

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**FRONTENAC MORTGAGE INVESTMENT CORPORATION**

Applicant

and

**HYDE PARK RESIDENCES INC.**

Respondent

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**SUPPLEMENT TO THE THIRD REPORT OF THE  
RECEIVER AND MANAGER**

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June 3, 2015

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**Exhibits:**

- A Revised Minutes of Settlement with the City of Ottawa and the Purchaser
- B Revised Life Lease Occupancy Agreement proposed by the Purchaser (with black-lined changes)

## Introduction

1. By Order of the Ontario Superior Court of Justice (the "**Court**") dated February 20, 2014 (the "**Appointment Order**"), Deloitte Restructuring Inc. was appointed as the receiver and manager (collectively referred to as the "**Receiver**") of the assets, undertakings and property (the "**Property**") of Hyde Park Residences Inc. ("**Hyde Park**"), including all of the lands and premises known municipally as 6143 Perth Street, Richmond, and more particularly described in Schedule A to the Appointment Order (the "**Lands**").
2. Due to changing circumstances, the Receiver has prepared this "Supplement" to its third report, dated May 28, 2015, which is scheduled to be presented to the Court on June 4, 2015.
3. The purpose of the third report of the Receiver (the "**Third Report**") was to:
  - a) Provide the Court with a description of the Receiver's activities since the Second Report; and
  - b) Provide the Court with the evidentiary basis to make an Order, requested by the Receiver, that:
    - i.) Approves the activities of the Receiver as described in the Third Report;
    - ii.) Approves the Receiver to continue pursuing completion of the conditional Agreement of Purchase and Sale for the Property received from 9114785 Canada Inc. (the "**Purchaser**").
    - iii.) Approves an increase in the Receiver's borrowing limit from \$1,550,000 to \$1,735,000.
    - iv.) Approves the Receiver's proposed minutes of settlement with the City of Ottawa ("**City**") (attached as Exhibit "A" to the Third Report), subject to any immaterial amendments required by the City, in order to resolve the issues raised by the Receiver in its previous reports with respect to the deferred development charges of \$673,164.61 and the interest and fees that have accrued on the development charges and property taxes since March 4, 2014.
4. The purpose of this Supplement is to:
  - a) Update the Court on significant activities that have occurred since the date of the Receiver's Third Report;

- b) Revise part of the Order requested in the Third Report (i.e. paragraph 3(b)(iv) above) as follows:
  - iv.) Approves the revised minutes of settlement with the City and the Purchaser (attached as **Exhibit “A”** to this Supplement).
- c) Provide the Court with the evidentiary basis to make the revised Order.

## **Terms of Reference**

- 5. In preparing this Supplement, the Receiver has relied upon the following information provided by third parties, such as the Property’s current residents (“**Residents**”), the Purchaser and the City (including these parties’ legal counsel).
- 6. The Receiver has not audited the information received.
- 7. Unless otherwise stated, all dollar amounts contained in this Supplement are expressed in Canadian dollars.
- 8. Capitalized terms not otherwise defined in this Supplement are as defined in the Appointment Order.

## **Status of the Realization of Property as at the Date of the Third Report**

- 9. As noted in the Third Report, a conditional Agreement of Purchase and Sale (“**APS**”), was executed with the Purchaser on May 1, 2015. This APS was conditional upon (1) a further due diligence period of 15 business days (i.e. to May 25, 2015), and (2) the approval of the Court. The due diligence period was subsequently extended to June 3, 2015.
- 10. As at the date of the Third Report, three (3) main issues remained unresolved for the Purchaser:
  - 1) The status of the deferred development charges (that the City had added to the Lands’ tax roll on March 4, 2014) and related accrued interest, the security deposit that had been originally posted by Hyde Park, and the reissuance of building permits for the Project;
  - 2) The Purchaser’s recent requirement that the existing Life Lease Occupancy Agreements (“**LLOA**”s) be substantially revised, and that Purchaser’s proposed amendments be approved by the Court; and

- 3) Finalizing the APS.
11. In its Third Report, the Receiver stated that it was prepared to recommend approval of the APS to the Court, provided that the Purchaser could resolve its outstanding issues with the City and reach substantial agreement with the Residents on its proposed amendments to the LLOAs (or satisfy the Receiver that all of its proposed amendments were critical to its plans for the Project going forward, and that it could not wait for input from the Residents).

## **Significant Activities that have occurred since the Date of the Third Report**

### ***General***

12. All of the parties involved in this matter have been working aggressively towards resolving the remaining issues in order to be able to present a final APS to the Court for approval on June 4, 2015. Unfortunately, some of the issues could not be resolved by the date of this Supplement. Thus, the due diligence period referred to above (in paragraph 9) has been extended until June 5, 2015. It is anticipated that the remaining issues will be resolved very shortly.

### ***Deferred Development Charges and Property Taxes***

13. After the date of the Receiver's Third Report, the Purchaser and Receiver met with City officials to discuss (1) the Purchaser's new proposal to pay the outstanding development charges owing to the City upon closing of its purchase of the Property, (2) how interest on both the development charges and property taxes would be dealt with, and (3) other matter relating to the Purchaser's plan for the Property. Based on these discussions, revised minutes of settlement between the City, the Purchaser, and the Receiver, were drafted. These minutes are attached as **Exhibit "A"**. All parties to the minutes have indicated that they are willing to execute the minutes forthwith. The Receiver's previously proposed minutes of settlement (attached as Exhibit "A" to the Third Report) are no longer relevant.

### ***Proposed Amendments to the LLOAs***

14. As noted in our Third Report, the Residents' legal counsel had expressed concerns about being able to adequately review and respond to the numerous amendments proposed to the LLOAs by June 4, 2015 (the scheduled Court hearing date), given that the proposed amendments had only been provided to him on May 26, 2015. As a result, the Purchaser subsequently reduced the number of

proposed amendments to five (5), which it believes are critical to its plan going forward. The revised amended LLOA is attached as **Exhibit “B”**. The Purchaser advised the Receiver that many of the original proposed amendments had been made to simply clean up and update the LLOA, as many of the original clauses were no longer relevant. The Purchaser believes that it can work with the Residents to effect these changes after its APS is approved.

15. Legal counsel for the Residents recently advised the Receiver’s legal counsel that he is optimistic the Residents can come to an agreement with the Purchaser on the revised proposed amendments to the LLOAs, but that additional time is required to properly canvass the many Residents.

### ***Finalized Agreement of Purchase and Sale***

16. The Purchaser has proposed amendments to the APS to reflect the impact of the revised minutes of settlement noted above, and the proposed amendments to the LLOAs. The amended APS is expected to be finalized within the next few days.

### **Requests to the Court**

17. For the reasons set out above, and in its Third Report, the Receiver requests that the Court make an Order:
  - a) Approving the activities of the Receiver as described in the Third Report and this Supplement;
  - b) Approving the Receiver to continue pursuing completion of the conditional APS for the Property received from the Purchaser.
  - c) Approving an increase in the Receiver’s borrowing limit from \$1,550,000 to \$1,735,000 (in the event it is required).
  - d) Approving the revised minutes of settlement with the City (attached as **Exhibit “A”** to this Supplement).

All of which is respectfully submitted, this 3<sup>rd</sup> day of June 2015.

DELOITTE RESTRUCTURING INC.,

In its capacity as Receiver and Manager of Hyde Park Residences Inc.  
and not in its personal capacity

Per:

A handwritten signature in blue ink, appearing to read "John Saunders", with a long horizontal flourish extending to the right.

John Saunders, CPA, CA, CIRP, Trustee  
Vice President

## **Exhibit “A”**

Revised Minutes of Settlement with the City of Ottawa and the Purchaser



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Court File No. 14-59998

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

BETWEEN:

**FRONTENAC MORTGAGE INVESTMENT CORPORATION**

Applicant

and

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**HYDE PARK RESIDENCES INC.**

Respondent

**APPLICATION UNDER** section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended.

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**MINUTES OF SETTLEMENT**

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**WHEREAS** the Respondent Hyde Park Residences Inc. (“Hyde Park”) is the owner of lands and premises whose municipal address is 6143 Perth Street (Richmond) in the City of Ottawa and whose legal description is listed in Schedule “A” hereto (the “Lands”);

**AND WHEREAS** by Order of the Ontario Superior Court of Justice dated February 20, 2014, Deloitte Restructuring Inc. (“Deloitte”) was appointed as Receiver and Manager of the Lands, as well as of all of Hyde Park’s interest in assets and undertakings of any kind or nature, present and after-acquired, and located on or solely pertaining to the Lands or used in relation to the development of the Lands and the construction of improvements thereon, including any proceeds thereof (the “Property”);

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**AND WHEREAS** Deloitte, in its capacity as Receiver and Manager of the Property, has entered into an agreement of purchase and sale with 9114785 Canada Inc. ("9114785") in which 9114785 has agreed to purchase, and Deloitte has agreed to sell, the Property;

#### Site Plan Agreements and Performance Deposits

**AND WHEREAS** pursuant to the City of Ottawa's Site Plan Control By-law and in accordance with Section 41 of the *Planning Act*, R.S.O. 1990, c. P.13, the City of Ottawa has the authority to enter into agreements with a property owner that requires the property owner to construct and/or perform certain works, on its own property and sometimes on public property, to, for example, bring municipal services to a proposed development on the owner's property, link the property to public roadways and/or add landscaping on or around the development site (a "Site Plan Agreement");

**AND WHEREAS** the City of Ottawa has the authority when entering into a Site Plan Agreement to require a property owner to post with the City of Ottawa security, in the form of cash, a certified cheque or an irrevocable letter of credit, to secure the owner's performance of the owner's obligations to construct and/or perform the works listed in the Site Plan Agreement ;

#### Development Charges

**AND WHEREAS** pursuant to the *Development Charges Act*, 1997, S.O. 1997, Chapter 27, municipalities in Ontario are allowed to pass by-laws imposing development charges against land to pay for increased municipal capital costs required because of an increased need for services arising from development of specified areas;

**AND WHEREAS** the City of Ottawa enacted, pursuant to the *Development Charges Act*, 1997, By-law 2009-216 which imposes development charges on residential and non-residential properties within the City of Ottawa ("Development Charges");

**AND WHEREAS** By-law 2009-216 provides that Development Charges are to be paid by a property owner when a building permit is issued to develop a property;

Hyde Park Enters into Site Plan Agreements with the City of Ottawa and Pays a Performance Deposit

**AND WHEREAS**, before the appointment of Deloitte as Receiver and Manager of the Property, Hyde Park and the City of Ottawa entered into one or more Site Plan Agreements involving the planned construction of buildings known as Apartment A and Immanuel House, which Site Plan Agreements were registered against legal title of some or all of the Lands;

**AND WHEREAS** in or about 2010, Hyde Park posted with the City of Ottawa a Performance Deposit of \$647,000 in cash to secure its performance of its obligations under the Site Plan Agreements (the "Performance Deposit");

Hyde Park Enters into an Agreement with the City of Ottawa to Pay, and Defer Payment of, Development Charges

**AND WHEREAS** in or about 2010, Hyde Park and the City of Ottawa entered into an agreement in which Hyde Park agreed to pay the City of Ottawa Development Charges in respect of the construction of Apartment A and Immanuel House in the amount of \$673,164.61;

**AND WHEREAS** in or about 2010, Hyde Park and the City of Ottawa entered into an agreement whereby the City of Ottawa agreed to allow Hyde Park to defer payment of the Development Charges for a period of time after the City of Ottawa issued a building permit for the construction of Apartment A and Immanuel House (the "Deferred Development Charges");

The Private Communal Water System and Private Communal Wastewater System Responsibility Agreement

**AND WHEREAS** in or about March 2011, the City of Ottawa and Hyde Park entered into an agreement regarding the construction, maintenance and operation of a private communal water system and a private communal wastewater system to serve some or all of the Lands, which agreement was registered on legal title of some or all of

the Lands in the Land Registry Office No. 4 on or about March 24, 2011 as instrument number OC1217889 (the “Private Communal Water System and Private Communal Wastewater System Responsibility Agreement”);

The Construction of Apartment A and Immanuel House

**AND WHEREAS** in or about 2010, Hyde Park began construction of Apartment A and Immanuel House which construction stopped in or about 2013 without Apartment A and Immanuel House being completed;

**AND WHEREAS** following its purchase of the Property, 9114785 intends to proceed with construction of Apartment A and Immanuel House;

**AND WHEREAS** the City of Ottawa, Deloitte and 9114785 have agreed to resolve issues involving interest owing on municipal property taxes and the payment of the Deferred Development Charges;

**THE PARTIES HEREBY AGREE AS FOLLOWS:**

1. Immediately upon closing of the agreement of purchase and sale for all or substantially all of the Property between Deloitte and 9114785, 9114785 shall pay to the City of Ottawa the sum of \$673,164.61 in respect of the Deferred Development Charges.
2. Upon receipt of the sum of \$673,164.61 from 9114785, the City of Ottawa shall confirm in writing to Deloitte and to 9114785 that the City of Ottawa has waived any and all interest, fees or other charges owing in respect of the Deferred Development Charges, including any interest, fees or other charges owing in respect of the Deferred Development Charges that the City of Ottawa has transferred to the municipal tax rolls of the Lands.
3. Deloitte shall pay to the City of Ottawa, upon closing of its agreement of purchase and sale with 9114785 for all or substantially all of the Property, all municipal property taxes assessed and owing in respect of the Lands, including

any interest applicable to unpaid and overdue municipal property taxes in respect of the Lands.

