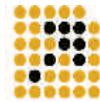


Thoburn Mill Condominium
Lanark Standard Condominium
Corporation No. 18
DISCLOSURE STATEMENT



83 Little Bridge Street, Almonte



THOBURN MILL INC.
P.O. Box 1402
Almonte, Ontario
K0A 1A0

NELLIGAN O'BRIEN PAYNE LLP
1500-50 O'Connor Street
Ottawa, Ontario
K1P 6L2

Form 12

Condominium Act, 1998

DISCLOSURE STATEMENT
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(under subsection 72 (4) of the *Condominium Act*, S.O. 1998, c. 19 (the “Act”))

Declarant’s name: Thoburn Mill Inc.

Declarant’s municipal address: P.O. Box 1402, Almonte, Ontario, K0A 1A0

Brief legal description of the property/proposed property: Firstly: Part Lot A, McIntosh Section, Plan 6262, designated as Part 10 on Plan 27R-9593, Town of Mississippi Mills, Lanark North, Ramsay, PIN 05098-0160 (LT) Secondly: Part Lot 7, Little Bridge Street, Colin King Survey, Plan 6262, designated as Parts 4 and 5 on Plan 27R-9593, Town of Mississippi Mills, Lanark North, Ramsay, PIN 05098-0161 (LT) Thirdly: Part Lot A, McIntosh Section, Plan 6262 Part Lot 7, Little Bridge Street, Colin King Survey, Plan 6262, Part Bed of Mississippi River adjacent to Lot A, McIntosh Section and Lot 7, Colin King Survey, Plan 6262, designated as Parts 1, 2, 3, 6, 8 and 9 on Plan 27R-9593, Town of Mississippi Mills, Lanark North, Ramsay, PIN 05098-0162 (LT) Fourthly: Part Lane, McIntosh Section, Plan 6262, designated as Part 1 on Plan 27R-9636, Town of Mississippi Mills, Lanark North, Ramsay, PIN 05098-0168 (LT)

Mailing address of the property/proposed property: 83 Little Bridge Street, Almonte, Ontario, K0A 1A0

Municipal address of the property/proposed property: 83 Little Bridge Street, Almonte, Ontario

Condominium corporation: Lanark Standard Condominium Corporation No. 18 (*identify condominium plan, if available*) (known as the “Corporation”)

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

Purchasers should review all documentation.

In this Table of Contents,

“unit” or “units” include proposed unit or units;

“common elements” includes proposed common elements;

“common interest” includes a proposed common interest; and

“property” includes proposed property.

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

Matter		Specify the article, paragraph (and/or clause) and page number where the matter is dealt with in the existing or proposed Declaration, By-laws, Rules or other material in the disclosure statement
<p><i>(Strike out whichever is not applicable:</i></p> <p>1. The Corporation is a leasehold condominium corporation. OR</p> <p>The Corporation is a freehold condominium corporation that is a common elements, vacant land or standard condominium corporation, (for standard condominium corporations, add the following if applicable: which will be phased)</p>	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to:</p> <p>Paragraph 1.02 of the Declaration</p>
<p>2. The property or part of the property is or may be subject to the <i>Ontario New Home Warranties Plan Act</i>. (See note in 3, below)</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to:</p> <p>n/a</p>
<p><i>(For all condominium corporations except common elements condominium corporations:</i></p> <p>3. The common elements and the residential units are enrolled or are intended to be enrolled in the Plan within the meaning of the <i>Ontario New Home Warranties Plan Act</i> in accordance with the regulations made under that Act.) <i>Note: Tarion will not agree to enrol converted buildings, even in circumstances where some or all of the homes have not been previously occupied for residential use.</i></p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to:</p> <p>n/a</p>
<p>4. A building on the property has been converted from a previous use. <i>Note: the building comprises a converted River Mill. Much of the conversion work pre-dated the decision to register a plan of condominium. Many of the units are presently occupied for commercial or residential use.</i></p>	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to:</p> <p>Paragraph 1 of the Disclosure Statement Recital (b) of the Declaration</p>
<p>5. One or more units or a part of the common elements may be used for commercial or other purposes not ancillary to residential purposes.</p>	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to:</p> <p>Paragraphs 1 and 3(f) of the Disclosure Statement Paragraph 3.01 of the Declaration</p>
<p>6. A provision exists with respect to pets on the property.</p>	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to:</p> <p>Paragraph 3(k) of Disclosure Statement Paragraphs 3.01(f) and 4.08 of Declaration Rule 23</p>
<p>7. There exist restrictions or standards with respect to the use of common elements or for all condominium corporations except common elements condominium corporations: the occupancy or use of units that are based on the nature or design of the facilities and services on the property or on other aspects of the buildings located on the property.</p>	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to:</p> <p>Paragraphs 1(b), 2(b) and 3(f) of Disclosure Statement Article 3 of the Declaration Rules</p>
<p><i>(For all condominium corporations except common elements condominium corporations:)</i></p> <p>8. The Declarant intends to lease a portion of the units.</p> <p><i>(If "Yes", add:</i> The portion of units (or the common interests, as the case may be) to the nearest anticipated 25 per cent, that the Declarant intends to lease is 25%.</p>	<p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>Yes No</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to:</p> <p>Paragraph 12 of Disclosure Statement</p> <p>Refer to:</p> <p>Paragraph 12 of the Disclosure Statement</p>

<p><i>(For all condominium corporations except common elements condominium corporations, include the following paragraph:)</i></p> <p>9. The common interest appurtenant to one or more units differs in an amount of 10 per cent or more from that appurtenant to any other unit of the same type, size and design.</p> <p><i>(If “Yes”, identify the units where this difference exists and what the difference is, expressed as a percentage.)</i></p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to: Schedule “D” to the Declaration</p>
<p><i>(For all condominium corporations except common elements condominium corporations, include the following paragraph:)</i></p> <p>10. The amount that the owner of one or more units is required to contribute to the common expenses differs in an amount of 10 per cent or more from that required of the owner of any other unit of the same type, size and design.</p> <p><i>(If “Yes”, identify the units where this difference exists and what the difference is, expressed as a percentage.)</i></p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to: Schedule “D” to the Declaration.</p>
<p><i>(For all condominium corporations except common elements condominium corporations:)</i></p> <p>11. One or more units are exempt from a cost attributable to the rest of the units.</p> <p>If the Declarant proceeds to construct a handicapped lift to transport persons from the first to second floors, only the owners of units on Level 2 units benefit from the use of the lift, therefore the costs to repair and maintain the lift will be charged as a common expense to the owners of units on Level 2 only.</p>	<p>Yes No <input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to: Paragraph 3(d)(ix) of the Disclosure Statement Paragraphs 2 .01, 4.05 t) and Schedules “N” and “O” to the Declaration</p>
<p>12. There is an existing or proposed by-law establishing what constitutes a standard unit.</p>	<p>Yes No <input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to: Schedule 3B</p>
<p>13. Part or the whole of the common elements are subject to a lease or licence.</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to: N/A</p>
<p>14. Parking for owners is allowed:</p> <p><i>(except in the case of a common elements condominium corporation:</i></p> <p> (a) in or on a unit; <i>(i.e. parking units)</i></p> <p> (b) on the common elements; (each residential unit will be assigned one common element parking space)</p> <p> (c) on a part of the common elements of which an owner has exclusive use.</p> <p>There are restrictions on parking.</p> <p>Eight (8) parking spaces will also be provided on the Adjacent Lands, as defined in Item 18 below.</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>Yes No <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>Yes No <input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to: N/A</p> <p>Refer to: Paragraph 1(c) of the Disclosure Statement Paragraph 4.04 of the Declaration</p> <p>Refer to Paragraph 4.04 of the Declaration</p>

