

**UNIVERSITY SUITES AND UNIVERSITY TOWNS
RENTAL ASSOCIATION AGREEMENT**

THIS RENTAL ASSOCIATION AGREEMENT (this "Agreement") is dated _____.

BETWEEN:

Unit Address: _____ Simcoe Street North, Oshawa, Ontario, Unit Number(s): _____ owned by:
Owner Name: _____
Owner Address: _____
Owner Email: _____ Owner Phone: _____
(hereinafter referred to as the "**Owner**")

AND

ALL UNIT OWNERS,

as defined in the Condominium Act 1998, Ontario (the "Act"), in the certain strata properties known as Durham Standard Condominium Corporation No. 323 and Durham Standard Condominium Corporation No. 306, known as "University Towns" and / or "University Studios", known municipally as 1720, 1740, 1760, 1780, 1800, and 1900 Simcoe Street North, Oshawa, Ontario, (herein after the "**Condo Corporations**") who have executed or will execute from time to time a counterpart to this Agreement, (hereinafter referred to as the "**Existing and Future Participating Owners**", together with the Owner, the "**Participating Owners**"),

as represented by,

VARISTY PROPERTIES INC.,

1800 Simcoe Street, Oshawa, Ontario L1G 0C2,
retained by the Participating Owners by way of a separate
rental management agreement to represent the interests of the Participating Owners.
(hereinafter referred to as the "**Rental Manager**")

WHEREAS The Participating Owners wish to have the Managed Units managed and operated as a single group of residential rental units to attain the following objectives:

- A.** To achieve a high and consistent standard of tenants in the Managed Units which seeks to maintain and grow the value of the Managed Units and maximize cash flow to Participating Owners;
- B.** To minimize the burden of tenant vacancies and tenant delinquency;
- C.** To seek bulk rates for rental management services and expenses relating to in-unit Repair And Maintenance Services for Participating Owners;
- D.** To delegate rental strategy and lease decision making authority to a Board so as to advance the collective interests of Participating Owners in the management and administration of their Rental Association.
- E.** To combine all of the revenues received from the rental of Managed Units for the purpose of distributing the revenues to the credit of each Managed Unit, less delinquency loss, collection expenses, repair and maintenance expenses and rental manager expenses, and distributing any excess to the Participating Owners on a Pro Rata Share basis;

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. DEFINITIONS.

- 1.1. Capitalized terms used herein are defined in the body of this Agreement and/or in Schedule "A", which shall form part of this Agreement.

2. EFFECTIVE DATE, TERM AND RENEWAL.

- 2.1. **Effective Date.** The Participating Owners agree that a rental association (herein after the "**Rental Association**") shall be formed by the Participating Owners effective February 1, 2021 by each signing a copy of and counterpart to this Agreement. A registry of Participating Owners and a ledger of accounts shall be maintained by the Rental Manager for the benefit of the Participating Owners.
- 2.2. **Term.** This Agreement shall continue in force for a period of three (3) years (hereinafter the "**Initial Term**") unless earlier terminated in accordance with the terms of this Agreement.
- 2.3. **Renewal.** This Agreement will automatically renew for additional one (1) year terms (each a "**Renewal Term**") upon expiry of the Initial Term and any subsequent Renewal Terms on the same terms and conditions as the Initial Term, unless earlier terminated in accordance with the terms of this Agreement.

3. RENTAL ASSOCIATION.

- 3.1. **By-Laws.** Each Participating Owner agrees to delegate all management and operational decisions, powers and authorities necessary to lease and operate their respective Managed Unit as a residential rental property to the Rental Association. The Rental Association shall retain the Rental Manager, by way of a separate rental management agreement, to carry out such management and operational responsibilities. The by-laws of the Rental Association for Participating Owners and members of the Board shall be as set forth in Schedule "B" attached hereto and form part of this Agreement.
- 3.2. **Board Responsibilities.** The Board's duties shall include, but shall be not limited to, the following:
- (a) Receive, review and approve the Rental Manager's annual recommendations for target rental rates of Managed Units for the upcoming budget year;
 - (b) With the Rental Manager's recommendations, decide on new Rental Association Renovation Standards in an effort to maintain rents and re-sale value of the Managed Units;
 - (c) Review quarterly reports provided by the Rental Manager to the Board and communicate with the Rental Manager where required;
 - (d) Review notices to withdraw from the Rental Association;
 - (e) Designate the Chair or another member of the Board to store all documents received from the Rental Manager in a safe place;
 - (f) Hold a minimum of one meeting per year with the Rental Manager to review vacancy reports, market rent rates, condition of suites, tenant feedback surveys (if applicable), and establish any new renovation standards and other tenancy related matters;
 - (g) Review and assess the Rental Manager's work and approve renewal of the Rental Manager's rental management agreement, if required;
 - (h) Ensure minutes are kept for each annual general meeting and any special meetings held by the Rental Association.

4. COMMITMENT & MANAGEMENT OF UNITS.

- 4.1. **Commitment of Units.** Each of the Participating Owners agrees to commit, subject to this Agreement, each of their units as Managed Units, and to deal with the Managed Units only in accordance with the terms and conditions of this Agreement..
- 4.2. **New Units.** In exercising its discretion to admit new units as Managed Units, the Rental Manager and/or Board may impose conditions as it sees fit with respect to required condition of the unit and repairs to the unit which may need to be made at the owner's expense prior to offering the unit for lease. Upon the written request of an owner or mortgagee of any unit within the Condo Corporations which is not a storage unit, parking space unit, or existing Managed Unit, the Rental Manager may, in

its discretion, allow the unit to become a Managed Unit upon the execution of such owner or mortgagee of a counterpart to this Agreement, and inform the Chair of the Board of enrolment of each newly Managed Unit.

