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BARRISTERS & SOLICITORS

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TO: SOLICITORS ACTING ON CEDAR SPRINGS TRANSACTIONS

NB: This letter should be read in conjunction with my Initial Summary letter (**CSCC Initial Letter to Solicitors 2008**) outlining the escrow closing documents and the escrow closing procedure.

Re: Cedar Springs Community Club (the “Club”)
Request for Consent to Transfer a Cottage in Cedar Springs, Burlington (the “Property”)
Request for Consent to Mortgage a Cottage in Cedar Springs

Please be advised that I have been retained by the Board of Directors of Cedar Springs Community Club to process all proposed Transfers of Membership in the Club and the associated Transfers of Title of the Vendor(s)’ real estate holdings in the Cedar Springs Community, to the Purchaser(s). I understand that you have been retained as the Vendor(s) and/or Purchaser(s) solicitor, as the case may be, with respect to such a transaction. The following is my detailed initial letter to solicitors with respect to transactions within the Cedar Springs Community, and should be of assistance in understanding the mechanics of this transaction.

The Property, owned by the Vendor(s), is one of a number of cabin/cottage lots comprising “Cedar Springs” (also known as “the Springs”), which, together with the Common Lands owned by the Club (being a non-share Corporation, the Members of which are the owners of the various cabin/cottage lots at the Springs), are subject to a General Building Scheme (Registered on Title as Instrument #15681 Nelson A2, as of June 29, 1933). This General Building Scheme is sometimes referred to as the “Flatt Agreement” as the original developer who negotiated the General Building Scheme with the other property owners in the Springs was William Delos Flatt.

Owing to the stipulations and restrictions contained in the General Building Scheme and in the By-laws of the Club, as promulgated pursuant to the terms of the General Building Scheme, the Transfer of Membership in the Club and the conveyance of any cabin/cottage lot in the Springs are subject to the prior approval of the Club and the satisfaction of other terms and conditions which will be outlined below. The purpose of this letter is to put you on notice, as a Solicitor acting on this transaction, as to the restrictions on transfer and other covenants and obligations of the Vendor(s) and the Purchaser(s) flowing from the General Building Scheme, the Club’s By-laws, Rules and Regulations and the established procedures of the Board of Directors of the Club.

The Flatt Agreement is a true General Building Scheme and not just a number of restrictive covenants. The Flatt Agreement runs with and binds the lands and the owners use of the lands. The General Building Scheme imposes positive obligations upon the property owners. In contrast to ordinary restrictive covenants, which are reserved by a Vendor, the General Building Scheme is an agreement that was entered into by:

1. William Delos Flatt (who as part of the agreement transferred to the Club all of the Common Lands which make up the golf course and other Club facilities);
2. Cedar Springs Community Club (which was incorporated by Letters Patent for the purpose of administering the General Building Scheme, managing the Common Lands and Club Facilities and as a social and summer recreational club to made up of the owners of the cabin lots comprising the Springs); and
3. Each and every original registered owner of all of the cabin lots comprising the Springs,

and is a true “Building Scheme”, which remains valid and binding and enforceable against all of the lands comprising Cedar Springs.

The Flatt Agreement imposed a number of obligations, provisions, conditions and restrictions in the body of the agreement and annexed several land use and building restrictions (which comprise the “Third Schedule” to the agreement which was Registered on Title as Instrument #15681 Nelson A2, as of June 29, 1933). In addition, the Flatt Agreement imposed upon each of the cabin lot owners, and their successors in title, the obligation to become a Member of the Club, if accepted for Membership, and to be bound by the By-laws of the Club and its Rules and Regulations as adopted from time to time.

To assist you in understanding the General Building Scheme and to make reporting to your clients easier, I have provided, as a courtesy, a summary of the General Building Scheme, its purposes and its obligations, restrictions and provisions. This summary is set out at the end of my letter as a stand-alone document. I understand that the Purchaser(s) has or will, shortly, receive a detailed Memorandum (to the Club and its Members) regarding the General Building Scheme. This Memorandum provides a detailed review of the General Building Scheme, the duties and obligations of the Purchaser(s) and the restrictions imposed. More importantly, being accepted for membership in the Club is a condition precedent to being eligible to purchase a property in the Springs and to obtain the Club’s consent to a Transfer/Deed of Land and to make the transfer of title valid.

