

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FRONTENAC MORTGAGE INVESTMENT CORPORATION

Applicant

and

HYDE PARK RESIDENCES INC.

Respondent

THIRD REPORT OF THE RECEIVER AND MANAGER

May 28, 2015

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Exhibits:

- A Receiver’s proposed minutes of settlement with the City of Ottawa
- B Amendments to Life Lease Occupancy Agreement proposed by the Purchaser
- C E-mail from Residents’ lawyer, dated May 28, 2015
- D Receiver’s Interim Statements of Receipts and Disbursements as at April 30, 2015
- E Receiver’s statutory Interim Report and Statement of Accounts, dated February 20, 2015
- F Receiver’s Estimated Borrowing Requirements to August 31, 2015

Introduction

1. Hyde Park Residences Inc. ("**Hyde Park**") was incorporated on January 16, 2001 as an Ontario not-for-profit corporation. It is the owner and developer of a partially completed retirement housing community in the village of Richmond, Ontario (the "**Project**").
2. By Order of the Ontario Superior Court of Justice (the "**Court**") dated February 20, 2014 (the "**Appointment Order**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed as the receiver and manager (collectively referred to as the "**Receiver**") of the assets, undertakings and property (the "**Property**") of 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**").
3. The Appointment Order authorized the Receiver to, among other things, take possession of, and exercise control over the Property and any and all proceeds, receipts and disbursements, arising out of or from the Property.
4. The Project had proceeded as a life lease development and included (at the date of the Appointment Order):
 - a) 92 completed and occupied bungalow townhouses;
 - b) An operating private water treatment facility (the "**Water Plant**") which currently serves the needs of the 92 townhouses, and was designed for expansion so as to eventually meet the needs of all residents of the Project. The operation of the Water Plant is subject to a comprehensive agreement between Hyde Park and the City of Ottawa (the "**City**");
 - c) A 105 unit assisted living retirement residence (known as "**Immanuel House**") that was approximately 1/3 complete;
 - d) An adjoining 35 unit apartment building (known as "**Apartment A**") that was approximately 2/3 complete; and
 - e) A vacant piece of land behind Apartment A on which Hyde Park had planned to construct two (2) additional apartment buildings with 56 units each.
5. The Receiver submitted its first report to the Court, dated April 7, 2014 (the "**First Report**") on April 15, 2014. This report provided the following information:
 - a) Background on Hyde Park and its Property;

- b) Current status of the Project;
 - c) The Receiver's activities up to April 7, 2014, which included details of Hyde Park's financial books and records, the status of reserve funds, the charges levied by the City of Ottawa, problems obtaining insurance on the Project, the status of investments and deposits in the Project, assets held by third parties, and property management issues for current residents ("**Residents**"); and
 - d) The Receiver's proposed marketing and sale process for the Property.
6. On April 15, 2014, the Court issued an Order approving the Receiver's activities, and its marketing and sales plan to realize on the Property.
7. The Receiver submitted its second report to the Court, dated January 26, 2015 (the "**Second Report**") on February 12, 2015. This report provided the following information:
- a) The results of the Receiver's marketing and sales process (to January 26, 2015), and the Receiver's proposed realization plan going forward;
 - b) The Receiver's actions to protect and maintain the Property;
 - c) The Receiver's estimate of the cost to complete phase 3A of the Project (i.e. Apartment A and Immanuel House);
 - d) Details of the Receiver's position with respect to the \$673,164.61 in deferred development charges that were transferred to the Lands' property tax roll by the City shortly after the date of the Appointment Order;
 - e) The status of Hyde Park assets held by X-L-Air Energy Services Ltd.;
 - f) The Receiver's property management activities for the Residents; and
 - g) The Receiver's actions with respect to reserve funds for the Townhouse units and the Water Plant.
8. On February 12, 2015, the Court issued an Order (the "**February 12th Order**") approving the Receiver's activities, its revised approach to realize on the Property, and an increase in the Receiver's borrowing limit from \$750,000 to \$1,550,000.
9. All of the Receiver's reports, the Court's orders, and other key documents relating to this receivership have been posted on the Receiver's website at http://www.insolvencies.deloitte.ca/en-ca/Pages/Hyde%20Park%20Residences%20Inc_%20.aspx.

