

TAB A

Glossary of Defined Terms for Receiver's Reports

<u>Term</u>	<u>Definition</u>
2010 Budget	A budget prepared by the Receiver for the six-month period ending May 31, 2010 being the period during which the Institutional Sales Process is contemplated to be conducted
2011 Budget	The budget prepared by the Receiver and approved by WestLB for the period to April 30, 2011, at which time the Receiver expects to have concluded a transaction which will exit the Hotel from receivership
A&M	Alvarez & Marsal Canada ULC
Act	<i>Red Leaves Resort Association Act, 2006</i>
Ad Hoc Committee	The Ad Hoc Committee of Unit Owners, consisting of certain Unit Owners and Existing Unit Purchasers
Altus Tax Group	Altus Group Tax Consulting Paralegal Professional Corporation
Amended August 18 Order	The Order of Madam Justice Pepall dated August 18, 2009, as amended August 20, 2009
Appointment Order	Amended and Restated Appointment Order issued June 2, 2009, as amended by Orders dated December 21, 2009 and April 15, 2010
APS	Agreement(s) of purchase and sale
Assets	All the property, assets and undertakings of The Rosseau Resort Developments Inc.
Baker Real Estate	Baker Real Estate Inc.
Balcony Handrails	The Hotel's balcony handrails that required substantial remediation work, as described in the Twelfth Report
BIA	<i>Bankruptcy and Insolvency Act</i> (Canada)
Blakes	Blake, Cassels & Graydon LLP
Board	Board of Directors of the Red Leaves Resort Association
Building Consultants	Designers, building architects, mechanical, structural, and electrical engineers
Bulletin 19 Reporting Requirements	Certain reporting requirements pursuant to the Tarion New Home Warranty Program
By-laws	The Red Leaves Resort Association By-laws dated April 2008
CJA	<i>Courts of Justice Act</i> (Ontario)
CLA	<i>Construction Lien Act</i> (Ontario)

<u>Term</u>	<u>Definition</u>
Closing Costs Holdback	Certain funds held in the trust account of McCarthys relating to certain closing costs retained from proceeds of sales of Units closed prior to the Receivership
COA	The sewage treatment plant operates pursuant to Certificate of Approval No. 2176-74DPM9, issued by the Ministry of the Environment on July 20, 2007
Colliers	Colliers Macaulay Nicolls (Ontario) Inc.
Commission Claim Materials	The Commission Claims Process Order, Notice and Instruction Letter to Commission Creditors and a Proof of Commission Claim Form
Commission Claims	As defined in the Commission Claims Process Order
Commission Claims Bar Date	Creditors were required to submit their Proof of Commission Claim Form to the Receiver on or before March 1, 2010
Commission Claims Process	A claims process for the determination of entitlements of real estate agents and brokers to amounts set aside by McCarthys and held in trust for real estate commissions
Commission Claims Process Order	Order dated December 21, 2009, authorizing the Receiver to conduct a commission claims process
Commission Funds	The funds available to pay real estate commissions owed to them, which were set aside on closing of Unit sale transactions by McCarthy Tetrault LLP
Committee	Same as the Ad Hoc Committee
Company	The Rosseau Resort Developments Inc.
Condominium Corporation	The Muskoka Standard Condominium Corporation No. 62
Confirmation	Written confirmation by WestLB and the applicable Lien Claimant of the completion of the assignment of the relevant Determined Lien Claim to WestLB
Construction Lien Claims	Lien claims registered on title to the real property owned by RRDI pursuant to the CLA
Construction Lien Claims Process	The construction lien claims process set out in the Claims Process Order
Construction Lien Claims Process Order	Order of the Court dated July 24, 2009
Construction Lien Trustee	Alvarez & Marsal Canada ULC
Court	Ontario Superior Court of Justice
CRA	Conestoga-Rovers & Associates
CT	Commercial tax class

<u>Term</u>	<u>Definition</u>
Current HMA	Amended and Restated Hotel Management Agreement among RRDI, RRMSI, and Marriott Hotels dated October 6, 2006
Current RPMA(s)	The form of rental pool management agreement Unit Owners entered into with RRMSI, as Rental Pool Manager
December 7 Order	The Order issued by the Court on December 7, 2010
December 16 Order	The Order issued by the Court in December 16, 2010
December 21 Order	The Order issued by the Court on December 21, 2009
Declaration	The Rosseau Resort Condominium Declaration, made pursuant to the <i>Condominium Act</i> , 1998
Determined Lien Claim	Construction Lien Claims determined pursuant to the Notices of Determination and approved by the Court
Development Lands	The undeveloped lands located adjacent to the Hotel on RRDI's property, principally along the waterfront and neighbouring The Rock Golf Course
Disputing Unit Owners	63 Unit Owners who delivered notices of dispute to the Receiver in respect of the RPMA Dispute
District or District of Muskoka	The District Municipality of Muskoka Corporate and Emergency Services Department
Eighth Report	The Receiver's Eighth Report dated December 14, 2009
Eleventh Report	The Receiver's Eleventh Report dated May 12, 2010
Existing Unit Purchasers	Existing purchasers who have not yet closed outstanding APSs with RRDI
Faskens	Fasken Martineau DuMoulin LLP
Fifteenth Report	The Receiver's Fifteenth Report dated March 3, 2011
First Tranche Receiver's Borrowings	The monies borrowed by the Receiver from the Syndicate, on a priority basis, to fund the costs and expenses of the receivership in the principal amount of \$15,000,000
FMC	Fraser Milner Casgrain LLP
Forfeited Deposits	Funds held by Blakes in respect of deposits provided by three unit purchasers at the time of signing agreements of purchase and sale to purchase a Hotel Unit during the One Day Sale
Fortress	Fortress Credit Corp.
Fourteenth Report	The Receiver's Fourteenth Report dated December 13, 2010
Hotel	221 unit condominium hotel complex located on the property owned by RRDI situated along the north-west end of Lake Rosseau in Muskoka, Ontario

<u>Term</u>	<u>Definition</u>
Hotel Management Unit	The condominium unit designated for the operations of the Hotel
Independent Directors	The independent directors of the Muskoka Standard Condominium Corporation No. 62
Independent Engineers	Collectively, Morrison Hershfield and Trow
Initial Water Taking Permit	The water taking permit issued on September 21, 2001
Institutional Sales Process	The sales and marketing process for all of the Assets of RRDI on an en bloc basis, as conducted by Colliers
Interim Receiver	Alvarez & Marsal Canada Inc. (formerly McIntosh & Morawetz Inc.)
July 8 Order	The Order dated July 8, 2009
KFE	Ken Fowler Enterprises Limited
Known Commission Creditors	As defined in the Commissions Claims Process Order
Lender Syndicate	WestLB AG, New York Branch and CIT Financial Ltd.
Lien Claimants	Those parties which filed Construction Lien Claims under the Construction Lien Claims Process Order dated July 24, 2009
Marriott Hotels	Marriott Hotels of Canada, Ltd.
May 19 Order	The Order of Madam Justice Pepall dated May 19, 2010
McCarthys	McCarthy Tetrault LLP
Miller Thomson	Miller Thomson LLP
MOE	Ministry of the Environment
MPAC	Municipal Property Assessment Corporation
New HMA	A New Hotel Management Agreement that is based on the template of the Current HMA and modified by the Side Letter, the financial terms and conditions of which are set out in the Summary of Terms approved by the Court
New Marriott Agreements	Other New Marriott Agreements together with the New HMA
New RPMA	New forms of Rental Pool Management Agreements agreed upon by the Committee and RRDI, and approved by the Court
New Unit Purchasers	New purchasers of unsold Units
Ninth Report	The Receiver's Ninth Report dated April 9, 2010
Notices of Determination	Notices issued by the Construction Lien Trustee determining the amounts under the CLA for certain Construction Lien Claims filed by construction lien claimants under the Construction Lien Claims Process Order

<u>Term</u>	<u>Definition</u>
Notices of Dispute	The notices delivered to the Receiver by the Disputing Unit Owners in connection with the RPMA Dispute
November 12 Order	The Order issued by the Court on November 12, 2009 granting the relief sought by the Receiver in the Twelfth Report
OBC	Ontario Building Code
Outstanding Neighbouring Property Issues	The interaction and interconnectedness between RRDI and its neighbouring properties including matters concerning disputes over water and sewage infrastructure, certain development rights, and the Resort Association
Other Current Marriott Agreements	Royalty and Licensing Agreement between RRDI, RRMSI and IHLC dated October 6, 2006, and any other current agreements between RRDI, RRMSI, and Marriott Hotels or its affiliates
Performance Audit	A common element performance audit undertaken by Trow Associates Inc. on behalf of the Board
Potential Purchaser	A third party purchaser related to Maureen Fowler, the spouse of Ken Fowler
Potential Transaction	A proposed potential sale transaction of the Assets of RRDI to the Potential Purchaser
Priority Lien Claims	The portion of construction lien claims which are determined to have priority over all mortgages registered on title to the real property of RRDI
Project	The development and construction of the Hotel and surrounding property, all of which is on the property owned by RRDI
Protocol	The Institutional Sales Process Protocol prepared by the Receiver, in conjunction with its legal counsel and Colliers
Provincial Officer's Order	Consensual Order issued by the MOE on September 29, 2010 requiring RRDI to complete the Remediation Plan by January 31, 2011
R&D	The Receiver's statement of receipts and disbursements
RCPC	Resort condominium property tax class
Receiver	Collectively, the Interim Receiver and the Receiver and Manager
Receiver and Manager	Alvarez & Marsal Canada ULC in its capacity as receiver and manager

<u>Term</u>	<u>Definition</u>
Receiver's Borrowings	Collectively, those receiver's borrowings authorized by the Appointment Order, including the First Tranche Receiver's Borrowings, Second Tranche Receiver's Borrowings and Third Tranche Receiver's Borrowings
Remediation Plan	Plan developed by the Receiver, with the assistance of CRA and the Receiver's legal counsel, and the MOE to remediate the STP
Rental Pool	The rental pool in which all Unit Owners are required to participate
Rental Pool Manager	Rental pool manager
Resort	Red Leaves Resort complex
Resort Association	The Red Leaves Resort Association
Retail Sales Program	Proposed retail sales and marketing program of the Company's unsold condominium units, as well as potentially the development lands surrounding the Hotel, on an individual or lot basis
Ross Windows	Parry Sound Glass Limited o/a Ross Windows
RPMA Dispute	A dispute commenced by the Disputing Unit Owners regarding the Receiver's interpretation of the New RPMA
RPMA(s)	Rental Pool Management Agreement(s)
RRCI	Rock Ridge Contractors Inc.
RRCI/RRDI Reference	The reference to a Master of the Ontario Superior Court to determine the preliminary issue of whether RRCI is a general contractor or a construction manager for RRDI, and whether certain certificates of substantial performance are valid
RRDI	The Rosseau Resort Developments Inc.
RRDI Infrastructure	The water treatment plant and certain water taking infrastructure, including pumps, pumping equipment and piping
RRDI/RRCI Contract	The contract between RRDI and RRCI
RRMSI	The Rosseau Resort Management Services Inc.
RRMSI Receiver	A&M as receiver over certain assets of RRMSI, namely RRMSI's rights in any contracts with Marriott Hotels and/or affiliates which relate to the Hotel (including the Current HMA) and in any Current RPMAs
Sales and Marketing Order	The Order issued by the Court on July 8, 2009

<u>Term</u>	<u>Definition</u>
Sales and Marketing Process	Generally, the process the Receiver intends to run in respect of selling the Assets of the Company approved by the Sales and Marketing Order
Second Tranche Receiver's Borrowings	A second tranche of Receiver's Borrowings in the principal amount of \$7.5 million to be provided by WestLB
Service List	List of all interested parties who are entitled to receive copies of all documents filed with the Court and have either served a Notice of Appearance or requested to be added to the Service List
Standstill Agreements	Those agreements pursuant to which prior to the Receivership two additional Existing Unit Purchasers had each independently agreed to enter into agreements whereby RRDI agreed to attempt to sell each of the respective Units at minimum prices agreed upon between RRDI and the Existing Unit Purchaser
STP	Sewage treatment plant
STP Lease	A lease agreement dated February 13, 2009, between RRDI, as tenant and Wallace Marine, as landlord, for a term of 21 years less a day in respect of the lands on which the sewage treatment plant is situated
Syndicate	The lender syndicate being WestLB AG, New York Branch and CIT Financial Ltd.
Tarion	Tarion Warranty Corporation
Tenth Report	The Receiver's Tenth Report dated April 19, 2010
The Rock	1515511 Ontario Inc. o/a The Rock Golf Club
Third Tranche Receiver's Borrowings	A third tranche of Receiver's Borrowings in the principal amount of \$8.7 million to be provided by WestLB
Third Tranche Term Sheet	The term sheet negotiated by the Receiver with WestLB for the Third Tranche Receiver's Borrowings, consistent with the form of term sheets executed in respect of prior Receiver's Borrowings
Thirteenth Report	The Receiver's Thirteenth Report dated December 1, 2010
Township	The Township of Muskoka Lakes
TPL	Total phosphorus level(s)
Travelers	Travelers Guarantee Company of Canada
Trow	Trow Associates Inc.
Twelfth Report	The Receiver's Twelfth Report dated November 5, 2010

<u>Term</u>	<u>Definition</u>
Unit Owner Proposal	The proposal of the Independent Directors and the Ad Hoc Committee to acquire certain assets of RRDI, specifically the commercial property and operations of the Hotel and RRDI's interest in the Marriott Hotel Agreements and New RPMAs, and simplify the rental pool structure.
Unit Owners	Current owners of Units at the Hotel
Units	The 221 condominium units of the Hotel
Unsold Units	132 unsold condominium units of the Hotel (note that in prior reports, "Unsold Units" was defined as 84 unsold condominium units of the Hotel, this past definition excluded those units that were subject to an APS but not sold)
Wallace Marine	Wallace Marine Limited
Water and Sewage Infrastructure	Water and sewage infrastructure on or adjacent to RRDI's property including the sewage treatment plant and the water treatment plant
Water Supply Agreement	A proposed, mutually acceptable water supply agreement, whereby RRDI would continue to supply The Rock with water for irrigation purposes
Water Taking Permit	Permit No. 0465-5ZTL4C, which provides RRDI with the authority to take water primarily from Lake Rosseau, governed by the Ontario <i>Water Resources Act</i>
WestLB	WestLB AG, Toronto Branch or WestLB AG, New York Branch
Window and Door Systems	The windows and exterior balcony doors of the Units
WTP	Water treatment plant that is situated on RRDI's property

TAB B



37.
Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
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February 22, 2011

Pamela L. J. Huff
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Reference: 00075334/000002

VIA E-MAIL

Gordon Jacobs
The Law Offices of Gordon L. Jacobs
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Toronto, ON M5B 2A9

Roland Klassen
Acrobat Research Ltd.
170 Robert Speck Pkwy, Ste 201,
Mississauga ON L4Z 3G1

**Re: Muskoka Condominium Corporation No. 62 (the "Condominium Corporation")
The Rosseau Resort Developments Inc. ("RRDI")**

Dear Sirs:

We are writing to you as legal counsel to Alvarez & Marsal Canada ULC in its capacity as Receiver of RRDI (the "Receiver") in your respective capacities as the Independent Directors of the Condominium Corporation.