Pursuant to the current Rules, Regulations and Procedures put in place by the Board of Directors of the Club, the Transfer/Deed of Land must be pre-approved by the Club and must contain a form of “Consent to Conveyance” as approved by the Club, must be executed by the Purchaser(s), under seal, confirming the Purchaser(s)’ agreement to be bound by the stipulations and restrictions set out in the General Building Scheme, the Club’s By-laws and any Restrictive Covenants registered on title or incorporated into the Transfer, must incorporate by reference or by the annexation of restrictive covenants the stipulations and restrictions set out in the General Building Scheme and must be executed by an authorized individual on behalf of the Board of

Directors. The specific “statements” and “Instrument Statement, 61s” schedules to be inserted in the Transfer/Deed of Land and other required documents to be executed and or registered will be provided to you in draft form separately once a Title Direction has been provided to me. If you would provide me with the exact legal description and PIN for the Subject Property and the names of the Purchasers (exactly as they will be taking Title) I will incorporate same into the required “statements” and “Instrument Statement, 61s” schedules and other closing documents. **In the meantime, sample copies of the standard schedules and documents can be downloaded from the Land Titles Office using the Registration Numbers noted at the end of this letter.**

As a result of the Springs properties having been transferred from the Registry system to Land Titles, the Club is requiring, as a condition of approving any Purchaser(s) as members and as a condition of consenting to any transfers or other registrations, that a schedule of the Restrictive Covenants be registered on title, pursuant to section 119 of the Land Titles Act. While these are, in fact, existing restrictive covenants that are contained either in the Building Scheme or in the Club’s By-laws etc., there may be a tendency to gloss over the General Building Scheme (registered in 1933) and not to conduct a full and thorough review of all prior registered documents, now that the property is in Land Titles, and the Board of Directors believes that the restating of these existing restrictions, as Section 119 Restrictive Covenants, should help to avoid any surprises to Purchaser(s) or their solicitor(s). Placing a summary of the building and land use restrictions affecting the property, clearly on the face of the property register, is also consistent with statements recently made by the Court of Appeal when considering the validity of another General Building Scheme.

I will provide the Vendor’s solicitor with the Instrument Statement, 61 “Schedule of Restrictive Covenants” to be incorporated into an “Application to Annex Restrictive Covenants S.119” (unless these restrictive covenants have previously been registered on title). This Application must be executed by the Vendor(s) and registered on title prior to the Transfer/Deed of Land. **In order to ensure that the registration number and date can be inserted in the Transfer, I will require the Application to Annex Restrictive Covenants S.119 to be registered at least 10 days prior to the Closing date and before any other documents are provided. On or before closing I will require two (2) original copies of the Schedule of Restrictions duly executed by the Vendor(s), as well as two (2) copies of the registered instrument.**

The Transfer/Deed of Land must include:

- (i) a statement that “Cedar Springs Community Club has consented to the registration of this document, subject to the continuance of registration No. ?????? (being the registration number of the above noted Application to Annex Restrictive Covenants S.119 registered against title to the property);
- (ii) by way of an Instrument Statement, 61, the Consent of Cedar Springs Community Club to the Transfer/Deed of Land, executed by Cedar Springs Community Club; and

- (iii) by the Purchaser(s)' execution of the Consent to Conveyance, **under seal**, the Purchaser(s)' covenant and agreement to be bound by and to comply with, not only the General Building Scheme and any restrictive covenants on title but also the Rules, Resolutions and By-laws regularly passed and adopted from time to time by the Club and to pay when and as due all Club Fees and Assessments. **This document must be scanned into the Transfer so that the original signatures and seals will appear in the E-reg document.**

As noted above, a sample copy of the Club's standard "Consent to Conveyance", which includes the Purchaser(s) covenant and agreement, can be downloaded from using the Registration Number noted at the end of this letter.

Pursuant to the provisions of the Flatt Agreement, the Purchaser(s) must **execute this document under seal and the Instrument Statement, 61 schedule must reflect the Purchaser(s) seal as well as signature(s).** On closing I will also require two (2) original copies of Consent to Conveyance executed by the Purchaser(s) under seal, as well as two (2) copies of the registered instrument.