10. The purpose of this third report of the Receiver (the "**Third Report**") is to:
 - a) Provide the Court with a description of the Receiver's activities since the Second Report;
 - b) Provide the Court with the evidentiary basis to make an Order:
 - i.) Approving the activities of the Receiver as described in the Third Report;
 - ii.) Approving 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.) Approving an increase in the Receiver's borrowing limit from \$1,550,000 to \$1,735,000.
 - iv.) Approving the Receiver's proposed minutes of settlement with the City (attached as **Exhibit "A"**), 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.

Terms of Reference

11. In preparing the Third Report and making the comments contained herein, the Receiver has relied upon the following information:
 - a) Records of Hyde Park and Courtyard Developments Inc. ("**Courtyard**"), which is a company related to Hyde Park that acted as general contractor for the Hyde Park development project;
 - b) Information provided by employees (including former employees) of Courtyard and independent contractors that had been retained by Hyde Park or Courtyard. Hyde Park had no employees of its own; and
 - c) Information provided by third parties, such as consultants, the Residents, the City, and creditors.
12. The Receiver has not audited the information received.
13. Unless otherwise stated, all dollar amounts contained in the Third Report are expressed in Canadian dollars.

14. Capitalized terms not otherwise defined in this Third Report are as defined in the Appointment Order.

Receiver's Activities since the Second Report

Realization of Property

15. Pursuant to the February 12th Order, the Receiver proceeded with its revised plan to realize on the Property (i.e. to continue pursuing the six (6) parties who had expressed an interest in the Property, until March 31, 2015). As noted in the Second Report, one (1) of the prospective purchasers (the Purchaser referred to above) had submitted a conditional offer to the Receiver on December 15, 2014, but had not yet confirmed its financing or undertaken substantial due diligence.
16. In early March 2015, the Receiver was advised that financing for the above noted conditional offer was about to be approved, and that most of the due diligence had been completed. We therefore contacted the other five (5) prospective purchasers on March 9, 2015 and asked that each submit a final offer for the Property by March 16, 2015 if they were still interested. The Receiver had previously advised each of these parties that, if we received an offer for the Property that we deemed suitable to take to the Court for approval, we would first provide them with a short time period to submit an offer.
17. None of the other prospective purchasers submitted an offer, nor did they request an extension of time to do so.
18. Pillar Financial Services Inc. ("**Pillar**") the underwriter of Frontenac Mortgage Investment Corporation ("**Frontenac**"), the first mortgagee and financier of the receivership, agreed to finance the Purchaser.
19. After some delays, 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.
20. The reason for the additional due diligence period of 15 business days is that, while the main conditions of the Purchaser's original conditional offer had been satisfied, there were a few other issues that still had to be resolved. These included (1) the status of Hyde Park's mechanical equipment ordered for Immanuel House that was being held by X-L-Air Energy Services Ltd. ("**X-L-Air**"), and (2) the

status of the deferred development charges (that the City had added to the Lands' tax roll) and related accrued interest, the security deposit that had been posted by Hyde Park, and the reissuance of building permits for the Project. Further details on these two (2) issues are provided later in this report.

21. On May 19, 2015, the Purchaser advised the Receiver that there was an additional issue that needed to be resolved. The Purchaser was not prepared to assume two (2) specific provisions of the existing Life Lease Occupancy Agreements (“LLOA”s) that were registered on title to the Lands. Paragraphs 39.1 and 39.2 of the LLOAs contemplated that the completed Project would be owned by a non-profit corporation with only the LLOA holders becoming members of this corporation. The Purchaser was concerned that these provisions created a risk that the Purchaser’s equity interest in the Project could be eliminated at some time in the future. The Purchaser suggested that the Receiver seek an Order that would approve certain amendments to the existing LLOAs in order to eliminate the problematic provisions.
22. On May 21, 2015, the Purchaser advised the Receiver that it wanted to make further amendments to the LLOA. These were as follows:
 - a) References to the not for profit corporation be removed and replaced with a for profit corporation owned by the Purchaser;
 - b) References to the construction of a unit or purchase sell agreement for a new constructed unit be removed;
 - c) References to Courtyard and its solicitor be removed;
 - d) References to a residents association be removed;
 - e) References to construction warranty on a new unit be removed;
 - f) Removal of Schedule A to the LLOA (which provides a breakdown of the original purchase price and unit customization details);
 - g) Removal of “Residents’ Selections” and “Upgrade Home Features” in Schedule C; and
 - h) Removal of Schedule D to the LLOA (which sets out the duties, authority and composition of the Residents’ Association).
23. On that same day, the Purchaser advised the Receiver that it wanted to amend the due diligence condition in the APS so that the Purchaser had until the sale closing

date to resolve certain issues with the City. The Purchaser also wanted to amend the proposed Approval and Vesting Order to reflect approval of its proposed amendments to the LLOAs. As of the date of this report, the APS and the proposed Approval and Vesting Order have not yet been amended. As noted below, the Receiver requested that the Purchaser forward its proposed LLOA amendments to the Residents' legal counsel for review.