In your capacity as members of the Ad Hoc Committee, the Receiver conducted negotiations with you regarding a potential acquisition of the commercial assets of RRDI by the Condominium Corporation. In those discussions you took the position, as members of the Ad Hoc Committee and as Independent Directors, that RRDI was and is in arrears of its condominium fees. We understand that you continue to hold this position.

As previously advised, we disagree with your position.

RRDI has paid all repair, maintenance, and utility costs of the Hotel during the period since the commencement of the receivership. This has been to the benefit of the Condominium Corporation, and consequently unit owners, who have had to bear no costs to date in this regard.

However, the Condominium Corporation has a contractual responsibility for its share of such expenses (defined as "Shared Facilities Costs"), pursuant to a Reciprocal Agreement between RRDI and the Condominium Corporation dated March 9, 2009 (the "Reciprocal Agreement") which allocates liability for these expenses as between the Condominium Corporation and RRDI. In paying all of the costs, RRDI has paid the Condominium Corporation's share of its obligations for repair, maintenance, and utilities, and is entitled to reimbursement by the Condominium Corporation.



RRDI had an obligation to pay condominium fees to the Condominium Corporation for the units it still retained during the period 2009-2010. In order to satisfy that obligation, the Receiver has set off RRDI's obligation to the Condominium Corporation against those amounts owing by the Condominium Corporation to RRDI under the Reciprocal Agreement. In 2011, RRDI has continued to pay expenses on behalf of the Condominium Corporation, against which it may set off against further condominium fee obligations for this period.

This set-off is entirely consistent with the contractual and organizational structure of the Hotel, which establishes that the owners of the Hotel (both the individual unit owners and the owner of the commercial space, in this case RRDI) are ultimately responsible for basic costs of ownership such as repairs, maintenance, and utilities:

(a) The Hotel Easement and Restrictive Covenant Agreement between RRDI and the Condominium Corporation (the "Hotel Easement Agreement") identifies the Condominium Corporation as the entity responsible for the management and administration of its common elements, and grants an easement to RRDI as owner of the commercial space of the Hotel to carry out the management of the rental pool and the Hotel. The Condominium Corporation covenants to maintain its common elements in accordance with Hotel Standards.

(b) The Declaration of the Condominium Corporation (the "Declaration") reflects the obligation of the Condominium Corporation to maintain its common elements, by establishing that the budget of the Condominium Corporation is to include amounts for the payment of repairs, maintenance, and utilities. The Hotel Easement Agreement provides that the Rental Pool Manager is to propose annual budgets for the Condominium Corporation, and that the Condominium Corporation shall approve proposed budgets that ensure that sufficient operating funds are allocated to the maintenance, repair and replacement of the common elements at a standard consistent with Hotel Standards.

(c) The Reciprocal Agreement executed by the Condominium Corporation and RRDI governs the allocation of the costs of ownership, including repairs, maintenance, and utilities, between the residential Condominium Corporation, and the commercial owner, RRDI. The Reciprocal Agreement also makes RRDI, as initial property manager, responsible for managing the operations, maintenance, repair, replacement of the services, utilities, facilities and systems that are shared by the residential and commercial owners. The agreement permits RRDI as initial property manager to delegate this responsibility to Marriott as hotel operator. However, the Condominium Corporation and RRDI are each to pay their share of the costs related thereto, as allocated on a percentage basis, in accordance with Schedule C of the Reciprocal Agreement.

At first instance, those costs incurred and invoices rendered for repairs, maintenance, and utilities have been paid by Marriott in the course of operating the Hotel. This is consistent with the Reciprocal Agreement, which permits RRDI to delegate this function to Marriott. For the first operating year of the Condominium Corporation ending March, 2010, the total amount of such costs, as determined from the records of Marriott, is approximately \$2.15 million. These costs were all reimbursed to Marriott by RRDI under the Hotel Management Agreement. However, these costs are to be shared among all of the owners of the Hotel, not borne solely by RRDI as commercial owner, and RRDI is therefore entitled to be reimbursed by the Condominium Corporation for its share of the amounts covered by RRDI.



Applying the percentages under the Reciprocal Agreement, the amount of the Condominium Corporation's share of the obligation is approximately \$1.5 million for 2009-2010. This is a receivable owing by the Condominium Corporation to RRDI.

RRDI's aggregate obligation to the Condominium Corporation for condominium fees for 2009-2010 was approximately \$1.3 million. This is a payable owing by RRDI to the Condominium Corporation.

After setting off these two amounts, the draft financial statements prepared for the Condominium Corporation show an amount owing to RRDI by the Condominium Corporation of approximately \$242,000. As a result, RRDI is not in arrears of condominium fees, but is in fact in a net receivable position with the Condominium Corporation.

A similar set-off would be applied to any condominium fees that may be payable by RRDI once the budget for the Condominium Corporation is set for 2010-2011 and subsequent years.

The accounting and netting out as described above was provided to you by the Receiver many months ago. You have objected to that accounting on the basis that the payments by RRDI to Marriott to fund repairs, maintenance, and utilities are not subject to reimbursement under the Reciprocal Agreement.

There is no question that these costs were incurred, as the Hotel has been maintained, repaired, and supplied with utilities. There is no question that RRDI was permitted to delegate the initial responsibility to Marriott. That does not vitiate the requirement of the Condominium Corporation to pay its share of those costs. The effect of your argument is that the Condominium Corporation has no obligation to pay any of these costs, and yet is entitled to collect condominium fees from RRDI relating in large part to those very same expenses. The effect of this argument is to permit the Condominium Corporation to reap a multi-million dollar windfall from RRDI while RRDI pays twice for the same expenses. This is clearly inconsistent with the express provisions of the agreements that structure the Hotel. The Condominium Corporation is not intended to be a profit-making entity and to collect fees for no reason.

If the Independent Directors are not prepared to concede that there are no arrears of condominium fees owing by RRDI, the Receiver will have no choice but to bring this matter before the Court on an expedited basis for a declaration to this effect. Please provide your position by no later than noon on Monday February 28, 2011, barring which the Receiver will immediately commence proceedings for declaratory relief to that effect on notice to you as independent directors.

We note that the Notices of Dispute issued by certain Unit Owners assert that the Unit Owners have no responsibility for the utilities, repairs and maintenance paid by RRDI. The Receiver has indicated its intention to bring this issue to the Court if not otherwise settled. If the Unit Owners were successful in their assertions in the Notices of Dispute, which are not admitted but denied, the effect would be to substantially reduce the liability of RRDI for condominium fees. However, the ability to set-off as asserted by the Receiver is independent of the issue raised by the Notices of Dispute as to the quantum of condominium fees which may be payable by all Unit Owners.

Blakes

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If you would like to meet this week to further discuss this matter with the Receiver, please let us know.

Yours truly,



Pamela L. J. Huff
PLJH:kame

c: Silvana D'Alimonte
Katherine McEachern
Richard Morawetz
Adam Zalev
Shayne Kukulowicz

TAB C

Gordon L Jacobs
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February 24, 2011

Blake, Cassels & Graydon LLP
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Commerce Court West
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M5L 1A9
Attention Pamela L.J. Huff

Dear Sirs:

**Re : Muskoka Standard Condominium Corporation No. 62 (the "Condominium Corporation") and The Rosseau Resort Developments Inc. ("RRDI")
Unpaid Condominium Corporation Common Expenses**

I am responding to your letter of February 22, 2011 addressed to Mr. Roland Klassen and myself in our capacity as independent directors of the Condominium Corporation ("your Letter") and am also responding on his behalf. A courtesy copy of your Letter is attached to the transmittal email. As a reminder to you, Mr. Klassen and I agreed to serve as independent directors of the Condominium Corporation at the request of your client in June, 2009 and were elected as such, largely on the basis of your client's voting control of the Condominium Corporation.

Mr. Klassen and I take our responsibilities as independent directors very seriously and in particular with respect to our obligations under The Condominium Act, 1998 of Ontario (the "Act") and the related documentation of the Condominium Corporation. As such we have a fiduciary obligation to act in the best interests of all the owners of condominium units in the Condominium Corporation with no special treatment for any one unit owner, including your client.

We are well aware of your client's interpretation of the various agreements referred to in your Letter and we continue to disagree with your interpretation of those agreements. We have been in disagreement with your client over the interpretation of these agreements since August, 2009. You and your client have been put on notice by the independent directors of the nature of this dispute on many occasions since then, as well as many exchanges of correspondence of various types and through numerous meetings with your client. You have responded from time to time with threats of your intention to bring Court proceedings of one kind or another and we have been eager to bring this dispute to a resolution. However you have taken no steps to work toward a resolution of this dispute and your Letter is yet another threat to commence expensive, time-consuming complex litigation.

For the period May 22, 2009 until March 9, 2010 i.e. the first year of the Condominium Corporation but commencing on the date of your client's appointment as Receiver owning approximately 67% of the condominium units, his obligation to pay common expenses to the Condominium Corporation @\$1.02 sq ft/month, based on the amount charged to all unit owners during that period under the initial year budget, amounted to approximately \$922,000.00 which remains unpaid. This amount is to be finalized by the Condominium Corporation's auditors when appointed.

For the period March 9, 2010 to the present date, based on your client's proposed budget for the Condominium Corporation for the second year of operation and based on his reduced ownership of approximately 60% of the units, @\$1.50/sq ft/month (which is the amount he collected from the purchasers in 2010), his obligation to pay common expenses to the Condominium Corporation amounted to approximately \$1,465,000.00 which also remains unpaid. This amount is also to be finalized by the Condominium Corporation's auditors and is of course subject to the Condominium Corporation's board fixing a budget and the amount of common expenses for the second year of operation.

So, subject to the foregoing, the amount owing by your client to the Condominium Corporation is approximately \$2,387,000.00. Since most of the other unit owners have paid their assessed common expenses to the Condominium Corporation for the first year directly or indirectly, and certain unit owners have also paid their common expenses for the second year, we as independent directors cannot just ignore the fact that your client has chosen not to pay his common expenses.

Your letter suggests that your client is not obliged to pay the common expenses of the Condominium Corporation because he has a claim for reimbursement by the Condominium Corporation under certain contractual obligations with the Condominium Corporation which he says he is entitled to setoff against his common expenses.

As you know, the independent directors dispute his claim for reimbursement. Further we, as independent directors, also have to be guided by Section 84(3)(b) of the Act which specifically provides that

"an owner is not exempt from the obligation to contribute to the common expenses even if,.....the owner is making a claim against the corporation.."

In other words, the Act specifically precludes any right of setoff but requires payment of the common expenses just like payment is to be made by every other unit owner. So the common expenses are owing by your client to the Condominium Corporation. Your client is free to bring his claim against the Condominium Corporation in accordance with the Act but, as an officer of the Court, he must seek such claim based on equitable principles and must come to the dispute "with clean hands" i.e. he must pay the arrears of common expenses before he can have standing to resolve the dispute. Accordingly, we, as the independent directors of the Condominium Corporation hereby demand payment by your client to the Condominium Corporation in the amount of \$2,387,000.00 forthwith.

Your Letter advises that if the independent directors of the Condominium Corporation are not prepared to concede your client's interpretation, that the Receiver will bring this dispute before the Court on an expedited basis for a declaration seeking confirmation of your clients interpretation of the various agreements referred to in your Letter.

Your client was, and is, the Declarant of the Condominium Corporation under the Act. The agreements that you refer to in your Letter and that are the basis of your client's claims, are all agreements between the Declarant and the Condominium Corporation. In such circumstances, the Act prescribes a specific and exclusive dispute resolution mechanism under Sections 132 and 134 of the Act. That statutory mechanism for dispute resolution is mediation and arbitration and not the Court proceedings with which you are prepared to proceed. While I appreciate that your client is a Court-appointed receiver, he is still subject to the statutes of Ontario and all of the provisions of the Act, including a mandated dispute resolution forum. He may choose to go to the Court to seek directions but he cannot override the provisions of the Act to resolve the dispute itself in the Court since the Act is clear on its terms.

Accordingly we will resist any application that your client brings to the Court as being the improper forum for such dispute resolution and will further bring our own claim on behalf of the Condominium Corporation for the unpaid common expenses owed by your client. This dispute is a matter of condominium law and not receivership law. The fact that your client is a Court appointed Receiver only raises the professional standard and duty of care that the Court will expect of your client in his dealing with the Condominium Corporation and all the other stakeholders in the receivership.

We will also seek further relief from the Court on behalf of the Condominium Corporation, and in particular will ask the Court to appoint an independent property manager for the Condominium Corporation and independent counsel for the Condominium Corporation, both to be paid by the Condominium Corporation in its ordinary administration. Despite the numerous requests from the independent directors of the Condominium Corporation to your client as the controlling unit owner for the appointment of independent management and independent counsel since the inception of the receivership, your client has refused to permit such appointments.

