

LEWIS & COLLYER

Barristers & Solicitors

Bruce Lewis, M.A., LL.B.
Nancy Collyer, B.A., LL.B.

160 John Street, Suite 401
Toronto, Ontario
Canada M5V 2E5
(416) 598-4357
FAX (416) 598-1067

February 25, 2003

DELIVERED BY FAX

Grand Ravine Owners Association

Dear Committee:

Re: Grand Ravine Owners Committee

As you know, we have been retained by the Committee to provide legal advice relating to your Committee and the development.

The Grand Ravine Owners Committee is elected by the owners of the homes in the Grand Ravine development. This development is made up of 29 townhouses that share common internal roadways and services. Each owner owns their townhouse and adjacent land. Access and services are over the common system of roads, sidewalks and utility corridors.

HOW DO OWNER'S RIGHTS DIFFER FROM A TRADITIONAL CONDOMINIUM?

The structure of this arrangement is done in a way so as to make it as close as possible to being a condominium. From a physical point of view, it looks and functions very much as if it were a condominium. However, the legal structure is quite different, somewhat complex, and may be unfamiliar to some owners.

Each of the owners rights of access and rights for services are derived through various rights of way and easements that are contained in their title documents. In addition, there is an agreement (the "Committee Agreement") that binds all of the owners which provides for additional easements, cost sharing and the administration of these common rights.

Some significant distinctions between your structure and that of most condominiums are:

1. In most condominiums, the building shells are common areas and maintained and repaired by the condominium corporation. Here, each owner owns their own building and must repair and maintain their own building and grounds.

2. Commonly used areas in condominiums are Common Elements, owned jointly by all owners and managed by the Condominium Corporation. Here, the common roads, walkways and service corridors are all owned by one or more of the owners, and are subject to various rights of way in favour of the other owners. The repair and maintenance arrangements are set out in the Committee Agreement.

3. The Condominium Act and the Declaration etc. provide a framework for management and cost-sharing of common areas, and other matters that arise under a common ownership model. Here, you must look at both the legal rights set out in the title to the land and the Committee Agreement to determine the rights and obligations of the owners to each other.

EASEMENTS AND RIGHTS OF WAY

In your development, all owners must be mindful of the rights they have to use the common areas, and the rights other owners have over their land.

ROADWAYS

Even though each owner owns a portion of the common roadway and walkways, they cannot block these in any way or impede use by the other owners. This includes the visitor parking areas. The Committee is responsible for the maintenance and repair of the common roadway and each owner must pay their share of the costs. The Committee has the power to make rules and regulations relating to the common roadway and each owner is then bound by them.

SUPPORT RIGHTS AND REPAIRS

Each property is entitled to support from the adjoining property. This means owners cannot do anything which would adversely affect the support of adjoining properties, and in doing any work, they are responsible for any damage they cause to the other properties.

The easements and the Committee Agreement provide for use of shared storm sewers, sanitary sewers and water systems. Again, even though parts of these may be on land owned by an individual owner, the Committee deals with repair, and no owner may interfere with these systems. There are also municipal easements, and easements to Toronto Hydro and Consumers Gas which affect certain owners' properties.

PEDESTRIAN ACCESS AND ACCESS FOR MAINTENANCE

Other rights of way deal with access to the various properties for pedestrian access and transportation of maintenance equipment. These are necessary to allow owners to maintain their properties, as it would not otherwise be possible to access the rear yards of many of the properties.

For example, the properties that are on the easterly boundary of the development all enjoy an easement for access to the rear over the adjoining properties through a network of rights of way. These mean a portion of each owner's land needs to be left accessible for the other owners to use their right of way. If owners fence their yard, they should only do so without blocking the rights of way. Also, landscaping should be done with regard to the fact that equipment as well as pedestrians will use this area.

Therefore it is very important that each owner consult their title documents, the Agreement and the Committee before making any changes to their property that may affect the rights of the other owners. Otherwise, they may incur significant costs to rectify matters.

Owners should also bear in mind that the Committee may act as an arbitrator where

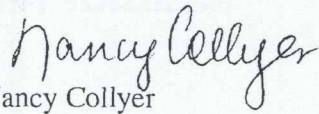
this is a dispute between owners relating to matters dealt with in the Committee Agreement. It is the responsibility of the owner to request such an arbitration. Also, individual owners may enforce their property rights directly.

We hope this is helpful and look forward to working with you.

Yours truly,

LEWIS & COLLYER

Per:


Nancy Collyer

NC/eg

encl.

GrandAveAssocL25Feb03