24. On May 22, 2015, the Purchaser provided the Receiver with a black-lined LLOA with detailed proposed amendments (copy attached as **Exhibit "B"**). At our request, the Purchaser subsequently forwarded a copy of this document to the Residents' legal counsel for review (on May 26, 2015). On May 28, 2015, the Receiver's legal counsel received an e-mail from the Residents' legal counsel (attached as **Exhibit "C"**) who advised that he will request the June 4, 2015 hearing be adjourned if the Receiver seeks approval of the APS since he will not have sufficient time to review the proposed changes with his clients.
25. As noted in paragraph 19, the expiry date for the due diligence condition was May 25, 2015. Given that the Purchaser was not prepared to waive this condition on May 25, the Receiver and Purchaser agreed to extend the expiry date for this condition until May 27, 2015. At the date of this report, the Receiver has agreed to extend the expiry date again, until June 3, 2015 (just prior to the scheduled Court hearing date).
26. Given that the APS is still conditional upon due diligence, the Receiver is prepared to provide the Court with a copy of the APS on condition that the document is sealed by the Court and not disclosed to others.
27. The Receiver is prepared to recommend approval of the APS (or a similar APS with minor amendments) by the Court, provided that the Purchaser can resolve its outstanding issues with the City (and thereby waive its due diligence condition), and reach substantial agreement with the Residents on its proposed amendments to the LLOAs (or satisfy the Receiver that all of its proposed amendments are critical to its plans for the Project going forward, and that it cannot wait for input from the Residents).
28. At the date of this report, the Receiver is requesting approval from the Court to continue pursuing completion of the APS.

Ongoing Oversight and Preservation of the Property

Oversight of Apartment A and Immanuel House

29. As part of the ongoing requirement to provide site safety and security, one of the Receiver's capital projects' specialists has continued to conduct regular reviews of the Project site. This person has carried out the following activities with respect to Apartment A and Immanuel House:
- 1) Conducts a walkthrough around the perimeter of the site to review the general condition of the buildings' exterior;
 - 2) Walks through the interior units of Apartment A and each level of Immanuel House to check current conditions;
 - 3) Reviews the site conditions and reports on any changes from the prior visit;
 - 4) Inspects each room of Apartment A. The equipment and fixtures in the rooms are confirmed with those captured in the original inventory list (prepared when taking possession on February 21, 2014) to ensure that no changes have occurred;
 - 5) Meets with the on-site maintenance technician to receive updates on the past few weeks and any concerns moving forward. The maintenance technician, who is the same person providing maintenance services to the Residents, is on the Project site every day, and conducts a daily cursory inspection and visual walk around Apartment A and Immanuel House; and
 - 6) Completes a checklist to ensure that all aspects of the inspection are adequately captured during each visit.
30. Based on the above noted inspections, the assets of the Project are all still accounted for, and the condition of the buildings has not deteriorated more than expected (given that none of the buildings are watertight and that one of the buildings, Immanuel House, is completely open to the elements).
31. The Receiver estimates that the ongoing costs, including utilities, insurance, security, maintenance, and equipment rental, for the incomplete buildings (excluding the professional fees of the Receiver and its legal counsel) are approximately \$35,000 per month.
32. The Receiver continues to retain a maintenance technician to look after the day to day maintenance and security of the Property.

33. The Receiver has continued to renew insurance coverage for the construction site on a monthly or bi-monthly basis. The existing insurance policy will expire on June 30, 2015, and will be renewed again for July, and possibly August, depending on the final closing date for the proposed sale.
34. The Receiver continues to respond to inquiries from investors, purchasers of life leases in Apartment A and Immanuel House, and other creditors.