The Condominium Corporation is not in receivership but it has been in disarray since the inception of the receivership in May, 2009 at which time your client took control of the Condominium Corporation. Since that date, there have been no board meetings or unit owner meetings (other than the meeting in June, 2009 to appoint the independent directors). The Act mandates annual meetings of the unit owners and there have been none. The Act mandates audited financial statements and budgets and there have been none because of your client's refusal to date to resolve the dispute that is the subject of your Letter. Your client has arbitrarily appointed himself to manage the business and affairs and finances of the Condominium Corporation with no authority and no accountability. We as the independent directors are not provided with regular financial information on the status of the Condominium Corporation and we have no idea how many other unit owners may also be in arrears on the payment of their common expenses.

Your client has taken no steps to enforce the collection of common expenses and he has put the Condominium Corporation at risk since the statutory lien enforcement rights of the Condominium Corporation only extend for ninety days and then are lost. The unit owners have received no communication from the Condominium Corporation since the inception of the receivership and they are greatly concerned about the wanton disregard for their rights under the Act by your client. Your client's activities vis a vis the Condominium Corporation have been oppressive and unfairly prejudicial and unfairly disregard the interests of the Condominium Corporation and the other unit owners. We will ask the Court for relief and an oppression remedy under Section 135 of the Act to remove your client from his involvement with the Condominium Corporation other than

as a unit owner like any other unit owner. Your client is not an officer or director of the Condominium Corporation nor is he the appointed property manager of the Condominium Corporation and yet his conduct is such that he is running the Condominium Corporation as if it is in receivership with no accountability to the independent directors or the unit owners and that has to cease. His dealings with the Condominium Corporation are rife with conflicts that a Court-appointed Receiver should be scrupulous to avoid. We also note that your client has taken advice on this dispute from your firm, which itself is in conflict with your representation of the secured lender, and apparently not taken advice on this issue from your client's independent counsel at Fraser Milner.

Your client retains control over the Condominium Corporation's bank accounts without authority and holds funds in trust for the Condominium Corporation that must be turned over forthwith to the Condominium Corporation in accordance with Section 115(4) of the Act. All signing authority on the bank accounts of the Condominium Corporation should require the signature of at least one of the independent directors.

We will also seek an order from the Court to prohibit your client from selling or otherwise disposing of any of the units that he owns in the Condominium Corporation until this matter is resolved or ask the Court to require the payment into Court of the sum of at least \$2,387,000.00 prior to any such sale until the dispute is resolved. We will also not permit the Condominium Corporation to provide clear status certificates to subsequent purchasers of your client's units while fees are outstanding and we will apply the Condominium Corporation's lien rights to enforce collection. We note that paragraph 9 of the Restated Appointment Order applicable to your client states that nothing in the Appointment Order prevents the registration of a claim for lien, including liens by the Condominium Corporation under the Act.

It is now imperative that this matter be resolved so that the board can fix the budget for 2010 and 2011 and normal operation of the Condominium Corporation can be put in place as soon as possible so that fees can be fixed and collected and systems put in place to ensure the proper governance and administration of the Condominium Corporation which has not been the case heretofore.

As you know, we had proposed to your client an alternative cost-effective method of dealing with, and eliminating, your client's unpaid common expenses. We remain open to those discussions providing that independent counsel can provide some level of comfort to the independent directors on that approach. I would have thought that your other client, WestLB (now EAA), after having funded approximately \$12 million of professional fees in the receivership, would be more inclined to pursue our suggested alternative to this dispute instead of engaging in your proposed very expensive and very time consuming litigation. It is a classic case that the only parties that benefit from your proposed course of action are the lawyers.

Yours truly

Gordon L. Jacobs

c.c. Roland Klassen

TAB D

OFFICE SCHEDULE

<p>NUMBER: MT 63413 CERTIFICATE OF RECEIPT 9:55 MAR 09 2009 L. J. O'NEILL LAND REGISTRAR MUSKOKA # 35 BRACEBRIDGE</p> <p><i>[Signature]</i> <i>[Signature]</i></p>	<p>DECLARATION CONDOMINIUM ACT, 1998</p>
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Muskoka Standards
(Insert Office Name) CONDOMINIUM PLAN NO. 62

NEW PROPERTY IDENTIFIER'S BLOCK 48862

RECENTLY: 48143-0266

DECLARANT: THE ROSSEAU RESORT DEVELOPMENTS INC.

SOLICITOR: PETER QUINN - MCCARTHY TETRAULT	
ADDRESS:	
1050 PAVANTON HOUSE ROAD	
P.O. Box 86	
MUSKOKA, ONTARIO	
P0B 190	
PHONE:	FAX:

No. OF UNITS 222

FEES: \$70.00 + (\$5.00 x (number of unit) = 1180

03/06

✓ 46

THE ROSSEAU RESORT CONDOMINIUM

DECLARATION

made pursuant to the *Condominium Act*

This declaration (hereinafter called the "Declaration") is made and executed pursuant to the provisions of the *Condominium Act*, 1998, S.O. 1998, C.19, and amendments thereto, and the regulations made thereunder (the "Act") by The Rosseau Resort Developments Inc. (the "Declarant") and the Declarant intends that the registration of this Declaration and the description submitted herewith by the Declarant (hereinafter called the "Description") will create a freehold Standard Condominium Corporation and the Lands will be governed by the Act.

DEFINITIONS

1. All capitalized words used herein which are defined in the Act shall have ascribed to them the meanings set out in the Act, and shall have reference to the corporation created by the Act upon the registration of the Declaration and the Description (the "Corporation").
2. The following additional terms used herein (including the schedules attached hereto) have the meanings set out below, unless the context otherwise requires:
 - (a) "Board" means the Corporation's Board of Directors;
 - (b) "By-laws" means the by-laws of the Corporation enacted from time to time;
 - (c) "Commercial Condominium" means the condominium corporation to be created pursuant to the Act upon registration of a declaration and description for the commercial and/or retail portions of the Hotel and "Commercial Corporation" means the corporation created under the Act in respect of the Commercial Condominium;
 - (d) "Communication Services" means underground or above ground lines, cables, dishes and other forms of transmission or reception media used for the transmission and reception of telephone, facsimile, cable and/or satellite television, e-mail and internet services and/or other forms of communication, and appurtenant plant and equipment, whether presently existing or constructed subsequent to the date hereof, together with all appurtenances and related improvements, and the Easement for Communication Services includes a non-exclusive right and easement for vehicular and pedestrian ingress and egress over the servient lands described in Schedule "A" attached hereto;
 - (e) "Condominium Use Agreements" means, collectively, the Hotel Reciprocal Agreement, the Hotel Easement and Restrictive Covenant Agreement, the Resort Easement Agreement, the Shared Facilities Agreement and the Municipal Agreements;
 - (f) "Corporation", or "this Corporation", or the "Condominium", or "this Condominium" shall mean the condominium corporation that is created by the registration of the Declaration and Description and all the units and Common Elements comprising the condominium corporation;
 - (g) "Development Lands" means the lands described as Part of Lot 25, Concession 11 and part of the Original Road Allowance between Lots 25 & 26, Concession 11, closed by By-law 72-34 (DM105704) designated as Part 2, Plan 35R-21398; Part of Lot 25, Concession 11 and part of the Original Road Allowance between Lots 25 & 26, Concession 11, closed by By-law 72-34 (DM105704) designated as Part 3, Plan 35R-21398; Part of Lot 25, Concession 11 and part of the Original Road Allowance between Lots 25 & 26, Concession 11, closed by By-law 72-34 (DM105704) and part of Lot 25, Concession 10 and part of the Original Road Allowance between Concessions 10 and 11 in front of Lot 25, closed by By-law 190 (ME1289) and part of the Original Road Allowance between Concessions 10

and 11 in front of Lot 24, closed by By-law 744 (DM12512) designated as Part 4, Plan 35R-21398; Part of Lot 25, Concession 11 and part of Lot 25, Concession 10 and part of the Original Road Allowance between Concessions 10 and 11 in front of Lot 25, closed by By-law 190 (ME1289) and part of the Original Road Allowance between Concessions 10 and 11 in front of Lot 24, closed by By-law 744 (DM12512) designated as Part 10, Plan 35R-21398; Part of Lot 24, Concession 11 designated as Part 8, Plan 35R-20257; Part of Lot 24, Concession 11 designated as Part 7, Plan 35R-20257; Part of Lot 24, Concession 11 designated as Parts 5 and 6, Plan 35R-20257; Part of Lot 24, Concession 11 designated as Part 2, Plan 35R-3373, being PIN 48143-0266, save and except the Lands and the lands comprising the Commercial Condominium;

- (h) "Easement" means each of the easements, right-of-way and rights of support set forth in the transfers of easement registered as Instrument Nos. MT62692 and MT62693 and any additional easements created from time to time pursuant to the terms thereof;
- (i) "Fiscal Year" means the Hotel Operator's Fiscal Year which, as of the date of this Declaration, ends at midnight on Friday closest to December 31 in each calendar year, the new Fiscal Year begins on Saturday immediately following said Friday. Any partial Fiscal Year between the date on which paying overnight guests are first admitted to the Hotel by the Hotel Operator and the commencement of the first full Fiscal Year shall constitute a separate Fiscal Year;
- (j) "Gas Services" means any underground or above ground pipes, transmission lines, meters, valves and appurtenant plant and equipment, whether presently existing or constructed subsequent to the date hereof, together with all appurtenances and related improvements and any right and Easement for Gas Services includes a non-exclusive right and easement for vehicular and pedestrian ingress and egress over the servient lands described in Schedule "A" attached hereto;
- (k) "Golf Course Lands" means those lands described as Part of Lot 25, Concession 11 and part of the Original Road Allowance between Lots 25 & 26, Concession 11, closed by By-law 72-34 (DM105704) designated as Part 1, Plan 35R-21398, being PIN 48143-0260; Part of Lots 24 and 25, Concession 12 and part of Lot 25, Concession 11 designated as Parts 1, 2, 3, 4, 5, 6, 7, 8, 10 and 11 Plan 35R-17316, Part 1 Plan 35R-19995 and Part 2 Plan 35R-17901, and part of the Original Road Allowance between Lots 25 & 26, Concession 12, closed by By-law 2000-86 (DM347050) designated as Part 1, Plan 35R-17901, being PIN 48143-0504; Part of Lots 26 and 27, Concession 12 designated as Parts 1, 2 and 3, Plan 35R-12393, being PIN 48142-0341; Part of Lot 24, Concession 11 designated as Part 4, Plan 35R-19477, being PIN 48143-0201; Part of Lot 24, Concession 11, closed by By-law 2003-67 (LT235179) designated as Parts 2, 3 and 5, Plan 35R-19477, being PIN 48143-0269;
- (l) "Hotel" means the hotel property known as 'The Rosseau - a JW Marriott Resort' and comprising this Condominium, the Commercial Condominium and the dock, boathouse, beach and watersports area located at the lakefront adjacent to this Condominium;
- (m) "Hotel Easement and Restrictive Covenant Agreement" means the agreement to be entered into between the Corporation, the Commercial Corporation and the Owner of the Hotel Management Unit providing for, *inter alia*, the grant of an easement by the Corporation for the benefit of and appurtenant to the Hotel Management Unit over the Common Elements of the Corporation for the purposes of administering the Rental Pool and setting forth the obligations of the Corporation to maintain the Common Elements at a standard consistent with the Hotel Standards;
- (n) "Hotel Management Agreement" means the agreement for the operation and management of the Hotel between the Declarant, the Rental Pool Manager and the current Hotel Operator, as the same may be amended, extended, restated or

replaced from time to time and includes any subsequent agreement with a permitted replacement hotel operator pursuant to the Rental Pool Management Agreements;

- (o) "Hotel Management Unit" means the Unit designated as such in the Description and intended for use in conjunction with the operation of the Rental Pool;
- (p) "Hotel Operator" means the current hotel operator under the Hotel Management Agreement and includes any permitted replacement hotel operator from time to time pursuant to the Rental Pool Management Agreement;
- (q) "Hotel Reciprocal Agreement" means the agreement to be entered into between the Corporation and the Commercial Corporation providing for the integrated use, operation, maintenance, repair and reconstruction, if necessary, of the Condominium and the Commercial Condominium, the cost allocation for mutual services and facilities, and other matters relevant to the interdependency of the Condominium and the Commercial Condominium including the provision of easements, rights of way, licences and rights of support necessary or desirable for the full use, operation, maintenance, repair, replacement and reconstruction, if necessary, of the Condominium and the Commercial Condominium, upon such terms and conditions as the Board may from time to time approve;
- (r) "Hotel Standards" means the standards and policies for the management and operation of a hotel (including the Resort Units) having the design, development, construction, furnishing, technical, equipping, operation, service and maintenance standards at least equal to a "JW Marriott", or equivalent hotel, as required from time to time under or pursuant to the Hotel Management Agreement;
- (s) "Hotel Use" means the use of the Resort Units for the purpose of the rental to the public for tourists', visitors' and travellers' transient accommodation as part of the Rental Pool under the Rental Pool Management Agreements;
- (t) "HVAC Services" means underground or above ground mains, piping, conduits or lines related to heated or cooled liquids, coolants, or other forms of heating, ventilating or air-conditioning and appurtenant plant and equipment, whether presently existing or constructed subsequent to the date hereof, together with all appurtenances and related improvements and any right and Easement for HVAC Services includes a non-exclusive right and easement for vehicular and pedestrian ingress and egress over the servient lands described in Schedule "A" attached hereto;
- (u) "Hydro Services" means electrical lines, cables and appurtenant plant and equipment, whether presently existing or constructed subsequent to the date hereof, together with all appurtenances and related improvements and any right and Easement for Hydro Services includes a non-exclusive right and easement for vehicular and pedestrian ingress and egress over the servient lands described in Schedule "A" attached hereto;
- (v) "Lands" means the lands described in Schedule A and in the Description;
- (w) "Minor Casualty" means any fire or other casualty which results in damage to the Hotel and/or its contents to the extent that the total cost (in the Hotel Operator's reasonable judgement) of repairing and/or replacing of the damaged portion of the Hotel to the same condition as existed previously would not exceed the amount of \$5,000,000, said amount to be adjusted by the percentage increases from time to time after October 1, 2004 in The Consumer Price Index for Canada;
- (x) "Municipal Agreements" means, collectively, those agreements entered into among various parties, including the Declarant, the Township of Muskoka Lakes, the District Municipality of Muskoka and others and affecting all or part of the Lands, including, without limitation, a site plan agreement, a financial responsibility agreement, a condominium agreement and a servicing agreement.