4. The City of Ottawa confirms its consent to 9114785 receiving an assignment of the Site Plan Agreements, the Private Communal Water System and Private Communal Wastewater System Responsibility Agreement, and all municipal permits, licenses, approvals and authorizations relating to the development and construction of Apartment A and Immanuel House, and that upon 9114785 acquiring registered title to the Property, the Performance Deposit shall stand as credit for the Site Plan Agreements for the benefit of 9114785, and all municipal permits, licenses, approvals and authorizations relating to the development and construction of Apartment A and Immanuel House shall be reactivated in the name of 9114785 without additional cost or obligation, save and except for a fee of \$80.00 that applies to the transfer of each building permit.
5. Following its purchase of all or substantially all of the Property from Deloitte and when the City of Ottawa has confirmed that 9114785 has fulfilled sufficient obligations under the Site Plan Agreements to entitle 9114785 to the return of the Performance Deposit, 9114785 grants the City of Ottawa authority to direct payment of the first \$25,000 of the Performance Deposit that would otherwise be repaid by the City of Ottawa to 9114785 to the reserve fund provided for the Private Communal Water System and Private Communal Wastewater System Responsibility Agreement which monies shall be used to partially pay the shortfall in the reserve fund existing as of the date of these Minutes of Settlement.
6. This Minutes of Settlement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

Signed on the \_\_\_\_\_ day of June, 2015.

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**DELOITTE RESTRUCTURING INC., in its capacity as the Receiver and Manager of Hyde Park Residences Inc.**

Per:

\_\_\_\_\_  
I have authority to bind the corporation.

Signed on the \_\_\_\_\_ day of June, 2015.

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**9114785 CANADA INC.**

Per:

\_\_\_\_\_  
I have authority to bind the corporation.

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Signed on the \_\_\_\_\_ day of June, 2015.

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**CITY OF OTTAWA**

Per:

\_\_\_\_\_  
Name:

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## **Exhibit “B”**

Revised Life Lease Occupancy Agreement proposed by the Purchaser  
(with black-lined changes)



**LIFE LEASE OCCUPANCY AGREEMENT**

**HYDE PARK RESIDENCES**

**(Phase 1c)**

Sponsored  
by:

**COURTYARD DEVELOPMENTS  
INC.**

**1 Neely  
Street, R.R.  
#1  
DUNROBIN,  
ONTARIO K0A 1T0**

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“Hyde Park Residences (Phase 1c)”; Agreement (the "Lease") with the Corporation, relating to unit #, in Block # \_\_\_\_\_, of Hyde Park Residences (Phase 1c) (the “Unit”), in the approximate location shown on the site plan of Hyde Park Residences (Phase 1c) attached as Schedule “F”.

3. Subsequent to the original date of this Lease (the “Original Lease”) Hyde Park Residences Inc. (“HPRI”) became insolvent and by Order of the Ontario Superior Court of Justice (the “Court”) dated February 20, 2014 (the “Receivership Order”), Deloitte Restructuring Inc. (the “Receiver”) was appointed receiver and manager of the Lands and all of HPRI’s interest in assets and undertakings of any kind or nature located on or solely pertaining to the Lands and construction or improvements thereon (the “HRPI Property”), including, without limitation, the interests of HRPI in the Original Lease. Following a Court-approved marketing and sales process for the HRPI Property (the “Sale Process”), the Court has approved the sale and assignment of certain parts of the HRPI Property, including the interests of HRPI in the Original Lease, to 9114785 Canada Inc. (the “New Landlord”) on and subject to certain conditions, including without limitation, that the Original Lease (a) be assigned to and become vested in the name of the New Landlord from and as of the date of the closing of such sale and assignment (the “Effective Date”), it being confirmed by the Resident that the New Landlord shall have no responsibility or liability for any defaults made by HPRI or any party related to HRPI under the Original Lease prior to the Effective Date, including in respect of any deficiencies in reserve funds which were required to be maintained under the terms of the Original Lease and (b) be deemed to be amended and restated as ordered by the Court and on the terms set out herein without any further act by the Resident to, among other things: (i) preserve the rights of the Resident to occupy his/her or its Unit; (ii) delete any reference to and extinguish the Resident’s current or future interest in the Lands, the buildings or appurtenances therein and thereon, (iii) delete any reference to and extinguish the Resident’s current or future interest in the development and ownership scheme formerly known as “Life Lease Residences”, or in HRPI or any corporation or other entity affiliated with HRPI or the Life Lease Residences project and all phases thereof; and (iv) reflect certain consequential amendments resulting from the fact that, unlike HRPI, the New Landlord is not a not-for-profit corporation and to reflect that the Resident’s interest in the HRPI Property shall be limited to the Resident’s right to occupy the Resident’s Unit and to use the Common Areas and Facilities (as defined below) and to transfer that right to occupy and right to use in accordance with the terms of the Lease. Hereinafter, where the context so requires, all references to the “Corporation” shall be references to the “New Landlord” and all references to the “Completion Date” shall be references to the Effective Date. Furthermore, where the context so requires, all provisions relating to the original construction and sale of the Units, including without limitation paragraphs 5 to 13, 28, 30, 31, 38, 40, 41,

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42, 43 below and Schedules "A", "C" and "E" attached to the Original Lease are no longer applicable;

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In return for all parties fulfilling their obligations under the Lease, and for other and valid legal consideration (the receipt and sufficiency of which is acknowledged by all parties), the parties agree as follows:

**MEANING OF WORDS**

4. In this Lease:
  - 4.1 "all of us" means all of the Corporation, the Resident and the Purchaser;
  - 4.2 "you" and "your" means both the Resident and the Purchaser, and their legal or personal representatives;
  - 4.3 "our architect" means whatever architect we retain, from time to time, in our sole discretion, to provide architectural services to us relating to Hyde Park Residences including any and all phases thereof ;
  - 4.4 "we", "us" or "our" means the Corporation.
5. **Development of Hyde Park Residences (Phase Ic):** We agree to construct Hyde Park Residences (Phase Ic) and the Unit substantially following the draft plans and specifications prepared by our architect and all architectural, structural, engineering, landscaping, site plan, grading, mechanical, site service or other plans (the "Plans").
6. **Changes in plans:** We may modify the Plans in our discretion, or as required to do so by any governmental authority or lender, provided that your consent to any such modifications, which in the opinion of our architect materially affect the Unit or its use, is obtained prior to making such modifications, such consent not to be unreasonably withheld or delayed. Should you be unwilling to consent in writing to any such material modifications within two days following any such request by us, you may terminate the Lease within such two day period, and we must return the Deposit, as defined under paragraph 13, without interest or deduction within sixty (60) days. Your failure to object by written notice to us, to any such material modification, within such two days shall constitute your approval to such material

provided that they do not materially affect the Unit or its use.

7. **Inspection of plans:** A copy of the Plans will be available for inspection at Century 21 Real Estate, 444 Hazeldean Road, Kanata, Ontario, K2L 1V2, or at such other location as we may determine from time to time, upon your request, at reasonable times and upon reasonable notice to us.
8. **Occupancy of Unit:** When the Unit is substantially completed in accordance with paragraph 12, you will take occupancy of the Unit and you will pay the balance of the Total Cost, without holdback or deduction, in accordance with paragraph 13.
9. **Completion Date:** Subject to paragraph 11, the Unit will be substantially completed on or before \_\_\_\_\_, (the "Completion Date") unless the Completion Date is extended or advanced as set out in paragraph 10.
10. **Extension:** If the Unit is not substantially completed on the Completion Date, the Completion Date will be extended to a date or dates designated by us as the new Completion Date. Except as provided below the new Completion Date will not be later than 120 days from the Completion Date stipulated in paragraph 9. We are not liable to you for any cost caused to you by any extension or extensions.

In the event the Unit is not substantially completed within such additional 120 days aforesaid, you shall be entitled to notify us, within 10 days thereafter, of the termination of the Lease and we must return the Deposit without interest or deduction forthwith following such termination. In the absence of any such notice of termination of the Lease on or before the 120<sup>th</sup> day aforesaid, the Completion Date will be extended until the Unit is substantially completed, but not more than a further 120 days.

11. **Completion of Unit:** We may, in our sole discretion, within 30 days from the date of execution of this Agreement, decide not to complete construction of the Unit. If we exercise these rights, we must notify you forthwith and the Lease will terminate upon delivery of such notice. Forthwith following such termination, we will return to you, all money paid under the Lease. However, we will not be liable to you for any costs or damages resulting from the exercise of our rights, including without limitation, any consequential damages, relocation costs, loss of use of money paid under the Lease, or any professional or other fees paid by you.
12. **Completion:** All of us agree to consider the Unit to be substantially completed when the interior work in the Unit has been completed to the extent necessary to

permit it to be occupied, despite the fact that there remains exterior work or work to be completed. Such completion will be determined by a permit from the City of Ottawa confirming that the Unit is partially or fully complete and occupancy is permitted (or any similar confirmation from City of Ottawa), whether or not a final inspection has been completed and passed by the City of Ottawa and you will pay the balance of the Total Cost in accordance with paragraph 13. We will use reasonable efforts to obtain and complete the installation of extras and upgrades by the Completion Date, but if not, then we have the right to return any money paid by you for such extras or upgrades and will have no further liability to you to provide them.

- 13. Price of Unit:** In return for the right to occupy the Unit, and other rights under this Lease, the Purchaser will pay to us the Total Cost detailed on Schedule "A" which is the Basic Cost together with GST net of the new housing rebate as detailed on Schedule "A", the City Security for water supply system and the cost of any Extras that are subject to additional charges as provided in subparagraph 28.3 or Schedule "C". The Total Cost is payable as follows:

13.1 \$5,000.00 which has been paid by you as a deposit pursuant to a Life Lease Reservation Agreement;

13.2 \$\_\_\_\_\_ to be paid by you when you sign this Lease, which, together with the payment in subparagraph 13.1 will represent 25% of the Price of Unit shown on Schedule "A";

13.3 the monies paid under subparagraph 13.1 and 13.2 are defined as the "Deposit". The Deposit will be held in a trust account maintained by the Corporation and no part of the Deposit will be released prior to our receiving approval from the City of Ottawa to the Site Plan Control Application for construction of Hyde Park Residences (Phase 1c). Subject only to paragraphs 6, 11 and 30, the Deposit will not be refunded to you.

13.4 the balance of the Total Cost will be paid by you on the Completion Date.

13.5 You acknowledge that the Price of Unit set out on Schedule A includes the federal government tax applicable to the within transaction commonly known as "GST" and that the amount of the GST New Housing Rebate has been credited to you in arriving at the Price of Unit. You hereby

irrevocably assign to us the benefit of the GST New Housing Rebate.

You warrant that the Property is being purchased as your primary place of residence and that you will take possession and occupy the unit forthwith on the Completion Date and will not allow occupancy of the unit by any other individual (other than your immediate family in accordance with the restrictions herein) as a place of residence prior to occupancy by you.

If for any reason you do not qualify for the GST New Housing Rebate, then you shall be fully responsible and shall forthwith reimburse to us the amount of such rebate plus interest at Bank of Montreal's prime rate of interest per annum, plus two per cent calculated from the Completion Date plus any fees, penalties or damages which may be imposed on us by the applicable authority with interest as set out above.

You agree to execute and deliver on the Completion Date (or otherwise, as requested from time to time by us) whatever documentation we may require to confirm the foregoing warranty and agreement. For clarity, such documentation shall include an application in the manner and in the form required by the applicable taxing authority for the GST New Housing Rebate and/or authorization to us to complete such application on your behalf and its assignment as well as such other documents, including an indemnity to us, in such form as we shall require respecting the foregoing.

14. **Term of Lease:** We agree to lease the Unit to you, and you agree to occupy the Unit as a private single family dwelling, until the earlier of the termination of the Lease under paragraphs 32 and 33, or transfer thereof under paragraph 35.

This occupancy period is defined as the "Term".

You will not allow anyone who has not signed this Lease personally or by a legal or personal representative to occupy the Unit unless our prior written consent is obtained. If we give our consent, you will be responsible to us for any of the occupant's violations of this Lease.

15. **Parking :** In the event your Unit does not have a garage, the Lease includes a right for you to use and occupy one (1) private parking space which will be allocated and re-allocated by the Corporation from time to time, according to by-

law or directors' resolution which will also enact rules governing the use of visitor parking spaces. We may, from time to time, by by-law or directors' resolution enact, modify, repeal and replace such rules and regulations respecting parking as we may in our sole discretion consider advisable. Additional parking spaces may be available from the Corporation for a monthly fee and on other terms as we may impose or require, in our sole discretion.

In the event your Unit has a garage you are entitled to use both the garage and the driveway leading to it for parking.

**16. Common Areas and Facilities:**

- (a) The Lease also includes the non-exclusive right to use in common with all other residents of Hyde Park Residences, and for the purposes for which they are intended by us, all sidewalks, entry passageways, walkways, driveways and other accesses to and from the Unit and the grassed and open spaces at Hyde Park Residences, with the exception of individual Unit patios and other areas delineated or designated by the Corporation from time to time for use by the occupants of particular units (the "Common Areas and Facilities"). The use of the Common Areas and Facilities is subject to the Lease and to rules and regulations made by us (the "Rules and Regulations"). A copy of the Rules and Regulations currently in force are attached as Schedule B. We reserve the right to amend or create any new Rules or Regulations in the future. Upon completion of Hyde Park Residences as contemplated by paragraph 39 and 42, all amendments to or additional Rules and Regulations will be subject to the prior approval of at least two-thirds of the Purchasers (having one vote per Unit).
- (b) You understand and agree that we may construct or provide, at our discretion and without obligation, such additional facilities as we consider appropriate for the residents of Hyde Park Residences, including a community center and recreational facilities. In the event that any such additional facilities are provided and are designated by us as being for your use, subject to any membership, usage or other charges which may be imposed or as provided for in this Lease, you shall also be entitled to the non exclusive right to use such additional facilities in common with others. You further acknowledge and agree that if any such membership, usage or other charges for such facilities are imposed or are provided for in this Lease, they may be collected as part of the Occupancy Charge. You acknowledge and agree that we expect to construct a community centre as part of a future phase of Hyde Park Residences, but that, in our sole discretion, we may determine not to build such a facility.