- 4.3. Rental Revenue Comencement.** Participating Owners shall not be entitled to receive their Pro-Rata Share of the Rental Association's Rental Revenue (i) until a lease has been signed for the applicable Managed Unit with the first rent payment received by the Rental Manager, and (ii) unless all rent payments due and payable under the applicable lease are paid in full to the Rental Manager. This requirement is made to ensure that the existing Managed Units do not inequitably subsidize new Managed Units that may be non-revenue generating upon initial enrolment into the Rental Association.
- 4.4. Rent Security Deposit.** Each of the Participating Owners agrees to pay a Rent Security Deposit to the Rental Association due immediately upon executing this agreement. The Participating Owner agrees to pay the following Rent Security Deposits to the Rental Association:
- (a) FIVE HUNDRED AND 00/100 DOLLARS (\$500.00) for each Studio Unit contributing one (1) bedroom to the Rental Association.
 - (b) ONE THOUSAND AND 00/100 DOLLARS (\$1,000.00) for each Three (3) Bedroom unit contributing Three (3) bedrooms to the Rental Association.
- 4.5. Enrollment Fee.** For the Rental Manager's efforts to pre-lease or renew any lease of the Managed Units prior to the commencement date of Rental Revenue sharing, which is anticipated, but not guaranteed, to be August 1, 2021, each Participating Owner shall pay the Rental Manager a fee equal to three hundred fifty dollars (\$350.00) per bedroom in such Participating Owner's Managed Unit(s) plus HST (herein after the "**Enrollment Fee**"). Payment of this Enrollment Fee is due upon execution of this Agreement and is a condition of enrolment into the Rental Association. In the event a counterpart to this Agreement is executed prior to the pre-leasing season 2021 for properties in close proximity to Ontario Tech University and Durham College, the following early Enrollment Fee discount shall apply:
- (a) A forty-five (45%) percent discount when enrolled prior to February 28th, 2021;
 - (b) A thirty (30%) percent discount when enrolled prior to March 15th, 2021;
 - (c) A fifteen (15%) percent discount when enrolled prior to March 31st, 2021;
- Managed Units enrolled in years subsequent to the first calendar year of this Agreement shall be required to pay an Enrollment Fee as established annually by the Board, in its sole discretion.
- 4.6. Authority of the Board.** Each of the Participating Owners hereby constitutes and appoints the Board as their attorney and agent with full power and authority to do all of the following for and on behalf of the Participating Owners:
- (a) To execute a contract with the Rental Manager.
 - (b) To enter into other contracts on behalf of the Rental Association that the Board deems necessary to carry out any functions as outlined in this Agreement.
 - (c) To terminate the rental management agreement with the Rental Manager if the Rental Manager does not perform its duties outlined therein.
 - (d) To re-set the amount of the Notional Rent for each Managed Unit type if Rental Manager has agreed that there has been a permanent change in the value of a Managed Unit type relative to other Managed Unit types.
 - (e) To approve additions to and deletions of the Managed Units from the Rental Association.
 - (f) To set the minimum Rental Association Renovation Standards required for initial entry into and continued participation in the Rental Association.
- 4.7. Participating Owners Turnover Responsibilities.** Participating Owners shall maintain, at their sole expense, their Managed Unit(s) at or exceeding the Rental Association Renovation Standards and market standards as deemed by the Rental Manager in its sole discretion. Where a tenant of a Managed Unit gives notice to vacate, the Rental Manager will assess the Managed Unit and may provide the Participating Owner with a notice of necessary capital expenditures in order for the Managed Unit to comply with the Rental Association Renovation Standards. After notice has been provided to the Participating Owner the Rental Manager has the authority to proceed with such expenditures to bring the Managed Unit in compliance with the Rental Association Renovation Standards. Payment is due as per the terms set out in herein.

- 4.8. Authority of Rental Manager.** Each of the Participating Owners hereby constitutes and appoints the Rental Manager as their exclusive attorney and agent with full power and authority to rent, operate, and manage each of their Managed Units under the supervision of the Board and in accordance with this Agreement and the Rental Management agreement the Board enters into with the Rental Manager. Without restricting the generality of the foregoing, the Owner provides the Rental Manager with full power and authority to do all of the following for and on behalf of the Participating Owners:
- (a) To determine the form of lease agreement to be used in the rental of the Managed Units;
 - (b) To advertise for or otherwise solicit residential tenants for the Managed Units;
 - (c) To screen and select tenants for the Managed Units;
 - (d) To execute lease agreements relating to the Managed Units for such rentals on such terms as the Rental Manager deems advisable;
 - (e) To collect and enforce the payment of rents for the Managed Units including commencing legal proceedings to terminate tenancies, to obtain possession of Managed Units from tenants, and to attempt to recover damages from tenants on account of the Owner for breaches of leases agreements to which the Managed Unit is subject to;
 - (f) To retain paralegal services, at the expense of the Rental Association, to make applications to the Landlord and Tenant Board;
 - (g) To retain a collection agency to seek repayment of amounts due to Owner and/or the Rental Association;
 - (h) To make improvements to vacant Managed Unit, at the Participating Owner's expense, as required to comply with the Rental Association Renovation Standards as set by the Board;
 - (i) To spend no more than twenty-five (25%) percent of the monthly legal rent of the Owner's unit on repairs and maintenance in a month, without prior written consent of the Owner; and
 - (j) To manage all other matters, as agreed upon in writing, between the Rental Manager and the Board.