- (y) "Owner" means the Owner or Owners of the freehold estate(s) in a Unit, but does not include a mortgagee unless in possession;
- (z) "Parking Facilities" means collectively, the one -level underground parking facility which may be located in the Condominium including the ramp providing access to such facility and the surface paved parking areas located on the Lands;
- (aa) "Personal Use" means the use of the Resort Unit as permitted under the applicable Rental Pool Management Agreement by the Resort Unit Owner and his or her successors in title;
- (bb) "Rental Pool" means the rental management arrangement contained in the Rental Pool Management Agreements and this Declaration pursuant to which the Resort Units are to be made available in a rental pool for rental to the general public;
- (cc) "Rental Pool Management Agreements" means collectively, the rental pool management agreements to be entered into by Owners of the Resort Units with the Rental Pool Manager providing for participation of the Resort Units in the Rental Pool;
- (dd) "Rental Pool Manager" means the manager appointed from time to time pursuant to the Rental Pool Management Agreements to manage the Rental Pool;
- (ee) "Resort Easement Agreement" means the agreement to be entered into among the Corporation, the Commercial Corporation, 1515511 Ontario Inc. (as owner of the Golf Course Lands) and the Declarant (as owner of the balance of the Development Lands) providing for reciprocal blanket easements covering the Common Elements of the Condominium, the Commercial Condominium and the balance of the Development Lands for the purpose of installing and maintaining services, repairing and maintaining the buildings and other improvements and providing support and access;
- (ff) "Resort Units" means the Units other than the Hotel Management Unit;
- (gg) "Rules" means, collectively, (i) the rules passed by the Board, from time to time; and (ii) the rules made by the Hotel Operator from time to time as provided for in paragraph 13(d);
- (hh) "Sanitary Services" means sanitary sewers, pipes and appurtenant plant and equipment, whether presently existing or constructed subsequent to the date hereof, together with all appurtenances and related improvements, and any right and Easement for Sanitary Services includes a non-exclusive right and easement for vehicular and pedestrian ingress and egress over the servient lands described in Schedule "A" attached hereto;
- (ii) "Services" means any or all of Communication Services, Gas Services, HVAC Services, Hydro Services, Sanitary Services, Stormwater Services and Watermain Services;
- (jj) "Shared Facilities Agreement" means the agreement to be entered into between the Corporation, the Commercial Corporation, 1515511 Ontario Inc. (as owner of the Golf Course Lands) and the Declarant (as owner of the balance of the Development Lands), providing for the integrated use, operation, maintenance, repair, replacement and reconstruction, if necessary, of the shared facilities as described therein, the cost allocation respecting same and other matters relevant to the interdependency of the Corporation, the Commercial Condominium and the balance of the Development Lands, including the provision of easements, rights of way, licences and rights of support necessary or desirable for the full use, operation, maintenance, repair, replacement and reconstruction, if necessary, of the shared facilities, upon such terms and conditions as the Board may from time to time approve;
- (kk) "Stormwater Services" means storm water or surface drainage, underground storm sewers, culverts, catch basins and appurtenant plant and equipment,

whether presently existing or constructed subsequent to the date hereof, together with all appurtenances and related improvements, and any right and Easement for Stormwater Services includes a non-exclusive right and easement for vehicular and pedestrian ingress and egress over the servient lands described in Schedule "A" attached hereto;

- (ll) a "Unit" - shall mean a part of the Lands included in the Description and designated as a unit by the Description and the definition "Unit" for the purposes of the duties to repair and maintain under sections 89, 90, 91, 92, 96 and 123 of the Act and this Declaration shall extend to all improvements made by the Declarant in accordance with its architectural and structural plans notwithstanding that some of such improvements may be made after registration of the Declaration;
- (mm) "Unit FF&E" means, from time to time, all furniture, fixtures, Fixed Asset Supplies, Soft Goods and Case Goods (as such terms are defined in the Rental Pool Management Agreements), kitchen appliances, carpeting and equipment located in the Resort Units, including without limitation, appliances, equipment, fixtures and furnishings, linens, towels and housewares including glasswares, dishes, cutlery and utensils, drapery and carpeting in the Resort Units; and
- (nn) "Watermain Services" means watermains, water pipes and appurtenant plant and equipment, whether presently existing or constructed subsequent to the date hereof, together with all appurtenances and related improvements, and any right and Easement for Watermain Services includes a non-exclusive right and easement for vehicular and pedestrian ingress and egress over the servient lands described in Schedule "A" attached hereto.

STATEMENT OF INTENTION

- 3. The Declarant intends that the Lands described in Schedule A and in the Description be governed by the Act and that the registration of the Declaration and Description will create a standard freehold condominium corporation.

CONSENT OF MORTGAGEE

- 4. The consent of every person having a registered mortgage against the Lands and interests appurtenant to the Lands so described is attached to this Declaration as Schedule B.

UNIT DESCRIPTION

- 5. The monuments controlling the extent of the Units are the physical surfaces and planes shown on Part 1, Sheets 1 to 9 of the Description and set forth in Schedule C. With respect to all Units, the Units shall not include: (a) concrete floor slabs, structural members, columns or any load bearing partitions contained within the Unit; and (b) all pipes, conduits, electrical wiring, television distribution systems, gas (propane) mains, heating and cooling systems and other common services, which may run within the boundaries of the Unit but which serve another Unit or more than one Unit.

COMMON INTERESTS AND COMMON EXPENSES

- 6. The Common Interests and the proportions of contributions to Common Expenses of each Unit are listed in Schedule D.

COMMON EXPENSES

- 7. Common Expenses means the expenses of the performance of the objects and duties of the Corporation and such other expenses, costs and sums of money designated as common expenses in the Act and this Declaration and, without limitation, includes those specified in Schedule E.

ADDRESS FOR SERVICE, MUNICIPAL ADDRESS AND MAILING ADDRESS

8. The address of the Corporation for service and the mailing address for the Corporation is 1050 Paignton House Road, P.O. Box 86, Minett, Ontario, P0B 1G0. The Corporation's municipal address is 1050 Paignton House Road, Minett, Ontario, P0B 1G0.

APPROVAL AUTHORITY REQUIREMENTS

9. There are no conditions imposed by the approval authority to be included in this Declaration, save and except for the easements approved by the approval authority and created in Schedule "A" pursuant to Section 20 of the Act.

ARCHITECT/ENGINEER CERTIFICATES

10. The certificate(s) of the architect and/or engineer(s) that all buildings have been constructed in accordance with the regulations is/are contained in Schedule "G" attached hereto.

USE OF UNITS

11. The occupation and use of the Units shall be enjoyed subject to the following provisions:
- (a) For so long as the Hotel Management Unit is used to manage and operate the Rental Pool and, in any event, for so long as the Hotel Management Agreement continues in effect, all Resort Units shall be used only for Hotel Use or Personal Use. Otherwise, all Resort Units shall be used only for purposes permitted under the by-laws of the Township of Muskoka Lakes;
 - (b) For so long as the Resort Units are used for Hotel Use and, in any event, for so long as the Hotel Management Agreement continues in effect, the Hotel Management Unit shall be used only for the purposes of managing the Rental Pool within the Hotel or as may be permitted under the Hotel Management Agreement;
 - (c) notwithstanding (a) and (b), the Declarant may complete construction of the Hotel, including the Condominium, may maintain Units as models for display and use certain portions of the Common Elements for sale purposes and may maintain a construction office, displays and signs on the Lands until the completion of the sales of all the Units owned by the Declarant in the Condominium and in other projects being developed by the Declarant on the Development Lands;
 - (d) Owners of Resort Units shall not, during the term of the Rental Pool Management Agreements, directly or indirectly market, advertise or charge rent or accept any form of consideration for the use of Resort Units except in accordance with the Rental Pool Management Agreements;
 - (e) no Unit shall be occupied or used in such a manner as to result in the cancellation, or threat of cancellation, of any policy of insurance maintained by the Declarant, the Corporation or the Hotel Operator; if the Unit is occupied or used by anyone in such a manner as to result in an increase in premium cost of any such policy of insurance placed by or on behalf of the Declarant, the Corporation, or the Hotel Operator, the Owner of such Unit shall reimburse the Declarant, the Corporation or the Hotel Operator for such increase and such increase in premium cost shall be added to the Owner's contribution towards the Common Expenses;
 - (f) each Owner shall observe, and shall require all residents, tenants, invitees and licensees of his Unit to observe, any provisions of the Act, this Declaration, the Condominium Use Agreements and the By-laws and the Rules;
 - (g) Owners shall not be permitted to make any modifications or alterations to his Resort Unit, or the Unit FF&E, including, without limitation, any painting, tiling, screen, awning, shade, erection, hook of any kind, or installation of any equipment or fixtures without the prior written consent of the Rental Pool Manager and the Hotel Operator, which consent may be unreasonably withheld;

- (h) notwithstanding paragraph 11(g), no changes or alterations by an Owner to his Unit shall be made to load-bearing walls or columns or to service conduits that service any other Unit to the services located therein or to the Common Elements;
- (i) no animals (including household pets) shall be permitted in the Units or on the Common Elements;
- (j) fractional (time share or interval) ownership of Units is not permitted; and
- (k) all Resort Units must, at all times, be in compliance with the Hotel Standards as determined by the Hotel Operator whose determination shall be final.

UNITS AND COMMON ELEMENTS SUBJECT TO DECLARATION, BY-LAWS, RULES AND CONDOMINIUM USE AGREEMENTS

12. All Owners and other occupants of Units, their families, guests and invitees shall be subject to and shall comply with the provisions of this Declaration, the By-laws, the Rules, and the Condominium Use Agreements and the Rental Pool Management Agreements.

The acceptance of a transfer, or the entering into occupancy of any Unit, shall constitute an agreement that the respective provisions of the Act, this Declaration, the By-laws, the Rules, the Condominium Use Agreements, and the Rental Pool Management Agreements as the same may be amended from time to time, are accepted and ratified by each Owner or occupant, and all such provisions shall be deemed to be covenants running with the Unit and shall bind any person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated in full in each and every deed or transfer or occupancy agreement.

For the purposes of section 87(1) of the Act, the Corporation may give notice to the Rental Pool Manager that an Owner is in default of his obligation with respect to Common Expenses and the Rental Pool Manager shall thereafter deduct from any monies payable to the Owner under the applicable Rental Pool Management Agreement and remit to the Corporation an amount equal to the default and the amount so deducted shall constitute payment under the applicable Rental Pool Management Agreement.

USE OF COMMON ELEMENTS

13. (a) Subject to the provisions of the Act, this Declaration, the By-laws and the Rules, the Owner of certain Units shall have the exclusive use of portions of the Common Elements as follows:
- (i) the Owner of a Resort Unit shall have exclusive use of the terrace or balcony adjacent to such Resort Unit as specified in Schedule F;
 - (ii) the Owner of the Hotel Management Unit shall have exclusive use of the areas intended for management use as specified in Schedule F;
- (b) No Owner shall have any right of access to those parts of the Common Elements used either permanently or occasionally for utilities, building maintenance or storage areas, operating machinery areas, laundry areas and any other portions used for the maintenance or operation of the Condominium. No Owner shall have the right to access those parts of the Common Elements described in paragraph 13(a)(ii).
- (c) Except as otherwise provided in this Declaration and except as limited by the Rules from time to time made by the Board and the Hotel Operator as provided for in paragraph 13(d) below, each Owner has the right in common with the other Owners and their invitees and licensees and the employees and agents of the Corporation to use and occupy the whole or any part of the Common Elements.
- (d) The Hotel Operator shall have the right from time to time to make reasonable rules and regulations regarding the use of the Common Elements (including restricting access thereto), including rules for the Parking Facilities for the

purpose of maintaining, managing and operating the Hotel in a manner consistent with the Hotel Standards and its rights and obligations under the Hotel Management Agreement. All Owners and occupants of Resort Units shall abide by such rules and regulations and the failure by the Owner to do so will be treated as a failure by such Owner to comply with the rules of the Board.

- (c) No alteration, repair, maintenance, painting, tiling, screen, awning, shade, hedge, erection, hook of any kind, or installation of any equipment, fixtures, signage or other improvements is permitted upon the Common Elements, including any exclusive use Common Element, except:
 - (i) with the prior written consent of the Hotel Operator, which consent may be unreasonably withheld (it being acknowledged that the Hotel Operator will withhold its consent if it is of the opinion that such changes, equipment, fixtures or improvements are not in compliance with the Hotel Standards or will adversely affect the operations of the Hotel); or
 - (ii) by the Hotel Operator to the extent necessary or appropriate to carry out its duty to operate, manage, maintain and repair the Hotel in accordance with Hotel Standards.
- (f) For the purposes of subsection 97(4) of the Act, the Board shall decide whether any addition, alteration or improvement to, or renovation of, the Common Elements or any change in the assets of the Corporation is substantial.
- (g) The Hotel Operator may grant or licence concessions to third parties for use of the Common Elements (except those exclusive use Common Elements appurtenant to the Resort Units) in connection with the operations of the Hotel and may charge a fee for the use of same. The Declarant, the Rental Pool Manager or the Hotel Operator and its licensees may install, locate, maintain and replace equipment, machinery, fixtures and furnishings on the Common Elements (including exclusive use Common Elements but excluding the exclusive use Common Elements appurtenant to the Resort Units) which are commercially reasonably required for managing, maintaining and operating the Hotel or Rental Pool or for maintaining, managing and operating the Hotel at a standard consistent with the Hotel Standards.
- (h) All Common Elements and assets of the Corporation (including, without limitation, furniture, fixtures and equipment located on the Common Elements) must, at all times, be in compliance with the Hotel Standards, as determined by the Hotel Operator whose determination shall be final.
- (i) If an Owner is in default of his obligations under this Declaration, the Rules or the Rental Pool Management Agreement applicable to his Resort Unit, the Owner, members of his family and his guests will not be permitted to use those portions of the Common Elements intended for recreational purposes for so long as such default continues.