<p>15. Visitors must pay for parking.</p> <p>There is visitor parking on the property.</p> <p>If "No", add: Visitor parking is available in the following location: (Four (4) of the common element parking spaces will be maintained as visitor parking spaces for the benefit of the residential units)</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>Yes No <input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to: N/A</p> <p>Refer to Paragraph 1(c) of the Disclosure Statement Paragraph 4.04 of the Declaration</p>
<p>16. The Declarant may provide major assets and property, even though it is not required to do so.</p> <p><i>(If "Yes", identify the major assets and property involved.)</i></p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to: N/A</p> <p>Refer to: N/A</p>
<p>17. The Corporation is required:</p> <p>(a) to purchase units or assets; <i>(If "Yes", identify the units and assets involved.)</i></p> <p>(b) to acquire services; (e.g. snow removal, utilities for common elements) <i>(If "Yes", identify the services involved.)</i>- utilities for common elements</p> <p>(c) to enter into agreements or leases with the Declarant or a subsidiary body corporate, holding body corporate or affiliated body corporate of the Declarant. <i>(If "Yes", identify the agreements and leases involved.)</i></p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>Yes No <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to: N/A</p> <p>Refer to: Paragraphs 1(e), 3(c) and 3(e) of the Disclosure Statement Article 2 and Schedule "E" to the Declaration</p> <p>N/A</p>
<p>18. The Declarant or a subsidiary body corporate, holding body corporate or affiliated body corporate of the Declarant owns land adjacent to the land described in the description.</p> <p>One of the principals of the Declarant has an interest in the lands adjacent to the Property and known municipally as 65 Mill Street (the "Adjacent Lands").</p> <p><i>[If "Yes", complete the following:</i></p> <p>(1) The current use of the Adjacent Lands is <i>(describe use)</i> mixed commercial/residential building.</p> <p>(2) The Declarant has made representations respecting the future use of the Adjacent Lands. <i>(If "Yes", add the following: The disclosure statement contains a statement of the representations.)</i></p> <p>(3) Applications have been submitted to an approval authority respecting the use of the Adjacent Lands. <i>(If "Yes", add the following: The disclosure statement contains a summary of the applications.)</i> <i>[Note: at some date in the future, the owner of the Adjacent Lands may decide to redevelop the lands and may change the use and/or register a plan of condominium on the Adjacent Lands.</i></p>	<p>Yes No <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>Yes No <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to: Article 15 of the Disclosure Statement</p> <p>Refer to: Article 15 of the Disclosure Statement</p> <p>Refer to: N/A</p>
<p><i>(In the case of a standard condominium corporation, include the following paragraph:)</i></p> <p>19. To the knowledge of the Declarant, the Corporation intends to amalgamate with another corporation or the Declarant intends to cause the Corporation to amalgamate with another corporation within 60 days of the date of registration of the Declaration and Description for the Corporation.</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to: N/A</p>
<p><i>In the case of a common elements condominium corporation, include the following paragraph:)</i></p> <p>20. Under clause 143 (a) of the Condominium Act, 1998, the common interest is attached or will attach to the owner's parcel of land described in the declaration and cannot be severed from the parcel upon the sale of the parcel or the enforcement of an encumbrance registered against the parcel.</p>		

<p><i>(In the case of a common elements condominium corporation or a vacant land condominium corporation, include the following paragraph:)</i> 21. The declaration contains a list of the buildings, structures, facilities and services to be included in the common elements.</p>		
<p><i>(In the case of a vacant land condominium corporation, include the following paragraph:)</i> 22. There are the following restrictions with respect to the construction of a building or structure on a unit after the registration of the declaration and description:</p> <p>(a) the size, location, construction standards, quality of materials and appearance of the building or structure;</p> <p>(b) architectural standards and construction design standards of the building or structure;</p> <p>(c) the time of commencement and completion of construction of the building or structure;</p> <p>(d) the minimum maintenance requirements for the building or structure.</p>		<p>Refer to:</p> <p>Refer to:</p> <p>Refer to:</p> <p>Refer to:</p>
<p><i>(In the case of a vacant land condominium corporation, include the following paragraph. Strike out whatever is not applicable:)</i> 23. The Declarant has received from the municipality in which the land is situated (or from the Minister of Municipal Affairs and Housing if the land is not situated in a municipality), a statement of the services provided by the municipality (or the Minister, as the case may be), including the construction and maintenance of roads.</p> <p style="text-align: center;">OR</p> <p>The Declarant has requested from the municipality in which the land is situated (or from the Minister of Municipal Affairs and Housing if the land is not situated in a municipality), a statement of the services provided by the municipality (or the Minister, as the case may be), including the construction and maintenance of roads, and has not received any statement in response to the request.</p>		<p>Refer to:</p> <p>Refer to:</p>
<p><i>(In the case of a phased condominium corporation, include the following paragraph:)</i> 24. The Declarant intends to create one or more phases after the creation of the unit.</p> <p>Under clause 147 (1) (b) of the Condominium Act, 1998, the Declarant is not required to create a phase after the creation of the unit.</p>		<p>Refer to:</p>
<p><i>(In the case of a phased condominium corporation, include the following paragraph:)</i> 25. Under clause 51 (h) of Ontario Regulation 48/01, no amendments to the declaration and description creating a phase may be registered after more than 10 years after the registration of the declaration and description that created the Corporation</p>		
<p><i>(In the case of a phased condominium corporation, include the following paragraph:)</i> 26. The disclosure statement includes information about each phase that the Declarant intends to create.</p>		<p>Refer to:</p>

This Disclosure Statement is issued for the benefit of purchasers of units in the Thoburn Mill Condominium (the "Purchasers") who have signed an Agreement of Purchase and Sale for a unit or units (the "Agreement of Purchase and Sale"). The Purchaser's rights under Section 73 and 74 of the Act to rescind an Agreement of Purchase and Sale are set out at Schedule 6.

1. General Description of the Property

The Vendor has converted the title of a two-storey mixed use rental building located at 83 Little Bridge Street, in the Town of Almonte (Mississippi Mills) to a mixed residential and commercial condominium building to be known as the "Thoburn Mill Condominium", as shown on the site plan attached as Schedule "1".

The building comprises twenty-three (23) units, twenty (20) on-site exterior parking spaces and eight (8) off-site exterior parking spaces.

(a) The Property

The Property is composed of :

Firstly:

Part Lot A, McIntosh Section, Plan 6262
designated as Part 10 on Plan 27R-9593
Town of Mississippi Mills
Lanark North, Ramsay

PIN 05098-0160 (LT)

Secondly:

Part Lot 7, Little Bridge Street, Colin King Survey, Plan 6262
designated as Parts 4 and 5 on Plan 27R-9593
Town of Mississippi Mills
Lanark North, Ramsay

PIN 05098-0161 (LT)

Thirdly:

Part Lot A, McIntosh Section, Plan 6262
Part Lot 7, Little Bridge Street, Colin King Survey, Plan 6262
Part Bed of Mississippi River adjacent to Lot A, McIntosh Section and Lot 7, Colin King Survey, Plan 6262
designated as Parts 1, 2, 3, 6, 8 and 9 on Plan 27R-9593
Town of Mississippi Mills
Lanark North, Ramsay

PIN 05098-0162 (LT)

Fourthly:

Part Lane, McIntosh Section, Plan 6262
designated as Part 1 on Plan 27R-9636
Town of Mississippi Mills
Lanark North, Ramsay

PIN 05098-0168 (LT)

The Property is subject to and has the benefit of the easements, covenants and

restrictions listed in Section F and Schedule “C” to the Agreement of Purchase and Sale and in Schedule “A” to the Declaration.

(b) Units

The building comprises twenty-three (23) units, as follows:

Level A	2 units (1 commercial, 1 for the water turbine)
Level 1	11 units (6 commercial, 4 residential or commercial, 1 for the storage locker room)
Level 2	10 units (residential)

The current zoning by-law and Official Plan of the Town of Mississippi Mills permits either commercial or residential uses in all of the units, except for Level 1. Under the zoning by-law, units on Level 1 may only be used for residential purposes if located behind a street front commercial use. Level 1 residential use is further limited under the Official Plan, to a maximum of 25% of the ground floor area of the building. The Declarant proposes to maximize the existing potential for residential units on the ground floor and may choose to make application to amend the Official Plan to increase the permitted area of ground floor residential use if warranted by market demands.

Except for Unit 9, Level 1, all units will be accessed through entrances at the front of the building or the west side of the building and via exclusive use common element corridors and stairways on their respective levels accessed through the Level 1 lobbies. Unit 9, Level 1 will be accessed directly through an entrance door on the west side of the building.

Because the building accommodates both residential and commercial uses on various levels, it is not possible to prevent public access to the building during regular business hours. However, the Declaration provides that the Condominium Corporation, or its manager will take reasonable steps to ensure that all exterior doors of the building leading to common element areas are locked between the hours of 5:00 p.m. and 8:00 a.m. The Declarant intends to replace the existing keyed exterior door locks with card readers.

All occupants of the units must conduct themselves and their business in compliance with applicable zoning, Official Plan and/or site plan requirements of the Town of Mississippi Mills (the “Town”) and in accordance with the provisions of the Condominium Act, Declaration, By-laws and Rules. Any person proposing to acquire a unit or change the existing use of a unit should review the zoning by-laws, the Official Plan and the proposed Declaration, By-laws and Rules to ensure that their proposed use of the unit will be permitted and that the available common element parking is or will be deemed by the Town to be adequate to support the use.

All units (except for Units 2, 3, 4, 5, 6 and 7 on Level 2) are currently designated for commercial use and any change to residential use would be subject to compliance with applicable zoning by-laws, the Official Plan of the Town of Mississippi Mills and all provisions of the *Building Code Act, 1992, S.O. 1992, c.23*. In addition, a change in the use of a commercial unit on Level 1 to residential use may require an amendment to the Official Plan as mentioned above. The Town may levy a development charge for any change of use. Filing an application for change of use and payment of any development charges related thereto will be the responsibility of the

unit owner.

The owner of any unit used for commercial purposes will be responsible for the installation, maintenance and repair of any upgrades to the unit or the common elements that may be required in order to provide sufficient ventilation to accommodate the proposed use of the unit. Any upgrades that will involve a modification of or a change to the common elements will require approval of the Corporation in accordance with Section 98 of the Condominium Act.