- 4.9. Representations and Warranties of each Participating Owner.** Each Participating Owner represents and warrants to the Board, the Rental Manager and to each of the other Participating Owners, as follows:
- (a) The Participating Owner has sufficient knowledge of general financial and business affairs to be able to evaluate their respective investment decisions and has had an opportunity and has done so in respect of his/her Managed Unit(s);
 - (b) The Participating Owner is under no obligation, as a result of any agreement or contract or as a result of the nature of the marketplace, to enter into this Agreement;
 - (c) The Participating Owner shall comply with all requirements of the Bylaws and Declaration of the respective Condominium Corporations including, without limitation, any notice requirements in respect of this Agreement;
 - (d) The Participating Owner has the power and capacity to execute and deliver this Agreement and to carry out his/her obligations hereunder. This Agreement has been duly executed and delivered by the Participating Owner and constitutes the Participating Owner's legal, valid and binding obligation, enforceable against the Participating Owner in accordance with its terms; and
 - (e) The Participating Owner is the legal and beneficial owner of his/her Managed Unit.

5. DISTRIBUTION OF REVENUE AND EXPENSE INVOICING

- 5.1. Accounts.** The Rental Manager shall collect all Rental Revenue generated from the rental of Managed Units. All such monies shall be deposited in one bank account (separate from the Rental Manager's personal accounts) in a Canadian Chartered Bank or trust company. All such accounts shall be held in trust for the benefit of the Participating Owners and all interest thereon or any bank charges incurred shall be on account of the Participating Owners. The Rental Manager shall:
- (a) not set up a pooled account that includes the funds of any client other than the Rental Association;
 - (b) cause a proper books of accounts to be kept in respect of all sums of money received and expended by it;
 - (c) on application of a Participating Owner or mortgagee, or any person authorized in writing by them, make the books of account available for inspection at all reasonable times during regular business hours. (The party making such a request must pay in advance to the Rental Manager a charge of \$50.00 per hour + HST, plus all applicable copying/scanning costs, with a minimum charge of \$250.00 + HST per request);
 - (d) cause a reporting statement to be provided for each Managed Unit to each Participating Owner on

or before the 25th day of each month;

(e) cause any net revenues payable to a Participating Owner for each month to be forwarded by direct deposited into an account of such Participating Owner.

5.2. Owner Contribution. Upon enrolment into the Rental Association, which shall occur upon payment of the Enrollment Fee and execution of this document by the owner and the Rental Manager on behalf of the Rental Association. Each Participating Owner shall also pay to the Rental Manager their Owner Contribution which shall be an amount equal to the Notional Rent of the Participating Owner's Managed Unit, and held on account for the benefit of the Participating Owner in the Rental Manager's operating bank account. The Owner Contribution may be used by the Rental Manager to cover the Participating Owner's cash shortfall. In the event that the Owner Contribution is drawn, the Participating Owner shall make a further Owner Contribution to replenish it. The Board, by resolution, may change the Owner Contribution required from each Participating Owner.

5.3. Uncollectible Charges. All assessments, common element fees and special charges from the Condominium Corporation to the Participating Owner that are deemed uncollectible, will become the sole responsibility of the Participating Owner.

5.4. Rental Revenue Allocation to Individual Units. The Rental Revenue, less expenses, shall be allocated to the account of each Participating Owner by crediting each Managed Unit with its Pro Rata Share.

5.4.1. Rental Association Expense Threshold. If a Participating Owner incurs an expense that exceeds the Rental Association Expense Threshold for a given month, the Owner will be solely responsible and remunerate the expense immediately.

5.5. Payment of Deficits. The Participating Owner shall remit to the Rental Manager the amount of any deficits for which they are invoiced in accordance with this Agreement, within seven (7) days of the date of the invoice. Any amounts not paid within that time shall bear interest at the rate of two (2%) percent per annum over the prime rate charged by the Royal Bank of Canada to its customers, in the Province of Ontario, from the date of the invoice. The Rental Manager may pay any deficit from the Participating Owner's Owner Contribution. The payment from the Owner Contribution does not absolve the Participating Owner from making the payment for their deficit. For this purpose, the monthly financial statement shall be considered to be the invoice referred to above.

5.6. Rental Manager's Right - Non-Payment of Deficits. If any deficit for which a Participating Owner has been invoiced in accordance with this Agreement remains unpaid at the end of the next succeeding calendar month, the Rental Manager shall, in its sole discretion, have the right to refuse to make any further payments for the account of that Managed Unit. If the Rental Manager chooses to exercise this discretion, the Rental Manager shall send written notice of this intention to the Participating Owner. If and for so long as any deficit for which a Participating Owner has been invoiced, in accordance with this Agreement, remains unpaid, the Rental Manager shall apply all amounts allocated to the Managed Unit, in accordance with Article 5.3 to reduce or eliminate the amount of such deficit. The balance, if any, after payment of the deficit shall be applied in accordance with Article 5.4, but the Rental Manager shall not be obliged to pay any amount in excess of the credit balance allocated to the Managed Unit, and shall not be obliged to incur any further deficit on account of that Managed Unit, unless and until the Participating Owner has paid all outstanding deficits, together with accrued interest. In the event that the Rental Manager exercises this right, then it shall notify the Participating Owner of its intention, and the monthly statement shall set out the deficit amounts which remain outstanding.

5.7. Unit Improvements. Managed Unit improvements may be required over time due to normal wear & tear. The Rental Manager will procure quotes to maintain the Managed Unit in rent-able condition. Notification will be sent to the Participating Owner's address on file with an estimated cost of completing the work. The required funds will be deducted from Participating Owner's Pro Rate Share of Rental Revenue each month until paid in full. The Notice will indicate when the deductions will commence.

6. TERMINATION

6.1. Termination of Agreement. Notwithstanding anything to the contrary contained in the Agreement

and so long as a Participating Owner has no current outstanding balance due to the Rental Association or Rental Manager then, such Participating Owner may terminate this Agreement upon providing the Rental Manager at least sixty (60) days written notice. If the Managed Unit is subject to a lease agreement that is active or about to commence, such Participating Owner shall pay to the Rental Manager a fee equal to three (3) times the tenant's legal monthly rent. This amount shall be used to compensate the tenants for lease termination at the end of their lease agreement term, with the balance being retained by the Rental Manager as a fee for service.