PARKING

- 14. Subject to the provisions of the Act, this Declaration, the By-laws and the rules of the Hotel Operator, the Parking Facilities which form part of the Common Elements of the Corporation as described in the Description may be used as follows:
 - (a) parking shall be restricted to private passenger vehicles as determined by the Hotel Operator from time to time;
 - (b) the Parking Facilities, including all parking spaces located therein shall be for the exclusive use of the Hotel Management Unit, as specified in Schedule "F";
 - (c) except as may be permitted by the Hotel Operator, there will not be any visitor parking in the Parking Facilities; and

- (d) Owners of Resort Units shall only be permitted to park vehicles in the Parking Facilities with the permission of the Hotel Operator and subject to the rules and regulations set by the Hotel Operator.

MAINTENANCE AND REPAIRS BY UNIT OWNER

15. (a) Subject to the terms of the Rental Pool Management Agreements, the Hotel Management Agreement, this Declaration and Section 123 of the Act, each Owner shall maintain his Unit and those parts of the Common Elements hereinafter specified and each Owner shall repair his Unit after damage, provided that so long as the Rental Pool Management Agreements or the Hotel Management Agreement are in effect, the Rental Pool Manager or the Hotel Operator will undertake such repairs and replacements on behalf of the Owners pursuant to the Rental Pool Management Agreements or Hotel Management Agreement. Without limiting the generality of the foregoing and for greater clarity, each Owner shall:
- (i) maintain the interior surface of doors which provide the means of ingress and egress from his Unit and repair damage to those doors caused by his negligence or by the negligence of occupants, guests or invitees to his Unit;
 - (ii) maintain the interior surfaces of all windows and window sills contiguous to the Unit;
 - (iii) maintain, repair and replace as required, all heating, air-conditioning and air treatment equipment which serves only his Unit, no matter where located, and the appurtenances, ducts and connections with respect thereto;
 - (iv) maintain those portions of the Common Elements of which he has exclusive use in a clean and sightly condition;
 - (v) maintain, repair and replace bathtub enclosures, tiles, shower pans, ceiling and exhaust fans and fan motors located in the kitchen and bathroom areas of the Unit;
 - (vi) maintain and repair and replace when required any system, appliance or fixture that serves his Unit only, and
 - (vii) maintain, repair and replace when required floor coverings, paint finishes to the drywall and ceiling finishes in his Unit.
- (b) The Corporation shall make repairs and maintenance that an Owner is obligated to make and that he does not make within a reasonable time; and in such event, an Owner shall be deemed to have consented to having repairs and maintenance done by the Corporation and an Owner shall reimburse the Corporation in full for the cost of such repairs, including any legal or collection costs incurred by the Corporation in order to collect the costs of such repairs, and all such sums of money shall bear interest at the rate of the aggregate of the prime rate from time to time charged by a Canadian chartered bank designated by the Board and 5 per cent per annum compounded monthly until paid, or such other rate of interest as the Board shall by resolution from time to time approve. The Corporation may collect all such sums of money in such instalments as the Board may decide upon, which instalments shall be added to the monthly contributions towards the Common Expenses of such Owner after receipt of a notice from the Corporation thereof. All such payments are deemed to be additional contributions towards the Common Expenses and recoverable as such.
- (c) Each Owner shall indemnify and save harmless the Corporation, the Rental Pool Manager and the Hotel Operator against any loss, cost, damage or injury caused to the Common Elements or other Units because of the act or omission of such Owner or any occupant of his Unit, except to the extent that the loss, cost, damage

or injury is covered by insurance maintained or required to be maintained by the Corporation under the Act.

- (d) Notwithstanding the foregoing provisions of this paragraph 15, for so long as the Rental Pool Management Agreements or the Hotel Management Agreements are in effect, the Rental Pool Manager and Hotel Operator will undertake the obligations of the Owner to repair and make replacements to the Units using funds, to the extent available from Hotel operations and the Unit FF&E Reserve Fund (as such term is defined in the Rental Pool Management Agreements) contributed by the Owners of Resort Units.

MAINTENANCE AND REPAIRS BY CORPORATION AND OTHERS

16. (a) The Corporation, any insurer of the Condominium or any part thereof, the Rental Pool Manager and the Hotel Operator, their respective agents, or any other person authorized by the Board, shall be entitled to enter any Unit or any part of the exclusive use Common Elements, to perform the objects and duties of the Corporation, and without limitation, for the purposes of making inspections, adjusting losses, making repairs, correcting any condition which violates the provisions of any insurance policy or policies and remedying any condition which might result in damage to the Condominium or the Hotel.
- (b) In case of an emergency, an agent of the Corporation, the Rental Pool Manager or the Hotel Operator may enter a Unit or the exclusive use Common Elements at any time without notice to and without the approval of any party for the purpose of repairing the Unit, the Common Elements or the exclusive use Common Elements, or for the purpose of correcting any condition which might result in damage to the Condominium or the Hotel or loss to the Condominium or the Hotel or a violation of law. The Corporation, the Rental Pool Manager or the Hotel Operator or anyone authorized by them may determine whether an emergency exists.
- (c) The Corporation, the Rental Pool Manager or the Hotel Operator, or their respective agents, may enter upon such Unit or exclusive use Common Elements, without being liable for any claim or cause of action for damages by reason thereof.
- (d) The Corporation, the Rental Pool Manager and the Hotel Operator shall retain a key, passcard or combination to each lock to and within each Unit and its exclusive use Common Elements. No Owner shall change any lock or place any additional locks on the doors to and within any Unit and the exclusive use Common Elements without the prior written consent of the Hotel Operator.
- (e) The rights and authority hereby reserved to the Corporation, the Rental Pool Manager and the Hotel Operator, their respective agents or any insurer or its agents, do not impose any responsibility or liability whatever for the care or supervision of any Unit or its exclusive use Common Elements except, as to the Corporation and the Rental Pool Manager, as specifically provided in this Declaration or the By-laws.

INSURANCE TRUSTEE

17. The Corporation shall enter into an insurance trust agreement with an insurance trustee and, if necessary, with the Commercial Condominium, which agreement shall, without limitation, provide the following:
- (a) the insurance trustee shall receive any proceeds of insurance payable to the Corporation in excess of \$5,000,000, said amount to be adjusted by the percentage increases from time to time in the Consumer Price Index for Canada (or such greater amount from time to time as may be provided in the agreement);
- (b) the insurance trustee shall hold such proceeds in trust for those entitled thereto pursuant to the provisions of the Act and the insurance trust agreement;

- (c) such proceeds shall be disbursed in accordance with the provisions of the insurance trust agreement;
- (d) the insurance trustee shall notify the mortgagees of any insurance moneys received by it; and
- (e) any amounts less than specified in (i) above are to be paid to the Hotel Operator to be applied toward the cost of repairing and replacing the Common Elements, the Resort Units, the Unit FF&E and the other assets of the Corporation.

The Corporation shall pay the fees and disbursements of any insurance trustee and any such fees and disbursements shall constitute part of the Common Expenses.

INSURANCE

18. (a) The Corporation shall procure and maintain the following insurance:
- (i) Property insurance (and to the extent applicable builders risk insurance), including boiler and machinery coverage, on the Condominium and the furniture, fixtures, equipment, betterments and improvements within the Resort Units and specifically identified in the standard unit by-law for the Corporation established pursuant to Section 56(1)(h) of the Act (not including any personal effects of the Owners) (herein referred to as the "contents") against loss or damage by fire, lightning and all other risks as commonly covered by an "all risk of physical loss" form or equivalent policy of insurance, including, but not limited, to fire, windstorm, sprinkler leakage, vandalism and malicious mischief, water damage, explosion of steam boilers, pressure vessels and other similar apparatus, and other hazards generally included under extended coverage, in an amount not less than the full replacement cost (less excavation and foundation costs) of the improvements situated on the Lands, contents, signs awnings, canopies, gazebos, fences and retaining walls. Such coverage shall include a value provision, waiver of co-insurance, landscape improvements coverage of not less than One Million US Dollars (US \$1,000,000) and law and ordinance coverage in an amount equal to 25% of the replacement value or Ten Million US Dollars (US \$10,000,000).
 - (ii) Business interruption insurance including extra expense covering at least two (2) years' loss of profits, necessary continuing expenses, and if applicable, rent, for interruptions at the Condominium, including an extended period of indemnity of not less than 365 days, caused by any occurrence covered by the insurance referred to in paragraphs 18(a)(i), (iii) and (iv).
 - (iii) Flood insurance, if the Condominium is located in whole or in part within an area identified as having a special flood hazard.
 - (iv) If the Condominium is located in an "earthquake prone zone", coverage for loss or damage caused by earthquake shall be maintained. Such coverage, including business interruption, shall be for not less than the probable maximum loss as determined by a recognized earthquake-engineering firm reasonably acceptable to the Rental Pool Manager and the Hotel Operator, less a reasonable deductible.
 - (v) Such other property insurance as is customarily maintained by the Hotel Operator at similar hotels, including but not limited to terrorism insurance.
- (b) All insurance procured hereunder shall be obtained from reputable insurance companies of recognized responsibility and financial standing and authorized to do business in Canada, reasonably acceptable to the Hotel Operator and the Rental Pool Manager. Any premiums and deductibles under said policies shall be subject to the reasonable approval of the Hotel Operator.

- (c) All such policies of insurance shall be carried in the name of the Corporation, with the Hotel Operator and/or any affiliates designated by the Hotel Operator as an additional insured(s). However, if such insurance is procured by the Hotel Operator (as described herein), then all such policies of insurance shall be carried in the name of the Hotel Operator and/or any affiliate designated by the Hotel Operator, with the Corporation and any mortgagee specified by the Rental Pool Manager, in writing, as additional insured(s) or mortgagees, as applicable. The Rental Pool Manager will be named as a loss payee on business interruption insurance as its interests may appear with respect to loss or damage to the Condominium. The Rental Pool Manager, in its capacity as agent on behalf of all Owners collectively, will be named as a loss payee as their interests may appear with respect to loss or damage to the contents of the Resort Units. Any property losses thereunder shall be payable to the respective parties as their interests may appear. Any loss covered by the property policy as required under paragraphs 18(a)(i), (iii) and (iv) shall be adjusted with the Corporation or the Hotel Operator, but the insurance proceeds for that loss shall be payable to an insurance trustee designated for that purpose by the Corporation. The insurance trustee shall hold any insurance proceeds in trust for the Corporation, the Rental Pool Manager, the Hotel Operator and the Owners of Resort Units and their mortgagees (collectively), as their interests may appear. Unless the Board shall determine otherwise, the insurance trustee described herein shall be the Hotel Operator for any Minor Casualty. If the Hotel is damaged by fire, casualty or other cause to a greater extent than a Minor Casualty, the Board shall designate as the insurance trustee a qualified bank or trust company in Canada in its sole discretion. Subject to the provisions of the Act, the property insurance proceeds shall be disbursed first for the repair or restoration of the damaged property. The insured parties will not be entitled to receive payment of any portion of the proceeds unless there are surplus proceeds after the Condominium has been repaired or restored. The surplus insurance proceeds, if any, shall be payable to each insured party as its interests may appear.
- (d) The Corporation shall procure and maintain comprehensive general public liability insurance in amounts not less than a combined single limit of US \$10,000,000, or the Canadian equivalent thereof for each occurrence, providing coverage for claims for personal injury, death and property damage occurring at the Condominium or in connection with the business of the Corporation. The Hotel Operator and Rental Pool Manager shall be named as an additional insured on the insurance described in this paragraph 18(d). The Corporation shall also procure and maintain directors' and officers' liability insurance coverage with a limit of not less than \$10,000,000 per occurrence and in the aggregate covering the Corporation's directors and officers and fidelity coverage to the extent required by law or as the Corporation may reasonably require.
- (e) Each Owner of a Resort Unit shall obtain with regard to his Unit adequate insurance to protect its additional living expenses and its personal property and effects and provide coverage for personal liability associated with its activities, and each such Unit Owner shall provide a certificate of insurance evidencing such insurance to the Corporation. In addition, each Owner of a Resort Unit shall provide (i) a certificate of insurance evidencing such insurance to the Hotel Operator within thirty (30) days receipt of a request for such insurance certificate from the Hotel Operator and (ii) a waiver of subrogation and recovery in favor of the Corporation and the Hotel Operator.
- (f) Pursuant to the terms of the Hotel Management Agreement, if the Hotel Operator procures the insurance under paragraph 18(a) instead of the Corporation, the Rental Pool Manager may, at its option, by written notice to the Hotel Operator (which shall be delivered, as applicable, no later than ninety (90) days prior to the natural expiration of the insurance policies that the Hotel Operator has obtained pursuant to paragraph 18(a)), procure and maintain the insurance specified in paragraph 18(a) (in which case the Hotel Operator shall allow such policies obtained by it under paragraph 18(a) to expire), subject to the following terms and conditions:

- (i) All such policies of insurance shall be carried in the name of the Corporation with the Hotel Operator named as an additional insured. The Rental Pool Manager may be named as a loss payee on business interruption insurance as its interests may appear with respect to loss or damage to the Condominium. The Rental Pool Manager, in its capacity as agent on behalf of all of the Owners of the Resort Units collectively, may be named as a loss payee as their interests may appear with respect to loss or damage to the contents of the Resort Units. Any property losses thereunder shall be payable to the respective parties as their interests may appear. The Rental Pool Manager shall comply with and implement all other provisions in paragraph 18(c) with respect to the insurance trustee.
- (ii) All insurance procured by the Corporation hereunder shall be obtained from reputable insurance companies authorized to do business in Canada and reasonably acceptable to the Hotel Operator and the Rental Pool Manager.

CONDOMINIUM USE AGREEMENTS

19. It shall be the duty of the Corporation to enter into and be bound by the Condominium Use Agreements. All rights and obligations arising under or imposed by the Declaration, the By-laws and the Rules, shall, except to the extent prohibited by the Act, be subject to and read together with the provisions of the Condominium Use Agreements.