No garbage is to be stored on the common elements, including any part of the common elements of which an owner has the exclusive use. Garbage is to be stored within the unit and taken to curbside for municipal pick-up on assigned garbage day(s) only. The Corporation may choose to rent a garbage dumpster and to treat the rental costs as a common expense.

Owners of Units 1, 3, 4, 5, 6, 7 and 8 on Level 2 shall have the exclusive use of the roof decks or balconies to which their unit have sole and direct access as further described in the Declaration and Description for the Condominium.

There will be no mail delivery to the door of the units. Mail will be delivered to the Almonte post office on Mill Street or to a community mailbox located in accordance with approvals given by the municipal authority and by Canada Post.

(c) Parking

The Property will include twenty (20) exterior common element parking spaces. Seven (7) of the spaces are located on Level 1 at the front of the building and the remaining thirteen (13) spaces are located on Level 1 on the west side of the building. The Property has the benefit of an easement and right-of-way over the Adjacent Lands for access to and use of eight (8) parking spaces.

One common element parking space will be assigned from time to time by the Board of Directors to each residential unit. Four (4) of the common element parking spaces will be maintained as visitor parking for the benefit of the residential units. No parking spaces will be specifically assigned to commercial units. The commercial unit owners, in common with all other unit owners, and their tenants, patrons and visitors shall be entitled to use the remaining common element parking spaces and parking spaces on the Adjacent Lands on a first come, first served basis.

The available common element parking and/or the parking on the Adjacent Lands may not satisfy the parking requirements under the zoning by-law for every commercial use that may be permitted by the zoning by-law in common with other existing and permitted uses. There is no warranty by the Vendor, by the Corporation or by the Declarant that the available common element parking will be sufficient to accommodate any particular use. The Declaration contains provisions to confirm that occupants of commercial units are required to satisfy themselves as to their ability to comply with applicable zoning and Official Plan requirements governing the use of the Property.

Purchasers should refer to Article 4.04 of the Declaration regarding the use of common element parking spaces and the types of vehicles that are permitted to be parked on the common elements. Parking spaces may not

be used to store motor vehicles and no repairs or adjustments to vehicles may be carried out on the common elements.

(d) Bicycles, Public Washroom and Proposed Storage Lockers

The proposed Rules of the Corporation provide that storage of bicycles is not permitted in the first floor lobby, the common element corridors or on the exclusive use balconies or roof decks.

There is currently a public washroom located within the common element area on Level 1.

The existing commercial unit known municipally as Unit 108 has been registered as two (2) units, the smaller of which comprises approximately 350 square feet (Unit 5, Level 1). The Declarant may, at its expense, convert Unit 5, Level 1 into a storage locker room and construct a number of storage lockers within the unit. For further details, see paragraph 3(h) below. The Declaration includes a provision permitting the two units to be combined and used for a single occupancy should the need for storage lockers in the building not arise.

(e) Utility Costs

(i) Water

Water supplied for domestic use in the units is bulk metered by the Town and will be charged to the unit owners as a common expense.

The Declarant has no intention at this time to install sub-meters for water, however, the Corporation will have the option pursuant to the Declaration to install individual sub-meters in all or some of the units to calculate the unit owner's share of the total domestic water charges based on consumption.

The first year budget for common expenses includes the cost of domestic water to be supplied to all units.

(ii) Hydro

All units shall be metered independently by the utility supplier for hydro consumed in the unit, including the electricity consumed for the operation of the cooling system and any electrical heating system within each unit. Each unit owner will be responsible for all hydro charges metered directly to the unit by the utility supplier.

The cost of hydro consumed on the common elements will be separately metered by the utility supplier and charged to the unit owners as a common expense.

(iii) Gas

All natural gas supplied to the units is bulk metered to the Corporation by the utility and will be charged to the unit owners as a common expense.

The Declarant has no intention at this time of installing sub-meters for natural gas, however, the Corporation will have the option

pursuant to the Declaration of installing individual sub-meters in all or any of the units to calculate the unit owner's share of the total natural gas charges based on consumption.

(iv) Heating and Cooling Systems

Most units have individual natural gas fired heating systems, which systems are located within the units or on the roof of the building. The cost of natural gas supplied to heat the units will be charged to the unit owners as a common expense.

Units 4 and 8 on Level 2 have electric baseboard heating, which is connected to the hydro meter for each individual unit, and are also heated by natural gas fireplaces, which are connected to the common gas meter. Unit 8 on Level 2 also has radiant floor heating connected to a gas fired boiler in the unit which is connected to the common gas meter. The hot water circulation pump on the boiler is connected to the hydro meter for the unit.

Units 1 and 2 on Level 1 have radiant floor heating connected to a gas fired boiler located in a mechanical closet in Unit 1, Level 1 which is connected to the common gas meter. Each unit has a separate thermostat to control the heating. The hot water circulation pump on the boiler is connected to the hydro meter for Unit 1, Level 1. These unit owners may, at their option, adjust the hydro costs to run the pump amongst themselves as appropriate.

Units 1 and 2 on Level 2 share a heating and air conditioning system. The heating system is connected to the common gas meter. The condenser unit for the cooling system is connected to the hydro meter for Unit 1, Level 2 and the cost to cool the units will be charged to the owner of Unit 1, Level 2 directly by the utility supplier. These units owners may, at their option, adjust the hydro costs to run the cooling system amongst themselves, as appropriate.

All units, except Units 1 and 2 on Level 2, have individual cooling systems with condenser units located on the common elements. The condenser units for the cooling systems are or will be connected to the hydro meter for the individual unit. As such, the cost to cool the units will be charged to the unit owners directly by the utility supplier.

Subparagraph 3(c)(iii) of this Disclosure Statement provides for the maintenance, repair and replacement of the heating and cooling systems.

(v) Telephone, Cable and Internet Service

All charges for cable, telephone and internet service to the units shall be billed directly by the service providers to the owners of the unit. Owners are responsible for arranging such service upon occupancy or possession of their unit.

2. Marketing of Units and Signage

(a) Marketing to Investors

The Declarant does not presently intend, but reserves the right, to market

blocks of units to investors. No restriction has been placed by the Declaration, By-laws or Rules of the proposed condominium on the number of units that may be purchased by an individual or a corporation.

(b) Signage and Right to Maintain Model Suites and a Sales Office

The Declarant is entitled to erect and maintain signs and/or displays for sales and marketing purposes to promote the sale of units in the proposed condominium or the sale of units in any other project in which the Declarant or any of its principals are involved. Signage and displays may be erected upon the common elements or in any unsold unit(s) at such locations and having such dimensions as the Declarant may determine.

The Declarant may, until all of the units in the proposed condominium are sold, make use of the common elements and/or any unsold units to facilitate its marketing program. Such use may include, but shall not be limited to, the accommodation of a sales office and/or model suite to promote the sale of units in the proposed condominium or in any other project in which the Declarant or any of its principals are involved. The Declarant also retains the right to retain title to up to 25% of the units and to lease the units retained, as well as to sell the retained units in a block. As an owner of such units, the Declarant shall be bound to comply with the Act and with the Declaration, by laws and rules of the Condominium Corporation.

3. Declaration

(a) General

A copy of the registered Declaration is attached as Schedule "2". The Declaration may not be amended except in accordance with the Act.

(b) Common Interest and Common Elements

Each unit owner has an undivided interest in the common elements as a tenant in common with all other unit owners in the proportions set forth opposite each unit number in Schedule "D" to the Declaration. All unit owners are entitled to have the use of and access to the common elements except where restricted by the Declaration, the By-laws or the Rules of the Corporation. The common elements comprise all of the areas of the Property that are not designated as units.

(c) Repairs and Maintenance by the Corporation

- (i) The Corporation will repair and maintain the common elements save and except for those parts of the common elements that are the responsibility of the unit owners, as confirmed in Articles 4.05 and 5 of the Declaration.
- (ii) The Corporation shall maintain the heating and cooling systems that serve the units and all related components necessary to the supply of heat and cooling to the units. [Note: The Declaration provides that heating systems shall be deemed to include electric baseboard heating systems, radiant floor heating systems and individual natural gas fired heating systems but shall exclude natural gas fireplaces]. The Corporation shall include the cost to maintain the heating and cooling systems within the Reserve Fund Study because maintenance includes replacement at the end of its useful life and

the proposed Declaration provides that the replacement cost is a reserve expense, notwithstanding that some of the systems may be located within the units.

- (iii) If any unit owner fails to undertake maintenance and make repairs which are required and for which the unit owner is responsible, the Corporation may make such repairs and recover the cost of such repairs from that unit owner, together with interest, in the form of additional contributions towards the common expenses.

(d) Additions and Alterations to the Common Elements

Neither the Corporation nor any unit owner may make any addition, alteration or improvement to the common elements except in accordance with the Act or as otherwise permitted by the Declaration. The nature and level of approval required by the Act varies, depending on whether or not the addition, alteration or improvement is substantial and depending upon whether the proposed addition, alteration or improvement is within or outside an exclusive use area.