- 6.2. Vacant Unit.** If the Managed Unit is leased to a tenant, Participating Owner may upon sixty (60) days written notice to Rental Manager request that the Managed Unit be left vacant upon termination of the lease (i.e. for a sale listing process), and this Agreement shall then automatically terminate upon the sooner of: (a) the Managed Unit's lease termination date, or (b) the date Participating Owner completes a sale of the Managed Unit.
- 6.3. Enrolment Fee For Purchaser.** In the event a Managed Unit is sold, this Agreement shall cease to be enforceable and terminate with respect to such applicable Participating Owner. There shall be no Enrolment Fee charged to the purchaser if on, or prior to, the effective date of the sale, the purchaser delivers to the Rental Manager a fully executed counterpart of this Agreement and any other funding requirements. Enrolment of the Managed Unit into the Rental Association after the completion date of a sale shall be subject to the Enrolment Fee.
- 6.4. No Withdrawal when in Default.** A Participating Owner cannot withdraw his/her Managed Unit from the Rental Association when there is an unpaid deficit in respect of that Managed Unit, and this Agreement shall continue in full force and effect with respect to each such Managed Unit and until the full amount of such deficit has been paid or has been recovered from revenue allocated to that Managed Unit.
- 6.5. Mortgagee in Possession.** In the event that a mortgagee of a Managed Unit enters into possession or exercises or purports to exercise any assignment of rentals relating to a Managed Unit, or in the event that any person not a party to this Agreement purports to exercise any similar right of possession or assignment of rentals relating to a Managed Unit, then, and in any such event, the provisions of this Agreement, shall immediately terminate with respect to such Managed Unit, unless the mortgagee or other person, as the case may be, executes and delivers a counterpart to this Agreement within fifteen (15) days of exercising such rights.
- 6.6. Managed Unit Changes.** Whenever there is an addition or deletion of a Managed Unit the Rental Manager shall as soon as commercially reasonable thereafter recalculate the Pro Rata Share of each Participating Owner and, where necessary, the Board shall determine the Notional Rent of a new Managed Unit.
- 6.7. Following Termination.** Upon a termination of this Agreement:
- (a) the Rental Manager shall, within a commercially reasonable time thereafter, not exceeding Ninety (90) days, render a final accounting to the Participating Owners with respect to the Rental Association and pay over any balance in the Manager's account remaining to the credit of the Participating Owner(s) with respect to the Rental Association, less any amounts necessary to satisfy commitments made by the Rental Manager to others prior to the effective date such termination;
 - (b) the Participating Owner(s) shall assume the obligations of any and all contracts, which the Rental Manager has made for the purpose of arranging the Rental Association services to be provided pursuant to this Agreement.

7. GENERAL PROVISIONS

- 7.1. Notices.** Any notice, payment, demand or communication required or permitted to be delivered or given by the provisions of this Agreement shall be deemed to have been effectively delivered or given and received on the date personally delivered to the respective party to whom it is directed, or when deposited by registered or certified mail, with postage and charges prepaid and addressed to the parties at the respective addresses set forth below opposite their signatures to this Agreement, or to such other address as to which notice is given.

- 7.2. Release of Participating Owner Information.** The Participating Owner agrees to allow the Rental Manager the ability to provide the Board with their name, mailing address, email address, telephone number(s), and unit number. This information must be requested by the Board Chair and will be for the sole purpose of communication regarding business associated with the Rental Association.
- 7.3. Counterparts.** This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and such counterparts shall constitute the one and the same instrument. A signed copy of this Agreement delivered by e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement and notwithstanding the date of execution of a counterpart shall be deemed to be effective as the date of execution of this agreement by both parties and the Rental Manager may then lease or pre-lease the Managed Unit if it is vacant, or expected to soon be vacant.
- 7.4. Enurement.** This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, administrators, successors and assigns.
- 7.5. Headings.** The headings and subheadings in this Agreement have been inserted for reference and as a matter of convenience only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision hereof.
- 7.6. Singular, Plural and Gender.** Whenever the singular, plural, masculine, feminine or neuter is used throughout this Agreement, the same shall be construed as meaning the singular, plural, masculine, feminine, neuter, body politic or body corporate where the fact or context so requires and the provisions hereof and all covenants herein shall be construed to be joint and several when applicable to more than one party.
- 7.7. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 7.8. Time of Essence.** Time shall be at the essence of this Agreement and of every party hereof.
- 7.9. Remedies Not Exclusive.** No remedy herein conferred upon any party is intended to be exclusive of any other remedy available to that party but each remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing by law or in equity or by statute.
- 7.10. No Waiver.** No consent or waiver, express or implied, by any party to or of any breach or default by any other party of its obligations hereunder shall be deemed or construed to be consent or waiver to or of any other breach or default in the performance of obligations hereunder by such party hereunder. Failure on the part of any other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.
- 7.11. Entire Agreement.** This Agreement constitutes the entire Agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof except as specifically set forth herein. Notwithstanding the foregoing, the provisions of any rental management agreement between the Rental Association and the Rental Manager are not superseded herein, except to the extent of any inconsistency between such agreement and this Agreement in which event the provisions of this Agreement shall be deemed to be paramount.
- 7.12. Further Assurances.** The parties hereto and each of them do hereby covenant and agree to do such things and execute such further document, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.
- 7.13. Amendments.** This Agreement may be altered or amended in any of its provisions provided that:
- (a) a minimum of two thirds of the Board approve the changes on an interim basis until the next AGM, and;
 - (b) at the next AGM a minimum of two thirds of the Participating Owners that are in attendance

vote to ratify the Board approved changes.

