BEING PART 32, being all of P.I.N	1.2987	1.2987
33	PART BLOCK 1, PLAN65M- BEING PART 33, being all of P.I.N	1.2987	1.2987

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VELLORE TRAILS PHASE 1

SCHEDULE ' D '

PARCEL OF TIED LAND (POTL) NO.	POTL DESCRIPTION	PROPORTIONS EXPRESSED IN THE PERCENTAGES IN WHICH THE OWNERS ARE TO CONTRIBUTE TO THE COMMON EXPENSES	PROPORTION EXPRESSED IN PERCENTAGES OF THE COMMON INTEREST THAT WILL ATTACH TO EACH POTL
34	PART BLOCK 1, PLAN65M-BEING PART 34, being all of P.I.N	1.2987	1.2987
35	PART BLOCK 1, PLAN65M-BEING PART 35, being all of P.I.N	1.2987	1.2987
36	PART BLOCK 1, PLAN65M-BEING PART 36, being all of P.I.N	1.2987	1.2987
37	PART BLOCK 1, PLAN65M-BEING PART 37, being all of P.I.N	1.2987	1.2987
38	PART BLOCK 1, PLAN65M-BEING PART 38, being all of P.I.N	1.2987	1.2987
39	PART BLOCK 1, PLAN65M-BEING PART 39, being all of P.I.N	1.2987	1.2987
40	PART BLOCK 1, PLAN65M-BEING PART 40, being all of P.I.N	1.2987	1.2987
41	PART BLOCK 1, PLAN65M-BEING PART 41, being all of P.I.N	1.2987	1.2987
42	PART BLOCK 1, PLAN65M-BEING PART 42, being all of P.I.N	1.2987	1.2987
43	PART BLOCK 1, PLAN65M-BEING PART 43, being all of P.I.N	1.2987	1.2987
44	PART BLOCK 1, PLAN65M-BEING PART 44, being all of P.I.N	1.2987	1.2987
45	PART BLOCK 1, PLAN65M-BEING PART 45, being all of P.I.N	1.2987	1.2987
46	PART BLOCK 1, PLAN65M-BEING PART 46, being all of P.I.N	1.2987	1.2987
47	PART BLOCK 1, PLAN65M-BEING PART 47, being all of P.I.N	1.2987	1.2987
48	PART BLOCK 1, PLAN65M-BEING PART 48, being all of P.I.N	1.2987	1.2987
49	PART BLOCK 1, PLAN65M-BEING PART 49, being all of P.I.N	1.2987	1.2987
50	PART BLOCK 1, PLAN65M-BEING PART 50, being all of P.I.N	1.2987	1.2987
51	PART BLOCK 1, PLAN65M-BEING PART 51, being all of P.I.N	1.2987	1.2987
52	PART BLOCK 1, PLAN65M-BEING PART 52, being all of P.I.N	1.2987	1.2987
53	PART BLOCK 1, PLAN65M-BEING PART 53, being all of P.I.N	1.2987	1.2987
54	PART BLOCK 1, PLAN65M-BEING PART 54, being all of P.I.N	1.2987	1.2987
55	PART BLOCK 1, PLAN65M-BEING PART 55, being all of P.I.N	1.2987	1.2987
56	PART BLOCK 1, PLAN65M-BEING PART 56, being all of P.I.N	1.2987	1.2987
57	PART BLOCK 1, PLAN65M-BEING PART 57, being all of P.I.N	1.2987	1.2987
58	PART BLOCK 1, PLAN65M-BEING PART 58, being all of P.I.N	1.2987	1.2987
59	PART BLOCK 1, PLAN65M-BEING PART 59, being all of P.I.N	1.2987	1.2987
60	PART BLOCK 1, PLAN65M-BEING PART 60, being all of P.I.N	1.2987	1.2987
61	PART BLOCK 1, PLAN65M-BEING PART 61, being all of P.I.N	1.2987	1.2987
62	PART BLOCK 1, PLAN65M-BEING PART 62, being all of P.I.N	1.2987	1.2987
63	PART BLOCK 1, PLAN65M-BEING PART 63, being all of P.I.N	1.2987	1.2987
64	PART BLOCK 1, PLAN65M-BEING PART 64, being all of P.I.N	1.2987	1.2987
65	PART BLOCK 1, PLAN65M-BEING PART 65, being all of P.I.N	1.2987	1.2987
66	PART BLOCK 1, PLAN65M-BEING PART 66, being all of P.I.N	1.2987	1.2987
67	PART BLOCK 1, PLAN65M-BEING PART 67, being all of P.I.N	1.2987	1.2987

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VELLORE TRAILS PHASE 1

SCHEDULE ' D '

PARCEL OF TIED LAND (POTL) NO.	POTL DESCRIPTION	PROPORTIONS EXPRESSED IN THE PERCENTAGES IN WHICH THE OWNERS ARE TO CONTRIBUTE TO THE COMMON EXPENSES	PROPORTION EXPRESSED IN PERCENTAGES OF THE COMMON INTEREST THAT WILL ATTACH TO EACH POTL
68	PART BLOCK 1, PLAN65M- BEING PART 68, being all of P.I.N	1.2987	1.2987
69	PART BLOCK 1, PLAN65M- BEING PART 69, being all of P.I.N	1.2987	1.2987
70	PART BLOCK 1, PLAN65M- BEING PART 70, being all of P.I.N	1.2987	1.2987
71	PART BLOCK 1, PLAN65M- BEING PART 71, being all of P.I.N	1.2987	1.2987
72	PART BLOCK 1, PLAN65M- BEING PART 72, being all of P.I.N	1.2987	1.2987
73	PART BLOCK 1, PLAN65M- BEING PART 73, being all of P.I.N	1.2987	1.2987
74	PART BLOCK 1, PLAN65M- BEING PART 74, being all of P.I.N	1.2987	1.2987
75	PART BLOCK 1, PLAN65M- BEING PART 75, being all of P.I.N	1.2987	1.2987
76	PART BLOCK 1, PLAN65M- BEING PART 76, being all of P.I.N	1.2987	1.2987
77	PART BLOCK 1, PLAN65M- BEING PART 77, being all of P.I.N	1.2988	1.2988
	TOTAL RESIDENTIAL PERCENTAGE	100.0000	100.0000

The common elements are intended for the use and enjoyment of the owners of the parcels of tied land for the purpose of Clause 140(a) of the Act.

In my opinion, each parcel of tied land described in this Schedule "D" will, upon the registration of the declaration and description, be capable of being individually conveyed, or otherwise dealt with, without contravening Section 50 of the Planning Act.

Date: _____, 202

BRATTYS LLP

Per: _____

Anthony Romanelli

Solicitor and duly authorized agent for Arista Homes (Vellore Trails) Inc.

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SCHEDULE "E"
COMMON EXPENSES

(a) All expenses of the Corporation incurred by it in the performance of its objects and duties whether such objects and duties are imposed under the provisions of the Act, the Declaration, the Easement and Cost Sharing Agreement and any other agreement or instrument imposing obligations on the Corporation and the by-laws or Rules of the Corporation.

(b) All sums of money payable by the Corporation for the obtaining and maintenance of any insurance coverage required or permitted by the Act or the Declaration.

(c) All sums of money payable for utilities and services serving the Common Elements and/or the Potls (if same are not separately metered or check or consumption metered for such Potls), including without limiting the generality of the foregoing, monies payable on account of:

(i) electricity;

(ii) water;

(iii) gas;

(iv) maintenance materials, tools and supplies for the Common Elements;

(v) snow removal from the Common Elements;

(vi) landscaping of the Common Elements; and

(vii) off-site snow removal from the Common Elements (All purchasers of a Potl(s) are advised that the City of Vaughan or the Regional Municipality of York may not require off-site snow removal. However, in the case of heavy snow falls, the limited snow storage space available may make it necessary to truck snow off site and the costs of same shall be included in the common expense fee).

save and provided that:

(viii) The cost of the maintenance, operation, repairs, replacement and inspection of the Visitor Parking Spaces, the Amenity Area, the Roads, the Services, the Exterior Landscaped Areas and Facilities and the Walkways (the "Shared Facilities") shall be shared as further stated below.

(ix) The cost of the Corporation's proportionate or allocated share of the maintenance, operation, repairs, replacement and inspection of the Shared Facilities is set forth and described in the Easement and Cost Sharing Agreement, and the Corporation shall be responsible for paying its Proportionate Share thereof, it being understood that such allocations or responsibilities may be further adjusted, qualified or amended pursuant to any provisions of the Easement and Cost Sharing Agreement in which event the readjustment or qualified or amended adjustments shall prevail. It is understood that the Easement and Cost Sharing Agreement shall allocate between the Corporation and the Phase 2 Corporation such costs relating to the Shared Facilities in accordance with their respective Proportionate Share. The Corporation shall subsequent to the registration of the Declaration enter into or assume the Easement and Cost Sharing Agreement with a view of covenanting to be responsible for its share of such costs.

(d) 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 of the common elements, save as in respect to any common element areas of the Corporation which constitute part of the Shared Facilities which shall be shared between the Corporation and the Phase 2 Corporation, as further stated herein.

(e) All sums of money paid or payable by the Corporation for legal, engineering, accounting, auditing, expert appraising, maintenance, managerial and secretarial advice and professional advice services required by the Corporation in the performance of its objects, duties and powers, including the costs and expenses of performing the reserve fund studies pursuant to Section 94 of the Act and the performance audit as required pursuant to Section 44 of the Act.

(f) All sums of money paid or payable by the Corporation to any and all persons, firms or companies engaged or retained by it, or by its duly authorized agents, servants and employees for the purpose of performing any or all of the duties of the Corporation.

(g) All sums of money assessed by the Corporation for the reserve fund to be paid by every Owner as part of their contribution towards common expenses, for the major repair and replacement of

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common elements and assets of the Corporation, in accordance with the Act and this Declaration.

(h) All sums of money paid by the Corporation for any cleaning, repair, addition, alteration, improvement to or renovation of the common elements or assets of the Corporation.

(i) All sums of money payable on account of realty taxes (including local improvement charges) levied against the property until such time as such taxes are levied against the individual Potls.

(j) All expenses incurred by the Corporation in enforcing any of the by-laws or Rules of the Corporation from time to time, and effecting compliance therewith by all Owners and their respective tenants, licensees, residents or invitees.

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SCHEDULE “F”

There are no exclusive use common element areas.

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CERTIFICATE OF ARCHITECT OR ENGINEER
(SCHEDULE G TO DECLARATION FOR A COMMON ELEMENTS
OR VACANT LAND CONDOMINIUM CORPORATION)
(UNDER SUBSECTIONS 40 (11) AND 56 (7) OF ONTARIO REGULATION 48/01 AND UNDER CLAUSES 8 (1) (E) AND (H) OR CLAUSES 157 (1) (C) AND (E) OF THE *CONDOMINIUM ACT, 1998*)

Condominium Act, 1998

I certify that:

I. Each building and structure that the declaration and description show are included in the common elements 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)

1,2,3 ☐ The declaration and description show that there are no buildings or structures included in the common elements.

OR

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. ☐ Floor assemblies of the buildings and structures are constructed and completed to the final covering.

3. ☐ Walls and ceilings of the buildings and structures 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 and operable.

OR

☐ There are no installations with respect to the provision of water and sewage services.

7. ☐ All installations with respect to the provision of heat and ventilation are in place and heat and ventilation can be provided.

OR

☐ There are no installations with respect to the provision of heat and ventilation.

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 and operable.

OR

☐ There are no installations with respect to the provision of electricity.

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.

[Strike out whichever is not applicable:

II. ~~All facilities and services that the declaration and description show are included in the common elements~~

OR

The following facilities and services that the declaration and description show are included in the common elements:
2a, 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2i, 2j, 2k, 2l, 2m, 2n, 2o, 2p, 2q, 2r, 2s
have been installed and provided in accordance with the requirements of the municipalities in which the land is situated or the requirements of the Minister of Municipal Affairs and Housing, if the land is not situated in a municipality.

Dated this ..... day of ....., ...

.....
(signature)
.....
(print name)

(Strike out whichever is not applicable:
Architect
Professional Engineer*)*

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SCHEDULE "H"

List of all buildings, structures, facilities and services that are included in the Common Elements:

1. Buildings and Structures

   N/A

2. Facilities and Services:

   a. outdoor open space
   b. water distribution works and appurtenances
   c. sanitary sewage works and appurtenances
   d. storm sewage works and appurtenances
   e. underground storm water tank
   f. catch basins
   g. manholes
   h. main line tee
   i. shut off valves
   j. fire hydrants
   k. street lighting
   l. electrical facilities and appurtenances
   m. road system and appurtenances
   n. gas service
   o. telephone conduits
   p. television and cable conduits
   q. visitor parking spaces
   r. mail kiosk
   s. sidewalks
   t. common area privacy and acoustic fencing and gates
   u. bicycle storage racks

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SCHEDULE "I"

CERTIFICATE OF OWNER IN THE MATTER OF A COMMON ELEMENTS CONDOMINIUM CORPORATION
(Under clause 139 (1) (b) of the Condominium Act, 1998)

1. We are the owner of the freehold estate in: [insert legal description of parcels of land] (known as the "Parcel").

2. We consent to the registration of the attached declaration to create a common elements condominium corporation (known as the "Corporation") on [insert legal description of Property].

3. We acknowledge that, upon registration of the declaration and the description, the Parcel will become subject to all encumbrances, if any, outstanding against the property described in Schedule A to the declaration.

4. We consent to the registration of a notice in the prescribed form against the Parcel indicating that a common interest in the Corporation, as the common interest is set out in Schedule D to the declaration, attaches to the Parcel upon the registration of the declaration and description.

Dated this ___ day of _____, 20___.

ARISTA HOMES (VELLORE TRAILS) INC.

Per:_____
Name:
Title:
I have authority to bind the Corporation.

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SCHEDULE "J"

NOTICE OF ATTACHMENT OF A COMMON INTEREST
IN A COMMON ELEMENTS CONDOMINIUM CORPORATION
(Under clause 139 (2) (b) of the Condominium Act, 1998)

Take notice that:

1. The attached declaration and the description creates a common elements condominium corporation (known as the "Corporation").

2. A common interest in the Corporation, as the common interest is set out in Schedule D to this declaration, attaches to the following parcel of land (known as the "Parcel"): [insert legal description of parcels of land].

3. The common interest cannot be severed from the Parcel upon the sale of the Parcel or the enforcement of an encumbrance registered against the Parcel.

4. A copy of the certificate of the owner of the Parcel consenting to the registration of the declaration and this notice is attached to this declaration as Schedule I.

5. If the owner of the Parcel defaults in the obligation to contribute to the common expenses of the Corporation, the Corporation has a lien against the Parcel.

Dated this ___ day of _____, 20___.

ARISTA HOMES (VELLORE TRAILS) INC.

Per:_____
Name:
Title:
I have authority to bind the Corporation.

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VELLORE TRAILS

An Enclave Community

By Arista Homes

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SCHEDULE II
A copy of the Corporation's proposed By-law No. 1

SCHEDULE II

YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. *

BY-LAW NO. 1

Be it enacted as a by-law of **YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. *** (hereinafter referred to as the "Corporation" or this "Corporation" as follows:

ARTICLE I - DEFINITIONS

The terms used herein and, in particular, the capitalized terms used herein shall have ascribed to them the definitions contained in the Condominium Act, 1998, S.O. 1998, c. 19, as amended from time to time, and the Regulations made thereunder (all of which are hereinafter referred to as the "Act"), and the declaration of the Corporation.

ARTICLE II - SEAL

The corporate seal of the Corporation shall be in the form impressed hereon.

ARTICLE III - REGISTER

The Corporation shall maintain a record (hereinafter called the "Register") which shall note the name and address for service of the owner and mortgagee of each common interest in the Corporation who has notified the Corporation of his entitlement to vote. The owner's address for service shall be the address shown for his parcel of tied land (singularly a "Potl", and collectively "Potls") and the mortgagee's address for service shall be the address shown for him on his mortgage registered in the Land Titles Office, unless the Corporation is given notice of a different address by such owner or mortgagee.

ARTICLE IV - MEETING OF MEMBERS

4.01 Annual General Meetings: The annual general meeting of the owners shall be held at such place within the City of Vaughan, and at such time and on such day in each year as the board of directors of the Corporation (hereinafter called the "board") may from time to time determine, for the purpose of hearing and receiving the reports and statements required by the Act and the by-laws of the Corporation to be laid before the owners at an annual general meeting, and for the purposes of electing directors, confirming by-laws passed by directors, appointing an auditor and fixing or authorizing the board to fix his remuneration, and for the transaction of such other business as may be properly brought before the meeting. The board shall lay before each annual general meeting of owners a financial statement made in accordance with generally accepted accounting principles, as well as the report of the auditor to the owners, and such further information respecting the financial position of the Corporation as the by-laws may require. The board shall hold an annual general meeting not more than three (3) months after the registration of the declaration and description and subsequently within six (6) months of the end of each fiscal year of the Corporation.

4.02 The First Meeting: The first annual general meeting shall be held not more than three (3) months after the registration of the declaration and description. The owners shall, at such first meeting, appoint one or more auditors to hold office until the close of the next annual general meeting, and if the owners fail to do so, the board shall forthwith make such appointment. The remuneration of an auditor so appointed shall be fixed by the owners, or by the board if authorized to do so by the owners, but the remuneration of an auditor appointed by the board shall be fixed by the board. The Corporation shall then give notice in writing to an auditor of his appointment forthwith after such appointment is made.

4.03 Interim Meeting of the First Board: The first board as appointed by the declarant shall call and hold a meeting of owners by the later of thirty (30) days after the day on which the declarant has transferred twenty percent (20%) of the common interests in the Corporation and ninety (90) days after the day on which the declarant transfers the first common interest in the Corporation. At such interim meeting, the owners other than the declarant may elect two (2) directors to the first board to hold office in addition to the directors appointed by the declarant even if the addition of an elected director results in more directors on the board than the declaration allows. The quorum for such interim meeting shall be constituted when the quorum requirements for such meeting set out in the Act are met. Such a meeting is not required to be called if by the day set for the meeting, the declarant no longer owns a majority of the common interests in the Corporation and advises the board in writing of that fact.

4.04 Turnover Meeting: The board, elected or appointed at a time when the declarant owns a majority of the common interests in the Corporation, shall, not more than twenty-one days after the declarant ceases to be the owner of a majority of the common interests in the Corporation, call a meeting of the owners to elect a new board, and such meeting shall be held within twenty-one (21) days after the calling of the meeting (the "turnover meeting"). If the turnover meeting is not called within such time, any owner or any mortgagee entitled to vote may call the meeting. At this meeting, the declarant or its

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agents shall give to the new board elected at that meeting the seal of the Corporation and all the books, documents, agreements, plans, warranties, financial records, and all other information required to be transferred pursuant to Section 43 of the Act. Furthermore, within 60 days after the turnover meeting, the declarant shall give the board an audited financial statement prepared as at the date of such meeting.

4.05 Special Meetings: The board may at any time call a meeting of the owners of the Corporation for the transaction of any business, the nature of which shall be specified in the notice calling the meeting. The board shall, upon receipt of a requisition in writing made by owners who together own at least fifteen (15%) per cent of the common interests in the Corporation, are listed in the record maintained by the Corporation under s.47(2) of the Act and are entitled to vote, call and hold a meeting of the owners within thirty five (35) days of receiving the requisition or add the business to be transacted to the agenda of the next annual general meeting if the requisitionists request or consent. If such meeting is not called and held, any of the requisitionists may call the meeting; and in such case, the meeting shall be held within forty five (45) days of the day on which the meeting is called, and the Corporation shall, upon request by the requisitionist who called the meeting, reimburse the such requisitionist for the reasonable costs incurred in calling the meeting. If the nature of business to be presented at the meeting includes the removal of one or more of the directors, the requisition shall state, for each director proposed to be removed, the name of the director, the reasons for removal.

4.06 Notices: Notice of the time, place, and date of the turnover meeting, and each annual general or special meeting, shall be served on an owner not less than fifteen (15) days before the day on which the meeting is to be held, to each owner who has notified the Corporation in writing of the owner's name and address for service and whose name appeared on the record at least twenty (20) days before the date of such meeting, and served on each mortgagee of a common interest in the Corporation who under the terms of the mortgage has the right to vote at a meeting of the owners in place of the owner of the common interest in the Corporation and has notified the Corporation in writing of the right and the mortgagee's name and address. Each notice of meeting, as hereinbefore required, shall be in writing and have the content required by subsection 47(7) of the Act and shall be served in accordance with subsections 47(4) and (5) of the Act, as the case may be. Prior to serving the notice to call a meeting of the owners, a preliminary notice shall be served on an owner at least twenty (20) days before the subsequent notice of meeting of owners described therein to each owner and mortgagee whose names appeared on the record at least five (5) days before the day the preliminary notice is given. Each preliminary notice shall have the content required by section 45.1 of the Act.

4.07 Reports and Financial Statements: The Corporation shall attach to the notice of the annual general meeting a copy of the financial statements and auditor's report. A copy of the minutes of the meeting of owners and of the board shall, within ten (10) days of such meeting, be furnished to each mortgagee who has, in writing, requested same.

4.08 Persons entitled to be present: The only persons entitled to attend a meeting of owners shall be the owners and mortgagees entered on the register, the auditor of the Corporation, the directors and officers of the Corporation, others who, although not entitled to vote, are entitled or required under the provisions of the Act or the by laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of a majority of those present at the meeting.

4.09 Quorum: At any meeting of owners, including, without limitation, an interim meeting referred to in Section 4.03 above, a turnover meeting referred to in Section 4.04 above and an annual general meeting referred to in Section 4.01 above, a quorum shall be constituted when the quorum requirements for such particular meeting set out in the Act are met. If thirty (30) minutes after the time appointed for the holding of any meeting of owners has elapsed and a quorum is not present, the meeting shall be dissolved and shall stand adjourned. Notice of the time, day and place of the reconvening of such adjourned meeting shall be given in accordance with the Act.

4.10 Right to vote: At each meeting of owners, and subject to the restrictions in Section 4.15 of this Article, every owner shall be entitled to vote, if he is entitled to receive notice of the meeting and is otherwise entitled to vote at the meeting. A mortgagee entitled to receive notice of a meeting of owners has the right to vote at a meeting in the place of the owner or exercise the right, if any, of the owner to consent in writing if the mortgagee gives notice to the corporation at least four (4) days before the date of the meeting of the mortgagee's intention to exercise the right. If there is more than one mortgagee entitled to vote in respect of one owner, the mortgagee who has priority shall be entitled to vote in respect of the owner, and if that mortgagee fails to exercise the right then the mortgagee who is next in priority may exercise the right. If none of the mortgagees who have the right to vote exercises the right, then the owner has the right to vote at a meeting of the owners subject to subsection 51(1) of the Act or to consent in writing. Any dispute over the right to vote shall be resolved by the Chairman of the meeting upon such evidence as he may deem sufficient. The vote of each such owner or mortgagee shall be on the basis of one vote per common interest in the Corporation, and where two or more persons entitled to vote in respect of one common interest in the Corporation are evenly divided on how to exercise their vote, the vote in respect of that common interest in the Corporation shall not be counted.

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4.11 Method of voting: At any annual general, special or turnover meeting, any question shall be decided by (i) a show of hands, personally or by proxy; or (ii) a recorded vote, that is marked on a ballot cast personally or by a proxy, marked on an instrument appointing a proxy or indicated by telephonic or electronic means. A recorded vote may be requested by a person entitled to attend such meeting as aforesaid either before or promptly after the vote. Unless a recorded vote is so requested, a declaration by the Chairman that such question has by the show of hands been carried is prima facie proof of the fact, without proof of the number of votes recorded in favour of, or against, any such question. A demand for a recorded vote once given, may be withdrawn. Notwithstanding the above, the voting for the election of directors shall be by recorded vote only. The telephonic or electronic means for casting a recorded vote shall be established by the board from time to time in advance of any meeting of owners.

4.12 Representatives: An executor, administrator, committee of a mentally incompetent person, guardian or trustee (and where a corporation acts in such capacity any person duly appointed as proxy for such corporation) upon filing with the Secretary of the meeting sufficient proof of his appointment, shall represent the owner or mortgagee at all meetings of the owners of the Corporation and may exercise the owner's vote in the same manner and to the same extent as such owner. Should there be more than one executor, administrator, committee, guardian or trustee, the provisions of Section 4.15 of this Article shall apply.

4.13 Proxies: Every owner or mortgagee entitled to vote at meetings of owners, may, by instrument in writing, appoint a proxy for a particular meeting of owners, 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 powers as if the owner or mortgagee were present himself. The instrument appointing a proxy shall be in writing signed by the appointer or his attorney authorized in writing and shall be in the prescribed form described in the Regulations. The instrument appointing a proxy shall be deposited with the Secretary of the meeting before any vote is cast under its authority. An instrument appointing a proxy for the election or removal of a director at a meeting of owners shall state the name of the directors for and against whom the proxy is to vote. Furthermore, an instrument appointing a proxy may be deposited by such telephonic or electronic means that the board may from time to time establish in advance of any meeting of owners.

4.14 Co-owners: If two or more persons jointly own a common interest in the Corporation, or own a mortgage in respect of which a right to vote is exercisable, any one of the owners or mortgagees, as the case may be, may in the absence of the other owner(s) or mortgagee(s) vote, but if more than one of them are present or are represented by proxy, they shall vote in agreement with each other, or by majority of those entitled to vote in respect of the common interest in the Corporation, failing which the vote for such common interest in the Corporation shall not be counted.

4.15 Votes to govern: At all meetings of owners every question shall, unless otherwise required by the Act, the declaration or the by-laws, be decided by the majority of the votes cast on the question, as set out in Section 4.11 of this Article.

4.16 Entitlement to Vote: Except where, under the Act or the by-laws of the Corporation, the unanimous vote of all owners is required, an owner is not entitled to vote at any meeting if any common expense or other monetary contribution payable in respect of his common interest in the Corporation are in arrears for thirty (30) days or more prior to the meeting. However, any owner not entitled to vote as aforesaid, may vote if the Corporation receives payment of the arrears with respect of the owner's common interest in the Corporation before the meeting is held.

4.17 Electronic Meetings and Discretion: A meeting of owners may be held by telephonic or electronic means and an owner or a mortgagee entitled to vote at meetings of owners, who, personally or by proxy, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed, for the purposes of the Act, to be present at the meeting or represented by proxy, as the case may be. The authority established by this by-law for holding meetings of owners, for accepting recorded votes and for accepting the deposit of instruments appointing a proxy by telephonic or electronic means is discretional and the board will not be obligated to implement attendance and will not be obligated to implement recorded votes or the deposit of instruments appoint a proxy by telephonic or electronic means for any meeting of owners.

4.18 Minutes: While the Corporation may produce, circulate and/or maintain minutes of any meeting that contain a more detailed narrative description of the proceedings at any meeting of owners, the Corporation shall prepare, circulate and maintain a minute record of each meeting which records the following, and only the following, information:

(a) the date, time and place of meeting;

(b) those present in person and by proxy at the meeting;

(c) the identity and method of appointment of the Chairman and Secretary of the meeting;

(d) the confirmation of the due calling of the meeting

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(e) confirmation of quorum;

(f) the disposition of each agenda item, including a record of the mover, seconder (where necessary) and disposition of every motion made and vote held pursuant to the agenda;

(g) a record (by brief description only) of any matter raised or discussed in addition to agenda items;

(h) adjournment of the meeting; and

(i) certification of the Secretary and Chairman of the meeting.

ARTICLE V - CORPORATION

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

(a) controlling, managing and administering the common elements and the assets of the Corporation;

(b) operating and maintaining the common elements and assets of the Corporation in a fit and proper condition including, without limiting the generality of the foregoing, the following:

(i) attending to the payment of the Corporation's Proportionate Share of the Visitor Parking Spaces, the Amenity Area, the Roads, the Services, the Exterior Landscaped Areas and Facilities and the Walkways pursuant to the provisions of the Declaration and the Easement and Cost Sharing Agreement and this by-law;

(ii) complying with the provisions of the Easement and Cost Sharing Agreement entered into or to be entered into between the Corporation and the declarant of the Phase 2 Lands on behalf of the Phase 2 Corporation; and

(iii) complying with the rights and easements contained in the Land Titles Parcel Register for the Property;

(c) collecting the common expenses assessed against the owners;

(d) arranging for the supply of heat, hydro and water services to the common elements, if required, except where the Corporation is prevented from carrying out such duty by reason of any event beyond the reasonable control of the Corporation. If any apparatus or equipment used in effecting the supply of such heat, hydro or water at any time becomes incapable of fulfilling its function or is damaged or destroyed, the Corporation shall have reasonable time within which to repair or replace such apparatus and the Corporation shall not be liable for indirect or consequential damages or for damages for personal discomfort or illness by reasons of the breach of such duty;

(e) obtaining and maintaining such insurance as may be required by the Act, the declaration or the by laws;

(f) repairing after damage and restoring the common elements in accordance with the provisions of the Act, the declaration and the by laws;

(g) obtaining and maintaining fidelity bonds where obtainable in such amounts as the board may deem reasonable, for such officers and directors or employees as are authorized to receive or disburse any funds on behalf of the Corporation;

(h) causing audits to be made after every year-end and making financial statements available to the owners and mortgagees in accordance with the Act and the by-laws;

(i) effecting compliance by the owners with the Act, the declaration, the by-laws, and the rules;

(j) pursuant to s.76(1) of the Act, providing a status certificate in the prescribed form, and such statements and information as may be prescribed by the Act and the Corporation shall be entitled to a fee (up to the maximum prescribed by the Act) for providing same, and a duplicate thereof shall be provided without additional charge if requested, provided that the Corporation shall provide the declarant with such certificate, statements and information in connection with a sale or mortgage without any charge or fee whatsoever.

(k) pursuant to s. 93 of the Act, establishing and maintaining one or more reserve funds for the purpose of major repair and replacement of the common elements and assets of the Corporation, and pursuant to s. 94 of the Act, conducting periodic studies to determine whether the amount of money in the reserve fund and the amount of contributions collected by the Corporation are adequate to provide for the expected costs of major repair and replacement of the common elements and assets of the Corporation.

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(l) pursuant to s. 44 of the Act, retaining a person who holds a certificate of authorization within the meaning of the *Professional Engineers Act* or a certificate of practice within the meaning of the *Architects Act* to conduct a performance audit of the common elements described in the description on behalf of the Corporation no earlier than six months, and no later than 10 months, following the registration of the declaration and description.

Any of the foregoing prescribed duties shall be limited in their application by any contrary provision contained in the declaration.

