

DISCLOSURE

LAKESIDE AT ROCKY CREST

The following documentation is being provided by **LAKESIDE AT ROCKY CREST LIMITED** (the "**Declarant**") with respect to Parry Sound Standard Condominium Plan No. 7, known as "**LAKESIDE AT ROCKY CREST**" (the "**Condominium**" or the "**Corporation**") prepared in accordance with the *Condominium Act* 1998, S.O. 1998, C.19 as amended and the regulations thereunder (the "**Act**"):

1. Disclosure Statement (including Table of Contents).
2. Budget Statement.
3. Declaration for Parry Sound Standard Condominium Plan No. 7 registered on October 11, 2007 as Instrument No. GB9296.
4. By-Law No. 1 of the Condominium Corporation registered on November 13, 2007 as Instrument No. GB10223.
5. By-Law No. 2 (Shared Facilities Agreement) registered on November 13, 2007 as Instrument No. GB10246.
6. By-Law No. 3 (Water/Sewage Treatment Facilities Agreement) registered on November 13, 2007 as Instrument No. GB10249.
7. Rules.
8. Current Management Agreement.
9. Armishaw Sports Club Agreement.
10. Shared Facilities Agreement registered on November 13, 2007 as Instrument No. GB10245.
11. Water/Sewage Treatment Facilities Agreement registered on November 13, 2007 as Instrument No. GB10248.
12. Plan of Condominium.
13. ClubLink Corporation - Membership Plan and By - Law for the Rocky Crest Golf Club.
14. Schedule of Cabins/Cottages Occupancy Weeks from 2006 to 2015.
15. Schedule of Villas Occupancy Weeks from 2006 to 2015.

The disclosure statement contains important information about the proposed condominium project as required by Section 72 of the Act. As the type and amount of disclosure required by the Act is objective, some Purchasers may have special circumstances such that certain provisions contained in the documents have significant importance to them on an individual basis, but have not been summarized as not being significant to the average Purchaser. Purchasers are therefore advised to read all of the documents enclosed (and not simply the disclosure statement itself) in their entirety and to review same with their legal and financial advisors.

Issued: January 7, 2008

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

Declarant's name: Lakeside at Rocky Crest Limited

Declarant's municipal address: 15675 Dufferin Street, King City, Ontario, L7B 1K5

Brief legal description of the property/proposed property: Parry Sound Standard Condominium Plan No. 7.

Mailing address of the property/proposed property: c/o Lakeside at Rocky Crest Limited, 15675 Dufferin Street, King City, Ontario, L7B 1K5.

Municipal address of the property/proposed property: Hamer Bay Road, R.R #1, Mactier, Ontario, P0C 1H0.

Condominium corporation: Parry Sound Standard Condominium Corporation No. 7.

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
1.	The Corporation is a freehold condominium corporation that is a standard condominium corporation.		Refer to: Article II of the Disclosure Statement and Paragraph 1.3 of the Declaration
2.	The property or part of the property is or may be subject to the <i>Ontario New Home Warranties Plan Act</i> .	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	Refer to: Article VI of the Disclosure Statement
3.	The common elements and the units are enrolled or are intended to be enrolled in the Plan within the meaning of the <i>Ontario New Home Warranties Plan Act</i> in accordance with the regulations made under that Act. Note: Enrollment does not necessarily mean that claimants are entitled to warranty coverage. Entitlement to warranty coverage must be established under the <i>Ontario New Home Warranties Plan Act</i> .	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	Refer to: Article VI of the Disclosure Statement

4.	A building on the property or a unit has been converted from a previous use.	Yes No <input checked="" type="checkbox"/> <input type="checkbox"/>	Refer to: Article V and Article VII of the Disclosure Statement
5.	One or more units or a part of the common elements may be used for commercial or other purposes not ancillary to residential purposes.	Yes No <input checked="" type="checkbox"/> <input type="checkbox"/>	Refer to: Article VIII of the Disclosure Statement
6.	A provision exists with respect to pets on the property.	Yes No <input checked="" type="checkbox"/> <input type="checkbox"/>	Refer to: Paragraph 3.6 and 4.1(i) and (j) of the Declaration
7.	There exist restrictions or standards with respect to the use of common elements or the occupancy or use of units that are based on the nature or design of the facilities and services on the property or on other aspects of the buildings located on the property.	Yes No <input checked="" type="checkbox"/> <input type="checkbox"/>	Refer to: Declaration: Article IV and Article V
8.	The declarant intends to lease a portion of the units. 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 percent	Yes No <input checked="" type="checkbox"/> <input type="checkbox"/>	Refer to: Article X of the Disclosure Statement
9.	The common interest appurtenant to one or more units differs in an amount of 10% or more from that appurtenant to any other unit of the same type, size and design.	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	Refer to: Schedule "D" to the Declaration and the Budget
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% or more from that required of the owner of any other unit of the same type, size and design.	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	Refer to: Schedule "D" to the Declaration and the Budget
11.	One or more units are exempt from a cost attributable to the rest of the units.	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	Refer to: Budget
12.	There is an existing or proposed by-law establishing what constitutes a standard unit. If "No" add: Under clause 43(5)(h) of the <i>Condominium Act, 1998</i> the declarant is required to deliver to the board a schedule setting out what constitutes a standard unit.	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	Accompanying the Disclosure Statement is the Schedule contemplated under clause 43(5)(h) of the <i>Condominium Act 1998</i> .
13.	Part or the whole of the common elements are subject to a lease or a licence.	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	Refer to: No Reference

14.	<p>Parking for owners is allowed:</p> <p>(a) in or on a unit;</p> <p>(b) on the common elements;</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>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 checked="" type="checkbox"/> <input type="checkbox"/></p> <p>Yes No <input checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to:</p> <p>Paragraph 4.3(e) of the Disclosure Statement</p> <p>Paragraph 4.3(e) of the Disclosure Statement and Paragraph 3.7 of the Declaration</p> <p>Paragraph 3.2, 3.7 and Schedule "F" of the Declaration</p> <p>Paragraph 3.7 of the Declaration and paragraph 8 of the Rules</p>
15.	<p>Visitors must pay for parking.</p> <p>There is visitor parking on the property.</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:</p> <p>Paragraph 4.3(e) and 4.7 of the Disclosure Statement and Paragraph 3.7 of the Declaration</p>
16.	<p>The declarant may provide major assets and property, even though it is not required to do so.</p>	<p>Yes No <input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>Refer to:</p> <p>Article XX of the Disclosure Statement</p>
17.	<p>The corporation is required:</p> <p>(a) to purchase units or assets;</p> <p>(b) to acquire services;</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.</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 checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to:</p> <p>Article IV of the Disclosure Statement, Paragraph 4.2(g) relating to the Armishaw Sports Club Unit and Agreement; Paragraph 4.2(f) relating to the Shared Facilities Agreement and Shared Facilities Costs, Paragraph 4.4(b) relating to the operation of the Water/Sewage Treatment Facilities Agreement, and Article XXI of the Disclosure Statement</p>

18.	<p>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>1. The current use of the land is: As described herein, the Declarant is a wholly owned subsidiary of ClubLink Corporation. ClubLink Corporation currently owns lands to the north and operates the Rocky Crest Golf Club thereon and also owns additional surrounding vacant lands which may be developed for golf course purposes in the future. Other lands to the east and south are operated by the Declarant as the existing "Delta Rocky Crest Resort". Existing wastewater and water treatment facilities which service the Rocky Crest Golf Club and the Delta Rocky Crest Resort (and which, as described herein, have been updated to also service the Condominium) are also located on lands to the north, which lands are owned by ClubLink Corporation.</p> <p>2. The Declarant has made representations respecting the future use of the land. The Disclosure Statement contains a statement of the representations.</p> <p>3. Applications have been submitted to an approval authority respecting the use of the land.</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 checked="" type="checkbox"/> <input type="checkbox"/></p>	<p>Refer to: Article XXII of the Disclosure Statement</p>
19.	<p>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: Article XIII of the Disclosure Statement</p>
20. to 27.	Not Applicable	N/A	Not Applicable

The purchaser's rights under the *Condominium Act, 1998* to rescind an agreement of purchase and sale are set out at Article XVI paragraph 16.1 and Article XVII, paragraph 17.1 of the Disclosure Statement.