(c) Any such community centre and related facilities shall be in such location and of such design and construction as we, in our sole discretion, shall determine appropriate for Hyde Park Residences. You acknowledge and agree that you and all others in Hyde Park Residences (Phase Ic) will be required to have membership in such community centre which cost is provided for in the Occupancy Charge. You further acknowledge and agree that where Purchasers or Residents in future phases of Hyde Park Residences might not benefit from membership in such community centre (eg. residents of extended care facilities), we, in our sole discretion, may exclude such phase or parts thereof from all calculations and allocations relating to such community centre and, notwithstanding anything to the contrary herein, this Lease shall be deemed to be amended accordingly.

(d) You acknowledge and agree that we will be entitled to make all rules, regulations and decisions (including the sale of memberships to anyone who does not have membership included in their Occupancy Charge and senior members of the public) relating to the community centre and related facilities, from time to time, and to amend same from time to time, as we in our sole discretion consider necessary and advisable.

17. **Quiet enjoyment:** If you are not in default, you will have quiet enjoyment of the Unit and parking.
18. **Changes to Unit:** You will not make any structural alterations, additions or other material changes to either the interior or exterior of the Unit without our prior written consent. Upon obtaining such consent, you shall arrange for the work to be done, the cost of which will be at your sole expense, and all such alterations, additions or other material changes, if they constitute a fixture in law, shall become our property.
19. **Occupancy Charge:** You agree to pay to us monthly, in advance, on the first day of each month as an occupancy charge (the "Occupancy Charge"), in an amount to be set by us annually during the term. We will give you 60 days' notice of any change in the Occupancy Charge.
20. **Components of Occupancy Charge and Reserve Fund:**
- 20.1 The Occupancy Charge includes the Proportionate Share of the following costs:

- (a) All costs incurred by us for or in any way relating to the operating, maintaining, repairing and improving the Common Areas and Facilities, roadways, services and parking, including, without limiting the foregoing, the following:
- (i) the exterior and the structural elements of Units;
  - (ii) Utilities including e.g. common heating, hydro, hot and cold water and sewer charges for the Common Areas and Facilities and parking;
  - (iii) insurance as described in paragraph 37;
  - (iv) special services (if any) provided at any future date;
  - (v) lawn care, landscaping, snow removal, garbage removal and street lighting;
  - (vi) repair and replacement of furniture and appliances in Common Areas and Facilities;
  - (vii) administrative and management services;
  - (viii) any federal, provincial and municipal taxes, levies and charges other than Property Taxes;
  - (ix) Property Taxes for the Common Areas and Facilities;
  - (x) Property Taxes for the Unit;
  - (xi) membership, usage or other charges for the use and enjoyment of any community centre, recreational or other facilities which you are permitted to use as provided for in this Lease (for greater certainty, the foregoing shall include all costs of operation, maintenance, repair and replacement of such Community Centre, recreational or other Facilities and equipment);
  - (xii) all costs attributable to the operation, maintenance and repair of sewer systems and of the communal water well and water distribution system, including those required to be paid pursuant to a Communal Well Responsibility Agreement with the City of Ottawa;
  - (xiii) the principal, interest and costs to be paid pursuant to the Infrastructure Mortgage and the Community Centre Mortgage referred to in paragraph 28.13 below.
  - (xiv) the maintenance, repair and replacement of the pipes, wires, cables, conduits, gas lines, ducts and mechanical components of the electrical, plumbing, and heating systems, save and except for electrical and plumbing fixtures and air conditioning systems;

- (xv) costs relating to any work or services incurred by us pursuant to the requirement of any governmental legislation respecting Landlord's obligations for residential premises;
- (xvi) contribution to the cost of construction of a community centre and supply of all equipment relating thereto, (if we determine in accordance with this Lease to proceed with construction thereof) to be the difference between the amount to be paid with respect to the Infrastructure Mortgage in item (xiii) above as calculated and allocated to each of the Units in Hyde Park Residences (Phase Ic) prior to the completion of any future phase of Hyde Park Residences and the reduced amount of such calculation and allocation which will occur following the construction of future phases of Hyde Park Residences, as such phases will then also contribute to amounts payable under the Infrastructure Mortgage;
- (xvii) the cost of subscription for "Level 1 Smart Community Service" for the unit (see subparagraph (e) below)

In the event of any dispute as to the responsibility of the Purchaser or the Corporation for any maintenance, repair or replacement, our architect shall determine who is so responsible, and if it is our responsibility, the costs thereof shall be included in the Occupancy Charge.

(b) a reserve fund to comply with the Communal Well Responsibility Agreement administered by the City of Ottawa including an aggregate unfunded deficiency of approximately \$● and a capital replacement reserve costs fund including an aggregate unfunded deficiency of approximately \$● (collectively the "Reserve Fund") calculated as set out in paragraph 20.2, to be segregated in two separate funds to provide for costs to be incurred, as follows:

- (i) for the purpose of major repair and capital replacement of the Common Areas and Facilities, services, roadways, parking, sewer, water well and water distribution systems, utilities, street lighting, curbs, walkways, any community center, and all of our other assets now existing or hereafter constructed or acquired relating to Hyde Park Residences, except for those specifically mentioned in subclause (ii) below;
- (ii) for the purpose of major repair and capital replacement of

the structural elements and the replacement of the electrical, plumbing and heating systems, or components thereof of the Units in Hyde Park Residences (Phase Ic).

In the event of any dispute, our architect shall determine what constitutes a structural element, or what is a major repair or capital replacement.

(c) We are responsible to pay from the Occupancy Charge for all maintenance, repair or replacement costs for which the Occupancy Charge is levied; provided that payments for the foregoing shall be withdrawn from the appropriate fund relating to the costs incurred pursuant to subparagraph (a), subparagraph (b)(i) and subparagraph (b)(ii), above, as the case may be.

(d) You acknowledge and agree that the amount to be included in the Occupancy Charge pursuant to paragraph 20.1(a)(xvi) following the completion of each future phase of Hyde Park Residences will be retained by us in a separate account (the "Community Centre Construction Account") and shall be utilized by us for the costs of construction of any community centre and related facilities which we may construct, in accordance with this Lease. The balance of funds required to pay for the costs of such community centre and related facilities and equipment shall be provided to us from the Community Centre Mortgage referred to in paragraph 28.13 below. You further acknowledge and agree that during and following the construction of any such community centre and related facilities, the amounts continuing to be contributed to the Community Centre Construction Account will be applied in payment of the principal, interest and costs of the Community Centre Mortgage.

(e) (i) for the purposes of this Lease, "Level One Smart Community Services" means the following:

- Telephone services with North America and Europe long distance included
- High Speed Internet services to each home
- Digital Television Entertainment package
- Access to Hyde Park facility cameras
- Access to Hyde Part Smart Community portal

(ii) You acknowledge and agree that we may, from time to time, where we reasonably believe it to be in the interests of a significant proportion of subscribers to the Level One Smart Community Service, in our sole discretion, alter the components of the Level One Smart Community Service, together with commensurate increases or decreases in the subscription cost resulting from such change or changes. You also acknowledge and agree that the subscription cost for

the Level One Smart Community Service during the first full twelve months of the Term of the Lease will be \$100.00, plus applicable provincial and federal taxes per month. You further acknowledge and agree that you will enter into such subscription agreement or contract as we may require prior to your taking possession of the Unit. You acknowledge and agree that the subscription cost for the Level One Smart Community Service may increase following the first year of the Term, provided that at no time will the monthly subscription cost be greater than the cost being charged to other townhome Units in Hyde Park Residences;

(iii) You acknowledge that we or other service providers may provide additional Smart Community Services, beyond those provided in Level One and that such additional services may be provided by us to you and others at an additional cost to be paid directly to us or the service provider, as we may determine, provided that your Unit is configured to receive such additional services.

20.2 No part of the Reserve Fund shall be used except for the purpose for which the Fund was established, and the Reserve Fund shall constitute an asset of the Corporation and shall not be distributed to any purchaser or resident. Upon reasonable notice to us, you will have access to all documents upon which the Occupancy Charge is based and upon which your Proportionate Share of Property Taxes is based. Any increase in the Occupancy Charge shall be approved by a majority of the Purchasers prior to taking effect (having one vote per Unit). Contributions to the Reserve Fund shall be calculated at a rate of 5% of the annual budget, from time to time, payable monthly; provided such contributions may be increased or decreased upon approval by a majority of the Purchasers (having one vote per Unit). The amounts referred to in paragraphs 35.4 and 35.5 (ii) shall be added to the Reserve Fund. The Directors of the Corporation shall determine, from time to time, in their sole discretion, the manner in which the contributions to the Reserve Fund shall be allocated to each of the segregated accounts mentioned in paragraph 20.1(b) above.

20.3 For the purposes of paragraph 20.1 above, if Property Taxes for the Unit are levied or assessed separately, the amount of the Property Taxes for the Unit to be included in the Occupancy Charge shall be calculated (or re-adjusted) based on such levy or assessment; provided, however, that where no such separate levy or assessment exists we shall be entitled to apportion or estimate the Property Taxes for the Unit and for all other Units and the lands at Hyde Park Residences in such manner as we determine, in our sole discretion, to be fair and reasonable.

- 20.4 The Occupancy Charge shall be determined at least annually or more frequently by the Corporation according to budgets prepared for such purposes from time to time and the annual amount to be paid by you shall be divided into twelve (12) equal monthly payments.
- 20.5 Extraordinary expenditures not contemplated in the foregoing budgets and for which the Corporation shall not have sufficient funds may be assessed by the Corporation, at any time during the year, in addition to the assessment for the Occupancy Charge, by the Board of Directors of the Corporation serving notices of such further assessment on the Purchaser, which Notice shall include a written statement setting out the reasons for the additional assessment and such additional assessment shall be payable by you within 10 days after service of notice thereof, or within such further period or periods of time and in such manner of installments as the Board of Directors of the Corporation may determine, as set out in such notice.
21. **Other charges:** Except as may be included in the cost of the Level 1 Smart Community Service you must pay all charges for your telephone, Unit hydro, Unit heating, Unit water and sewer charges (if any), cable television, property taxes if separately assessed for your Unit, personal liability and contents insurance and other utilities not included in the Occupancy Charge. We are not liable for any interruption or failure in the supplies of such services. The Purchaser shall pay for all maintenance, replacement and repair costs to the Unit which are not included in the Occupancy Charge, including, without limitation those set out in Schedule "B", Rule 32.
22. **Property taxes:**
- 22.1 "Property Taxes" means all real property taxes and assessments, including without limitation, local improvement charges, weed cutting charges, water, snow removal and sewer rates, charges or levies that are imposed on the Unit or Units or on the Lands and Hyde Park Residences as the case may be or any part or parts thereof by any authority having jurisdiction;
- 22.2 "Proportionate Share" means, for any phase of Hyde Park Residences a fraction which has as its numerator, the number one, and as its denominator, the total number of units, including the Unit, in the particular phase; provided however, until all proposed phases of Hyde Park Residences have been completed, the Proportionate Share shall be calculated based on the proportion of the components of the Occupancy Charge which we determine, in our sole discretion in a fair and

reasonable manner, to be attributable to each particular phase. As each phase is completed, it, together with all prior completed phases, shall be deemed to be one phase and the denominator of the fraction aforesaid shall then be the total number of units, including the Unit, in all such completed phases.

For greater certainty, for the purpose of determining the total number of Units in a particular phase and the total number of Units in Hyde Park Residences, the following shall apply:

- (a) Other than apartments, townhomes or other self contained living accommodation which includes private bedroom, kitchen, bathroom facilities, each of the foregoing being one Unit, for facilities containing residential accommodation, (such as nursing home or extended care facility) two beds together shall be deemed to constitute one Unit; and
- (b) For non residential uses, each premises for a business or office or other similar facility shall be deemed to constitute one Unit.

- 23. **Attorney:** You appoint us as your attorney for the purpose of disputing any assessment of any Property Taxes.
- 24. **Condition of Unit:** The Unit and all fixtures in it must be kept by you in good working order at your expense.
- 25. **Notification of defects:** You will notify us immediately upon becoming aware of any damage to, defect or deficiency in Hyde park Residences, including the Unit, and the Common Areas and Facilities.
- 26. **Emergency:** In case of an emergency,
  - 26.1 **Entry:** We or our agent may enter the Unit to make such repairs as we deem necessary or expedient, or to correct any condition which might result in damage or loss to Hyde Park Residences or Unit. We or our agent may determine in our discretion whether an emergency exists, and our decision binds everyone affected by it.
  - 26.2 **Resident's absence:** If you are not present to grant entry to the Unit, we or our agent may enter the Unit without rendering us or our agent liable for any damages, provided we exercise reasonable care.

- 26.3 **Locks:** We will keep a key to all locks on all doors or windows in the Unit. You must not change any such locks or place additional locks without our prior written consent. Upon the placement or replacement of any such lock after receiving such consent, you must immediately deliver to us, a key to each new or changed lock. All keys shall be maintained by us in a secure lock box and will only be accessible to staff authorized by us.
- 26.4 **No liability:** The rights and authority given by paragraphs 26.1 and 26.2 do not impose any responsibility on us, our agents or any insurers or their agents for the care or supervision of the Unit, except as provided for in the Lease.
- 26.5 **Compensation:** You will, at your expense, compensate us for any damage, loss or injury to Hyde Park Residences, the Common Areas and Facilities, the Unit, and our equipment and fixtures, or to persons on the Lands, which is caused by your default or negligence, or that of any of your permitted occupants or guests.
27. **Offer date:** This Lease, when executed by you shall constitute an irrevocable offer to us for a period of 10 days following the date of execution, and upon our acceptance of your offer, shall constitute a binding agreement. If we do not accept your offer, the Deposit will be returned to you in accordance with the provisions of the Life Lease Reservation Agreement which you entered into with us. Upon either the acceptance by us of your offer or upon the return of the Deposit, the Life Lease Reservation Agreement shall be null and void.