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

(a) employment and dismissal of personnel necessary for the maintenance and operation of the common elements;

(b) adoption and amendment of the rules concerning the operation and use of the property;

(c) employing a manager at the compensation to be determined by the board, to perform such duties and services as the board shall authorize;

(d) obtaining and maintaining fidelity bonds for any manager where deemed necessary by the board, and in such manner as the board may deem appropriate;

(e) investing the monies held in the reserve fund or funds by the Corporation, provided that such investment shall be those permitted by the Act;

(f) to settle, adjust, compromise or refer to arbitration any claim or claims which may be made upon or which may be asserted on behalf of the Corporation;

(g) to borrow such amounts as in its discretion are necessary or desirable in order to protect, maintain, preserve or insure the due and continued operation of the property in accordance with the declaration and by-laws of the Corporation, and to secure any such loan by mortgage, pledge or charge of any assets owned by the Corporation and to add the repayment of such loan to the common expenses, each such borrowing or loan which exceeds an amount equal to one month's common expenses being subject to approval by the owners at a meeting duly called for the purpose;

(h) to retain any securities or other real or personal property received by the Corporation, whether or not the same is authorized by any law, present or future, for the investment of trust funds;

(i) subject to the provisions of the declaration to the contrary, to sell, convey, exchange, assign or otherwise deal with any real or personal property at any time owned by the Corporation at such price, on such terms, and in such manner as the board in its sole discretion deems advisable, and to do all things and execute all documents required to give effect to the foregoing;

(j) to lease, or to grant or transfer an easement, right of way or license through, over, upon or under 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, except those parts of the common elements over which any owner has the exclusive use, on the express understanding that to the extent that subsection 21(1) of the Act requires a by-law to authorize such a lease, licence, 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, licence, easement or right of way, or any such release and abandonment of easement, and any such lease, licence, easement or right of way, or release of easement may be executed on behalf of the Corporation by an authorized signing officer(s) 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 VI - BOARD OF DIRECTORS

6.01 The affairs of the Corporation shall be managed by the board.

6.02 Number and Quorum: Until amended by by-law, the number of directors shall be three (3) of whom two (2) 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.

6.03 Qualifications: Each director shall be an individual, shall be eighteen (18) or more years of age, shall not have the status of bankrupt, shall not have been found, under the Substitute Decision Act,

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1992, the Mental Health Act, to be incapable of managing property, shall not, subject to the Regulations, have been found incapable by any court in Canada or elsewhere, shall comply with the disclosure obligations prescribed under the Act and/or the Regulations within the prescribed time, and need not own a common interest in the Corporation. If a certificate of lien is registered under subsection 85(2) of the Act against his common interest in the Corporation and not discharged under subsection 85(7) of the Act within ninety (90) days, he shall thereupon cease to be a director.

6.04 Election and Term: 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 (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. Such directors may, however, continue to act until their successors are elected. 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(s) receiving the greater votes shall complete the longest remaining terms of the resigning directors. At each annual general 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.

6.05 Removal of Directors: A director may be removed before the expiration of his term by a vote of owners who together own a majority of the common interests in the Corporation, and the owners may elect at any annual general or special meeting any qualified person in the place of any director who has been so removed, or who has died or resigned, for the remainder of his term.

6.06 Filling of Vacancies: If a vacancy in the membership of the board of directors occurs, other than by way of removal by a vote of owners or as a result of the number of directors being increased, the majority of the remaining members of the board may appoint any qualified person to be a member of the board to fill such vacancy until the next annual general meeting, at which time the vacancy shall be filled by election by the owners. However, if a vacancy arises and there is not a quorum of directors in office, the directors then in office shall forthwith call a meeting of owners to fill all the vacancies, and in default thereof, or if there are no directors in office, the meeting may be called by any owner.

6.07 Calling of Meetings of the Board of Directors: 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 and Vice-President (who is a director), or any two directors, may determine; and the Secretary shall call meetings when directly authorized by the President and by the Vice-President (who is a director), or by any two directors. In addition to any other provision in the by-laws, a quorum of directors may at any time, call a meeting of the directors for the transaction of any business. Unless otherwise provided in the by-laws, notice of any meeting so called shall be given personally, by prepaid mail or by telegraph to each director not less than ten (10) days before the time when the meeting is to be held and shall state the time and place of the meeting and the general nature of the business to be discussed at the meeting, 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 the meeting or otherwise signified in writing their consent to the holding of such meeting.

6.08 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 sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting.

6.09 Meeting by Teleconference: A meeting of the directors may be held by teleconference or another form of communications system if all of the directors consent to the means used.

6.10 First Meeting of New Board: The board may, without notice, hold its first meeting for the purpose of organization, and for the election and appointment of officers, immediately following the meeting of the owners at which the directors of the board were elected, provided a quorum of directors is present.

6.11 Disclosure by Directors of Interest in Contracts: Every director of the Corporation who has, directly or indirectly, any material interest in any material contract or transaction, to which the Corporation is or will be a party, shall disclose in writing to the Corporation the nature and extent of the interest in such contract or transaction. The disclosure shall be made at the meeting of the board, and entered in the minutes of the meeting, at which the contract or transaction is first considered, or at the first such meeting that the interested director attends, or if the director becomes interested after the contract or transaction is entered into at the next meeting of directors. Subject to the Act, such director shall refrain from voting and shall not, in respect of such contract or transaction, be counted in the quorum and shall not be present during the discussion at the meeting. A general notice to the board by a director declaring that he is a director or officer of, or has a material interest in, any company or other entity that is a party to a contract or proposed contract with the Corporation, is a sufficient declaration of his interest in relation to any contract so made. If a director has made a declaration or disclosure of his interest, and has not voted in respect of the contract or transaction, then such director, if he was acting honestly and in good faith at the time the contract or transaction was entered into, is not, by

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reason only of his holding the office of director, accountable to the Corporation or to its owners for any profit or gain realized from the contract or transaction, and such contract or transaction is not voidable by reason only of the director's interest therein. In respect of any contract or transaction involving the purchase or sale of real or personal property by the Corporation that the seller acquired within five (5) years before the date of the contract or transaction or the proposed contract or transaction, the director shall disclose the cost of the property to the seller, to the extent which such information is within the director's knowledge or control.

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

6.13 Protection of Directors and Officers: No director or officer shall be liable for the 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 resolution or 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 which might happen in the execution of the duties of his office or in relation thereto, unless the same shall happen through his own dishonest or fraudulent act or acts.

6.14 Indemnity of Directors and Officers: Every director or officer of the Corporation and their respective heirs, executors, administrators, estate trustees and other legal representatives and successors, shall at all times be indemnified and saved harmless by the Corporation from and against:

(a) all costs, expenses, charges, damages and liabilities which such director or officer suffers, sustains or incurs in respect of any action, suit or proceedings that is brought, commenced or prosecuted against him for or in respect of anything done, omitted to do or permitted to be done by him in connection with the execution of the duties of his office (hereinafter collectively referred to as the "Liabilities"); and

(b) all other costs, charges and expenses which such director or officer properly sustains or incurs in relation to the affairs of the Corporation;

unless the Act or the by-laws of the Corporation otherwise provide. The Corporation shall, not later than one (1) week after the turn-over meeting, use its best efforts to purchase and maintain insurance for the benefit of every director or officer in order to indemnify them against the Liabilities, provided that such insurance shall not indemnify any officer or director against the Liabilities if same were incurred by such officer or director as a result of a contravention of Section 37(1) of the Act.

6.15 Minutes: While the Corporation may produce, circulate and/or maintain minutes of any meeting that contain a more detailed narrative description of the proceedings at any meeting of Directors, the Corporation shall prepare, circulate and maintain a minute record of each meeting which records the following, and only the following, information:

(a) the date, time and place of meeting;

(b) those present in person and by proxy at the meeting;

(c) the identity and method of appointment of the Chairman and Secretary of the meeting;

(d) the confirmation of the due calling of the meeting

(e) confirmation of quorum;

(f) the disposition of each agenda item, including a record of the mover, seconder (where necessary) and disposition of every motion made and vote held pursuant to the agenda;

(g) a record (by brief description only) of any matter raised or discussed in addition to agenda items;

(h) adjournment of the meeting; and

(i) certification of the Secretary and Chairman of the meeting.

ARTICLE VII - OFFICERS

7.01 Elected Officers: At the first meeting of the board and after each election of directors, the board shall elect from among its members a President and a Secretary. In default of such election, the then incumbent, if a member of the board, shall hold office until his successor is elected. A vacancy occurring from time to time in such office may be filled by the board from among its members.

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7.02 Appointed Officers: From time to time the board may appoint one or more Vice-Presidents, a General Manager, a Treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The officer so appointed may, but need not be, a member of the board. One person may hold more than one office and if the same person holds both the office of Secretary and the office of Treasurer he may be known as Secretary-Treasurer.

7.03 Term of Office: Subject to the provisions of any written agreement to the contrary, the board may remove at its pleasure any officer of the Corporation.

7.04 President: The President shall, when present, 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.

7.05 Vice-President: During the absence of the President his duties may be performed and his powers may be exercised by the Vice-President, or if there are more than one, by the Vice-Presidents in order of seniority (as determined by the board), save that no Vice-President shall preside at a meeting of the board or at a meeting of owners who is not qualified to attend the meeting as a director or owner, as the case may be. 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 from time to time.

7.06 General Manager: The General Manager, if one be appointed, shall be responsible for the general management and direction of the Corporation's business affairs, subject to the overriding authority of the board and the supervision of the President, and shall have 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.

7.07 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 shall attend all meetings of the directors and of the owners and shall enter or cause to be entered in the books kept for that purpose, minutes of all proceedings at such meetings. He shall be the custodian of all books, papers, records, documents and other instruments belonging to the Corporation and he shall perform such other duties as may from time to time be prescribed by the board.

7.08 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, he shall control the deposit of money, the safekeeping of securities and the disbursements of the funds of the Corporation. He shall render to the board at any meeting thereof, or whenever required of him, an account of all his 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.

7.09 Other Officers: The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. 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.

7.10 Agents and Attorneys: The board may have power from time to time to appoint agents or attorneys for the Corporation with such powers of management or otherwise (including the power to sub-delegate) as the board, in its sole discretion, may think fit.

7.11 Disclosure by Officers of Interest in Contracts: Every officer of the Corporation who is not a director and has, directly or indirectly, any material interest in any material contract or transaction, to which the Corporation is or will be a party, shall disclose in writing to the Corporation the nature and extent of the interest in such contract or transaction. The disclosure shall be made at the first meeting of the board, and entered in the minutes of the meeting, at which the contract or transaction is first considered, or if the officer becomes interested after the contract or transaction is entered into at the next meeting of directors. A general notice to the board by a director declaring that he is a director or officer of, or has a material interest in, any company or other entity that is a party to a contract or proposed contract with the Corporation, is a sufficient declaration of his interest in relation to any contract so made. If an officer has made a declaration or disclosure of his interest, then such officer, if he was acting honestly and in good faith at the time the contract or transaction was entered into, is not, by reason only of his holding the office of officer, accountable to the Corporation or to its owners for any profit or gain realized from the contract or transaction, and such contract or transaction is not voidable by reason only of the officer's interest therein. In respect of any contract or transaction involving the purchase or sale of real or personal property by the Corporation that the seller acquired within five (5) years before the date of the contract or transaction or the proposed contract or transaction, the officer shall disclose the cost of the property to the seller, to the extent which such information is within the officer's knowledge or control.

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ARTICLE VIII - BANKING ARRANGEMENTS & CONTRACTS

8.01 Banking Arrangements: The banking business of the Corporation or any part thereof shall be transacted with such bank located in Ontario listed under Schedule I or II to the Bank Act (Canada) or trust company authorized by law to receive money on deposit as the board may designate, appoint or authorize 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 therein 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.

8.02 Execution of Documents: Subject to the provisions of the Act, deeds, transfers, assignments, contracts and obligations on behalf of the Corporation may be signed by the President or a Vice-President together with the Secretary or any other director. 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. Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation the board may, subject to the provisions of the Act, at any time and from time to time direct the manner in which, and the person or persons by whom any particular deed, transfer, contract or obligation or any class of deeds, transfer, contract or obligations of the Corporation may or shall be signed.

8.03 Execution of the Status Certificate: Certificates provided pursuant to Section 76(1) of the Act 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(s) by whom, such certificates may or shall be signed.

ARTICLE IX - FINANCIAL

Until otherwise ordered by the board, the financial year of the Corporation shall end on the 31st day of December in each year or on such other day as the board by resolution may determine.

ARTICLE X - NOTICE

10.01 Method of giving notice: Except as otherwise specifically provided in the Act, the declaration, or the by-laws, any notice, communication or other document, including budgets and notices of assessment required to be given or served shall be sufficiently given or served, if given or served in accordance with the following:

(a) to an owner, by giving same to him, or to any director or officer of the owner, either:

  (i) personally;

  (ii) by ordinary mail, postage prepaid, addressed to him at the address for service given by such owner for the Corporation's register, or if no such address has been given, then to such owner at his respective Potl;

  (iii) by facsimile transmission or any other method of electronic communication if the owner agrees in writing that the party giving the notice may give the notice by that method; or

  (iv) delivered at the owner's Potl or at the mailbox for the Potl unless the party giving the notice has received a written request from the owner that the notice not be given in this manner and the address for service given by such owner for the Corporation's register is not the address of the owner's Potl;

(b) to a mortgagee who has notified the Corporation of his interest in any common interest in the Corporation, by giving same to him, or to any officer or director of such mortgagee, either:

  (i) personally;

  (ii) by ordinary mail, postage prepaid, addressed to such mortgagee at the address for service given by such mortgagee to the Corporation; or

  (iii) by facsimile transmission or any other method of electronic communication if the mortgagee agrees in writing that the party giving the notice may give the notice by that method;

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(c) to the Corporation, by giving same personally to any director or officer of the Corporation, or by ordinary 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.

10.02 If any such notice is mailed as aforesaid, the same shall be deemed to have been received and to be effective on the third (3rd) business day following the day on which it was mailed.

10.03 Omissions and Errors: Except as provided in 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

11.01 Duties of the Board Re Common Expenses: The common expenses as provided for in the Act and in the declaration, shall be assessed by the board and levied against the owners in the proportions in which they are required to contribute thereto pursuant to the provisions of Schedule “D” of the declaration. The board shall, from time to time, and at least once 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. The board shall allocate and assess such common expenses as set out in the budget for such period, among the owners, according to the proportions in which they are required to contribute to same, and such common expenses shall be payable monthly on the first day of each month during the fiscal year.

11.02 Duties of the Board Re Reserve Fund: In addition to the foregoing, the board shall, subject to the provisions of the declaration which may qualify or limit such obligation, make provision for the reserve fund in the annual budget, for major repair and replacement of common elements and assets of the Corporation. The Corporation shall establish and maintain this reserve fund, and shall collect from the owners as part of their contribution towards the common expenses, amounts that the board determines sufficient for such major repair and replacement, calculated on the basis of expected repair and replacement costs and life expectancy of the common elements and assets of the Corporation. Moreover, the Corporation shall conduct periodic studies to determine whether the amount of money in the reserve fund and the amount of contributions collected by the Corporation are adequate to provide for the expected costs of major repair and replacement of the common elements and assets of the Corporation in accordance with s. 94 of the Act.

11.03 Notice of Common Expenses to Owners: The board shall advise each owner promptly in writing of the total amount of common expenses payable by each owner respectively, and shall give copies of all budgets on which such common expenses are based to all owners and mortgagees entered on the register, in accordance with the by-laws of the Corporation.

11.04 Owner’s obligations: Each owner shall be obliged to pay to the Corporation, or as it may direct, the amount of common expenses assessed against each owner, in equal monthly payments on the first day of each and every month for the 12-month period or other period of time to which such assessment is applicable, until such time as a new assessment is given to such owner. If the board so directs, each owner shall forward to the Corporation forthwith a series of twelve post-dated cheques covering the monthly common expense payments payable during the period to which such assessment relates. Alternately, the Corporation may require the owner to establish a pre-authorized debit whereby the Corporation or the property manager shall debit from the owner’s account, the monthly common expense contribution. 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 owner, or by members of his family and/or their invitees or licensees, shall be borne and/or paid for by such owner, and may be recovered by the Corporation against such owner in the same manner as common expenses.

11.05 Extraordinary Expenditures: Extraordinary expenditures not contemplated in the foregoing budget, for which the board shall not have sufficient funds, and funds required to establish reserves for contingencies and deficits, may be assessed at any time during the year in addition to the annual assessment, by the board serving notice(s) of such further assessment(s) on all owners. The notice shall include a written statement setting out the reasons for the extraordinary assessment, and each owner’s proportionate share of the extraordinary assessment shall be payable by each owner within ten (10) days from the date of receipt of such notice, or within such further period of time and in such instalments as the board may otherwise determine.

11.06 Conveyance of Potl: No owner shall be liable for the payment of any part of the common expenses assessed against his common interest in the Corporation prior to a transfer by him of such common interest in the Corporation but payable by him subsequent thereto, provided that he first gives notice of such assessment to the transferee of such common interest in the Corporation.

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11.07 Default in payment of assessment:

(a) Arrears of payments required to be made under the provisions of this Article XI shall bear interest at the rate of four (4%) percent per annum above the prime lending rate charged by the Corporation's bank to its best risk commercial customers, and shall be compounded monthly until paid and shall be deemed to constitute a reasonable charge incurred by the Corporation in collecting the unpaid amounts within the meaning of the Act.

(b) In addition to any remedies or liens provided by the Act, if any owner is in default in payment of a common expense assessment levied against him, for a period of fifteen (15) days, the board may bring legal action for or on behalf of the Corporation to enforce collection thereof, and there shall be added to any amount found due, all costs of such action, including costs as between a solicitor and his own client.

ARTICLE XII - DEFAULT

12.01 Notice of Unpaid Common Expenses: The board whenever so requested in writing by an owner or mortgagee entered on the register, shall promptly report to such owner or mortgagee any unpaid common expenses due from, or any other default by, any owner and any other moneys claimed by the Corporation against any owner which are thirty (30) days past due.

12.02 Notice of Default: The board, when giving notice of default in payment of common expenses or any other default to any owner, shall concurrently send a copy of such notice to each registered mortgagee of such common interest in the Corporation who has requested that such notices be sent to him.

12.03 Notice of Lien: Where a lien for arrears of common expenses arises in favour of the Corporation pursuant to s.85(1) of the Act, the Corporation shall, on or before the day a notice of lien is registered, give notice of the lien to every encumbrancer whose encumbrance is registered against the title of the Potl, by personal service of the notice or by sending the notice by registered prepaid post addressed to the encumbrancer at his last known address.

ARTICLE XIII - HOUSE RULES

13.01 Rules Governing the Use of Common Elements: The board may make rules respecting the use of common elements, in order to promote the safety, security and welfare of the owners and of the property and assets of the Corporation, or for the purpose of preventing unreasonable interference with the use and enjoyment of the common elements or the assets of the Corporation. Any rule made by the board shall be effective the day after the thirtieth (30th) day after notice thereof has been given to each owner, unless the board is in receipt of a written requisition requiring a meeting of owners to consider the rules. If such a meeting of owners is required, then the rules shall become effective only at the earlier of: (i) the time at which a quorum is not present at the first attempt to hold the meeting, and (ii) the time at which a quorum is present at the first attempt to hold the meeting and the owners do not vote against the rule at said meeting. However, any rule or amendment that has substantially the same purpose or effect as a rule previously amended or repealed within the preceding two years is not effective until the owners approve it, with or without amendment, at a meeting duly called for that purpose.

13.02 Compliance and Amendment of Rules: The rules shall be complied with and enforced in the same manner as the by-laws, but the owners may, at any time, amend or repeal a rule at a meeting of owners duly called for that purpose; and for greater certainty, the rules shall be observed by the owners and all residents, tenants, invitees or licensees of the Potls.

13.03 Notice of Rule: Upon making, amending or repealing a rule, the board shall give notice of it to the owners which shall include a copy of the rule as made, amended or repealed, a statement of the date that the board proposes that the rule will become effective, a statement that the owners have the right to requisition a meeting under section 46 of the Act, and a copy of the text of sections 46 and 58 of the Act.

ARTICLE XIV - MISCELLANEOUS

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

14.02 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 the plural, wherever the context so requires.

14.03 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.

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

YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. * hereby enacts the foregoing by-law having been approved by the directors of the Corporation and confirmed without variation by the declarant which owns 100 per cent of the common interests in the Corporation pursuant to the provisions of the Condominium Act, 1998, S.O. 1998, c. 19, as amended.

DATED this _____ day of _____, 20___.

YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. *

Per: _____
Name:
Title: President

Per: _____
Name:
Title: Secretary

I/We have the authority to bind the Corporation.

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An Enclave Community

By Arista Homes

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SCHEDULE III
A copy of the Corporation's proposed By-law No. 2

SCHEDULE III

YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. *

BY-LAW NO. 2

Be it enacted as a by-law of **YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. *** (hereinafter referred to as the "Corporation" or "this Corporation") as follows:

The directors of the Corporation may from time to time:

(a) borrow money on the credit of the Corporation;

(b) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the Corporation, including book debts and unpaid calls, rights, powers, franchises and undertakings, to secure any such securities or any money borrowed, or other debts, or any obligation or liability of the Corporation;

(c) delegate to such one or more of the officers and directors of the Corporation as may be designated by the directors all or any of the powers conferred by the foregoing clauses of this by-law to such extent and in such manner as the directors shall determine at the time of such delegation;

(d) give indemnities to any director or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any Corporation controlled by it, and secure any such director or other person against loss by giving him by way of security a mortgage or charge upon the whole or any part of the real and personal property, undertaking and rights of the Corporation; and

(e) provided that any borrowing which would result in total borrowing aggregating more than an amount equivalent to the Corporation's common expense fees for two (2) months shall require the approval of the owners owning a majority of the parcels of land with a common interest in the Corporation (singularly a "Potl", and collectively "Potls") at a duly called meeting of the owners, subject to any provision in the declaration of the Corporation which requires the Corporation to borrow an amount in excess of the Corporation's common expense fees for two (2) months, in which case no such approval shall be required.

YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. * hereby enacts the foregoing by-law having been approved by the directors of the Corporation and confirmed without variation by the declarant which owns 100 per cent of the common interests in the Corporation pursuant to the provisions of the Condominium Act, 1998, S.O. 1998, c. 19, as amended.

DATED this _____ day of _____, 20___.

YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. *

Per: _____
Name:
Title: President

Per: _____
Name:
Title: Secretary

I/We have the authority to bind the Corporation.

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SCHEDULE IV
A copy of the proposed Management Agreement

COMMON ELEMENTS CONDOMINIUM MANAGEMENT AGREEMENT

B E T W E E N :

► YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. ►

(hereinafter called the "**Corporation**")

OF THE FIRST PART

- and -

FIRSTSERVICE RESIDENTIAL ONTARIO

(hereinafter called the "**Manager**")

OF THE SECOND PART

WHEREAS the Corporation has been created pursuant to the *Condominium Act*, *1998*, S.O. 1998 C.19, as amended, which Act and regulations made thereunder are collectively referred to herein as the "**Act**", known as "**Property Name**" and is located at **Property Address, Vaughan, Ontario, Postal Code** (the "**Property**");

AND WHEREAS the Corporation desires to engage the Manager as management agent to manage the Corporation and assets of the Corporation, and the Manager desires to do so, in accordance with the terms and conditions of this agreement (the "**Agreement**").

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

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ARTICLE 1
NOMENCLATURE

1.1 Unless a contrary intent is expressed in this Agreement, the terms used herein shall have ascribed to them the meanings contained in the Act and the declaration (the "**Declaration**"), the by-laws (the **"By-Laws"**), and rules (the **"Rules"**) of the Corporation (together the **"Agreement Documents"**).

ARTICLE 2
TERM

2.1 The term of this Agreement shall be for **three (3) years** from the **__ day of _____, 20__ to the __ day of _____, 20__** unless terminated in accordance with the provisions of this Agreement and the Act. In the event this Agreement is not terminated in accordance with the provisions of this Agreement and the Act, this Agreement shall automatically renew and continue in full force and effect on a month-to-month basis.

ARTICLE 3
ROLE OF MANAGEMENT AND SUPERVISION BY THE BOARD

3.1 The Manager agrees to assist the Board of Directors of the Corporation (the "**Board**") in the operation and administration of the Corporation and of the Property and assets of the Corporation and accepts the relationship of trust and confidence established between itself, the Board and the owners of the P.O.T.L.s (the "**Owners**" and each an "**Owner**") by entering into this Agreement. The Manager will work under the direction and supervision of the Board.

3.2 The Manager acknowledges that it is familiar with the Act and with the terms of the Agreement Documents as of the date of this Agreement. The Manager's management of the Property shall be subject to the specific instructions of the Corporation as expressed by its Board and to each and every term and condition contained in this Agreement, and the Manager further agrees to carry out expeditiously the instructions of the Corporation and its Board, subject to section 3.7.

3.3 The Manager agrees that during the term of this Agreement, it will provide all management services required in connection with the management of the Corporation in performing its duties, provided that the Manager shall not be responsible for the duties of the Board or of any officer of the Corporation, except as specifically set out in this Agreement. The Corporation and the Manager acknowledge that the Manager is an agent of the Corporation, subject to the express terms and conditions of this Agreement. All contracts of the Corporation shall be executed by an authorized signing officer (or officers) of the Corporation.

3.4 The Manager acknowledges that it has implemented a privacy policy regarding the handling of the personal information of owners, residents, employees and all others whose personal information the Manager uses, collects, intends to use and intends to collect. The Manager further acknowledges that such privacy policy is in compliance with the Personal Information and *Electronic Documents Act*, 2000, c.5 ("**PIPEDA**") and all other applicable privacy laws. The Manager further agrees to use all personal information in its possession in accordance with PIPEDA, all other applicable privacy laws and any specific direction of the Corporation.

3.5 The Manager covenants to comply with the provisions of the *Accessibility for Ontarians with Disabilities Act*, 2005, S.O. 2005, c. 11 ("**AODA**"), and without limitation, shall ensure that all of its employees and all contractors it retains have received training with respect to the customer service standard under AODA.

3.6 The Manager covenants and warrants that it will, at all times during the term of this Agreement and if required following termination, comply with both the Act and the *Condominium Management Services Act*, 2015, S.O. 2015, c. 28, Schedule 2 ("**CMSA**"). Further, the Manager represents and warrants that it and all necessary employees are licensed to provide "condominium management services" as defined and set out in the CMSA.

3.7 The Manager agrees to furnish efficient business administration and supervision and to perform its responsibilities, including administrative, financial and advisory, in the best manner, consistent with effective management techniques and in the most expeditious and economical manner consistent with the best interests of the Corporation. The Manager shall conduct its duties consistent with the requirements of the Act, the CMSA, the Agreement Documents and with applicable federal, provincial and municipal laws and regulations, as well as all binding court or tribunal orders, judgments or decrees, and all applicable directives, policies, rules and orders given by any government agency or regulatory body, all as these pertain to, or are binding on, the operation of the Corporation and of the Property (collectively, "**Legal Requirements**"). In the event the Manager is instructed to take any action which, in the Manager's opinion, is contrary to

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the Legal Requirements, the Manager shall advise the Corporation so in writing promptly. In addition to any other indemnification obligation contained in this Agreement, in the event that any damages, loss, expense, or other costs are incurred by the Manager as a result of the Corporation's instructions given after the Manager has given written notice of disagreement, the Corporation shall fully indemnify the Manager for any such damages, loss, expense, or other costs.

ARTICLE 4
SPECIFIC DUTIES OF THE MANAGER

4.1 Without limiting the generality of Article 3, the Manager shall perform, in particular, the following specific duties, subject to the direction of the Board:

(a) **Corporate Funds**. To collect, receive, and deposit in trust for the Corporation all monies payable pursuant to the Agreement Documents by the Owners or others and to deposit the same forthwith in separate account(s) to be opened with a Canadian chartered bank of the Manager's choice and maintained by the Manager in the name of the Corporation. Such account(s) will identify the Manager as the agent and custodian of the account with signing authority. All such monies shall thereafter be held in trust in the name of the Corporation and be used:

(i) **Disbursements**. The executives of the Manager as listed on the banking resolution (as updated from time to time) may make payment of all expenses properly incurred by or on behalf of the Corporation by cheque or electronic funds transfer or direct banking; all such expenses to be accompanied by an invoice, receipt, work order or such other documentation identifying the particulars of the expense for which the payment is being made and having been submitted to the Board for approval prior to release of payment. In addition, or in the alternative, the Corporation may authorize the issuance of cheques through a bill payment system utilizing an electronic workflow for approval, or such other payment system as may be made available by the Manager, subject to the Board passing a resolution to such effect. Standing authorization may be provided by the Board to the Manager for payment of regular utilities accounts and any other accounts as may be authorized by the Board from time to time;

(ii) **Insurance and Appraisals**. To arrange for insurance coverage and any appraisals in connection therewith required by the Corporation in accordance with the provisions of the Agreement Documents, and the amounts of such insurance shall be as directed by the Board;

(iii) **General Maintenance and Repairs**. To repair and maintain or cause to be so repaired and maintained, those parts of the Property and assets of the Corporation which require repair and maintenance by the Corporation in accordance with the provisions of the Agreement Documents, and, without limiting the generality of the foregoing, to arrange for (subject to subparagraph Article 4(k)) the supply as may be required of electricity, water and other services and to arrange through use of Corporation employees and/or independent contractors as in each instance may seem most desirable for the effective and economical operation, maintenance and repair of the Property and its equipment or so as to comply with the enforcement of any regulations and requirements of the local Board of Health, Police, Fire Departments and any other federal, provincial or

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municipal authorities having jurisdiction which affect the Property, and without limiting the generality of the foregoing, such arrangements shall include where applicable to the Property, removal of litter and disposal of waste, snow and ice removal, landscaping and grounds maintenance, fire hydrant servicing, exterior painting, alterations and any supervision and maintenance necessary in connection with the Property, and subject to subparagraph Article 4(k) as aforesaid to maintain such staff on behalf of and at the expense of the Corporation as may be required at all times to promptly and efficiently carry out the foregoing, and any other requirements and instructions of the Board; and

(iv) **Reserve Fund**. To deposit to the credit of the Corporation with a Canadian Chartered Bank of the Manager's choice in a separate account for major repair and replacement of the Common Elements and assets of the Corporation, on a monthly basis, the proportionate amount of the total budgeted expenditure allocated by the Corporation in its budget statement for the establishment of the reserve fund and to ensure that such monies are not used or employed by the Board or the Manager for the payment of general operating expenses. The Manager shall recommend and arrange for the undertaking of Reserve Fund Studies as may be required from time to time pursuant to the Act, subject to the approval of the Board.

The Manager shall, subject to direction from the Board, arrange for the Corporation to engage an investment advisor or advisors to manage and/or monitor an investment plan as approved by the Board pursuant to subsection 115(8) of the Act (the "**Investment Plan**") and the Manager shall deposit the "surplus" monies in the Corporation's general account(s) and reserve account(s) in accordance with the Investment Plan and subsection 115(6) and (7) of the Act.

(b) **Enforcement of Corporation Documents**. To take such action within its power, short of legal action, to enforce the terms of the Agreement Documents to any of the foregoing which may be in force from time to time subject to the direction of the Board; and to retain legal counsel as directed by the Board at the expense of the Corporation.

(c) **By-Law Advisement**. Subject to 4.1(d), to 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.

(d) **Legal Services**: The services of the Manager shall not include the provision of legal services of any kind, but, upon the express instruction of the Board, shall include the procurement of such services on behalf and for the benefit of the Corporation.

(e) **Common Element Deficiencies**. To use its best efforts to assist the Corporation with the Tarion warranty process as it pertains to any building deficiency required by the Corporation to be repaired or rectified and, if applicable, to assist with the correction of any building deficiency short of legal action under any warranty applicable to the Property; and in this regard the Manager represents and warrants that it is familiar with the filing requirements of the *Ontario New Home Warranties Plan Act*, R.S.O. 1990, C.O.31 or any amendments, replacements or successor

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legislation thereto and of the procedures to be followed under that statute in order to protect the interests of the Corporation. Notwithstanding, the Manager will not accept any appointment as “designate” for the Corporation, nor act in any capacity thereof.