7.14. Unenforceable Terms. If any term, covenant or condition of this Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement or application or such term, covenant or condition to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected hereby and each remaining term, covenant or condition of this Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

7.15. Relationship of Parties. The rights, duties, obligations and liabilities of the parties hereto shall be several and not joint or collective. Nothing herein contained shall be construed as creating a partnership, joint venture or Association, partnership, duty, obligation or liability to any other party hereto.

7.16. Participating Owner's Indemnity. Each Participating Owner understands and agrees that the Rental Manager does not assume any liabilities nor shall it be liable or responsible to the Participating Owner or any tenant, occupier, licensee or invitee of the Participating Owner or tenant, and the Participating Owner agrees to indemnify, save harmless and defend the Rental Manager from any and all claims, losses, costs, damages or expenses including legal fees, incurred by the Rental Manager (i) in performing its responsibilities hereunder, (ii) as a result, in consequence of or related to any act or omission of the Participating Owner or any tenant, occupier, licensee or invitee of the Participating Owner or tenant. The covenant to indemnify will survive the termination of this Agreement.

IN WITNESS WHEREOF, the Owner has executed this counterpart to this Agreement as of the first date written above.

X.....

X.....

OWNER:_____

WITNESS:_____

X.....

X.....

OWNER:_____

WITNESS:_____

IN WITNESS WHEREOF, the Rental Manager has executed this Agreement as of the first date written above.

VARSITY PROPERTIES INC.,

PER:.....

(I have the authority to bind the corporation.)

NAME:_____

TITLE:_____

SCHEDULE A - DEFINITIONS

In this Agreement, including this clause and the recitals hereto:

“**AGM**” means the annual general meeting of the Rental Association’s Participating Owners.

“**Board**” means the board of the Rental Association appointed by the Participating Owners.

“**Owner Contribution**” means the amount paid by each Owner, as a condition of eligibility to enroll into the Rental Association, and to become a Participating Owner. Owner Contributions are to be held on deposit with the Rental Manager until such time that the funds are drawn upon to pay Participating Owner expenses or returned to Participating Owner upon withdrawal from, or desolution of, the Rental Association.

“**Managed Unit(s)**” means each unit (as defined by the Condominium Act 1998 Ontario), of the property that is made subject to this Agreement by a Participating Owner executing and delivering a counterpart copy of this Agreement designating that unit as a Managed Unit governed by this Agreement;

“**Notional Rent**” means the rent amount setout in schedule “C” for each Managed Unit and is used to determine each Participating Owner’s Pro Rata Share of monthly Rental Revenue. The monthly rental rates setout in schedule “C” were sourced from the leaseback rental rates offered to all unit purchasers by Durham Standard Condominium Corporation No. 323 and Durham Standard Condominium Corporation No. 306’s declarant at the time of registration. The listed rental rates are intended to be a reflection of the fair value of each unit in relation to all other units when factoring unit size, unit bedroom count, unit configuration, unit floor level, and unit exterior view.

“**Operating Expenses**” means all expenses realized and paid for Managed Units that are part of the Rental Association. These include but are not limited to repair and maintenance, damages and preventative maintenance.

“**Participating Owners**” has the meaning set forth on the first page of this Agreement.

“**Pro Rata Share**” means, for each Managed Unit, the fraction, which has its numerator the Notional Rent for the Managed Unit, and as its denominator the sum of the Notional Rent of all Managed Units. See Schedule C.

“**Rental Association Expense Threshold**” is One Thousand and 00/100 Dollars (\$1,000.00).

“**Rental Association Renovation Standards**” means the improvements or unit quality deemed necessary by the Board to achieve desired rents for Managed Units.

“**Rental Revenues**” means all revenue realized and received from the rental of Managed Units (and including all increases and decreases in rent receivables).

“**Repairs and Maintenance Services**” means quarterly inspections within all Managed Units to perform preventative maintenance and repairs, including but not limited to air filter changes, fire alarm battery testing and replacement, furnace checks, fire extinguisher testing and replacement, plumbing check and minor wall damage repair. Repair and Maintenance Service for the 2021 calendar year are billable at a rate of \$75.00 + HST per hour.