This disclosure statement is made this 7th day of January, 2008

DISCLOSURE STATEMENT
(under subsection 72(3) and Subsection 147(1) of the *Condominium Act, 1998*)

I DATE OF DISCLOSURE STATEMENT

1.1 Date

This disclosure statement is made this 7th day of January, 2008.

II TYPE OF CORPORATION

2.1 Type - Standard Condominium Corporation

The condominium project developed by the Declarant is a freehold condominium corporation that is a standard condominium corporation.

III NAME AND MUNICIPAL ADDRESS OF DECLARANT/MUNICIPAL ADDRESS/MAILING ADDRESS AND ADDRESS FOR SERVICE FOR THE CONDOMINIUM

3.1 Declarant

The name and municipal address of the Declarant are as follows:

DECLARANT: Lakeside at Rocky Crest Limited
15675 Dufferin Street, King City, Ontario,
L7B 1K5

3.2 Condominium

The name, mailing address and municipal address of the Condominium or the proposed property are as follows:

PARRY SOUND STANDARD CONDOMINIUM CORPORATION NO. 7

Mailing Address: c/o Lakeside at Rocky Crest Limited
15675 Dufferin Street
King City, Ontario
L7B 1K5

Municipal Address: Presently: Hamer Bay Road, R.R #1,
Mactier, Ontario,
P0C 1H0

IV GENERAL DESCRIPTION OF THE PROPERTY

4.1 Legal Description of the Property

The Condominium has been registered as Parry Sound Standard Condominium Plan No. 7 pursuant to a Declaration and Description registered on October 11, 2007 as Instrument No. GB9296.

4.2 Division and Composition of the Project and description of Fractional Interests

(a) General

The Property is in the Geographic Township of Humphrey, now Township of Seguin, in the District of Parry Sound located at the north end of Lake Joseph and is bounded at the north, east and west by Hamer Bay Road. Presently, the site comprises part of the existing "**Delta Rocky Crest Resort**", which together with the adjacent Rocky Crest Golf Club is owned and operated by companies related to or affiliated to ClubLink Corporation ("**ClubLink**"). In conjunction with the intended continued ownership and operation by ClubLink of the Rocky Crest Golf Club, the Declarant (being a wholly owned subsidiary of ClubLink) has developed, constructed and

registered as the first of a series of proposed phases, the Condominium which comprises a commercial condominium which has been developed as a resort type condominium containing nineteen (19) resort type condominium units (the "**Resort Units**") which, as outlined and described on the Condominium Plan included in this Disclosure Statement, form part of an overall development to contain additional proposed resort type condominium units to be known as "**Lakeside at Rocky Crest**" and sometimes referred to herein as the "**Project**".

As indicated, delivered to each Purchaser with this Disclosure Statement is a copy of the registered Condominium Plan showing the units in the Condominium.

(b) Fractional Interests

Resort Units have been and continue to be marketed under three (3) model types, cottages, cabins or villas and depending on the model of Resort Unit chosen, each Resort Unit in the Condominium will be sold to Purchasers in undivided fee simple interests, as tenant-in-common (hereinafter referred to as a "**Fractional Interest**" and collectively as the "**Fractional Interests**") which will allow the Purchaser to occupy the Resort Unit for a designated period of fixed weeks during the golf season in each calendar year (the "**Golf Season**") and for a period of weeks (which will rotate in each year) during the non-golf season (the "**Non-Golf Season**"). Please see, for instance, the Schedules included in this Disclosure Statement which set out the allocation or allotment of weeks for the 2006 year to and including the 2015 year. Fractional Interests and their respective allotment of occupancy weeks (the "**Occupancy Weeks**") have been and will continue to be sold on the following basis:

(i) 1/8th Fractional Interest (Cabins/Cottages)

- A. in one-eighth fee simple undivided interests, as tenant-in common which will allow the Purchaser to occupy the Resort Unit for a period of three (3) fixed Occupancy Weeks in the Cabins/Cottages Golf Season in each year, as set out on the "**List of Cabins/Cottages Occupancy Weeks**" included in the Declaration;
- B. in one-eighth fee simple undivided interests, as tenant-in-common which will allow the Purchaser to occupy the Resort Unit for a period of three (3) Occupancy Weeks in the Cabins/Cottages Non-Golf Season, in each year, as set out on the List of Cabins/Cottages Occupancy Weeks included in the Declaration, which weeks will rotate each year sequentially through eight (8) time slots (1 to 8);
- C. Time Slots 2, 5 and 8 on the List of Cabins/Cottages Occupancy Weeks will include bonus Occupancy Weeks 52, 53 (when applicable) and 51 respectively;
- D. Occupancy Weeks 14 and 47 on the List of Cabins/Cottages Occupancy Weeks are scheduled for Service Periods; and
- E. the turnover day will be on Monday of each of the Occupancy Weeks on the List of Cabins/Cottages Occupancy Weeks.

(ii) 1/10th Fractional Interest (Villas)

- A. in one-tenth fee simple undivided interests, as tenant-in common which will allow the Purchaser to occupy the Resort Unit for a period of two (2) fixed Occupancy Weeks in the Villas Golf Season, in each year as set out on the "**List of Villas Occupancy Weeks**" included in the Declaration;
- B. in one-tenth fee simple undivided interests, as tenant-in-common which will allow the Purchaser to occupy the Resort Unit for a period of three (3) Occupancy Weeks in the Villas Non-Golf Season, in each year, as set out on the List of Villas Occupancy Weeks included in the Declaration, which weeks will rotate each year sequentially through ten (10) Time Slots (1 to 10);
- C. Time Slot 9 on the List of Villas Occupancy Weeks will include bonus Occupancy Week 53 (when applicable);

- D. Weeks 15 and 46 on the List of Villas Occupancy Weeks are scheduled for Service Periods; and
- E. the turnover day will be on Friday of each week of the Occupancy Weeks on the List of Villas Occupancy Weeks.

As indicated, based on the model type of Resort Unit, the allocation or designation of the Occupancy Weeks are listed on the List of Cabins/Cottages Occupancy Weeks or List of Villas Occupancy Weeks included in this Disclosure Statement, which lists are also incorporated into the Declaration of the Condominium and comprise Schedules thereto. In accordance with the foregoing, the owner or his tenants or guests shall have the right to occupy and use the Resort Unit and share the use and enjoyment of the common elements and other facilities and services of the Project during such Occupancy Weeks. As noted, two (2) weeks in every calendar year will also be utilized by the Condominium for the maintenance and repair of the Resort Units together with the time period between check-in and check-out by owners, and will be referred to as "Service Periods". The number of people allowed in any Resort Unit during any Occupancy Weeks will be limited to the maximum number permitted by law and by the terms of the Declaration and rules of the Condominium.

Based on the ownership structure, the Condominium is responsible for: (i) administering the use of the Resort Units by owners of the Fractional Interests; (ii) the maintenance and repair of the Resort Units; and (iii) the collection of common expenses and the payment of certain expenses relating to the Resort Units on behalf of the owners. All operating costs therefore related to the Resort Units and the common elements of the Condominium are and will continue to be included in the Budget Statement for the Condominium and be collected from owners as part of their common expenses. Without restricting the generality of the foregoing, these operating expenses will include various items that are not typically considered or found to be expenses of a condominium such as, real property taxes, repair and maintenance of common furnishings within units, cleaning of units at the end of an owner's vacation period within the unit, basic cable or satellite television services, basic local telephone service, high speed internet access service and any similar items which may be related to the operation of the Condominium and the units in the manner as described under this Disclosure Statement. Included in this Disclosure Statement is the current Budget Statement of the Condominium which should be referred to by Purchasers for an outline of the costs that are included in the common expenses of the Condominium.

In terms of the daily operations, the Condominium through or under its board of directors (who at all times have jurisdiction on the overall direction of the Condominium) has retained the Declarant as a property manager to carry out or undertake such responsibilities, which will include the provision of various services and amenities on behalf of owners such as weekly cleaning services, distribution of keys on arrival and collection on departure. The Condominium is therefore responsible for the control, management and administration of the common elements and the units including maintenance, repair and replacement of the common elements and the units together with all chattels, appliances and other equipment which are installed or supplied in or to the unit by the Declarant.

(c) Exchange Program

(i) Internal Exchange

The Condominium through the property manager may provide an internal exchange program which will permit owners in the program to exchange their Occupancy Weeks with other owners. The Condominium or property manager may charge fees to those owners who use this service to pay the additional costs and expenses resulting from the internal exchange program.