The General Building Scheme, in addition to prohibiting the registration of a Deed without the Club's prior approval, prohibits the "demise, lease, conveyance, transfer or alienation" of any "right, title or interest" in any of the cabin lots without the prior written approval of Cedar Springs Community Club. Accordingly, it is my position that a cautious solicitor should advise any lender that a Mortgage will be unenforceable without Consent and that on a sale under Power of Sale any transfer to a new owner, by the lender, would require the approval of Cedar Springs Community Club and the payment of the then current Initiation Fee. Should a Purchaser obtain the Board's approval to register a Mortgage, any such Mortgage must include:

- (i) a statement that "Cedar Springs Community Club has consented to the registration of this document, subject to the continuance of registration No. ?????? (being the registration number of the above noted Application to Annex Restrictive Covenants S.119 registered against title to the property);
- (ii) an Instrument Statement, 61 "Schedule of Amendments to Charge" which confirms that any Foreclosure is prohibited and that any Purchaser under a Power of Sale requires prior Board Approval, satisfaction of any approval conditions imposed by the Board and the payment of the then current initiation fee; and
- (iii) an Instrument Statement, 61 containing a form of Consent to Charge executed by Cedar Springs Community Club.

A sample copy of the Club's standard "Schedule of Amendments to Charge" and "Consent to Charge" is available using the Registration Number set out at the end of this letter. **Where a Charge/Mortgage of Land has been authorized, I will require two (2) copies of the registered instrument.**

Similarly, to avoid transfers or other registrations without Club consent and the resultant effect of the registrations being “null and void” under the General Building Scheme and the Member being automatically deemed “not-in good-standing” under the By-laws (and therefore ineligible to enjoy the Club’s facilities etc. and forfeiting any rights to the Corporation (being the Club and the owner of the Common Lands) or its assets) the Club requires that, immediately upon the completion of a sale transaction, the Purchaser(s) register a Section 118 Prohibition on any further registrations without Club Consent. This Section 118 Prohibition is by way of an Application to Annex Restrictive Covenants S.118 which will include, by way of a Instrument Statement, 61 schedule, a prohibition on any future transfers, leases or charges without the consent of Cedar Springs Community Club. A sample copy of the Club’s standard “Application to Annex Restrictive Covenants, Section 118” is available using the Registration Number set out at the end of this letter.

All of the required Instrument Statement, 61 schedules will be prepared, in draft form, by me as part of my fee (see below). It will be up to the registering solicitors to complete the draft forms by inserting appropriate registration numbers to correspond to the Application to Annex Restrictive Covenants etc. **These draft schedules will be provided by email in “PDF” format. Please advise as to the correct email address to receive.**

All documents should show the address for service of Cedar Springs Community Club as:

c/o Bryan D. Hackett
Barrister & Solicitor
229 - 730 Yonge Street
Toronto, Ontario
M4Y 2B7

As a further aid, I will be attaching to this letter a separate memorandum outlining the authority for and source of each of the Club’s documents and each of the covenants and restrictions therein contained.

Please note that as the subject Property **has not been designated** as a “permanent or year-round residence” under the Club’s By-law 13, which was passed in accordance to Burlington’s Official Plan. The provisions in the Consent to Conveyance and/or the Restrictive Covenants confirm that **the Cabin Lot is to be used for summer seasonal recreational use only**. Currently there is a general resolution of the Board of Directors, of Cedar Springs Community Club which grants relief to the owner of a Springs property to occupy his or her cottage for up to 60 days during the period from November 1st up to and including May 1st in each successive year (the "off-season") without having to seek further Board approval and without being in violation of this restriction or By-law 15, Article 9 (under which violators lose all the Privileges of Membership). I would caution that this general resolution for 60 days is subject to revocation/non-renewal by the Board and must be renewed annually to be effective. Otherwise, cottage use during the off-season is limited to recreational use on occasional weekends and statutory holidays only (without prior Board approval).