Notwithstanding the foregoing, unit owners acknowledge that the following alterations may be undertaken by a unit owner on approval of the Board, acting reasonably, and that any notice to unit owners or other approvals that may be required under the Act are deemed to have been given upon acceptance of a deed or transfer to the unit:

- (i) Owners of any units with a commercial use may make additions, alterations or improvements to their units and/or the common elements to accommodate the addition, installation or operation of heating, cooling, ventilating and other mechanical equipment relating to the reasonable commercial use of the units.
- (ii) Commercial unit owners and/or their tenants may erect signage on the exterior facade of the building provided that the design and location of the signage will also be subject to approval of the Board of Directors, all requirements of the municipal Signs By-law and provided that any lighting for such signage shall be designed to shed light away from the units and on to the common element parking areas or the street.
- (iii) The owners of Units 4 and 5 on Level 1 and Units 1 and 2 on Level A may connect the two units to create one occupiable space, provided that the connected units continue to comply with all occupancy, building and Code requirements and provided that the party wall or common element wall between the units shall be reinstated to the satisfaction of the Board of Directors in the event that either of the units is later transferred or separately occupied.
- (iv) The owners of Units 1 and 2 on Level 2 may connect the two units to create one occupiable space, provided that the connected units continue to comply with all occupancy, building and Code requirements and provided that the party wall between the units shall be reinstated to the satisfaction of the Board of Directors in the event that either of the units is later transferred or separately occupied.

- (v) The owner of Unit 10, Level 2 may install a skylight in the ceiling of the unit and/or to close off one entrance door to the unit from the common element hallway.
- (vi) The owner of Unit 8, Level 2 may install a skylight in the ceiling of the unit.
- (vii) The owner of Unit 5, Level 1 may construct an entrance door to the unit from the common element hallway
- (viii) Where gas service is available, owners of units may install a natural gas fireplace or natural gas kitchen appliances in their unit provided that any related maintenance, repair and replacement of the gas fireplace, gas appliances, venting and related apparatus shall be the responsibility of the unit owner in accordance with Articles 4.05 and 5 of the Declaration and the By-laws of the Corporation. This provision shall apply to all natural gas fireplaces and natural gas appliances installed in the units, including those installed by the Declarant.
- (ix) Owners may install a connection for natural gas from the natural gas supply for the unit to a barbecue located within the exclusive use balcony or roof deck area.
- (x) The Owner of Unit 2, Level A may make such modifications to the exterior common element wall beyond the boundary of the unit and to install cabling from the generator within the unit to the mechanical room on Level A, as may be necessary to permit the operation of the water turbine within the unit.
- (xi) The owners of Unit 1 on Level A, Units 8 and 9 on Level 1 may construct a balcony on the northerly side of the building and an access door to the balcony from the unit, if required. The proposed balconies will extend beyond the boundary of the Lands over the bed of the Mississippi River. The Declarant has obtained permission from the Ministry of Natural Resources (“MNR”) for the encroachments to exist subject to the balconies being constructed in accordance with proposed plans submitted by the Declarant to MNR. Any significant variation in construction from these plans will require pre-approval from MNR and may result in the Board denying its approval of the plans and specifications for the modification.
- (xii) The owners of Unit 7, Level 1 and Unit 9, Level 2 may construct a balcony in a location approved by the Board of Directors and an access door to the balcony from the unit, if required.
- (xiii) The owners of Units 3, 4, 5 and 6 on Level 2 may install removable wooden decking on their exclusive use roof deck provided that the design and location of the wooden decking will be subject to approval of the Board of Directors.
- (xiv) Owners may install a doorbell or other door chime system on the wall of the common element corridor adjacent to the entrance door to the unit provided that the size, design and location of the doorbell or other door chime system shall be subject to the approval of the Board of Directors.

- (xv) The owner of Unit 3, Level 2 may convert the existing public washroom that is within the boundaries of the unit into habitable space within the unit by closing off the entrance door to the washroom from the common element hallway, subject to the plans for the conversion being approved by the Board of Directors.

All such additions, alterations or improvements will be subject to the terms of the Declaration and the By-laws and will be in a location, and in accordance with plans and specifications approved by the Board of Directors of the Corporation. In addition, an owner proposing to make an addition, alteration or improvement must comply with all applicable building and code requirements and other applicable laws and regulations, including without limitation, site plan approval and heritage by-laws. Any maintenance, repair and replacement of the additions, alterations or improvements and any further work required with respect to the common elements resulting from such additions, alterations or improvements, shall be the responsibility of the unit owner(s) in accordance with Articles 4.05 and 5 of the Declaration and in accordance with the By-laws of the Corporation (By-law No. 2).

Unit owners acknowledge that the following alterations to the common elements may be undertaken by the Corporation, and that any notice to unit owners or other approvals that may be required under the Act are deemed to have been given upon acceptance of a deed or transfer to the unit:

- (xvi) the Corporation may erect signage on the exterior facade of the building provided that the design and location of the signage will be subject to all requirements of the municipal Signs By-law and provided that any lighting for such signage shall be designed to shed light away from the units and on to the common element parking areas or the street.
- (xvii) the Corporation may, on the instruction of and at the expense of the Declarant, construct a handicapped lift in the main level front entranceway to the building as shown on the Level 1 floor plan attached hereto as Schedule "1A" to transport persons from the first to second floors. The costs to maintain and repair the lift will be charged as a common expense to the owners of units on Level 2 only if and when the lift is constructed. Any decision by the Corporation to install and construct the lift at the Corporation's expense shall be subject to approvals required by Section 97 of the Act.

All such additions, alterations or improvements will comply with all applicable building and code requirements and other applicable laws and regulations, including without limitation, site plan approval and heritage by-laws and all costs related to construction, maintenance, repair and replacement of such addition, alteration or improvement.

(e) Common Expenses

The common expenses are the costs of performing the objects and duties of the Corporation set out in Schedules "E", "O" and "Q" to the Declaration.

The unit owners must contribute their share of the common expenses in accordance with the percentage allocated to their unit in Schedules "D", "N" and "P" to the Declaration, as applicable.

The Declaration also includes an indemnity provision that allows the

Corporation to add any expenses that it incurs as a result of any act, error or omission of an owner or his or her tenants or guests, to the common expenses of the unit in question.

(f) Use and Occupation of the Units

The units may only be occupied and used according to the zoning by-laws of the Town. In addition, there will be restrictions and stipulations as to the use of the units which are set out in the Declaration and in the Rules attached as Schedule “4” to this Disclosure Statement.

(g) Modification of Unit 2, Level A (Water Turbine)

Most modifications to the units do not involve the Corporation or the other unit owners, provided that, in the course of the modification, the unit owner is not altering the common elements, services to another unit or to the common elements, or any structural elements of the building.

The Declaration and Description contain provisions that allow the owner of Unit 2, Level A to install a generator and related equipment as required to activate a water turbine within the unit to create electrical energy. The unit owner may also make such modifications to the exterior common element wall beyond the boundary of the unit, draw power from and install cabling from the generator in the unit to the mechanical room on Level A, and make such other modifications to the common elements as may be reasonably necessary to permit the operation of the turbine. The unit owner may also make such other modifications as required within the unit, including the installation of a generator, as may be necessary to permit the operation of the turbine.

The Corporation may decide, but is not compelled, to purchase the unit from the Declarant for its fair market value or from any other owner of the unit from time to time either prior to or following construction of the turbine. The income generated by the sale of electricity by the Corporation could be used to offset the purchase price and set-up costs, if any, and to reduce the Corporation’s and the unit owners’ future hydro expenses.

The unit will be assigned a zero (0%) percent proportionate contribution to common expenses and proportionate interest in the common elements on the basis that the unit will have no market value unless and until the modifications required to operate a turbine are undertaken.

Such modifications to the unit and common elements will be subject to the terms and conditions set out in the Declaration, which will include approval of the Board of Directors, acting reasonably, and compliance with all applicable laws and approval of all plans and specifications by the Board of Directors.

(h) Unit 5, Level 1 – Proposed Storage Locker Room

The Declarant may, at its expense, and in accordance with Article 4.05 of this Declaration, convert Unit 5, Level 1 into a storage locker room and construct a number of storage lockers within the unit. If the Declarant proceeds with the construction of the storage lockers, the Declarant may sell interests in the unit to other unit owners who desire the use of a storage locker. It is intended that the unit may accommodate up to eight (8) storage lockers. Each owner who acquires an interest in the unit shall

hold a proportionate interest in the unit relevant to the total number of storage lockers, as a tenant in common.

(i) Access to Units and Exclusive Use Common Elements

The Corporation or any insurer of the Property has the right to enter a unit, and those parts of the common elements over which an owner has exclusive use, at all reasonable times and on reasonable notice to the owner, under the circumstances set out in the Act and Declaration. The Corporation may enter without notice in the event of an emergency.