(ii) External Exchange

The Condominium may also take reasonable steps to enter into a resort to resort type exchange program (a "Resort to Resort Exchange Program") with one or more companies operating an exchange program. The implementation of such a program is at the discretion of the board of directors of the Condominium to implement. If a Resort to Resort Exchange Program is entered into, Purchasers will be entitled to enroll the Purchaser's Fractional Interest(s) in the Resort to Resort Exchange Program. Participation by the owner and the costs associated therewith will likely remain strictly voluntary and at the option of the owner. The Declarant makes no representation and provides no warranties with respect to the fulfillment of any of the companies

operating the Resort to Resort Exchange Program or with respect to owner satisfaction therewith and the Declarant nor the Condominium or the property manager shall be responsible for any act, failure to act or conduct of any exchange user or the exchange user's guests.

(d) Rocky Crest Golf Club

The existing Rocky Crest Golf Club is located immediately to the north of the Project and, as indicated, is owned and operated by ClubLink. The purchase of a Fractional Interest includes and requires that the Purchaser, if not already a member of ClubLink, to purchase and maintain, throughout his or her ownership of a Fractional Interest in the Condominium, a principal/corporate golf membership at the Rocky Crest Golf Club (the "**Rocky Crest Membership**"). The obligation of Purchasers (and subsequent owners) to comply and to adhere to the foregoing requirements is included in a restriction in the Declaration of the Condominium relating to the ownership of a Fractional Interest and a similar type restriction is registered on title to the Purchaser's Fractional Interest and Purchasers (and subsequent purchasers) at the time of acquiring title to their Fractional Interest will be required to be bound by same. The purchase of the Rocky Crest Membership will be pursuant to the "**Membership Plan and By-Law of ClubLink**" in effect at the time of purchase, and as amended from time to time, a current copy of which is also included in this Disclosure Statement, with the terms of same being further supplemented and subject to and based on the provisions of a real estate type membership to be implemented in connection with the sale of the Fractional Interests, particulars of which are described herein. To this end, Purchasers should fully review and familiarize themselves with the Membership Plan and By-Law of ClubLink and any additional requirements relative thereto which may be contained in their Agreement of Purchase and Sale as they relate to the purchase of a Rocky Crest Membership in conjunction with the purchase of a Fractional Interest. Without being an exhaustive summary, but in an effort to assist Purchasers, the following is also a brief summary of some of the conditions or requirements which will govern or attach to the purchase of a real estate membership at the Rocky Crest Golf Club when purchasing a Fractional Interest:

(i) Non-ClubLink Member Purchasers:

- A. Purchasers of multiple Fractional Interests will only be required to purchase one (1) Rocky Crest Membership and to attach such membership to one of the Fractional Interests being purchased thereby deferring the cost of the additional Rocky Crest Membership until a future sale.
- B. Purchasers of multiple Fractional Interests may purchase additional Rocky Crest Membership(s) of up to one (1) per Fractional Interest at time of purchase rather than wait until the future sale of the Fractional Interest.
- C. If the owner of multiple Fractional Interests elects to sell a Fractional Interest which does not have a Rocky Crest Membership attached to it, the owner/seller must purchase a Rocky Crest Membership at the then current 1st level membership fee pricing for a Rocky Crest Membership to include with the sale of the Fractional Interest.
- D. In the case of a resale of the Fractional Interest, a Rocky Crest Membership must be transferred to the new owner of the Fractional Interest. The seller will be responsible to pay to ClubLink a transfer fee equal to 5% of the then 1st level membership fee pricing for a Rocky Crest Membership.
- E. In the event that the Purchaser sells his or her Fractional Interest, thereby losing his or her Rocky Crest Membership, the Purchaser may take advantage of the then current 4th level membership fee pricing at any golf club then operated by ClubLink, conditional on the Purchaser having been a Lakeside owner for a minimum of two (2) years and purchase a new ClubLink membership within ninety (90) days of the transfer of his or her Fractional Interest.
- F. The Purchaser must elect Full Privilege, Social or Verandah status for a minimum of one (1) Rocky Crest Membership status each season and, in

the case of any additional Rocky Crest Memberships, the Purchaser may elect to keep the additional memberships dormant.

(ii) Existing ClubLink Member Purchase:

- A. An existing ClubLink member will have the option to include a Rocky Crest Membership in the purchase price of each Fractional Interest.
- B. Purchasers of Fractional Interests may purchase Rocky Crest Membership(s) of up to one (1) per Fractional Interest at time of purchase rather than wait until a future sale of the Fractional Interest.
- C. If the owner of multiple Fractional Interests elects to sell a Fractional Interest which does not have a Rocky Crest Membership attached to it, the owner/seller must purchase a Rocky Crest Membership at the then current 1st level membership fee pricing for a Rocky Crest Membership to include with the sale of the Fractional Interest.
- D. In the case of a resale of the Fractional Interest, a Rocky Crest Membership must be transferred to the new owner of the Fractional Interest. The seller will be responsible to pay to ClubLink a transfer fee equal to 5% of the then 1st level membership fee pricing for a Rocky Crest Membership.
- E. In the event that the Purchaser sells his or her Fractional Interest, thereby losing his or her Rocky Crest Membership, the Purchaser may take advantage of the then current 4th level membership fee pricing at any golf club then operated by ClubLink, conditional on the Purchaser having been a Lakeside owner for a minimum of two (2) years and purchase a new ClubLink membership within ninety (90) days of the transfer of his or her Fractional Interest.

(iii) Additional Options for existing ClubLink Members:

- A. In the event an existing ClubLink member elects to include a Rocky Crest Membership in the purchase price of a Fractional Interest, the member would be entitled to receive a credit, against the purchase price of the Fractional Interest, equal to 10% of the 1st level membership fee pricing of the member's home club.
- B. If the spouse of the Purchaser of multiple Fractional Interests purchased under subparagraph (iii) A. above has an existing ClubLink Spousal Membership, the Purchaser would be entitled to receive a second credit, on each Fractional Interest purchased, equal to 10% of the 2nd level membership fee pricing at the Spousal Member's Home Club.
- C. If the Rocky Crest Membership is included in the purchase of Fractional Interest, the Purchaser will have one of the following options:
 - i. keep the Rocky Crest Membership dormant at no charge and continue to enjoy their current Associate Club playing privileges; or
 - ii. activate the Rocky Crest Membership and enjoy secondary home club privileges at Rocky Crest Golf Club while staying in the Resort Unit upon payment of 10% of the Rocky Crest Golf Club annual dues.
 - As a secondary home club member at Rocky Crest, the member will have the ability: (i) to play in member events at Rocky Crest; and (ii) to enjoy platinum playing and booking privileges, while staying in the Resort Unit. The member will be required to pay 10% of the member prize fund for Rocky Crest Golf Club.

- D. Transfer their existing ClubLink membership without a transfer fee. If the existing membership is held corporately, the existing membership is transferable to a new corporate nominee at no charge. If the existing membership is held principally, the existing membership is transferable to an immediate family member at no charge.

(iv) Activation of Rocky Crest Membership(s):

Upon the expiry of the 10 day rescission period under the Act, the membership(s) may be activated.

(e) Future Phases

Purchasers are advised that, together with the development of the Condominium the Declarant also intends, but is not obligated, to develop within the overall site of Lakeside at Rocky Crest additional condominium projects to be developed in several construction phases (which are hereinafter referred to as the "**Future Phases**" or "**Future Phase Condominiums**"). The development of these future phases will be similar in development and construction context to that of the Condominium although one or more or all of the resort type units to be contained within these Future Phases may or may not be sold on a fractional interest basis. The Condominium and the Future Phases are hereinafter sometimes also referred to as the "**Condominium Corporations**". If the Declarant proceeds with the development of the Future Phases, the intention is that the Condominium together with the Future Phase Condominiums will contain in the aggregate a total of approximately one hundred and forty-seven (147) resort type condominium units. As the development process evolves and depending on marketing considerations, the Declarant is also reserving the right to combine development and registration of one or more of the Future Phases.