**YOUR  
COVENANTS**

28. **Covenants:** You covenant as follows, in the knowledge that we are relying on your covenants in entering into the Lease and that such covenants survive the Completion Date:
- 28.1 **Age:** that at least one of the occupants of the Unit will be at least 55 years of age at the Completion Date and that you will not permit more than two (2) individuals to occupy the Unit, excepting guests staying no longer than 30 days;
- 28.2 **Completion of transaction:** you agree to comply with your obligations under the Lease and the Rules and Regulations;



- 28.3 **Colour selections and Extras:** you will choose and order, within 15 days of the date this Lease becomes legally binding under paragraph 27, or such later date as we may designate, colour selections, other permitted selections and any item or feature differing from the Schedule C ("Extras") shown as Extras on Schedule "A".

You acknowledge that it is possible any Extra chosen by you may be discontinued by the manufacturer or not be reasonably available for other reasons so that we, by seeking to obtain it, would be delayed in the construction of Hyde Park Residences (Phase Ic). In such event, we will notify you and offer an opportunity to you to make or approve an alternate selection of at least equal quality from our samples. If you have not made or approved selections within 10 days of such notification, we may exercise all of your rights to select alternative Extras and such selections are binding on you. You acknowledge that all Extras chosen by you are subject to our approval.

You agree that if any Extras are requested by you after the acceptance of this Lease, and we agree to supply or provide same, you will pay 25% of the cost of the Extras at the time you order them and the balance on the Completion Date. You will be bound to pay the cost of Extras, whether they are ordered by the Purchaser or by the Resident.

- 28.4 **Sign documents:** you will sign and return to us prior to the Completion Date, all documents reasonably required by us;
- 28.5 **No assignment:** you will not assign this Lease without our prior written consent;
- 28.6 **No interference:** you will not interfere with the installation of services to the Unit or Hyde Park Residences, or with the completion of the Unit or Hyde Park Residences;
- 28.7 **Re-entry:** you will allow us, upon 24 hour notice, and less in case of emergency, right of entry to inspect, to rectify any breach of the Lease or to repair or maintain anything in the Unit which might affect Hyde Park Residences or part of it;
- 28.8 **Signs:** you will not place any signs or notices on the Unit without our prior written consent;
- 28.9 **No hindrance:** you will not hinder other Residents and Purchasers from

carrying out their obligations under their respective Leases;

28.10 **Decisions of architect:** you will accept the decision of our architect or the Municipal Building Department as to compliance by all of us with our obligations under the Lease, the certificates of whom will be proof of such compliance and will be binding on all of us;

28.11 **No holdback:** you will not retain or hold back any part of the Total Cost;

28.12 **Compliance:** you agree to comply with all your obligations as set out herein; and,

28.13 **Mortgages/Subordination:**

(a) you agree to subordinate the Lease to any mortgages or other encumbrances registered with our consent against the Lands for the sole purpose of constructing Hyde Park Residences, including the mortgage given by us at the time we acquired the lands to any one or more of the parties who transferred title to the Lands to us, on the condition that each such mortgagee agrees as a term of its mortgage, or by separate agreement, that it will not disturb your quiet enjoyment of the Unit so long as you are not in default under this Lease. You hereby appoint us as your agent and attorney for the purpose of granting any such subordinations and receiving such agreements not to disturb your quiet enjoyment. You agree to accept our solicitor's undertaking to obtain and deliver such a Non-Disturbance Agreement within a reasonable time following the Completion Date.

(b) You also agree to subordinate the Lease to all easements with service providers to Hyde Park Residences, including public and private utility providers, and to all agreements with municipal, provincial and federal governments and agencies. For greater certainty, you acknowledge that your Lease will be subordinate to a Site Plan and Development Agreement, entered into or to be entered into with the City of Ottawa as well as an Agreement with the City of Ottawa relating to the operation, maintenance and repair of the water supply system for Hyde Park Residences and all restrictions and covenants required to be annexed to title by the City of Ottawa.

(c) Title to the Lands may be subject to one or more agreements with the City of Ottawa pursuant to which development charges may be deferred. You agree to accept your Lease and your leasehold interest in the Lands subject to all such deferral agreements. We agree to remit to the City of

Ottawa, following the Completion Date, the amount of deferred development charges attributable to the Unit.

(d) You acknowledge and agree to subordinate the Lease to a mortgage (the "Infrastructure Mortgage") to be arranged by us and secured on the Lands or part or parts thereof, for the purposes of constructing services and infrastructure facilities including the common well (but not any community center which we may decide, in our sole discretion, to construct), which mortgage will not exceed \$220,000.00, will bear interest at 7.0% calculated semi-annually with monthly payments amortized over 25 years and for a term of 25 years. All other terms of the Infrastructure Mortgage will be as may be agreed upon by the lender and us. The principal, interest and costs relating to the Infrastructure Mortgage are or will be included in the Occupancy Charge. The Infrastructure Mortgage will be postponed, at your cost, to any mortgage of the Unit not exceeding 75% of the Basic Cost.

(e) You acknowledge and agree to subordinate the Lease to a mortgage (the "Community Centre Mortgage") to be arranged by us at such time as we in our sole discretion may determine to construct a community centre and related facilities, which mortgage funds shall be used, together with the Community Centre Construction Account funds to pay for the costs thereof. You further acknowledge and agree that the Community Centre Mortgage shall be in such principal amount as we, acting reasonably, but in our sole discretion, consider necessary and advisable to construct such community centre and related facilities for the benefit of all phases of Hyde Park Residences and that such mortgage will bear interest at such commercial rates as we, acting reasonably, but in our sole discretion, consider appropriate for a mortgage of such nature, to be for a term of 25 years, amortized over 25 years. All other terms of the Community Centre Mortgage will be as may be agreed upon by the lender and us. The principal, interests and costs relating to the Infrastructure Mortgage are or will be included in the Occupancy Charge. The Community Centre Mortgage will be postponed, at your cost, to any mortgage of the Unit not exceeding 75% of the Basic Cost. You hereby appoint us as your agent and attorney for the purpose of granting any such subordinations as are required by this subparagraph (e). Subject to the exception set out above in this subparagraph (e), every mortgagee of your unit shall be deemed to have agreed to subordinate and postpone its mortgage of your unit to the Community Centre Mortgage and to have agreed to deliver, within a reasonable time following request, any such subordination and postponement necessary to give effect to such requirement.

28.14 **No liens:** you agree not to permit any lien or encumbrance of any kind to be registered against the title to the Lands by any person who has supplied materials or services to the Unit.

28.15 **Easements:** you agree to permit, upon reasonable notice, entry of all persons acting pursuant to easements granted for the supply and maintenance of hydro electricity, natural gas, telephone, television, water services to the benefit of Hyde Park Residences.

28.16 **Access:** you will provide access to us and persons authorized by us, at all reasonable hours, following the Completion Date in order to make inspections and do any work or repairs to your Unit or the Lands, which we may deem necessary.

29. **Covenants of the Corporation:** We covenant as follows, in the knowledge that you are relying on our covenants in entering into the Lease and that such covenants survive the Completion Date:

29.1 **Compliance:** to comply by the Completion Date to the extent possible, and thereafter as soon as reasonably practical, with all obligations of the Corporation under:

- (i) subdivision, development, site plan, fence and boundary, or other agreements with any municipalities, utilities or other authorities having jurisdiction over Hyde Park Residences;
- (ii) easements and rights granted for the supply and maintenance of hydro electricity, natural gas, telephone, television, water supply or management, sewage or storm water disposal, or such other services to the benefit of Hyde Park Residences.
- (iii) building and zoning by-laws; and,

29.2 **UFFI:** not to include urea formaldehyde foam insulation in the Unit; and

29.3 **Construction liens:** to indemnify you from any construction lien arising from work, materials or services supplied by or through us to the Unit. You acknowledge and agree that you are not an owner for the purposes of the *Construction Lien Act of Ontario* and that no holdback will be made for such purposes. We agree to maintain all holdbacks required with respect to the general construction contract as required by such Act.

29.4 **Residents' Association:** to assist you in forming an association "Residents' Association" for the purpose of assisting the Corporation in managing the ongoing operations of Hyde Park Residences. The initial responsibilities and structure of the Residents' Association is attached as Schedule D.

30. **Death or incapacity prior to Completion Date:** If before the Completion Date, the person signing the Lease as Resident dies, or becomes incapable of independent living as certified by a physician licensed to practice medicine in the Province of Ontario, we will make every reasonable attempt to transfer the Lease no later than:

30.1 6 months after we receive notice from the Resident's personal representatives of such death or incapability; or

30.2 the Completion Date under the transferred lease,

We will return the Deposit to the Purchaser, without interest but after deducting \$1,000.00 to represent our cost in transferring the Lease.

31. **Default prior to Completion Date:**

(a) If you notify us, in writing, on or before the Completion Date, that, despite having listed your principal residence with a real estate broker on the Multiple Listing Service at a reasonable price and despite your dealing with offers for such residence as would a prudent vendor, you have been unable to enter into an unconditional agreement for the sale of such residence or, if you have entered into a conditional agreement for such residence, the purchaser's conditions therein have not been satisfied or waived, and for such reason you are unable to complete your obligations under this lease, including closing as contemplated by paragraph 41.3, we will use reasonable commercial efforts to enter into a Life Lease Occupancy Agreement with another party on terms substantially similar to this Lease. Upon the completion of a Life Lease Occupancy Agreement with such other party and our having received payment in full of all amounts owing to us by such other party, we will return to you the Deposit less all costs incurred by us, determined in our sole discretion but acting reasonably, in arranging for and entering into such a Life Lease Occupancy Agreement with such other party. For greater certainty, but without limiting the generality of the foregoing, costs which we may deduct from the Deposit will include costs to return the Unit to our standards at the time of such other Life Lease Occupancy Agreement, real estate commission, legal costs, utility costs,

municipal taxes and other costs commonly referred to as "carrying costs". In the event of any dispute as to the appropriateness of our determination of any such costs to be deducted from the Deposit, the dispute will be resolved by the decision of our architect.

(b) If you notify us, in writing, on or before the Completion Date, that you are unable or unwilling to complete your obligations under the Lease for any reason other than as set forth in paragraph 30 or paragraph 31 (a) above, we will be relieved of any obligation to make any formal tender upon you. Such notice may be treated by us as default under the Lease. You acknowledge and agree that the relationship of landlord and tenant shall not exist between us prior to the Completion Date. In addition to all other remedies available to us, we may declare this Lease terminated upon such default by you. In such event, we are under no further obligation to you and we are entitled to either retain the Deposit and sue you for damages or retain the Deposit as liquidated damages and not as a penalty. Prior to such retention, we are allowed to deduct our cost of any Extras, as well as the deductions mentioned in paragraph 31(a) above.

#### **TERMINATION ON DEFAULT**

**32. First notice:** If, during the term of this Lease:

- 32.1 you fail to pay the Occupancy Charge when due,  
or
- 32.2 you do not perform any of your covenants in the Lease,  
or
- 32.3 the Unit is ordinarily resided in by anyone other than those entitled to use it under the Lease, or
- 32.4 any lien, execution or encumbrance arising from any action or default by you is charged against or affects the Lands, or the Unit,  
  
(any of which is deemed to be "Default" under the Lease),

then we may deliver to you, a notice of termination of the Lease (the "Notice of Termination"), to be effective not earlier than the 20th day after such notice is given. The Notice of Termination will specify the act or acts which constitute

Default and will require you within 21 days of the date of the Notice of Termination to:

- (i) cease or remedy the Default specified,
- (ii) pay any amounts owing for Occupancy Charges or otherwise owing, and
- (iii) pay to us the reasonable costs of repairing any damage caused by such acts to Hyde Park Residences, the Common Area and Facilities, Unit, and
- (iv) pay to us the costs of discharging any lien, execution or encumbrance referred to in subparagraph 32.4.

If you comply with the terms of the Notice of Termination, you will not be considered in Default. If you fail to comply with the Notice of Termination, then we in our discretion may apply immediately to a Court for a writ of possession.

33. **Second notice:** If within 6 months after the date that a Notice of Termination has been given, you again commit an act of Default, we may deliver a second Notice of Termination to be effective 20 days after such notice is given and we may in our discretion apply at the time of such delivery or as soon after as we so determine for enforcement of all legal rights and remedies to which we are entitled as a result of such Default.
34. **Termination:** If the Lease is terminated under paragraphs 32 and 33, we will list the Unit for transfer, at its fair market value determined by an accredited appraiser with an A.A.C.I. or equivalent designation chosen by us, and we will pay the Purchaser the transfer price paid by the new purchaser of the Unit, less the reasonable costs of recovery and transfer of the Unit, including, without limitation, real estate agent's commission, all solicitor's costs (on a solicitor and client basis) and court costs, the cost of any repairs and redecorating reasonably required to market the Unit, the cost of the A.A.C.I. appraisal, any outstanding Occupancy Charges, plus any money you owe us and the costs incurred by us to remove and dispose of any of your furniture or personal effects found in Hyde Park Residences or the Unit after we have recovered possession.

You will sign and complete such documents as may be necessary to remove from title to the Lands from any lien, execution, notice or encumbrance arising from the Lease, or as a result of your act or omission, so as to allow a transfer of the Unit free of any such claim. Such documents will be delivered to us before we must make payment under the paragraph immediately above this one. You hereby

appoint us as your Attorney for the sole purpose of signing and delivering such documents if you fail to deliver them to us within 7 days of our written request to you.