(f) **Communication to the Owners**. Subject to the instructions of the Board to forthwith after their enactment communicate to all Owners the text and import of any further By-Laws or Rules or amendments thereto.

(g) **Insurance Claims**. To supervise insurance or other claims by or against the Corporation and to see that the rights of the Corporation in respect to such claims are protected including the filing of notice of claim but not including the adjusting of any loss.

(h) **Inadequate Performance by Contractors**. To use reasonable diligence to ensure that contracts and agreements between the Corporation and any supplier or third-party service provider/personnel are performed in accordance with the agreed upon terms and to inform the Board in the event performance is considered by the Manager to be inadequate or contrary to the agreed terms and where services are properly performed and/or materials provided in accordance with the contract, to take advantage of all trade discounts by prompt payment of trade invoices, with appropriate holdbacks under the *Construction Act*, R.S.O. 1990, C. C.30 ("**Construction Act**"), where applicable. All suppliers and third-party service providers shall be deemed hired by the Corporation. The Manager shall not be liable for any contracts executed on behalf and for the benefit of the Corporation.

(i) **Construction Liens**. To retain or cause to be retained holdbacks required by the Construction Act, R.S.O 1990, as amended, and to use its best efforts to ensure that no claim or lien shall be filed in respect of any work which may be carried out on behalf of the Corporation against the title to the Property and if a claim or lien shall be filed in respect of such work, the Manager shall, as directed by the Board, forthwith take all necessary steps to have the same removed and discharged.

(j) **Inspection/Work Schedule**. To prepare schedules and assignment of responsibilities as may be necessary for all persons employed to work at the Property and to provide such supervision as may be reasonably necessary and to conduct an inspection, as reasonably required, of the Property and to complete a checklist setting out the status of the ongoing maintenance and repairs to be completed in respect of the Common Elements, and compliance by Owners with the Agreement Documents (i.e. stipulate infractions and the steps taken to correct same) and to make such schedules, inspections and status reports available for inspection by the Board at all reasonable times.

(k) **General Authority**. Generally to 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, however, that the Manager shall not authorize any work, repairs, alterations or maintenance estimated to cost in excess of $5,000.00 for any one item or to have a duration in excess of one (1) year without first obtaining the Board's approval to proceed with such work except for monthly or recurring operating charges. On rare occasions where

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circumstances warrant, the Board shall provide its approval or other direction to the Manager within a reasonable time of receipt of the Manager's request for approval. Furthermore, if in the Manager's opinion there exists a hazardous situation which could cause personal injury or damage to the Property or the Corporation's equipment or chattels or which could impair the value of the Owners' interest therein or the Owners' equipment, chattels, improvements or property 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, the Manager is hereby authorized to proceed with such work as in its reasonable discretion it determines to be urgently necessary for the prevention of personal injury, the protection and preservation of the Property or the Corporation's equipment or chattels or the Owners' interest therein or the Owners' equipment, chattels, improvements or property therein or to protect the Corporation or the Manager from exposure to fines, penalties, imprisonment or any other substantial liability, subject always to the Act, and the Declaration and By-Laws and the Rules. The Manager shall in the case of a hazardous situation report to the Board as soon as possible. The Manager, in any hazardous situation, may enter any P.O.T.L. with or without the consent of the Owner thereof to perform such work or repairs as it reasonable determines to be urgently necessary for the protection and preservation of the Property and any assets of the Corporation or any equipment or chattels, or to protect the Corporation and the Manager from exposure to fines, penalties, imprisonment or any other substantial liability.

(l) **Materials, Equipment and Supplies**. To purchase subject to subparagraph Article 4(k) above and on behalf of the Corporation such equipment, tools, appliances, materials and supplies as are necessary for the proper operation and maintenance of the offices and property of the Corporation. All such purchases and contracts shall be in the name of and at the expense of the Corporation.

(m) **Inventory**. To maintain an up-to-date list of all inventories, equipment and chattels of the Corporation as part of the Corporation's records.

(n) **Emergency Situations**. To keep the Board advised at all times of the telephone number or numbers at which a representative or employee of the Manager may be reached at any time during normal business hours in respect to any infraction of the Agreement Documents, or at any time during the day or night in the event of any emergency involving the Property and assets of the Corporation. The Manager will make all arrangements to deal promptly with such infractions and immediately with any emergency arising in connection with the maintenance and operation of the Property and assets of the Corporation. In this regard, the Manager shall deal in the first instance with minor emergencies and infractions and shall forthwith report to the Board any major emergency or persistent, flagrant or serious violation of the Agreement Documents. It is understood and agreed by the parties hereto that the Manager shall, in its reasonable discretion, determine whether or not an emergency exists and whether or not such emergency is of a minor or major nature.

(o) **Fire and Safety Procedures**. If required, to cause to be prepared at the cost of the Corporation, by a qualified third party consultant, and then put into practice a formal Fire Safety Plan which shall at the minimum include:

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(i) Compliance with the Ontario Fire Code;

(ii) Identification of all residents requiring assistance in the event of an emergency;

(iii) The formation and introduction of response team(s); and

(iv) Identification and elimination on a planned basis of hazards to safety.

(p) **Information**. To receive in writing (except in case of emergency) and co-ordinate the disposition of requests for information and service concerning or related to the duties and obligations of the Manager as provided by this Agreement, in all cases referring to the Board such requests as involve policy decisions or interpretations of the Agreement Documents of the Corporation.

(q) **Notice of Meetings**. At the request of the Board, schedule and arrange the facilities for all annual, general and special meetings of the Owners and deliver to the Owners and to such other persons as are entitled to notice pursuant to the Act, Declaration or By-Laws, such notices and other information as is required in connection with the holding of such meetings. At the expense of the Corporation and upon request of the Board, the Manager shall prepare notices of meetings and other information in sufficient quantity for distribution to all persons entitled to receive same. With respect to meetings of the Board, the Corporation shall notify the Manager in writing as to the place, date and time of such meetings and a representative of the Manager shall attend all such meetings unless otherwise directed by the Board, provided the representative of the Manager shall not be required to attend more than **number (#)** meetings of the Board of Directors and **one (1)** meeting of the Owners per fiscal year. All meetings will be scheduled on a Monday, Tuesday, Wednesday or Thursday, except for statutory holidays. The Manager's cost of additional meetings shall be charged to the Corporation in accordance with Section 8.2 and Schedule "A".

(r) **Employee Records**. To execute and file all returns and other instruments, maintain proper payroll records and do and perform all acts required of the Corporation as the employer of on-site personnel in respect of Employment Insurance contributions and deductions, Workers 'Compensation, Employer's Health Tax, Canada Pension Plan contributions and payments, the *Income Tax Act of Canada* and any other employee and employer contributions or payments required under any social, labour or tax legislation in force from time to time, and in connection therewith the Corporation agrees, upon request, to execute and deliver promptly to the Manager all necessary consents, notices of appointment and like approvals or directions. At the option of the Board, provide to the employees of the Corporation the employment benefits as are provided by the Manager for employees of other similar Condominium Corporations and invoice the Corporation for the cost of such benefits and any applicable taxes.

(s) **Supervision of Employees**. To manage any and all persons employed by the Corporation for the operation and maintenance of any equipment in existence or which might be in existence and which the Corporation desires or is obliged to operate and maintain, and to arrange at the cost of the Corporation and be responsible for any safety and technical instructions of personnel employed at the Property which may be required for the proper operation and maintenance of such equipment.

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On the basis of the budget adopted by the Corporation, and subject to prior written approval by the Board, the Manager shall negotiate agreements with, manage and discharge all necessary personnel required to properly and physically maintain all Property.

ARTICLE 5
MANAGEMENT SERVICES

5.1 The Manager agrees that, during the term of this Agreement, it will provide all management services required in connection with the undertaking of the Corporation as may be necessary in the performance of its duties provided. Pursuant to subparagraph 3.3 of this Agreement, the Manager shall not be responsible for the duties of the Board or any Officers of the Corporation, except as set out in this Agreement.

5.2 Without limiting the generality of subparagraph 5.1 of this Article 5, the Manager shall perform the following duties:

(a) **Annual Budget**. To prepare and present to the Board at least six (6) weeks before the commencement of each fiscal year during the term of this Agreement an estimated budget in writing for the following fiscal year and for the approval of the Board and to consult with the Board whenever it appears desirable or necessary to revise the Owners' contributions to the Common Expenses.

(b) **Financial Reporting**. To provide the Board electronically on or before the 20th day of each month with year-to-date monthly itemized unaudited financial statements showing:

(i) Corporation income on accrual basis;

(ii) dollar amount of Common Expenses collected;

(iii) dollar amount of each disbursement as compared with budget expenses by budget categories;

(iv) a list of P.O.T.L.S. that are delinquent in payment of their required contribution to Common Expenses and the amount of each delinquency;

(v) amounts of all other delinquent accounts and names of the persons owing such accounts;

(vi) particulars of accounts, term deposits, certificates and any other instruments respecting investment income and other assets and liabilities of the Corporation in accordance with good accounting principles as at the date of the financial statements.

(vii) particulars of significant variations from budget;

(viii) an income and expense statement; and

(ix) statement of financial position

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

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and shall be provided within the reasonable time limit prescribed by the Corporation's auditors.

(c) **Additional Financial Records**. Provide the Board of Directors of the Corporation on a monthly basis with a copy of the following:

(i) A general bank statement summary;
(ii) A reserve fund bank statement summary;
(iii) A bank reconciliation for the general account;
(iv) A bank reconciliation for the reserve account; and
(v) A general ledger analysis

(d) **Books and Records**. To maintain the Corporation's records in accordance with the Act and to use its best efforts to keep an up-to-date record of the names and addresses of all owners, mortgagees and tenants of whom the Manager has received notice. If the Corporation receives notices or written communication from registered mortgagees or any other persons claiming an interest in a P.O.T.L. or from an owner providing information with respect to the leasing of the Owner's P.O.T.L., the Corporation shall forthwith communicate that information to the Manager. All books and records of accounts kept in relation to the management of the Corporation shall be the property of the Corporation and upon termination of this Agreement shall be surrendered to the Corporation or to a representative of the Corporation, designated in writing in accordance with such timing requirements as provided by the CMSA. Until termination of this Agreement, the Corporation's current books and records of accounts shall be physically kept in the Manager's business office. Records referred to herein shall be delivered to the Corporation's onsite Management Office, if space is available, after the completion of the annual financial audit. Alternatively, the Manager shall store the records at a monthly cost to the Corporation as indicated in Schedule A.

(e) **Access to Books and Records**. To make available upon reasonable notice at reasonable times to the Corporation, its auditors, and designated representatives, all books and records pertaining to the operation of the Property and the business of the Corporation whenever requested, provided that the Corporation shall be charged a reasonable hourly fee to properly compensate for the time spent in preparing and copying of records requested for and/or viewed. With respect to requests for access to or copies of records of the Corporation by Owners under s. 55 of the Act, the Manager's cost of addressing requests for non-core records shall be charged to the Corporation in accordance with Section 8.2 and Schedule "A". Notwithstanding the foregoing, in accordance with subsection 55(3) of the Act, the Manager shall use reasonable efforts to obtain reimbursement for the Corporation from the subject Owner of the Schedule "A" costs from the person requesting the records where permitted under the Act or Regulations. For greater clarity, the Corporation shall pay the amount as stated at Schedule "A" to the Manager, regardless of any decision of the Condominium Authority Tribunal that may award a lesser amount in a particular case.

(f) **Approval of Invoices**. To make all disbursements properly incurred for and on behalf of the Corporation with the approval of the Board; provided, however, that the approval of the Board shall not be required prior to payment by the Manager of any items of expense as to which the Manager has discretionary spending authority pursuant to subparagraph 6.1(c).

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(g) **Status Certificates**. Upon receipt and payment of a written request, prepare and execute by the Manager 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 who request(s) one and has paid the appropriate fee, within the time permitted for the delivery of such certificates, statements and information prescribed in the Act.

The Manager shall not be obligated or responsible for inspecting the Common Elements appurtenant to the P.O.T.L. The Manager shall not inspect the P.O.T.L. to determine whether or not the Corporation has any claim for damages against an Owner as contemplated by the Act or whether any violation of the Agreement Documents exists prior to issuing the status certificate. The onus shall be that of the purchaser as set out in the Status Certificate.

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 information within the knowledge of the Board but not communicated to the Manager in writing and which should be included in the status certificate.

The Manager shall be entitled to the fee prescribed by regulation pursuant to the Act for the preparation and issuance of the status certificate and related documentation and shall bear the costs/disbursements applicable to the issuance of the status certificate and accompanying documentation.

(h) **Notice of Lien**. The Manager may issue Notice of Lien to Owners, with such cost to be recovered from those Owners requiring such notice pursuant to s. 85 of the Act.

(i) **Preventive Maintenance Program**. Arrange with a third party pursuant to a contract with the Corporation, for the preventative maintenance of equipment, including major technical and electrical equipment and plumbing systems, in accordance with the recommendations of manufacturers or suppliers thereof. The Manager shall also maintain general maintenance procedures and schedules to be followed by any employees of the Corporation. The Corporation shall make available to the Manager all shop drawings, as-built architectural and structural plans, maintenance and operating manuals for mechanical and electrical equipment and plumbing systems and such other documents as the Manager reasonably requires to carry out its duties that are in the Corporation's possession from time to time.

(j) **Manager's Report**. Present to the Board as may be reasonably required a Manager's report, to serve as a written form of communication from the Manager to the Board. This Manager's report shall reflect the directives of the Board to the Manager and shall further reflect the actions of the Manager with respect to those directives. Any and all correspondence received by the Manager with respect to the operation of the Corporation shall be available for examination by the Board. The Manager's report shall be made available to the Board at least two (2) days before the applicable Board meeting where it is to be presented.

(k) **Fidelity Insurance**. In addition to the fidelity insurance required by the CMSA, to arrange, obtain and maintain fidelity insurance for the Corporation in such amounts as may be requested by the Corporation, with loss payable to the Corporation. The Corporation agrees that the Manager shall be named as an insured party along

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with the Corporation and the fidelity insurance shall not be terminable by either the insurer or the Corporation unless sufficient prior notice of cancellation has been delivered by registered mail to the auditor of the Corporation, the Manager, and to the Board. The premium for the additional fidelity insurance requested under this paragraph shall be an expense of the Corporation.

ARTICLE 6
EMPLOYMENT OF CONTRACTORS

6.1 The Manager may contract on behalf and for the benefit of the Corporation with any person, firm or corporation to provide any goods and/or perform any work or services for the Corporation within the scope of the Manager's duties under this Agreement subject, however, to the following provisions:

(a) **Written Agreements**. Any person, firm or corporation employed to perform work or services shall be contracted pursuant to a written contract setting out the essential terms and conditions of such contract. All suppliers and third-party service providers, whether a person, firm, or corporation, shall be deemed hired by the Corporation. The Manager shall not be liable for any contracts executed on behalf and for the benefit of the Corporation.

(b) **Approval of the Board**. In addition to the requirements of subparagraph Article 4(k), any contract to perform work or services entered into on behalf of the Corporation 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 service shall be for a consideration in excess of that budgeted for by the Corporation, then prior to the Corporation entering into such contract, the Manager shall first obtain a resolution of the Board approving such contract. All contracts shall be signed by a member of the Board.

(c) **Spending Restrictions**. Where the cost of performing such work or services exceeds the sum of $5,000.00, the Manager shall submit at least two (2) written quotations for presentation to the Board and prior to entering into such contract, the Manager shall first obtain a resolution of the Board approving such contract, except that if any such work is urgently required to be done and failure to do such work could, in the Manager's reasonable opinion, result in a hazardous situation which could cause personal injury or damage to the Property or its equipment or contents or which could impair the value of the Owners' investment 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 liability, then the Manager is hereby authorized to proceed with any such work as it in its discretion reasonably determines to be urgently necessary for the prevention of personal injury, the protection and preservation of the Property or its equipment or contents or the Owners' investment therein or to protect the Corporation or its Directors from exposure to fines, penalties, imprisonment or any other liability. In the case of such hazardous situation the Manager shall report to the Corporation as soon as possible.

As well, where a contract to provide services to the Corporation extends past one (1) year, the Manager shall submit at least two (2) written quotations for presentation to the Board and prior to the Corporation entering into such contract, the Manager shall first obtain a resolution of the Board approving such contract. All contracts shall be signed by a member of the Board.

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ARTICLE 7
ACCESS TO P.O.T.L.S

7.1 Subject to the relevant provisions of the Act and the Agreement Documents, the Manager and its agents, servants and employees may enter a P.O.T.L. 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 Owner of its intention to enter the P.O.T.L. or exclusive use area, save only in the case of an emergency or Owner's extended absences in which case prior notice shall not be required.

ARTICLE 8
MANAGER'S COMPENSATION

8.1 The Manager shall be paid as compensation for its management services rendered under this Agreement as follows:

Until terminated in accordance with the provisions of this Agreement (but subject always to paragraph 17.2), **a management fee of $_____ per month from Date to Date; a management fee of $_____ per month from Date to Date; a management fee of $_____ per month from Date to Date** payable monthly, in advance, by electronic transfer. The Manager's fee includes all office expenses directly related to the business office of the Manager with respect to the performance of the duties of the Manager hereunder, but does not include any expenses directly related to the business offices of the Corporation nor the duties outlined in paragraph 8.2. The Manager's fee does not include disbursements incurred on behalf of the Corporation, including parking charges for staff employed by the Manager. All stated fees are exclusive of any applicable taxes. In addition to any parking charges as aforesaid, the Corporation agrees to provide to the Manager, without cost, the use of at least one (1) parking space at the Property at all times.

8.2 **Additional fees** (the "**Additional Fees**") for various services (the "**Additional Services**") apply as set out in various provisions of this Agreement and shall be invoiced as set out at Schedule "A". Furthermore, there are a number of Additional Services that are expected to be required under future anticipated changes to legislation that are not yet in force. As such, the Manager shall be entitled to Additional Fees (above the monthly fee as stated in s. 8.1), to be invoiced to the Corporation, in accordance with Schedule "A" hereto relating to any such future legislative changes. All Additional Fees as stated in Schedule "A" hereto are exclusive of any applicable taxes. The Manager shall be entitled to amend Additional Fees to reflect inflation, changes to underlying costs and time spent, or other relevant factors. The Manager shall provide the Corporation with 30 days' written notice of any Additional Fees for any new Additional Services, or any amended Additional Fees for existing Additional Services, prior to implementation.

ARTICLE 9
P.O.T.L. REPAIRS

9.1 Notwithstanding any other provision of this Agreement the Manager is given no authority or responsibility for maintenance of or repairs to the P.O.T.L.s which shall be the sole responsibility of the Owners individually, save and except in those circumstances where the Corporation has an obligation to maintain or repair the P.O.T.L.s after damage whether in accordance with the Act, the Agreement Documents, or otherwise. The services to arrange for any maintenance and repairs required that is not a result of insurable loss shall be at the expense of the Corporation or Owner.

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ARTICLE 10
PLANS AND SPECIFICATIONS

10.1 If any plans, drawings, specifications and architectural or engineering assistance become necessary or desirable to enable the Manager to discharge its duties pursuant to this Agreement, and if the Board or its designated representative from time to time authorizes the obtaining of the foregoing, before any expense is incurred therefore, then the cost thereof shall be at the expense of the Corporation.

ARTICLE 11
BOARD CO-OPERATION

11.1 The Corporation acknowledges that the Board must co-operate with the Manager to the extent required to perform expeditiously, efficiently and economically the Manager's services required under this Agreement and to provide such evidence of authority by way of certified resolution or otherwise and such specific directions as the Manager may reasonably require. The Board agrees to continuously act in the best interest of the overall community and their Corporation and agrees to fully and formally disclose, in writing, any personal interests or relationships that might represent a conflict-of-interest or perceived conflict-of-interest.

11.2 The Corporation agrees that it shall provide the Manager and its employees and representatives a safe workplace in which to perform the services hereunder and accordingly, the Corporation agrees that it shall comply with all statutes, regulations and codes relating to workplace safety, including, without limitation, the *Accessibility for Ontarians with Disabilities Act*, *Workplace Hazardous Materials Information System regulations*, and the *Occupational Health and Safety Act* ("**OHSA**"). Furthermore and without limitation, the Corporation recognizes that Workplace Harassment is a serious issue and hereby agrees to enforce any Workplace Harassment and Violence policy that the Corporation may have implemented, as well as assisting the Manager in enforcing its Respect in the Workplace Policy (as may be amended from time to time), with a view to addressing any harassment or violence directed towards employees and representatives of the Manager, and in fact as directed towards any individual at the Property.

11.3 The Corporation covenants and agrees with the Manager that it will not, either directly or indirectly, in any manner whatsoever, at any time during the term of this Agreement or for a period of twelve (12) months after the termination of this Agreement (the "**Protected Period**"): (a) employ any employee or agent of the Manager in any manner whatsoever; (b) solicit, interfere with or endeavour to entice away from the Manager any employee or agent of the Manager or any person who, at any time during the six-month period immediately prior to the making of such solicitation, interference, or endeavour, was an employee or agent of the Manager; or (c) divulge to any person, firm or corporation the name of any employee or agent of the Manager. In the event that the Corporation breaches any of the covenants and/or agreements contained in this paragraph, the Corporation agrees to forthwith pay to the Manager a placement fee of one year (twelve months, or reasonable equivalent) of the annual compensation payable by the Manager to the applicable employee or agent in the year in which such breach takes place (and the parties hereto agree that the foregoing payment is not a penalty but is a genuine pre-estimate of the damages suffered and is in addition to (and not in substitution for, whole or partial satisfaction of or derogation from) any rights and remedies which the Manager may have at law or otherwise as a result of such breach). This s. 11.3 shall survive termination of this Agreement.

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ARTICLE 12
LIAISON OFFICER

12.1 The Board shall advise the Manager in writing from time to time as required of the name of the Officer, Director or other representative, not to exceed one individual, who is authorized to act for and on behalf of the Corporation to enable the Manager to consult with the Board or obtain the Board's approval before proceeding with any work, act or actions if required hereunder. The Board may designate from time to time an individual 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.

ARTICLE 13
INDEMNIFICATION

13.1 The Manager shall, during and after the term of this Agreement, defend, indemnify and save the Corporation and its directors, officers, employees and agents completely free and harmless from any and all damages or injuries to persons or property, or claims, actions, obligations, liabilities, costs, expenses and fees, by reason of the gross negligence or willful misconduct of the Manager or any of its employees in the carrying out of the provisions of this Agreement.

13.2 The Corporation shall, during and after the term of this Agreement, defend, indemnify and save the Manager and its partners and affiliates and their respective directors, officers, security holders, employees and agents completely free and harmless from any and all damages or injuries to persons or property, or claims, actions, proceedings before any court, tribunal or adjudicator, obligations, liabilities, costs, expenses and fees, for 1) any reason in the carrying out of the Manager's duties and obligations hereunder, unless by reason of the gross negligence or willful misconduct of the Manager or any of its employees in the carrying out of the provisions of this Agreement; 2) acts of the Corporation or its Board of Directors, agents, or third party service providers; and 3) events that occurred prior to the Agent’s appointment as management agent, or after the termination of this Agreement.

13.3 The provisions of this Article 13 shall survive the termination of this Agreement.

ARTICLE 14
COMPREHENSIVE LIABILITY INSURANCE

14.1 The Corporation agrees to take out or authorize the Manager to arrange for comprehensive liability insurance in the name of the Corporation on the Property to a limit of not less than $5,000,000.00 inclusive and further agrees that the Manager shall be named as an additional 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 from its insurers which shall include an undertaking that the insurer will provide the Manager with at least thirty (30) days prior written notice of cancellation or any material change in the provisions of any such policy.

ARTICLE 15
DELINEATION OF DUTIES

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15.1 Manager, under the terms and conditions of this Agreement, shall not in any way be considered an insurer or guarantor of security for or within the property. Neither shall manager be held liable for any loss or damage by reason of any actual or alleged failure to provide adequate security, or ineffectiveness of any security measures undertaken. All such responsibility shall be solely borne by any third-party providers of security services to the Corporation. The Board on behalf of the Corporation, all owners and occupants of any dwelling, tenants, guests and invitees of any owner, as applicable, acknowledges that Manager cannot and does not represent or warrant that any fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices, or other security systems (if any are present) will prevent loss by fire, smoke, burglary, theft, hold-up or otherwise, nor that fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices or other security systems will in all cases provide the detection or protection for which the system is designed or intended.

The Board on behalf of the Corporation, each owner and occupant, and each tenant, guest and invitee of an owner, as applicable, acknowledges and understands that manager is not an insurer and that each owner and occupant of any P.O.T.L. and each tenant, guest and invitee of any owner assumes all risks for loss or damage to persons, to P.O.T.L.s and to the contents of P.O.T.L.s and further acknowledges that Manager has made no representations or warranties nor has the corporation, any owner, occupant, tenant, guest or invitee relied upon any such representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire protection, burglar alarm systems, access control systems, patrol services, surveillance equipment, monitoring devices or other security systems recommended or installed or any security measures undertaken within the property.

ARTICLE 16
MISCELLANEOUS

16.1 **Deficit Financing**

Unless the Board has specifically authorized such procedure, under no circumstances shall the Manager advance funds to the Corporation on a temporary loan basis, whether interest is charged to the Corporation or not, in the event of a cash deficit occurring in the Corporation's current account. The Manager shall notify the Board of any anticipated cash deficit, and the Board shall take immediate steps to obtain the necessary funds to cover any such deficit pursuant to the By-Laws of the Corporation by either utilizing the Corporation's overdraft protection if any, levying of a special assessment, the delivery of a revised budget, or the exercise of its borrowing authority on behalf of the Corporation.

16.2 **Collection of Accounts Receivable Including Common Expenses**.

The Manager, without limiting its covenants as hereinbefore contained, shall, in addition to its covenant to enforce the Agreement Documents 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, respectively at all times and with a view to reducing these receivables to the lowest minimum monthly balance. In the event that the Corporation must register a Certificate of Lien pursuant to s. 85(2) of the Act, the Manager shall serve the delinquent Owner with a Notice of Lien in the prescribed form pursuant to the Act and instruct the Corporation's solicitor to register the Certificate of Lien in the appropriate Land Registry Office within the time prescribed by the Act after the date on which the Owner first defaults.

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In the event that the Manager, after instruction from the Board, fails to provide proper information, adequate notice, and instructions to the Corporation's solicitors for the registration of a Certificate of Lien covering the arrears of Common Expenses, interest charges and legal costs within the time specified under the Act resulting in any loss or any additional cost to the Corporation, the Manager shall be directly liable for same to the Corporation.

16.3 **Fiduciary Relationships**

The Manager may engage any parent or subsidiary entity affiliated or otherwise connected with it (hereinafter called the "**affiliate**") to perform any work or services for the Corporation within the scope of Manager's duties under the provisions of this Agreement, without being in breach of any fiduciary relationship with the Corporation, provided the Manager discloses to the Corporation that it intends to engage an affiliate and the Manager has obtained at least two additional quotations from other competent suppliers or contractors who are not affiliates of the Manager and the Board has approved the work or service to be performed by the Manager's affiliate.

The Corporation acknowledges that affiliates of the Manager may receive compensation for services rendered to the Corporation provided that the Corporation approves such services in accordance with this paragraph 16.3. FirstService Financial, Inc. and FS Insurance Brokers, Inc. ("FFI/FSIB"), affiliates of FirstService Residential, offers banking and insurance solutions exclusively to clients of FirstService Residential. For services to the Association/Corporation/Strata, FFI/FSIB earns compensation from their program partners at no expense to the Association/Corporation/Strata. FFI/FSIB are committed to transparency and will disclose their relationship with FirstService Residential, as well as whether compensation is received, in advance of any Association/Corporation/Strata decision related to the banking and insurance products they offer. Except for the placement of operating and reserve bank accounts the Corporation retains the right to opt out of any products or services affiliated with FFI.

When obtaining quotations or proposals from affiliated partners and/or companies with an official business relationship with the Manager, upon formal request from the Board, the Manager may be instructed to first obtain sealed bid proposals from the Manager's affiliated company in advance to requesting and/or receiving those of competitive companies.

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16.4 **Owner Relationship**

(a) The Manager shall promptly deal with all reasonable queries, requests or complaints by the Board or any Owner or mortgagee of a P.O.T.L. relating to the management of the Property or the duties or obligations of the Manager pursuant hereto, and to record in writing any such queries, requests or complaints and the eventual disposition thereof, and report same to the Board.

(b) The Manager shall maintain businesslike relations with Owners whose service requests relating to the Common Elements shall be received, considered and recorded in systematic fashion in order to show the action taken with respect to each request. Complaints relating to Common Elements, the maintenance and repair of which are the responsibility of the Corporation, shall be attended to by the Manager in a prompt and diligent manner.

16.5 The Corporation hereby assigns their right to vote to the Manager, on all matters regarding the Corporation`s membership with the Canadian Condominium Institute, unless otherwise directed.

16.6 The Corporation/Association acknowledges and agrees that it and/or owners may from time to time receive email contact or other communication from FirstService regarding topics including, but not limited to, discounts obtained by FirstService for various services which are being made available to owners, promotions being offered by FirstService or services being offered by FirstService and/or its affiliated or related companies or subsidiaries.

ARTICLE 17
TERMINATION

17.1 During the term of this Agreement, either party may at its option, without cause, terminate this Agreement as at the last day of a calendar month, upon sixty (60) days written notice to the other and, in connection therewith, the Corporation shall pay to the Manager any monies due to the Manager to the date of termination. The Corporation may, at its sole option, terminate this Agreement without cause and without giving sixty (60) days' prior notice of the same to the Manager by paying to the Manager an amount equal to two (2) months of the management fee payable to the Manager calculated in accordance with Article 8 of this Agreement. The management agreement may also be terminated under the terms and in accordance with, section 111 of the *Condominium Act* (1998, c. 19, s. 111 (1)(2).

17.2 The parties agree that the term of this Agreement shall not be allowed to lapse and terminate without notice of termination in writing given by either party to the other not less than sixty (60) days prior to the expiration of the term of this Agreement. Should notice of termination not be given sixty (60) days prior to the expiration of the term of this Agreement, as provided herein, the Agreement shall thereafter continue on a month to month basis until terminated upon sixty (60) days written notice, as provided herein, and, unless otherwise agreed to by the parties, the Manager's fee herein shall increase: (a) by 5.0% in respect of the 12-month period immediately following the initial term of this Agreement; and (b) for each 12-month period thereafter, 5.5% per annum, until renegotiated.

17.3 For a period of twenty-four (24) months after any termination of this Agreement and for the purpose of settling any dispute or defending any claim made against the Manager, the Corporation shall provide access to the Manager at all reasonable times and upon reasonable notice to all relevant contracts, records, files and other documents or information (in whatever form or medium maintained).

17.4 In addition to the rights of the parties to terminate upon notice as hereinbefore set out, the Agreement shall terminate upon the happening of any of the following events:

(a) the insolvency or bankruptcy of the Manager; or

(b) the termination of the Corporation.