It is the present intention of the Declarant that the Condominium and the Future Phases be integrated and share the use and cost of maintaining various facilities and/or services, which include the internal private roadway systems (sometimes herein referred to as the "**Common Interior Roadway**"), site servicing facilities and utilities, telecommunication systems, refuse storage and collection facilities, walkways, trail systems, beach areas, visitor parking areas and various recreational and other amenity facilities and services (all of which are collectively herein referred to as the "**Shared Facilities**"), in the same manner and to a large degree as if, when completed, all phases of the Project formed or operated as a single condominium development. In addition, the use and ownership of some of the Shared Facilities as described herein, namely the Armishaw Sports Club Unit and boat slips within the adjoining water area, will also be available for use by the Declarant or ClubLink (or their designated nominee(s)) in connection with the operation of the Rocky Crest Golf Club, including an allowance for their use by members of the Rocky Crest Golf Club or members of other clubs operated by ClubLink who may not also coincidentally be owners of Fractional Interests in the Condominium or the Future Phase Condominiums. In addition, a housekeeping building (which will be designated as a unit within one of the Future Phases) will also be available for use by the Delta Rocky Crest Resort pending the final development of one or more of the Future Phases. The owners of Fractional Interests in the Condominium and in the Future Phases as part of their common expenses will be obligated to contribute towards the costs associated with the maintenance, operation and repair of the various Shared Facilities.

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

Purchasers are further advised that until completion of the Declarant's sales/marketing program involving the conclusion of the sales (proposed or registered) of units in the Project, the Declarant, its sales staff, agents, employees and invitees shall have the continued right of access to inspect and view and use unsold units, and to consider leasing any unsold units and to view and use the Shared Facilities and the common elements, without fee or charge, and any other portion

thereof as part of its marketing/sales program, including a sales/rental/administrative office, advertising signage and displays and model suites for display purposes as the Declarant may select. The Declarant shall not be charged for the use of such areas nor for any utility supplied thereto, nor shall the Condominium or the Future Phases (or anyone on their behalf) prevent or interfere with the Declarant's right of access and use of such facilities in the manner as aforesaid, it being acknowledged and agreed that it is in the ultimate best interests of all parties that the Declarant successfully complete its marketing/sales or possible leasing programs for the Project.

Purchasers are further advised that during the construction and development of the Project, it may be necessary for the Declarant to close, temporarily, certain facilities within the Project and/or to remove portions thereof or to temporarily remove or close off portions of the common element areas of the Condominium or areas of the Future Phases, and portions of the Common Interior Roadway, as applicable. In accordance therewith, the Declarant shall be entitled to a temporary easement, without fee or compensation, for such purposes. The Condominium will be under a duty to co-operate with the Declarant to facilitate such construction.

(f) Shared Facilities Agreement and Shared Facilities Costs

The Condominium and the Future Phase Condominiums are to be operated and managed in a manner of co-operation pursuant to the terms of a Shared Facilities Agreement (the "**Shared Facilities Agreement**"). The Shared Facilities Agreement accordingly provides for the creation of a committee with representation from the Condominium and the Future Phase Condominiums, which committee shall be primarily responsible for the operation, maintenance, repair, replacement, improvement and inspection of the Shared Facilities and for establishing an annual budget therefore, including a provision for a reserve fund allocation from each of the Condominium Corporations. Upon registration of the Declaration the Condominium entered into the Shared Facilities Agreement and in the case of the Future Phases, the Declarant proposes to have the Shared Facilities Agreement take effect upon any one or more of the Shared Facilities being available for use by the Future Phase Condominiums. The Declarant will be released and forever discharged from any further obligations it may have had in respect of any of the Shared Facilities pursuant to the Shared Facilities Agreement with respect to each of the Future Phase Condominiums are registered.

Pursuant to the terms of the Shared Facilities Agreement, various costs and expenses (the "**Shared Facilities Costs**") are allocated between the Condominium Corporations. Each of the Condominium Corporations will be responsible for its proportionate share of the Shared Facilities Costs. Each Condominium Corporation's proportionate share of the Shared Facilities Costs pertaining to the Shared Facilities upon completion and registration of all of the Condominium Corporations is to be calculated in the proportion that the total number of Resort Units in each condominium plan bears to the total number of the Resort Units in all of the Condominium Corporations (or in any of the then registered phases of the Future Phase Condominiums). Until registration of any of the Future Phase Condominiums, the Condominium will be responsible for all costs related to the Shared Facilities, other than those costs allocated to the Declarant in respect of the Rocky Crest Golf Club or the Delta Rocky Crest Resort. The Declarant therefore shall not pay nor be responsible for any portion of such costs for or in respect of any of the phases of the Future Phase Condominiums prior to their registration for which such phases or corporation(s), if registered, would otherwise be responsible. From and after the date of registration of each of the Condominium Corporations, (including any registered phases of the Future Phase Condominiums) such condominium shall pay on a monthly basis and be responsible for its allocated share of the Shared Facilities Costs under the Shared Facilities Agreement.

Some of the various Shared Facilities are also designated as separate units in the Condominium Corporations (hereinafter referred to as "**Service Units**" or "**Shared Units**"). Ownership of such Service Units and/or Shared Units will ultimately be shared by the Condominium and the Future Phase Condominiums, sharing same as tenant in common, in proportions set out in the Shared Facilities Agreement and in certain instances and where relevant to the continued operation of the Rocky Crest Golf Club part of the ownership interest in one or more of the Service Units or Shared Units shall also be retained by the Declarant.

The actual transfer of the applicable ownership interests in the Service Units and/or Shared Units by the Declarant to the Condominium and the Future Phase Condominiums, as tenant in common, will occur within one hundred and twenty (120) days after the last of the Condominium Corporations (or any phase therein) has been registered as a condominium corporation by the Declarant (or such earlier time as the Declarant may determine in its sole and unfettered discretion). There shall be restrictions imposed upon the Condominium Corporations as to their

being entitled to subsequently transfer or encumber their undivided interests in the Service Units and/or Shared Units, other than with the consent of the Declarant, where applicable, and of the other Condominium Corporations and upon obtaining approval of the majority of the respective owners of units and mortgagees in the Condominium Corporations and the Declarant, where applicable.

Notwithstanding that the transfer of ownership interests in of the Service Units and/or the Shared Units may not yet, or may have already occurred, the owners (including their families and their guests) residents, tenants and invitees of the Condominium Corporations shall have the immediate use, benefit and enjoyment of the Service Units and/or Shared Units as soon as they are completed and operational. Notwithstanding anything hereinbefore or hereinafter provided to the contrary, the control over the use and maintenance of the Service Units and/or Shared Units shall be governed by the Declarant until the earlier of:

- (i) the date upon which the last of the Condominium Corporations (or any phase therein) has been registered as a condominium by the Declarant; or
- (ii) such earlier time as the Declarant may determine in its sole discretion.

The Service Units and/or Shared Units shall be maintained, repaired and replaced in accordance with the Shared Facilities Agreement.

The following is a brief outline of the facilities and services which comprise or are contained within the Service Units and/or the Shared Units or other portions of the Shared Facilities. This list is not intended to be exhaustive, but is provided to give Purchasers an understanding of the general types of facilities and services located in the Service Units and/or the Shared Units or other portions of the Shared Facilities:

A. Reception/Fitness Centre Unit

The Declarant has constructed a building which is designated as Unit 20, Level 1, in the Condominium which, on its main floor, contains a concierge area along with facilities for check-in and check-out by owners. Administrative offices are also located within this main floor area along with an open area containing fitness and exercise equipment. Certain areas of this Unit may also be used by the Delta Rocky Crest Resort as conference meeting space while the resort is still in operation. The lower floor of the building contains a spa reception with treatment rooms and yoga areas, change rooms with showers, steam rooms and washroom facilities for each gender. An indoor hot tub is also located on this floor of the building as well as a co-ed sauna. A loft area of the building contains a billiard table and a lounge with a television which allows for seating for 8 people, as well as a cardio area with a view to the main level of the building.

B. Propane/Hydro Substation Unit

The Declarant has created one or more facilities in the Project which house various systems and equipment that provide propane supply and service and hydro service to the Project and also to the Rocky Crest Golf Club, and which is designated as Unit 19, Level 1, within the Condominium. Each of the Condominium Corporations and related common elements areas within such Condominium Corporations receiving service from this facility and, likewise the Rocky Crest Golf Club, will receive such service by way of a separate metering service systems and will be obligated to pay its cost (and in the case of any Shared Facilities or similar areas, its proportionate cost) of such service as monitored by such meter to the supplier thereof.

C. Cabana/Pool Unit

The Declarant currently proposes to construct an outdoor swimming pool and related areas within one of the Future Phases of the Project, which will be designated as a unit therein. This area will also include a hot tub to accommodate 10 people and a pool cabana pavilion (with seasonal casual dining) with bar and indoor seating for 16 people.