SCHEDULE B – RENTAL ASSOCIATION BY-LAWS

1. **AGM.** The first AGM of the Participating Owners shall be called by the Board no later than June 30, 2022 by way of written notice of the meeting being sent to all Participating Owners who are a party to this Agreement. The Board shall call an AGM of the Participating Owners to meet virtually at least once in every calendar year, and no later than fifteen (15) months from the last AGM, by giving at least fifteen (15) days' written notice thereof to all the Participating Owners. The Board shall have the option to hold the AGM in person, but must also allow for virtual attendance by Participating Owners. At each AGM, the Participating Owners shall, in addition to any other business that they may wish to transact, elect additional Board members to fill any vacancies on the Board.
2. **Election of Board.** At each AGM, the Participating Owners shall elect a Board, consisting of not less than three (3) and not more than five (5) persons. At the first AGM of the Participating Owners, the bare majority of Board members shall be elected for a two (2) year term and the balance shall be elected for a one (1) year term, and thereafter all Board members shall be elected for a two (2) year term at every second AGM, or until previously removed in accordance with the Agreement. An existing Board member may be eligible for re-election. Ownership of a Managed Unit is not necessary for election and to become a member of the Board, but at no time shall the Board consist of more than two (2) non-owner of a Managed Unit. If a Managed Unit has more than one Participating Owner, only one such Participating Owner may sit on the Board at one time.
3. **Quorum — AGM — Special Meeting.** No business shall be transacted at an AGM or a special meeting unless a quorum of persons entitled to vote is present or represented by proxy at the time when the meeting commences. A quorum for an AGM or a special meeting consists of 25% of all the persons entitled to receive notice under Article 4.2 being present in person or represented by proxy at that meeting. Only items placed on the agenda can be voted on during this meeting, to ensure proxy holders have an equal opportunity to express their opinions.
4. **Procedure If No Quorum.** If, within 15 minutes from the time appointed for the commencement of an AGM or a special meeting, a quorum is not present, the meeting shall stand adjourned to the corresponding day in the next week, at the same time and place (if available), and if, at the adjourned meeting, a quorum is not present within 15 minutes from the time appointed for the commencement of the meeting, the persons entitled to vote shall be those who are present or represented by proxy constitute a quorum for the purpose of that meeting.
5. **Voting.** At an AGM or a special meeting, a resolution shall be voted upon by a show of hands, by roll call or by proxy unless a poll is demanded by a person entitled to vote and present in person or by proxy and unless a poll is so demanded, a declaration by the Chair that a resolution has on the show of hands, by roll call or by proxy has been carried is conclusive proof of the fact without proof of the number or proportion of votes recorded in favor of or against the resolution. If a person demands a poll, that person may withdraw that demand, and upon the demand being withdrawn, the vote shall be taken by a show of hands, by roll call or by proxy. A poll, if demanded, shall be based on one (1) vote per unit as represented in person or by proxy. In the case of equality in the votes, whether by a show of hands, by roll call, by proxy or by a poll, the Chair of the meeting is entitled to a casting vote, in addition to their original vote. If a vote is taken by a show of hands by roll call or by proxy, each person entitled to vote has one vote. If a vote is taken by a poll, the number of votes that a Participating Owner may cast shall correspond to one (1) vote for each Managed Unit. All matters discussed during an AGM or special meeting shall be determined by a majority vote. On a show of hands, roll call or on a poll, votes may be given by proxy. An instrument appointing a proxy shall be in writing under the hands of the person making the appointment or their attorney and may be either general or for a particular meeting, but a proxy holder need not be a Participating Owner.
6. **Restrictions on Voting.** Other than the limitation of one (1) vote per Managed Unit, there are no restrictions or limitations on a Participating Owner's right to vote at an AGM or a special meeting. Where, at the time of an AGM or a special meeting, a Participating Owner has not paid the Rental Manager all amounts due and owing in respect of their Managed Unit, that Participating Owner is ineligible to cast a vote at that meeting in respect of any resolution other than a Special Resolution or a Unanimous Resolution.
7. **Special Meetings.** The Board may, in its sole discretion, convene a special meeting of the Participating

Owners at any time, by giving at least fifteen (15) days' written notice to the Participating Owners, setting out the time and place of the meeting, and the business to be conducted. If Participating Owners, representing twenty-five percent (25%) of the total Managed Units, so request in writing, the Board shall convene a special meeting of Participating Owners.

8. **Removal and Replacement of Board Members.** The Participating Owners may by resolution at a Special Meeting, with support of at least sixty-six (66%) percent of the Participating Owners, remove any board member before the expiration of their term of office, and appoint another eligible board member to hold office for the remainder of such term. Any casual vacancy on the Board may be filled by a person appointed by the remaining members of the Board. The Board may remove a member of the Board before the expiration of the term of office if the Member (a) provides a resignation notice in writing to the Board; (b) becomes bankrupt or insolvent, or makes an assignment in favour of their creditors, or if a receiver is appointed for or receiver/manager of the assets or undertaking of that member shall be appointed; (c) is found to be or becomes of unsound mind; (d) is convicted of an indictable offense; (e) sells Managed Units to anyone other than to a corporation owned or controlled by that member; or (f) is not fulfilling their obligation as a Board Member.
9. **Business Conducted by the Board.** A quorum for a meeting of the Board is two (2) where the Board consists of four (4) or less members; and three (3) where it consists of five (5) members. At a meeting of the new Board, which shall be held after each AGM of the Participating Owners, the Board shall elect, from among its members, a President and a Vice-President, and may also appoint such additional officers as may be deemed appropriate who shall hold their respective offices until the conclusion of the next AGM of the Participating Owners, or until their successors are elected or appointed. The President shall act as Chair at all meetings of the Board. Where the President is absent from any meeting of the Board, or vacates the chair during the course of any meeting, the Vice-President shall act as the Chair and shall have all the duties and powers of the Chair while so acting. In the absence of both the President and Vice-President, the members present shall, from among themselves, appoint a Chair for that meeting who shall have all the duties and powers of the Chair while so acting. The duties of the officers of the Board shall be as determined by the Board from time to time. At meetings of the Board, all matters shall be determined by simple majority vote. The President or Chair, as the case may be, shall have a casting vote, in addition to their regular vote, in the event that a tie may occur (this regular vote shall be cast at the same time as the other members are voting). The Board shall: (a) keep minutes of its proceedings; (b) cause minutes to be kept of AGMs and special meetings; (c) cause proper books of account to be kept in respect of all sums of money received and expended by it and the matters in respect of which receipt and expenditure shall take place; (d) prepare proper accounts relating to all monies of the Participating Owners, and the income and expenditure thereof, for each AGM; and (e) on the application of a Participating Owner or mortgagee, or any person authorized in writing by him, make the books of account available for inspection at all reasonable times.
10. **Acts in Good Faith.** All acts done in good faith by the Board are, notwithstanding that it may be afterwards discovered that there was some defect in the appointment or continuance in office of any member of the Board, as valid as if the member had been duly appointed or had duly continued in office. All board matters that arise whereas a Director of the Board may have a conflict or a potential conflict of interest, then such conflict shall be disclosed and the Director shall not vote or participate in discussion on that matter.