RENTAL POOL REQUIREMENTS

20. (a) Every Owner of a Resort Unit shall execute and at all times be party to a Rental Pool Management Agreement with respect to such Resort Unit and every Owner shall be bound by the terms and conditions contained in the Rental Pool Management Agreements whether executed or assumed by such Owner. No Owner shall transfer or convey a Resort Unit unless the proposed purchaser has agreed to assume the Rental Pool Management Agreement and be bound by the terms and conditions of such agreement.
- (b) No Owner of a Resort Unit may at any time occupy, use, or permit the occupation of his Resort Unit except in compliance with the Rental Pool Management Agreement for personal use and as part of the Rental Pool. Without limiting any other remedy available, if the Owner breaches this restriction on any day, the Owner shall pay to the Hotel Operator an amount equal to the daily rack rate for the Resort Unit for that day and such amount shall be deducted from any future distributions to the Owner.
- (c) Provided that the Owner is not in default of the Owner's obligations under this Declaration, the Rules or the Rental Pool Management Agreement, the Owner and members of his family, shall be entitled to use the Common Elements and any part thereof whether he is in occupation of his Resort Unit or not.
- (d) The Owners of the Resort Units may terminate the appointment of the Rental Pool Manager under the Rental Pool Management Agreements in accordance with the terms of such Agreements but only if more than three quarters (75%) of the Owners of the Resort Units have voted to terminate the Rental Pool Manager.
- (e) Notice of intention to terminate the appointment of the Rental Pool Manager shall be given to the Hotel Operator who shall have the right, as provided in the Rental Pool Management Agreements, to require the Owners of Resort Units to enter into new agreements on the terms and conditions of the Rental Pool Management Agreements, with the Hotel Operator or a person designated by it to act as Rental Pool Manager.

NOISE WARNINGS

21. The Declarant advises that despite the inclusion of noise control features in the Units, noise levels from the restaurants, bars and other commercial establishments located in the Commercial Condominium and elsewhere in the vicinity of the Hotel may continue to be

of concern, occasionally interfering with some activities of Owners and their tenants, guests and invitees, as the noise level may exceed the noise criteria of the Township of Muskoka Lakes and the Ministry of the Environment.

HOTEL OPERATOR

22. In the event that there ceases to be a Hotel Operator, any rights granted to the Hotel Operator hereunder shall be exercised by the Rental Pool Manager and all obligations of this Hotel Operator hereunder shall be performed by the Rental Pool Manager.

INTERPRETATION

23. This Declaration shall be read with all changes of number and gender required by the context. The headings of this Declaration are deemed to have been inserted for convenience of reference only.

DATED February 25, 2009.

THE ROSSEAU RESORT DEVELOPMENTS INC.

Per: 

Name: PETER FOWLER

Office: SECRETARY-TREASURER

I have authority to bind the Corporation.

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SCHEDULE A

(THE ROSSEAU RESORT CONDOMINIUM)

All that portion of land and premises situate, lying and being in the Geographic Township of Medora, now in the Township of Muskoka Lakes, District Municipality of Muskoka, being that part of Lot 24, Concession 11 designated as Part 13, Plan 35R-22417 and part of Lots 24 and 25, Concession 11 designated as Parts 21 and 22, Plan 35R-22417 and part of Lot 25, Concession 11 designated as Parts 24, 37, 38, 40, 41, 48, 49, 50 and 52, Plan 35R-22417 and part of Lot 25, Concession 11 and part of the Original Road Allowance between Lots 25 and 26, Concession 11, closed by By-law 72-34 (DM105704) designated as Part 25, Plan 35R-22417, hereinafter referred to as the CONDOMINIUM LANDS.

Being Part of PIN 48143-0266 (LT);

Subject to an easement over, along and upon that part of part of Lot 25, Concession 11 and part of the Original Road Allowance between Lots 25 and 26, Concession 11, closed by By-law 72-34 (DM105704) designated as Part 25, Plan 35R-22417 as in Instrument No. MES721.

RRDI Blanket Easement

Subject to easements in favour of Part of Lot 25, Concession 11 and part of the Original Road Allowance between Lots 25 and 26, Concession 11, closed by By-law 72-34 (DM105704) designated as Part 1, Plan 35R-21398, over, along and upon the Condominium Lands as in Instrument No. MT62692.

Access and Services Easement

Reserving an easement in favour of the lands described as Part of PIN 48143-0266 (LT) being Part Lot 25, Concession 11 Medora and Part road allowance between Lots 25 and 26, Concession 11 Medora (closed by By-law 72-34 as in Instrument No. DM105704), designated as Parts 2 and 3, Plan 35R-21398 and Part Lot 25, Concession 11 Medora and Part road allowance between Lots 25 and 26, Concession 11 Medora (closed by By-law 72-34 as in Instrument No. DM105704) and Part Lot 25, Concession 10 Medora and Part road allowance between Concessions 10 and 11 Medora in front of Lot 25 (closed by By-law 190, Instrument ME1289) and Part road allowance between Concessions 10 and 11 Medora in front of Lot 24 (closed by By-law 744, Instrument DM12512), designated as Part 4, Plan 35R-21398 and Part Lot 25, Concession 11 Medora and Part Lot 25, Concession 10 Medora and Part road allowance between Concessions 10 and 11 Medora in front of Lot 25 (closed by By-law 190, Instrument ME1289) and Part road allowance between Concessions 10 and 11 Medora in front of Lot 24 (closed by By-law 744, Instrument DM12512), designated as Part 10, Plan 35R-21398 and Part Lot 24, Concession 11 Medora, designated as Parts 5, 6, 7 and 8, Plan 35R-20257 and Part 2, Plan 35R-3373, save and except the Condominium Lands (the dominant tenement) over, along, upon and under all of the common elements of the Condominium Lands for the purposes of pedestrian and vehicular access to and from the dominant tenement, installing, inspecting, maintaining, repairing and replacing all Communication Services, Gas Services, HVAC Services, Hydro Services, Sanitary Services, Stormwater Services, Watermain Services (as such capitalized terms are defined in the attached Declaration) and for venting and exhaust systems and support facilities, all as may be required for the support of and for providing services to the dominant tenement.

Circle and Loop Roads Easement

Reserving an easement in favour of the lands described as Part of PIN 48143-0266 (LT) being Part Lot 25, Concession 11 Medora and Part road allowance between Lots 25 and 26, Concession 11 Medora (closed by By-law 72-34 as in Instrument No. DM105704), designated as Parts 2 and 3, Plan 35R-21398 and Part Lot 25, Concession 11 Medora and Part road allowance between Lots 25 and 26, Concession 11 Medora (closed by By-law 72-34 as in Instrument No. DM105704) and Part Lot 25, Concession 10 Medora and Part road allowance between Concessions 10 and 11 Medora in front of Lot 25 (closed by By-law 190, Instrument ME1289) and Part road allowance between Concessions 10 and 11 Medora in front of Lot 24 (closed by By-law 744, Instrument DM12512), designated as Part 4, Plan 35R-21398 and Part Lot 25, Concession 11 Medora and Part Lot 25, Concession 10 Medora and Part road allowance between

Concessions 10 and 11 Medora in front of Lot 25 (closed by By-law 190, Instrument ME1289) and Part road allowance between Concessions 10 and 11 Medora in front of Lot 24 (closed by By-law 744, Instrument DM12512), designated as Part 10, Plan 35R-21398 and Part Lot 24, Concession 11 Medora, designated as Parts 5, 6, 7 and 8, Plan 35R-20257 and Part 2, Plan 35R-3373, save and except the Condominium Lands (the dominant tenement) over, along and upon that part of the Common Elements designated as Parts 25, 37 and 38, Plan 35R-22417.

Existing Access Easements

Together with an easement in favour of Part of Lot 24, Concession 11 designated as Part 7, Plan 35R-20257 over Part of Lot 24, Concession 11 designated as Part 5, Plan 35R-7006 as in Instrument No. LT103789 and in favour of Part of Lot 24, Concession 11 designated as Parts 5 and 6, Plan 35R-20257 over Part of Lot 24, Concession 11 designated as Parts 2 and 5, Plan 35R-7006 as in Instrument No. LT22475.

Circle Road Services and Access Easement - 2162262

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under Part of Lot 24, Concession 11 designated as Parts 4, 5, 6, 7, 8, 9, 10 and 12, Plan 35R-22417 as in Instrument No. MT62714.

Circle Road Services and Access Easement - 2027587

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under Part of Lot 24, Concession 11 designated as Parts 14 and 15, Plan 35R-22417 as in Instrument No. MT62715.

Circle Road Services and Access Easement - Wallace Marine

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under Part of Lot 24, Concession 11 designated as Parts 17 and 18, Plan 35R-22417 as in Instrument No. MT62717.

Circle Road Services and Access Easement - 2027588

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under Part of Lots 24 and 25, Concession 11 designated as Part 20 and Part of Lot 25, Concession 11 designated as Part 27, Plan 35R-22417 as in Instrument No. MT62718.

Golf Course Blanket Easement

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon the lands described as Part of Lot 25, Concession 11 and part of the Original Road Allowance between Lots 25 and 26, Concession 11, closed by By-law 72-34 (DM105704) designated as Part 1, Plan 35R-21398 as set out in Instrument No. MT62693.

Access and Services Easement

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under that portion of the lands described as Part of PIN 48143-0266 (LT) being Part Lot 25, Concession 11 Medora and Part road allowance between Lots 25 and 26, Concession 11 Medora (closed by By-law 72-34 as in Instrument No. DM105704), designated as Parts 2 and 3, Plan 35R-21398 and Part Lot 25, Concession 11 Medora and Part road allowance between Lots 25 and 26, Concession 11 Medora (closed by By-law 72-34 as in Instrument No. DM105704) and Part Lot 25, Concession 10 Medora and Part road allowance between Concessions 10 and 11 Medora in front of Lot 25 (closed by By-law 190, Instrument ME1289) and Part road allowance between Concessions 10 and 11 Medora in front of Lot 24 (closed by By-law 744, Instrument DM12512), designated as Part 4, Plan 35R-21398 and Part Lot 25, Concession 11 Medora and Part Lot 25, Concession 10 Medora and Part road allowance between Concessions 10 and 11 Medora in front of Lot 25 (closed by By-law 190, Instrument ME1289) and Part road allowance between Concessions 10 and 11 Medora in front of Lot 24 (closed by By-law 744, Instrument DM12512), designated as Part 10, Plan 35R-21398 and Part Lot 24, Concession 11 Medora, designated as Parts 5, 6, 7 and 8, Plan 35R-20257

and Part 2, Plan 35R-3337, save and except the Condominium Lands for the purposes of pedestrian and vehicular access to and from the Condominium Lands, installing, inspecting, maintaining, repairing and replacing all Communication Services, Gas Services, HVAC Services, Hydro Services, Sanitary Services, Stormwater Services, Watermain Services, venting and exhaust systems and support facilities, all as may be required for the support of and for providing services to the Condominium Lands.

Signage Easement

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under all of PIN 48142-0383 (LT) being Part of Lot 25, Concession 11 designated as Part 7, Plan 35R-3373 for the purposes of installing, operating, maintaining, inspecting, repairing and replacing signage.

Propane Tank Farm Easement

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under Part of PIN 48143-0266 (LT) being Part of Lot 25, Concession 11 designated as Part 44, Plan 35R-22417 for the purposes of installing, operating, maintaining, inspecting, repairing and replacing a propane tank farm.

Stormwater Pond Easement

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under Part of PIN 48143-0266 (LT) being Part of Lot 25, Concession 11 designated as Parts 43 and 45, Plan 35R-22417 for the purposes of installing, operating, maintaining, inspecting, repairing and replacing the stormwater pond and outlet facilities.

Loop Road Easement

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along and upon Part of PIN 48143-0266 (LT) being Part of Lot 25, Concession 11 designated as Parts 36 and 39, Plan 35R-22417 for the purpose of pedestrian and vehicular access to and from the Condominium Lands.

Cabana Easement

Together with an easement in favour of the Condominium Lands, in common with others entitled thereto, over, along, upon and under Part of PIN 48143-0266 (LT) being Part of Lot 25, Concession 11, designated as Part 51, Plan 35R-22417 for the purposes of (1) installing, operating, maintaining, inspecting, repairing and replacing swimming pool equipment; (2) storing pool furniture and equipment; and (3) use of washroom facilities.

Sewage Treatment Plant Easement

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under Part of Lot 24, Concession 11 designated as Parts 1 and 2, Plan 35R-22417 for the purposes of access to and installing, operating, maintaining, inspecting, repairing and replacing the sewage treatment plant and related facilities as in No. MT62703.

Sewer Lines Easement

Together with an easement in favour of the Condominium Lands in common with others entitled thereto, over, along, upon and under Part of Lot 24, Concession 11 designated as Part 3, Plan 35R-22417 for the purposes of access to and installing, operating, maintaining, inspecting, repairing and replacing the sewers and related facilities as in No. MT62714.

The following easements have been approved in accordance with Section 20 of the *Condominium Act, 1998*, as referred to in Section 9 of the Declaration:

Golf Course Access Easement

Subject to an easement in favour of Part of Lots 24 and 25, Concession 12 and Part of Lot 25, Concession 11 designated as Parts 1, 2, 3, 4, 5, 6, 7, 8, 10 and 11 Plan 35R-17316, Part 1 Plan 35R-19995 and Part 2 Plan 35R-17901, and part of the Original Road Allowance between Lots 25 and 26, Concession 12, closed by By-law 2000-86 (DM347050) designated as Part 1, Plan 35R-17901, being PIN 48143-0504 (LT); Part of Lots 26 and 27, Concession 12 designated as Parts 1, 2 and 3, Plan 35R-12393, being PIN 48142-0341 (LT); Part of Lot 24, Concession 11 designated as Part 4, Plan 35R-19477, being PIN 48143-0201 (LT); Part of Lot 24, Concession 11, closed by By-law 2003-67 (LT235179) designated as Parts 2, 3 and 5, Plan 35R-19477, being PIN 48143-0269 (LT), over, along and upon part of the Common Elements designated as Parts 25, 37 and 38, Plan 35R-22417 and Part of Lot 25, Concession 11 designated as Parts 36, 39 and 43, Plan 35R-22417 for the purpose of access to and from Lake Rosseau.