17.5 **Upon termination of this Agreement**:

(a) the Manager shall cease to operate the Corporation's bank account and shall execute all necessary documents in recognition thereof as may be requested by the Corporation or the said bank, and shall as soon as possible thereafter render the final accounting to the Corporation;

(b) the Manager shall surrender to the Corporation all contracts, records, files, bank accounts and other documents or information which may be pertinent to the continuing operation of the Property both paper and electronic form, where available, and further shall maintain on behalf of the Corporation any records, files

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or information related to the Corporation and stored electronically for a period of twelve (12) months or until such earlier time as the Corporation advises the Manager in writing of its permission to destroy such records;

(c) the Manager shall turn over all keys to the Property in its possession or in the possession of any of its employees. The Manager shall also turn over possession of any area (such as management offices) located on the Property under its control;

(d) if it has not already done so, the Corporation shall assume the obligation of any and all contracts which the Manager has properly made for the purpose of arranging the services to be provided pursuant to this Agreement except those related to the employees of the Manager and to accounting services; and

(e) the obligation upon the Manager to account shall survive the termination of this Agreement.

ARTICLE 18
NOTICE

18.1 Any notice required to be given by either party to the other shall be sufficiently given if delivered or mailed by prepaid registered post addressed (or faxed or sent by other electronic means if both parties have agreed in writing) to the Corporation at the address for service designated by the Corporation to the Manager for such purpose (and in the absence of such designation shall be the address for service of the Corporation under the Act) and to the Manager at 2645 Skymark Avenue, Suite 101, Mississauga, Ontario L4W 4H2, and any such notice shall be conclusively deemed to have been given and received at the time of its personal delivery by one party to an officer or Director of the other, or in the event of service by mail, on the third business day after the day of such mailing, provided that if normal mail service is disrupted by reason of strikes, walkouts, slowdowns or other irregularities, then so long as such disruptions exist, any notice required or permitted to be given hereunder shall be delivered personally or otherwise shall be deemed to be ineffective for all purposes hereof. Either party may by notice in writing to the other designate another address to which notices mailed more than ten (10) days after the giving of such notice of change of address shall be addressed.

ARTICLE 19
PARTIAL INVALIDITY, STATUTES AND GOVERNING LAW

19.1 If any portion of this Agreement shall be for any reason declared invalid or unenforceable, the validity of any of the remaining portions of this Agreement shall not be thereby affected, and such remaining portions shall remain in full force and effect as if this Agreement had been executed with such invalid portion eliminated.

19.2 Any reference in this Agreement to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto.

19.3 This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

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ARTICLE 20
FORCE MAJEURE

20.1 The parties hereto will be excused from the obligation to perform pursuant to the terms of this Agreement to the extent that such party's performance is prevented due to any delay, or stoppage due to strikes, lockouts, labor disputes, labor shortages, acts of war, terrorism, terrorist activities, pandemic, epidemic, banking or financial institution closures, inability to obtain services from third parties, governmental actions, civil commotions, fire, flood, hurricane, earthquake, or other casualty, and other causes beyond the reasonable control of the party obligated to perform (collectively, a "Force Majeure"), except with respect to amounts to be paid by Corporation for services actually provided by Manager pursuant to this Agreement during a Force Majeure. Notwithstanding anything to the contrary contained in this Agreement, a Force Majeure will excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Agreement specifies a time period for performance of an obligation of either party (other than payment to Manager by Corporation for services actually provided during a Force Majeure unless there is an event causing banking or financial institution closures), that time period will be extended by the period of any delay in such party's performance caused by a Force Majeure. The foregoing will not be interpreted as extending the term or renewal term of this Agreement.

ARTICLE 21
SUCCESSORS AND ASSIGNS

21.1 This Agreement shall enure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

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IN WITNESS WHEREOF, the parties hereto have hereunto affixed their respective corporate seals, attested by the hands of their respective Officers duly authorized in that behalf, as of the _____ day of _____, 20__.

► YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. ►

Per: _____

Name: ►
Title: ►

Per: _____

Name: ►
Title: ►

We have authority to bind the Corporation

FIRSTSERVICE RESIDENTIAL ONTARIO

Per: _____

Name: c/s
Title:

Per: _____

Name: c/s
Title:

We have authority to bind the Partnership

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SCHEDULE A – Additional Costs Regarding Additional Services

Additional Services:	***Additional Costs (in dollars, exclusive of HST and any other applicable taxes)***
INFORMATION CERTIFICATES (PER CERTIFICATE):	
Periodic Information Certificate	$275.00
Information Certificate Update	$200.00
New Owner Information Certificate	$50.00
ANNUAL RETURN FILING:	
Annual Return (Annually)	$250.00
RETURNS (PER RETURN):	
Notice of Change	$200.00
Initial Return (Due 90 days after Registration)	$200.00
Turnover Return (Due within 90 days of Turnover Meeting)	$200.00
CMSA CHARGES:	
Licensing Fee (Monthly)	$_____
RECORDS REQUESTS CHARGES (PER HOUR)	
Clerical Level work to prepare non-core records in response to a request under s. 55 of the Act (including without limitation where applicable, retrieving, compiling, redacting, copying) This fee does not include the paper and mailing costs.	$45.00
Senior Management Level work to aid in the preparation of non-core records in response to a request under s. 55 of the Act (including without limitation where applicable consulting, obtaining instructions from board and liaising with Corporation solicitor.)	Variable, at least 25% more than clerical staff. Rate to be approved by Board in advance in each case.
STORAGE CHARGES (MONTHLY)	
Records, where applicable.	$40.00
BOARD AND OWNERS' MEETING CHARGES	
Additional Board meetings or Owners' meetings over and above the allowance in this Agreement with a maximum duration of two (2) hours. (Per Meeting)	$500.00
All Board or Owner meetings exceeding the two (2) hour maximum duration will be subject to overtime charges. (Per Hour)	$200.00
Chairperson for Owner meetings (Per Meeting)	$400.00

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START UP CHARGES	
Start up Fee (Per P.O.T.L.) A one-time fee, to cover the administrative costs associated with setting up records and documents for new Condominium Communities or transitioning Condominium Corporations records and documents from the previous Property Management company.	$30.00
ADMINISTRATIVE CHARGES	
Printing Charges (Per Sheet)	
Black and White Printing	$0.25
Colour Printing	$1.00
Envelope/Postage Charges (Per Envelope)	
Envelopes (Small)	$0.95
Envelopes (Large)	$1.20
Postage - Local (Up to 30g)	$0.92
Postage - Local (30g - 50g)	$1.28
Postage - Local (Oversized)	$1.94
Postage - U.S.A. (Up to 30g)	$1.29
Postage - U.S.A. (Oversized)	$3.01
Postage - Overseas (Up to 30g)	$2.64
Postage - Overseas (Oversized)	$6.24
Miscellaneous	
Suite Entry Pads (Per P.O.T.L.)	$5.00
Survey Service Charge (Per P.O.T.L.)	$3.00
Electronic Services	
Digital Service (Per P.O.T.L.))	$1.80
ENERGY CHARGES (ANNUALLY)	
Energy and Water Reporting and Benchmarking (EWRB)	$500.00
ACCOUNTING CHARGES	
Special Assessment (Per P.O.T.L.))	$10.00
Non-Sufficient Funds (NSF) (Per Item) *Any returned items/payments from unit owners*	$22.12
Paper Statements *Any statement generated for P.O.T.L. Owners which are printed and mailed.*	$2.00

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Out of Scope Accounting Work (Per Hour) *Irregular accounting procedures that require a higher than normal amount of time to execute or special accounting work requested by the Board of Directors. Out of scope fees will be communicated and discussed with the Board prior to issuing invoices.*	$125.00
PAYROLL SERVICE CHARGES (MONTHLY - PER ASSOCIATE) *Applicable only to employees of the Corporation for which the Manager processes the payroll.*	$175.00

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SCHEDULE B – Board Resolution

RESOLUTION OF THE BOARD OF DIRECTORS

►YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. ►(the "Corporation")

RE: STATUS CERTIFICATES AND COMMON EXPENSE COLLECTION

NOW THEREFORE BE IT RESOLVED THAT:

A. RE: Status Certificates, Common Expense Collection

1. From time to time and until otherwise instructed by this Corporation, FirstService Residential Ontario shall be and is hereby authorized to execute the following instruments in accordance with the applicable By-Laws of the Corporation:

   (i) Status Certificates pursuant to Section 76 of the Act;

   (ii) Notices of Lien, Certificates of Lien and Discharges of Lien pursuant to Section 85 of the Act.

The undersigned directors hereby certify that the foregoing resolution was passed by the Directors of the Corporation at a meeting of the Board.

DATED this ___ day of _____, 20__ .

YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. ►

Per: _____

Name:
Title:

Per: _____

Name:
Title:

We have authority to bind the Corporation

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VELLORE TRAILS

An Enclave Community

By Arista Homes

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SCHEDULE V

The Budget Statement for the one year period immediately following the registration of the proposed Declaration and description

VELLORE TRAILS PHASE 1 CONDOMINIUM

BUDGET STATEMENT

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May 1, 2026

VELLORE TRAILS PHASE 1 CONDOMINIUM

BUDGET STATEMENT FOR THE COMMON EXPENSES FOR THE YEAR FOLLOWING REGISTRATION OF THE DECLARATION AND DESCRIPTION OF THE PROPOSED VELLORE TRAILS PHASE 1 COMMON ELEMENTS CONDOMINIUM CORPORATION IN VAUGHAN, ONTARIO

****

I	**REVENUE**		
	Common Charges	$131,208	
	Interest Income	292	
	TOTAL REVENUE		**$131,500**
II	**OPERATING EXPENDITURES**		
	A. UTILITIES		
	Hydro	0	
	Water Sewage	0	
	Gas	0	
	TOTAL UTILITIES		0
	B. CONTRACTS		
	Property Management	21,250	
	Waste Disposal	0	
	TOTAL CONTRACTS		**21,250**
	C. INSURANCE		**8,500**
	D. GENERAL AND ADMINISTRATIVE		
	CAO Fee	924	
	General Meetings / Communication	3,845	
	Office Supplies / Administration	2,000	
	Bank Charges	740	
	Legal Fees	1,000	
	Audit Fees	3,206	
	TOTAL GENERAL AND ADMINISTRATIVE		**11,715**
	E. PERFORMANCE AUDIT	7,000	
	Less Declarant Contribution	*(7,000)*	
	TOTAL PERFORMANCE AUDIT		**0**
	F. EASEMENT AND COST SHARING AGREEMENT AND SHARED FACILITIES OPERATING EXPENSES SHARED WITH THE PHASE 2 CORPORATION		**78,080**
	TOTAL EXPENDITURES		**$119,545**
	G. CONTRIBUTION TO RESERVE FUND		
	Reserve Fund Provision	7,955	
	Reserve Fund Provision for Reserve Fund Study	4,000	
	TOTAL RESERVE FUND		**11,955**
	TOTAL OPERATING EXPENDITURES		**$131,500**

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VELLORE TRAILS PHASE 1 CONDOMINIUM

BUDGET NOTES

I INDIVIDUAL POTL ASSESSMENT

The monthly common charge for each Parcel of Tied Land (POTL) is determined by dividing the total budgeted common element fees attributed to the Common Elements by 12 to determine the monthly assessment and by multiplying that figure by each POTL's percentage contribution to common expenses to find the monthly individual common charge.

1. **Total Monthly Common Expenses**

   $131,208 ÷ 12 = $10,934

2. **Monthly Individual Common Charge**

   Individual POTL monthly common charges are determined by multiplying the total monthly assessment by the percentage contribution to common expenses of each POTL. A schedule of monthly common charges for each POTL is attached to this budget statement.

II OPERATING EXPENSES ($119,545)

A. UTILITIES ($0)

1. **Hydro ($0)**

   Each POTL will be separately metered and the cost of electricity to the POTL will be the responsibility of the respective POTL owner and will not form part of the condominium budget.

2. **Water / Sewage ($0)**

   Each POTL will be separately metered or sub-metered and the cost of water to the POTL will be the responsibility of the respective POTL owner and will not form part of the condominium budget.

3. **Gas ($0)**

   Each POTL will be separately metered and the cost of gas to each POTL will be the responsibility of the respective POTL owner and will not form part of the condominium budget.

B. CONTRACTS ($21,250)

1. **Property Management ($21,250)**

   The Declarant proposes to enter into a Management Agreement with FirstService Residential to perform property management services. A copy of the draft agreement is included with the Disclosure Statement.

2. **Waste Disposal ($0)**

   It is anticipated that Municipal Garbage curb side pick up to remove waste and other recyclables will be provided by the City of Vaughan, however, in the event that the Municipal Garbage curb side pick up service is not available or the service cannot be implemented, then the monthly maintenance fee will be increased by an average of $39.40 per POTL per month.

C. INSURANCE ($8,500)

The allocation in this category is for the cost of the insurance premium to meet the requirements of the Common Element Condominium Corporation. Included is all risks replacement cost property coverage of the common elements,

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comprehensive public liability, and Directors and Officers liability coverage. Please note that this insurance coverage does not cover any POTL. Each POTL owner must obtain their own insurance coverage for their own POTL.

D. GENERAL AND ADMINISTRATIVE ($11,715)

1. CAO Fee ($924)

Estimated annual fees associated with the creation of the new Condominium Authority of Ontario Office. This organization is an Administrative Authority which will provide condominium owners with the tools and information that owners may need to understand condominium ownership, Board of Director training and use of the dispute resolution services.

2. General Meetings ($3,845)

This is the estimated cost of holding the Turnover or Special General Meeting of the Common Element Condominium Corporation during the first year, including minute taking services and postage mailout.

3. Office Supplies / Administration ($2,000)

The budget provides for any office expenses directly related to the operation of the Common Element Condominium Corporation including duplication and distribution of minutes and other corporation documents that may be sent from time to time to POTL owners.

4. Bank Charges ($740)

The budget provides for bank charges related to the Corporation bank account for deposits and pre-authorized fund transfers.

5. Legal Fees ($1,000)

Provision has been made for the appointment of legal counsel for the Common Element Condominium Corporation at the discretion of the Board of Directors.

6. Audit Fees ($3,206)

Section 43 (7) of the Condominium Act requires an audit sixty (60) days after the turnover meeting and Section 67 requires an audit at year end. The provision is the estimated cost to complete both the audits during the year.

E. PERFORMANCE AUDIT ($0)

1. Performance Audit ($7,000)

The cost of the engineering study, to be conducted by the Homeowner Board of Directors, to examine the common element areas and to file the report with TARION during the first year. This is a one-time expense.

The Corporation shall arrange with an independent engineering consultant to prepare a Performance Audit within one (1) year immediately following registration of the Declaration and the Description. The Performance Audit shall be conducted by professional consulting engineers who shall make a thorough examination of the common element areas and assess the as-constructed condition of the various systems and components of the common element areas in order to provide the Corporation with a report on the common element areas which will assist the Corporation in assessing repair and

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maintenance requirements and in preserving any rights which the Corporation may have under the Ontario New Home Warranties Plan Act.

2. Less Declarant Contribution (-$7,000)

The initial cost of the Performance Audit amount will be paid by the Declarant. The Declarant will pay the specified amount up to a maximum of $7,000 including HST upon the presentation of a valid invoice approved by the Condominium Corporation

F. EASEMENT AND COST SHARING AGREEMENT AND SHARED FACILITIES OPERATING EXPENSES SHARED WITH THE PHASE 2 CORPORATION (See Schedule I) ($78,080)

G. CONTRIBUTION TO RESERVE FUND ($11,955)

1) **Reserve Fund Provision ($7,955)**

Section 93 (2) of the *Condominium Act 1998* defines the Reserve Fund, as a fund set up by the condominium corporation in a special account for the major repair and replacement of common elements and assets of the Condominium corporation. It is anticipated that one-twelfth of the annual contribution to the Reserve Fund will be made on a monthly basis. At the time of the preparation of this budget, a detailed Reserve Fund Study had not been prepared. The provision is calculated at 10% of the estimated operating expenses inclusive of the Shared Facilities Operating Costs as the Shared Facilities has its own reserve contribution at 10% of the estimated Shared Operating expenses. Future allocations will be dictated by the reserve fund study to be completed in accordance with the *Condominium Act, 1998*. The only Reserve Expense anticipated in the first year relates to the preparation of the Reserve Fund Study.

2) **Reserve Fund Study ($4,000)**

In accordance with the *Condominium Act 1998*, the condominium corporation will retain the services of an independent consultant to prepare a reserve fund study (Section 94 (4)), which will establish the level of funding necessary to maintain an adequate reserve for future major repair and replacement of the common elements. Section 94 (7) allows for the reserve fund study to be expensed from the reserve fund.

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SCHEDULE I

F. EASEMENT AND COST SHARING AGREEMENT AND SHARED FACILITIES OPERATING EXPENSES SHARED BETWEEN THE PHASE 1 CORPORATION AND THE PHASE 2 CORPORATION

The following budget note describes the expenses that will be shared between the Phase 1 Corporation and the Phase 2 Corporation as contemplated and more particularly described in The Disclosure Statement. The Easement and Cost Sharing Agreement will govern the ownership, operation, maintenance, repair replacement and administration of the Shared Facilities. These expenses relate to the Common Interior Roadway and associated sidewalks, interior roadway lighting, shared common area landscaping, visitor parking facilities, the parkette, the underground storm water system, as well as all servicing systems serving or benefiting the Shared Facilities.

The respective cost sharing between the Phase 1 Corporation and the Phase 2 Corporation, shall be apportioned on an equitable basis as more particularly described in the Easement and Cost Sharing Agreement. Allocation of costs shall be apportioned on the basis of the number of POTL's in each condominium that is developed as a percentage of the total number of proposed POTL's in the Phase 1 Corporation and the Phase 2 Corporation. At the time of the preparation of this budget for the Phase 1 Corporation, the allocation amongst the proposed condominium corporations would be as follows:

Condominium	Proposed No. of POTLs	Allocation of Cost
Phase 1 Corporation	77	49.7%
Phase 2 Corporation	78	50.3%
	155	100.0%

SCHEDULE I BUDGET FOR THE SHARED FACILITIES OPERATING EXPENSES SHARED BETWEEN THE PHASE 1 CORPORATION AND THE PHASE 2 CORPORATION

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A.	**UTILITIES**		
	Hydro	$15,000	
	TOTAL UTILITIES		$15,000
B.	**REPAIRS AND MAINTENANCE**		
	Electrical	1,000	
	Plumbing / Catch Basin / Hydrants	2,000	
	Fencing	2,000	
	Landscaping	1,000	
	Sidewalks	1,500	
	Storm Water Management	10,245	
	Miscellaneous	2,000	
	TOTAL REPAIRS AND MAINTENANCE		19,745
C.	**CONTRACTS**		
	Property Management	22,000	
	Snow Ploughing	44,000	
	Parking Control	5,000	
	Landscaping	15,500	
	Power Sweeping	3,000	
	TOTAL CONTRACTS		89,500
D.	**SUPPLIES**		
	Lighting	500	
	Signage	500	
	Maintenance	1,000	
	TOTAL SUPPLIES		2,000

E.	**INSURANCE**		9,000
F.	**GENERAL AND ADMINISTRATIVE**		
	Board Meetings / Communication	1,500	
	Office Supplies / Administration	2,000	
	Legal Fees	1,000	
	Audit Fees	3,070	
	TOTAL GENERAL AND ADMINISTRATIVE		7,570
TOTAL EXPENDITURES			**142,815**
G.	**CONTRIBUTION TO RESERVE FUND (10%)**		14,285
	TOTAL SHARED OPERATING EXPENSES SHARED BETWEEN THE PHASE 1 CORPORATION AND THE PHASE 2 CORPORATION		**$157,100**

Allocated to	Allocation of Costs	Budget Allocation
Phase 1 Corporation	49.7%	$ 78,080
Phase 2 Corporation	50.3%	79,020
	100.0%	$157,100

As described in the Disclosure Statement each of Phase 1 Corporation and Phase 2 Corporation will contain services and shared facilities within each of the residential condominiums. Based on the components and services available for use, the estimated cost to operate the services and shared facilities within Phase 1 Corporation is established at $70,080

SCHEDULE I BUDGET NOTES FOR THE SHARED FACILITIES OPERATING EXPENSES SHARED BETWEEN THE PHASE 1 CORPORATION AND THE PHASE 2 CORPORATION

A. UTILITIES ($15,000)

1. **Hydro ($15,000)**

   Each POTL will be separately metered or check metered and the cost of electricity to the POTL will be the responsibility of the respective POTL owner and will not form part of the condominium budget. Hydro associated with exterior street lighting of the interior roadways and shared access road with adjacent land owner is provided for.

B. REPAIRS AND MAINTENANCE ($19,745)

This grouping of accounts pays for repairs and maintenance to the shared facilities as required by outside contractors.

1. **Electrical ($1,000)**

   This estimated cost for servicing and maintaining the street lighting and light standards located throughout the roadway system.

2. **Plumbing / Catch Basins / Hydrants ($2,000)**

   This account pays for costs associated with any preventative and annual maintenance of servicing the fire hydrants and regular cleaning of catch basins.

3. **Fencing ($2,000)**

   This account pays for costs associated with any repairs to the perimeter fencing of the shared facilities.

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4. **Landscaping ($1,000)**

Miscellaneous repairs and maintenance to common area parkette and common facilities.

5. **Sidewalks ($1,500)**

Repairs and maintenance to the common sidewalks and curbs as required.

6. **Storm Water Management ($10,245)**

Provisions have been established for regular annual maintenance and servicing, including filter changes to the underground storm water system.

7. **Miscellaneous ($2,000)**

Miscellaneous repairs and maintenance to other shared facilities not described in this grouping of expenses.

C. CONTRACTS ($89,500)

1. **Property Management ($22,000)**

The Declarant proposes to enter into a Management Agreement with FirstService Residential to perform property management services for the shared facilities.

2. **Snow Ploughing ($44,000)**

The annual cost covering a five-month period for the snow ploughing of the interior roadway system and the clearing of common walkways is provided for. Included is the salting of the common roadways and sidewalks and shared access road. Each POTL owner is responsible to clear their own driveway, sidewalk and stairs.

3. **Parking Control ($5,000)**

A provision for the randomly timed patrols of all exterior visitor parking areas for unauthorized motor vehicles has been accounted for.

4. **Landscaping ($15,500)**

The estimated cost to maintain only the common area landscaping.

5. **Power Sweeping ($3,000)**

The estimated cost to power sweep at a frequency of one time a year all common interior roadways and shared access road with adjacent landowner is provided for.

D. SUPPLIES ($2,000)

This category includes the estimated cost for lighting supplies, signage, maintenance supplies in maintaining the shared facilities, including waste receptacles, garbage bags etc.

E. INSURANCE ($9,000)

The allocation in this category is for the cost of the insurance premium with respect to the Shared Facilities to meet the requirements of the Common Element Condominium Corporation. Included is all risks replacement cost property coverage of the common elements, comprehensive public liability, and Directors and Officers liability coverage. Please note that this insurance coverage does not cover any POTL. Each POTL owner must obtain their own insurance coverage for their own POTL.

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F. GENERAL AND ADMINISTRATIVE ($7,570)

1. Board Meetings ($1,500)

This is the estimated cost of holding quarterly Board of Director Meetings of the Shared Facilities during the first year.

2. Office Supplies / Administration ($2,000)

The budget provides for any office expenses directly related to the operation of the Shared Facilities including duplication and distribution of minutes and other corporation documents that may be sent from time to time to POTL owners.

3. Legal Fees ($1,000)

Provision has been made for the appointment of legal counsel for the Shared Facilities at the discretion of the Board of Directors.

4. Audit Fees ($3,070)

Section 43 (7) of the Condominium Act requires an audit sixty (60) days after the turnover meeting and Section 67 requires an audit at year end. The provision is the estimated cost to complete both the audits during the year.

G. CONTRIBUTION TO RESERVE FUND ($14,285)

Section 93 (2) of the *Condominium Act 1998* defines the Reserve Fund, as a fund set up by the condominium corporation in a special account for the major repair and replacement of common elements and assets of the Condominium corporation. It is anticipated that one-twelfth of the annual contribution to the Reserve Fund will be made on a monthly basis. At the time of the preparation of this budget, a detailed Reserve Fund Study had not been prepared. The provision is calculated at 10% of the estimated operating expenses for the shared facilities. Future allocations will be dictated by the reserve fund study to be completed in accordance with the *Condominium Act, 1998*. The only Reserve Expense anticipated in the first year relates to the preparation of the Reserve Fund Study.

The establishment of the Reserve Fund and contributions to the Shared Facilities Reserve Fund will commence upon the registration of the Phase 2 condominium corporation.

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ADDITIONAL STATEMENTS REQUIRED BY THE CONDOMINIUM ACT

a) The total common expenses of this proposed Common Element Condominium Corporation, including the provision to the reserve fund is $131,208 as shown on the Budget Statement.

b) The cost of each expense item is shown on the Budget Statement. The cost of the Reserve Fund Study is $4,000 including H.S.T.; the cost of both the turn over and year end financial audits is $3,206 including H.S.T., and the cost of the performance audit is $7,000 including H.S.T. to which the Declarant will contribute up to a maximum of $7,000 including HST towards the first-year performance audit cost.

c) The cost, type, level and frequency of services is detailed in the notes above.

d) The monthly common element fee for each POTL is shown on the attached schedule to the Budget Statement.

e) At the time of preparation of the Budget Statement of, there are no judgments, with respect to the property, against the Declarant nor is the Declarant Corporation a party to any lawsuit material to the within property.

f) There are no services not included in the foregoing Budget that the Declarant provides, or expenses that the Declarant pays and that might reasonably be expected to become, at a subsequent time, a common expense.

g) As at the date of the foregoing Budget, the Common Element Condominium Corporation has not been created and accordingly, there are no amounts in the Reserve Fund. At the end of the first year after registration, there should be $7,955 plus any earned interest income in the reserve fund account for the Condominium.

h) The Harmonized Sales Tax is included in all applicable expense items on the Budget Statement.

i) The cost of Cable TV and telephone service to each POTL will be on a user pay basis and is not a common expense and not included in the budget statement.

j) This budget statement incorporates an assumed inflation factor of 8.0% per annum, based on a projected Common Element Condominium Corporation registration date of May 1, 2028, and in the event that registration occurs sometime thereafter, then this budget statement (and all figures reflecting expenses set forth herein) should be read and construed as automatically being increased by an inflation factor of 8.0% per annum. In such event, purchasers acknowledge and agree that they shall be bound by such revised budget and the acceptance of such revised budget should not be construed as a material change to the Disclosure Statement. Furthermore, nothing set forth in this budget statement should be construed or interpreted as a representation or warranty that the actual registration of the Condominium shall take place by the date noted above, namely May 1, 2028.

k) Owners will be responsible for insuring any contents and improvements in their individual POTLs. This insurance policy should also include personal third-party liability insurance, reimbursement for living expenses outside of their POTLs and protection against any deductible charges that might accrue to the owner from the Common Element Condominium Corporation. The Common Element Condominium Corporation shall insure the common elements for full replacement cost without deduction for depreciation.

DRAFT

May 1, 2026

VELLORE TRAILS PHASE 1

SCHEDULE OF MONTHLY COMMON CHARGES

PARCEL OF TIED LAND (POTL) NO.	BLOCK NUMBER	POTL DESCRIPTION	MUNICIPAL NUMBER	MUNICIPAL ADDRESS	MONTHLY COMMON CHARGE
1	1	PART BLOCK 1, PLAN65M-BEING PART 1, being all of P.I.N			142.00
2	1	PART BLOCK 1, PLAN65M-BEING PART 2, being all of P.I.N			142.00
3	1	PART BLOCK 1, PLAN65M-BEING PART 3, being all of P.I.N			142.00
4	1	PART BLOCK 1, PLAN65M-BEING PART 4, being all of P.I.N			142.00
5	2	PART BLOCK 1, PLAN65M-BEING PART 5, being all of P.I.N			142.00
6	2	PART BLOCK 1, PLAN65M-BEING PART 6, being all of P.I.N			142.00
7	2	PART BLOCK 1, PLAN65M-BEING PART 7, being all of P.I.N			142.00
8	2	PART BLOCK 1, PLAN65M-BEING PART 8, being all of P.I.N			142.00
9	2	PART BLOCK 1, PLAN65M-BEING PART 9, being all of P.I.N			142.00
10	2	PART BLOCK 1, PLAN65M-BEING PART 10, being all of P.I.N			142.00
11	3	PART BLOCK 1, PLAN65M-BEING PART 11, being all of P.I.N			142.00
12	3	PART BLOCK 1, PLAN65M-BEING PART 12, being all of P.I.N			142.00
13	3	PART BLOCK 1, PLAN65M-BEING PART 13, being all of P.I.N			142.00
14	3	PART BLOCK 1, PLAN65M-BEING PART 14, being all of P.I.N			142.00
15	3	PART BLOCK 1, PLAN65M-BEING PART 15, being all of P.I.N			142.00
16	3	PART BLOCK 1, PLAN65M-BEING PART 16, being all of P.I.N			142.00
17	4	PART BLOCK 1, PLAN65M-BEING PART 17, being all of P.I.N			142.00
18	4	PART BLOCK 1, PLAN65M-BEING PART 18, being all of P.I.N			142.00
19	4	PART BLOCK 1, PLAN65M-BEING PART 19, being all of P.I.N			142.00
20	4	PART BLOCK 1, PLAN65M-BEING PART 20, being all of P.I.N			142.00
21	4	PART BLOCK 1, PLAN65M-BEING PART 21, being all of P.I.N			142.00
22	4	PART BLOCK 1, PLAN65M-BEING PART 22, being all of P.I.N			142.00
23	5	PART BLOCK 1, PLAN65M-BEING PART 23, being all of P.I.N			142.00
24	5	PART BLOCK 1, PLAN65M-BEING PART 24, being all of P.I.N			142.00
25	5	PART BLOCK 1, PLAN65M-BEING PART 25, being all of P.I.N			142.00
26	5	PART BLOCK 1, PLAN65M-BEING PART 26, being all of P.I.N			142.00
27	5	PART BLOCK 1, PLAN65M-BEING PART 27, being all of P.I.N			142.00
28	5	PART BLOCK 1, PLAN65M-BEING PART 28 and 82, being all of P.I.N			142.00
29	13	PART BLOCK 1, PLAN65M-BEING PART 29, being all of P.I.N			142.00
30	13	PART BLOCK 1, PLAN65M-BEING PART 30, being all of P.I.N			142.00
31	13	PART BLOCK 1, PLAN65M-BEING PART 31, being all of P.I.N			142.00

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VELLORE TRAILS PHASE 1

SCHEDULE OF MONTHLY COMMON CHARGES

PARCEL OF TIED LAND (POTL) NO.	BLOCK NUMBER	POTL DESCRIPTION	MUNICIPAL NUMBER	MUNICIPAL ADDRESS	MONTHLY COMMON CHARGE
32	13	PART BLOCK 1, PLAN65M-BEING PART 32, being all of P.I.N			142.00
33	14	PART BLOCK 1, PLAN65M-BEING PART 33, being all of P.I.N			142.00
34	14	PART BLOCK 1, PLAN65M-BEING PART 34, being all of P.I.N			142.00
35	14	PART BLOCK 1, PLAN65M-BEING PART 35, being all of P.I.N			142.00
36	14	PART BLOCK 1, PLAN65M-BEING PART 36, being all of P.I.N			142.00
37	15	PART BLOCK 1, PLAN65M-BEING PART 37, being all of P.I.N			142.00
38	15	PART BLOCK 1, PLAN65M-BEING PART 38, being all of P.I.N			142.00
39	15	PART BLOCK 1, PLAN65M-BEING PART 39, being all of P.I.N			142.00
40	15	PART BLOCK 1, PLAN65M-BEING PART 40, being all of P.I.N			142.00
41	16	PART BLOCK 1, PLAN65M-BEING PART 41, being all of P.I.N			142.00
42	16	PART BLOCK 1, PLAN65M-BEING PART 42, being all of P.I.N			142.00
43	16	PART BLOCK 1, PLAN65M-BEING PART 43, being all of P.I.N			142.00
44	16	PART BLOCK 1, PLAN65M-BEING PART 44, being all of P.I.N			142.00
45	15	PART BLOCK 1, PLAN65M-BEING PART 45, being all of P.I.N			142.00
46	15	PART BLOCK 1, PLAN65M-BEING PART 46, being all of P.I.N			142.00
47	15	PART BLOCK 1, PLAN65M-BEING PART 47, being all of P.I.N			142.00
48	15	PART BLOCK 1, PLAN65M-BEING PART 48, being all of P.I.N			142.00
49	14	PART BLOCK 1, PLAN65M-BEING PART 49, being all of P.I.N			142.00
50	14	PART BLOCK 1, PLAN65M-BEING PART 50, being all of P.I.N			142.00
51	14	PART BLOCK 1, PLAN65M-BEING PART 51, being all of P.I.N			142.00
52	14	PART BLOCK 1, PLAN65M-BEING PART 52, being all of P.I.N			142.00
53	13	PART BLOCK 1, PLAN65M-BEING PART 53, being all of P.I.N			142.00
54	13	PART BLOCK 1, PLAN65M-BEING PART 54, being all of P.I.N			142.00
55	13	PART BLOCK 1, PLAN65M-BEING PART 55, being all of P.I.N			142.00
56	13	PART BLOCK 1, PLAN65M-BEING PART 56, being all of P.I.N			142.00
57	20	PART BLOCK 1, PLAN65M-BEING PART 57, being all of P.I.N			142.00
58	20	PART BLOCK 1, PLAN65M-BEING PART 58, being all of P.I.N			142.00
59	20	PART BLOCK 1, PLAN65M-BEING PART 59, being all of P.I.N			142.00
60	20	PART BLOCK 1, PLAN65M-BEING PART 60, being all of P.I.N			142.00
61	19	PART BLOCK 1, PLAN65M-BEING PART 61, being all of P.I.N			142.00
62	19	PART BLOCK 1, PLAN65M-BEING PART 62, being all of P.I.N			142.00
63	19	PART BLOCK 1, PLAN65M-BEING PART 63, being all of P.I.N			142.00

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VELLORE TRAILS PHASE 1

SCHEDULE OF MONTHLY COMMON CHARGES

PARCEL OF TIED LAND (POTL) NO.	BLOCK NUMBER	POTL DESCRIPTION	MUNICIPAL NUMBER	MUNICIPAL ADDRESS	MONTHLY COMMON CHARGE
64	19	PART BLOCK 1, PLAN65M-BEING PART 64, being all of P.I.N			142.00
65	19	PART BLOCK 1, PLAN65M-BEING PART 65, being all of P.I.N			142.00
66	19	PART BLOCK 1, PLAN65M-BEING PART 66, being all of P.I.N			142.00
67	18	PART BLOCK 1, PLAN65M-BEING PART 67, being all of P.I.N			142.00
68	18	PART BLOCK 1, PLAN65M-BEING PART 68, being all of P.I.N			142.00
69	18	PART BLOCK 1, PLAN65M-BEING PART 69, being all of P.I.N			142.00
70	18	PART BLOCK 1, PLAN65M-BEING PART 70, being all of P.I.N			142.00
71	17	PART BLOCK 1, PLAN65M-BEING PART 71, being all of P.I.N			142.00
72	17	PART BLOCK 1, PLAN65M-BEING PART 72, being all of P.I.N			142.00
73	17	PART BLOCK 1, PLAN65M-BEING PART 73, being all of P.I.N			142.00
74	17	PART BLOCK 1, PLAN65M-BEING PART 74, being all of P.I.N			142.00
75	17	PART BLOCK 1, PLAN65M-BEING PART 75, being all of P.I.N			142.00
76	17	PART BLOCK 1, PLAN65M-BEING PART 76, being all of P.I.N			142.00
77	17	PART BLOCK 1, PLAN65M-BEING PART 77, being all of P.I.N			142.00
TOTAL COMMON CHARGES					10,934.00

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VELLORE TRAILS

An Enclave Community

By Arista Homes

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SCHEDULE VI
A copy of sections 73 & 74 of
the *Condominium Act, 1998*

SCHEDULE VI

Sections 73 and 74 of the Condominium Act, 1998, S.O. 1998, c.19

Rescission of agreement
73 (1) A purchaser who receives a disclosure statement and the condominium guide 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); 2015, c. 28, Sched. 1, s. 64 (1).