For clarity, I would point out that any consent or approval which may be provided by the Club, from time to time, is effective as against the Club (i.e. Cedar Springs Community Club, the Corporation) only. Notwithstanding that the Burlington Official Plan recognizes Cedar Springs as a self regulating summer recreational community, additional permits and approvals may be required from municipal or other governmental bodies with respect to the Purchasers' intended use and occupation of the subject Property. Further, I would advise that the stipulations and restrictions contained in the Third Schedule of the General Building Scheme are "for the benefit and protection of the owner or occupier from time to time of every other of the said lots in the Springs". Therefore, notwithstanding any approval of any renovation plans or any other proposals by the Purchaser(s), by the Club, it is the obligation of the owner of the above noted Lands to ensure that his or her actions are in compliance with the General Building Scheme and in particular, its Third Schedule.

The Club's approval of the purchaser is conditional upon: (i) payment of the Club's then current initiation fee (\$20,000.00 plus G.S.T.); (ii) payment of any arrears of Annual Dues or other amounts owing to the Club by the Vendor; and (iii) the prior review and approval of and the execution, registration and delivery, as the case may be, of the following closing documents (true copies of which must be delivered on or before closing):

1. Copy of Registered E-reg Section 119 Restrictions (Vendor's Solicitor);
2. Original copy of Schedule of Section 119 Restrictions duly executed by the Vendor (Vendor's Solicitor);
3. Resignation of the Vendor(s) from Cedar Springs Community Club (Vendor's Solicitor);
4. Copy of Registered E-reg Transfer (Purchaser's Solicitor);
5. Original Consent to Conveyance, duly executed and sealed by the Purchaser(s) (Purchaser's Solicitor);
6. Copy of registered E-reg Mortgage, if a mortgage was approved (Purchaser's Solicitor);
7. Copy of registered E-reg Section 118 Restrictions (Purchaser's Solicitor);
8. Original Schedule of Section 118 Restrictions duly executed by the Purchasers (Purchaser's Solicitor);
9. \$20,000.00 plus G.S.T. in certified form payable to Cedar Springs Community Club (Purchaser's Solicitor), unless paid in advance;
10. Payment of any outstanding arrears of Annual Dues, in certified form, payable to Cedar Springs Community Club (Purchaser's Solicitor), unless paid in advance;

11. Septic Undertaking (Purchaser's Solicitor) unless a septic certificate, confirming that the septic system is in good working order and condition, has been received and approved by Cedar Springs;
12. Payment of my Legal Fees with respect to the Purchase estimated to be \$650.00 (Purchaser's Solicitor): and
13. Payment of my Legal Fees with respect to any Charge/Mortgage, if applicable, estimated to be \$450.00 (Mortgagor's Solicitor)

In addition, pursuant to the terms of the Flatt Agreement, the transfer to the Purchaser is conditional upon the Club approving any proposed sale by the Vendor. While the Flatt Agreement provides that the Club's consent will not be unreasonably withheld, the Club could refuse to consent where the Vendor is in arrears of fees, is not a Member in Good Standing or is otherwise in breach of the Flatt Agreement, the Club's By-laws or Rules and/or could make its consent conditional upon the rectification of any such matter(s). The Flatt Agreement also relieves the Club from any liability in the event that it refuses to provide its consent to a proposed demise, conveyance, transfer or alienation, gift, or agreement.

To reduce the legal costs involved, the Club's Consent to Conveyance is typically provided to the Vendor's and Purchaser's solicitors in escrow conditional upon delivery of the above noted documents and payment of the Club's legal expenses for the Purchase (\$650.00 plus disbursements and GST) as well as any Mortgage approved by the Club (\$450.00 plus disbursements and GST). Any registration costs are to the account of the Purchaser.

If the Club has not already received and negotiated payment of the required Initiation Fee, I will require that the Initiation Fee be delivered to me, in escrow prior to closing, in certified form payable to Cedar Springs Community Club.

If not already delivered, please forward to me, a copy of the Agreement of Purchase and Sale with respect to the above noted Property, so that I may review same, with a view to scheduling preparation of required documents and forwarding necessary materials to you.

Please forward a copy of the Parcel Register for the subject property so that I might verify the legal description and other details for inclusion in the closing documents.

