THIS AGREEMENT made this 11th day of January, 2007

BETWEEN:

TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1824,
a corporation incorporated pursuant to the laws of the Province of Ontario

(hereinafter referred to as **"Davenport Village Condominium"**)

OF THE FIRST PART

- and -

DAVLAN CONSTRUCTION CORPORATION,
a corporation incorporated pursuant to the laws of the Province of Ontario

(hereinafter referred to as **"Davlan"**)

OF THE SECOND PART

-and-

EMSATEC CANADA INC.,
a corporation incorporated pursuant to the laws of Canada

(hereinafter referred to as **"Emsatec"**)

OF THE THIRD PART

WHEREAS the declaration of Davenport Village Condominium has been registered in the Land Registry Office for the Land Titles Division of the Toronto Registry office (No. 66) as Instrument No. AT1342040 registered December 27, 2006 creating the plan legally known as Toronto Standard Condominium Plan No. 1824;

AND WHEREAS Davlan or related companies, intend to develop, construct and register as declarant the Phase II Condominium on the Phase II Lands as hereinafter defined;

AND WHEREAS Emsatec or related companies, intend to develop, construct and register as declarant the South Condominium on the South Lands as hereinafter defined;

AND WHEREAS Davenport Village Condominium and Davlan have entered into this Agreement for the purposes of providing for the mutual use, maintenance, repair, replacement, governance and cost-sharing of the Visitor Parking Units, the Easements and the VP Shared Services which will serve and benefit the Davenport Village Condominium and the Phase II Condominium;

AND WHEREAS Davenport Village Condominium, Davlan and Emsatec have entered into this Agreement for the purposes of providing for the mutual use, maintenance, repair, replacement, governance and cost-sharing of the Garbage Area, the Easements and the GA Shared Services which will serve and benefit the Davenport Village Condominium, the Phase II Condominium and the South Condominium;

AND WHEREAS Davenport Village Condominium, Davlan and Emsatec have entered into this Agreement for the purposes of providing for the mutual use, maintenance, repair, replacement, governance and cost-sharing of the Common Interior Roadway, the Easements and the CIR Shared Services which will serve and benefit the Davenport Village Condominium, the Phase II Condominium and the South Condominium;

IN CONSIDERATION OF the mutual covenants herein contained, and for other good and valuable consideration and the sum of Ten Dollars ($10.00) now paid by each of the parties hereto to the other (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree each with the others as follows:

I. DEFINITIONS

1. In this Agreement, unless a contrary intention is expressed, the following terms shall have the following meanings:

   a) **"Acceptable Standards"** shall mean:

      i) with respect to any equipment, device, apparatus or system: efficient and safe operating capability for its intended purpose(s) in accordance with the standards specified by its manufacturer(s)/supplier(s) and prescribed by all applicable laws, by-laws, rules and regulations;

      ii) with respect to any paved surface, landscaped/grassed area, as applicable, appearing to be properly surfaced, striped and signed or cultivated/tended, suitable for its intended purpose(s) and in compliance with all applicable laws, by-laws, rules and regulations;

      iii) with respect to any structural element, part or component: good repair, having regard to the standards maintained by a prudent owner of a comparable element of comparable age;

   b) **"Act"** shall mean the *Condominium Act, 1998, S.O. 1998, C.19*, as amended or any successor legislation;

   c) **"Allocated Share"**, with respect to an Owner (as hereinafter defined), shall mean the proportion of the costs of the GA Shared Services, CIR Shared Services and the VP Shared Services to be borne by that Owner pursuant to Article VIII of this Agreement;

d) **"Arbitration"** shall mean arbitration in accordance with Article XVI of this Agreement;

e) **"Buildings"** shall mean the Davenport Village Building, the Phase II Building(s), and the buildings proposed to be constructed on the South Lands and **"Building"** shall mean any one of the Buildings as the context may provide;

f) **"Common Interior Roadway"** means all of the roads, curbs, driveways, sidewalks, walkways and all street lighting therealong on the Lands or any part thereof which are used for pedestrian and vehicular ingress and/or egress to and from the Davenport Village Lands, the Phase II Lands and the South Lands which are designated as Part 11 on Reference Plan 66R-22695;

g) **"CIR Shared Services"** means the services for the Common Interior Roadway described in section 3 of Article VII of this Agreement;

h) **"Condominiums"** means Davenport Village Condominium, the Phase II Condominium and the South Condominium taken collectively or separately as the context may provide;

i) **"Davenport Village Buildings"** shall mean the building(s) on the Davenport Village Lands;

j) **"Davenport Village Lands"** shall mean in the City of Toronto, being part of Block O, Registered Plan M 208, designated as Parts 6, 7, 8, 9, 10, 11 and 12 on Plan 66R-22695,

k) **"Easements"** means the easements referred to in Article IV hereof;

l) **"Garbage Area"** means the garbage storage area located within Part 12, Reference Plan 66R-22695;

m) **"GA Shared Services"** means the services for the Garbage Area described in section 3 of Article VII of this Agreement;

n) **"Insurance Policies"** shall mean the policies or property and liability insurance and/or self-insurance maintained as contemplated in clauses X(1)(a), (b) and (c) of this Agreement;

o) **"Lands"** shall mean the Davenport Village Lands, the Phase II Lands and the South Lands taken collectively or separately as the context may require;

p) **"Owner"** shall mean with respect to the Davenport Village Lands, the Davenport Village Condominium, with respect to the Phase II Lands, the Phase II Condominium and with respect to the South Lands the South Condominium, including their respective successors, in title, and **"Owners"** shall mean two or more of them;

q) **"Owners' Liaison Committee"** shall mean the committee provided for in paragraph IX(B);

r) **"Part"** when followed by one or more numerals, shall mean the Part of Lands as designated on a Reference Plan;

s) **"Phase II Building(s)"** means the building(s) on the Phase II Lands;