D. Housekeeping/Maintenance Building Unit

The Declarant proposes to construct a building which is presently intended to be designated as a unit in one of the Future Phases of the Project which will be used for

housekeeping operations and related services for the Project and, as indicated, will also be used to service the Delta Rocky Crest Resort pending the final development of one or more of the Future Phases.

E. Family Centre Unit

The Declarant currently proposes to renovate an existing building which is intended to be designated as one or more units in one of the Future Phases of the Project. This building will house and provide various recreational services and facilities, including a games room, a billiard table, a theatre with seating for up to 30 people, a security office, administrative area and washrooms. Purchasers are advised that pending the development of the last construction phase of the Project this existing facility will continue to be used as a sales office for both the Project and in connection with the existing operations of the Delta Rocky Crest Resort.

F. Common Shared Areas and Services

It is the Declarant's intention that in addition to the creation of the Service Units and/or Shared Units that the Condominium Corporations within the Project (and also members and their guests using the Rocky Crest Golf Club, who may not coincidentally also be an owner within the Project) also share and have use some day use boat slips within the adjoining water area which will or may be under lease with the Ministry of Natural Resources of the Government of Canada.

Purchasers should note that rules and regulations for the Project concerning the use of boats on Lake Joseph and other related lakes are or will in effect which include restrictions on craft size, specifications and overall quantity of boats. Without limiting the foregoing, Purchasers are advised that use of the dock area and water is subject to adherence to rules and regulations passed or to be passed from time to time which provide that:

- (i) boaters be respectful of cottagers in the bay in terms of noise, speed of boat, amount of wake etc.;
- (ii) open hull exhaust boats will not be permitted at the docks;
- (iii) boaters using the docks will not be allowed to do so before 7:30 a.m.;
- (iv) hours of operation of the dock area will be from 7:30 a.m. to 10:00 p.m. (overnight docking is prohibited); and
- (v) personal motorized watercraft (typically vessels usually less than 5 meters) which may include jet skis, waverunners, wavejammers, wetjets, sea-doods, wetbikes and surf jets (and which may be further outlined under the Rules of the Condominium) will be prohibited.

(g) Armishaw Sports Club Unit

In connection with the development of the Project, including the Condominium and the Future Phases, and the continued operation by ClubLink of the adjacent Rocky Crest Golf Club, and in addition to the various Shared Facilities described above, the Declarant has also constructed a large recreational area designated as Unit 21, Level 1 within the Condominium, which contains a variety of recreational facilities and services (the "Armishaw Sports Club Unit"). The facilities and services in this unit include: (i) a sport's club building containing a snack bar and table seating, change rooms, washrooms, and a sports equipment storage and rental area, a children's activity area to accommodate approximately 30 children and some reception and administrative related areas; (ii) a fenced outdoor pool, playground structures (other than swings), a chipping and putting green area, a beach volleyball/soccer area with removable posts, tennis courts and a sports court; and (iii) related parking areas, walkways and trails leading to Armishaw Lake to the north. Owners and their families and guests will have the right to use the facilities and services of the Armishaw Sports Club Unit and as an integral part of ClubLink's ownership and operation of the adjacent Rocky Crest Golf Course, members of the Rocky Crest Golf Course who may not coincidentally also be owners of Fractional Interests in the Project or members of any other clubs

operated by ClubLink, and their families and guests while using the Rocky Crest Golf Club may also make use of the Armishaw Sports Club Unit and the various facilities and services contained or operated therein.

Unless otherwise determined by the Declarant, the Armishaw Sports Club Unit (and the facilities and services contained therein) shall remain in the ownership and control of the Declarant (or its nominee). The Declarant will correspondingly maintain overall control of the operation and management of the Armishaw Sports Club Unit and make all decisions in connection therewith, although the Declarant may delegate such decision making to the property manager for the Project. The costs to be incurred to maintain, repair and operate the Armishaw Sports Club Unit are to be paid by the Condominium Corporations, the Rocky Crest Golf Club and, while still in operation, the Delta Rocky Crest Resort and based on a formula to be arrived at, the Declarant (or its nominee) on behalf of the Rocky Crest Golf Club and the Delta Rocky Crest Resort, while still in operation, shall contribute on a yearly basis to a portion of such costs. The formula to determine any such contribution will be dependent and be based on usage of the facilities and services within the Armishaw Sports Club Unit. To this end, it therefore may be possible that in early years the Declarant (or its nominee) on behalf of the Rocky Crest Golf Club and the Delta Rocky Crest Resort, while still in operation, may pay a more significant contribution than what would be paid in future years when the majority of the Future Phase Condominiums are developed. Subject to the foregoing, other than any direct staffing costs which may be incurred by the Declarant (or by ClubLink), to service its members (who are not coincidentally owners of Fractional Interests) while utilizing the services and facilities of the Armishaw Sports Club Unit, all of the other costs which may be incurred to maintain, repair or replace the Armishaw Sports Club Unit and any of the facilities within the Armishaw Sports Club Unit may be paid by and be the responsibility of the Condominium and the Future Phase Condominiums and be included as part of their common expenses. Similar to the Shared Facilities Costs, each of the Condominium Corporations will therefore be responsible for its proportionate share of the cost of operating, maintaining and repairing the Armishaw Sports Club Unit and the facilities contained therein. Subject to final determination, presently the proposal is that each Condominium's Corporation's proportionate share of such costs shall be calculated in the proportion that the total number of Resort Units in each condominium plan bears to the total number of the Resort Units in all of such condominiums. Prior to the registration of any one or more of the Future Phase Condominiums, the costs of such operations shall be borne by the Condominium in its entirety. The Declarant therefore, as indicated, shall not pay nor be responsible for any portion of such costs, including any such costs for or in respect of the Future Phase Condominiums prior to their registration for which such corporation(s), if registered, would otherwise be responsible.

In order to provide for the continued operation of the Armishaw Sports Club Unit as contemplated above, including the right of the Condominium Corporations and the owners therein to use the Armishaw Sports Club Unit and its facilities, the Declarant has entered into an agreement (the "**Armishaw Sports Club Agreement**") with the Condominium to govern such matters the form of which will also be entered into by the Future Phase Condominium following their respective registrations. A copy of the Armishaw Sports Club Unit Agreement is included in this Disclosure Statement.

4.3 Proposed Types and Number of Buildings and Units

In connection with the development of the Condominium (which, as indicated, is the first construction phase of the Project), the Declarant has constructed eleven (11) buildings which consist of :

- (a) Ten (10) buildings or structures designed as cottages, cabins or villa townhome resort type buildings containing in the aggregate nineteen (19) Resort Units designated respectively as Units 1 to 18, Level 1, inclusive and Unit 22, Level 1 in the Condominium which will provide and allow for the sale of 168 Fractional Interests. The Resort Units are designed with various bedroom layouts and depending on the model chosen, Resort Units have an exclusive use balcony, patio, or terrace or dedicated parking spaces all of which are designated as such in Schedule "F" to the Declaration of the Condominium. Some Resort Units are equipped with gas fireplaces. In addition, as outdoor barbequing is not available at certain units, one or more centralized outdoor gas barbeques within the common elements areas of the Condominium to be used by the owners of Fractional Interests in such units.
- (b) As earlier described, the Project contains the Armishaw Sports Club Unit.

- (c) As earlier described, the Project also contains a Reception/Fitness Centre Building designated as the Reception/Fitness Centre Unit within the Condominium, the ownership and use of which, will be shared by the Condominium Corporations and governed by the terms of the Shared Facilities Agreement.
- (d) As also earlier described, the Declarant has created the Propane/Hydro Substation Unit which houses various systems and equipment that provide propane supply and service and hydro service to the Project and also to the Rocky Crest Golf Club. The ownership and use of this unit is governed by the Shared Facilities Agreement.
- (e) The Condominium also contains a series of approximately fifty (50) outdoor surface parking spaces which are available for use by Owners and visitors as needed.
- (f) All rights, rights-of-way and easements through and over those portions of the Condominium necessary for the supply of all utilities and services, and for access and support, including any such rights created to benefit the Rocky Crest Golf Club and any of the Future Phase Condominiums.