As noted above, I am setting out below the Registration Numbers for Sample Documents and, on the next few pages, a copy of my Summary of General Building Scheme (for new Members) and my Memorandum outlining the authority for and source of all covenants and restrictions contained in the Club's closing documents.

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Registration Numbers for sample Registration Documents:

- HR270387: Sample Application to Annex Restrictive Covenants S.119. Please note that Cedar Springs requires the Instrument Statement, 61 Schedule of Restrictions to be scanned in with original signatures.
- HR274530: Sample Transfer containing Instrument Statement, 61 "Consent to Conveyance". Please note that Cedar Springs requires the Instrument Statement, 61 Schedule of Restrictions to be scanned in with original signatures and seals.
- HR221387: Sample Charge and Instrument Statement, 61 "Consent to Charge" and "Schedule of Amendments to Charge".
- HR221388: Sample Application to Annex Restrictive Covenants S.118.

CSCC Detailed Letter to Solicitors 2008

TO: CEDAR SPRINGS COMMUNITY CLUB

AND TO: NEW MEMBERS - CEDAR SPRINGS COMMUNITY CLUB

**RE: CEDAR SPRINGS COMMUNITY CLUB
SUMMARY OF GENERAL BUILDING SCHEME
Registered as Instrument No. 15681 Nelson A2 - June 29, 1933**

General Building Scheme

By way of summary, I would advise that the execution of the General Building Scheme, by the then 78 cabin owners in the Springs and W. D. Flatt (the original developer of the Springs) coincided with the establishment of the Club, being a Private Club made up of the cabin owners of the Springs. Based on my review of relevant documents, the purpose of entering into the General Building Scheme was to ensure that:

1. Further development of cabin lots at the Springs was curtailed.
2. The Springs was to remain, to the extent possible, in its natural or wild state, with any cabins/cottages being and remaining in a rustic state.
3. That ownership of the Cabin Lots and the use of the Common Lands remained for Club Members only.
4. That Club Membership would be limited to individuals who were not only acceptable to the other Members, but those who would appreciate and respect the health and recreational benefits to be derived from having a "Summer Recreational Home" in a pristine, undeveloped, wilderness retreat.

Obligations, Restrictions and Provisions

The General Building Scheme included a number of obligations, restrictions and provisions which were intended to insure that the above goals were met. These included:

1. The requirement that membership in the Club was a pre-requisite for acquiring Title or Ownership to a cabin at the Springs.
2. That no Deed, Mortgage, Lease or any other conveyance of a Cabin Lot was to be affective unless and until the document (Deed, Mortgage, Lease or Rental Agreement) had been consented to by the Cedar Springs Community Club ("Consent to Conveyance"). A failure to obtain the Club's signature to any such document rendered the document null and void and of no force or effect.
3. On any sale of a Cabin Lot, the purchaser was required to sign his name under seal to a Deed incorporating the stipulations and restrictions set out in the General Building Scheme (contained in the Consent to Conveyance to be executed by the Purchaser(s)).
4. Each owner was obligated and had to agree to become, (providing that he or she was acceptable to the Club) a Member of the Cedar Springs Community Club and had to agree to observe and comply with the "Rules, Resolutions and By-laws regularly passed

and adopted from time to time by the Corporation” (these obligations are contained in the Membership Application Form and the Consent to Conveyance).

5. Requiring that a minimum 75% of the Members of the Club must agree in writing before it was or is possible to release, waive or modify, either wholly or in part, all or any of the stipulations, provisions, obligations or restrictions imposed on Title to the Cabin Lots.
6. Specifically indicating that no buildings could be erected on the Cabin Lots except in accordance with plans and elevations which had been first approved in writing by the Club.
7. Prohibiting any trade or business being carried on, on the Lands, without the consent of the Club.
8. Limiting the number of dwelling units to one per Cabin Lot.
9. Requiring a minimum value to any dwelling being built.
10. Requiring that any building constructed on any Cabin Lot be of a “rustic nature” in keeping with those already constructed on other portions of the Springs Property.
11. Requiring that all trees and shrubs be preserved as far as possible.
12. Allowing the Club to levy dues and fees and requiring the Cabin Owners to pay all dues and fees so levied or to have a lien placed against their Property.
13. Granting a lien, against the cabin lot(s), in favour of the Club with respect to any dues or fees levied by the Club.
14. Granting a first Charge/Mortgage against the cabin lot(s) as security for the payment of all dues and fees levied by the Club.