t) **"Phase II Condominium"** means the residential condominium building(s) and other improvements proposed to be constructed on the Phase II Lands;

u) **"Phase II Lands"** shall mean in the City of Toronto, being part of Block O, Registered Plan M 208, designated as all or part of Part 3 on Reference Plan 66R-21150;

v) **"Reference Plan"** means the Reference Plan registered in the Land Titles Division of the Toronto Registry Office (No. 66) as 66R-22695 and any other reference plan filed by an Owner and pertaining to the Lands or Buildings;

x) **"Servient Portion"** with respect to the Lands owned by an Owner or charged in favour of a mortgagee, shall mean the parts thereof subject to the Easements;

y) **"Shared Costs"** shall mean the GA Shared Costs, VP Shared Costs and the CIR Shared Costs taken collectively or separately as the context so requires;

z) **"Shared Facilities"** shall mean the Visitor Parking Units, the Garbage Area and the Common Interior Roadway taken collectively or separately as the context so requires.;

aa) **"Shared Services"** shall mean the CIR Shared Services, the VP Shared Services and the GA Shared Services taken collectively or separately as the context so requires;

bb) **"South Building(s)"** means the building(s) proposed to be constructed on the South Lands;

cc) **"South Condominium"** means the proposed condominiums and other improvements proposed to be constructed on the South Lands;

dd) **"South Lands"** shall mean those lands in the city of Toronto, being described as Part 13 on Reference Plan 66R-21150 and Part 13 on Reference Plan 66R-22695;

ee) **"Visitor Parking Units"** means Units 67 to 91, all inclusive, Level 1;

ff) **"VP Shared Services"** means the services for the Visitor Parking Units described in section 3 of Article VII of this Agreement;

II. RECITALS

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

III. PHASE II CONDOMINIUM AND SOUTH CONDOMINIUM

1. **Effect of Agreement**

This agreement shall be and remain in full force and effect and be binding upon the signatories hereto, but shall not be registered against the Phase II Lands or the South Lands or bind successors in title until the Phase II Condominium or the South Condominium comes into existence.

Upon the registration of a declaration under the Act in regard to the Phase II Lands the condominium corporation(s) shall assume the obligations of Davlan. From and after the date of registration, the term "Phase II Condominium" as used in this agreement will mean the Phase II Condominium so registered which will thereafter have all of the rights and obligations of the "Phase II Condominium" hereunder and the term "Phase II Condominium" will not thereafter mean Davlan which party shall be released and relieved of all obligations and liabilities hereunder in respect of the performance of the duties, covenants and agreements to thereafter be performed by the "Phase II Condominium".

Upon the registration of a declaration under the Act in regard to the South Lands the condominium corporation(s) shall assume the obligations of Emsatec. From and after the date of registration, the term "South Condominium" as used in this agreement will mean the South Condominium so registered which will thereafter have all of the rights and obligations of the "South Condominium" hereunder and the "South Condominium" will not thereafter mean Emsatec which party shall be released and relieved of all obligations and liabilities hereunder in respect of the performance of the duties, covenants and agreements to thereafter be performed by the "South Condominium".

IV. EASEMENTS

1. The Lands of each of the parties to this Agreement are subject to easements in favour of the other, their respective successors and assigns in title and their respective occupants, servants, contractors, employees, invitees and licensees whether set out on the registered title of the Lands or not.

V. BENEFIT AND BURDEN

1. The Davenport Village Condominium , the Phase II Condominium and the South Condominium acknowledge to and covenant with each other that:

   a) the principles of reciprocal benefit and burden shall apply and as such each of the easements, rights and privileges referred to in this Agreement establishes a basis for the mutual and reciprocal use of certain parts of the Lands including the Shared Facilities which are used and enjoyed by the Owners;

   b) as an integral and material consideration for the continuing enjoyment of and right to the use and enjoyment by each applicable Owner of such easements, benefits and privileges, each Owner hereby accepts and agrees to assume the burdens and obligations imposed on it and agrees to be bound by each and every covenant, agreement or other obligation contained in this Agreement;

   c) no Owner, unless its Lands are governed by the Act (in which case the provisions of paragraph V(6) of this Agreement shall apply), shall convey any interest in any part(s) of the Lands without obtaining from the grantee thereof a written covenant to be bound by the collective burden associated with such part(s) under this Agreement as described in clauses (a) and (b) hereof, including this paragraph V(1), and seeing to registration thereof on the title to the Lands.

2. The provisions of this Agreement are intended to run with the Lands benefitted and burdened thereby, and shall be binding on and enure for the benefit of each respective successor in title thereto.

3. Upon sale, transfer or conveyance by any owner of any condominium unit within the Buildings, such owner shall be automatically released and discharged *pro tanto* from any of the liabilities and obligations it would bear hereunder as the owner of such unit sold, transferred or conveyed, and it shall no longer be liable to any other owner for any breach of this Agreement caused or occurring subsequent to the date of such sale, transfer or conveyance relating to such unit; correspondingly, any subsequent purchaser of such unit shall assume *pro tanto* such liabilities and obligations insofar as the burden of such liabilities are capable of passing to such person by operation of law.

4. No Owner shall:

   a) relocate, remove, replace, alter or damage any part of any common foundation or the soil, or any structure supporting same in any respect without the express written consent of the other Owners, which shall not be unreasonably withheld or delayed;

   b) impair any right of support granted in this Agreement, or render unstable or unsafe any structure(s), foundation(s), supporting column(s), footing(s), wall(s) or roof or floor slab(s) of any other Owner.