Golf Course Water Easement

Subject to an easement in favour of Part of Lots 24 and 25, Concession 12 and Part of Lot 25, Concession 11 designated as Parts 1, 2, 3, 4, 5, 6, 7, 8, 10 and 11 Plan 35R-17316, Part 1 Plan 35R-19995 and Part 2 Plan 35R-17901, and part of the Original Road Allowance between Lots 25 and 26, Concession 12, closed by By-law 2000-86 (DM347050) designated as Part 1, Plan 35R-17901, being PIN 48143-0504 (LT); Part of Lots 26 and 27, Concession 12 designated as Parts 1, 2 and 3, Plan 35R-12393, being PIN 48142-0341 (LT); Part of Lot 24, Concession 11 designated as Part 4, Plan 35R-19477, being PIN 48143-0201 (LT); Part of Lot 24, Concession 11, closed by By-law 2003-67 (LT235179) designated as Parts 2, 3 and 5, Plan 35R-19477, being PIN 48143-0269 (LT), over, along and upon part of the Common Elements designated as Parts 24, 25, 38, 41 and 52, Plan 35R-22417 and Part of Lot 25, Concession 11 designated as Parts 39, 43 and 45, Plan 35R-22417 for the purposes of installing, operating, maintaining, inspecting, repairing and replacing water mains to permit water to be taken from Lake Rosseau.

Wallace Marine Bay Properties Access Easement

Subject to an easement in favour of (collectively, the dominant tenement):

Firstly, Part of Lot 24, Concession 11, Medora as in MT47346 and Part of Lot 25, Concession 11, Medora designated as Part 5, Plan 35R-21398, being PIN 48143-0518 (LT); and

Secondly, Part of Lot 24, Concession 11, Medora designated as Parts 4, 5 and 6, Plan 35R-7006 except Part 8, Plan 35R-20257, being PIN 48143-0247 (LT); and

Thirdly, Part of Lot 24, Concession 11, Medora designated as Parts 1, 2 and 3, Plan 35R-7006 except Part 7, Plan 35R-20257, being PIN 48143-0245 (LT); and

Fourthly, Part of Lot 24, Concession 11, Medora designated as Part 5, Plan BR-131, being PIN 48143-0045 (LT); and

Fifthly, Part of Lot 24, Concession 11, Medora designated as Parts 1, 2, 3, 4, 6 and 7, Plan BR-131 except Parts 5 and 6, Plan 35R-20257, being PIN 48143-0243 (LT); and

Sixthly, Part of Lot 24, Concession 11, Medora designated as Part 1, Plan 35R-3373 and Part road allowance between Concessions 10 and 11 Medora in front of Lot 24 (closed by By-law 744, Instrument DM12512), designated as Parts 8 and 9, Plan 35R-21398 and Part Lot 25, Concession 11, Medora designated as Parts 6 and 7, Plan 35R-21398, being PIN 48143-0267 (LT);

over, along and upon part of the Common Elements designated as Parts 25, 37 and 38, Plan 35R-22417 and Part of Lot 25, Concession 11 designated as Parts 36 and 39, Plan 35R-22417 for the purpose of pedestrian and vehicular access to and from the dominant tenement.

We, McCarthy Tétrault LLP, solicitors for the Declarant herein, certify that the above description is correct, the easements described therein exist in law and the Declarant is the registered owner of the said Lands.

February 25, 2009

McCarthy Tétrault LLP

Per: 

SCHEDULE B

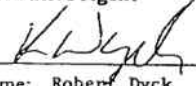
CONSENT OF MORTGAGEE

Consent under Clause 7(2)(b) of the *Condominium Act*, 1998

1. WestLB AG, Toronto Branch, as Administrative Agent ("WestLB AG") has a registered mortgage within the meaning of Clause 7(2)(b) of the *Condominium Act*, 1998 registered on March 6, 2007 as Number MT29969 in the Land Registry Office for the Land Titles Division of Muskoka (No. 35).
2. WestLB AG consents to the registration of this declaration, pursuant to the Act, against the land or the interests appurtenant to the land as the land and the interests are described in the description.
3. WestLB AG postpones the mortgage and the interests under it to the declaration and the easements described in Schedule "A" to the Declaration.
4. WestLB AG is entitled by law to grant this consent and postponement.

DATED at TORONTO this 6th day of FEBRUARY, 2009.

WESTLB AG, Toronto Branch,
as Administrative Agent

Per: 
Name: Robert Dyck
Title: Director

Per: 
Name: Kenneth Chan
Title: Director

I/We have authority to bind the Corporation.

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SCHEDULE B

CONSENT OF MORTGAGEE

Consent under Clause 7(2)(b) of the *Condominium Act*, 1998

1. Fortress Credit Corp. has a registered mortgage within the meaning of Clause 7(2)(b) of the *Condominium Act*, 1998 registered on June 6, 2007 as Number MT33625 in the Land Registry Office for the Land Titles Division of Muskoka (No. 35).
2. Fortress Credit Corp. consents to the registration of this declaration, pursuant to the Act, against the land or the interests appurtenant to the land as the land and the interests are described in the description.
3. Fortress Credit Corp. postpones the mortgage and the interests under it to the declaration and the easements described in Schedule "A" to the Declaration.
4. Fortress Credit Corp. is entitled by law to grant this consent and postponement.

DATED at New York this 21st day of December, 2008.

FORTRESS CREDIT CORP.

Per:

Name: CONSTANTINE M. DAKOLIAS
Title: PRESIDENT

Per:

Name: _____
Title: _____

I/We have authority to bind the Corporation.

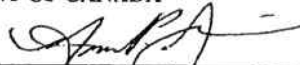
SCHEDULE B
CONSENT OF MORTGAGEE

Consent under Clause 7(2)(b) of the *Condominium Act, 1998*

1. Travelers Guarantee Company of Canada has a registered mortgage within the meaning of Clause 7(2)(b) of the *Condominium Act, 1998* registered on March 7, 2007 as Number MT29970 in the Land Registry Office for the Land Titles Division of Muskoka (No. 35).
2. Travelers Guarantee Company of Canada consents to the registration of this declaration, pursuant to the Act, against the land or the interests appurtenant to the land as the land and the interests are described in the description.
3. Travelers Guarantee Company of Canada postpones the mortgage and the interests under it to the declaration and the easements described in Schedule "A" to the Declaration.
4. Travelers Guarantee Company of Canada is entitled by law to grant this consent and postponement.

DATED at Toronto this 29th day of December, 2008.

TRAVELERS GUARANTEE
COMPANY OF CANADA

Per: 

Name: Howard P. Friedman
Title: National Vice President

Per: 

Name: Brian Argue
Title: Senior Underwriter

I/We have authority to bind the Corporation.

SCHEDULE C

UNIT BOUNDARIES

1) LEVELS 1, 2, 3 and 4 (Resort Units)

Each Resort Unit shall comprise the area within the heavy outlines as shown on Sheets 1 to 9, inclusive, of Part One of the Description with respect to the unit numbers indicated thereon. The monuments controlling the extent of the Resort Units are the physical surfaces of walls, ceilings and floors referred immediately below and are illustrated on Part One, Sheets 1, 2, 3, 4, 5, 6, 7, 8 and 9 of the Description and all dimensions shall have reference to them.

A) HORIZONTALLY all UNITS are bounded by:

- i) The UNIT side surface of the drywall and stone facing on fireplaces and productions thereof and where the UNIT boundary is interrupted by a pipe space, the boundary shall extend to the UNIT side surface of the drywall enclosing said pipe space.
- ii) In the cases where any surface or plane referred to in a UNIT description is interrupted by apertures for windows or doors, the horizontal measurement shall extend to the UNIT side unfinished surface of all window frames, window or door glass, window or door screening, doors, door frames and fixed and/or sliding glass doors.
- iii) The UNIT side surface of all exterior doors, including doors connecting between UNITS, door frames, windows and window frames, the said doors being in a closed position and the UNIT side surface of all glass panels located therein.
- iv) In the case of UNITS containing fireplaces, the boundary shall extend to the UNIT side surface of the drywall enclosing said fireplace.

B) VERTICALLY all UNITS are bounded by:

- i) The upper surface of the concrete slab floor beneath the UNIT and productions thereof.
- ii) The lower surface of the MDF (wood) or drywall ceiling above the UNIT and productions thereof.

2) LEVEL 1, UNIT 28 (Hotel Management Unit)

The Hotel Management Unit shall comprise the area within the heavy outlines as shown on Sheet 1 of Part One of the Description. The monuments controlling the extent of the Management Unit are the physical surfaces of walls and vertical planes, ceilings and floors referred immediately below and are illustrated on Part One, Sheet 1 of the Description and all dimensions shall have reference to them.

A) HORIZONTALLY the UNIT is bounded by:

- i) The UNIT side surface of the drywall and productions thereof and where the UNIT boundary is interrupted by a pipe space, elevator or support structure, the boundary shall extend to the UNIT side surface of the drywall enclosing said pipe space, elevator or support structure.
- ii) In the cases where any surface or plane referred to in a UNIT description is interrupted by apertures for windows or doors, the horizontal measurement shall extend to the UNIT side unfinished surface of all window frames, window or door glass, window or door screening, doors, door frames and fixed and/or sliding glass doors, the said doors being in a closed position.
- iii) The UNIT side surface of all exterior doors, door frames, windows and window frames, the said doors being in a closed position and the UNIT side surface of all glass panels located therein.
- iv) A single vertical plane joining corners of drywall features immediately in front of the Reception Desk and its production.

25

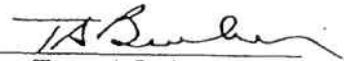
B) VERTICALLY the UNIT is bounded by:

- i) The upper surface of the concrete slab floor beneath the UNIT and its production.
- ii) The lower surface of the MDF (wood) or drywall ceiling above the UNIT and productions thereof.

SURVEYOR'S CERTIFICATE

I hereby certify that the above description of UNITS corresponds with the boundaries specifications as shown on Part One of the Description.

FEB 27, 2009


Thomas A. Bunker
Ontario Land Surveyor

Reference should be made to the provisions of the Declaration itself, in order to determine the maintenance and repair responsibilities for any Unit, and whether specific physical components (such as any wires, pipes, cables, conduits, equipment, fixtures, structural components and/or any other appurtenances) are included or excluded from the Unit, regardless of whether same are located within or beyond the boundaries established for such Unit.

SCHEDULE D
THE ROSSEAU

PROPORTION OF COMMON INTERESTS AND CONTRIBUTION
TO COMMON EXPENSES EXPRESSED IN PERCENTAGE

Level	Unit	% Common Interest	% Contribution Common Expenses
1	1	0.5660%	0.5905%
1	2	0.3307%	0.3092%
1	3	0.3307%	0.3300%
1	4	0.3307%	0.3300%
1	5	0.5131%	0.5068%
1	6	0.5131%	0.5068%
1	7	0.3307%	0.3300%
1	8	0.3307%	0.3300%
1	9	0.3307%	0.3092%
1	10	0.3595%	0.3522%
1	11	0.5179%	0.4960%
1	12	0.5179%	0.4960%
1	13	0.5372%	0.5068%
1	14	0.5372%	0.5068%
1	15	0.3451%	0.3300%
1	16	0.3451%	0.3092%
1	17	0.2826%	0.3092%
1	18	0.2826%	0.3092%
1	19	0.2826%	0.3300%
1	20	0.2826%	0.3300%
1	21	0.4315%	0.5068%
1	22	0.4315%	0.5068%
1	23	0.2826%	0.3300%
1	24	0.2826%	0.3300%
1	25	0.2826%	0.3092%
1	26	0.5083%	0.6034%
1	27	0.2826%	0.3300%
1	28	0.0000%	2.4212%
1	29	0.8957%	0.7301%
1	30	0.6608%	0.5268%
1	31	0.4020%	0.3092%
1	32	1.0429%	0.8661%
1	33	0.4020%	0.3092%
1	34	0.6608%	0.5268%
1	35	0.4020%	0.3092%
1	36	0.8957%	0.7301%
1	37	0.6464%	0.7666%
1	38	0.3157%	0.3529%
1	39	0.4403%	0.5268%
2	1	0.5756%	0.5905%
2	2	0.3307%	0.3092%
2	3	0.3307%	0.3300%
2	4	0.3307%	0.3300%

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71.

Level	Unit	% Common Interest	% Contribution Common Expenses
2	5	0.5131%	0.5068%
2	6	0.5131%	0.5068%
2	7	0.3307%	0.3300%
2	8	0.3307%	0.3300%
2	9	0.3307%	0.3092%
2	10	0.3595%	0.3522%
2	11	0.5276%	0.4960%
2	12	0.5276%	0.4960%
2	13	0.5372%	0.5068%
2	14	0.5372%	0.5068%
2	15	0.3499%	0.3300%
2	16	0.3499%	0.3092%
2	17	0.9982%	0.8704%
2	18	0.3787%	0.3522%
2	19	0.3547%	0.3092%
2	20	0.3547%	0.3092%
2	21	0.3787%	0.3522%
2	22	0.9982%	0.8704%
2	23	0.3787%	0.3522%
2	24	0.3499%	0.3300%
2	25	0.5372%	0.5068%
2	26	0.3499%	0.3092%
2	27	0.5756%	0.5905%
2	28	0.2778%	0.3300%
2	29	0.5179%	0.6027%
2	30	0.2874%	0.3300%
2	31	0.4411%	0.5068%
2	32	0.4411%	0.5068%
2	33	0.4123%	0.4982%
2	34	0.2874%	0.3092%
2	35	0.2874%	0.3092%
2	36	0.2874%	0.3092%
2	37	0.2874%	0.3300%
2	38	0.2874%	0.3300%
2	39	0.4411%	0.5068%
2	40	0.2586%	0.3092%
2	41	0.2586%	0.3092%
2	42	0.2586%	0.3300%
2	43	0.2586%	0.3300%
2	44	0.4219%	0.5068%
2	45	0.4219%	0.5068%
2	46	0.2634%	0.3300%
2	47	0.2634%	0.3300%
2	48	0.2634%	0.3092%
2	49	0.5179%	0.6034%
2	50	0.2634%	0.3300%
2	51	0.8765%	0.7301%
2	52	0.6416%	0.5268%
2	53	0.3828%	0.3178%