Notwithstanding any right of entry, the Corporation assumes no responsibility or liability for the care or supervision of any unit, except as specifically provided in the Act, Declaration or By-laws.

(j) Repairs and Maintenance by the Owners

Each owner is responsible for repair and maintenance of the unit subject to the provisions of the Declaration and the Act.

Unit owners are also responsible for the maintenance and/or repair of some parts of the common elements as described in Article 5 of the Declaration. (These parts include window screens; interior surfaces of exterior doors, windows, doorframes and window frames; gas fireplaces and/or gas appliances and any related venting or apparatus that may extend over or through the common elements, if applicable; and any additions, alterations or improvements to the common elements undertaken by an owner).

Each owner is responsible for any damage to any and all other units and the common elements which are caused by the negligence of the owner, the owner's agents, tenants, invitees or anyone authorized by the owner to be on the property or by the failure of the owner to fulfill his or her repair and maintenance responsibilities.

Each owner is responsible for keeping any exclusive use common element area clean and free from debris and refuse. Owners shall also be responsible to repair any damage caused to other units or the common elements through their acts or omissions.

Unit owners will be responsible for keeping their common element parking spaces clean and free from debris or refuse. The Corporation will otherwise maintain the parking area, including the off-site parking spaces.

(k) Insurance

The Corporation has obtained and will maintain the insurance coverage set out in the Act and the Declaration (the "Master Policy"). Such insurance covers standard units only and does not include insurance on any improvements to a unit made by the unit owners, or on furnishings, fixtures, equipment, decorating or personal property of the unit owners or the personal property of the unit owners stored elsewhere on the Property or for loss of use and occupancy of the unit in the event of damage.

For the purpose of determining what is an "improvement" and therefore excluded from coverage under the Corporation's Master Policy, the Declarant has registered a Standard Unit Description by-law (By-law No. 3), attached as Schedule 3B, and an improvement shall include anything beyond the standard unit as described in the by-law. **Note: The current**

standard unit descriptions are for the base units and do not include kitchens, bathrooms, etc. Purchasers should provide the standard unit description for their unit to their insurance agent so that sufficient coverage is arranged.

The Master Policy is subject to a loss deductible amount. Unit owners may choose to purchase coverage under their own insurance policies for any liability they may have for the deductible under the Master Policy. Unit owners must also maintain public liability insurance covering any liability to the extent not covered by any public liability and property damage insurance obtained and maintained by the Corporation. The Corporation assumes no obligation with respect to insurance, which may be obtained and maintained by unit owners, and all unit owners are advised to inquire as to additional insurance coverage that they may require from their insurance advisors.

(l) Pets

A maximum of two (2) ordinary household pets (household pets includes cats, dogs and birds but exclude any exotic pets) may be kept in any unit occupied for residential purposes. Where any pet is determined by the Board of Directors to be a nuisance to the Corporation or to other unit owners, the owner may be directed to permanently remove the pet from the Property within two (2) weeks of receipt of a written notice from the Board of Directors to that effect. Breeding of pets for sale is not permitted on the Property, and pets must be kept on a leash when they are on the common elements. This provision will not apply to prevent the use of any commercial unit for the purposes permitted by the municipal zoning by-law. The municipal stoop-and-scoop by-law and all other municipal by-laws regulating the care and control of pets will apply.

(m) Schedules to the Declaration

- Schedule "A" - Sets out the legal description of the Property
- Schedule "B" - Provides details of mortgages registered against the Property, along with the signed Consent of the mortgagees
- Schedule "C" - Sets out the unit boundary monumentation
- Schedule "D" - Sets out the proportions of common interest and proportions of contributions to the common expenses listed in Schedule "E", expressed in percentages
- Schedule "E" - Describes the common expenses attributable to the units
- Schedule "F" - Describes the exclusive use common elements
- Schedule "G" - Form 2 – Certificate of Architect or Engineer
- Schedule "N" - Sets out the proportions of contributions to the common expenses listed in Schedule "O", expressed in percentages
- Schedule "O" - Describes the common expenses attributable to the

handicapped lift

Schedule “P” - Sets out the proportion of contributions to the common expenses listed in Schedule “Q”, expressed in percentages

Schedule “Q” - Describes the common expenses attributable to natural gas heating of the units and common elements

4. By-laws

By-law No. 1 – General Operating By-law

By-law No. 1 sets up the basic administrative structure that will govern the day-to-day operation of the Corporation. By-law No. 1 provides a code of procedure for running the affairs of the Corporation, and includes provisions respecting meetings of the Board of Directors and unit owners, election of the Board of Directors and officers, the duties of Directors and officers and the duties of the Corporation as a whole.

A copy of the By-law is attached as Schedule 3.

By-law No. 2 – Additions, Alterations and Improvements to the Common Elements

By-law No. 2 is intended to regulate typical additions, alterations or improvements made by unit owners that may impact on the common elements. The By-law will apply to all such additions, alterations or improvements affecting the common elements, including those that may be undertaken as a Change Order under an Agreement of Purchase and Sale. The list of permitted additions, alterations or improvements included in the By-law may be amended by the Declarant prior to registration to confirm approval of reasonable additions, alterations or improvements to the common elements that may be requested by a purchaser in connection with a Change Order.

A copy of the By-law is attached as Schedule 3A.

By-law No. 3 – Standard Unit Description

All condominium corporations are required to arrange and maintain insurance coverage on the common elements. As well, in accordance with the Act, condominium corporations are required to arrange and maintain insurance coverage for the units, on behalf of every owner. This unit insurance arranged by the Corporation does not provide 100% coverage for the unit because, among other things, it does not cover improvements to the unit. Anything that is not part of a “standard unit” as defined in the By-law will be considered to be an improvement. Any insurance coverage for improvements must be arranged by the owner, and will not be included in the insurance maintained by the Corporation.

By-law No. 3 describes and defines the “standard unit” in the Condominium. A copy of the By-law is attached as Schedule 3B. Purchasers/Owners are advised to consult with their insurance professional on matters related to condominium insurance. **Note: The current standard unit descriptions are for the base units and do not include kitchens, bathrooms, etc. Purchasers should provide the standard unit description for their unit to their insurance agent so that sufficient coverage is arranged.**

By-law No. 4 – Grant of Easement in favour of Ottawa River Power Corporation

By-law No. 4 authorizes the Corporation to grant an easement in favour of the Ottawa River Power Corporation over parts of the common element driveway and parking area on the south and west sides of the Thoburn Mill Building for the operation, repair and maintenance of overhead hydro lines.

A copy of the By-law is attached as Schedule 3C.

5. Amendment to By-laws

Further By-laws or amendments to existing By-laws may be passed by owners of a majority of the units voting in favour of the by-law at a meeting called for that purpose.

6. Rules

A list of Rules to govern the use of the common elements and the units to promote the safety, security and welfare of the unit owners and of the Property and to prevent unreasonable interference with their use and enjoyment of the Property, is attached as Schedule 4. The Board of Directors has the right to pass further Rules and if the unit owners wish to alter, vary or repeal any such Rules, they may call a meeting for this purpose in accordance with the Act.

7. Financial Statements

The Corporation must produce a financial statement to the unit owners on an annual basis and establish and maintain one or more reserve fund(s) for major repair and replacement of the common elements and assets of the Corporation.

8. Property Management

The Board of Directors of the Corporation will be responsible for the management and operation of the Property.

9. Budget Statement

A Budget Statement covering the anticipated common expenses for the units for a one (1) year period immediately following the registration of the Declaration is attached as Schedule 5. Ordinary adjustments to the budget may be required on account of inflation and adjustments for additional expenses that the Corporation may properly elect to incur in the discharge of its duties.

10. Reserve Fund

Upon registration of the Declaration, the Corporation must establish one or more Reserve Funds in compliance with the Act for the purpose of funding major repair and replacement of common elements. The reserve fund contribution established in the budget may be subject to increase when the Corporation completes its first Reserve Fund Study as required by the Act.

11. Rented Units

Without limiting its right to retain up to 25% of the units, the Declarant reserves the right to rent any units that have not yet been sold as at the date the Declaration and Description are registered. The Declarant must comply with the provisions of the Act respecting the sale and lease of units and the provisions of the *Tenant Protection Act*, as it applies to residential leases.

The decision to retain up to 25% of the units shall not constitute a breach of any covenant under the Act to take reasonable steps to sell all units following the sale of the first unit in the Condominium.

12. Interest on Deposits

Section 82 of the Act provides that the Declarant shall pay interest at the prescribed rate to a purchaser on account of the purchase price for the unit.

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

14. Completion of Amenities

The building and the property do not include any particular amenities apart from parking areas and exclusive use common elements, where applicable. The Declarant may, but is not compelled to, install a handicapped lift as further described in paragraph 3(d) of this Disclosure Statement.

See Schedule "J" to the Agreement of Purchase and Sale respecting work to be completed by the Declarant.