SCHEDULE C - NOTIONAL RENTS

1900 Simcoe Street		1800 Simcoe Street			
Unit	Rent	Block	Unit	Municipal Unit	Rent
201	\$ 985	1720	2	2	\$2,175
202	\$ 985	1720	3	3	\$2,025
203	\$ 985	1720	4	4	\$2,100
204	\$ 985	1720	5	5	\$2,025
205	\$ 985	1720	6	6	\$2,100
206	\$ 985	1720	7	7	\$2,025
207	\$1,145	1720	8	8	\$2,100
208	\$1,145	1720	9	9	\$2,025
209	\$ 985	1720	11	11	\$2,025
210	\$ 985	1720	12	12	\$2,100
211	\$ 985	1720	13	13	\$2,025
212	\$ 985	1720	15	16	\$2,050
213	\$ 985	1720	16	15	\$2,175
214	\$ 985	1720	17	17	\$2,050
216	\$ 985	1720	18	18	\$2,175
217	\$1,085	1720	19	19	\$2,025
218	\$ 985	1720	20	20	\$2,100
219	\$ 985	1720	22	22	\$2,100
220	\$ 985	1720	24	24	\$2,100
221	\$1,085	1720	26	26	\$2,100
222	\$ 985	1720	27	27	\$2,025
223	\$ 985	1720	28	28	\$2,100
224	\$ 985	1720	29	29	\$2,025
225	\$ 985	1720	30	30	\$2,100
226	\$ 985	1720	31	32	\$2,050
228	\$ 985	1720	32	31	\$2,175
229	\$ 985	1740	33	33	\$2,050
230	\$ 985	1740	34	34	\$2,175
231	\$1,145	1740	35	35	\$2,025
232	\$1,145	1740	36	36	\$2,350
233	\$ 985	1740	37	37	\$2,025
234	\$ 985	1740	38	38	\$2,100
235	\$ 985	1740	39	39	\$2,025
236	\$ 985	1740	40	40	\$2,100
237	\$ 985	1740	44	44	\$2,100
238	\$ 985	1740	45	45	\$2,025
239	\$ 985	1740	46	46	\$2,100
240	\$ 985	1740	47	48	\$2,050
241	\$ 985	1740	48	47	\$2,175
242	\$ 985	1740	49	49	\$2,050
243	\$1,085	1740	50	50	\$2,175
244	\$ 985	1740	51	51	\$2,025
301	\$ 985	1740	52	52	\$2,100
302	\$ 985	1740	53	53	\$2,025
303	\$ 985	1740	54	54	\$2,100
304	\$ 985	1740	55	55	\$2,025
305	\$ 985	1740	56	56	\$2,100
307	\$1,145	1740	57	57	\$2,025
308	\$1,145	1740	58	58	\$2,100

1900 Simcoe Street

Unit	Rent
310	\$ 985
311	\$ 985
312	\$ 985
313	\$ 985
314	\$ 985
315	\$ 985
316	\$ 985
317	\$1,085
318	\$ 985
319	\$ 985
320	\$ 985
321	\$1,085
322	\$ 985
323	\$ 985
324	\$ 985
325	\$ 985
326	\$ 985
327	\$ 985
328	\$ 985
329	\$ 985
330	\$ 985
331	\$1,145
332	\$1,145
333	\$ 985
334	\$ 985
335	\$ 985
338	\$ 985
340	\$ 985
341	\$ 985
342	\$ 985
343	\$1,085
344	\$ 985
401	\$ 985
402	\$ 985
405	\$ 985
406	\$ 985
407	\$1,145
408	\$1,145
409	\$ 985
410	\$ 985
411	\$ 985
412	\$ 985
413	\$ 985
414	\$ 985
415	\$ 985
416	\$ 985
417	\$1,085
418	\$ 985
419	\$ 985

1800 Simcoe Street

Block	Unit	Municipal Unit	Rent
1740	59	59	\$2,025
1740	60	60	\$2,100
1740	61	61	\$2,025
1740	62	62	\$ -
1740	63	64	\$2,050
1740	64	63	\$2,175
1760	65	65	\$2,050
1760	66	66	\$2,175
1760	67	67	\$2,025
1760	68	68	\$2,100
1760	70	70	\$2,100
1760	72	72	\$2,100
1760	73	73	\$2,025
1760	74	74	\$2,100
1760	75	75	\$2,025
1760	77	77	\$2,025
1760	80	79	\$2,175
1760	81	81	\$2,050
1760	84	84	\$2,100
1760	85	85	\$2,025
1760	86	86	\$2,100
1760	87	87	\$2,025
1760	88	88	\$2,100
1760	89	89	\$2,025
1760	90	90	\$2,100
1760	91	91	\$2,025
1760	93	93	\$2,025
1760	94	94	\$2,100
1760	95	96	\$2,050
1760	96	95	\$2,175
1780	97	105	\$2,050
1780	98	106	\$2,175
1780	100	108	\$2,100
1780	101	109	\$2,025
1780	102	110	\$2,100
1780	104	111	\$2,175
1780	105	104	\$2,050
1780	106	103	\$2,175
1780	107	101	\$2,025
1780	109	99	\$2,025
1780	110	100	\$2,100
1780	111	97	\$2,050
1780	112	98	\$2,175
1800	201	201	\$ 975
1800	203	203	\$1,050
1800	204	204	\$ 975
1800	205	205	\$ 975
1800	206	206	\$ 975
1800	209	209	\$ 975