Notice of rescission
(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 10 days of the latest of,

(a) the date that the purchaser receives the disclosure statement;

(b) the date that the purchaser receives a copy of the applicable condominium guide under section 71.1; and

(c) 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); 2015, c. 28, Sched. 1, s. 64 (2, 3).

Refund upon rescission
(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).

Material changes in disclosure statement
74 (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).

Definition
(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 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).

Contents of revised statement
(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).

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Time of delivery
(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 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).

Purchaser's application to court
(5) Within 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).

Rescission after material change
(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 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).

Notice of rescission
(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).

Declarant's application to court
(8) Within 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).

Refund upon rescission
(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).

Time of refund
(10) The declarant shall make the refund,

(a) within 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 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).

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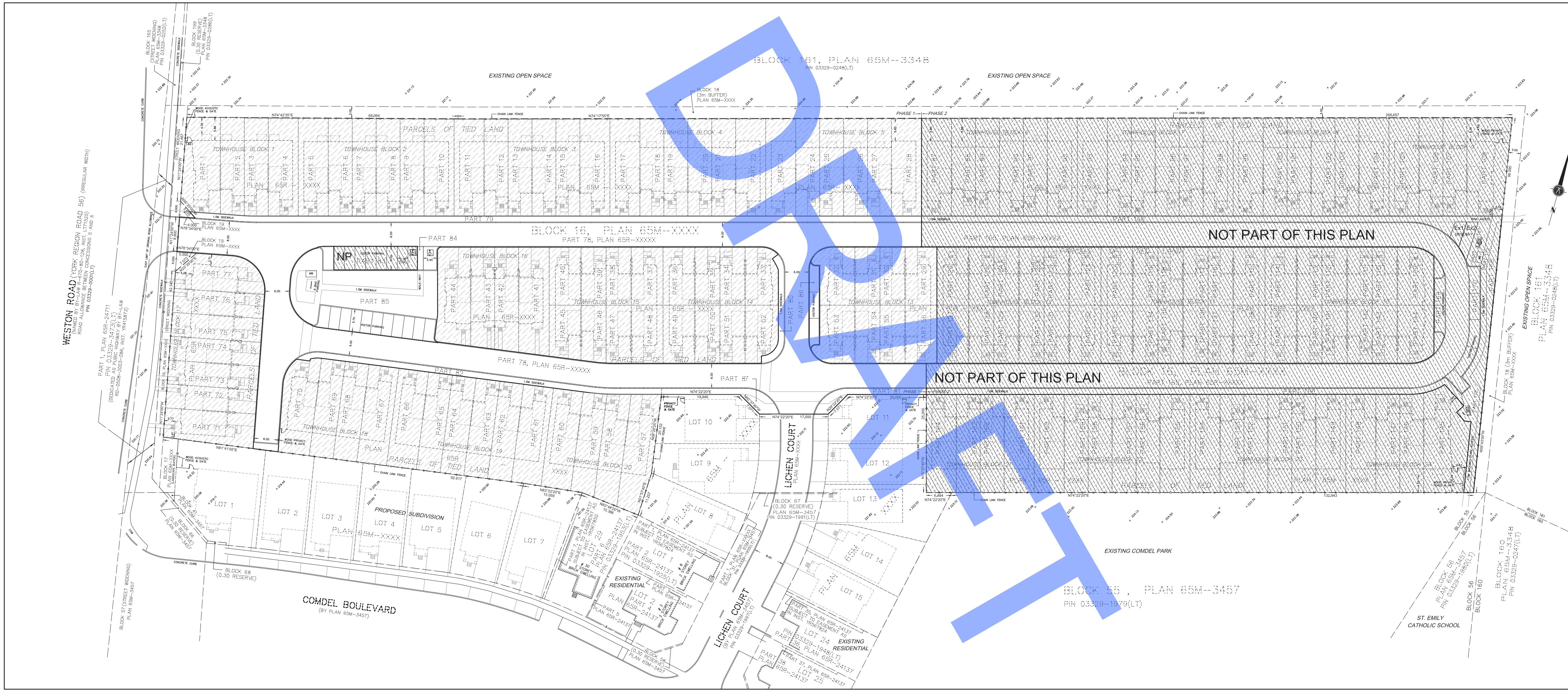
VELLORE TRAILS

An Enclave Community

By Arista Homes

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SCHEDULE VII
Draft Condominium Plan and Draft Reference Plan



CONDOMINIUM TYPE: COMMON ELEMENTS

DRAFT PLAN OF CONDOMINIUM OF

PART OF BLOCK 16 PLAN 65M-XXXX CITY OF VAUGHAN

REGIONAL MUNICIPALITY OF YORK

SCALE 1:300

KRCMAR SURVEYORS LTD. 2025

METRIC: DISTANCES SHOWN HEREON ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048

KEY PLAN
NOT TO SCALE

ADDITIONAL INFORMATION REQUIRED UNDER SECTION 51(17) OF THE PLANNING ACT

(A) AS SHOWN ON DRAFT PLAN
(B) AS SHOWN ON DRAFT PLAN
(C) AS SHOWN ON DRAFT PLAN
(D) RESIDENTIAL
(E) AS SHOWN ON DRAFT PLAN
(F) AS SHOWN ON DRAFT PLAN
(G) AS SHOWN ON DRAFT PLAN
(H) PIPED WATER
(I) CLAY LOAM
(J) AS SHOWN ON DRAFT PLAN
(K) FULLY SERVICED
(L) AS SHOWN ON DRAFT PLAN

SITE DATA

MUNICIPAL ADDRESS: No. 9465 WESTON ROAD, VAUGHAN
OF POTLs = 77
PARKING: VISITOR = 16 SPACES (INCLUDING 1 ACCESSIBLE PARKING SPACE)

NOTES AND LEGEND

DENOTES BOUNDARIES OF THE CONDOMINIUM
DENOTES BOUNDARY OF POTLs (PARCEL OF TIED LANDS)
POTL DENOTES PARCELS OF TIED LAND
MB DENOTES MAIL BOX
TYP DENOTES TYPICAL
DENOTES EXISTING GRADE ELEVATION
DENOTES ACCESSIBLE PARKING SPACE
DENOTES PARCELS OF TIED LANDS
NP DENOTES NOT PART OF THIS PLAN

EXISTING GRADE ELEVATIONS SHOWN HEREON ARE TAKEN FROM A TOPOGRAPHY SURVEY BY KRCMAR SURVEY LIMITED, O.L.S. DATED AUGUST 21, 2020.

OWNER'S CERTIFICATE

I HEREBY AUTHORIZE KRCMAR SURVEYORS LTD. TO PREPARE AND SUBMIT THIS CONDOMINIUM DRAFT PLAN FOR APPROVAL.
DECLARANT: 9465 WESTON LIMITED

DATE : ____________, 2025

VIC DE ZEN - ASO
'I HAVE AUTHORITY TO BIND THE CORPORATION'

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THE BOUNDARIES OF THE LAND TO BE SUBDIVIDED AS SHOWN ON THIS PLAN AND THEIR RELATIONSHIP TO THE ADJACENT LANDS ARE ACCURATELY SHOWN.

DATE : ____________, 2025

WALDEMAR GOLINSKI
ONTARIO LAND SURVEYOR

MUNICIPAL ADDRESS:	No. 9465 WESTON ROAD, VAUGHAN						
FIELD:		DRAWN:	L.L.	CHECKED:	R.B./W.G.	JOB NO:	97-083
DWG NAME:	97-083DC02	PLOT INFO:	11:01 07/Mar/2025			WORK ORDER NO:	36603

1137 Centre Street Thornhill ON L4J 3M6 905.738.0053 F 905.738.9221 www.krcmar.ca
PLAN AVAILABLE AT www.ProtectYourBoundaries.ca

KRCMAR

BEARING

BEARINGS SHOWN HEREON ARE GRID BEARINGS AND ARE REFERRED TO THE 3° MTM COORDINATE SYSTEM ZONE 10, CENTRAL MERIDIAN 79°30' WEST LONGITUDE,(3° MODIFIED TRANSVERSE MERCATOR PROJECTION, NAD 83 ORIGINAL).

DISTANCES SHOWN HEREON ARE GROUND DISTANCES AND CAN BE CONVERTED TO GRID DISTANCES BY MULTIPLYING BY A COMBINED SCALE FACTOR OF 0.999818.

TO OBTAIN UTM GRID BEARINGS (NAD 83 (CSRS)(2010)) APPLY A COUNTER-CLOCKWISE ROTATION OF 0°02'28" TO THE BEARINGS SHOWN.

COORDINATE

COORDINATES SHOWN HEREON ARE GRID DERIVED FROM HORIZONTAL CONTROL MONUMENTS No. 100090154 AND No. 100070072 AND ARE REFERRED TO THE 6° UTM COORDINATE SYSTEM, ZONE 17, CENTRAL MERIDIAN 81°00' WEST LONGITUDE, (NAD 83 (CSRS)(2010)).

DISTANCES SHOWN HEREON ARE GROUND DISTANCES AND CAN BE CONVERTED TO GRID DISTANCES BY MULTIPLYING BY A COMBINED SCALE FACTOR OF 0.999818.

INTEGRATION DATA

SPECIFIED CONTROL POINTS

MONUMENT ID.	PUBLISHED VALUES NAD 83 (ORIGINAL) UTM ZONE 17	CALCULATED VALUES NAD 83 (CSRS)(2010), UTM ZONE 17
HCM # 100090154	N: 4 855 721.787 E: 616 251.087	N: 4 855 721.471 E: 616 251.893
HCM # 100070072	N: 4 854 313.065 E: 616 513.509	N: 4 854 312.761 E: 616 513.046

6° UTM ZONE 17 COORDINATES
NAD 83 (CSRS)(2010)(CENTRAL MERIDIAN 81°00' WEST LONGITUDE)
THE UTM COORDINATES LISTED BELOW ARE TO HIGHER ACCURACY AND IDENTIFY WITH SUBSECTION 14(2) OF THE SURVEYS ACT AND SUBSECTION 143(2) OF THE SURVEYORS ACT.

REFERENCE POINTS

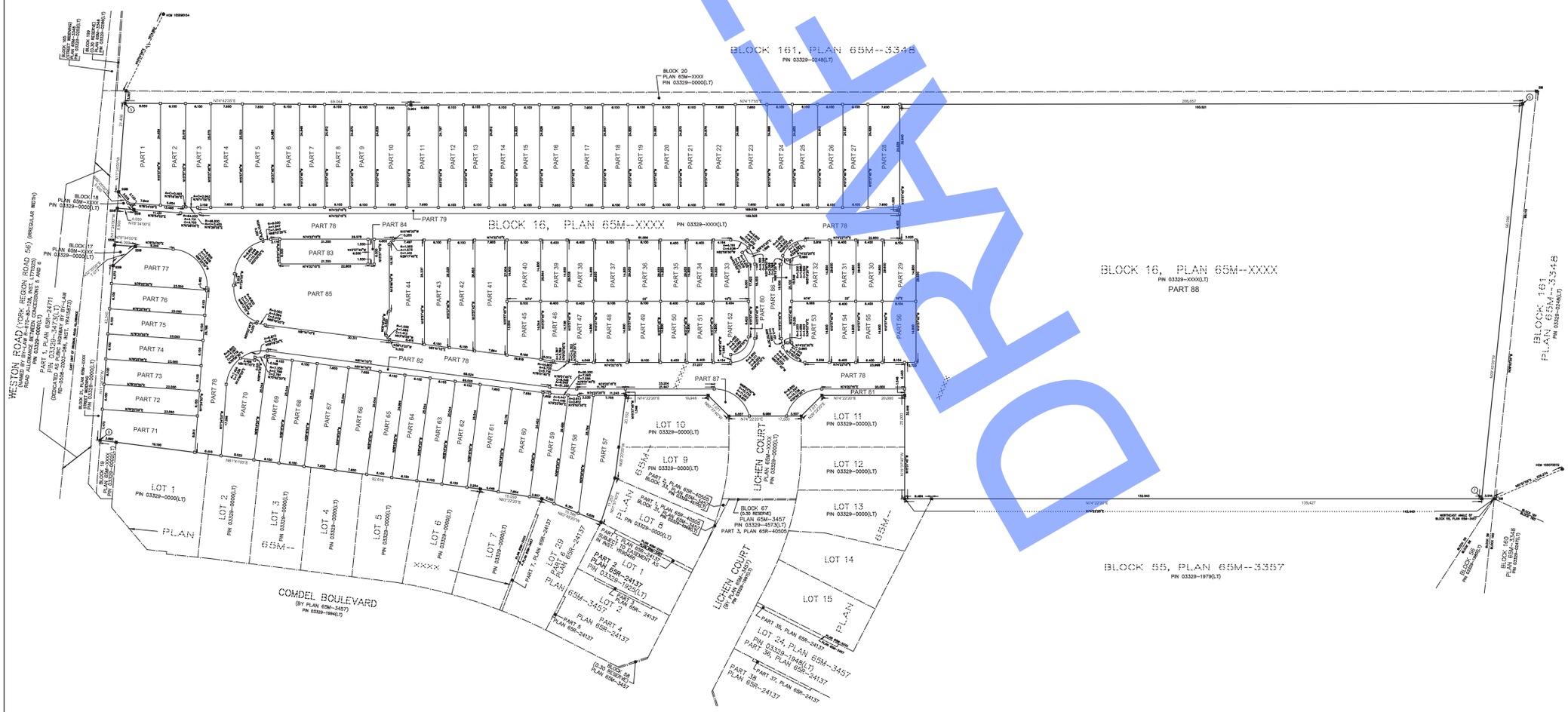
POINT	NORTHING	EASTING
5	4 854 164.60	615 996.20
6	4 854 391.42	616 319.74
7	4 854 167.02	616 337.68
8	4 854 084.81	616 013.80

COORDINATE VALUES SHOWN ARE FOR ASCERTAINING INTERNATIONAL SYSTEM RESTRICTION ONLY. COORDINATES CANNOT, IN THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN.

ALL FOUND MONUMENTS ARE BY KRCMAR SURVEYORS LTD. (1370) UNLESS OTHERWISE NOTED.

ALL PLANTED MONUMENTS ARE IRON BARS (IB) UNLESS OTHERWISE NOTED.

ALL BEARINGS, DISTANCES, AND ELEVATIONS ARE IN ACCORDANCE WITH PLAN 65M-XXXX (AS APPLICABLE) UNLESS OTHERWISE NOTED.



SCHEDULE

PART	BLOCK	PLAN	PIN	AREA (m²)
1				226.0
2				151.4
3				153.0
4				191.6
5				191.3
6				152.3
7				152.1
8				191.8
9				191.6
10				188.8
11				189.7
12				191.3
13				191.3
14				191.4
15				191.4
16				190.0
17				190.0
18				191.6
19				191.6
20				191.7
21				191.7
22				190.4
23				190.4
24				191.9
25				191.9
26				152.0
27				152.0
28				190.7
29				119.9
30				94.7
31				94.7
32				138.7
33				119.8
34				94.7
35				94.7
36				119.8
37				120.0
38				94.7
39				94.7
40				119.9
41				213.0
42				161.1
43				156.3
44	ALL OF BLOCK 16	65M--XXXX	ALL OF 03329-XXXX(LT)	211.8
45				159.5
46				92.4
47				94.7
48				120.0
49				119.9
50				94.7
51				94.7
52				112.8
53				138.7
54				94.7
55				94.7
56				119.9
57				220.0
58				168.4
59				156.9
60				193.5
61				191.9
62				152.8
63				152.8
64				152.8
65				152.8
66				191.6
67				191.6
68				152.8
69				152.8
70				204.4
71				187.6
72				140.6
73				140.6
74				140.6
75				140.6
76				140.6
77				185.9
78				3007.8
79				378.7
80				47.7
81				90.3
82				140.0
83				137.8
84				9.0
85				660.1
86				52.1
87				69.3
88				13743.7

PARTS 1 TO 88 INCLUSIVE COMPRISE ALL OF PIN 03329-XXXX(LT).

PLAN OF SURVEY OF
PART OF BLOCK 16
PLAN 65M-XXXX
CITY OF VAUGHAN
REGIONAL MUNICIPALITY OF YORK

SCALE 1:300
0 5 10 15 20 25m

© KRCMAR SURVEYORS LTD. 2024

THE INTENDED PLOT SIZE OF THIS PLAN IS 1495mm IN WIDTH BY 865mm IN HEIGHT WHEN PLOTTED AT A SCALE OF 1:300

METRIC: DISTANCES AND COORDINATES SHOWN HEREON ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048

LEGEND

IB	DENOTES SURVEY MONUMENT FOUND
IBP	DENOTES SURVEY MONUMENT PLANTED
SSMH	DENOTES STANDARD MANHOLE MONUMENT
SIB	DENOTES STANDARD IRON BAR
SSIB	DENOTES SHORT STANDARD IRON BAR
IB	DENOTES IRON BAR
CP	DENOTES CONCRETE PIN
CC	DENOTES CUT CROSS
(M)	DENOTES MEASURED
(S)	DENOTES SET
(WIT)	DENOTES WITNESS
(1370)	DENOTES KRCMAR SURVEYORS LTD. O.L.S.

SURVEYOR'S CERTIFICATE

I CERTIFY THAT:

1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT, THE SURVEYORS ACT AND THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.
2. THE SURVEY WAS COMPLETED ON THE _____ DAY OF _____, 2024

DATE _____, 2024

WALDEMAR DOLINSKI
ONTARIO LAND SURVEYOR

THIS PLAN OF SURVEY RELATES TO AOLS PLAN SUBMISSION FORM NUMBER V-_____

MUNICIPAL ADDRESS: 14, 2485 WESTON ROAD, VAUGHAN
FILE: | DRAWN: TZ. | CHECKED: | JOB NO: 1-405
DWG NAME: 1-405PP14 | PLOTTED: 2:18:15 AM 6/6/2024 | WORK ORDER NO: 33615
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PLAN AVAILABLE AT www.ProtectYourBoundaries.ca
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VELLORE TRAILS

An Enclave Community

By Arista Homes

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SCHEDULE VIII
A copy of the proposed Rules

SCHEDULE VIII

YORK REGION COMMON ELEMENTS CONDOMINIUM CORPORATION NO. *
(the "Corporation")

RULES

The following Rules made pursuant to the Condominium Act, 1998 (the “Act”), shall be observed by the owners (collectively, the “Owners” and individually an “Owner”) of each parcel of tied land as described in the declaration (hereinafter a “Potl”) and any member of each Owner’s family and his/her tenants, guests, invitees, licensees and agents. Any terms not defined herein shall have the meaning ascribed in the Act or the declaration as applicable.

1. Owners and their families, tenants, guests, invitees, licensees and agents shall not create nor permit the creation or continuation of any noise or nuisance which, in the opinion of the board or the Manager, may or does disturb the comfort or quiet enjoyment of the Common Elements by other Owners or their respective families, tenants, guests, invitees, licensees, agents and persons having business with them.

2. No storage of any combustible or offensive goods, provisions or materials shall be kept on the Common Elements.

3. No Owner or occupant of a Potl shall do, or permit anything to be done to the Common Elements which will in any way increase the risk of fire or the rate of fire insurance or obstruct or interfere with the rights of other Owners, or in any way injure or annoy them, or conflict with the laws relating to fire or with the regulations of the Fire Department or with any insurance policy carried by the Corporation or conflict with any of the rules and ordinances of the local Board of Health or with any statute or municipal by-law.

4. No one shall harm, mutilate, destroy, alter or litter the Common Elements or any of the landscaping work on the Common Elements. No Owner or occupant of a Potl shall cause or permit any material or substance (including, without limitation, snow, ice, sand, gravel, salt and ice melter) to be placed upon any areas adjacent to their Potl.

5. No sign, advertisement or notice shall be inscribed, painted, affixed or placed on any part of Common Elements, whatsoever, unless approved by the board

6. No equipment shall be removed from the Common Elements by, or on behalf of, any Owner or occupant of a Potl.

7. The walkways and roadways which are part of the Common Elements shall not be obstructed by any of the Owners, occupants, tenants, guests, invitees and licensees of a Potl.

8. Any physical damage to the Common Elements caused by an Owner or occupant of a Potl, or his/her family, guests, visitors, servants, invitees or licensees shall be repaired under the supervision and direction of the board at the cost and expense of such Owner or occupant.

9. No building or structure or tent shall be erected, placed, located, kept or maintained on the Common Elements and no trailer, either with or without living, sleeping or eating accommodations shall be placed, located, kept or maintained on the Common Elements.

10. No Owner, tenants, guests, invitees, licensees and agents shall place, leave or permit to be placed or left in or upon the Common Elements any debris, refuse or garbage, unless permitted or required by the board.

11. For the purpose of these Rules, “motor vehicle” means a licensed private passenger automobile, SUV, station wagon, compact van, or motorcycle as customarily understood.

    (a) No vehicles, equipment or machinery shall be parked or left on any part of the Common Elements. Notwithstanding the foregoing, visitors to the Potls shall be permitted to park in the Visitor Parking Spaces (as defined in the Corporation’s declaration and any areas designated as visitor parking from time to time, subject to the provisions herein, if any.

    (b) No servicing or repairs shall be made to any motor vehicle, trailer, boat, snowmobile, or equipment of any kind on the Common Elements without the express written consent of the Manager or the board. No motor vehicle shall be driven on any part of the Common Elements other than on the roadway portion.

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(c) No motor vehicle shall be driven on any roadway portion of the Common Elements at a speed in excess of the posted speed.

(d) No person shall park or use a motor vehicle in contravention of these Rules, otherwise such person shall be liable to be fined or to have his motor vehicle towed from the Common Elements in which event neither the Corporation nor its agents shall be liable whatsoever for any damage, costs or expenses whosoever caused to such motor vehicle or to the owner/lessee thereof. The Corporation may enforce the parking by-laws of the City of Vaughan and the Regional Municipality of York in the instances where the provisions of this paragraph are contravened.

(e) The Manager or the board may designate certain visitor parking spaces as handicapped spaces and may also designate the hours for visitor parking and may provide visitors parking passes.

12. No pet shall be permitted on the Common Elements unless such pet is on a leash and accompanied by the owner at all times.

13. Each pet owner must ensure that any defecation by such pet must be cleaned up immediately by the pet owner, so that the Common Elements are neat and clean at all times.

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SCHEDULE IX
A copy of the proposed Restrictive Covenants

SCHEDULE IX

RESTRICTIVE COVENANTS

1. The tenements burdened by the herein restrictive covenants are:

   [insert Potls] (collectively the "**Potls**" and each a "**Potl**")

2. The tenements benefitted by the herein restrictive covenants are:

   [insert common element pins] (the "**Benefitting Lands**")

3. For the purposes of these restrictive covenants, any requirements for the written consent of the owner of the Benefitting Lands shall be evidenced by the written consent of the board of directors (the "board") of York Region Common Elements Condominium Corporation No. * (the "Condominium Corporation").

4. In consideration of the payment of ten dollars ($10.00) by the owner of the Benefitting Lands to the owner(s) of the Potls and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the owner(s) of the Potls covenant and agrees that as follows:

   (a) no changes to the colour of the roof or exterior of any townhomes situated within the Potls shall be permitted;

   (b) the following shall not be permitted without the prior written consent of the owner of the Benefitting Lands: any changes, alterations, improvements or additions to any part of the roof or exterior of any townhomes situate upon or within such Potl; the placement or erection of any fences upon the Potls; or the alteration of the grading of any part of the Potls. Any request by an owner of a townhome situate upon the Potls for the consent of the owner of the Benefitting Lands shall be in writing and shall be accompanied by drawings prepared and submitted in triplicate and, without limiting the generality of the foregoing, such drawings shall show:

      (i) the locations of buildings, walks, driveways, easements, fences, walls, trees, landscaping and architectural features of the subject lands and premises;

      (ii) the exterior elevations and grading of the subject lands and premises; and

      (iii) all elements of the design, materials, textures, finishes, colours and elevations of the proposed changes, alterations, improvements or additions.

   (c) No trees shall be cut down or removed from the Potls without the prior consent in writing of the owner of the Benefitting Lands.

   (d) No signs, billboards, notices or other advertising matter of any kind (except the ordinary signs offering the land or buildings thereon for sale or rent) shall be placed on any of the Potls or upon or in any building or on any fence, tree or other structure on the Potls without the consent of the owner of the Benefitting Lands.

5. The burden of these restrictive covenants shall run with the Potls for an indeterminate time.

6. The burden of the foregoing restrictive covenants shall be annexed to, run with and bind the Potls, its owners and its occupants (both present and future) with the intent that the benefit of these restrictive covenants shall be annexed to and run with title to the Benefitting Lands.

7. If any term, covenant or condition of the foregoing restrictive covenants shall, to any extent, be declared invalid or unenforceable, the remainder of the restrictive covenants shall not be affected thereby and each term, covenant or condition of the restrictive covenants shall be valid and be enforced to the fullest extent permitted by law.

8. Provided always, that notwithstanding anything herein contained, the owner of the Benefitting Lands shall have the power by instrument or instruments in writing from time to time, to waive or delete any of the foregoing restrictive covenants in their application to the Potls without notice or without the consent of the current owner of the Potls.

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Condominium Authority of Ontario Residential Condo Buyers' Guide

Condominium Authority of Ontario


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INTRODUCTION

The CAO Residential Condo Buyers' Guide (the "CAO Condo Buyers' Guide" or "Guide") has been prepared by the Condominium Authority of Ontario to provide Ontario condo buyers with information that can help them make better purchasing decisions and also help better prepare them for condo living. The CAO is an organization that aims to improve condo living by providing services and resources for condo communities. The Minister of Public and Business Service Delivery and Procurement has delegated responsibility for the development of this Guide to the CAO and approved its contents.

According to section 72 (1) of the *Condominium Act, 1998*, this Guide must be provided to buyers of pre-construction/new residential ("pre-construction") condo units purchased from either the developer or someone working for the developer. The buyer has a 10-day cooling-off period starting from the latest date on which they receive a copy of the most recent Guide, the fully signed purchase agreement, and the most recent Disclosure Statement. The 10-day period begins when the buyer has received all three documents. During this period, the buyer may cancel the purchase agreement by providing written notice to the developer. Buyers are strongly advised to review these documents carefully with their legal counsel during this time. Although this Guide is not required to be provided to buyers of resale condo units and only applies to residential condos, it offers valuable information on various aspects of condo buying and living.

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1. WHAT IS A CONDOMINIUM?

Most people think of condos as high-rise residential towers in urban areas. A better way to think of a condo is as a shared real estate ownership structure. Owners collectively share ownership of the condo corporation's common elements and assets. Condo living also involves community engagement, as owners participate in collective decision-making. Condos are also diverse, with many existing in suburban and rural areas as well as urban centres, and with unique and differing set ups.

Condo communities are governed by a board of directors that are typically volunteers. Directors are elected by the owners, and each community has its own unique structure and rules.