4.4 Utilities/Cable Television/Telephone/Refuse Collection/Mail

(a) Hydro and Gas

The Project has been designed so that hydro and propane (for heating) services be supplied from the Propane/Hydro Substation Unit to the Resort Units and also supplied and metered separately to the common areas of the Condominium, to the common areas of the Future Phase Condominiums and to the Rocky Crest Golf Club. In turn the cost of the supply of these services to the Resort Units in the Condominium comprise part of the common expenses of the Condominium and are therefore included in the Budget Statement included in this Disclosure Statement. All costs associated with the supply of any such utilities to any of the Service Units and/or Shared Units or the Armishaw Sports Club Unit or to any of the other Common Shared Areas and Services, together with the costs of the maintenance, repair and replacement of the systems forming the Propane/Hydro Substation Unit will be shared by the Condominium Corporations and comprise common expenses of each such condominium and be governed as applicable under the Shared Facilities Agreement or the Armishaw Sports Club Agreement. The Declarant nor the owner or operator of the Rocky Crest Golf Club is obligated to share in the cost of such expenses, save and except, as indicated, for the actual metered cost of the supply of any of the utility services supplied from this unit directly to the Rocky Crest Golf Club to service its operations and to the capital reserve fund to be established in order to fund maintenance and repair to the hydro substation component of the Propane/Hydro Substation Unit.

(b) Wastewater and Water Treatment Facilities

The development for the Project provides and includes that in accordance with a Certificate of Approval(s) issued under the authority of the *Ontario Water Resources Act*, the *Environmental Protection Act*, and other applicable legislation, that water and sewage service to the Project be administered and operated by the Declarant (or its licensed contractors or assigns) from private water treatment facilities (the “**Water Treatment Facilities**”) to be located on lands of the Rocky Crest Golf Club. The operation of the Water Treatment Facilities are governed by an agreement entered into between ClubLink and the relevant municipal authority (the “**Municipal Responsibility Agreement**”), which contains terms and provisions as required as a condition by the municipal authorities for the support and for the development of the Project on this basis. Purchasers are advised that as the complete involvement of the development process for the Project continues changes to the manner in which water and sewage service are supplied to the Project may occur, including the possibility of such services being supplied under a municipally owned and operated system, but based on the foregoing plan the following should be noted:

- (i) That, ClubLink may make arrangements with its successors or permitted assigns or licenced operators to assume some or all of ClubLink's responsibilities under the Municipal Responsibility Agreement regarding the development and construction and operation of the Water Treatment Facilities.
- (ii) That under the Municipal Responsibility Agreement the ClubLink or its successors or permitted assigns is required to make annual payments to the relevant municipal authorities for the purpose of establishing a capital replacement reserve fund to be utilized for the replacing of any parts of the Water Treatment Facilities which may have to be replaced from time to time, and which fund shall be adjusted from time to time based on the provisions of the Municipal Responsibility Agreement.
- (iii) Purchasers are also notified of the following warning/notice provision:

WARNING: THE WATER AND WASTEWATER SYSTEMS SERVICING THE LANDS ARE PRIVATE. IN THE EVENT THE WORKS FAIL OR REQUIRE REPAIR OR MODIFICATION, IT IS THE RESPONSIBILITY OF ITS OWNER TO EFFECT SUCH REPAIRS.

- (iv) That under the Municipal Responsibility Agreement ClubLink or its successors or permitted assigns is required to provide security to the Municipality, the purpose of which is to ensure that sufficient funds be available for repair or replacement of the Water Treatment Facilities so that it can be operated in accordance with the applicable standards of the Province of Ontario which apply to the operation of such facilities.
- (v) That the Condominium has entered into and the Future Phase Condominiums will enter into a contract(s) with ClubLink (or its licensed contractors or assigns) regarding the supply and service of water and sewage service from the Water Treatment Facilities to the Project, which agreement (the "**Lakeside Water/Sewage Treatment Facilities Agreement**") provides that as part of the common expenses of each such condominium, each such condominium shall pay to ClubLink an annual set sum (to be paid in monthly installments) representing a charge for water and sewage treatment services. Purchasers are advised that the costs payable by the Condominium for such services are presently budgeted as set forth in the Budget Statement included in this Disclosure Statement.

(c) Cable /Satellite Television

Each Resort Unit is prewired for cable or satellite television. Cable or satellite television service is provided on a bulk basis, the cost of which comprises part of the common expenses and are included in the Budget Statement.

(d) Telephone

Each Resort Unit will be prewired for telephone service and the basic local telephone service will be provided on a bulk basis and will comprise part of the common expenses and be included in the Budget Statement.

(e) Refuse Collection and Recycling

Purchasers are advised that municipal refuse collection is not be available to this Condominium, and that the Condominium has contracted for private collection of waste and recyclables, the cost for which comprise part of the common expenses and is included in the Budget Statement. Recycling of refuse is required by the Municipality and residents are required to sort refuse in accordance with the recycling requirements of the Municipality. Owners are required to dispose of their refuse in accordance with the Rules of the Condominium.

(f) Mail Delivery

Owners or occupants do not receive mail delivery on a door to door basis. As a result mail is retrieved from one or more central facilities located within the Project.

(g) Internet

Each Resort Unit has access to "high speed" internet either through the telephone service or through the cable or satellite television provider or independent provider.

(h) Property Taxes

Property taxes for all Resort Units and if applicable a proportionate share of any property taxes of any of the Services Units or Shared Units or the Armishaw Sports Club Unit are included as part of the common expenses, included in the Budget Statement and paid by the Condominium to the municipality on behalf of the owners.

4.5 Recreational and Other Amenities

(a) The Declarant has provided the following recreational and other amenities within the Condominium:

- (i) The earlier described Reception/Fitness Unit, which will be owned and shared by the Condominium Corporations and which will contain the facilities and services as earlier outlined.
- (ii) The Armishaw Sports Club Unit and the facilities and services as earlier described to be contained therein, which, in accordance with the Armishaw Sports Club Agreement, will, unless otherwise determined by the Declarant, remain in the ownership of the Declarant or a related company to the Declarant.
- (iii) Various walking and cross country trails within the Project.

(b) The Declarant also intends to provide the following other recreational and other amenities (some of which, as at the date of this Disclosure Statement, are also conceptual in nature and may be modified) which will be within one or more of the Future Phase Condominiums (and, as indicated, some of which, unless noted otherwise below, may be shared with the Rocky Crest Golf Club):

- (i) The outdoor Cabana/Pool Unit, including the additional related facilities and services to be included in this unit as outlined earlier. The Cabana/Pool Unit will be available only for use by residents of the Project and their guests.
- (ii) The Family Centre Unit which will include the facilities and services as earlier outlined. The Family Centre Unit will be available only for use by residents of the Project and their guests.
- (iii) A beach front area along the shore of Lake Joseph, which area will also house or contain some lounge chairs, some canoes, paddle boats and kayaks and an existing dock area. This area will be available for use by residents of the Project and their guests.
- (iv) Various additional common trails throughout the Project, comprising walking trails, jogging trails, cross country ski trails, sitting areas and some gazebos.
- (v) Some day use boat slips within the adjoining water area which will or may be under lease with the Ministry of Natural Resources of the Government of Canada.

(c) Restrictions for Recreational and Other Amenities

- (i) Only owners and their families and invited guests (and, as described, in certain instances ClubLink members using the Rocky Crest Golf Club who may not also coincidentally be an owner of a Fractional Interest) will have the use of the recreational and amenity areas, subject to the Rules of the Condominium Corporations.
- (ii) The Declarant shall determine the type of furnishings and equipment to be provided for the recreational and amenity areas and in connection with all or any other areas of the Project in its sole discretion and same may be provided after registration of the Condominium under the Act.

(d) Commencement and Completion Dates for Construction of Amenities

Construction of the Reception/Fitness Unit contained within the Condominium and construction of the Armishaw Sports Club Unit contained within the Condominium has been completed.

(e) Amenities To Be Provided During the Period of Interim Occupancy

The recreational or other amenities contained with the Condominium (i.e. Reception/Fitness Unit and the Armishaw Sports Club Unit) are operational and available for use or enjoyment by owners during their respective periods of interim occupancy.

4.6 Easements and Licenses

The Condominium is subject to those easements as disclosed by the registered title and created in Schedule "A" to the Declaration.

Licences have or will also be granted to allow Owners and other occupants of Resort Units in the Project to use various trails throughout the lands comprising the Rocky Crest Golf Club and other adjacent lands owned by Lakeside and its related or affiliated companies for the purposes of walking, jogging and cross-country skiing. These licences will extend to these limited type purposes and their use will be regulated at all times and in no event will they include the right to operate motorized vehicles of any kind over these licenced areas.