5. No Owner shall exercise any right of replacement in such a way as to substantially expand the dimensions of the structure or component thereby replaced, or as to place any non-trivial burden or greater burden, economic or otherwise, directly or indirectly, on another Owner's Lands and/or Building, or as to cause the amount of the other Owner's Allocated Share to increase to any nontrivial extent, without another Owner's prior written consent, which shall not be unreasonably withheld if such expansion, burden or increase may be adequately compensated for monetarily without

compromising what the other Owner fairly regards as its essential interests and said Owner legally binds itself to provide such compensation in the same manner as to payment (to the extent applicable) and enforcement as the payment of its own Allocated Share.

6. No Owner shall with respect to any existing or proposed condominium unit on any part(s) of the Lands:

   a) deliver any Disclosure Statement pursuant to the Act or any successor legislative provision, unless the provisions of this Agreement are set out therein;

   b) as a Declarant under the Act, make a conveyance thereof if such conveyance would cause the Owner to cease to be the registered owner of a majority of such units unless it has caused the condominium corporation to take all necessary steps, for the execution of an agreement acknowledging the obligation of the condominium corporation to abide by the covenants set out in this Agreement and assuming the burden thereof, which agreement shall be registered against the title to the Lands of the condominium corporation and against the title to the other Owners' Lands and the other Owners shall execute any necessary documentation to register such agreement against its Lands.

VI. MAINTENANCE AND REPAIR

1. The Owners shall, in the manner contemplated by Articles VII, VIII and IX be responsible for governing and arranging for the maintenance, repair, restoration, reconstruction, replacement and inspection of the Shared Facilities to Acceptable Standards, and accordingly, in the manner contemplated in Articles VII and VIII for engaging all requisite contractors, servicemen, suppliers and others required therefor.

2. No declaration registered against the Lands or any part thereof under the Act shall permit the owner of any condominium unit to maintain or repair any part of the common elements comprised within the Shared Facilities of the condominium corporation thereby created save and except maintenance of exclusive use common elements.

VII. PROVISION OF SHARED SERVICES FOR THE SHARED FACILITIES

1. The following shall be the Shared Facilities referred to in this Agreement:

   a) the Visitor Parking Units;

   b) the Common Interior Roadway; and

   c) the Garbage Area

2. The Shared Facilities shall be maintained, repaired, improved, altered and replaced by:

   a) the Davenport Village Condominium and the Phase II Condominium, with respect of the Visitor Parking Units;

   b) the Davenport Village Condominium, the Phase II Condominium and the South Condominium, with respect of the Garbage Area;

   c) the Davenport Village Condominium, the Phase II Condominium and the South Condominium with respect of the Common Interior Roadway;

   as provided for in Articles VI, VIII, and IX.

3. The VP Shared Services include, without restricting the generality of the foregoing:

   a) maintenance and repair, including renovation or reconstruction as necessary, of the Visitor Parking Units to ensure that same are and will operate in accordance with Acceptable Standards;

   b) preparation and setting of annual budgets with respect to the Visitor Parking Units and all matters related thereto;

   c) obtaining of any professional services, consultants, opinions, reports and advice with respect to the Visitor Parking Units; and

   d) snow and ice removal from the Visitor Parking Units.

   The GA Shared Services include, without restricting the generality of the foregoing:

   a) maintenance and repair, including renovation or reconstruction as necessary, of the Garbage Area to ensure that same are and will operate in accordance with Acceptable Standards;

   b) preparation and setting of annual budgets with respect to the Garbage Area and all matters related thereto;

   c) obtaining of any professional services, consultants, opinions, reports and advice with respect to the Garbage Area; and

   d) removal and disposal of refuse from the Garbage Area.

   The CIR Shared Services include, without restricting the generality of the foregoing:

a) maintenance and repair, including renovation or reconstruction as necessary, of the Common Interior Roadway to ensure that same are and will operate in accordance with Acceptable Standards;

b) preparation and setting of annual budgets with respect to the Common Interior Roadway and all matters related thereto;

c) obtaining of any professional services, consultants, opinions, reports and advice with respect to the Common Interior Roadway; and

d) snow and ice removal from the Common Interior Roadway.

4. All Shared Services shall be provided expeditiously in a good and workmanlike manner without unnecessary interference with the normal use of the Lands and/or Building thereby affected or with the benefit of the Easements appurtenant thereto, and where performed by contract with others the contract price shall be competitive except in an emergency in which time did not permit competitive selection.

5. The Owner of the Lands upon which Shared Facilities are located shall promptly notify the owner(s) of the other Lands of any maintenance, repair or other attention required of which it becomes aware.

6. Each Owner shall provide the other Owners in writing with the name(s) and telephone number(s) of its liaison personnel for the purposes of notification in case of emergency.

VIII. COST SHARING

1. The costs shall be shared such that each Owner's Allocated Share shall be as follows:

(a) The costs of the Visitor Parking Units and VP Shared Services (the "VP Shared Costs") related thereto shall eventually be shared between the Davenport Village Condominium and the Phase II Condominium. Each of the said parties proportionate share of the VP Shared Costs, upon completion and registration of both condominium plans, shall be calculated in the proportion that the total number of residential units in each condominium plan bears to the total number of residential units in the total number of registered condominium plans. The Visitor Parking Units shall be used only by the owners, their tenants, guests and invitees of the units in the Davenport Village Condominium and the Phase II Condominium.

(b) The costs of the Garbage Area and the GA Shared Services (the "GA Shared Costs) shall eventually be shared between the Davenport Village Condominium, the Phase II Condominium and the South Condominium. Each of the said parties proportionate share of the GA Shared Costs, upon completion and registration of the condominium plans, shall be calculated in the proportion that the total number of residential units in each condominium plan bears to the total number of residential units in the total number of registered condominium plans. The Garbage Area shall be used only by the owners their tenants, guests and invitees of the units in the Davenport Village Condominium, the Phase II Condominium and the South Condominium.