Level	Unit	% Common Interest	% Contribution Common Expenses
2	54	1.0251%	0.8747%
2	55	0.3828%	0.3092%
2	56	0.6416%	0.5268%
2	57	0.3828%	0.3178%
2	58	0.8765%	0.7301%
2	59	0.6464%	0.7666%
2	60	0.3253%	0.3615%
2	61	0.4691%	0.5268%
2	62	0.3157%	0.3386%
2	63	0.5074%	0.5526%
2	64	0.3205%	0.3386%
2	65	0.4691%	0.5268%
2	66	0.4691%	0.5268%
3	1	0.5900%	0.5905%
3	2	0.3547%	0.3092%
3	3	0.3547%	0.3300%
3	4	0.3547%	0.3300%
3	5	0.5420%	0.5068%
3	6	0.5420%	0.5068%
3	7	0.3547%	0.3300%
3	8	0.3547%	0.3300%
3	9	0.3547%	0.3092%
3	10	0.3931%	0.3522%
3	11	0.5516%	0.4960%
3	12	0.5516%	0.4960%
3	13	0.5660%	0.5068%
3	14	0.5660%	0.5068%
3	15	0.3739%	0.3300%
3	16	0.3739%	0.3092%
3	17	1.0174%	0.8704%
3	18	0.4219%	0.3522%
3	19	0.5756%	0.5268%
3	20	0.5756%	0.5268%
3	21	0.4219%	0.3522%
3	22	1.0174%	0.8704%
3	23	0.4219%	0.3522%
3	24	0.3739%	0.3300%
3	25	0.5660%	0.5068%
3	26	0.3739%	0.3092%
3	27	0.6044%	0.5905%
3	28	0.2970%	0.3300%
3	29	0.5516%	0.6027%
3	30	0.2874%	0.3300%
3	31	0.4747%	0.5068%
3	32	0.4747%	0.5068%
3	33	0.4315%	0.4982%
3	34	0.2874%	0.3092%
3	35	0.3835%	0.4516%
3	36	0.2874%	0.3092%

Level	Unit	% Common Interest	% Contribution Common Expenses
3	37	0.2874%	0.3092%
3	38	0.2874%	0.3300%
3	39	0.2874%	0.3300%
3	40	0.4699%	0.5068%
3	41	0.2874%	0.3092%
3	42	0.2874%	0.3092%
3	43	0.2874%	0.3300%
3	44	0.2874%	0.3300%
3	45	0.4651%	0.5068%
3	46	0.4651%	0.5068%
3	47	0.2874%	0.3300%
3	48	0.2874%	0.3300%
3	49	0.2874%	0.3092%
3	50	0.5420%	0.6034%
3	51	0.2874%	0.3300%
3	52	0.9436%	0.7301%
3	53	0.6848%	0.5268%
3	54	0.4068%	0.3178%
3	55	1.1100%	0.8747%
3	56	0.4068%	0.3092%
3	57	0.6848%	0.5268%
3	58	0.4068%	0.3178%
3	59	0.9436%	0.7301%
3	60	0.6702%	0.7666%
3	61	0.3444%	0.3615%
3	62	0.4787%	0.5268%
3	63	0.3301%	0.3386%
3	64	0.5266%	0.5526%
3	65	0.3301%	0.3386%
3	66	0.4787%	0.5268%
3	67	0.4787%	0.5268%
4	1	0.5996%	0.6005%
4	2	0.3547%	0.3149%
4	3	0.3547%	0.3300%
4	4	0.3547%	0.3300%
4	5	0.5516%	0.5254%
4	6	0.5516%	0.5254%
4	7	0.3547%	0.3300%
4	8	0.3547%	0.3300%
4	9	0.3547%	0.3149%
4	10	0.3931%	0.3572%
4	11	1.1697%	1.0164%
4	12	0.5660%	0.5368%
4	13	0.5660%	0.5368%
4	14	0.3835%	0.3092%
4	15	0.3835%	0.3149%
4	16	1.0414%	0.8754%
4	17	0.4219%	0.3572%
4	18	0.5756%	0.5254%

Level	Unit	% Common Interest	% Contribution Common Expenses
4	19	0.5756%	0.5254%
4	20	0.4219%	0.3572%
4	21	1.0400%	0.8754%
4	22	0.4219%	0.3572%
4	23	0.3739%	0.3092%
4	24	0.5660%	0.5368%
4	25	0.3739%	0.3149%
4	26	0.6092%	0.6005%
4	27	0.3066%	0.3092%
4	28	0.5516%	0.6034%
4	29	0.3259%	0.3092%
4	30	0.4747%	0.5368%
4	31	0.4747%	0.5368%
4	32	0.4603%	0.5039%
4	33	0.3115%	0.3149%
4	34	0.3835%	0.4516%
4	35	0.3115%	0.3149%
4	36	0.3115%	0.3149%
4	37	0.3115%	0.3300%
4	38	0.3115%	0.3300%
4	39	0.4795%	0.5368%
4	40	0.3018%	0.3149%
4	41	0.3018%	0.3149%
4	42	0.3018%	0.3300%
4	43	0.3018%	0.3300%
4	44	0.4651%	0.5368%
4	45	0.4651%	0.5368%
4	46	0.3018%	0.3300%
4	47	0.3018%	0.3300%
4	48	0.3018%	0.3149%
4	49	0.5756%	0.6034%
4	50	0.3018%	0.3092%
		100.0000%	100.0000%

SCHEDULE E
SPECIFICATION OF COMMON EXPENSES

Common Expenses shall include but shall not be limited to the following:

- (a) All sums of money levied against or charged to the Corporation on account of any and all public and private suppliers of insurance coverage, utilities and services including, without limiting the generality of the foregoing, levies or charges for:
 - (i) insurance premiums,
 - (ii) garbage collection,
 - (iii) maintenance materials, tools and supplies,
 - (iv) repairs and maintenance for which the Corporation is responsible,
 - (v) snow removal and landscaping (including maintenance), and
 - (vi) sewer, water, electricity and fuel, including propane and oil.
- (b) the payment of realty taxes (including local improvement charges) levied against the Lands until and then except to the extent that taxes are levied against each Unit on an individual basis;
- (c) remuneration payable by the Corporation to any employees deemed necessary for the proper operation, protection and maintenance of the Lands, including security personnel or devices;
- (d) payments of any remuneration payable pursuant to any property management contract which may be entered into between the Corporation and a property manager;
- (e) the cost of furnishings and equipment for use in and about the Common Elements including the repair, maintenance or replacement thereof;
- (f) the Corporation's share of the fees and disbursements of the insurance trustee;
- (g) the cost of maintaining fidelity bonds, if any, as provided in the By-laws and the Rules thereto;
- (h) the cost of borrowing money for the purpose of carrying out the objects and duties of the Corporation, and the repayment thereof including principal and interest;
- (i) all sums of money paid or payable by the Corporation for the benefit of any and all persons, firms or corporations engaged or retained by the Corporation, the Board, its duly authorized agents, servants and employees for the purpose of performing any or all of the duties of the Corporation, including without limitation, legal, engineering, auditing, advising, accounting, expert appraisal, advisory, maintenance, managerial and secretarial services;
- (j) all sums to be paid to the reserve or contingency fund as required by the Act or in accordance with the annual budget of the Corporation;
- (k) all other expenses of the Corporation incurred by it or the Board in the performance of the objects and duties of the Corporation whether such objects or duties are imposed under the provisions of the Act, this Declaration, or performed pursuant to any By-law; and
- (l) the Corporation's share of the cost under the Condominium Use Agreements or any of them.

SCHEDULE F

EXCLUSIVE USE COMMON ELEMENT AREAS

- 1) Each Resort Unit owner is entitled to the exclusive use and possession of the balcony to which the UNIT has sole access and the owner of the particular UNIT set out below is entitled to the exclusive use and possession of the balcony shown in heavy outline and designated on Sheets 5 and 6 of Part 2 of the Description:

Level	UNIT	Exclusive Use Balcony
3	19	B3-19
3	20	B3-20
4	18	B4-18
4	19	B4-19

- 2) Each Resort Unit owner on Level 1 is entitled to the exclusive use and possession of the Terrace shown in heavy outline and designated on Sheet 2 of Part 2 of the Description with the same number as the UNIT and the Suffix "A".
- 3) Each Resort Unit owner on Level 2 is entitled to the exclusive use and possession of the Terrace shown in heavy outline and designated on Sheet 4 of Part 2 of the Description with the same number as the UNIT and the Prefix "2-" representing the Level.
- 4) The owner of UNIT 28, Level 1 (the Management Unit) is entitled to the exclusive use and possession of Administration Offices in the conference center wing, Employee Areas, luggage rooms, Housekeeping/Maids facilities, Mechanical Engineering Offices, vending machine areas and related corridors, including service elevators, and shown in heavy outline and designated on Sheets 1, 2, 4, 5 and 6 of Part 2 of the Description with the letters "A", "B", "C", "D", "E", "F", "G", "H", "K", and "M" in the Longview Building and the letters "PA", "PB", "PC", "PD", "PE", "PF", "PG", "PH", "PI", "PK", "PL", "PM", "PO", "PP", "PQ", "PR" and "PT" in the Paignton House Building and the interior and exterior parking areas shown in heavy outline and designated on Sheets 1, 2 and 3 of Part 2 of the Description with the letters "PRK1", "PRK2", "PRK3", "PRK4", "PRK5", "PRK6", "PRK7", "PRK8" and "PRK9".

SCHEDULE "G"

CERTIFICATE OF ARCHITECT OR ENGINEER
(SCHEDULE G TO DECLARATION FOR A STANDARD OR LEASEHOLD CONDOMINIUM CORPORATION) (under clause 8 (1) (e) or (h) of the Condominium Act, 1998)

I certify that

Each building on the property

OR

(In the case of an amendment to the declaration creating a phase:
Each building on the land included in the phase)

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

(Check whichever boxes are applicable)

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

OR

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

OR

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

OR

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

OR

- ☐ There are no indoor and outdoor swimming pools.

PAIGNTON HOUSE
34
33

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-2-

11. ☐ Except as otherwise specified in the regulations, the boundaries of the units are completed to the drywall (not including taping and sanding), plaster or other final covering, and perimeter doors are in place.

Dated this 23 day of JANUARY, 2009



(signature)

ADRIAN DUTA

(print name)

(Strike out whichever is not applicable:

~~Architect~~
Professional Engineer)

LONGVIEW
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SCHEDULE "G"

CERTIFICATE OF ARCHITECT OR ENGINEER
(SCHEDULE G TO DECLARATION FOR A STANDARD OR LEASEHOLD CONDOMINIUM CORPORATION) (under clause 8 (1) (e) or (h) of the Condominium Act, 1998)

I certify that:

Each building on the property

OR

*(In the case of an amendment to the declaration creating a phase:
Each building on the land included in the phase.)*

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

(Check whichever boxes are applicable)

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

OR

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

OR

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

OR

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

OR

- ☐ There are no indoor and outdoor swimming pools.

LONGVIEW

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-2-

11. ☐ Except as otherwise specified in the regulations, the boundaries of the units are completed to the drywall (not including taping and sanding), plaster or other final covering, and perimeter doors are in place.

Dated this 23 day of JANUARY, 2009.

[Signature]
(signature)

ADRIAN LUTA
(print name)

(Strike out whichever is not applicable:
~~Architect~~
Professional Engineer)

3737

SCHEDULE "G"

CERTIFICATE OF ARCHITECT OR ENGINEER
(SCHEDULE G TO DECLARATION FOR A STANDARD OR LEASEHOLD CONDOMINIUM CORPORATION) (under clause 8 (1) (e) or (h) of the Condominium Act, 1998)

I certify that:

Each building on the property (The Rosseau) PAIGNTON HOUSE BUILDING
OR

~~(In the case of an amendment to the declaration creating a phase:
Each building on the land included in the phase)~~

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

(Check whichever boxes are applicable)

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

OR

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

OR

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

OR

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

OR

- ☒ There are no indoor and outdoor swimming pools.

11. ☒ Except as otherwise specified in the regulations, the boundaries of the units are completed to the drywall (not including taping and sanding), plaster or other final covering, and perimeter doors are in place.

Dated this 12th day of FEBRUARY, 2009.

J. McAlpine
(signature)

JOHN McALPINE
(print name)

(Strike out whichever is not applicable:
Architect
~~Professional Engineer~~)

(THE ROSSEAN - PRIGHTON HOUSE BUILDING)

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SCHEDULE "G"

CERTIFICATE OF ARCHITECT OR ENGINEER
(SCHEDULE G TO DECLARATION FOR A STANDARD OR LEASEHOLD CONDOMINIUM
CORPORATION) (under clause 8 (1) (a) or (h) of the *Condominium Act, 1998*)

I certify that:

Each building on the property (THE ROSSEAU) LONGVIEW BUILDING
OR

~~(In the case of an amendment to the declaration creating a phase:
Each building on the land included in the phase)~~

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

(Check whichever boxes are applicable)

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

OR

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

OR

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

OR

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

OR

- ☐ There are no indoor and outdoor swimming pools.

11. ☒ Except as otherwise specified in the regulations, the boundaries of the units are completed to the drywall (not including taping and sanding), plaster or other final covering, and perimeter doors are in place.

Dated this 12th day of FEBRUARY, 2009.

[Signature]
(signature)

JOHN McALPINE
(print name)

(Strike out whichever is not applicable:

Architect

~~Professional Engineer~~)

(THE ROSSEAU - LONGVIEW BUILDING)

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SCHEDULE "G"

CERTIFICATE OF ARCHITECT OR ENGINEER
(SCHEDULE G TO DECLARATION FOR A STANDARD OR LEASEHOLD CONDOMINIUM
CORPORATION) (under clause 8 (1) (e) or (h) of the Condominium Act, 1998)

I certify that:

Each building on the property *at Red Leaves, Lake Rosseau, Ontario*
OR

*(in the case of an amendment to the declaration creating a phase:
Each building on the land included in the phase)*

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

(Check whichever boxes are applicable)

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

OR

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

OR

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

OR

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

OR

- ☐ There are no indoor and outdoor swimming pools.

11. ☐ Except as otherwise specified in the regulations, the boundaries of the units are completed to the drywall (not including taping and sanding), plaster or other final covering, and perimeter doors are in place.

Dated this 20th day of FEBRUARY 2009.

RVN
(signature)

Raymond van Groll, P.Eng
(print name)

(Strike out whichever is not applicable:
~~Architect~~
Professional Engineer)