The foregoing summary of the General Building Scheme and its Obligations, Restrictions and Provisions contain the writer’s interpretation of the General Building Scheme based on the writer’s review of other relevant documents produced in the early 1930’s or thereabouts. This summary is provided to alert New Members of the Cedar Springs Community Club and their solicitors of the existence of the General Building Scheme and its general obligations, restrictions and provisions. The summary is for information purposes only and is not an opinion. Club Members should rely upon their solicitor and their solicitor’s opinion rather than this summary.

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TO: SOLICITORS ACTING FOR NEW MEMBERS - CSCC

**RE: CEDAR SPRINGS COMMUNITY CLUB - CSCC
SUMMARY OF AUTHORITY FOR AN SOURCE OF COVENANTS AND
RESTRICTIONS CONTAINED IN REQUIRED CLOSING DOCUMENTS**

Recognizing that your client(s) may have questions regarding the Cedar Springs documents to be signed and/or registered on closing, I will attempt to provide you with some insight into the authority for and source of the covenants and restrictions contained in these documents. After outlining the sources of the covenants and restrictions, I will attempt to relate each covenant or restriction (using the numbering scheme of those documents) to its source and the appropriate section or paragraph reference in the source.

The source of the bulk of these covenants and restrictions is the General Building Scheme (sometimes known as the Flatt Agreement) being Instrument 15681. The General Building Scheme contained covenants and restrictions not only in the body of the agreement but also in the Third Schedule (being a list of building and land use restrictions). As contemplated by the General Building Scheme, Cedar Springs Community Club has passed By-laws and rules which are the source of some of these covenants and restrictions. Pursuant to the By-laws, the Club's consent to a new Member and to a transfer of the lands may be made subject to other conditions or provisions and the execution of all documents required by the Board (see Section 7.02 of By-law 15). Lastly there is the Burlington Official Plan which limits use to seasonal recreational use except for several legal non-conforming properties which were exempted from this provision of the Official Plan (this lot **not** being one of the exempted properties). As part of the arrangements and negotiations between the City of Burlington and the Club, at the time of the passage of the Burlington OP, the Club passed By-law 13 which implemented the summer seasonal restrictions on the designated cottage lots and subsequently By-law 15, Article 9 which defined the summer and the off-season periods and created serious consequences for violators of the off-season use restrictions. These By-laws were upheld in a 1999 Ontario Court of Appeal decision in favour of the Club.

Section 118 Restrictions - Prohibiting Registrations without Club Consent

This document, required by the Board pursuant to Section 7.02 of By-law 15, reflects the provisions of paragraphs 5 and 6, page 4, of the General Building Scheme. Due to the move to Land Titles, and the concern that title searches may not be thorough enough to readily find the prohibition in the General Building Scheme, the Board is using this registration to ensure compliance and to save Purchaser's from ending up with a "null and void" registration and Vendor(s) and Purchaser(s) becoming Members or Shareholders "Not-in-Good-Standing" under the By-laws.

Consent to Conveyance

Obtaining the Club's Consent to any conveyance or other alienation of title is required pursuant to Paragraph 5, Page 4 of the General Building Scheme.

1. (i) The General Building Scheme, in paragraph 3, page 3, requires that any Purchaser must sign his name and affix his seal to a Deed which incorporates the stipulations and restrictions contained in the General Building Scheme. **(A stationer's seal must be affixed next to the Purchaser(s)' signature(s))**

1. (ii) Paragraph 9 of the General Building Scheme, page 5, requires the Purchaser(s) to agree to become a Member and to be bound by the “rules, resolutions and By-laws” of Cedar Springs Community Club (the “Corporation”).
1. (iii) As the Restrictive Covenants flow from the General Building Scheme, By-laws etc. the Board requires that the Purchaser agree to abide by same. Please refer to my notes, below, regarding the Restrictive Covenants, in this regard.
2. The obligation to pay is set out in paragraph 9 of page 5 of the General Building Scheme, as well as in the By-laws.
3. The lien and charge was originally reserved in paragraph 10, page 5, of the General Building Scheme. Again, it has been abstracted here to ensure that it is not overlooked during a title review.
4. The Club’s consent is required failing which the Transfer would be null and void as per paragraph 5, page 4, of the General Building Scheme.
5. To avoid having to review every prior Transfer in the chain of title, the Club is providing confirmation of its consent to all such prior Transfers for this property.