Notwithstanding the foregoing, in the event that the City requires the South Lands' garbage to be stored/removed in a manner that does not require or permit the use of the Garbage Area, then upon such determination the South Condominium shall be relieved of any obligation to contribute towards such costs and the South Condominium shall contemporaneously release and abandon to the Davenport Village Condominium all of its right, title and interest over the Garbage Area.

Notwithstanding the foregoing, in the event that the Phase II Lands' garbage is to be stored/removed in a manner that does not require the use of the Garbage Area, then upon such determination the Phase II Condominium shall be relieved of any obligation to contribute towards such costs and the Phase II Condominium shall contemporaneously release and abandon to the Davenport Village Condominium all of its right, title and interest over the Garbage Area.

(c) The costs of the Common Interior Roadway and CIR Shared Services (the "CIR Shared Costs") shall eventually be shared between the Davenport Village Condominium, the Phase II Condominium and the South Condominium. Each of the said parties proportionate share of the CIR Shared Costs, upon completion and registration of the condominium plans, shall be calculated in the proportion that the total number of residential units in each condominium plan bears to the total number of residential units in the total number of registered condominium plans.

Notwithstanding the foregoing, in the event that the City approves the South Lands' interior roadway system in a manner that does not require or permit the use of the Common Interior Roadway, then upon such determination the South Condominium shall be relieved of any obligation to contribute towards such costs and the South Condominium shall contemporaneously release and abandon to the Davenport Village Condominium all of its right, title and interest over the Common Interior Roadway.

(d) Until the Phase II Condominium is registered, the VP Shared Costs shall be the sole responsibility of the Davenport Village Condominium. Davlan shall not pay nor be responsible for any portion of the VP Shared Costs for or in respect of the Phase II Condominium while not yet registered and for which such corporation will be responsible for following registration.

(e) Until the Phase II Condominium is registered, the GA Shared Costs shall be the sole responsibility of the Davenport Village Condominium. Davlan shall not pay nor be responsible for any portion of the GA Shared Costs for or in respect of the Phase II Condominium while not yet registered and for which such corporation will be responsible for following registration.

(f) Until the South Condominium is registered, the GA Shared Costs shall be the sole responsibility of the Davenport Village Condominium. Emsatec shall not pay nor be responsible for any portion of the GA Shared Costs for or in respect of the South Condominium while not yet registered and for which such corporation will be responsible for following registration.

(g) Until the Phase II Condominium are registered, the CIR Shared Costs shall be the sole responsibility of the Davenport Village Condominium. Davlan shall not pay nor be responsible for any portion of the CIR Shared Costs for or in respect of the Phase II Condominium while not yet registered and for which such corporation will be responsible for following registration.

(h) Until the South Condominium are registered, the CIR Shared Costs shall be the sole responsibility of the Davenport Village Condominium. Emsatec shall not pay nor be responsible for any portion of the CIR Shared Costs for or in respect of the South Condominium while not yet registered and for which such corporation will be responsible for following registration.

2. The cost of any services necessitated by the wilful or negligent act or omission of any Owner or of any of its occupants, employees, agents, contractors, licensees or invitees shall be paid by that Owner and not included in the Shared Costs.

3. The Visitor Parking Units shall ultimately be shared between the Davlan Village Condominium and the Phase II Condominium, as tenants in common, each as to an undivided interest in the proportions that the total number of residential dwelling units in each of the Davlan Village Condominium and the Phase II Condominium bears to the total gross floor area in both of the Davlan Village Condominium and the Phase II Condominium (the "Proportionate Interests"). The actual transfer of ownership in the Visitor Parking Units by Davlan shall occur within one hundred and twenty (120) days after the later of the date of the registration of the Phase II Condominium and the registration of the Davenport Village Condominium or such earlier date as the Declarant may determine in its sole and unfettered discretion.

IX. MANAGEMENT

A Shared Facilities Manager

1. The Shared Facilities and Shared Services shall be administered and overseen by an individual or corporate manager (the "Shared Facilities Manager") engaged by written contract with the Owners' Liaison Committee.

2. Whenever the position of Shared Facilities Manager is about to become, or becomes, vacant, the Owners' Liaison Committee shall tender for a new Shared Facilities Manager to be approved by a majority of the Owners.

3. The Shared Facilities Manager may (but need not) be a manager of any of the Owners.

4. If two successive proposed Shared Facilities Managers are not approved by a majority of the Owners within ten (10) days of nomination then the matter shall be submitted to arbitration as provided for in Article XVI.

5. Forthwith after being appointed, and yearly thereafter, not later than sixty (60) days prior to the end of each calendar year, the Shared Facilities Manager shall submit to the Owners' Liaison Committee for approval, budgets for the Visitor Parking Units, Garbage Area and Common Interior Roadway containing the Shared Facilities Manager's estimate of the VP Shared Costs, GA Shared Costs and the CIR Shared Costs for the one year period expiring at the end of the next calendar year.

6. Each yearly budget shall include the amount of each expense, the particulars of the type, frequency and level of the services to be provided and a projected breakdown of expenses on a monthly basis, and the fee to be paid to the Shared Facilities Manager in connection with the services to be performed by the Shared Facilities Manager for the period covered by the budget.

7. If, within forty-five (45) days after receipt of a yearly budget from the Shared Facilities Manager, the Owners' Liaison Committee fails to consent to the budget as originally drafted or as subsequently revised, the budget shall be submitted to arbitration according to the arbitration procedures set out in Article XVI.

8. The Shared Facilities Manager shall bill or cause to be billed to the Owners their respective share of the costs of providing the VP Shared Services, the GA Shared Services and the CIR Shared Services as same become payable, and shall advise the Owners of any present or impending significant deviations from the current yearly budget, from time to time.

9. If unanticipated repairs are found to be necessary or whenever, in the opinion of the Shared Facilities Manager, any change in the budgeted expenditures makes it desirable to do so, the Shared Facilities Manager shall submit to the Owners' Liaison Committee, a budget supplemental to the yearly budget covering the additional expenses to be incurred for the performance of the Shared Services for the then-remaining portion of the current calendar year, and the procedure set out in paragraphs 7, 8 and 9 above shall apply to the said supplemental budget.