4.7 Visitor Parking

Visitor's parking is to be contained within the Condominium. There is no charge for visitors to utilize the visitor parking.

V NO CONVERSION OF RENTED RESIDENTIAL PREMISES

- 5.1 No building intended to be developed and constructed by the Declarant on the Property (other than, as indicated, the building within the Family Centre Unit) has been or will be converted from a previous use and the building(s) to be constructed on the Property (other than, as indicated, the building within the Family Centre Unit) will be new construction. The Declarant has not made application pursuant to subsection 9(4) of the Act for the approval to convert previously used or existing rented residential premises to condominium tenure.

VI ONTARIO NEW HOME WARRANTIES PLAN ACT ("ONHWPA")6.1 Applicability

Based on the nature and design of the Project, including the proposal by the Declarant to only sell Fractional Interests in Resort Units as described under this Disclosure Statement with the accompanying right of Purchasers then having restricted rights to occupy such units, the Property is not and will not be subject to the ONHWPA.

6.2 Enrollment

As the proposed Condominium is not subject to the ONHWPA, the proposed units and common elements have not been enrolled under the ONHWPA.

VII NO CONVERSION FROM PREVIOUS USE

- 7.1 No building on the Property (other than, as indicated, the building within the Family Centre Unit), nor any proposed units, have been converted from a previous use. All buildings to be constructed on the Property (other than, as indicated, the building within the Family Centre Unit) and comprising the Condominium (in whole or in part) will constitute new construction.

VIII NON-RESIDENTIAL USE

- 8.1 None of the units nor part of the common elements may be used for business or other purposes not ancillary to seasonal vacation purposes other than the use of such units or common elements in connection with the ongoing operations of the Rocky Crest Golf Club as described under this Disclosure Statement.

IX BLOCKS OF UNITS MARKETED TO INVESTORS

- 9.1 The Declarant reserves the right to market Fractional Interests in Resort Units in blocks to investors, but has no present intention of doing so. No restriction has been placed on the number of Fractional Interests in a Resort Unit that may be purchased by an individual or a corporation.

X PORTION OF UNITS DECLARANT INTENDS TO LEASE

- 10.1 While the Declarant intends to market and sell all of the Fractional Interests in the Resort Units in this Condominium to individual Purchasers, the Declarant reserves the right to lease any remaining Fractional Interests in any Resort Units in the Condominium to one or more third party tenants (particularly if the prevailing market makes it economically viable to do so, where sales are not easily achieved or obtainable). As at the date of this Disclosure Statement, the portion of Fractional Interests in Resort Units (to the nearest anticipated 25%) that the Declarant intends or anticipates to lease is presently twenty-five (25%) percent.

XI DECLARATION, BY-LAWS AND RULES

- 11.1 Accompanying this Disclosure Statement is a copy of the proposed Declaration, By-laws and Rules.

XII BRIEF DESCRIPTION OF SIGNIFICANT FEATURES OF VARIOUS AGREEMENTS SUBJECT TO TERMINATION

12.1 Proposed Management Agreement (Section 111 of the Act)

- (a) The Corporation has entered into a Management Agreement with the Declarant (the "Manager") pursuant to which the Manager is to be the sole and exclusive representative and managing agent of the Corporation subject to overall control of the Corporation, for a period of two (2) years from the date of registration of the Declaration. The duties of the Manager are fully set out in the Management Agreement and do not include the duties of the directors and officers of the Corporation as set forth in the By-Laws unless specifically stated otherwise in the Management Agreement. The Manager is entitled to act in the name of the Corporation in order to carry out the Corporation's duties under the Declaration, the Act and the By-laws. The Manager will collect and expend the common expenses and supply monthly statements and annual budgets.

- (b) The Corporation is to pay the Manager for its managerial services the sum as set out in the Budget during the first year of the Management Agreement. The Management Agreement may be terminated by the Corporation pursuant to the provisions of Section 111 of the Act.
- (c) The duties of the Manager include enforcing the terms of the Declaration, By-Laws and Rules; advising the Board as to any additional By-Laws or Rules which should be established to assist in the operation of the Property; collecting and receiving monies payable by the owners and depositing same into the appropriate trust accounts; utilizing such funds to make payments of accounts including insurance, repairs and maintenance; attempting to collect delinquent accounts; keeping accurate accounts and records of financial transactions involved in the management of the Property.
- (d) The Manager may engage a parent or subsidiary corporation or person affiliated to perform any work or services for the Condominium subject to the restrictions set out in the Management Agreement. Upon registration of the Declaration and thereafter prior to the beginning of each fiscal year during the term of the Management Agreement, the Manager shall provide the Board with an estimated budget for the following year.
- (e) A copy of the Management Agreement is included with this Disclosure Statement. Purchasers are advised to review the actual Management Agreement for a complete understanding of the provisions contained therein. This summary is qualified in all respects by the Management Agreement itself.

12.2 Other Agreements

Each of the following agreements may be terminated by the Corporation pursuant to the provisions of Section 112 of the Act:

(a) Reserve Fund Study

The Condominium is obliged to establish and maintain one or more reserve funds to cover the costs of the major repair and replacement of the common elements and assets of the Condominium. In turn, the Condominium is obliged to retain an independent and qualified consultant to conduct a reserve fund study, for and on behalf of the Condominium, within the first year following registration, in accordance with the provisions of section 94(4) of the Act. The reserve fund study will confirm, amongst other things, the adequacy of the reserve fund, and the annual appropriation necessary to cover the anticipated repair and replacement costs of the common elements and other assets of the Condominium, based on their respective life expectancy. The reserve fund study must be updated on a periodic basis, at the times and in the manner prescribed by the Act. Pending the Condominium's receipt of the first reserve fund study and its implementation of a proposed funding plan with respect thereto (if same is necessary), the total amount of the contributions to the reserve fund shall in no case be less than 10% of the budgeted amount required for contributions to the common expenses, exclusive of the reserve fund.

The current Budget Statement makes specific reference to the estimated cost of retaining a qualified consultant to conduct the reserve fund study, for and on behalf of the Condominium. This estimate has been based on a price figure negotiated by the Declarant with a duly qualified and independent third party consultant, to undertake the reserve fund study on behalf of the Condominium immediately. It is intended that the reserve fund study will be provided at the turnover meeting under the Act. In the event that the non-declarant board of directors terminates the contract entered into and chooses to retain an alternate consultant to undertake the reserve fund study, or to prepare a second reserve fund study at a cost or figure higher than the negotiated price or additional cost in the case of a second study, then with respect to the Declarant's accountability for any deficiency in the first year Budget Statement arising pursuant to section 75 of the Act, it is the Declarant's stated position that it shall only be responsible for the amount of the negotiated price, insofar as the cost of the reserve fund study is concerned, and that any expenditure in excess of said amount shall be the sole responsibility of the Condominium. Purchasers are hereby advised to carefully review the first year Budget Statement enclosed herewith for further details.

(b) Financial Audit

The Condominium is obliged to retain the services of a qualified and independent chartered accountant or auditor, in order to have audited financial statements prepared as of the last day of the month in which the turnover meeting is scheduled to be held. These financial statements are obliged to be delivered by the Declarant to the board within 60 days after the turnover meeting, in accordance with section 43(7) of the Act, but all such financial statements are to be prepared at the expense of the Condominium. In addition, the Condominium's auditor must prepare a set of annual audited financial statements in respect of the Condominium and the auditor must present said financial statements before the annual general meeting of the owners, and submit a formal report on such statements to the Condominium (on behalf of the owners) in accordance with the provisions of sections 66 to 71 of the Act.

The current Budget Statement makes specific reference to the estimated cost of retaining a qualified accountant to prepare and conduct all requisite financial statements and audits required or prescribed by the Act during the first year of the Condominium's operation. This estimate has been based on a price figure negotiated by the Declarant with a duly qualified and independent third party accountant, to undertake the financial statements and audits on behalf of the Condominium, after the Condominium has been created. In the event that the board of directors chooses to retain an alternate accountant or auditor to prepare and conduct all requisite financial statements and audits during the first year, at a cost or figure higher than the negotiated price, then with respect to the Declarant's accountability for any deficiency in the first year budget arising pursuant to section 75 of the Act, it is the Declarant's stated position that it shall only be responsible for the amount of the negotiated price, insofar as the cost of the financial statements and audits are concerned, and that any expenditure in excess of said amount shall be the sole responsibility of the Condominium. Purchasers are hereby advised to carefully review the first year Budget Statement enclosed herewith for further details.