What this means is that purchasing a condo allows someone to become part of a community where they are directly responsible for paying their share of the community's upkeep, following its rules, staying informed about its operation, and voting on important decisions that affect all owners and more. Here's a summary of what condo owners can, should, and must do:

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OWNERS **CAN**:	OWNERS **SHOULD**:	OWNERS **MUST**:
• Seek election to their condo's board of directors • Request an owners' meeting to discuss important matters in their community (provided the statutory requirements are met) • Request to review condo records • Request an item for discussion be added to the agenda for an owners' meeting	• Attend and vote at owners' meetings • Always strive to resolve issues collaboratively • Review all communications provided by the condo corporation, such as information certificates, financial statements, reserve fund studies, and any other communications	• Abide by the governing documents • Notify the corporation if they lease their unit • Repair and maintain the unit in accordance with the Condo Act and governing documents • Pay condo fees on time • Use the common areas and amenities in accordance with the governing documents • Allow the condo corporation access to their unit when necessary

Condo boards, elected by the owners are responsible for making decisions about the condo on behalf of all unit owners and may hire a condo manager to oversee the day-to-day operations of the corporation on their behalf. The condo manager must be licensed by the Condominium Management Regulatory Authority of Ontario (CMRAO).

1.1 Different Kinds of Condo Corporations

The Condo Act outlines two main types of condo corporations:

Freehold corporations are ones where the land /property is jointly owned by the unit owners.

Leasehold corporations are ones where the underlying land on which the condo is built is leased. These are less common than freehold. Unit owners buy a leasehold interest in a unit and its associated common elements but do not own the underlying land.



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There are four types of **freehold** corporations.



Standard Condominium Corporation

- The most common type of condo corporation in Ontario
- Has individual units and common elements which often include areas such as a foyer, exterior walls, and amenities



Phased Condominium Corporation

- A standard condo corporation that is intended to be built in phases where new units and common elements are constructed and added to the initial condo corporation
- Upon final phase registration, which must take place within 10 years of the initial condondominium registration, a phased condominium becomes a completed standard condominium



Vacant Land Condominium Corporation

- The units are typically vacant lots at the time of purchase. The layout of the condominium may resemble a subdivision
- The common elements are often things such as private roadways, private sewer systems and may include amenities such as a park or recreational facility
- The developer may sell the individual units as vacant or may build a home on some or all of the units



Common Elements Condominium Corporation

- There are no units in this type of condo corporation, only common elements which are shared by owners of parcels of tied land (POTL) that are legally attached to the common elements
- Owners purchase a common interest in the common elements that is attached to their POTL. Examples include shared roads, golf courses or ski hills

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The Condo Act has different requirements for different types of condo corporations.

2. CONSUMER PROTECTION FOR CONDO BUYERS

It pays to be informed! Ontario home buyers, whether they are purchasing for residential or investment purposes, have access to several housing consumer protection organizations that help protect consumers. There are five in total, each with different responsibilities. It is a good idea to become familiar with these organizations and to make use of their resources.

Condominium Authority of Ontario	Supports and protects consumers through digital information, education and dispute resolution services.	The CAO's searchable Condo Registry offers key details, including whether a condo corporation is meeting its Condo Act filing requirements, the identity of the declarant, the current board of directors, the date of the last Annual General Meeting (AGM) and more.
CMRAO	The Condominium Management Regulatory Authority of Ontario regulates and licenses condo managers and management providers and enforces professional standards.	Their Public Registry shows whether condo managers and management providers are licensed or have had disciplinary action taken against them and more.
Home Construction Regulatory Authority	The HCRA licenses and regulates new home builders and vendors.	Their Builder Directory shows whether a builder is licensed, if they've had any disciplinary action taken against them and more.
RECO Real Estate Council of Ontario	The Real Estate Council of Ontario regulates and licenses real estate agents and brokers.	Their Agent/Broker Search Portal shows if a real estate agent or broker is licensed or has had disciplinary action taken against them and more.
TARION SUPPORTING YOUR NEW HOME WARRANTY	Administers the province's new home warranty program. Developers must enroll all new homes with Tarion and provide specific new home warranties to each new home buyer.	Buyers and owners who register with Tarion's MyHome Online Portal can receive e-mail alerts for important dates and warranty timelines, submit claims online and more.

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3. BUYING A CONDO UNIT

3.1 Buying a Pre-Construction Condo Unit

Pre-construction condos are sold by developers directly to buyers before construction is complete. This comes with its own risks like delayed construction, potential project cancellation and more. A useful pre-construction condo buyer's checklist can be found in Appendix A. The checklist provides important considerations before and during the buying process.



3.2 Key Pre-Construction Documents

Developers must provide six key documents to buyers of pre-construction units during the purchase process. Buyers should understand the purpose of each document and carefully review these with the help of a lawyer before finalizing the purchase.

- The purchase agreement does not become firm and binding until the buyer receives the first three documents outlined below and the 10-day cooling-off period has passed.

Pre-construction Agreement of Purchase and Sale (Purchase Agreement)	Contains important information about rights and obligations as a condo buyer, the developer's rights and obligations, the unit, and the terms of the agreement.
Disclosure Statement	Contains the proposed condo's governing documents, a summary of agreements the condo has or will enter into, the condo's proposed first year budget, and more.
CAO Condo Buyers' Guide	This Guide must be provided to buyers of pre-construction condo units by the developer. The purchase agreement is not binding until this is received. Buyers of resale condo units may also wish to review this Guide.
HCRA Information Sheet for Buyers of Pre-Construction Condos	Must be attached to the purchase agreement. Outlines the risks of buying a pre-construction condo as well as important updates like the estimated occupancy date for the unit and the status of construction. It also provides information about the conditions that may lead to termination of the purchase agreement.
Addendum to the Agreement of Purchase and Sale	Must be attached to the purchase agreement. Contains the delayed occupancy warranty provided by the developer as well as an official Statement of Critical Dates outlining when the unit will be ready for occupancy along with conditions for extension of Critical Dates and early termination. **The Addendum to the Agreement of Purchase and Sale prevails over the purchase agreement and any other attachments if inconsistencies are found.**
Tarion Warranty Information Sheet	Must be attached to the purchase agreement. Outlines key information about the warranty buyers are entitled to if the unit has defects. It also includes information about Tarion, deposit protection, delayed occupancy coverage, warranty exclusions, construction performance guidelines, common elements warranties and pre-delivery inspections of the unit.

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3.3 Cooling-Off Period

The Condo Act provides buyers with a cooling-off period of 10 calendar days where the purchase agreement can be cancelled for any reason whatsoever simply by notifying the developer in writing.

This 10-day period begins once a buyer has received all 3 of the following documents:

- Agreement of Purchase and Sale executed by the buyer and the developer
- Disclosure Statement
- CAO Condo Buyers' Guide

If the purchase is cancelled within the cooling-off period, the developer must refund any deposits given by the buyer, plus any applicable interest at the rate set out in the Condo Act without any additional penalty or charge.

The Condo Act provides a buyer with another 10-day cooling-off period where there is another chance to cancel the purchase, if there is a *material change* in the Disclosure Statement. A material change is specifically defined under the Condo Act as a change that would have caused a reasonable person to no longer want to proceed with the purchase had the information that is now disclosed or revealed been included in the Disclosure Statement delivered to the buyer at the time of sale or later by notice. This cooling-off period begins on the later of:

- The date that the developer delivers a revised Disclosure Statement or a notice to the buyer advising of the material change
- The date that a buyer otherwise became aware of the material change
- The date that the Ontario Superior Court of Justice determines that a material change has occurred

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3.4 Deposits and Cancellations

Once the purchase agreement has been signed, the developer must hold any deposits and other payments covered by the purchase agreement in trust. The developer must refund these monies plus interest, calculated according to sections 19 and 19.1 of O. Reg. 48/01 under the Condo Act, if the project is terminated.



Did you know developers may cancel pre-construction projects even after you have purchased your unit?

If monies are not refunded as required, buyers may be able to file a claim for deposit protection coverage up to $20,000 with Tarion under the *Ontario New Home Warranties Plan Act, 1990*.

Make sure to review the conditions for cancelling the pre-construction project carefully before making a purchase. Buyers are encouraged to understand the various risks associated with buying a pre-construction unit.

The conditions for cancellation, if applicable, are found in the purchase agreement and mandatory Addendum to the Agreement of Purchase and Sale and may include conditions such as:



Failure to sell a certain percentage of condo units



Inability to secure financing for the project



Delays in obtaining development approvals

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3.5 Occupancy Dates & Delayed Occupancy

The Addendum to the Agreement of Purchase and Sale contains a Statement of Critical Dates. The Statement of Critical Dates must be signed by the condo buyer and developer. It sets out when the developer expects to finish the unit for occupancy along with other critical dates and the timing for delivery of any permitted extensions. Some important dates to focus on in this document are:

- **Tentative Occupancy Date or a Firm Occupancy Date** – The form should set out a date that the developer states that the unit will be ready for occupancy. Buyers are entitled to receive delayed occupancy coverage from the developer if the Firm Occupancy Date is not met and the developer does not extend the date as permitted in the Addendum to the Agreement of Purchase and Sale. If the developer does not pay delayed occupancy coverage, the buyer can make a claim to Tarion for delayed occupancy compensation.
- **The Outside Occupancy Date** – The latest date that the developer has agreed to provide the buyer with occupancy of the unit. Buyers can terminate the purchase agreement within 30 days of this date if the developer does not meet this date. Buyers who exercise their right to terminate the purchase agreement due to this delay are entitled to delayed occupancy compensation from the developer. If the developer does not pay delayed occupancy coverage, the buyer can make a claim to Tarion for delayed occupancy compensation.

Note: Condo construction may be delayed, and this may impact the occupancy of the condo unit. The Addendum to the Agreement of Purchase and Sale allows the developer to extend dates provided the notice requirements are met. If a buyer's occupancy is delayed for reasons that are not permitted under the Addendum to the Agreement of Purchase and Sale, they may have a right to compensation from the developer for this delay. Details on this warranty can be found in the Addendum to the Agreement of Purchase and Sale.

For more information about occupancy dates and warranty coverage for delayed occupancy, visit Tarion's webpage.

3.6 Pre-Construction Condo Assignment & Selling

A condo unit assignment is a transaction where the buyer of a pre-construction condo unit transfers their purchase agreement to a new buyer before taking ownership of the unit. A buyer may be able to assign the purchase agreement to a new buyer before or during interim occupancy. Buyers are encouraged to review the purchase agreement as there are often conditions that can include requiring the developer's agreement to the assignment, charging a fee, and keeping the buyer liable for closing. Buyers should understand that the developer may not agree to an assignment sale, which may stop the transaction from occurring.

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Additionally, buyers of pre-construction condo units will receive warranty protection for up to 7 years through Tarion. More information on Tarion and the applicable warranty can be found below. This warranty period does not prevent the unit from being sold during this time (once ownership has been transferred). However, buyers should consult with a financial professional to be aware of any tax implications associated with the sale.

3.7 First-Year Budget

The first-year budget is required to be prepared by the developer and contains information about expenses all owners are required to pay in addition to the cost of buying the unit.

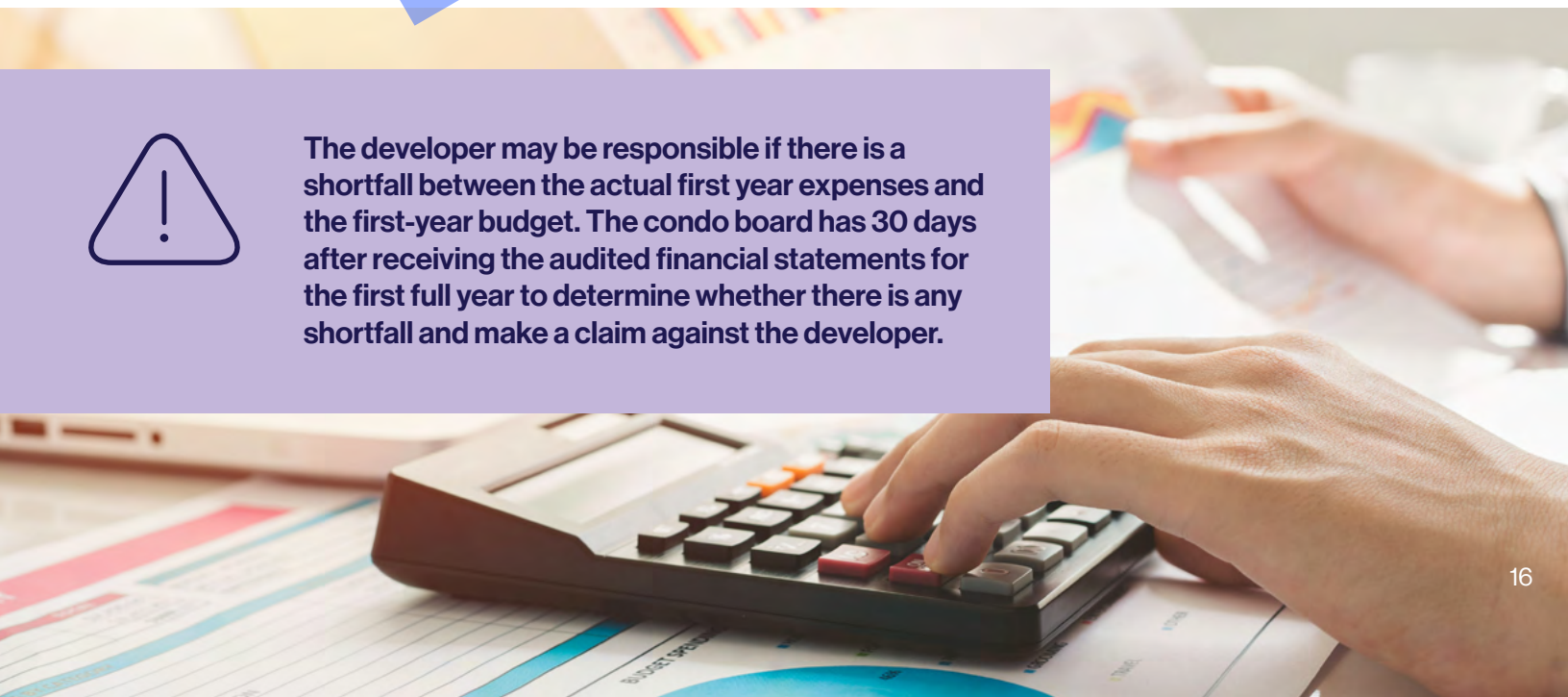
See sections 72 (5), 72 (6) and 75 of the Condo Act for more information about first-year budget requirements.

The developer must prepare the first-year budget and include it in the Disclosure Statement. It must cover the one-year period from the date of registration of the declaration and description and must include:

- The projected expenses for operation of the condo corporation, such as snow removal, landscaping and other maintenance costs of the common areas and amenities
- The particulars of the type, frequency and level of services to be provided
- The projected costs of the performance audit
- The projected monthly common expenses contribution for each unit
- The projected cost of the first reserve fund study
- The costs of preparing the condo corporation's audited financial statements

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The developer may be responsible if there is a shortfall between the actual first year expenses and the first-year budget. The condo board has 30 days after receiving the audited financial statements for the first full year to determine whether there is any shortfall and make a claim against the developer.



3.8 Buying a Resale Condo

Individuals can buy an existing condo unit from a current owner rather than a developer, but it is important to consult a lawyer and do research on the unit and the condo corporation before making this decision. Resale condo units are typically sold by real estate agents on behalf of condo owners instead of developers. A useful checklist for resale condo buyers can be found in Appendix B. The checklist will provide important questions that should be considered before and during the buying process.

3.9 Leasing a Condo Unit and Disclosure to Condo Corporation

There are special considerations to keep in mind if a buyer chooses to lease out their condo unit.

Unit owners are responsible for ensuring that tenants abide by the condo corporation's governing documents as outlined in section 119 (2) of the Condo Act.

Certain rights and responsibilities of landlords and tenants who rent residential properties are governed by the Residential Tenancies Act, 2006.

The unit owner must provide the tenant with a copy of the governing documents within 10 days of entering into or renewing a lease. The owner must also notify the condo corporation that the unit is leased and provide the condo corporation with a summary or a copy of the lease within those 10 days.

Owners may also use the Summary of Lease or Renewal form available on the CAO's website and send it to the condo corporation. This form must be used if the owner does not provide the tenant's name, the unit owner's address and a copy of the lease to the condo corporation.

Owners must also be aware of restrictions that the condo corporation's governing documents may have in relation to leasing units. For example, the governing documents may impose minimum terms for unit leases to prevent short-term rentals.

Additionally, buyers and owners are encouraged to speak with a financial professional to understand any tax implications that may come with leasing their condo unit.



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4. MOVING INTO A PRE-CONSTRUCTION CONDO UNIT

4.1 Interim Occupancy

Developers will often require that buyers take occupancy of their units before the declaration has been registered and the ownership of the unit transferred to the buyer. Buyers cannot make mortgage payments during this "interim occupancy" period.

Developers will share the interim occupancy start date with the buyer and despite being able to live in the unit during this time, the buyer does not yet legally own the unit. Additionally, the condominium is typically still under construction during this period, meaning that some or all of the amenities may not be ready for use.



During interim occupancy a buyer is not required to pay the balance of the purchase price as the developer is not ready to close the sale. However, buyers will be required to pay the developer an interim occupancy fee for the period between taking occupancy and the closing or unit transfer date, whether they choose to move into the unit or not. Requirements related to interim occupancy fees are set out under section 80 of the Condo Act.

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The interim occupancy fee cannot be more than the total of:

- The amount of the monthly interest on the unpaid balance of the purchase price (which is the sale price minus any deposits paid before occupancy)
- The estimated monthly municipal taxes for the unit
- The projected monthly common expenses fees for the unit based on the Disclosure Statement



Interim occupancy fees can be thousands of dollars a month for the entire interim occupancy period which can last for an extended period of time.

See section 80 (4) of the Condo Act and section 19 (1) of Ontario Regulation 48/01 for more on interim occupancy fees and interest.



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5. CREATING THE CONDO CORPORATION

5.1 Condo Registration Process

Condo corporations are created when the developer registers the declaration and the description with the Land Registry Office. Registration requirements may vary by the type of condo corporation being registered.

The declaration and description are legal documents that contain mandatory information about the condo corporation and the property. Buyers should carefully review the declaration that the developer provides in the Disclosure Statement. Buyers are encouraged to review the Disclosure Statement with their lawyer.

The declaration contains information such as:

- The percentage of common interest in the common elements allocated to each unit
- The percentage of the common expenses that each unit will pay
- The boundaries of the units
- Which parts of the building will be exclusive-use common elements, such as balconies
- Any restrictions on the sale or lease of the unit or use of the amenities
- The responsibilities of owners and the condo corporation to repair and maintain the units and common elements

Once a condo is registered, an initial return must be filed within 90 days with the CAO. Buyers of resale condos can check out the CAO's Condo Registry to find out important information about their condominium.

The description defines the units, the common elements and the boundaries between them. The description contains information such as:

- The condominium's legal boundaries
- Diagrams showing each unit's shape and dimensions
- Delineation of each unit's boundaries and what is considered the common elements

The Condo Act requires developers to take all reasonable steps to finish construction and register the condo without delay.

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5.2 Developer-controlled Board

The developer must appoint at least three individuals to make up the condo corporation's first board of directors within 10 days of registering the condominium. These directors are responsible for carrying out all typical board duties, such as establishing by-laws and rules, until the developer no longer owns a majority of the units in the condo corporation.

Once the developer ceases to own a majority of the units in the corporation, the developer-controlled board is required to call and hold an owners' meeting to elect a new board within 42 days. During this meeting, the developer turns over the condominium documents. This is known as the turn-over meeting.

5.3 Turn-over Meeting

This is the meeting where a new owner-controlled board is elected by the owners, and the developer turns over important documents related to the operations of the condominium.



See section 43 of the Condo Act for more details about the turn-over meeting.

The Condo Act sets out the requirement for the documents to be handed over to the new elected board at the turn-over meeting and then within 30 days after the turn-over meeting. Some of the documents that must be provided at the turn-over meeting include:

- The condo corporation's minute book, containing minutes of meetings from the time of registration to the turn-over date
- The condo corporation's declaration, by-laws, and rules
- Any agreements that have been entered into on the condo corporation's behalf

Additional information that must be turned over by the developer within 30 days of the turn-over meeting include:

- All financial records of the condo corporation relating to the operation of the condo corporation from the date of registration to the turn-over date
- A copy of any reserve fund studies conducted by the turn-over date, except the one conducted within the first year of registration
- A copy of the most recent Disclosure Statement
- All as built or other drawings, operating manuals and warranties for the building structure and systems

The developer must turn over the audited financial statements within 60 days of the turn-over meeting.

Developers may be liable to legal action and fines if they do not comply with the turn-over delivery requirements.

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6. TARION AND THE ONTARIO NEW HOME WARRANTIES PLAN ACT

6.1 What is Tarion?

Tarion is an independent not-for-profit consumer protection organization established by the Ontario government to administer the province's new home warranty program. Tarion ensures that buyers of new homes receive the warranty coverage they are entitled to from developers under the Ontario New Home Warranties Plan Act.

The warranty coverage protects buyers both before and after they have taken interim occupancy of the unit. Before taking interim occupancy of the unit, the warranty coverage offered includes deposit protection, unauthorized substitutions , delayed occupancy and closing, which starts once the buyer signs an Agreement of Purchase and Sale. The warranty coverage also protects against construction defects once the buyer takes possession of the unit and enters the interim occupancy period.

Tarion administers this warranty coverage in the form of one-year, two-year, and seven-year warranties, which are available once the buyer has taken interim occupancy of the unit. Buyers of pre-construction units are generally entitled to all three of these warranty coverage periods, which are connected to the unit and are transferable to subsequent owners. The items that are eligible for coverage under the warranty varies according to these time periods. To make a claim, an owner should first verify that the item is covered for the specific time period that has passed since the interim occupancy date. Questions regarding warranty coverage should be directed to Tarion.



Coverage Before Interim Occupancy

- Deposit protection
- Unauthorized substitutions
- Delayed occupancy and closing



Coverage After Interim Occupancy

- Warranty for construction defects
- 1-year, 2-year and 7-year coverage



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6.2 The Unit Warranty

All new residential condo units in Ontario must be enrolled by the developer in the Ontario New Home Warranty Program, administered by Tarion.

If a new condo unit is purchased and there are warranted defects in work or materials, buyers should first contact the developer for resolution and may also report the defects to Tarion. If the developer does not resolve the warranty claims, Tarion may provide warranty assistance if the defect is covered by the warranty.

Please review the Tarion Warranty Information Sheet and visit Tarion's website for more information on new home warranty coverage.

6.3 The Common Elements Warranty

Common elements are also eligible for warranty coverage under the Ontario New Home Warranties Plan Act. If there are defects in the common elements, the condo corporation generally will address the issue with the developer rather than any unit owner. A condo corporation must appoint an engineer or architect to conduct a performance audit of the common elements within six to ten months of the registration of the condominium. After the performance audit, the report needs to be submitted to Tarion before the end of the eleventh month following registration. Submitting the report to Tarion will form the basis for review of any identified deficiencies with the common elements. Failure to send this report to Tarion may cause a condo corporation to jeopardize any common element deficiency claim that is submitted.

6.4 Pre-delivery Inspection

The pre-delivery inspection (PDI) of the condo unit takes place before the buyer takes interim occupancy of the unit. The PDI will be conducted with the developer or an agent for the developer and will involve a walkthrough of the unit. This is an opportunity for the developer to explain how to operate the unit's systems, such as ventilation, plumbing and heating. It also allows the buyer to identify and have the developer document any items that are damaged, missing, incomplete or not working properly in the unit during the PDI.

Once the PDI has finished , the developer must then provide the buyer with a copy of the completed PDI form.

The PDI form is a record of the state of the home before a buyer moves in, so it is important to keep a copy in a safe place. The developer then has an opportunity to correct any deficiencies or issues noted in the PDI form. If a damaged or missing item is noticed that was not noted on the PDI form upon possession, it should be documented (e.g., photo) and reported immediately to the developer. This will help establish a record of the condition at the time of possession. Any items that are not corrected by the date the purchaser takes interim occupancy of the unit would need to be listed on the Initial Form submitted to Tarion, which lists any unresolved warranty items identified during the PDI as well as any new items that have arisen since taking occupancy of the unit. More information on these forms and the warranty process can be found on Tarion's website.

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7. INTRODUCTION TO CONDO LIVING

7.1 The Unit and the Common Elements

Once the condo corporation has been registered and the title of the property has been transferred to the buyer, they are officially an owner. As an owner in a condo corporation, the individual owns their individual unit and collectively shares with all other unit owners the ownership of the common elements.

Common elements may include parking garages, elevators, lobbies, landscaped areas and much more. These typically include structural elements like the walls between the units, exterior doors, plumbing and electrical wiring that runs between units.

7.2 Exclusive Use Common Elements

Certain common elements may be for the exclusive use of a particular condo unit. These are called exclusive use common elements. Condo owners often think that their balcony, patio or terrace is part of their unit boundary, but legally it may be an exclusive use common element of the corporation.

Every condo corporation is unique in how it distinguishes between units and common elements. Refer to the declaration and description for more details.

7.3 Shared Facilities and Services

A condo corporation may share the use of a facility such as a recreational centre, party room, green space, parking lot, driveway or entrance servicing another condo corporation or other neighbouring landowner. The parties involved usually enter into a shared facilities agreement or mutual use agreement that defines how these facilities or services are to be used, repaired, the cost obligations to each party and other responsibilities.

Every shared facilities agreement is different, and condo buyers are advised to review the terms of any shared facilities agreement that their condo corporation has entered into carefully:

- If buying a pre-construction condominium unit, please review the Disclosure Statement that is provided with the purchase agreement. This should include a summary of all the agreements to be entered into by the developer before the turn-over meeting, including any shared facilities agreements
- If buying a resale condominium unit, it is suggested that a status certificate is requested and reviewed from the desired condo corporation. If the condo corporation is party to a shared facilities agreement, they must provide a copy with the status certificate

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8. CONDO CORPORATION GOVERNING DOCUMENTS

Ontario condo corporations have the following governing documents:

1. Declaration

2. By-laws

3. Rules

These governing documents together with the Condo Act outline how the condominium is intended to operate and what owners and residents are allowed to do. The Condo Act and these governing documents must not contradict each other but in the event that they do, the Condo Act will govern, followed by the declaration, the by-laws, and the rules.

All owners, residents, employees of the condo corporation, guests and others must comply with the governing documents and the Condo Act.



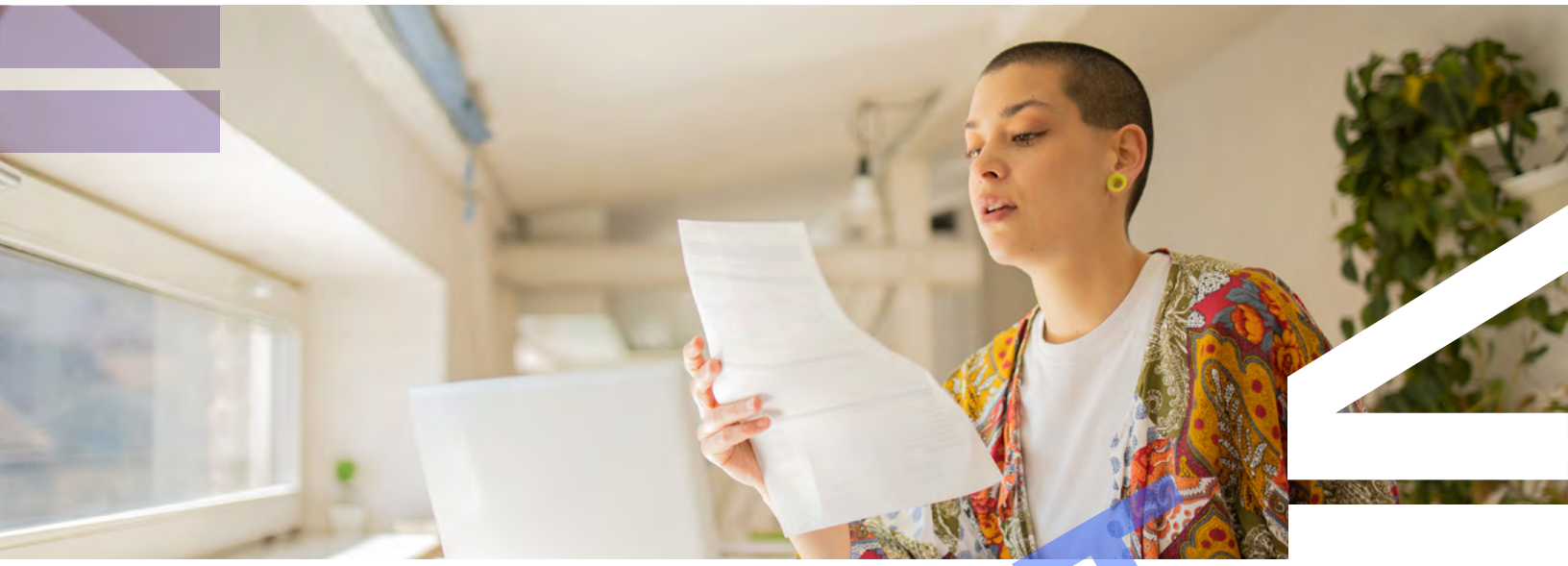
Avoid future issues by reading the governing documents before purchasing a unit, to learn about restrictions and other matters.

The declaration, along with the description, are the two legal documents that are prepared by the developer and registered to create a condo corporation. The declaration includes the following information:

- The proportion and percentage of the common interest allocated to each condo unit
- The percentage of the common expenses that each unit will pay
- The boundaries of the units and common elements
- Which parts of the building are exclusive use common elements, such as balconies
- Any restrictions on the use of units or common elements, including exclusive use common elements
- The division of responsibility between owners and the condo corporation to repair and maintain the units and common elements

To learn more about the declaration visit our website.

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By-laws specify how the corporation will be governed and must be registered with the Land Registry Office. These can be considered to be the condo corporation's administrative guide. They generally focus on governance of the property and how the board carries out their duties, including:

- How directors are elected
- Number of directors on the board
- Quorum thresholds
- Board meeting procedures
- Duties of the board of directors
- How common expenses are collected
- When and how the condo corporation can borrow money

To learn more about by-laws visit our website.

Rules address the day-to-day operation of the condominium. These typically define how the units and common elements can be used as well as the standards of behaviour within the community.

Rules can only:

- Promote the safety, security or welfare of the owners and of the property
- Prevent unreasonable interference with the use and enjoyment of units and the common elements or assets, if any, of the condo corporation

Examples may include:

- Restricting smoking, vaping or growing cannabis
- Setting out hours of operation of facilities
- Restricting short-term rentals
- Setting rules for use of a party room or other amenity

To learn more about rules visit our website.

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9. CONDO GOVERNANCE

9.1 Owner Participation in Condo Governance

Living in a condo unit means that the owner is part of a community that is governed by a set of governing documents, and a board of directors who make decisions in the best interests of all unit owners.

Condo owners are strongly encouraged to get involved in their community by participating in owners' meetings, reviewing financial statements and reading notices and updates from the board of directors or condo manager.

Attending meetings is one of the ways that owners can participate in the governance of the property. Actively participating allows owners to be engaged and have some influence over the governance of the property.

If an owner would like to be more involved in the decisions of the corporation, such as the annual budget or which contractors or companies are hired, they may wish to run for a director position on the board.