10. Save for emergency repairs involving manifest danger to persons or property, or immediately necessary for the preservation or safety of property or for the safety of persons, or required to avoid suspension of any service, the Shared Facilities Manager shall not make any expenditures in excess of the amount proposed in the budget (on a monthly basis if applicable) approved by the Owners' Liaison Committee or substantially in excess of any particular item in an approved budget.

11. The Shared Facilities Manager shall:

a) in the case of major emergencies (i.e. those seriously affecting human safety, welfare or vital services, or involving potential or actual large-scale property damage), immediately notify

those who are in danger, the appropriate public authorities and the Owners' Liaison Committee and act in consultation and co-operation with those authorities and the Owners' Liaison Committee in dealing therewith;

b) the case of all other emergencies, deal expeditiously therewith in accordance with the exigencies thereof and notify the Owners' Liaison Committee as soon as is reasonably possible during business hours.

12. In any case in which the cost of any particular item of repair is estimated to exceed the sum of One Thousand Dollars ($1,000.00);

a) the Shared Facilities Manager shall obtain and submit three written quotations therefore and may, in addition, submit its own quotation to do the work itself for a lower price;

b) the Owners' Liaison Committee shall consider such estimates and make a decision thereon;

c) if within fifteen (15) days of the submission of any estimate, actual or deemed agreement has not been reached among the Owners' Liaison Committee as to the method and cost of the work, any Owner may submit the matter to arbitration pursuant to Article XVI.

13. If the cost of any item of the type described in paragraph 12 above does not exceed One Thousand Dollars ($1,000.00) per annum, the Shared Facilities Manager may engage any parent or subsidiary corporation or any person, firm or corporation associated, affiliated or otherwise connected with it to perform said work or services provided that the cost of the said work or services shall not exceed the cost which it is reasonably estimated would be incurred if written quotations were obtained.

14. If in the opinion of any Owner, the Shared Facilities Manager is failing to properly carry out its contractual duties, such Owner shall be entitled to give the Shared Facilities Manager and the other Owners written notice that the Shared Facilities Manager is in breach of its obligations to perform such duty or duties and unless the Shared Facilities Manager shall rectify such failure or failures within fifteen (15) days after the giving of such notice, then the first-mentioned Owner shall be entitled to have such work carried out as may be necessary to cure such failure or failures and shall be entitled to be reimbursed by the other Owners for its share of the cost of carrying out such work, including the value of the time of the first-mentioned Owner's employees asked to carry out such work.

15. In the event that an Owner completes any repair or other work in an emergency when the Shared Facilities Manager was not available or otherwise able to complete such repairs or work, such Owner shall be entitled to be reimbursed to the same extent as if same had been performed pursuant to paragraph 14 above.

B. **Owners' Management Responsibilities**

1. There shall be an Owners' Liaison Committee consisting of:

(i) two (2) members of the Board of Directors of the Davenport Village Condominium;

(ii) two (2) members of the Board of Directors of the Phase II Condominium; (until registration of the Phase II Condominium, two (2) nominees of the then Owner of the Lands of the Phase II Condominium); and

(iii) two (2) members of the Board of Directors of the South Condominium; (until registration of the South Condominium, two (2) nominees of the then Owner of the Lands of the South Condominium).

Each of the Davenport Village Condominium, the Phase II Condominium and the South Condominium shall also appoint an alternative member to fulfil the obligation of the appointed members when unavailable to ensure timely and full functionability of the Owners' Liaison Committee.

2. The duties of the Committee shall be to discuss matters from time to time respecting the Shared Facilities, Shared Services and Shared Costs requiring decision by the Owners if not otherwise provided for in this Agreement, and in particular, but without restricting the generality of the foregoing:

(a) any difference over the acceptability of any yearly budget for the Shared Services and Shared Facilities with a view to avoid the need to resort to arbitration; and

(b) major repairs;

for the purposes of making appropriate recommendations to the Owners.

3. Any Owner may call a meeting of the Owners' Liaison Committee on at least five (5) business days written notice to the other Owners, and shall co-operate in arranging the time and place thereof as may be reasonable to accommodate the other Owners' members.

4. Any compensation or reimbursement paid to any member of the Owners' Liaison Committee shall be the sole responsibility of the Owner who has appointed that member.

5. Where a matter is of sufficient importance and cannot be resolved through the Owners' respective representatives, the Owners shall co-operate in convening a joint meeting of the Owners' respective boards of directors (or, as to any non-corporate Owner, the equivalent) without unreasonable delay to deal with the matter expeditiously without resort to arbitration.

X. **INSURANCE**

1. Each Owner, or, if required by the insurer, the Owners together, shall cause to be taken out and maintained during the currency of its rights and obligations under this Agreement the following Insurance Policies with any insurance company or companies authorized to do business in Ontario

and in the case of a condominium corporation created pursuant to the Act, in accordance with the Act and applicable condominium declaration, for:

a) its Building and all other insurable equipment belonging to the Owner and from time to time located in its Building or on its lands in an amount not less than the replacement cost thereof against loss or damage by perils of "all-risks" (being the perils from time to time included in the standard "all-risk" policy issued by insurers from time to time), including resultant damage from error in design and faulty workmanship, to the extent available and as would be obtained by a prudent owner of such a Building, and in any event in an amount sufficient to prevent any other Owner from being deemed to be a co-insurer;

b) comprehensive boiler, machinery and pressure vessel insurance (if required) in such amount as would be normally maintained by a prudent operator of such a Building and which amount shall initially be not less than $5,000,000.00, which Insurance Policies and those maintained by the Owner pursuant to clause (a) hereof shall contain a "joint loss agreement" between the property insurers and the boiler insurers;

c) comprehensive public liability, including contractual liability on an occurrence basis against claims for personal or bodily injury, death or property damage suffered by others arising in connection with the Building, or out of the operations of the Owners or its tenants, in, on or about the Building and/or the other Owners' Servient Portions, indemnifying and insuring all Owners and their employees and all others for whom each of them is at law responsible in such amounts and to such extent as a prudent owner of such a Building would, from time to time carry not less than $2,000,000.00 for any personal or bodily injury, death, property damage or other claim in respect of any one accident or occurrence and, without limiting the foregoing, with provisions for cross-liability and severability of interests, which insurance policy or policies shall be primary and shall be fully exhausted before calling into contribution any insurance available to the other Owners and any additional insurance placed by the other Owners on their own behalf shall be in excess of the primary insurance required under this Article XII.