**TRANSFER OF UNIT**

**35. Transfer:**

- 35.1 Every listing agreement that you or your personal representative enters into with a real estate agent shall include a provision whereby persons introduced to you or your personal representative by us (whether from a waiting list which we may maintain from time to time or otherwise) shall be excluded from the listing agreement.
  
- 35.2 Every agreement of purchase and sale that you or your personal representative enters into for a transfer of your right to occupy the Unit shall include the following provision:

*“This agreement of purchase and sale is subject to the right of first refusal of Hyde Park Residences Inc. and its successors to purchase the occupancy rights to the Unit on the same terms and conditions set forth in this agreement of purchase and sale. If Hyde Park Residences Inc. or a successor exercises such right of first refusal on or before 4:59 p.m. on the day of \_\_\_\_\_ (which is the 16<sup>th</sup> day after the date of acceptance of this agreement of purchase and sale), this agreement of purchase and sale shall be null and void and the deposit shall be returned in full without interest or deduction. If the right of first refusal is not exercised by such date, the condition shall be waived by the Vendor. This condition is included for the benefit of the Vendor in compliance with its life lease occupancy agreement with Hyde Park Residences Inc., and its successors and cannot be waived.*

- 35.3 You and your personal representative agree to provide a copy of any accepted agreement of purchase and sale within one day of acceptance. We agree to provide you or your personal representative with notice of our intention to exercise our right of first refusal, or the waiver of our right of first refusal, on or before 4:59 p.m. on the 15<sup>th</sup> day after we receive a copy of the accepted agreement of purchase and sale
  
- 35.4 If you or your personal representative transfers the Unit to us, or to a

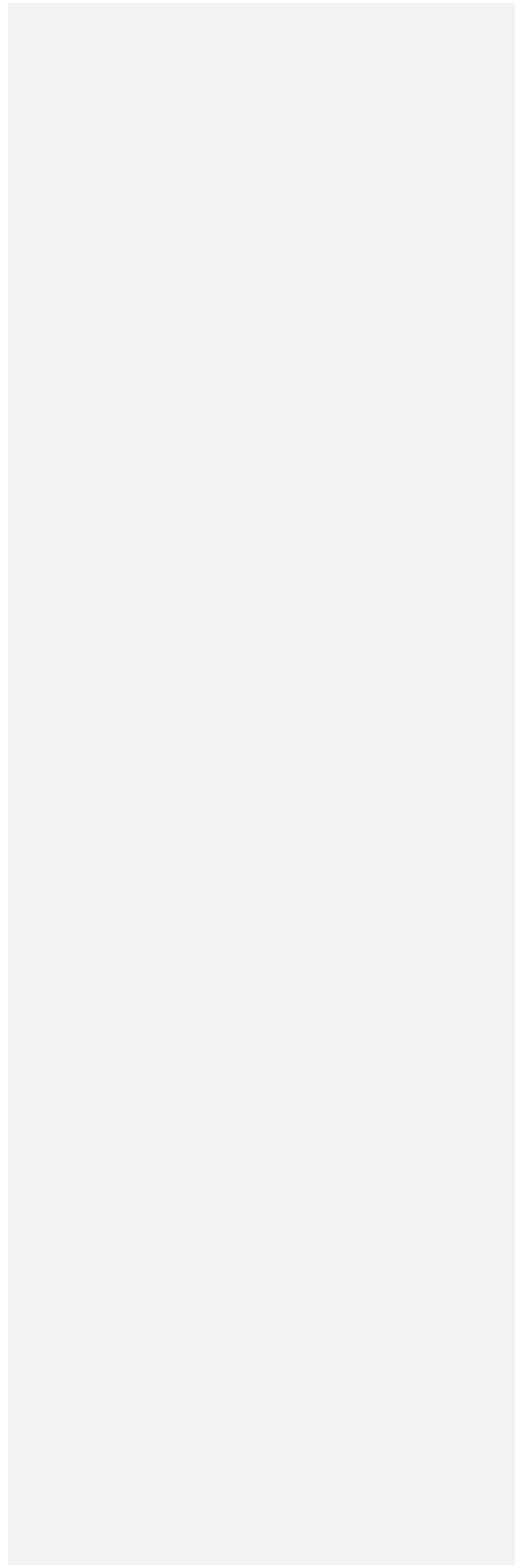


person introduced by us pursuant to our right of first refusal, you or your personal representative shall pay us a transfer fee equal to three percent set out below.

35.5 **Completion of Transfer:** A transfer of your right to occupy the Unit shall be completed as follows:

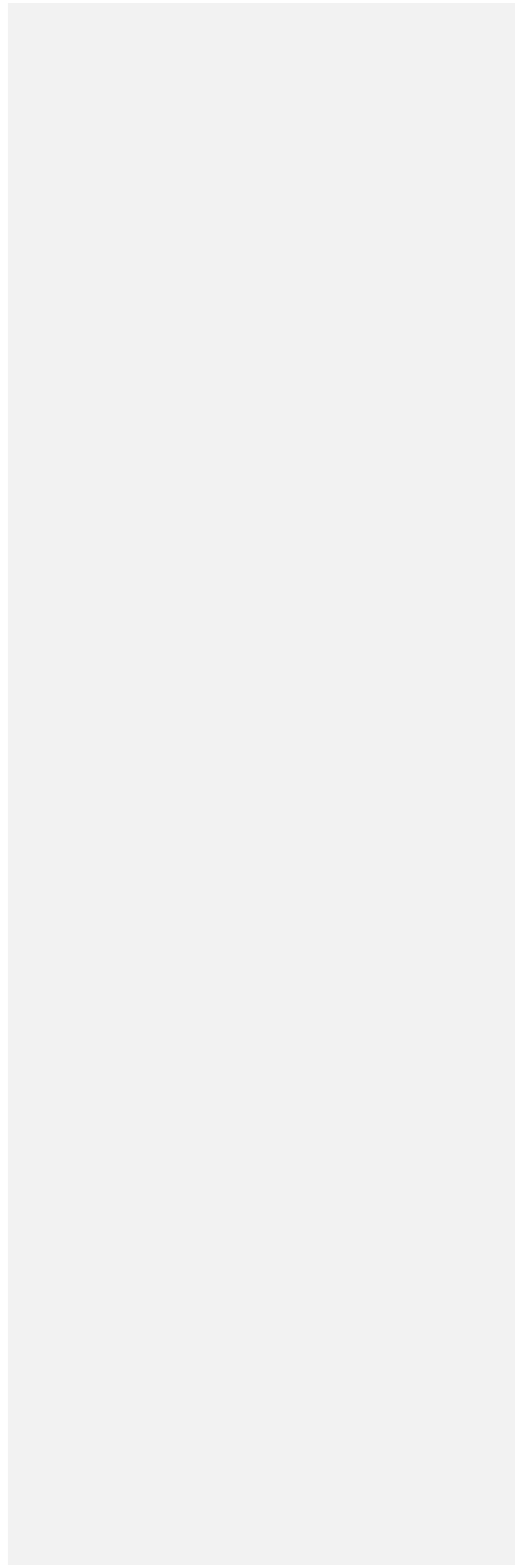
- (a) Where a transfer is made as set out in Section 35.4, the purchaser shall pay you the transfer price less three percent (3%) plus all applicable taxes, including GST,.
- (b) Where a transfer is made as set out in Section 35.4 the purchaser, on behalf of you or your personal representative, shall pay us three percent (3%) plus all applicable taxes, including GST, of the transfer price.
- (c) The purchaser shall enter into a Lease substantially in the form of this Lease or, at our option shall accept an assignment of the Lease on our standard form of Assignment Of Life Lease Occupancy Agreement document existing at the date of the agreement for such transfer.
- (d) You or your personal representative shall deliver to us or as we may direct all keys you use in Hyde Park Residences and the Unit in your possession.
- (e) You or your personal representative shall deliver a Surrender of the Lease to us, or at our option, will deliver an assignment of the Lease to the purchaser, together with a release of any and all claims which you may have against us arising out of the Lease. We shall deliver a release of your obligations under the Lease to you or your personal representative, provided you are then in good standing under the Lease and no Default remains uncured ;
- (f) You will pay all of our legal costs incurred in relation to the transfer at the time of completion of the transfer. All documents relating to the transfer shall be in such form as our legal counsel may require.
- (g) For greater certainty, a transfer shall include any sale, assignment or similar dealing in any manner, of or with the Lease, your leasehold interest in Hyde Park Residences or your right to occupy the Unit.

- 35.6 Until the transfer of the Unit is completed pursuant to subparagraph 35.5, you shall remain responsible for the Occupancy Charge described herein, after which you shall have no further liability, with respect to the Occupancy Charge only.
- 35.7 We shall not be responsible for any costs incurred by you or your personal representative or by a transferee of the Unit in connection with the transfer of the Unit.
- 35.8 In the event of termination of this Lease or transfer, the Corporation shall be permitted to remove your personal property into storage, at your expense, if you or your personal representative has not moved your personal property within five (5) days of such termination or transfer and you will be responsible for the costs of storage, which may be recovered by us or the storage company in accordance with the laws of Ontario.
- 35.9 Our right of first refusal does not apply to a transfer of the Unit to your spouse, (as defined in Part III of the Family Law Act, R.S.O. 1990 c.f. 3 as amended from time to time) and /or your issue, a surviving joint purchaser, a trust in which the sole beneficiaries are you, your spouse and /or issue, nor to any corporation of which all of the issued and outstanding voting shares are owned by you, your spouse and/or issue. It also does not apply to a transfer of the Unit in your will, whether or not the transferee is your spouse or issue, nor to a transfer to any person entitled to share in the distribution of your estate if you die without having made a will, provided however, that the Unit may be occupied only in accordance with the provisions of this Lease. No transfer fee is payable upon any transfer referred to in this clause.
- 35.10 Upon your death, or upon your becoming incapable of independent living as certified by a physician licensed to practice medicine in the Province of Ontario, you or your personal representatives may, without transfer fee, transfer the Unit to any of the transferees referred to in subparagraph 35.9. The right of any person who has signed this Lease or any amendment as Resident, to occupy the Unit and Parking Space and Common Areas and Facilities shall be terminated upon the transfer of the Unit. The transfer of the Unit to any person not referred to in subparagraph 35.9 shall follow the procedure prescribed in subparagraphs 35.1 through 35.8, inclusive. The transfer of the Unit pursuant to this subparagraph shall be completed, in accordance with subparagraph 35.5, no later than six months after your death or the date of the physician's certificate as to incapability.



**DAMAGE**

- 36.1 Termination of Lease:** If the Unit is destroyed, or so damaged by fire or other casualty so as to render it unable to be made fit for occupancy within 90 days, as determined by our architect, the Lease may be terminated in our discretion. In such event, we will pay the Purchaser 95% of the fair market value of the Lease as determined immediately prior to such destruction or damage in the manner set forth in paragraph 34, less any outstanding amounts owing to us by you. If we terminate the Lease, we will give you notice of our intention to do so, within 15 days of the date of such destruction or damage. We will not be obligated to pay to you any more than is set out in this paragraph.
- 36.2 Reconstruction:** If the Unit is destroyed or damaged by fire or other casualty and we do not so terminate the Lease, we will diligently repair or reconstruct the Unit but only to the extent of the proceeds received by us from our insurers and only to the original condition existing at the Completion Date. The Occupancy Charge will abate entirely between the date of such destruction or damage and the date on which the repairs or reconstruction are substantially completed. If we repair or reconstruct the Unit, we may use plans, specifications and working drawings other than those used in the original construction of the Unit.
- 36.3 Abatement:** If the Unit is damaged so as to be in our opinion rendered unfit for occupancy in part only, the Lease continues in effect and we will diligently repair or reconstruct that part of the Unit, but only to the extent of proceeds received by us from our insurers and only to the original condition existing at the Completion Date. The Occupancy Charge will abate proportionately on the portion of the Unit that is rendered unfit from the date of destruction or damage to the date on which the repairs or reconstruction are substantially completed.
- 36.4 No abatement:** If the Unit is damaged but in our opinion is not rendered unfit for occupancy in whole or in part, the Lease continues in effect and the Occupancy Charge will not abate.
- 36.5 No abatement if negligence:** Despite anything else in the Lease, the Occupancy Charge will not abate for destruction or damage if in our opinion any such destruction or damage is caused by any willful, unlawful or negligent act or omission by you or those for whom you are in law responsible.



**INSURANCE**

**37.1** **By the Corporation:** We shall obtain and maintain to the extent obtainable the following insurance:

- a) **"All Risk" Insurance:** Insurance against "all risks" as is generally available from commercial insurers in a standard "all risk" insurance policy and insurance against such other perils or events as we from time to time deem advisable, in an amount equal to the full replacement cost.

The policy of insurance will insure:

- i) Hyde Park Residences, but exclude improvements and betterments made or acquired by you;
- ii) all assets of the Corporation, but not including furnishings, furniture, or other personal property supplied or installed by you;

in an amount equal to the full replacement cost.

Every policy of insurance shall insure the interests of the Corporation, the Residents and Purchasers from time to time, as their respective interests may appear. The policies shall contain the following provisions:

- iii) waivers of subrogation against us, our directors, officers, managers, agents and employees and as against you and your permitted occupants and guests, except for arson, fraud, vehicle impact, vandalism or malicious mischief;
- iv) that such policy or policies of insurance shall not be terminated or substantially modified without at least sixty (60) days' prior written notice to us and to the Insurance Trustee;

- v) a waiver of any defence based on co-insurance (other than a stated amount co-insurance clause);

- vi) a waiver of any defence based on invalidity arising from the conduct or act or omission of or breach of a statutory condition by any person.

b)

Public Liability Insurance: Public liability and property damage insurance, and insurance against our liability resulting from a breach of our duty as an occupier of the Common Areas and Facilities insuring the liability of the Corporation, the Residents and Purchasers from time to time, with limits to be determined by us, but not less than Two Million (\$2,000,000.00) Dollars per occurrence and without right of subrogation as against us, our directors, officers, managers, agents and employees, and as against you and your permitted occupants and guests.