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9.2 Board of Directors and Board Responsibilities

The board of directors of a condo corporation is an elected group of individuals who typically volunteer their time and are responsible for managing the affairs of the corporation. They should support a positive, healthy condo community and have a legal duty to ensure that the condo corporation and its assets are properly managed and maintained.

The board's responsibilities include:



Setting the annual budget



Tendering, awarding, and deciding on contracts



Hiring professionals when necessary, such as lawyers and engineers



Hiring and overseeing condo managers, if applicable



Sending legally required notices and generally keeping owners informed



Proposing changes to the governing documents

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A condo board is usually made up of owners in the condo corporation but can include non-owners depending on the corporation's by-laws. Directors usually serve three-year terms but their terms may be shorter depending on a condo corporation's by-laws. Directors must seek re-election if they want to continue as a director after their term expires.

9.3 Duties of Directors and Required Disclosure

Condo board directors are responsible under section 37 (1) of the Condo Act for managing the affairs of the corporation and carrying out their duties with a standard of care defined under the Condo Act.

They must:



Act honestly and in good faith



Use the same care, effort and skill that a reasonable person would use in comparable circumstances

A condo corporation may also have a by-law about a code of ethics dealing with conflicts of interest, confidentiality and standards of behaviour at board meetings.

Board members must also meet disclosure requirements before and during their term. This includes mandatory disclosure requirements under the Condo Act and any requirements in a condo corporation's by-laws.



See section 29 of the Condo Act and section 11.6 of Ontario Regulation 48/01 for more information on candidate disclosure requirements.

These disclosure requirements only apply to owner-elected boards and do not apply to the first board appointed by the developer.

Find out more about ongoing director disclosure by reading the CAO Guide on Governing Condos.

9.4 Election Process

Except for the first board of directors (developer appointed board), directors are elected by owners at a turn-over meeting, Annual General Meeting, an owner-requisitioned meeting or a meeting called specifically for elections. Exceptions exist for instances where a director can be appointed to the board by existing directors to fill a vacancy until the next election.

9.5 Requirements for Being a Director

Director candidates must be individuals who are:

- At least 18 years old
- Not bankrupt
- Not found incapable by any court
- Not found incapable of managing property under certain legislation
- In compliance with the required disclosure obligations

If a candidate fails to meet any of the mandatory criteria, they cannot be elected as a director.

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9.6 Director Training Requirements

All condo board directors must complete CAO mandatory director training within six months of being elected or appointed unless they have completed the training within the previous 7 years.

Directors who do not complete the training within the required time are immediately disqualified from the board and are no longer allowed to participate in any decision-making or governance of the condo corporation.

The CAO's training is available to anyone and provides useful information regarding condo living and condo governance.

> Director training is free on our website.



9.7 Disqualification of a Director

A director is immediately disqualified from the position if they:

- Become bankrupt
- Have been found incapable of managing property under certain legislation
- Have been found incapable by any court
- Have a certificate of lien registered against their unit that is not discharged within 90 days of registration
- Have not completed mandatory director training within the required time
- Have not met the mandatory disclosure obligations

Condo corporations may have additional qualifications and disqualifications for both candidates and directors set out in the corporation's by-laws. Make sure to always check the condo's governing documents.

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9.8 Board Meetings, Owners' Meetings and Quorum

Condo corporations hold owners' meetings and board meetings. The Condo Act requires that a minimum number of participants, known as a quorum, be present at either type of meeting for business related to the condo corporation to be conducted and for voting to take place. Without quorum, voting cannot take place, however discussion on relevant business can still occur.

The majority of directors must be present to meet quorum at a board meeting. For most owners' meetings, owners representing at least 25 per cent of the voting units must be present or have provided a proxy for quorum to be met.

For certain owners' meetings, if quorum is not reached in the first two attempts to hold the meeting, the quorum requirement is reduced to 15 per cent on the third and any subsequent attempts to hold the meeting.

These meetings include annual general meetings, turn-over meetings, any meeting to appoint a new auditor, and any meeting to elect directors. However, condo corporation by-laws can require quorum to be 25 per cent regardless of how many attempts were previously made to hold the meeting.

Owners generally cannot attend board meetings but can and should attend owners' meetings personally or through a proxy.

Here are the most typical condo meetings:

Annual General Meetings are where the board reports on the financial health of the condo corporation to owners, conducts elections for any board vacancies and where owners can discuss other relevant corporation business.

Here is a typical AGM agenda:



- Approval of the previous AGM's minutes
- Review of year-end audited financial reports
- Appointment of the corporation's auditor for the next fiscal year
- Board of directors' report on important topics
- Major upcoming repairs or renovations
- By-law or rule changes
- Election of directors

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Owner-Requisitioned Meetings are meetings that the board is required to call at the request of owners representing at least 15 per cent of the entitled voting units. All owners can attend.

Some examples of why owners may request these meetings are:

- Voting on a proposed rule change
- Discussing an emerging issue like repairs, security, nuisances
- Removing a board director before the expiration of that director's term



Read more in section 46 of the Condo Act or on the CAO's website

Board Meetings are used by board members to manage the affairs of the condo corporation. Owners are not usually entitled to attend unless invited as a guest. The board must have quorum to conduct any condo related business. Quorum for board meetings is the majority of condo board directors, regardless of any current vacancies on the board. For example, if there are three positions on the board, two board members would need to attend the meeting for quorum to be met.

9.9 Voting by Proxy, Electronically or In Person

Condo owners that do not attend owners' meetings can appoint an individual to attend and potentially vote on their behalf. This individual is called a proxy. Proxies may be used whether the meeting is held in-person, electronically or in a hybrid format.

The proxy does not have to be an owner in the condo corporation. Owners can appoint one proxy per condo unit by completing a proxy form and giving it to the proxy. If there is more than one owner of a unit, the proxy represents all owners of the unit.

Owners should speak to their proxy before the meeting and make sure that they follow their condo's specific processes such as submitting a copy of the completed proxy form to the condo corporation before the meeting.



Instructions are available on the CAO website about how to use a proxy form and how a proxy can vote.

In addition to traditional in-person voting, telephonic or electronic voting can be used for the purposes of conducting a vote at an owners' meeting, unless a condo corporation's by-laws restrict or set out other requirements for using these methods. The board of directors will decide in accordance with the by-laws which methods will be used to conduct the owners' meeting.

If the owners' meeting is conducted using an electronic or telephonic platform, there is a requirement that the meeting must allow for owners or proxies entitled to attend to be able to reasonably participate in the meeting.

To learn more about these requirements, please refer to the CAO Guide to Virtual Owners' Meeting.

9.10 Meeting Notices

A condo corporation must follow notice requirements set out in the Condo Act to make owners aware of upcoming owners' meetings. Condo corporations must send a Preliminary Notice of Meeting to owners at least 20 days before a Notice of Meeting must be sent. The Preliminary Notice states the purpose of the meeting and may invite individuals interested in becoming candidates for director positions to notify the board in writing.

A Notice of Meeting must then be sent to owners in writing at least 15 days before the meeting. It must include the date, time, place and the meeting agenda, among other things. Voting cannot occur on items not disclosed in the Notice of Meeting, except for routine procedural items.

If an owner uses an email address to communicate with the condo corporation for any reason, that email address may be used by the corporation to deliver notices to the owner in the future. If an owner wants to update the email address on file or wishes to stop receiving electronic notices all together, they must notify the condo corporation in writing.

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Read more about meeting notices

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9.11 Condo Management Services

Condo corporations may decide to procure condo management services to assist in the day-to-day operations. Condo management services may only be provided by licensed condo managers and management providers under the Condominium Management Services Act, 2015 (CMSA). Condo managers act on behalf of the condo corporation and report to the board of directors.

A condo manager's responsibilities may include:

- Creating and maintaining records for the condo corporation
- Responding to owner complaints
- Coordinating the maintenance and repair of the property
- Hiring and monitoring the performance of contractors or service providers
- Preparing draft annual budgets and monitoring the reserve fund
- Issuing meeting notices
- Organizing board meetings and overseeing administration of owners' meetings

Find out the licensing status of a condo manager or management provider by searching the CMRAO's Public Registry.

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10. INFORMATION CERTIFICATES AND RECORDS

Information Certificates help ensure that condo owners receive important updates about the state of the corporation throughout the year. There are three types:

10.1 Periodic Information Certificate (PIC)

- Sent to all owners within 60 days of the end of the first quarter and 60 days of the end of the third quarter of the corporation's fiscal year
- Includes key information about the condo's board, finances, insurance, reserve fund, legal proceedings and other matters

10.2 Information Certificate Update (ICU)

- Sent to owners if there are key changes before the next scheduled PIC (such as changes in the directors or officers of the condo corporation)
- To be distributed within 30 days of the change

10.3 New Owner Information Certificate (NOIC)

- Sent to new owners within 30 days of them providing written notice to the condo corporation stating their name and their condo unit number
- A NOIC covers the most recent PIC and any subsequent ICUs

10.4 Records Requirements and Process to Request or Examine Records

Condo owners can access certain records so they can learn more about how the condo corporation is managed. Condo corporations must keep these records for the time period required under the Condo Act.

If owners want records, they must request records using a Request for Records form. In their request, owners can also specify if they want to examine the records or request copies and whether they would like electronic or paper copies. Condo corporations must respond within 30 days of receiving a request using the Board Response to Request for Records form.



The records that a condo corporation must keep can be found under section 55 (1) of the Condo Act and 13.1(1) of Ontario Regulation 48/01. The amount of time that these records need to be kept for can be found under section 13.1 (2)-(6) of Ontario Regulation 48/01 of the Condo Act.

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Read more about records, including the process of requesting them and their different retention periods on the CAO's webpage on Corporate Records.

Owners can request access to the following records:



The condo corporation's declaration, by-laws and rules



The financial records of the condo corporation



The minutes from past owners' meetings and board meetings



A copy of the returns or notices of change that the condo corporation has filed with the CAO



All lists, items, records and other documents from the condo corporation's turn-over meeting



A list of the names, unit numbers, and service addresses of the owners of each unit in the condo corporation



All reserve fund studies and plans for future funding



All agreements entered into by the condo corporation or on its behalf



All instruments appointing a proxy or ballots for a meeting of owners that are submitted at the meeting



Other records as specified under the condo corporation's by-laws or the Condo Act and its regulations

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11. CONDO FINANCES

11.1 Reserve Fund

A reserve fund is an account that condo corporations must have which can only be used for major repairs and replacements of common elements and assets of the corporation. Condo corporations must complete periodic reserve fund studies to determine how much money needs to be in the reserve fund. Studies are completed by reserve fund specialists, such as engineers, who complete the study and recommend an estimated amount needed to pay for future planned major repairs or replacements. After the first reserve fund study, condo corporations must complete a reserve fund study at least every 3 years.

Condo buyers and owners should be aware of the corporation's funding plan for the reserve fund. For a pre-construction condo unit, developers must contribute a specified amount to the reserve fund. The proposed amount can be found in the first-year budget included with the Disclosure Statement.

Read more about reserve funds

If purchasing a resale condo unit, requesting a status certificate will disclose the amount in a condo corporation's reserve fund and any plan for future funding. The Notice of Future Funding of the Reserve Fund is a mandatory form that must be used by the condo board to share information about the proposed plan for future funding.

This notice must be sent to owners within 15 days of the board proposing a funding plan.

This notice will contain information regarding reserve fund contribution amounts including:

- A summary of the most recent reserve fund study that was completed
- A summary of the proposed plan for future funding of the reserve fund
- Statements indicating differences between the plan for future funding and the reserve fund study, if any

When the board's proposed reserve fund contribution amounts differ from the recommended amount by the professional, there will be a statement indicating any reasons for this difference in contributions where the board's plan differs from the recommended amount of funding in the reserve fund.

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11.2 Common Expenses

Condo fees (also known as common expenses or maintenance fees) are used for contributions to the reserve fund and operating expenses such as maintaining the common elements. Each owner's share is set out in the condo's declaration.

Owners must pay their share of common expense fees even if they have made a legal claim against the corporation or do not use certain common elements, such as the amenities.

They pay for important goods and services such as:

- Cleaning, garbage, snow removal, landscaping, and security
- Building maintenance (such as elevator repairs)
- Condo management services, legal services
- Insurance
- Where applicable, shared facilities costs

Section 84 (1) of the Condo Act requires all condo unit owners to pay their share of common expenses.



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11.3 How are Common Expenses Calculated?

The condo corporation's declaration will state the proportion of the contribution to the common expenses that each unit is required to pay, expressed as a percentage. This percentage may vary (e.g., depending on the size of the unit). Generally, the amount of the contribution can be calculated by multiplying the condo corporation's annual budget by the owner's proportion(s).

Note: To identify their total common expenses payable, an owner may need to include all of their units in their calculation. This can include parking spaces or storage lockers in addition to the residential unit.

Calculation Example:

- Your corporation has a budget of $1,000 per month
- The declaration states that your unit must contribute 5 per cent in fees
- Therefore, each month, you must pay $1000 x 0.05 = **$50**

The condo board's yearly budget sets out the various annual expenses that are to be paid by owners and the amount each owner needs to contribute. The annual budget will typically increase each year as the needs of the condo corporation change, which would also lead to an increase in the common expenses paid by owners.

Section 56 (1) of the Condo Act also permits condo corporations to pass by-laws governing the assessment and collection of condo fees.

11.4 Liens

A lien under the Condo Act is a legal claim registered against a unit that can be used to secure payment of an amount owed by that unit owner to the condominium for common expenses arrears, special assessments, or other permitted charges.



Section 85 and section 86 of the Condo Act apply to liens

A lien arises on the unit if an owner does not pay their common expenses fees (including any increases and special assessments) on time, which is called a default. The lien is for the unpaid amount, plus interest and all reasonable legal costs and expenses incurred by the condo corporation in its attempt to collect the arrears.

The condo corporation has three months from when the default occurred to register a certificate of lien against the unit, otherwise the lien will expire. At least 10 days' notice must be provided to the unit owner before a lien can be registered on title to that owner's unit.

Condominium liens have priority over most other secured and unsecured debt related to the unit, including mortgages. This is subject to some exceptions.

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11.5 Special Assessments

A special assessment is an extra fee added to an owner's regular condo fees. Condo corporations typically use this money to cover unexpected costs that were not planned for in the yearly budget like fixing emergency damage from flooding or paying for legal costs.

Under section 84 of the Condo Act, owners are required to pay their unit's share of the common expenses, which may include special assessment fees. The portion of the special assessment is calculated using the same percentage used to calculate an owner's regular contribution to the common expenses.

11.6 Chargebacks

A condo corporation's governing documents and the Condo Act may allow or require the corporation to charge back certain costs to an owner if the corporation has incurred costs because of something the owner has done or failed to do. This ensures that other unit owners don't have to pay for costs that an owner is responsible for.

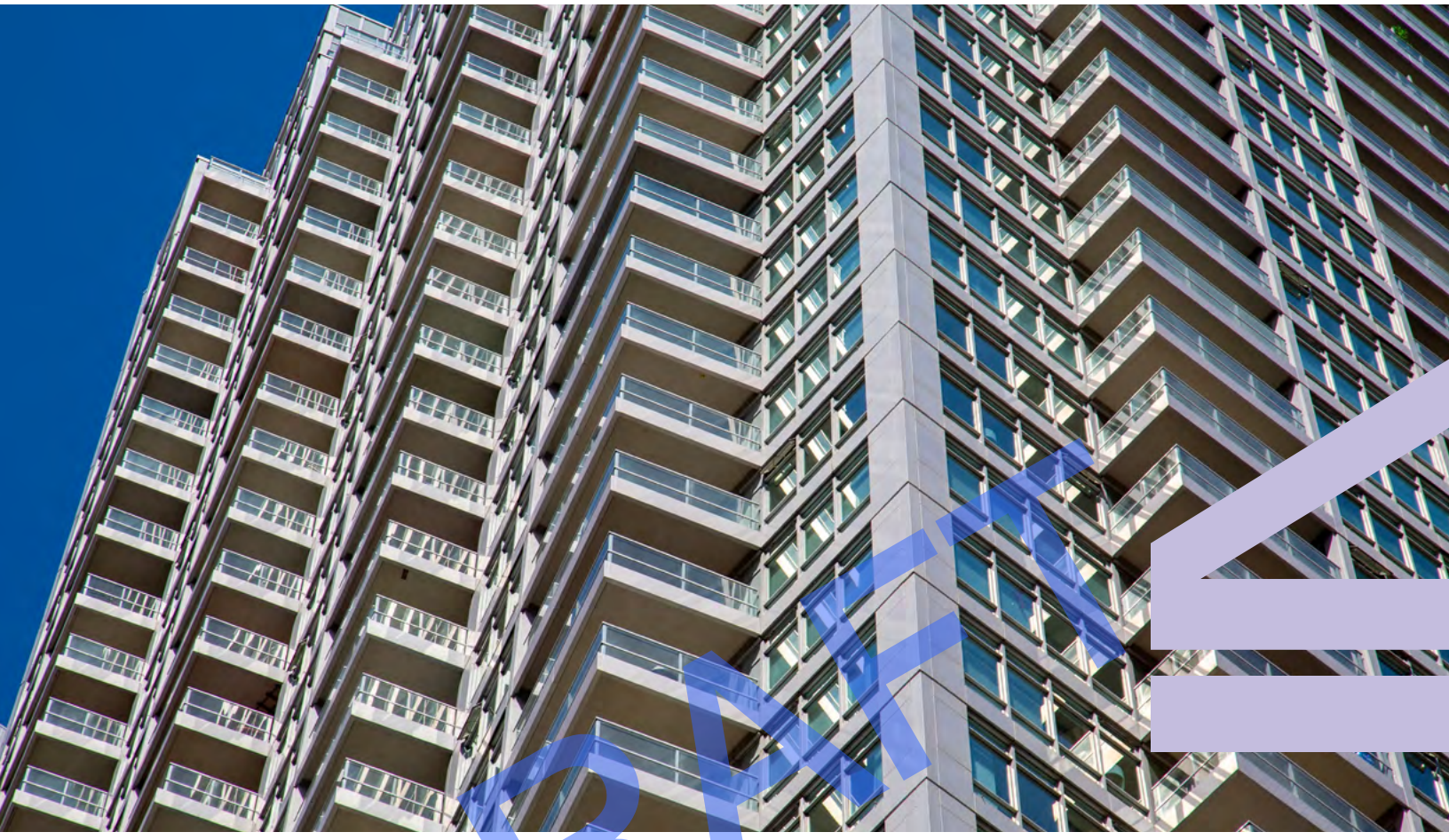
For example, if an owner fails to repair a part of the condo property that is their responsibility, the condo corporation must complete the repair and charge the cost back to the owner by adding it to their condo fees. Condo corporations typically have provisions in their declaration that require owners to repay the condo corporation for certain costs in addition to those allowed by the Condo Act.

If an owner does not pay the chargeback, it would be considered a default in the payment of condo fees, which could result in a lien being placed against the unit.

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For more information about chargebacks, see the CAO website.



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11.7 Condo Corporation Insurance

Condo corporations are required by the Condo Act, and the governing documents, to secure insurance against:

- Damage to units and common elements caused by fire, smoke, lightning, windstorm, hail or other major perils specified in the Condo Act and the condo corporation's declaration and by-laws. Corporations are only responsible for the components of the units that fall under the standard unit definition, which can be found in either the schedule provided by the developer or the corporation's by-laws
- Liability resulting from being the occupier of the common elements
- Liability from the ownership and use of boilers, machinery, pressure vessels and motor vehicles
- Personal liability for directors and officers of the corporation while carrying out their duties, if it is reasonably available or required by the by-laws

Read more about insurance for condo corporations and owners on our website.

11.8 Condo Owner Insurance

The condo corporation's insurance will not cover damage to units beyond the standard unit definition, so owners are strongly encouraged and may be required by the governing documents to obtain their own insurance. Condo owners should review their governing documents to understand their insurance obligations. Owners will typically have insurance policies for the following:

- **Improvements:** Insurance to cover upgrades or improvements to the unit that are not covered by the standard unit definition
- **Unit Contents:** Insurance to cover any personal property, furniture, electronics, household goods, and clothing in the unit or exclusive use common area
- **Third Party Liability:** Liability insurance in the event that the owner causes damage to other units or if someone gets injured in the owner's unit. This is important to have because the corporation's liability insurance only covers the common elements and does not cover the units
- **Deductible and Loss Assessment:** In the event that the owner is required to pay the condo corporation's deductible or repair damage to the common elements and other units
- **Additional Living Expense:** If the owner needs to be moved from their unit until damage is repaired. (Condo corporations are not required to have this type of coverage)
- **Locker/Parking Space/Storage:** Insurance over lockers, parking spaces, and storage

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11.9 Deductibles

Deductibles are payments that insurance policy holders must make before insurance companies release funds to cover claims. Depending on the policy, deductibles can range from a few hundred dollars to tens of thousands. The condo corporation's deductible is considered a common expense which is payable by all owners.

However, an individual owner may sometimes be required to pay for the corporation's deductible, such as if they, their tenants or guests cause damage or are negligent. Make sure to read and understand the corporation's insurance policies and any requirements in the governing documents regarding owners' insurance responsibilities. Owners should speak to an insurance broker to determine whether they should purchase a policy that covers their corporation's deductible as well.

12. REPAIR AND MAINTENANCE OBLIGATIONS

Condo corporations are generally responsible for repairing damage to the common elements and standard unit elements. This obligation to repair does not include any improvements made to units.

Unit owners are generally responsible for maintaining their units including upkeep and repair after normal wear and tear, unless the declaration states otherwise.

Condo corporations are generally responsible for maintaining the common elements such as parking areas, gardens, hallways, elevators, and other amenities, unless the declaration states otherwise.

When it comes to repair and maintenance responsibilities, it is important to review the:

1. **Declaration:** The declaration also clarifies repair and maintenance responsibilities, especially in unclear areas such as plumbing, electrical or areas behind drywall, which should be reviewed with the description to determine whether the area is the unit owner's or the condo corporation's responsibility to repair. It may change the default obligations for maintenance and repair after damage as set out under the Condo Act.

2. **Standard unit definition:** The corporation's by-laws or schedule provided by the developer includes a standard unit definition which details the components of a unit that are the responsibility of the condo corporation to repair and insure. Items that are not included in the standard unit definition are the responsibility of the unit owner.

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See sections 89, 90 and 91 of the Condo Act to learn more about division of responsibilities for repairs and maintenance.

Section 91 of the Condo Act allows condo corporations to alter these repair and maintenance obligations in their declaration by stating that:

- Owners are responsible for repairing their units after damage
- Owners are required to maintain the common elements or parts of them
- Owners are responsible for maintaining and repairing their exclusive use common elements after damage
- The corporation is required to maintain the units or any part of them

If questions around responsibility arise, owners should refer to the condo corporation's declaration.

12.1 Making Changes to the Unit

A condo corporation's declaration, by-laws and rules may contain provisions about making modifications to the unit that might require notification to and approval by the board; restrictions on design, decor, or materials; and restrictions on days or times when renovations are permitted. Owners should make sure to review the governing documents before making changes to the unit. If unsure about whether these changes can be made, please speak with the board, condo manager, or a lawyer.

12.2 Changes to Common Elements by Owners

Changes to the common elements (e.g., exterior walls) by owners generally will require board approval. Section 98 of the Condo Act states that an agreement (often referred to as a section 98 agreement) must be entered into between the condo corporation and the owner where an owner wishes to make changes to common elements that the board is willing to permit. This agreement specifies, for example:

- The allocation of cost of the proposed modification between the unit owner and the condo corporation
- The respective duties and responsibilities of the unit owner and condo corporation for repair after damage, maintenance, and insurance of the modification and any associated costs

The board may approve a proposed modification, and there will be no requirement to provide notice to other owners if the modification is to an exclusive use common element, and the board is satisfied that the modification will not:

- Have an adverse effect on units owned by other owners
- Give rise to any expense to the corporation
- Negatively impact the appearance of buildings on the property
- Affect the structural integrity of buildings
- Contravene the declaration or any prescribed requirements

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12.3 Electric Vehicle Charging Systems

As electric vehicles are becoming more widely used, Electric Vehicle (EV) Charging Systems have grown to be a more integral part of condo living. In 2018, the province established requirements for installing EV Charging Systems in condo buildings that owners and corporations must follow, which can be found under Ontario Regulation 48/01 of the Condo Act.

EV Charging Systems can be installed by the condo corporation or by individual owners. Unit owners should speak to the board or condo managers before taking any steps to install an EV Charging System or associated wiring. Different steps must be followed depending on which installation approach is taken.

If a buyer or owner has or plans on buying an electric vehicle, they should become familiar with the different installation requirements for having a charger installed. Also, buyers may wish to review the Disclosure Statement for a pre-construction condo unit or ask the board or a legal representative to find out if there is or will be existing infrastructure that can be used. For more information, please refer to the CAO Guide on Electric Vehicle Charging Systems.

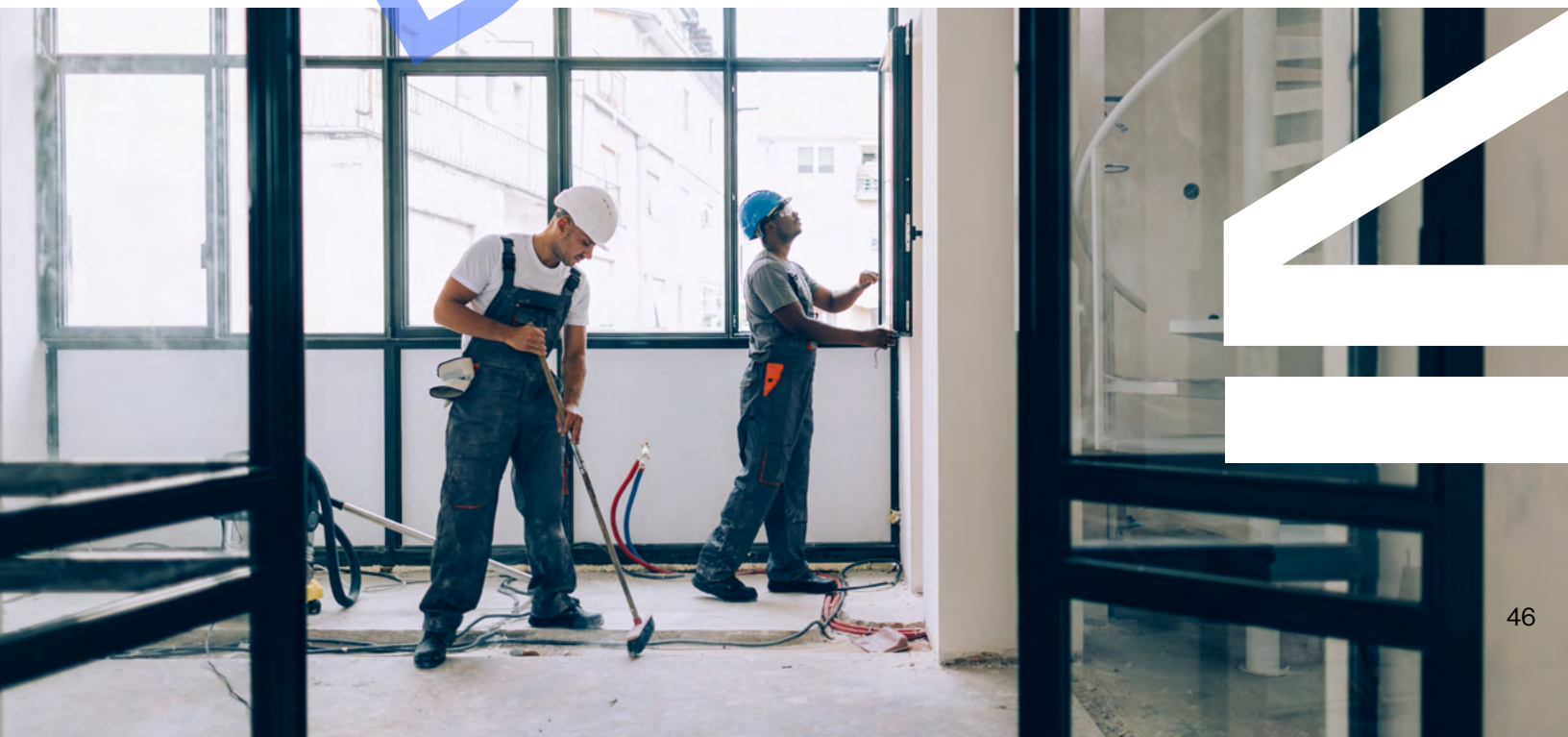
12.4 Right of Entry

Condo corporations or their authorized representatives have the right to enter units after providing reasonable notice to owners to perform various duties, including:

- Repairing and maintaining common elements
- Performing routine inspections on equipment such as smoke alarms
- Ensuring compliance with the Condo Act and the condo corporation's declaration, by-laws and rules

The condo corporation also has the right to enter units in case of an emergency, such as a fire or water leak, without notice. If planning to lease the unit, owners should inform any tenants about this right to enter.

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13. ISSUES AND DISPUTE RESOLUTION

13.1 Raising an Issue with the Condominium Board

Occasionally issues can arise with condo living and there are steps that can be taken to resolve them. Before raising any issues, it is important to review the governing documents to see what restrictions or permissions are set out and what mechanisms may already exist to resolve issues. The following steps can then be considered:

1. **Writing a Letter to the Board**
   Request formal consideration of a concern in writing if there is a condo-related issue that an owner wishes to raise. Provide as much detail as possible about this issue in the letter or email.

> Visit the CAO's Solving Common Issues page for more information on common issues associated with condo living



2. **Reaching out on a Condo Corporation's Virtual or Social Platform (If Applicable)**
   If a condo corporation has an official virtual or social platform and allows owners to send or post messages, the owner could reach out to the condo corporation through that platform. Owners must ensure their message meets the guidelines of the platform, and no private information is shared publicly.

3. **Raising an Issue at the AGM**
   An AGM provides an opportunity to bring up issues regarding the condo corporation and condo business to the board and other owners. As a unit owner, any topic that is relevant to the business of the condo corporation can be raised when new business is discussed at the AGM. Personal grievances like unit specific billing or single unit repairs should not be raised at an AGM.

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4 Requisitioning an Owners' Meeting

If the statutory requirements are met, an owner may requisition, also known as request, an owners' meeting to discuss certain issues such as:

- The removal and replacement of a director before the expiry of that director's term
- A proposed new rule or change or repeal of an existing rule
- The discussion of any emerging issue or board decision that impacts the condo community

> Use our smart form to requisition a meeting

5 Seek Legal Advice

If a particular issue cannot be resolved through any of the above options, an owner may wish to consider seeking legal advice from a lawyer or paralegal familiar with condo law. Names of lawyers or paralegals may be obtained from the Law Society of Ontario Referral Service. They may provide a free consultation of up to 30 minutes. Owners can also visit our Legal Resources webpage for more information.



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13.2 Mediation, Arbitration and Compliance Orders

Condo corporations may have provisions in their declaration or by-laws establishing a procedure for resolving certain disputes and compliance. Section 132 of the Condo Act also requires that certain disputes (outside the CAT's jurisdiction) between an owner and the condo corporation must be sent to mediation or arbitration first in an attempt to resolve the dispute.

13.3 Condominium Management Regulatory Authority of Ontario

The CMRAO is a not-for-profit corporation that is responsible for regulating condo managers and condo management provider businesses and for administering the CMSA.