1900 Simcoe Street

Unit	Rent
420	\$ 985
421	\$1,085
422	\$ 985
423	\$ 985
424	\$ 985
425	\$ 985
426	\$ 985
427	\$ 985
428	\$ 985
429	\$ 985
430	\$ 985
431	\$1,145
432	\$1,145
433	\$ 985
434	\$ 985
435	\$ 985
436	\$ 985
437	\$ 985
438	\$ 985
439	\$ 985
440	\$ 985
441	\$ 985
443	\$1,085
444	\$ 985
501	\$ 985
502	\$ 985
504	\$ 985
505	\$ 985
506	\$ 985
507	\$1,145
508	\$1,145
510	\$ 985
511	\$ 985
512	\$ 985
513	\$ 985
514	\$ 985
515	\$ 985
516	\$ 985
518	\$ 985
520	\$ 985
521	\$1,085
522	\$ 985
523	\$ 985
524	\$ 985
525	\$ 985
526	\$ 985
527	\$ 985
528	\$ 985
529	\$ 985

1800 Simcoe Street

Block	Unit	Municipal Unit	Rent
1800	210	210	\$ 975
1800	211	211	\$ 975
1800	212	212	\$2,000
1800	213	213	\$2,000
1800	214	214	\$2,000
1800	215	215	\$2,000
1800	217	217	\$2,000
1800	218	218	\$2,000
1800	219	219	\$2,000
1800	220	220	\$ 975
1800	301	301	\$ 975
1800	302	302	\$1,050
1800	303	303	\$1,050
1800	304	304	\$ 975
1800	305	305	\$ 975
1800	306	306	\$ 975
1800	308	308	\$ 975
1800	309	309	\$ 975
1800	310	310	\$ 975
1800	311	311	\$ 975
1800	312	312	\$2,000
1800	313	313	\$2,000
1800	314	314	\$2,000
1800	315	315	\$2,000
1800	316	316	\$2,000
1800	317	317	\$2,000
1800	319	319	\$2,000
1800	320	320	\$ 975
1800	402	402	\$1,050
1800	403	403	\$1,050
1800	404	404	\$ 975
1800	405	405	\$ 975
1800	407	407	\$ 975
1800	408	408	\$ 975
1800	410	410	\$ 975
1800	411	411	\$ 975
1800	412	412	\$2,000
1800	413	413	\$2,000
1800	414	414	\$2,000
1800	415	415	\$2,000
1800	416	416	\$2,000
1800	417	417	\$2,000
1800	418	418	\$ 975

1900 Simcoe Street

Unit	Rent
530	\$ 985
531	\$1,145
532	\$1,145
533	\$ 985
534	\$ 985
535	\$ 985
536	\$ 985
537	\$ 985
540	\$ 985
541	\$ 985
542	\$ 985
543	\$1,085
544	\$ 985
601	\$ 985
603	\$ 985
604	\$ 985
605	\$ 985
606	\$ 985
607	\$1,145
608	\$1,145
609	\$ 985
612	\$ 985
613	\$ 985
614	\$ 985
615	\$ 985
616	\$ 985
617	\$1,085
618	\$ 985
619	\$ 985
620	\$ 985
621	\$1,085
622	\$ 985
623	\$ 985
624	\$ 985
625	\$ 985
626	\$ 985
627	\$ 985
628	\$ 985
629	\$ 985
630	\$ 985
631	\$1,145
632	\$1,145
633	\$ 985
634	\$ 985
635	\$ 985
637	\$ 985
639	\$ 985
642	\$ 985
643	\$1,085

1800 Simcoe Street

Block	Unit	Municipal Unit	Rent
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1900 Simcoe Street

Unit	Rent
644	\$ 985
701	\$ 985
702	\$ 985
703	\$ 985
704	\$ 985
705	\$ 985
706	\$ 985
707	\$1,145
708	\$1,145
709	\$ 985
710	\$ 985
711	\$ 985
712	\$ 985
713	\$ 985
714	\$ 985
715	\$ 985
716	\$ 985
718	\$ 985
719	\$ 985
720	\$ 985
721	\$1,085
722	\$ 985
723	\$ 985
724	\$ 985
726	\$ 985
727	\$ 985
729	\$ 985
730	\$ 985
731	\$1,145
732	\$1,145
733	\$ 985
734	\$ 985
735	\$ 985
736	\$ 985
737	\$ 985
738	\$ 985
739	\$ 985
740	\$ 985
741	\$ 985
742	\$ 985
743	\$1,085
744	\$ 985
801	\$ 985
802	\$ 985
803	\$ 985
804	\$ 985
805	\$ 985
807	\$1,145
809	\$ 985

1800 Simcoe Street

Block	Unit	Municipal Unit	Rent
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1900 Simcoe Street

Unit	Rent
810	\$ 985
811	\$ 985
813	\$ 985
814	\$ 985
815	\$ 985
817	\$1,085
818	\$ 985
819	\$ 985
820	\$ 985
822	\$ 985
823	\$ 985
824	\$ 985
825	\$ 985
826	\$ 985
827	\$ 985
829	\$ 985
830	\$ 985
832	\$1,145
833	\$ 985
834	\$ 985
835	\$ 985
836	\$ 985
837	\$ 985
838	\$ 985
839	\$ 985
840	\$ 985
841	\$ 985
843	\$1,085

1800 Simcoe Street

Block	Unit	Municipal Unit	Rent
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1900 Simcoe Street

Unit	Rent
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215	\$985.
306	\$985
503	\$985
519	\$985
538	\$985
602	\$985
611	\$985
640	\$985
641	\$985
725	\$985
728	\$985
816	\$985

1800 Simcoe Street

Block	Unit	Municipal Unit	Rent
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1720	10	10	\$2100
1720	14	14	\$2100
1720	21	21	\$2025
1720	23	23	\$2025
1720	25	25	\$2025
1740	41	41	\$2025
1740	42	42	\$2100
1740	43	43	\$2025
1760	78	78	\$2100
1760	79	79	\$2050
1760	83	83	\$2025
1780	107	101	\$2025
1800	202	202	\$1050
1800	216	216	\$2000