S.119 Restrictive Covenants

1. This is a clear notice that the property and its use is subject to the General Building Scheme and confirms that the property is to be used only as permitted thereunder.
- 2.(i-ii) The Summer Seasonal Recreational Restriction flows from the City of Burlington Official Plan and is reflected in By-law 13 and Article 9 of By-law 15.
- 2.(iii) This is a clear notice that the property and its use is subject to the “rules, resolutions and By-laws” of Cedar Springs Community Club as is stated in the General Building Scheme.
3. Again, the Summer Seasonal Recreational Restriction flows from the Burlington Official Plan and is reflected in By-law 13. Among other things, Article 9 of By-law 15 defines the off-season to be the period from November 1st up to and including May 1st in each successive year. The Burlington O.P. limits seasonal cottages to recreational use and prohibits their conversion to permanent or year-round residences (and, for greater certainty, the various legal equivalents). Currently there is a general resolution of the Board of Directors, of Cedar Springs Community Club which grants relief to the owner of a Springs property to occupy his or her cottage for up to 60 days during the "off-season" without having to seek further Board approval and without being in violation of this restriction or By-law 15, Article 9 (under which violators lose all the Privileges of Membership). I would caution that this general resolution for 60 days is subject to revocation/non-renewal by the Board and must be renewed annually to be effective. Otherwise, cottage use during the off-season is limited to recreational use on occasional weekends and statutory holidays only (without prior Board approval) and may be further limited by actions of Provincial or municipal regulatory authorities to implement the intent of the Burlington O.P. or health and environmental policies or regulations.

4. Paragraph 9 of the General Building Scheme, page 5, requires the Purchaser to agree to become a Member and to be bound by the “rules, resolutions and By-laws” of Cedar Springs Community Club (the “Corporation”). By-law 15 indicates that on a failure to comply with the terms of the “rules, resolutions and By-laws” of Cedar Springs Community Club or the General Building Scheme, the member may be suspended, expelled or deemed a Member not in Good Standing and may forfeit all rights as against the Corporation. Pursuant to the By-laws, the Club’s consent to a transfer may be made subject to other conditions or provisions and the execution of all documents required by the Board (see Section 7.02 of By-law 15).
5. The City of Burlington Official Plan has recognized the Cedar Springs Community as a self regulating community and has prohibited permanent or year round residential use other than for a few exempted properties (this property **not** being one of the exceptions). See also 3. Above.
6. The Club’s consent is required failing which the Transfer would be null and void as per paragraph 5, page 4, of the General Building Scheme. Pursuant to the By-laws, the Club’s consent to a transfer may be made subject to other conditions or provisions and the execution of all documents required by the Board (see Section 7.02 of By-law 15).
7. The Club’s consent is required failing which any such “demise, lease, conveyance, transfer or alienation” would be null and void as per paragraph 5, page 4, of the General Building Scheme.
8. This is a restatement of Restrictions #1 and #3 of the Third Schedule to the General Building Scheme.
9. This is a restatement of Restrictions #2 of the Third Schedule to the General Building Scheme.
10. This is a restatement of Restrictions #3 of the Third Schedule to the General Building Scheme.
11. This restrictions flows not only from Restriction #3 of the Third Schedule to the General Building Scheme but also the “rules, resolutions and By-laws” of Cedar Springs Community Club.
12. This is a restatement of Restrictions #4 of the Third Schedule to the General Building Scheme.
13. The By-laws” of Cedar Springs Community Club delegate to the Board the right to interpret and apply the “rules, resolutions and By-laws” of Cedar Springs Community Club.

I trust that this overview will be of assistance in your review of the Club’s required documents and that the Restrictive Covenants will help to summarize, for your client or any future Purchaser(s), the building and land use restrictions and obligations which apply to these lands.

Bryan D. Hackett