- c) Boiler, Machinery and Pressure Vessel Insurance: Insurance against the Corporation's liability arising from the ownership, use or occupation, by or on its behalf of boilers, machinery, pressure vessels and motor vehicles to the extent required as we may from time to time deem advisable.

d) Such insurance coverages as are required to be maintained pursuant to the Communal Well Responsibility Agreement with the City of Ottawa.

### 37.2 **General Provisions:**

- a) We shall have the exclusive right, on our own behalf and as your agents, to adjust any loss and settle any claims with respect to all insurance placed by us, and to give such releases as are required, and you shall be bound by such adjustment; provided, however, that we may in writing, authorize you to adjust any loss to the Unit.
- b) Every mortgagee of a Unit shall be deemed to have agreed to waive any right to have proceeds of any insurance applied on account of the mortgage where such application would prevent application of the insurance proceeds in satisfaction of an obligation to repair.
  - c) A certificate or memorandum of all insurance policies and endorsements thereto shall be issued as soon as possible to each of you. Renewal certificates or certificates of new insurance policies shall be furnished to each of you, and to each mortgagee who have requested same. We shall keep the policy for any insurance coverage in our offices, available for inspection by you or any mortgagee on reasonable notice.
- d) You shall indemnify the Corporation against loss, cost, damage or injury caused to the Common Areas and Facilities because of the willful, unlawful or negligent act or omission of you or any of your

permitted occupants, guests or those for whom you are in law responsible.

- e) No insured other than us shall be entitled to amend any policy or policies of insurance obtained and maintained by us. No insured shall be entitled to direct that the loss shall be payable in any manner other than as provided in this Lease.
- f) We shall hold proceeds of insurance in trust for those entitled thereto, pursuant to the provisions of this Lease, and such proceeds shall either be applied to the cost of repair of the Unit or, in the event of termination of this Lease as a result of damage, against the amount to be paid to the Purchaser as determined in accordance with the terms of this Lease.
- g) Prior to obtaining any policy or policies of insurance under clauses 37.1(a), (b) or (c), or any renewal or renewals thereof, we shall obtain an appraisal from an independent qualified appraiser of the full replacement cost of the property insured for the purpose of determining the amount of insurance to be obtained.

37.3 **By The Purchaser or Resident:**

You acknowledge that the foregoing insurance is the only insurance required to be obtained and maintained by us and that you should obtain and maintain the following insurance, or any other insurance you consider advisable, for your own benefit:

- a) Insurance on any additions, improvements or betterments that you make to the Unit and for your furnishings, fixtures, contained within the Unit, and your personal property and chattels stored elsewhere on Hyde Park Residences, including any automobiles, and for loss of use and occupancy of the Unit in the event of damage. Every such policy of insurance shall contain a waiver of subrogation against us, our managers, agents and employees, and as against the other Purchasers, Residents and any of their permitted occupants and guests except for arson, fraud, vehicle impact, vandalism or malicious mischief.
- b) Public liability insurance covering your liability to the extent not covered by any public liability and property damage insurance obtained and maintained by us.



37.4 There is no obligation by the Corporation to repair or replace, except in the event of damage for which insurance coverage is in place (and then only to the extent of proceeds received from such coverage) and subject to as may otherwise be set out in this Lease. If there is termination in accordance with paragraph 36.1, we shall hold and pay all proceeds for you up to the maximum payment provided in paragraph 36.1. Notwithstanding the foregoing, any proceeds payable as aforesaid shall be subject to payment in favour of any mortgagee or mortgagees to whom such loss is payable under any policy of insurance and in satisfaction of any amount due to you by us.

**38. Construction Warranty:**

38.1 On completion, we will deliver the warranty of the general construction contractor of Hyde Park Residences (Phase Ic) against defects or deficiencies in the construction of the Unit which appear during the period of one (1) year from the date on which possession of the Unit is given to you.

38.2 Pursuant to such warranty, the general construction contractor will correct promptly, at the expense of the general construction contractor, any defects or deficiencies in the construction of Hyde Park Residences (Phase Ic) and the Unit which appear prior to or in the period referred to in subparagraph 38.1.

38.3 You agree to give prompt written notice of defects and deficiencies observed by you prior to the Completion Date on an inspection form to be provided by us before you move into the Unit, and thereafter as required by paragraph 25 of this Lease.

38.4 You acknowledge that the Unit is not enrolled in or covered by any warranty under the Ontario New Home Warranties Plan Act.

**39. The Corporation:**

39.1 ~~[intentionally deleted]~~

39.2 ~~[intentionally deleted]~~

**40. Disclosure Statement:**

**Deleted:** Once the Corporation has completed all intended phases and Units at Hyde Park Residences (as recited above), the Corporation shall permit the Purchasers to form a new non-profit corporation for the purpose of owning and managing Hyde Park Residences. A majority of the

**Deleted:** Purchasers must agree to such action and the Corporation will assist the Purchasers in transferring ownership and control to the new non-profit corporation. The membership of the new non-profit corporation shall be comprised of only Purchasers, with each unit having one voting right. This membership shall establish its own by-laws and elect a board of directors to oversee the management of Hyde Park Residences.

**Deleted:** In lieu of forming a new non-profit corporation, should the Purchasers not agree to proceed with same, upon completion of all intended phases and Units at Hyde Park Residences, the Directors and members of Hyde Park Residences Inc. existing at such time shall resign and the Purchasers shall elect new Directors and shall become members of Hyde Park Residences Inc; provided, however, that it is hereby understood and agreed that, except for the Reserve Fund and unused funds remaining out of Occupancy Charges, all monies then remaining in the accounts of Hyde Park Residences Inc., shall be paid or transferred to such party or parties as the resigning Directors shall direct.

40.1 Prior to completion, the Corporation will deliver to you a Disclosure Statement which may be limited to matters pertaining to the particular Phase of Hyde Park Residences in which your Unit is located and which will include the following:

- (i) Copies of the Letters Patent and By-laws of the Corporation;
- (ii) Names of the Officers and Directors of the Corporation;
- (iii) A summary of any unsatisfied judgments against the Corporation, and any threatened actions, suits or proceedings of which the Corporation is aware;
- (iv) A statement that the Corporation has not, or is not contemplating giving notice to convene a special or general meeting of Purchasers or members of the Corporation respecting the dissolution or winding up of the Corporation, any substantial change in the assets or liabilities of the Corporation;
- (v) The budget for the fiscal year of the Corporation;
- (vi) Confirmation of the Occupancy Fee for the Unit;
- (vii) Copy of a Certificate of Insurance in connection with the insurance to be maintained by the Corporation;

40.2 On completion, the Corporation will deliver a Certificate to you warranting the accuracy of the information contained in the Disclosure Statement as of the Completion Date.

**40. Documents, Closing and Tender:**

41.1 **Our Documents:** You agree that the only documents which we will deliver on the Completion Date will be the following:

- (i) Letter from any holder of a mortgage secured on the Lands confirming the amount to be paid in return for a Postponement and Non-Disturbance Agreement.
- (ii) Our solicitor's undertaking to obtain and deliver a Postponement and Non-Disturbance Agreement within a reasonable time.
- (iii) Our certificate to include confirmation that we are not a non-resident corporation for income tax purposes, and that no urea formaldehyde foam insulation has been installed in the Unit, our direction as to the manner in which the Total Cost is to be paid, and our undertaking to deliver vacant possession and keys and to readjust the statement of adjustments.
- (iv) An undertaking of our directors to resign in accordance with the terms of this Lease.
- (v) Confirmation of the warranty by the general contractor.
  - i) Keys may be delivered, at our option, by our solicitors or may be released following receipt of your Deliveries from our site construction office.

41.2 **Your Deliveries:** On the Completion Date you agree to deliver the following:

- (i) Payment of the balance of the Total Cost, as adjusted according to the statement of adjustments.
- (ii) Executed Postponement and Non-Disturbance Agreement referred to in the immediately previous subparagraph.
- (iii) cheque payable to us for your proportion of the occupancy charge for the month in which the Completion Date occurs.
- (iv) A series of 12 post-dated cheques payable to us for the Occupancy Charges determined in accordance with this Lease.

- (v) Your undertaking to readjust the statement of adjustments.
  
- (vi) Executed Assignment of the GST New Housing Rebate and all documents we may require relating thereto.
  
- (vii) Payment of \$150.00 plus G.S.T. to our solicitors for preparation of the electronic registration form of Lease or Notice of Lease as determined by us.
  
- (viii) Such other documents or deliveries as we may reasonably require.

41.3 **Closing:** On the Completion Date you will deliver to the offices of our solicitor, your Deliveries as set out in paragraph 41.2 above, at which time you will be given our Documents as set out in paragraph 41.1 above.

41.4 **Registration of Lease:** On the Completion Date you will register electronically, at our discretion, either this Lease or a Notice of Lease, at your expense, which form of Lease or Notice of Lease will be prepared by our solicitors as set out above. You acknowledge and agree that Land Transfer Tax will then be payable to the Province of Ontario and that such tax is your responsibility.

In the event that we have a separate title for Hyde Park Residences (Phase Ic), the Lease or Notice of Lease will be registered only against such separate title. In the event such separate title is created following the Completion Date, you will discharge and release the Lease or Notice of Lease, as the case may be, from the title to the balance of our lands such that the Lease or Notice of Lease remains registered only against the separate title to the Hyde Park Residences (Phase Ic). You hereby appoint us as your agent and attorney for the purpose of discharging and releasing the Lease or Notice of Lease, as the case may be, from title to all of our lands, other than the title to Hyde Park Residences (Phase Ic), which we may do in such manner as we shall determine appropriate.

41.5 **Document Registration Agreement & Tender :**

(a) All of us agree that this transaction will be closed in accordance with the terms of the Document Registration Agreement (“DRA”) approved by the Law Society of Upper Canada as at the Completion Date and that the solicitors representing you and us, by agreeing to represent their client in this transaction, shall be deemed to have entered into such DRA which shall be effective without requirement of formal execution thereof and shall provide for your solicitor to be responsible for registration of the Notice of Lease in electronic format. Reference in the DRA to a Purchase Agreement shall mean this Lease and all other changes will be made as appropriate for this transaction.

(b) All of us waive personal tender and agree that tender of any documents or money may be made either upon a party hereto or their respective solicitor and that the money may be tendered by certified cheque drawn on any Canadian chartered bank or trust company. In the event that you or your solicitor indicates or expresses to us on or before the Completion Date that you are unable or unwilling to complete your obligations under this Lease, we, at our option, will be relieved of any obligation to make any formal tender on you or your solicitor. All of us agree that an effective tender shall be deemed to have been validly made by a party upon the other party when the tendering party’s solicitor has:

(i) Delivered all required documents and money contemplated by this Lease to the other party’s solicitor;

(ii) Advised the other party’s solicitor, in writing, that the tendering party is ready, willing and able to complete the transaction in accordance with the terms and provisions of this Lease; and

(iii) Has completed all steps required by the Teraview Electronic Registration System in order to complete the transaction that can be performed or undertaken by the tendering party’s solicitor without the co-operation or participation of the other party’s solicitor and specifically, when the Notice of Lease has been electronically signed for completeness by the tendering party’s solicitor.

**42. Phasing and Management:** You acknowledge and agree that we propose to develop Hyde Park Residences in four or more phases, as determined by us in our sole discretion and that until completion of the sale of the last Unit in the final phase of Hyde Park Residences the provisions hereof shall apply.

42.1 Each phase of the project will be managed by us, or such management company as we in our sole discretion shall appoint for such purposes. The management costs and all other costs incurred which are to be included as

components of the Occupancy Charge shall be included in the calculation of the Occupancy Charge for the Unit. We shall allocate all costs, as we consider in our sole discretion, but acting reasonably, to be attributable to the various phases, having regard, in particular, to the state of completion of each phase. In the event that a majority of Purchasers of life lease interests in a particular phase do not agree with the manner in which any of the foregoing amounts are allocated to such phase they shall be entitled to notify our architect of such objection whereupon the decision of our architect in that respect shall be final and binding on all of us.

42.2 In the event a new corporation is not created as provided for in paragraph 39 of this Lease, the directors and members of the corporation who have been appointed by us shall resign following the completion and transfer of occupancy of the last Unit in the final phase of Hyde Park Residences, as determined by us in our sole discretion and as contemplated by paragraph 39.2 above. Until such resignation, you acknowledge and agree that you are not a member of the corporation or entitled to be a director, unless so appointed by us.

42.3 Upon a majority of the units in a particular phase becoming occupied the Purchasers in such phase shall be entitled to elect from among all of the Purchasers of such phase, three representatives who shall be entitled to meet with us on a monthly basis, and if we so direct, at the same time as representatives of some or all other phases meet with us, to discuss with us and advise us on matters affecting their particular phase of the project. We shall provide such information to such committee of Purchasers and implement such of their advice as we, in our sole discretion, acting reasonably, consider appropriate.

Notwithstanding the foregoing as there are, only 8 units in Hyde Park Residences (Phase Ic), such phase shall be represented by the representatives of Hyde Park Residences (Phase I) and shall not be entitled to separate representation. We, at anytime and at our discretion, shall be entitled to direct that several phases, as determined by us, shall be grouped together and shall be represented by three representatives.

**43. Corporate Funds:** You acknowledge and agree that the Total Cost of your Unit, together with any additional amounts paid in relation thereto and with respect to all units in the project, both before and following the resignation of our directors and members as set out above, are funds in which you and all other Purchasers in the project have and will have no interest.