2. Each Owner shall ensure that each insurance policy shall name the other Owners as an insured as their interest may appear, shall contain a stated-amount co-insurance endorsement and loss payable provisions in favour of the Insurance Trustee contemplated by Article XI to the extent required by that Article.

3. Each Owner shall deliver to the other Owners upon request, adequate proof of the existence of all of the Insurance Policies of the first-mentioned Owner.

4. Each insurance policy of each Owner shall contain an agreement by the insurer to the effect that it will not cancel or alter or refuse to renew such policy prior to its expiration, whether by reason of non-payment of premium, non-fulfilment of condition or otherwise, except after sixty (60) days prior written notice to the other Owners.

XI. INSURANCE TRUST

1. Any and all insurance proceeds of any insurance policy in excess of 15% of the replacement cost of the property covered by the insurance policy payable to or for any Owner for the repair of its assets and attributable to damage to any part of the Shared Facilities (after allowing for any proceeds attributable to damage to other than the Shared Facilities as determined by the insurer, acting reasonably) shall be held by an Insurance Trustee mutually agreeable to all Owners and if an Insurance Trustee cannot be agreed upon the Insurance Trustee shall be appointed in accordance with the arbitration provisions of Article XVI.

2. The Insurance Trustee appointed in accordance with paragraph 1 hereof shall be a Trust Company registered under the Loan and Trust Corporations Act or shall be a Chartered Bank, with which the parties shall enter into an agreement providing as follows:

   a) receipt by the Insurance Trustee of any excess proceeds as contained in paragraph 1 hereof;

   b) the holding of such proceeds in trust and disbursement of same in order to satisfy the obligation of each Owner in accordance with Article XII.

3. If two or more Owners elect not to rebuild in accordance with clause XII(3)(b), there shall be no requirement for the appointment of an Insurance Trustee and all insurance proceeds shall be paid to the respective Owners.

XII. DAMAGE TO THE BUILDINGS

1. If one or more of the Condominiums is damaged to the extent of less than 25%, the respective Owner shall rebuild, restore and repair same in accordance with this Agreement.

2. If major damage has occurred to one or more of the Condominiums, such Owner in accordance with the Act shall determine whether the cost to repair exceeds 25% of the replacement costs of the Building and structures on its lands.

3. Where there has been a determination that the assets of an Owner have been damaged to an extent greater than 25%, and:

   a) each such Owner has elected to rebuild, then each such Owner shall expeditiously rebuild, restore and repair the damage at its own expense in a good and workmanlike manner to Acceptable Standards to permit the other Owners and those authorized by it the intended benefit of the Easements and Shared Facilities;

   b) all Owners have elected not to rebuild, the Owners need not rebuild their respective Buildings; or

c) one or more of the Owners have elected not to rebuild, the Owners electing not to rebuild shall inform the other Owners of its election and shall nevertheless rebuild, repair and restore its servient portion in such a manner so as to not in any material way adversely affect the use and enjoyment of the Easements and Shared Facilities by the other Owners.

4. For the purposes of subsection 123 of the Act, in the event that any parts of the Lands become governed by the Act, the obligations created in this Article XII shall be deemed to be an encumbrance against each condominium unit and its appurtenant common interest created after the registration of the relevant condominium declaration and description;

XIII. CERTIFICATE OF COMPLIANCE

1. Each Owner at any time and from time to time during the term of this Agreement, within ten (10) days after written request by any person apparently having an interest in the Lands and the payment of a reasonable fee, shall execute, acknowledge and deliver to the requesting party a certificate stating:

   a) that this Agreement is unmodified and in full force and effect, or if there has been any modification that this Agreement is in full force and effect, as modified, and describing the modification;

   b) whether or not there is any existing default under this Agreement by any party and if there is any such default, specifying the nature and extent thereof;

   c) whether or not it has performed or caused to be performed, or is then performing or causing to be performed, any maintenance or other work not in the normal course of operation of its assets, the cost of which the Owner is or will be entitled to charge in whole or in part to the other Owners but has not yet so charged and if there be any such maintenance or other work which could be charged to other Owners, specifying the nature and extent thereof;

   d) the current addresses to which notices given to the Owner are required to be delivered under Article XVIII(I) of this Agreement;

2. Any certificate of compliance given pursuant to paragraph 1 may be pleaded and shall be a complete defense by the requesting party to any action brought on a claim that is inconsistent with the facts recited in the certificate.

3. The declarant of the Davenport Village Condominium, the declarant of the Phase II Condominium and the declarant of the South Condominium shall be entitled to a certificate of compliance for the initial sale of each condominium unit from each of the parties hereto at no cost to the said parties.

XIV. DEFAULT

1. Any amounts not contributed by an Owner (the "Defaulting Owner") as required pursuant to this Agreement shall, until advanced, bear interest at the greater of eighteen (18%) percent and the prime rate of the Royal Bank of Canada plus eight percent (8%) per annum calculated and compounded monthly on such amount as is from time to time unpaid, and until so paid, such amounts together with interest thereon as aforesaid shall, to the extent thereof, be and constitute a lien and charge in favour of the other Owners (the "Non-Defaulting Owners") against the lands and assets thereon of the Defaulting Owner.