15. Adjacent Lands

One of the principals of the Declarant has an interest in the Adjacent Lands (as defined in item 18 of the Index to this Disclosure Statement). At the present time, the owners of the Adjacent Lands propose to renovate and/or redevelop the Adjacent Lands, which redevelopment may include an application to convert the title of the existing and any newly constructed building or components to condominium. The present zoning permits a mixed residential/commercial use but the owner of the Adjacent Lands may make application to permit solely commercial or solely residential use, subject to formal amendments required under the zoning by-law Official Plan.

The Condominium and the Unit Owners enjoy the benefit of a right-of-way and easement for access to and use of eight (8) parking spaces at the rear of the building(s) presently located on the Adjacent Lands. The right-of-way and easement will exist in perpetuity.

16. Documents Attached:

- Schedule 1 Site Plan
- Schedule 1A Level 1 Floor Plan showing location of proposed handicapped lift
- Schedule 2 Declaration
- Schedule 3 By-law No. 1 General Operating By-law
- Schedule 3A By-law No. 2 Alterations, Additions and Improvements to the Common Elements
- Schedule 3B By-law No. 3 Standard Unit Description
- Schedule 3C By-law No. 4 Grant of Easement to ORPC
- Schedule 4 Rules
- Schedule 5 Budget Statement and Notes to Budget Statement
- Schedule 6 Sections 73 and 74 of the Condominium Act S.O. 1998, c.19.

This Disclosure Statement is made this _____ day of _____, 20_____.

Thoburn Mill Inc.

Per:

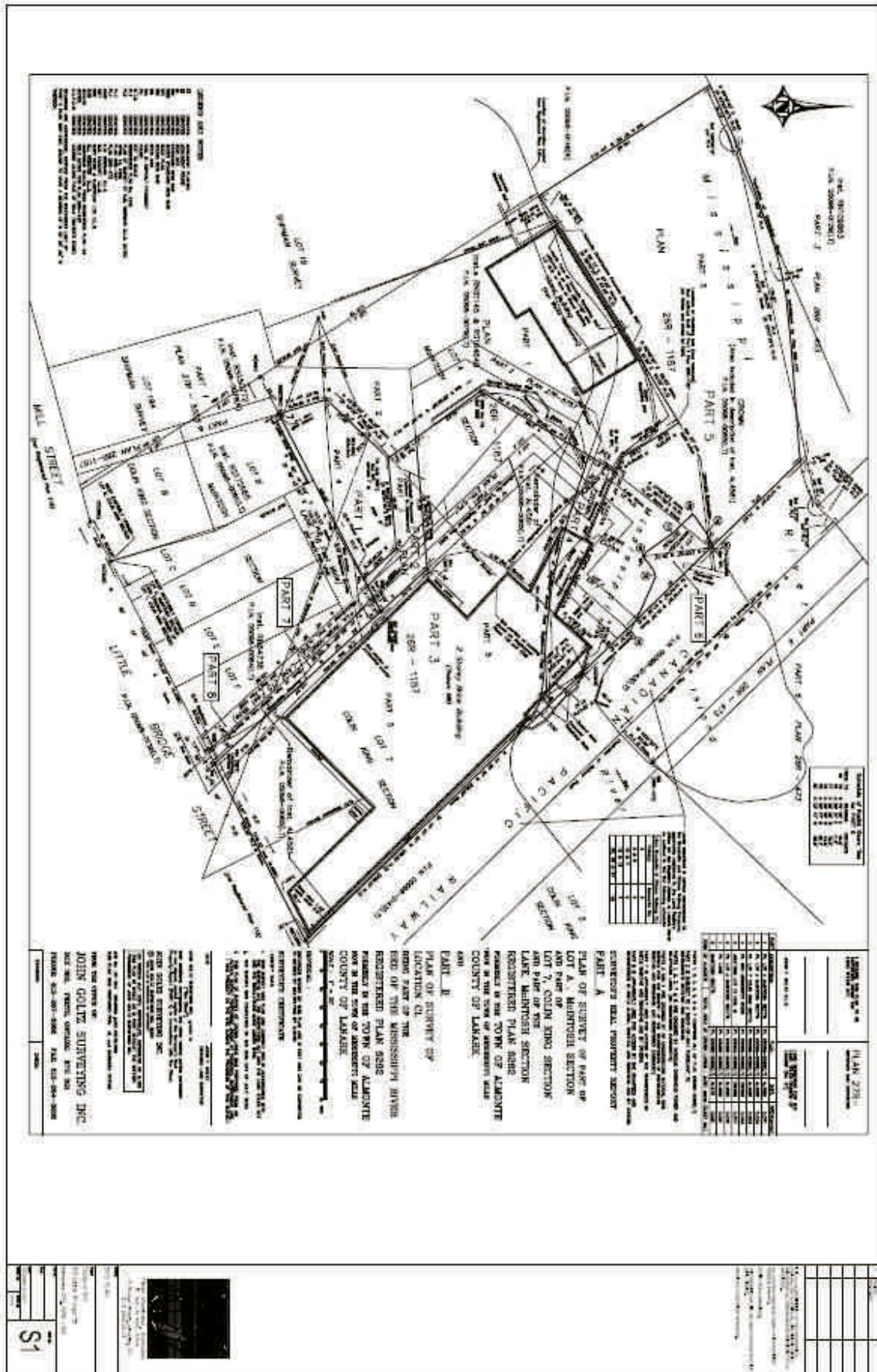
President – Johannes Hill

Per:

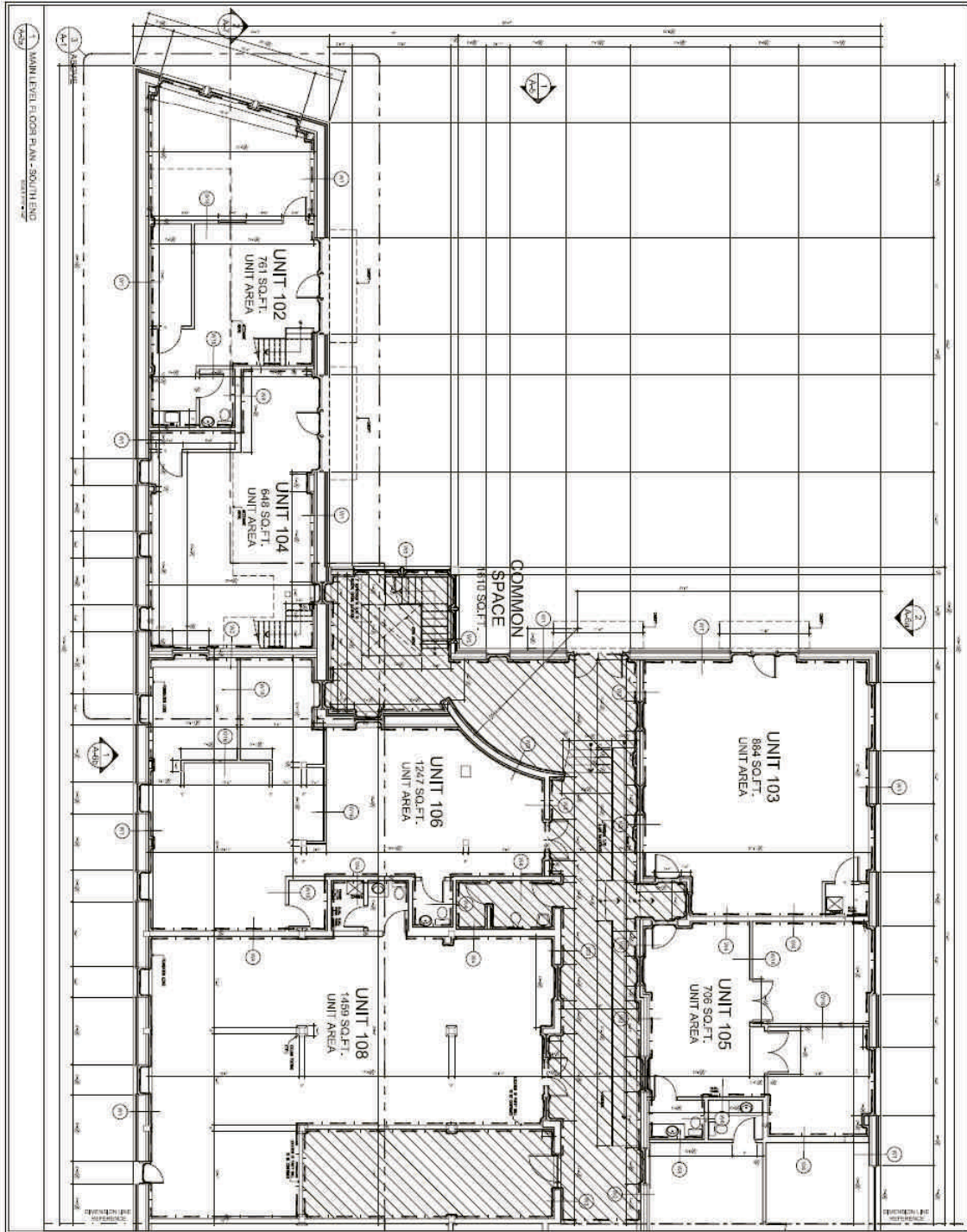
Vice-President – Stephen Brathwaite

WE have the authority to bind the
Corporation.