43.1 In recognition of the foregoing, we shall be entitled to direct or transfer all

such funds to the general contractor, or other entity as we in our sole discretion shall consider necessary and appropriate. In the event any such funds are received by the corporation, following the said resignations, you agree that you together with all other Purchasers shall cause the corporation to transfer such funds to the general contractor or such other party as a majority of such former directors shall direct.

43.2 All Occupancy Charges shall be deposited into an account of the Corporation separate from the funds mentioned in the immediately preceding paragraph. We shall use such Occupancy Charges for the purposes of paying those costs attributable to the phase of the project in which your Unit is located and we will provide such additional funds, from time to time, as are necessary to operate the phase; however, you acknowledge and agree that we are not required to make monthly contributions of Occupancy Charges for those units in such phase which remain in our control, prior to occupancy by a Resident. If we have paid any amounts for any such costs directly, we shall be entitled to be reimbursed for same from the Occupancy Charges account.

44. **Schedules:** The following schedules are part of this Agreement:

- A Total Cost
- B Rules and Regulations
- C Standard Project Features & Specifications
- D Residents' Association
- E Conditions
- F Site Plan

45. **No merger:** All rights and obligations in this Lease survive the Completion Date and do not merge because of the occupancy of the Unit.

46. **Governing law:** This Lease is governed by the laws of Ontario and Canada.

47. **Entire Agreement:** This Lease is the entire agreement among all of us dealing with the matters contained in it and supersedes any prior agreements. No modification of this Lease is binding unless it is written and signed by all of us. No warranties, declarations or undertakings will be given or required on the Completion Date, except as stated in this Lease. For greater certainty, you acknowledge and agree that no part of any advertising, promotional or other similar document or brochure shall in any way affect the terms of this Lease or create rights in your favour, and that we shall not be bound to perform, fulfill or comply with any warranty, promise or representation which may have been made to you by any sales representative or other person on our behalf unless

such warranty, promise or representation has been acknowledged by us in writing, or is included in this Lease.

**48. Severability:** If any term of this Lease is illegal or unenforceable, the remaining terms of this Lease are not affected.

**49. Successors and assigns:** This Lease benefits and binds your legal or personal representatives, and our successors and assigns.

**50. Exceptions and Non-waiver:** The Board of the Corporation may make exceptions to the provisions of this Lease for special circumstances. No departure from or waiver of the terms of this Lease authorizes any prior or later departure or waiver. We

are  
not obliged to continue any departure or waiver or to permit any later departure or waiver. Time is of the essence of this Lease.

**51. Notice:** Where this Lease allows or requires a notice to be given to a party, this notice may be given by delivering it personally, or by facsimile transmission, followed by an immediate mailing by prepaid registered mail addressed to the party at the party's address below or by prepaid registered mail addressed to the party at the address below. If there is an interruption in normal postal delivery, delivery of such notice must be made personally or by facsimile transmission. Notice will be deemed to have been given on the date of delivery or facsimile transmission or if only given by mail, on the third day following the day of mailing.

Until changed, our addresses are:

Corporation: c/o Courtyard Developments Inc.  
1 Neely  
Street, R.R.  
#1  
Dunrobin, ON K0A 1T0

With a copy to our solicitors as follows:

Solicitors for Corporation: Merovitz • Potechin LLP  
301-200 Catherine  
Street  
Ottawa, Ontario K2P  
2K9  
Attention: Bram S. Potechin



(613) 563-7544  
(Tel) (613) 563-  
4577 (Fax)

Resident(s)/Purchaser(s):

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Solicitors for Purchaser(s) and Resident(s):

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Attention: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

**52. Further assurances:** All of us will, at the request of any other party, execute such further documents as may be required to give effect to this Lease, as assigned to the New Landlord as amended and restated as ordered by the Court and on the terms set out herein to, among other things: (i) preserve the rights of the Resident to occupy his/her or its Unit; (ii) delete any reference to and extinguish the Resident’s current or future interest in the Lands, the buildings or appurtenances therein and thereon, (iii) delete any reference to and extinguish the Resident’s current or future interest in the development and ownership scheme formerly known as “Life Lease Residences”, or in HRPI or any corporation or other entity affiliated with HRPI or the Life Lease Residences project and all phases thereof; and (iv) reflect certain consequential amendments resulting from the fact that, unlike HRPI, the Landlord is not a not-for-profit corporation and to reflect that the Resident’s interest in the HRPI Property shall be limited to the Resident’s right to occupy the Resident’s Unit and to use the Common Areas and Facilities and to transfer that right to occupy and right to use in accordance with the terms of the Lease.

**53. Title/Planning Act compliance:**

53.1 Except as set out hereafter, title to the Lands shall be good and free from all encumbrances. You acknowledge and agree that title to the Lands shall be subject to the mortgages set out in Paragraph 28.13, leases of other Units in Hyde Park Residences or notices thereof, all agreements with federal, provincial, municipal governments and statutory authorities, including, without limitation, a development charges deferral agreement, a site plan agreement and the Communal Well Responsibility Agreement with the City of Ottawa, registered rights-of-way, registered easements, restrictions and covenants that run with the land, whether specific or blanket and agreements with public or private utilities. You shall be responsible for obtaining such confirmations as you may require as to compliance with any of the foregoing and we shall not be required to provide any evidence thereof. You are allowed until 60 days prior to the Completion Date to investigate the title at your expense and if within that time, any valid objection to title is made in writing to us, which we are unable or unwilling to remove, and which you will not waive, this Lease shall, notwithstanding any intermediate acts or negotiations in respect of such objection, be null and void, and the Deposit shall be returned to you without interest and neither party shall be liable to the other in any manner for costs or damages. Save as to any valid objection made within such time you shall be conclusively deemed to have accepted our title to the Lands.

53.2 This Lease is effective only if section 50 of the Planning Act (Ontario) is complied with. You acknowledge and agree that compliance with the Planning Act (Ontario) has been effected as a result of the provisions of section 50(9) thereof.

53.3 (a) You agree that if we have or hereafter create a separate title for any one or more of the phases of Hyde Park Residences or any part or parts thereof, we shall be entitled to create all such rights-of-ways and easements for access and services over the lands of any such phase or phases or part or parts thereof, in favour of any and all other phases or part or parts thereof as we in our sole discretion shall consider necessary and advisable for the purposes of the development of such phases. You acknowledge and agree that such easements or rights of ways may be blanket or specific in nature with respect to both the burdened and benefited lands.

(b) You, and every mortgagee of your Unit shall be deemed to have agreed to postpone this Lease and the mortgage thereof to all such grants of easements and rights-of-way referred to above and to any such easements or rights-of-way hereafter required by any local municipal or governmental authority, or public or private utility.

**54. Remedies cumulative:** All our remedies are cumulative and the exercise of one will not deprive us of the others.

**55. Force majeure:** The parties are not liable for any liability, cost or expense incurred due to labour disputes, riots, natural catastrophes, explosions, acts of God, or any other similar event which is beyond the reasonable control of the parties. Any failure or delay by a party in the performance of its obligations under this Lease due to such causes is not a breach of this Lease.

**56. Representations and warranties:** Any floor, zoning, grading or other plan or sketch, including a site plan, landscaping plan or phasing plan, is a general depiction for illustration purposes only and does not bind us. There is no warranty from us dealing with any sod, shrubs, grass, trees, or other landscaping.

**57. Headings:** The headings of the paragraphs and sections of this Lease are inserted for convenience only and are not part of this Lease.

**58. Private Common Water Supply.**

58.1 You acknowledge and agree that Hyde Park Residences will be serviced by a private water supply from either a communal well, multiple wells or multiple communal wells. Included in the Total Cost, as set out on Schedule A attached, is an amount (the "City Security") attributable to the well or wells from which water will be supplied to Hyde Park Residences (Phase 1c). You further acknowledge that we have or will enter into an agreement with the City of Ottawa relating to such supply of water (the "Communal Well Responsibility Agreement"), including, in particular, provisions pursuant to which the City of Ottawa will require certain security and other arrangements to ensure the continued maintenance and operation of the well or wells. You further acknowledge that we have or may be required to deliver to the City of Ottawa, pursuant to such agreement, cash, letter of credit or other security to ensure the performance of the obligations of such agreement.

(a) In the event we have delivered cash to the City of Ottawa for the annual operating costs financial security and, or have delivered cash, for the Capital Reserve Fund to the Trustee, both as provided for in the Communal Well Responsibility Agreement, we shall be entitled to retain the City Security as set out on Schedule "A", provided, however, where we have provided a combination of cash and non-cash security to the City of Ottawa or Trustee, we shall be entitled to retain from the City Security the proportion thereof paid in cash and the balance of the City Security shall be paid as provided in subparagraph (b) below. The proportion to be returned by us shall

be in the ratio that all of the cash so delivered is to the total of the said financial security and Capital Reserve Fund.

(b) In the event we have provided a letter of credit or other non-cash security to the City of Ottawa or to such Trustee, we undertake, after closing, to do the following:

- (i) To deliver the City Security or the remainder thereof, after deduction and retention by us of our cash proportion, to the City of Ottawa in return for which we shall be entitled to a reduction in the security held by the City of Ottawa; or
- (ii) In the event the City of Ottawa will not accept the City Security in reduction of the security, to deliver the City Security or the remainder thereof to the financial institution which has issued such letter of credit or other security held by the City of Ottawa, to be used as cash collateral for such letter of credit or other security, in return for which we shall be entitled to a return, reduction or release by such financial institution of any security which we or others on our behalf have given to it; or
- (iii) If the City of Ottawa and the financial institution have both received sufficient amounts from previous Life Lease Agreements which have closed prior to the within Lease, such that we or others on our behalf have no further outstanding security with the City of Ottawa or the financial institution, the City Security or remainder thereunder will be added to such Reserve Fund for Hyde Park Residences as is being maintained for the purposes of ensuring the continued maintenance, operation and repair of the well or wells.

58.2 (a) In accordance with the requirements of the Communal Well Responsibility Agreement, we hereby advise you and you acknowledge and agree that the City of Ottawa assumes no liability for ensuring that the non-health related parameters of the water comply with the Ontario Drinking Water Standard.

(b) As required by the Communal Well Responsibility Agreement, you acknowledge and agree that we have provided you with a copy of such agreement, prior to your signing this Life Lease Occupancy Agreement. You further acknowledge and agree that we did not, at any time, represent, imply, or suggest to you that the communal water supply system or any of the works relating thereto are a public system or that there is any intent that they become a public system.

**59. Special Notifications:** The City of Ottawa wishes to ensure that you are advised of and are aware of the following:

- (a) The adjacent municipally owned park to the north east of the Lands includes lighted sports fields for the use of the public, at various times, both night and day and that City of Ottawa holds no responsibility to you to modify its operation and use of the municipal park;
- (b) That the adjacent lands to the east of the Lands are used on a yearly basis by the Richmond Agriculture Society for the purposes of sponsoring the Richmond Agricultural Fair and other agricultural events and that the Richmond Agricultural Society holds no responsibility to modify its operation and use of the adjacent lands; and
- (c) That the Lands are serviced by a private communal water supply and that you and all other purchasers, occupants, directors and shareholders of the Life Lease Corporation are beneficiaries of the Communal Well Responsibility Agreement.

**60. Conditional:** This Agreement is conditional until February 15, 2007, upon our acquisition of the property upon which Hyde Park Residences Phase 1c is to be constructed and which said property is described briefly as Part of Unit 94, Plan 4D-22, Ottawa.

**AS EVIDENCE** of this Agreement, all of us have signed below.

)	) _____	_____
) RESIDENT	Date of Signing	
Witness	)	
) RESIDENT	) _____	_____
Witness	Date of Signing	
) PURCHASER	) _____	_____
Witness	Date of Signing	
) PURCHASER	) _____	_____
Witness	Date of Signing	
)	) HYDE PARK RESIDENCES INC.	

)  
 ) Per: \_\_\_\_\_  
 ) Authorized Signing Date of Signing  
 )  
 ) Office  
 ) er  
 ) I have authority to bind the Corporation.

**SCHEDULE "A"**

<b>Basic Cost</b>	\$
<b>Extras *</b>	\$
	=====
<b>Sub Total</b>	\$
<b>GST @6%</b>	\$
<b>Credit GST New Housing Rebate</b>	- \$ ( )
<b>Price of Unit</b>	
	=====
<b>(Basic Cost + Extras net of GST) \$</b>	
<b>City Security (for Water Supply System) \$</b>	<b>940.00</b>
	=====

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**TOTAL COST**

47 \$

\* You agree that the cost of Extras requested by you and agreed to by us after the acceptance of this Lease will be deemed to be an amendment to the Basic Cost and will be payable by you with all required G.S.T., less any applicable New Housing Rebate

**SCHEDULE "B"**

**FORMING PART OF THE ATTACHED LEASE**

**RULES AND REGULATIONS**

The following rules and regulations shall be observed by you, and, in this Schedule, the term "Resident" shall include you and any other person(s) occupying the Unit:

1. The water closets and other water apparatus shall not be used for purposes other than those for which they are constructed and no sweepings, garbage, rubbish, rags, ashes, or other substances shall be thrown therein. Any damage resulting to them from misuse, or from unusual or unreasonable use, shall be borne by you, or your guests, visitors, servants, or agents, who have caused such damage.
2. No sign, advertisement, or notice, except as may be approved and erected by us, shall be inscribed, painted, affixed, or placed on any part of the inside or outside of Hyde Park Residences, or the Common Areas and Facilities whatsoever.
3. You shall not do, or permit anything to be done in the Unit, Common Areas and Facilities, or bring or keep anything therein, which will in any way increase the risk of fire or the cost of fire insurance on any building, or on property kept therein, or obstruct or interfere with the rights of other residents, or in any way injure or annoy them, or conflict with the laws relating to fire, or with the regulations of the fire department, or with any insurance policy carried by us or any Resident, or conflict with any of the rules and ordinances of the board of health, or with any statute or municipal by-law. You agree that no wood, coal, gasoline or other fuel or any combustible or offensive materials shall be stored inside the Unit or on the Parking Space.
4. Water shall not be left running unless in actual use. No toxic materials whatsoever shall be disposed of in any drain within your Unit, the Common Areas and Facilities.
5. You shall not place, leave or permit to be placed or left in or upon the Common Areas and Facilities, any debris, refuse or garbage.
6. You, your guests, visitors and servants shall not create or permit the creation of, or continuation of, any noise or nuisance which, in the opinion of us, may or does disturb the comfort and/or quiet enjoyment of the property by other residents, their guests, visitors, servants and persons having business with them.
7. Nothing shall be thrown out of the windows or doors of the Unit or Hyde Park Residences.