The CMRAO:

- Ensures that condo managers and condo management companies are licensed, meet education standards and comply with a code of ethics, among other requirements
- Maintains a registry of licensed condo managers and condo management providers
- Promotes awareness of the condo management regulatory system and enforces compliance with the CMSA

13.4 Handling Complaints about Condo Managers

If an owner believes that their condo manager or management service provider is in violation of the CMSA, including the Code of Ethics, they can submit a complaint to the CMRAO. If the registrar of the CMRAO receives a complaint about a licensee, they may:

- Attempt to mediate or resolve the complaint
- Give the licensee a written warning
- Require the licensee take further educational courses
- Refer the matter to the discipline committee
- Propose to suspend, revoke or add conditions to a licence
- Propose to refuse to renew a licence
- Take further action as appropriate under the CMSA



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13.5 Formal Compliance Mechanisms

1. **Responsibility to Comply with the Condo Act**
All condo corporations, owners, directors, officers, employees, mortgagees, developers and occupants are required to comply with the Condo Act and the condo corporation's governing documents.

   Condo corporations must ensure that owners, residents (e.g., tenants), agents and employees of a condo corporation comply with the Condo Act and the condo corporation's governing documents.

   It is up to each owner to make sure that any occupants or visitors comply with the Condo Act and the condo corporation's governing documents.

2. **Superior Court of Justice**
Certain compliance disputes may be resolved through an application to the Superior Court of Justice, including if the mediation and arbitration process has failed to solve the issue. Condo corporations, owners, occupants of a proposed unit, and developers can all make an application for compliance with any part of the Condo Act, declaration, by-laws or rules. More information on this can be found in section 134 of the Condo Act. However, owners are encouraged to consult a lawyer or paralegal if considering any legal action.

3. **Offences Under the Condo Act**
The CAO is empowered to pursue compliance against condo corporations who fail to meet certain responsibilities under the Condo Act by issuing Registrar's Certificates, Compliance Orders, and pursuing offences under the Provincial Offences Act.

   Under the Condo Act, condo corporations must file returns and notices of change and pay assessment fees to the CAO. Section 136.2 states that it is a provincial offence for a corporation to fail to meet these obligations to the CAO.

   Section 136.1 and section 137 of the Condo Act set out further provincial offences for other provisions of the Condo Act.

   Anyone who is considering commencing a proceeding with the Provincial Offences Court regarding an offence under section 136.1, section 136.2, or section 137 of the Condo Act is encouraged to consult a lawyer or paralegal.

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14. THE CONDOMINIUM AUTHORITY OF ONTARIO

The Condominium Authority of Ontario (CAO) is a not-for-profit organization mandated to support condo living and enhance consumer protection for condo communities. It plays a vital role in Ontario's condo ecosystem by providing cost-effective, accessible and digital resources in English and French within the three pillars of our mandate.

INFORMATION

- Helpful condo living tips and tools
- Condo forms and templates
- Condo returns
- Searchable Condo Registry

EDUCATION

- Free mandatory director training on key topics like governance, finance and more
- Best practice guides

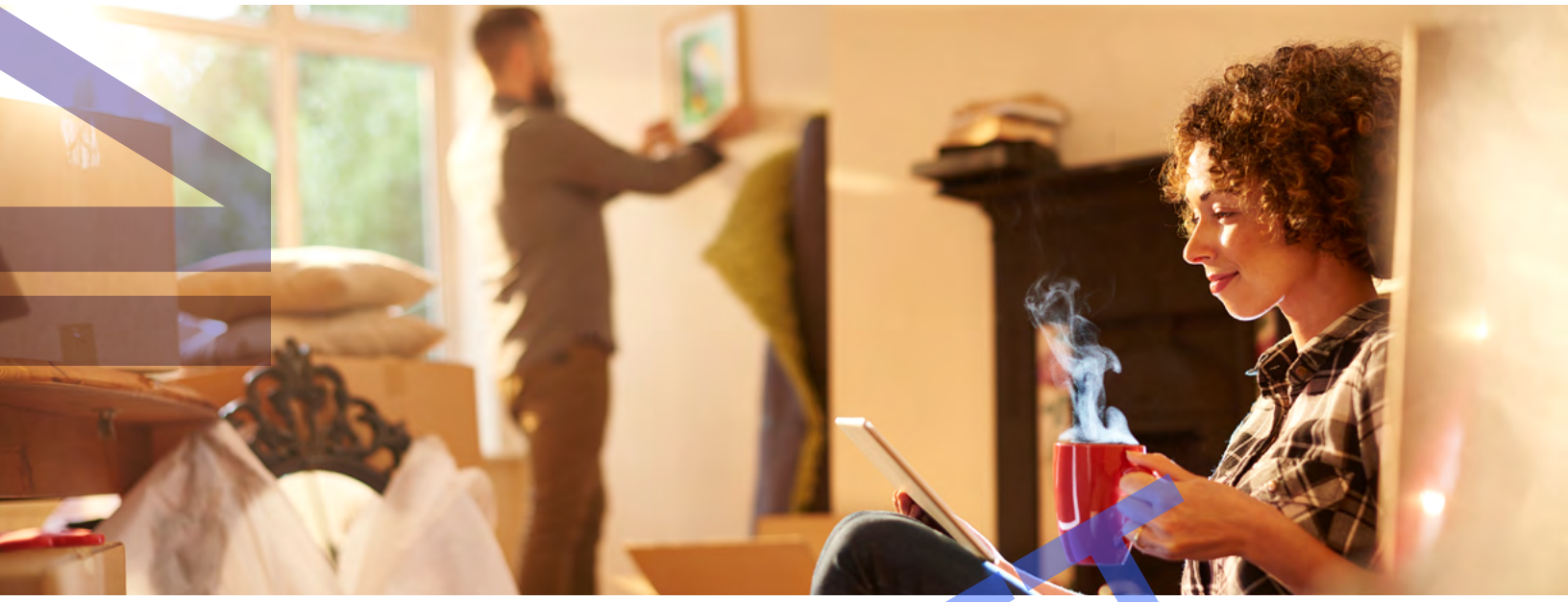
DISPUTE RESOLUTION

Integrated online dispute resolution through:

- Guided steps to help resolve common issues early
- Condominium Authority Tribunal

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14.1 Role of the CAO

The CAO is dedicated to supporting harmonious condo living and has developed many helpful resources that are available on our website for use by all condo communities across Ontario. This includes numerous additional guides, a Condo Calendar Tool, Condo Forms and guided steps and sample letter templates for common issues.

The CAO is responsible for designing and administering the mandatory director training program for all condo board directors in Ontario. The training is available free of charge, accessible online at all times and can be taken by anyone at their own pace. It contains useful information that everyone should know when buying or living in a condo unit.

The CAO is mandated to provide an online dispute resolution service through the Condominium Authority Tribunal (CAT), which adjudicates certain condo disputes. The CAT is dedicated to helping condo owners and corporations resolve disputes conveniently, quickly and affordably. For more details about the CAT, its jurisdiction and the online process, owners can read more here on our website.

The CAO is also mandated to protect condo consumers and support condo corporations by ensuring that they comply with their legal obligations under the Condo Act. The CAO uses several strategies including proactive advance reminders, escalating notices and legislative measures, such as Registrar's Certificates and Compliance Orders to help condo corporations understand and comply with these obligations. Condo buyers, owners and the general public can find out if a corporation has outstanding compliance issues by searching the CAO's Condo Registry.

In addition, condo buyers, owners and residents can get support by speaking with one of CAO's highly skilled information services team members or by emailing a question using the Contact Us page on the CAO's website. The CAO encourages everyone to continuously visit the website and use the helpful resources to assist you in navigating your condo living journey.

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14.2 The Condominium Authority Tribunal

Certain disputes may be resolved through an application to the Condominium Authority Tribunal (CAT). The CAT can hear issues related to certain condo nuisances, governing document issues, records and more. Refer to our tribunal webpage for more information.

The Tribunal's process begins when an applicant files a case through the Tribunal's online system. The CAO's Information and Tribunal Analysts review each case when it is filed to identify any potential issues with the application and will advise the applicant how they can be resolved. Once the Tribunal accepts the case, the other parties must join through the Tribunal's online system. Once they do, it will proceed through the Tribunal's three-stage dispute resolution process:

Stage 1 – Negotiation



The applicant files the case and must pay an initial $25 fee.

Negotiation begins as soon as all of the parties join the case.

Important Note: If a respondent does not join the case, the case may proceed directly to Stage 3 – Adjudication. You should join the case as soon as possible after receiving a notice if you are a respondent or intervenor. An order may be made without your participation if you do not join.

Stage 2 – Mediation



If the parties cannot resolve the issues in Stage 1, the applicant can decide when to move to Stage 2 – Mediation. The applicant pays the $50 fee and a Tribunal Member is assigned to the case as a Mediator.

Stage 3 – Adjudication



If the parties cannot resolve the issues in Stage 2, the Tribunal Mediator can allow the applicant move the case to Stage 3 – Adjudication. The applicant pays the $125 fee and a new Tribunal Member is assigned to conduct the hearing as an Adjudicator.

Review the CAO's Steps to Solve Issues pages here before filing an application with the Tribunal.

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APPENDIX A: PRE-CONSTRUCTION CHECKLIST

How to use this Checklist

This checklist provides a series of questions that you as a buyer should ask yourself before and during the purchasing process of a pre-construction condo unit. You should strongly consider the factors below and how your answers to these questions might impact your decision about purchasing a condo unit and if condo living is meant for you. If you need an explanation or more information about what certain documents are, some hyperlinks have been provided to specific areas of this Guide. Alternatively, you can use the table of contents to find the information that you are looking for. To access a printer friendly version of this checklist to inform the purchase process, please visit the CAO's website.

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☑ Important Questions to Ask Yourself

☑ Is my developer licensed and do I have a warranty?

Making sure your developer is licensed and knowing about your warranty coverage is an important step that a buyer should consider:

- Anyone building or selling a new home in Ontario is required to hold a licence to do so with the HCRA
- Ensuring that you have warranty protection through Tarion for any deposits and payments (up to $20,000) made to developers. You must receive proof that the funds are in trust from your developer
- Ensuring that your new home is covered under warranties and protections by the developer through Tarion

You can use the Ontario Builder Directory on the HCRA's website to confirm whether the developer is licensed.

☑ Have I considered all the financial implications of purchasing the unit?

In addition to the purchase price, have you considered the additional costs of buying a condo unit?

- Closing costs (lawyer fees, land transfer tax, other administrative fees)
- The condo fees that you will be expected to pay which can be found in the first-year budget included in the Disclosure Statement.

Depending on your specific circumstances (first time home buyer) there may be certain incentives or financial options available to you. It is recommended to consult with a financial advisor, financial institution, or realtor before looking to purchase.

✓ Have I considered all the longer-term costs associated with owning a condo unit?

There are additional costs associated with owning a condo unit that you should be aware of, including:

- Increasing condo fees
- Potential special assessments
- Property taxes
- Interest and mortgage rates

✓ Do I have qualified professionals to help me?

Finding the right lawyer and real estate agent to assist you in buying a condo unit is important. When looking to find these professionals there are some factors to consider as a buyer:

- Make sure that these professionals understand your specific needs and timelines as a buyer
- Before choosing any professional, make sure you do your homework including looking at reviews and making sure they are licensed and are in good standing and have the experience you need for your purchase

✓ Have I reviewed the governing documents (declaration, by-laws, rules)?

All residents in the condo corporation must abide by the governing documents. Make sure to review these carefully before you buy to be sure that you agree with how this corporation regulates itself. For example, you want to ensure the condo allows your pet, if you have one.

✓ Does the condo corporation have the amenities I want?

What amenities currently exist or will be offered by the condo corporation? Remember you must pay all common expenses regardless of whether or not you use the amenities.

✓ Does the location of the condo corporation make sense for me?

Choosing a condo unit that suits your needs is an important aspect of deciding where you want to live. You should consider some of the following:

- How long will it take to commute to work?
- How accessible are stores, healthcare services, and other service providers?
- Which public schools are zoned to the condominium?
- What are or will be the transportation or infrastructure options (sidewalks, highways, public transportation) available?
- How will the daily activities in the neighbourhood impact your lifestyle, including any construction or revitalization projects?
- Where is the unit located in connection to community facilities like a gym or garbage and recycling area? Consider both convenience and potential noise for your lifestyle.

Additionally, location may impact the amount of noise that you experience. Choosing a condo unit in a densely built urban area may lead you to experience much more noise than a condo unit that is in a suburban or rural area.

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What kind of condo corporation do I want to live in?

There are various kinds of condo units that are available to purchase, including those that are townhouses and in low-rise buildings. It is important to consider the privacy that is offered by the unit, the communal aspect of living in close proximity and sharing common elements. Buyers should consider what kind of condo corporation is best suited for them.

Do I have adequate insurance coverage?

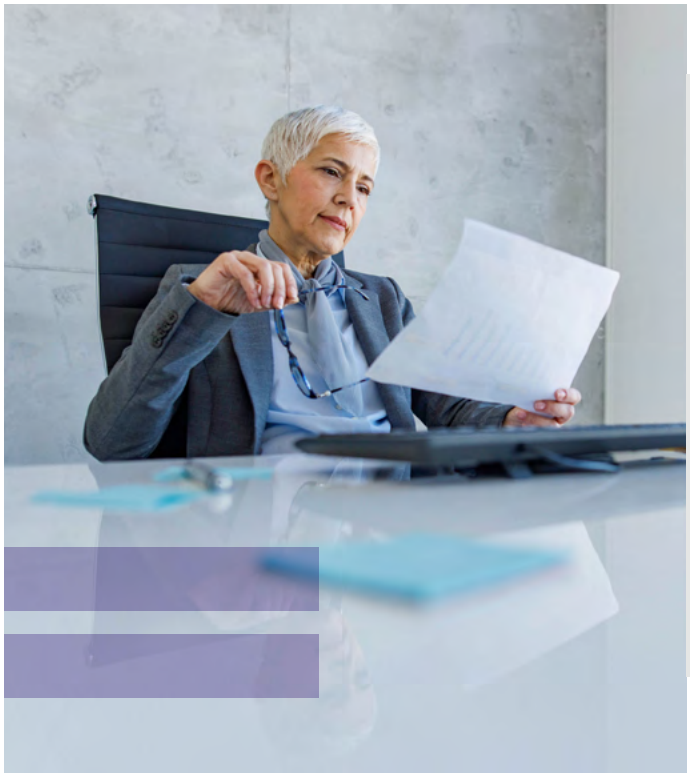
Speak with a licensed insurance agent or broker, explaining the needs that you have, the types of coverage you are interested in, and the cost of carrying these policies. Remember! You can talk to multiple insurance providers or bundle insurance policies together to try to reduce the cost.

Have I reviewed these three important documents in the agreement of purchase and sale?

- **Pre-construction agreement of purchase and sale** (also known as the purchase agreement)
  - Contains important information about you and your developer's rights and obligations, as well as important information about the unit and construction project
  - The agreement of purchase and sale must be provided with the HCRA Information Sheet, the Addendum to the Agreement of Purchase and Sale and the Tarion Warranty Information Sheet. The Disclosure Statement and CAO Condo Buyers' Guide can be provided separately or included with the other documents.
- **Disclosure Statement** – Contains information about the condo's governing documents, a summary of agreements the condo has or will enter into, a copy of the corporation's budget, and more
- **CAO Condo Buyers' Guide** – This Guide must be provided to you as a buyer of a pre-construction condo unit by the developer and your purchase agreement is not binding until you receive the Guide.
- Your 10-day cooling-off period starts when you receive all three of these documents

Have I reviewed any shared facilities agreements?

If your condo corporation is party to any shared facilities agreements, they are important to review because they may impact costs and how you interact with certain spaces in your condo community. These should be referenced in the Disclosure Statement you receive, if applicable.



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APPENDIX B: RESALE CONDO CHECKLIST

How to use this Checklist

This checklist provides a series of questions that you as a buyer should ask yourself before and during the purchasing process of a resale condo unit. You should strongly consider the factors below and how your answers to these questions might impact your decision about purchasing a condo unit and if condo living is meant for you. If you need an explanation or more information about what certain documents are, some hyperlinks have been provided to specific areas of this Guide. Alternatively, you can use the table of contents to find the information that you are looking for. To access a printer friendly version of this checklist to inform the purchase process, please visit the CAO's website.

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☑ Important Questions to Ask Yourself

☑ Do I have qualified professionals to help me?

Finding the right lawyer and real estate agent to assist you in buying a condo unit is important. When looking to find these professionals there are some factors to consider as a buyer:

- Make sure that these professionals understand your specific needs and timelines as a buyer
- Before choosing any professional, make sure you do your homework including looking at reviews and making sure they are licensed and are in good standing and have the required experience

☑ Have I requested and reviewed a status certificate?

Condo corporations cannot charge more than $100 inclusive of taxes for these and must provide them within 10 days of payment. The status certificate will contain copies of the governing documents, budget for the current fiscal year, a statement on the most recent reserve fund study, information about condo fees, proof of insurance for each current policy, if any special assessments have or will be levied, if the corporation is party to any litigation and more. Status certificates reflect this information as of the day they are issued, so it can be important to make sure the status certificate you review is current.

✓ Have I reviewed the corporation's legal proceedings?

In addition to reviewing the information regarding any outstanding judgements and legal proceedings contained in a status certificate, buyers are also encouraged to use resources such as:

- The CAT's Tribunal Decisions and Orders page
- Canadian Legal Information Institute (CanLII)

These resources can help buyers be more informed about the legal proceedings that a condo corporation has been engaged in. While these will not necessarily disclose all legal proceedings, they can provide insight into the types of disputes occurring in the condo corporation.

✓ Have I considered all the financial implications of purchasing the unit?

In addition to the purchase price, have you considered the additional costs of buying a condo unit?

- Closing costs (lawyer fees, land transfer tax, other administrative fees)
- The condo fees that you will be expected to pay can be found in the status certificate.

Depending on your specific circumstances (e.g., first time buyer) there may be certain incentives or financial options available to you. It is recommended to consult with a financial advisor, financial institution, or realtor before looking to purchase.

✓ Have I considered all the longer-term costs associated with owning a condo unit?

There are additional costs associated with owning a condo unit that you should be aware of, including:

- Increasing condo fees
- Potential special assessments
- Property taxes
- Interest and mortgage rates

✓ Have I reviewed the governing documents (declaration, by-laws and rules)?

All residents in the condo corporation must abide by the declaration, by-laws and rules. Make sure to review these before you buy to be sure that you agree with how this corporation regulates itself. For example, you want to ensure the condo allows your pet, if you have one.

✓ Does the condo corporation have the amenities I want?

What amenities currently exist or will be offered by the condo corporation? Are you planning on using some or all the amenities? Remember your common expenses fees will be used to pay for these spaces, even if you don't use them.

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✓ Does the location of the condo corporation make sense for me?

Choosing a condo unit that suits your needs is an important aspect of deciding where you want to live. You should consider some of the following:

- How long will it take to commute to work?
- How accessible are stores, healthcare services, and other service providers?
- Which public schools are zoned to the condominium?
- What are or will be the transportation or infrastructure options (sidewalks, highways, public transportation) available?
- How will the daily activities in the neighbourhood impact your lifestyle, including any construction or revitalization projects?
- Where is the unit located in connection to community facilities like a gym or garbage and recycling area? Consider both convenience and potential noise for your lifestyle.

Additionally, location may impact the amount of noise that you experience. Choosing a condo unit in a densely built urban area may lead you to experience much more noise than a condo unit that is in a sub-urban or rural area.

✓ What kind of condo corporation do I want to live in?

There are various kinds of condo units that are available to purchase, including those that are townhouses and in low-rise buildings. It is important to consider the privacy that is offered by the unit, the communal aspect of living in close proximity and sharing common elements. Buyers should consider what kind of condo corporation is best suited for them.

✓ Do I have adequate insurance coverage?

Speak with a licensed insurance agent or broker, explaining the needs that you have, the types of coverage you are interested in, and the cost of carrying these policies. Remember! You can talk to multiple insurance providers or bundle insurance policies together to try to reduce the cost.

✓ Does the condo corporation have a healthy reserve fund?

Condo corporations are required by law to keep a reserve fund, which they must use only to make major repairs and replacement to the common elements and assets like hallways, elevators, piping. Buyers should understand how the corporation plans to address those repairs and replacements and what the amount of funding in the reserve fund is. Condo owners are ultimately responsible for the corporation's financial and physical health and are advised to review the status certificate for this information.

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✓ Have I reviewed any shared facilities agreements?

If your condo corporation is party to any shared facilities agreements, they are important to review because they may impact costs and how you interact with certain spaces in your desired condo community. These should be included in the status certificate you receive, if applicable.

✓ Have I reviewed the repair and maintenance responsibilities?

Repair and maintenance responsibilities vary by condo corporation, as they depend on the Condo Act and the governing documents. The condo corporation is generally responsible for repairs and maintenance to the common elements as well as repairs to standard unit elements. Owners are generally responsible for maintaining their units including upkeep and repair after normal wear and tear.

However, the Condo Act allows condo corporations to alter these responsibilities in the declaration. Review your corporation's governing documents for clarification on the repair and maintenance responsibilities, including unit boundaries and standard unit definition.

✓ Do I still have coverage under the New Home Warranty Plan?

A re-sale condo unit that you purchase may still have warranty coverage. The longest statutory warranty coverage is for seven years, with a maximum coverage of $300,000. To find out if your home is still covered you can visit Tarion's website or contact them by calling (toll free) 1-877-982-7466 or emailing CustomerService@Tarion.com.

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GLOSSARY OF KEY TERMS

Addendum to the Agreement of Purchase and Sale: Must be attached to the purchase agreement. Contains the delayed occupancy warranty provided by the developer as well as an official Statement of Critical Dates outlining when the unit will be ready for occupancy along with conditions for extension of Critical Dates and early termination. The Addendum to the Agreement of Purchase and Sale prevails over the purchase agreement and any other attachments if inconsistencies are found.

Agreement of Purchase and Sale (Purchase Agreement): The Agreement of Purchase and Sale contains important information about your rights and obligations as a condo buyer, the builder's rights and obligations as the seller (as applicable), the unit, and the condo construction project.

Annual General Meeting (AGM): Annual owners' meeting where the board of directors presents to the owners on the financial health of the condo corporation and other business.

Board Meetings: Meetings attended by board members to manage the affairs of the condo corporation.

By-laws: By-laws are part of the condo corporation governing documents. By-laws govern how a condo corporation operates. By-laws can cover topics such as the size of your condo board, the process for electing directors, and the format of board meetings. By-laws must be consistent with the declaration and the Condo Act as well as reasonable.

Chargebacks: Charges that are added to the amount of a unit owner's common expense fees. This may happen, for example, due to a condo corporation handling an owner's maintenance obligations or where a condo corporation incurs certain court costs in a legal proceeding against an owner to enforce compliance.

Common Elements: All condo property except the units and assets.

Common Elements Condominium Corporation: A condo corporation that creates common elements but does not divide the land into units. Owners purchase land tied to part of a common element condo corporation in which they also have an ownership interest (such as a shared road, ski hill or golf course) and pay common expense fees.

Common Expenses: The amount of money that an owner contributes in the proportions specified in the declaration, also known as condo fees or maintenance fees. These go towards paying expenses (operating and reserve), including for, among other things, the maintenance and upkeep of the condo corporation's common elements.

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Common Terms for "Developer": For ease of reference, this Guide uses the term developer when referring to the legal obligations that declarants, vendors, and builders have during the pre-construction purchasing process.

Condo Corporation: A legal entity that comes into existence when a declaration and description are registered with the Land Registry Office. All units and common elements are part of a condominium corporation, and condominium corporations are governed by boards of directors on behalf of owners.

Condo Manager: An individual licensed by the Condominium Management Regulatory Authority of Ontario who is hired by a condo corporation to oversee a condo corporation's day-to-day operations. Condo managers are accountable to the board of directors of the condo corporation.

Condominium Act, 1998 (Condo Act): Condominium Act, 1998 is provincial legislation that governs aspects of condo ownership, living, governance and operations in Ontario.

Condominium Authority Tribunal (CAT): an online tribunal administered by the Condominium Authority of Ontario that is authorized to resolve certain disputes primarily between condo corporations and owners.

Condominium Management Services Act, 2015 (CMSA): The CMSA provides a framework for regulating condo managers and condo management providers and requires that they be licensed to provide condo management services in Ontario.

Cooling Off Period: 10-day period within which buyers of pre-construction condos have the right to rescind, or cancel, a purchase agreement they have signed, for any reason whatsoever. Begins on the later of the date the buyer received the Disclosure Statement, a copy of CAO Condo Buyers' Guide, and the copy of the Agreement of Purchase and Sale.

Declarant vs. Vendor vs. Builder: Declarants are individuals or business entities that own the land upon which the condo corporation will be constructed. The word vendor appears in the agreement of purchase and sale and is the person or company that will sell the condo unit that is being purchased. A builder will construct the unit and together with the vendor, provide the required warranties associated with the new home. **It is possible that the same individual or entity may be all three or both the vendor and builder**.

Declaration: Governing document that contains important information about the condo corporation, such as the percentage that the unit owner must contribute to the common expenses and a breakdown of the responsibilities for repairing and maintaining the units and common elements.

Delayed Occupancy: When a unit buyer is unable to take possession of the new residential unit by the firm or outside occupancy dates contained in the Addendum to Agreement of Purchase and Sale.

Description: The description defines the units and the common elements and specifies the boundaries between them.

Developer-Controlled Board: A condo corporation board including directors appointed by the declarant (the developer).

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Directors: The individuals who are appointed or elected to manage the affairs of the condo corporation. Directors are responsible for making important decisions and serve for terms of up to three years.

Director Training: Training program provided by the Condominium Authority of Ontario. All condo directors appointed, elected, or re-elected on or after November 1, 2017, are required to complete the training program within six months of their appointment, election, or re-election. Directors do not have to take the training if they have completed the program within the previous seven years.

Disclosure Statement: A document that your developer must provide when you purchase your unit from them or someone benefiting them, and which includes important information about your unit and the condo corporation (proposed or registered).

Exclusive Use Common Elements: Common elements that specific unit owners/occupiers have exclusive use of, such as a balcony connected directly to a single unit.

Governing Documents: A condo corporation's declaration, by-laws, and rules. These governing documents together with the Condo Act outline how the condominium is intended to operate and what owners and residents are allowed to do.

Information Certificates: Information Certificates help to ensure that owners receive ongoing information about their condo corporation throughout the year. There are three types: Periodic Information Certificates, Information Certificate Updates, and New Owner Information Certificates.

Information Certificate Update (ICU): Information certificates which include information on certain key changes before the next scheduled Periodic Information Certificate (such as changes in the directors or officers of the condo corporation). These are to be distributed within 30 days of the change.

Interim Occupancy: When a buyer takes occupancy of their unit before the condo corporation has been registered with the Land Registry Office and before ownership is transferred to the buyer. The duration of the interim occupancy is called the interim occupancy period, and during that period the buyer is required to pay occupancy fees. The buyer can move into the unit during this period but is not required to.

Interim Occupancy Fee: The amount that a buyer is required to pay the developer during the interim occupancy period.

New Owner Information Certificate (NOIC): Information certificates which are sent to new owners within 30 days after the new owner provides written notice stating their name and the unit that they own in the condo corporation.

Notices: Notices are documents containing information that an individual is entitled to receive as a unit owner. Notices will be delivered to you in either hardcopy or digitally.

Owners' Meetings: Meetings which all owners are invited to. Includes annual general meetings, owner-requisitioned meetings, turn-over meetings, and meetings called by the board regarding the transaction of any condo business.

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Owner-Requisitioned Meetings: Meetings requested by the owners to discuss/vote on a specific topic, such as the removal of a director or voting on a rule proposed by the board of directors.

Parcel of Tied Land (POTL): Property that is tied to a shared property interest in a common elements condo corporation. Purchasing a POTL means you are buying a share in a common elements condo.

Periodic Information Certificate (PIC): Information certificates which focus on the condo corporation's board, finances, insurance, reserve fund, legal proceedings, and other matters.

Phased Condominium Corporation: A condominium that is built and registered in phases. Once the construction is complete, it becomes a standard condominium.

Proxy: If an owner cannot attend an owners' meeting, they can appoint anyone to attend and act on their behalf at the meeting. This individual is known as a proxy and can attend and potentially vote at the meeting based on the instructions provided by the owner or other proxy giver.

Proxy Form: A legally required form that allows an individual known as a proxy to be appointed to attend a meeting on behalf of an owner or other proxy giver who cannot attend. The required proxy form can be found on the CAO's website.

Quorum (Board Meetings): The law requires that a majority of directors be present at a board meeting, regardless of any vacancy on the board. Without quorum, the board of directors cannot meet to conduct business of the condo corporation.

Quorum (Owners' Meetings): The law requires that a minimum number of owners be present at an owners' meeting either in person, by proxy, or electronically or telephonically. Without quorum, voting cannot take place, however discussion on relevant business is still permitted.

Records: The Condo Act requires all condo corporations keep adequate records. Current owners, purchasers and mortgagees are entitled to request access to, or copies of, their condominium corporation's records with some restrictions.

Reserve Fund: A fund condo corporations save and use to handle the larger financial burdens, for major repair or replacements of common elements and assets as needed.

Reserve Fund Study: Determines how much money needs to be in the reserve fund to ensure the major repairs/replacements can be paid for in the future. The reserve fund study must be prepared by a specialist, like an engineer. The board of directors approves the study, then informs owners of the results of the study.

Rules: Rules are part of the condo corporation's governing documents. Rules exist for the protection of those living in the condo corporation as well as the protection of the assets of the condo corporation itself, and to prevent unreasonable interference with the use and enjoyment of the units, common elements, and assets of the condo corporation. Rules must be consistent with the Condo Act and the declaration and by-laws of the condo corporation as well as be reasonable.

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Special Assessment: An extra one-time charge added on top of an owner's common expense fees.

Standard Condominium Corporation: The most common type of condo corporation in Ontario, where the condo corporation is made up of units and common elements.

Statement of Critical Dates: The Statement of Critical Dates can be found in the Addendum to Agreement of Purchase and Sale. The Statement contains the dates you can expect to take occupancy of your unit, as well as other important information.

Status Certificate: A document that anyone can request from a condo corporation and which contains important information about the unit and condo corporation.

Tarion Warranty Information Sheet: Must be attached to the purchase agreement. Outlines key information about the warranty buyers are entitled to if the unit has defects. It also includes information about Tarion, deposit protection, delayed occupancy coverage, warranty exclusions, construction performance guidelines, common elements warranties and pre-delivery inspections of the unit.

Turn-Over Date: This is the date when the turn-over meeting will be held by the developer-controlled board and important documents will begin to be transferred to the newly elected board of directors.

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Turn-Over Meeting: The meeting held by the developer-controlled board within 42 days of the developer ceasing to own a majority of the units. At this meeting, the owners will elect a new board and the developer-controlled board will turn over several items to the new owner- elected board.

Unit: A condo unit is the property owned by one or more owners. There are different types of units including residential, commercial, storage, parking spaces and others. The specific details and boundaries of a condo corporation's units can be found in a corporation's declaration and description.

Vacant Land Condominium Corporation: A type of condo corporation in which the units may be vacant lots at the time of purchase, and the condo corporation may resemble a subdivision. Common elements are often things such as roadways, sewer systems, and amenities such as parks or recreation facilities.

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CAO Contact

Message us through our website or call Monday-Friday 9:00 a.m. - 5:00 p.m.

CAO Local – 416-901-9356
CAO Toll Free – 844-880-5341

TTY (telephone device for the hearing impaired)

Bell Relay Service

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