**SCHEDULE 1
TO THE DISCLOSURE STATEMENT
THOBURN MILL CONDOMINIUM
SITE PLAN**



**SCHEDULE 1A
LEVEL 1 FLOOR PLAN
SHOWING APPROXIMATE LOCATION OF PROPOSED HANDICAPPED LIFT**



**SCHEDULE 4
TO THE DISCLOSURE STATEMENT**

THOBURN MILL CONDOMINIUM

CONDOMINIUM RULES

**LANARK STANDARD CONDOMINIUM
CORPORATION NO. 18**

BE IT RESOLVED that the Condominium Corporation (the "Corporation") enact the following Rules respecting the use of the common elements and units to promote the safety, security and/or welfare of the unit owners and of the property or to prevent unreasonable interference with the use and enjoyment of the common elements and of other units.

The following Rules shall be observed by the unit owners and the term "owner" shall include the owner, his or her family, guests, agents or any other person occupying or visiting the unit.

1. Toilets, sinks, drains and other water apparatus shall not be used for purposes other than those for which they are constructed and no sweepings, garbage, rubbish, rags, ashes or other substances shall be thrown therein.
2. No permanent or temporary sign, advertisement or notice shall be inscribed, painted, affixed or placed on any part of the inside or outside of the building or common elements whatsoever without the prior written consent of the Corporation's duly elected Board of Directors. All exterior signs, advertisements or notices must comply with the Heritage By-law and other municipal by-laws, if any.
3. No owner shall do anything or permit anything to be done in his unit, or bring or keep anything therein, that will in any way increase the risk of fire or the rate of fire insurance on any building or on property kept therein or conflict with the laws relating to fire or with the regulations of the Mississippi Mills Fire Department or with any insurance policy carried by the Corporation or any owner or conflict with any of the rules, regulations and ordinances of the Board of Health or with any statute or municipal by-law. This provision shall not prohibit the operation of gas ranges, dryers, fireplaces or natural gas appliances in the units or the operation of natural gas barbecues on the common elements. However, in accordance with these Rules and with applicable laws and regulations, the storage of propane tanks in units or on the common element balconies or roof decks is prohibited.
4. No storage of liquid gas or propane (including propane barbecue tanks), explosives, or other flammable materials, firearms, ammunition, or any other combustible or offensive goods, provisions or materials shall be kept on the property, except in the case of commercial uses and in accordance with all safety regulations.
5. Nothing shall be placed on the outside of window sills, or hung from balcony or roof deck railings or other projections. No awnings, shades or shutters shall be erected over or outside of the windows, doors, balconies or roof decks without the prior written consent of the Board, and such additional approvals as may be required by the Act and the Heritage By-law, if applicable.
6. The balconies and roof decks are to be kept as clear as reasonably possible from storage items to ensure that each balcony and roof deck continues to be functional for purposes intended and for fire safety of the occupants.

7. Water shall not be left running unless in actual attended use inside and outside the unit.
8. No owner shall place, leave, or permit to be placed or left in or upon the common elements, including those for which he or she has exclusive use, any debris, refuse or garbage, except in accordance with the instructions of the Board and unit owners must maintain strict sanitary conditions at all times.
9. No owner shall create or permit the creation of or continuation of any noise or nuisance that, in the reasonable opinion of the Board or the Property Manager, if any, may or does disturb the comfort or quiet enjoyment of the property by other unit owners, their families, guests, visitors, agents, servants and persons having business with them.

No noise caused by any instrument or other device, or otherwise, that in the opinion of the Board may disturb the comfort of the other unit owners, shall be permitted.

No owner shall obstruct or interfere with the rights of other unit owners, or in any way injure or annoy them.

10. All owners shall ensure that smoke and odors generated in their units, whether through smoking, cooking, or otherwise, are not excessive and are reasonably contained within the unit so that the migration of smoke and/or odors to the common elements (including balconies and roof decks) or to other units is minimized. Owners shall make reasonable use of exhaust fans and air filters or purifiers in order to avoid such migration of smoke and odors.
11. Nothing shall be thrown out of the windows or doors of the building, or off of balconies or roof decks of the building.
12. No owner shall overload existing electrical circuits.
13. No auction sale shall be held on the property.
14. The sidewalks, entries, passageways, walkways and driveways used in common by the unit owners shall not be obstructed by any of the unit owners or used by them for any purpose other than for ingress and egress to and from their respective units or parking spaces.
15. No vehicle shall be driven on any part of the common elements other than on a roadway, driveway or parking space. No vehicle shall be parked on any part of the common elements except in a designated parking space.

No repairs or adjustments to motor vehicles, etc. shall be carried out on the common elements.
16. No satellite dish, television antenna, aerial, tower or similar structure and appurtenances thereto shall be erected on or fastened to any unit or any portion of the common elements, except by the Corporation in conjunction with a common television cable system, and no cable shall be strung on the outside of the building.
17. No one shall harm, mutilate, destroy, alter or litter any of the landscaping work on the property, including grass, trees, shrubs, hedges, flowers, flower beds, or planters.
18. No building or structure or tent shall be erected, placed, located, kept or maintained on the common elements.

19. No mops, brooms, dusters, rugs or bedding shall be shaken or beaten from any window, door or balcony or roof deck.
20. No hanging or drying of clothes is allowed on the common elements.
21. The balconies, roof decks and parking spaces shall not be used for storage and each balcony, roof deck and parking space shall be kept clean by the unit owner having the right to use it.
22. A maximum of two (2) ordinary household pets (household pets include cats, dogs and birds but exclude any exotic pets) may be kept or allowed in any unit. No pets shall be kept or tied upon the common elements, and when on the common elements, all pets shall be on a leash. No domestic pet that is deemed to be a nuisance by the Board in its absolute discretion shall be kept by any owner. Such owner shall, within two (2) weeks of receipt of a written notice from the Board or the Property Manager requesting the removal of such pet, permanently remove such pet from the property. No breeding of pets for sale shall be carried on in or about any unit, or on the common elements.
23. No part of the common elements, including any part of which the owner has the exclusive use, shall be used for the erection, placement or maintenance of clotheslines, hot tubs, incinerators, garbage disposal equipment, recreation or athletic equipment, fences or other barriers, hedges, gardens or other vegetation excluding planters, or for the disposal of rubbish, garbage or waste, unless such use is preauthorized in writing by the Corporation and any other approvals required by the Act have been obtained.
24. Unit owners shall ensure that all garbage is placed in plastic garbage bags and stored within the unit(s). Garbage is to be taken to curbside by unit owners for municipal pick-up only on assigned garbage day(s).
25. No owner shall make any change to the common elements without the prior written consent thereto of the Board, and subject to the Condominium Act, and the Declaration and the By-laws of the Corporation.
26. Storage of bicycles is not permitted in the first floor lobby, the elevators, the common element corridors or on the exclusive use balconies or roof decks.
27. Because the building accommodates both residential and commercial uses on various levels it is not possible to prevent public access to the building during regular business hours. The Corporation or its manager, if any, shall take reasonable steps to ensure that all exterior doors of the building leading to common element areas are locked between the hours of 5:00 p.m. and 8:00 a.m.
28. During the heating season (November to April inclusive) owners shall maintain a minimum indoor air temperature of 15 degrees Celsius (59 degrees Fahrenheit) in their Unit in order to prevent excessive temperature differences between adjacent interior spaces and to control heat transfer between the units.
29. No owner shall do anything or permit anything to be done that is contrary to any statute or municipal by-law or any rules, regulations or ordinances passed under any statute or municipal by-law.
30. Any loss, costs or damages incurred by the Corporation caused by reason of a breach of any Rules in force from time to time by any owner, his or her family, guests, servants, agents or occupants of the unit shall be borne by such owner, and shall be added to the owner's common expenses and may be recovered by the Corporation against such owner in the same manner as common expenses.

31. No restriction, condition, obligation or provision contained in any rule or regulation of the Corporation shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.
32. Each of these Rules shall be deemed independent and severable, and the invalidity or unenforceability in whole or in part of any one or more of these Rules shall not be deemed to impair or affect in any manner the validity, enforceability, or effect of the remaining part of that Rule (if appropriate) or of the Rules, and in such event, the other part of the rule (if appropriate) or the other Rules shall continue in full force and effect as if such invalid rule or part of a rule had never been included.