Other Matters Relating to the Property

Deferred Development Charges and Property Taxes

35. As noted in the Receiver's previous reports, the Receiver discovered that the City transferred \$673,164.61 in deferred development charges to the Lands' tax roll on March 4, 2014. The deferred development charges are currently due and owing and accumulating interest charges (at 1.25% per month); however, the Receiver does not currently have the funds available to satisfy this debt. As this transfer occurred after the issuance of the Appointment Order and the stay of proceedings referred to therein, the Receiver has disputed the City's entitlement to transfer the deferred charges to the tax roll in order to facilitate its collection. Moreover, the Receiver is concerned with the consequences that the City's actions have had upon its ability to keep the taxes for the Property in good standing and preserve and protect the interests of all stakeholders.
36. Property taxes are levied by the City against the Lands under two (2) separate roll numbers. As at the date of this report, the City advised us that the following amounts are owing:
 - i) \$50,066.23 under roll number 0614.273.815.00450.000 ("450"). This amount was recently assessed and is due by June 18, 2015. There is no interest owing on this amount;
 - ii) \$1,014,077.60 under roll number 0614.273.815.00501.000 ("501"). This amount includes:
 - 1) \$673,164.61 in deferred development charges;
 - 2) \$208,545.77 in property taxes relating to 2014 and 2015;
 - 3) Interest of \$114,229.65 that has accrued on the deferred development charges up to May 1, 2015; and

- 4) Interest of \$18,137.57 that has accrued on the property taxes up to May 1, 2015.
37. The Receiver previously paid the amounts assessed under roll number 450 (except for the most recent assessment due June 18, 2015), but has not paid any of the amounts assessed under roll number 501 since the City would not confirm that the Receiver could make payments strictly on account of the property taxes and not the deferred development charges until the issue of priority was resolved.
38. In its Second Report, the Receiver had requested the Court to order that the deferred development charges of \$673,164.61 be removed from the tax roll along with any related interest, fees and penalties, plus any interest accrued on the unpaid property taxes (since the City would not agree to apply any payments made by the Receiver to the actual property taxes assessed under roll number 501).
39. Prior to the Court hearing on April 15, 2015, the Receiver held discussions with the City regarding a possible alternative resolution to the problems noted above. The City appears agreeable to (1) setting off the security deposit of \$647,000.00 (previously posted by Hyde Park for the Project's site plan agreements) against the deferred development charges, and (2) reducing the amount of accrued interest. Based on these initial discussions, the Receiver deferred its request for a Court order on this matter.
40. Based on subsequent discussions with the City, the Receiver has proposed minutes of settlement with the City (attached as **Exhibit "A"**) to resolve the above noted issues. The minutes envision that, in addition to setting off the security deposit against the development charges, the interest accrued on the unpaid property taxes will be effectively reduced from approximately \$18,137.57 to \$4,836.69 (subject to final confirmation of amounts owing). The Receiver believes that this reduced interest amount of \$4,836.69 will be the responsibility of the Residents (who are responsible for property taxes pursuant to the LLOA). The interest accrued on the development charges will be also be reduced (from 15% to 10% of the outstanding balance) and will be paid from the sale proceeds.
41. The Receiver requests the Court to approve the Receiver's proposed minutes of settlement with the City (subject to any immaterial amendments required by the City).

Hyde Park Assets Being Held by Third Parties

42. As noted in the Receiver's previous reports, X-L-Air, the mechanical sub-contractor on the Project, was holding mechanical equipment purchased by Hyde Park to be

used at Immanuel House. ICPM, a cost consultancy firm retained by the Receiver, inspected the mechanical equipment and assessed the cost value (i.e. the cost to purchase similar equipment from another supplier) to be \$272,982 as at May 2014.

43. In June 2014, X-L-Air advised the Receiver that it would release the mechanical equipment to the Receiver upon payment of storage fees of \$2,500 per month calculated from the date of receivership. Costs to move the equipment back to the Hyde Park site were estimated at \$20,000 (since the equipment was stored at several sites). At that time, some of the prospective purchasers for the Property were not attributing any value to the equipment; thus, the Receiver decided not to commit funds to retrieve this equipment, and that it would wait for bids to be received before making a decision.
44. As no reasonable bids were received for the Property by the July 25, 2014 deadline, the Receiver advised X-L-Air that it would not be paying the costs claimed for storage in order to recover the mechanical equipment, and that X-L-Air would have to wait until a purchaser of the Property decided whether or not it needs the equipment.
45. Over the next seven (7) months, X-L-Air contacted the Receiver on a regular basis to request an update on any potential offers for the Property, and the Receiver provided X-L-Air with general status updates (while not providing any confidential information).
46. In February 2015, X-L-Air advised the Receiver that it wanted to realize on the equipment to recover its storage charges. The Receiver advised X-L-Air that it had no objection to this course of action provided that X-L-Air properly canvassed the market in order to obtain the best possible sale price for the equipment. The Receiver also requested X-L-Air to provide a summary of the amounts being claimed for storage and handling of the equipment, and if deemed fair, then the Receiver would consent to X-L-Air retaining some or all of the proceeds from its sale to be applied to the storage and handling costs.
47. The Purchaser advised us that, beginning in March 2015, it has communicated with X-L-Air regarding the mechanical equipment. We understand that no agreement has been reached between the Purchaser and X-L-Air regarding retrieval of the equipment in the event a sale of the Property to the Purchaser is completed.
48. X-L-Air filed a motion record on May 12, 2015 requesting an Order requiring the Receiver to (1) pay X-L-Air \$44,974.00 plus legal costs from the proceeds of sale