(c) Miscellaneous Contracts

The Declarant Board will enter into such contracts as may be necessary or required for the provision of services to the Condominium including, without limitation, hydro, water, gas, landscaping, snow removal, pest control, window washing, garbage pick up and disposal, provision of supplies, cleaning services, insurance, accounting services, and other such matters as may be required for the orderly operation of the business of the Corporation.

12.3 Mutual Use Agreements (Section 113 of the Act)

The Declarant does intend to enter into (and has entered into) agreement(s) for the mutual use, provision or maintenance or cost-sharing of facilities or services, including entering into the Armishaw Sports Club Agreement, the Shared Facilities Agreement and the Lakeside Condominium Water Treatment Facilities Agreement(s) described earlier in this Disclosure Statement.

12.4 Proposed Insurance Trust Agreement (Section 114 of the Act)

The Corporation is authorized to enter into an Insurance Trust Agreement with a trust company registered under the *Loan and Trust Corporations Act* or a chartered Bank. The Declarant does not intend to enter into an Insurance Trust Agreement on behalf of the corporation.

XIII AMALGAMATION13.1 Statement regarding amalgamation

- (a) The Declarant does not intend to cause the Corporation to amalgamate with any other existing or proposed condominium corporation within sixty (60) days of the date of registration of the Corporation's declaration and description nor does the Declarant have any knowledge that the Corporation intends to amalgamate with another corporation.

- (b) No amalgamation is intended or proposed between this Condominium and any other existing or proposed condominium corporation. Accordingly, no amalgamation documentation is available nor enclosed herewith.

XIV BUDGET STATEMENT

- 14.1 A current Budget Statement for the one year period immediately following registration of the Declaration and the Description is included with this Disclosure Statement.

XV FEES OR CHARGES TO BE PAID TO THE DECLARANT

- 15.1 There are no fees or charges that the Condominium is required or intended to pay to the Declarant. There are no fees or charges that the Condominium is required or intended to pay to any other person or persons, except as expressly provided or contemplated in the current Budget Statement of the Condominium. Please therefore refer to the current Budget Statement for all projected or anticipated expenses of the Condominium, and the corresponding services being provided.

XVI RESCISSION RIGHTS (SECTION 73 OF THE ACT)

- 16.1 The following is a copy of Section 73 of the Act which sets out the rescission rights available to a purchaser of a unit in the Condominium:

- “(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.
- (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.
- (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’s solicitor received the money until the date the Declarant refunds it.”

XVII RESCISSION RIGHTS UPON MATERIAL CHANGE (SECTION 74 OF THE ACT)

- 17.1 The following is a copy of Section 74 of the Act which sets out what constitutes a “material change” and the rescission rights available to a purchaser of a unit in the Condominium in the event of a material change:

- (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.

- (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 turnover 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.
- (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.
- (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.
- (5) Within ten (10) days after receiving a revised disclosure statement or a notice under subsection (1), a purchaser may make an application to the Superior Court of Justice for a determination whether a change or a series of changes set out in the statement or notice is a material change.
- (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 Declarant, as the case may be, has made an application for the determination.
- (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.
- (8) Within ten (10) days after receiving a notice of rescission, the Declarant may make an application to the Superior Court of Justice for a determination whether the change or the series of changes on which the rescission is based constitutes a material change, if the purchaser has not already made an application for the determination under subsection (5).

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

XVIII INTEREST ON DEPOSITS

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

XIX USE OF COMMON ELEMENTS

- 19.1 The Declarant does not intend to permit any part of the common elements to be used for business or other purposes not ancillary to seasonal short term vacation type purposes, save and except as may be considered to be related to or connected with the operations of the Rocky Crest Golf Club.

XX MAJOR ASSETS TO BE PROVIDED BY DECLARANT

- 20.1 The Declarant does not intend to provide any major assets or property to the Condominium.

XXI UNITS, ASSETS OR SERVICES THE CORPORATION MUST PURCHASE FROM THE DECLARANT

- 21.1 There are no units, assets or services that the Corporation is required to purchase or acquire nor are there any agreements or leases that the corporation must enter into with the Declarant or a subsidiary body corporate, holding body corporate or affiliated body corporate of the Declarant other than the Shared Facilities Agreement, the Armishaw Sports Club Agreement and the Lakeside Condominium Water Treatment Facilities Agreement(s).

XXII ADJOINING LANDS

- 22.1 The Declarant or a subsidiary body, corporate or affiliated body corporate of the Declarant does own lands adjacent to the lands described herein, specifically: (i) the lands which will comprise the Future Phase Condominiums (and on which the operations of the Delta Rocky Crest Resort are currently being undertaken) and that will be developed with the Condominium as the Project; (ii) the lands and facilities comprising the adjacent Rocky Crest Golf Club; (iii) other surrounding lands which may be developed for future golf course purposes; and (iv) the lands upon which the Water Treatment Facilities will be located. Applications for the development of the adjacent lands upon which the Future Phase Condominiums will be developed (together with the Condominium) to create the Project have been made to an approval authority.

XXIII RULES

- 23.1 Purchasers are hereby advised that pursuant to section 58 of the Act, the board of directors of the Condominium may make, amend or repeal rules respecting the use of the units and common elements, in order to promote the safety, security and/or welfare of the owners and of the property and assets of the Condominium, or to prevent unreasonable interference with the use and

enjoyment of the common elements, the units and/or the assets of the Condominium. The Rules shall be reasonable and consistent with the provisions of the Act, the Declaration and the By-laws of the Condominium. Every rule made by the board shall be effective thirty (30) days after notice thereof has been given to each owner, unless the board is in receipt of a written requisition requiring a meeting of the owners to consider same, or unless the rule (or an amendment to a rule) that has substantially the same purpose or effect as a rule that the owners have previously amended or repealed within the preceding two years, in which case such rule or the amendment thereto is not effective until the owners approve it, with or without amendment, at a meeting duly called for that purpose. If such a meeting of owners is requisitioned or otherwise called and convened, then those rules which are the subject matter of said requisition or meeting shall become effective only upon the approval of a majority of the owners (represented in person or by proxy) at such meeting.

The Rules shall be complied with and enforced in the same manner as the By-laws of the Condominium, but the owners may, at any time, and from time to time, amend or repeal a rule at a meeting of owners duly called for that purpose, and for greater certainty, each of the rules shall be observed by all owners, and by all residents, tenants, invitees and licensees of the units.

Purchasers should pay specific attention to the proposed rules of the Condominium accompanying this Disclosure Statement, which will be adopted and approved by the board of directors of the Condominium following the registration of the declaration, in accordance with the provisions of the Act. Amongst other things, these rules restrict, regulate or otherwise deal with alterations to the common elements, the disposal of garbage, the emission of noise, the obstruction of walkways, the parking of vehicles, the planting of flowers, the utilization of barbecue equipment, the storage or placement of patio furniture and the keeping of pets.

Purchasers should also note that all costs and damages incurred by the Condominium as a result of a breach of any of the rules committed by any owner (or by such owner's tenants or guests) shall be borne by such owner and be recoverable by the Condominium against such owner in the same manner as common expenses.

XXIV MISCELLANEOUS MATTERS

- 24.1 The Purchaser acknowledges and agrees that the Declarant (and any of its authorized agents, representatives and/or contractors), as well as one or more authorized representatives of the Condominium, shall be permitted to enter units, from time to time, in order to enable the Declarant to correct outstanding deficiencies or incomplete work for which the Declarant is responsible, and to enable the Condominium to inspect the condition or state of repair of the units and undertake or complete any requisite repairs thereto in accordance with the Act.

Section 43 (5) (h) of the Condominium Act, S.O. 1998

The following is the schedule setting out what constitutes a standard unit for each class of unit that the Declarant intends to deliver to the Corporation pursuant to Section 43 (5) (h) of the *Act*, for the purpose of determining the responsibility for repairing improvement after damage and insuring them, as required pursuant to Section 43 (5) (h) of the *Condominium Act*.

The standard unit shall be finalized prior to the turnover meeting and shall include all standard features and chattels to be provided by the Declarant for insurance purposes.