**SCHEDULE 5
TO THE DISCLOSURE STATEMENT**

THOBURN MILL CONDOMINIUM

REVENUE

TMI Performance Audit, Reserve Fund Study ¹	\$ 10,500.00
One time reserve fund contribution from Declarant	\$ 6,500.00
ANNUAL CONDO FEES	\$ 99,078.00
TOTAL REVENUE	\$ 116,078.00

EXPENSES

UTILITIES

Hydro (common areas) ²	\$ 3,300.00
Water ³	\$ 3,500.00
Gas - Heat ³	\$ 12,400.00
<i>Subtotal</i>	<i>\$ 19,200.00</i>

ADMINISTRATION & GENERAL

Insurance ⁴	\$ 13,000.00
Audit	\$ 5,000.00
Management ⁵	\$ 28,878.00
Legal	\$ 3,500.00
Reserve Fund Study	\$ 3,500.00
Performance Audit	\$ 7,000.00
<i>Subtotal</i>	<i>\$ 60,878.00</i>

REPAIRS & MAINTENANCE

Repairs and Grounds	\$ 12,000.00
Snow Removal and Landscaping	\$ 5,000.00
Intercom & Telephone ⁶	\$ 2,000.00
Fire Alarm & Sprinklers ⁷	\$ 2,000.00
Contingency	\$ 1,000.00
<i>Subtotal</i>	<i>\$ 22,000.00</i>

RESERVE ⁸	\$ 14,000.00
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TOTAL OPERATING EXPENSES

\$ 116,078.00

SURPLUS

\$ -

Monthly CONDO FEES

\$ 8,256.50

¹Revenues – Declarant will contribute the cost of year one performance audit and reserve fund study. The Corporation will have to budget for future reserve fund studies or updates as they fall due (every 3 years).

²Common areas only. Hydro separately metered to units and paid directly by unit owners.

³Water and gas centrally metered and paid by the Condominium Corporation.

⁴Insurance - building insurance (common elements and standard units) plus directors liability.

⁵Property management charge based on \$1.00 psf and includes bookkeeping, bank charges, etc.

⁶Intercom and telephone is for entry access, elevator and alarm panel monitoring.

⁷Fire alarm and sprinkler maintenance includes annual inspection, repairs, monitoring of alarm panel

⁸Reserve Fund amount to be determined by year one study. Allowance based on initial review is included above.

Note: The Corporation also has a duty to raise sufficient funds required to discharge its obligations under the Act, Declaration, By-laws, and Rules. Unit owners can typically expect common expense contributions to increase annually as a result of inflation. The budget will therefore be adjusted on registration to account for anticipated shortfalls that may be attributed to inflation or to market forces that were not anticipated when the budget was prepared.

The Corporation will be required to conduct a Reserve Fund study within one year following registration of the Declaration. The Declarant will remit, on behalf of each Purchaser, amounts to the Reserve fund in accordance with Article H.3 of the Agreement of Purchase and Sale for all units that are sold. No remittance shall be required on account of any retained units given the Declarant's commitment to contribute monies to the Reserve Fund in the amount of \$20,000.00, as indicated below. Until the Corporation conducts its first study and implements a reserve fund plan in accordance with section 94 of the Condominium Act S.O. 1998 (the "Act"), the total amount of contributions to the Reserve Fund must be calculated in accordance with subsection 93(5) of the Act as the greater of:

1. an amount reasonably expected to provide sufficient funds for the major repair and replacement of the common elements and assets of the Corporation calculated on the basis of expected repair and replacement costs and the life expectancy of the common elements and assets; and
2. 10% of the budgeted amount required for contributions to the common expenses exclusive of the Reserve Fund.

Note: The Declarant will contribute a total of \$20,000.00 to the Reserve Fund as follows:

- The sum of \$6,500.00 to be contributed within one year following registration of the Declaration
- An additional \$6,500.00 to be contributed within two years following registration of the Declaration
- The balance of \$7,000.00 to be contributed within three years following registration of the Declaration

**SCHEDULE 6
TO THE DISCLOSURE STATEMENT**

THOBURN MILL CONDOMINIUM

Sections 73 and 74 of the Condominium Act, S.O. 1998, c. 19

Rescission of agreement

73. (1) A purchaser who receives a disclosure statement under subsection 72 (1) may, in accordance with this section, rescind the agreement of purchase and sale before accepting a deed to the unit being purchased that is in registerable form. 1998, c. 19, s. 73 (1).

Notice of rescission

(2) To rescind an agreement of purchase and sale under this section, a purchaser or the purchaser's solicitor shall give a written notice of rescission to the Declarant or to the Declarant's solicitor who must receive the notice within 10 days of the later of,

- a) the date that the purchaser receives the disclosure statement; and
- b) the date that the purchaser receives a copy of the agreement of purchase and sale executed by the Declarant and the purchaser. 1998, c. 19, s. 73 (2).

Refund upon rescission

(3) If a Declarant or the Declarant's solicitor receives a notice of rescission from a purchaser under this section, the Declarant shall promptly refund, without penalty or charge, to the purchaser, all money received from the purchaser under the agreement and credited towards the purchase price, together with interest on the money calculated at the prescribed rate from the date that the Declarant received the money until the date the Declarant refunds it. 1998, c. 19, s. 73 (3).

Material changes in disclosure statement

74. (1) Whenever there is a material change in the information contained or required to be contained in a disclosure statement delivered to a purchaser under subsection 72 (1) or a revised disclosure statement or a notice delivered to a purchaser under this section, the Declarant shall deliver a revised disclosure statement or a notice to the purchaser. 1998, c. 19, s. 74 (1).

Definition

(2) In this section,

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

- a) a change in the contents of the budget of the Corporation for the current fiscal year if more than one year has passed since the registration of the Declaration and Description for the Corporation,
- b) a substantial addition, alteration or improvement within the meaning of subsection 97 (6) that the Corporation makes to the common elements after a turn-over meeting has been held under section 43,

- c) a change in the portion of units or proposed units that the Declarant intends to lease,
- d) a change in the schedule of the proposed commencement and completion dates for the amenities of which construction had not been completed as of the date on which the disclosure statement was made, or
- e) a change in the information contained in the statement described in subsection 161 (1) of the services provided by the municipality or the Minister of Municipal Affairs and Housing, as the case may be, as described in that subsection, if the unit or the proposed unit is in a vacant land condominium corporation. 1998, c. 19, s. 74 (2).

Contents of revised statement

(3) The revised disclosure statement or notice required under subsection (1) shall clearly identify all changes that in the reasonable belief of the Declarant may be material changes and summarize the particulars of them. 1998, c. 19, s. 74 (3).

Time of delivery

(4) The Declarant shall deliver the revised disclosure statement or notice to the purchaser within a reasonable time after the material change mentioned in subsection (1) occurs and, in any event, no later than 10 days before delivering to the purchaser a deed to the unit being purchased that is in registerable form. 1998, c. 19, s. 74 (4).

Purchaser's application to court

(5) Within 10 days after receiving a revised disclosure statement or a notice under subsection (1), a purchaser may make an application to the Superior Court of Justice for a determination whether a change or a series of changes set out in the statement or notice is a material change. 1998, c. 19, s. 74 (5); 2000, c. 26, Sched. B, s. 7 (5).

Rescission after material change

(6) If a change or a series of changes set out in a revised disclosure statement or a notice delivered to a purchaser constitutes a material change or if a material change occurs that the Declarant does not disclose in a revised disclosure statement or notice as required by subsection (1), the purchaser may, before accepting a deed to the unit being purchased that is in registerable form, rescind the agreement of purchase and sale within 10 days of the latest of,

- a) the date on which the purchaser receives the revised disclosure statement or the notice, if the Declarant delivered a revised disclosure statement or notice to the purchaser;
- b) the date on which the purchaser becomes aware of a material change, if the Declarant has not delivered a revised disclosure statement or notice to the purchaser as required by subsection (1) with respect to the change; and
- c) the date on which the Superior Court of Justice makes a determination under subsection (5) or (8) that the change is material, if the purchaser or the Declarant, as the case may be, has made an application for the determination. 1998, c. 19, s. 74 (6); 2000, c. 26, Sched. B, s. 7 (5).

Notice of rescission

(7) To rescind an agreement of purchase and sale under this section, a purchaser or the purchaser's

solicitor shall give a written notice of rescission to the Declarant or to the Declarant's solicitor. 1998, c. 19, s. 74 (7).

Declarant's application to court

(8) Within 10 days after receiving a notice of rescission, the Declarant may make an application to the Superior Court of Justice for a determination whether the change or the series of changes on which the rescission is based constitutes a material change, if the purchaser has not already made an application for the determination under subsection (5). 1998, c. 19, s. 74 (8); 2000, c. 26, Sched. B, s. 7 (5).

Refund upon rescission

(9) A Declarant who receives a notice of rescission from a purchaser under this section shall refund, without penalty or charge, to the purchaser, all money received from the purchaser under the agreement and credited towards the purchase price, together with interest on the money calculated at the prescribed rate from the date that the Declarant received the money until the date the Declarant refunds it. 1998, c. 19, s. 74 (9).

Time of refund

(10) The Declarant shall make the refund,

- a) within 10 days after receiving a notice of rescission, if neither the purchaser nor the Declarant has made an application for a determination described in subsection (5) or (8) respectively; or
- b) within 10 days after the court makes a determination that the change is material, if the purchaser has made an application under subsection (5) or the Declarant has made an application under subsection (8). 1998, c. 19, s. 74 (10).