2. The Non-Defaulting Owners shall be entitled to file a caution, lien, or charge against title to the Defaulting Owner as permitted pursuant to the *Land Titles Act* or other applicable legislation.

3. a) for the purposes of Part XIII of the Act, a lien against an Owner shall be deemed to be an encumbrance against each Unit and its appurtenant common interest therein;

   b) for the purposes of Part XIII of the Act a lien against the Phase II Building(s) shall be deemed to be an encumbrance against each Unit and its appurtenant common interest therein, in the event that a condominium corporation has been registered with respect to the Phase II Building(s) or the Phase II Lands.

   c) for the purposes of Part XIII of the Act a lien against the South Building(s) shall be deemed to be an encumbrance against each Unit and its appurtenant common interest therein, in the event that a condominium corporation has been registered with respect to the South Building(s) or the South Lands.

4. No conveyance or other divestiture of title shall in any way affect or diminish any lien arising pursuant to subparagraph 1 of this Article XIV hereof, and any lien which would have arisen pursuant to subparagraph 1 of this Article XIV had there been no conveyance or divestiture of title shall not be defeated, or otherwise diminished or affected, by reason of such conveyance or divestiture of title.

XV. TERMINATION

1. The rights under this Agreement shall be incapable of termination other than by an instrument to that effect executed under seal by all Owners and by all mortgagees of the Owners at that time.

2. Notwithstanding the termination of any rights under this Agreement, if at the time of such termination, any party shall be obligated to pay any sum of money pursuant to the provisions of this Agreement, such obligation shall not be extinguished until such sum of money, together with any interest accruing thereon, has been paid, and any lien securing the payment of such sum of money shall remain in force and effect and continue to secure the payment and any interest which shall accrue thereon.

3. If any part(s) of the Lands become governed by the Act and such government is subsequently terminated, the then Owner thereof will continue after such termination to be bound by the provisions of this Agreement, and will execute such further assurances as may be required to give effect to this Article XV.

XVI. ARBITRATION

1. Any Owner (the "**Referring Owner**") may refer any matter of difference respecting this Agreement, including its validity, interpretation, application or implementation to arbitration pursuant to the *Arbitrations Act* (Ontario) in accordance with the following procedure:

   a) the Referring Owner shall give notice in writing (the "**Arbitration Notice**") to the other Owners specifying the matter being referred in reasonable detail and nominating and appointing an arbitrator;

   b) within ten (10) days after the giving of an Arbitration Notice, the Owners receiving the Arbitration Notice shall nominate and appoint an arbitrator and shall notify the Referring Owner in writing thereof;

   c) within five (5) days of the appointment of the second and third arbitrator, the three arbitrators appointed shall appoint in writing a willing fourth arbitrator to act as Chairman and notify the Owners in writing thereof;

   d) if the three arbitrators do not agree on a fourth arbitrator as contemplated in clause (c) hereof, then the fourth arbitrator shall be appointed by the Supreme Court of Ontario, pursuant to the *Arbitrations Act*;

   e) if either or both of the Owners receiving the Arbitration Notice fail within the said ten (10) days to nominate and appoint an arbitrator, then the arbitrator(s) appointed by the other Owners shall be deemed to be mutually-agreed-on arbitrator(s);

   f) notwithstanding the foregoing, any arbitration may be carried out by a single arbitrator if the Owners so agree;

   g) if a single arbitrator is acting pursuant to clause (e) or (f) hereof, the provisions of paragraph 2 shall apply mutatis mutandis.

2. Any arbitration carried out pursuant to paragraph 1 hereof shall take place in the City of Toronto at the time and place fixed by the arbitrator appointed by the arbitrators to act as chairman, in the following manner:

   a) each arbitrator shall be sworn faithfully and fairly before the others to determine the matter of difference in issue;

   b) the arbitrators shall hear such evidence and representations as the Owners may present, with cross-examination of witnesses permitted;

   c) arbitrators shall proceed with all possible speed to make their decision in writing and shall give a copy thereof to each Owner;

   d) the conduct and procedure during the arbitration shall be in accordance with the rules of natural justice;

   e) each Owner shall bear the cost of the services of its own appointee and each Owner shall pay a percentage (equal to the number of residential units or commercial units in its condominium divided by the total number of residential units and the commercial units in the condominiums) of the costs of any fourth arbitrator or any sole arbitrator and all other normal costs of the arbitration or costs which they all agree should be equally borne, but the costs of any transcription services shall be borne solely by the Owner ordering same;

   f) judgment upon any decision rendered by the arbitrators that has not been properly appealed in accordance with clause (g) hereof may be entered in any court having jurisdiction thereover;

   g) a written decision concurred in by a majority of the arbitrators shall be final and binding upon the Owners both in respect of procedure and conduct of the proceedings and in respect of the final determination of the matter of difference unless appealed in accordance with the said *Arbitration Act*, which shall apply to all arbitrations under paragraph 1 hereof.

XVII. FORCE MAJEURE

Notwithstanding any other provisions of the Agreement, whenever and to the extent that any Owner is unable to fulfil or is delayed or restricted in the fulfilment of any of its obligations (other than the payment of monies) under this Agreement by reason of any impediments including without limiting the generality of the foregoing:

1. strike;
2. lockout;
3. war, terrorist acts or acts of military authority;
4. rebellion or civil commotion;
5. material or labour shortage not within the control of such Owner;
6. fire, explosion;
7. flood, wind, water, earthquake or other casualty;
8. any applicable lawful statute, by-law, ordinance, regulation or order; or

9. acts of God,

not caused by the default, act, or omission by such Owner and not avoidable or surmountable by the exercise of reasonable effort or foresight by it, then so long as any such impediment exists, such Owner shall be temporarily relieved from the fulfilment of such obligation and the other Owners shall not be entitled to compensation for any damage, inconvenience, nuisance or discomfort thereby occasioned and, to the extent necessitated thereby, there shall be a postponement of any deadline, compliance with which would be otherwise adversely affected by such impediment, provided that at the expiration of such temporary relief, such Owner shall forthwith proceed with fulfilment of such obligation.