8. No animals, birds or other pets shall be kept in the Unit or in any other part of Hyde Park Residences except with the written approval from us. This written approval must be obtained prior to occupancy. No pet that is deemed by us in our absolute discretion to be a nuisance shall be kept by you in the Unit. All pet owners must comply with the Pet Policy adopted by the Corporation. You shall, within one week of receipt of written notice from us requesting the removal of any pet, permanently remove such pet from the Unit or be considered in default under the Lease. The breeding of any animals in Hyde Park Residences is strictly prohibited.

9. You shall not overload existing electrical circuits.

10. No stores of combustible or offensive goods, provisions or materials shall be kept in the Unit, the Common Areas and Facilities or elsewhere in Hyde Park Residences. You also agree not to have any hazardous, toxic or other types of pollutants or substances in Hyde Park Residences except for household products in amounts commonly found in residential homes. You agree to hold us harmless and indemnify us for any damages, claims, costs and expenses incurred by us as a result of your having such substances in your Unit.

11. No noise, caused by any instrument or other device, or otherwise, which, in our opinion, may be calculated to disturb the comfort of the other residents will be permitted.

12. The sidewalks, entry, passageways, walkways and driveways used in common by the Residents shall not be obstructed or used by you, your guests or persons having business with you for any purposes other than for ingress and egress to and from your respective Units.

13. No motor vehicle other than a private passenger automobile, station wagon, or mini van may occupy your parking space. No commercial vehicle, boat, camper or trailer (other than a three-quarter ton or less truck) shall be parked at Hyde Park Residences or on any part of the Common Areas and Facilities, nor shall any repairs be made to such motor vehicle in your driveway or on the Common Areas and Facilities. No motor vehicle shall be driven on any part thereof other than on a driveway or designated roadway.

14. No motor vehicle shall be parked on any part of the Common Areas and Facilities other than a designated parking space. Machinery or equipment of any kind shall not be parked on any part of the Common Areas and Facilities

15. No one shall harm, mutilate, destroy, alter or litter any of the landscaping work on the Lands, including grass, trees, shrubs, hedges, flowers or flower beds.

16. Any loss, cost, or damages incurred by us by reason of a breach of any rules and regulations in force from time to time by you, your guests, servants or occupants of your Unit shall be borne by you and may be recovered by us from you in the same manner as the

Occupancy Charge referred to in the attached Lease.

17. No bicycles, skateboards, roller blades, etc. shall be ridden on any part of the Common Areas and Facilities other than on driveways.

18. Other than the parking space reserved for your exclusive use and occupation, and those designated for handicapped parking, parking spaces cannot be reserved. Subject to the foregoing, all parking areas are for the common use of all Residents and their visitors.

19. You may not alter or add to the Unit, any structures without our written permission. Should any structure be erected without our permission, it may be removed by us, and the cost of such removal will be added to your Occupancy Charge.

20. Water taps that are intended for the common use of all Residents must be kept easily accessible to us and all other Residents.

21. Neither you nor your guests shall smoke in any designated non-smoking areas of the Common Areas and Facilities.

22. Any alterations or additions to the Rules and Regulations as may be made by us shall be effective upon approval by us and delivery of a copy of the same to you.

23. Alterations or repairs (other than of an emergency nature) to you Unit by professional workmen will be allowed between the hours of 9:00 a.m. and 6:00 p.m., Monday through Saturday only.

24. Any type of work performed by you of a nature which could disturb other Residents must be done between the hours of 9:00 a.m. and 6:00 p.m., Monday through Saturday only.

25. Except in emergencies, we or our agents shall not enter your Unit without giving 24 hours written notice to you, and such entry must be done between the hours of 9:00 a.m. and 6:00 p.m., Monday through Saturday only. We shall have the right to show the premises during reasonable hours, to a prospective Purchaser after written notice by you of moving or transfer.

26. You shall provide us with evidence of insurance, as required under your Lease on taking occupancy of the Unit. Such insurance shall name us as a co-insured and must be verified on the annual anniversary date of this Lease.

27. All outward facing window coverings must be beige or off-white in colour or lined with beige or off-white material so as to give Hyde Park Residences a uniform exterior appearance.

28. You will leave the Unit in good repair, reasonable wear and tear only excepted.

29. You agree to comply with and adhere to all municipal property standards, by-laws and corresponding compliance orders.

30. All garbage is to be enclosed in plastic bags and disposed of at the specified times in the location designated by us. You also agree to abide by the municipal recycling by-laws.

31. The Unit must be maintained at a minimum temperature of 12 degrees Celsius (55 degrees Fahrenheit) during the winter months.

32. The Purchaser shall be responsible for the maintenance and repair of the interior of the Unit and the maintenance, repair and replacement of the following:

- (a) All appliances including stove, refrigerator, washer, dryer and dishwasher (if any);
- (b) The electrical, plumbing and heating systems to the extent not included in the Occupancy Charge;
- (c) Flooring, painting and decorating of the interior of the Unit;
- (d) All fixtures, cabinets, counters and improvements within the Unit;
- (e) All other elements, systems and components of the Unit, other than the exterior of the Unit and structural elements.
- (f) The air conditioning system (if any), in recognition that such system is the property of the Purchaser.

**SCHEDULE "C"****STANDARD PROJECT FEATURES & SPECIFICATIONS**

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**EXTERIOR**

- Calcite brick and vinyl siding as detailed on plans.
- Roof sheathing.
- Insulation-R-20 exterior walls with R-40 in ceilings.
- Low maintenance vinyl soffits, aluminum fascia.
- Rear deck 6' x 8'.
- Fully graded, hydro, seed and landscaped grounds.
- Paved roads and parking areas.
- 20 year architectural shingles.
- Easy access hose faucet at rear of home. (where applicable) (2 per block only)
- Weatherproof electrical outlet at front and rear of home. (where applicable)
- Exterior light at each entrance.
- Low maintenance vinyl clad windows and patio door.
- Front entrance door - solid core steel clad with paint & 1/2 light.

**INTERIOR**

- Flooring - concrete basement (where applicable)
- No-wax vinyl flooring in kitchen, baths, laundry, storage and front entrance.
- 36 oz. carpet with 3/8 inch underpad in bedrooms, living, dining, hallway and closets.
- Party Wall - double framed with drywall.
- Interior partitions - gypsum wallboard (drywall) with latex eggshell paint and semi-gloss in kitchen, baths and laundry.
- Acoustical insulation in all walls around baths and laundry.
- Colonial trim and doors with semi gloss paint.
- Decorative brass finished lever hardware throughout.
- Ceilings - smooth flat finished at baths, laundry, storage, closets..
- Sprayed stipple finish all other areas.
- All closets equipped with wire or melamine shelving where applicable.

**KITCHEN**

- 17.6 cubic foot frost free refrigerator, 30" easy clean electric range.
- Cabinets by Canac Kitchens, or equivalent.
- Stainless steel sink with single lever faucet.

**BATHROOM**

- Vanity same quality as kitchen.
- Mirror over vanity.
- Sink, tub and shower with single lever faucet.
- One piece tub and shower unit.
- Towel bars, toilet paper holder and soapdish.

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- Stacked washer & dryer on main floor, or side by side in units with basement.

#### MECHANICAL

- Natural gas in floor hot water heating in units without basements and Natural Gas High Efficiency Furnace in units with basements.
- Kitchen, bath and laundry exhaust vented directly outside.

#### ELECTRICAL

- Individual 100 amp electrical service with circuit panel and metering.
- Individual smoke detector hardwired to electric panel.
- Interior ceiling light fixtures in all rooms except living room.
- Pre-wired for cable and telephone in two locations.
- Light switches are lowered and electrical outlets are raised.
- Exterior lighting.
- Electric hot water heaters except in Units with no Basement.

#### PLUMBING

- Copper and/or PVC and/or ABS in accordance with local plumbing code.

#### RESIDENTS' SELECTIONS

Residents to have selection from builder's samples of the following (1 colour per selection)

- Colour of carpet and vinyl.
- Colour of wall paint.
- Colour of kitchen and bathroom cabinets and countertops.
- White appliances: refrigerator, stove, clothes washer and dryer.

#### • UPGRADE HOME FEATURES (EXTRA COSTS APPLY)

- Premium carpet, hardwood, ceramic and laminated flooring.
- Natural gas fireplace in living room.
- Solid frame cabinets.
- Additional paint and flooring colours per selection.
- Closet organizers.
- Basement.
- Rough in for bathroom
- Dishwasher.

**SCHEDULE D****RESIDENTS' ASSOCIATION****Duties and Authority:**

The tasks and responsibilities of the Residents' Association are intended to assist the Corporation in the effective management of Hyde Park Residences. The Association's responsibilities and authority include the following:

1. verifying that Hyde Park Residences is being maintained to the standards set-out by the Corporation and reporting any deficiencies to the Corporation;
2. submitting Residents' Association reports and requests to the Corporation;
3. reviewing and approving the annual operating budget which forms the basis for the Monthly Occupancy Charge;
4. co-ordinating and organizing resident social and recreational activities; and,
5. generally representing the Purchaser's and Resident's interest and reporting any problems or recommended policy issues to the Corporation.

**Composition:**

The Residents' Association should be comprised of no more than 5 members, however, special sub-committees may be established at the discretion of the Residents' Association. All Association members must be residents of Hyde Park Residences and must be elected annually by the Purchasers of Hyde Park Residences. Once Association members are elected, the members will select officers with duties as outlined below:

**President**

- general responsibility for the functioning of the Association
- calls meetings and prepares agenda for same
- ensures meetings are conducted according to parliamentary procedures
- ensures members are informed on matters related to the Association
- may vote on motions
- presides as Chairperson at all meetings
- acts as signing officer on any Association accounts

**Vice-President**

- assumes President's responsibilities during absence
- prepares and presents information necessary for the effective operation of the Association
- presents and votes on motions
- assists in planning for future Association activities
- acts as signing officer for any Association-related accounts

**Secretary**

- ensures accurate and complete minutes of all Association meetings are maintained
- ensures preparation and distribution of all necessary information relevant to the Association

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- receives and distributes all correspondence relevant to the Association
- prepares and directs correspondence on behalf of the Association
- presents and votes on motions
- acts as signing officer on any Association accounts

**Treasurer**

- ensures general integrity of financial records of the Association
- acts as signing officer on any Association accounts
- reviews financial statements prior to Association approval and presents Financial report to the Association
- monitors Association bank account(s), if any
- presents and votes on motions

**Lines of Communication:**

1. Residents should first direct all matters to the President of the Residents' Association for discussion at scheduled meetings.
2. The Residents' Association President will then present matters which require resolution to the Corporation's representative at regularly scheduled meetings (normally bi-monthly or upon request).
3. Prior to making representation to the Corporation, the Residents' Association President or Secretary must provide the Corporation's representative with an itemized list of matters for discussion.
4. Residents' Association members should not direct enquires directly to the Corporation or its representatives outside of the procedure set-out above as no formal record of the information provided will be noted in either the Residents' Association's or Corporation's minute book.

**Committees:**

At the Association's discretion, a variety of Committees may be established to assist in the ongoing management and operation of Hyde Park Residences. The Association shall appoint a chair for each established Committee and this individual will solicit assistance from other Residents of Hyde Park Residences. As a general guideline, Committees should consist of no more than five (5) members. Committee meetings are at the call of the Chair as required to properly perform their related duties. Agendas for the individual Committee meetings are the responsibility of the Chair of that Committee. Each Committee Chair shall forward minutes of the Committee meetings to the Secretary of the Residents' Association and the Committee Chair may be invited to attend Association meetings at the discretion of the President.

The following optional Committees, with a brief outline of the function of each, may be established by the Residents' Association as required:

**Social and Recreational Committee** - to assist the Residents' Association and Corporation in establishing social and recreational activities at Hyde Park Residences and encourage resident

participation. This Committee may also be responsible for producing a calendar of monthly activities at Hyde Park Residences.

**Marketing Committee** - to assist in the promotion and marketing of Hyde Park Residences.

**Finance Committee** - to present recommendations on various spending decisions and review operating expenditures and annual operating budget.

**Maintenance Committee** - to review standards of maintenance for Hyde Park Residences, review and solicit tenders for work to be performed and conduct periodic reviews of both short and long term maintenance requirements.



57

SCHEDULE

"E"

CONDITIONS

This Lease is conditional upon the Vendor obtaining all necessary approvals, permits and agreements from all governmental and statutory authorities for the construction of Hyde Park Residences on or before the        day of        2006. If we notify you, in writing, on or before the    such date that we have been unable to satisfy these conditions, then, this Lease shall be null and void and the Deposit shall be returned to you without interest or deduction. In the event no such written notification is delivered to you as aforesaid, this condition shall thereafter be deemed to have been satisfied.