XVIII. GENERAL

1. Any notice herein provided for or permitted to be given by any party under this Agreement shall be sufficiently given if delivered to an apparently responsible person at the following address given for such party (or at such replacement address as such party shall have notified any notifying part of in writing), or if Five (5) Days have elapsed from the mailing thereof to such address by prepaid registered post in the City of Toronto in the absence of any major interruption in postal service affecting the delivery/handling thereof:

   a) Davenport Village Condominium: Toronto Standard Condominium Corporation No. 1824, 10 Turntable Crescent, Toronto, Ontario M6H 4K9, c/o Management Office

   b) Davlan: c/o 955 Wilson Avenue, Unit 1, Toronto, Ontario, M3K 2A8

   c) Emsatec: 940 Lansdowne Avenue, Building 15, Suite 101, Toronto, Ontario M6H 3Z4

2. This Agreement shall be read and construed as the number and gender of the party or parties referred to in each case requires and as may otherwise be required by the context.

3. The parties hereto shall without unreasonable delay execute all further amendments to this agreement and other assurances, easement agreements or other documents necessary or required to carry out the intent of this Agreement.

4. Each of the parties to this Agreement shall have the right at all times to enforce the provisions of this Agreement in accordance with the terms thereof, notwithstanding any conduct or custom on the part of such party in refraining from so doing at any time or times.

5. The failure of any party to this Agreement at any time(s) to enforce any of its rights under the provision of this Agreement in strict accordance with the terms thereof, shall not be construed as having in any way established a custom contrary to such provisions, or as having in any way modified or waived such rights.

6. This Agreement shall be binding upon the parties hereto, and their successors and assigns.

IN WITNESS WHEREOF the parties hereby have hereunto caused their respective corporate seals to be affixed, duly attested by the hands of their proper signing officers authorized in that behalf as of the date first above written.--

TORONTO STANDARD CONDOMINIUM CORPORATION NO.1824

Per: _____
Name: Pat Galati
Title: President

Per: _____
Name: Paul DiLuca
Title: Secretary / Treasurer

I/We have authority to bind the Corporation

DAVLAN CONSTRUCTION CORPORATION

Per: _____
Name: Paul DiLuca
Title: President

I/We have authority to bind the Corporation

EMSATEC CANADA INC.

Per: _____
Name: Tom Falus
Title: A.S.O.

Per: _____
Name:
Title:

I/We have authority to bind the Corporation

Properties

Description UNIT 158, LEVEL A, TORONTO STANDARD CONDOMINIUM PLAN NO. 1824 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK O PL M208 DESIGNATED AS PTS 6 TO 12 PL 66R22695; S/T & T/W AS SET OUT IN SCHEDULE A OF THE DECLARATION AS IN AT1342040; CITY OF TORONTO

Address CITY OF TORONTO

PIN 12824 - 0316 LT

Description UNIT 159, LEVEL A, TORONTO STANDARD CONDOMINIUM PLAN NO. 1824 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK O PL M208 DESIGNATED AS PTS 6 TO 12 PL 66R22695; S/T & T/W AS SET OUT IN SCHEDULE A OF THE DECLARATION AS IN AT1342040; CITY OF TORONTO

Address CITY OF TORONTO

PIN 12824 - 0317 LT

Description UNIT 160, LEVEL A, TORONTO STANDARD CONDOMINIUM PLAN NO. 1824 AND ITS APPURTENANT INTEREST. THE DESCRIPTION OF THE CONDOMINIUM PROPERTY IS : PT BLK O PL M208 DESIGNATED AS PTS 6 TO 12 PL 66R22695; S/T & T/W AS SET OUT IN SCHEDULE A OF THE DECLARATION AS IN AT1342040; CITY OF TORONTO

Address CITY OF TORONTO

Consideration

Consideration $0.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name TORONTO STANDARD CONDOMINIUM CORPORATION NO. 1824

Address for Service 250 Davisville Avenue
Suite 108
Toronto, Otnario
M4S 1H2

I, Pat Galati, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Statements

This notice is for an indeterminate period
Schedule: See Schedules

Signed By

Brigida Concetta Parla 7501 Keele Street, Ste. 200 Concord L4K 1Y2 acting for Applicant(s) Signed 2007 01 16

Tel 9057602600
Fax 9057602900

Submitted By

BRATTY AND PARTNERS LLP 7501 Keele Street, Ste. 200 Concord L4K 1Y2 2007 01 16

Tel 9057602600
Fax 9057602900

Fees/Taxes/Payment

Statutory Registration Fee $60.00
Total Paid $60.00

APPLICATION TO REGISTER NOTICE OF AN UNREGISTERED ESTATE, RIGHT, INTEREST OR EQUITY (Section 71 of the Land Titles Act)

I, Michael Volpatti, of the City of Toronto, in the Province of Ontario, am the solicitor for Toronto Standard Condominium Corporation No.1824.

I confirm that the applicant has an unregistered estate, right, interest or equity in the land described in in Box (b) of page 1 hereto.

I hereby apply under Section 71 of the Land Titles Act for entry of a Notice of Agreement in the Register for the said lands.

This notice will be effective for an indeterminate time.

The address for service for the applicant is:

c/o 7501 Keele Street
Suite 200
Vaughan, Ontario
L4K 1Y2

DATED this 11th day of January, 2007

Signature of Solicitor for the Applicant