of the Property, and (2) remove the equipment from the possession of X-L-Air. The Receiver will be responding to this motion on May 29, 2015.

Property Management Issues and Reserve Funds

Property Management Activities

49. As noted in the First Report, the Receiver took over Hyde Park's role as property manager for the 92 occupied townhouses and Water Plant on the Lands. Since the Second Report, the Receiver has undertaken the following activities specifically related to property management:
- a) Continued to collect monthly occupancy charges from the Residents. As at April 30, 2015, all Residents were up to date;
 - b) Continued to manage and pay all utilities and other service providers who are delivering services for the benefit of the townhouses and Water Plant;
 - c) Continued to retain the Project's previous maintenance technician (to look after the day to day maintenance and security of the Property), and the Project's client service manager (to act as the Receiver's representative at the Project site to respond to all resident inquiries and property management issues). The maintenance technician also inspects and helps to monitor the Water Plant every day;
 - d) Continued the practice of monthly meetings between a representative of the Residents' Association, the Receiver's maintenance technician, and the Receiver's on-site client service manager in order to address Residents' maintenance concerns on a timely basis;
 - e) Regularly tracked the resolution of maintenance/repair issues posted to a maintenance log (which is updated based on observations/queries from Residents and the maintenance technician);
 - f) Investigated and approved necessary repairs and maintenance for the townhouses, the Water Plant and the common areas;
 - g) Pursued insurance claims when required repairs were covered by insurance policies maintained by the Receiver;
 - h) Continued to engage Brownlee Water Quality Management Inc. ("**Brownlee**"), a certified drinking water system operator, as the external operator of the Water Plant;

- i) Applied to the Ministry of Environment (with the assistance of Brownlee) in April 2015 for a renewal of Hyde Park's permit to take water from two (2) wells at the Project site. The existing permit expires July 31, 2015;
 - j) Attended meetings of the Residents' Association executive committee, and meetings of all Residents, to provide updates on the status of the receivership, deal with Residents' concerns, and to answer any questions regarding the process.
50. The Receiver is currently following up on approximately \$60,000 of urgent repairs and capital replacements for the Residents (which will be funded from both the regular property management budget and the townhouse reserve fund). The Receiver has identified, with input from the Residents, another \$100,000 of repairs and capital replacements that are required but are not yet urgent. These repairs are currently on hold as there are currently insufficient funds available to cover their cost and maintain a cushion for future urgent repairs.

Reserve Funds

51. As noted in the First Report, Hyde Park agreed to maintain two (2) reserve funds pursuant to the LLOAs signed with the Townhouse Residents; one for the major repairs and capital replacement of the common areas and facilities, services, roadways, sewer and walkways, and one for major repairs and capital replacement of the structural elements, electrical, plumbing and heating systems of the units (collectively referred to as the "**Townhouse Reserve Fund**"). The LLOAs require that five percent (5%) of the annual property management budget be contributed monthly to the Townhouse Reserve Fund.
52. As at April 30, 2015, the balance in the Townhouse Reserve Fund was \$63,010.

Receiver's Interim Statements of Receipts and Disbursements

53. The Receiver currently maintains the following four (4) trust accounts:
- 1) A 'Property Management Account' to record all receipts and disbursements relating to the 92 townhouses and the Water Plant;
 - 2) A 'Reserve Account' to record all receipts and disbursements relating to reserve funds;

- 3) A 'General Account' to record all receipts and disbursements relating to all other receivership matters excluding those that relate to property management or reserve funds; and
 - 4) A 'Sale Deposit Account' to hold the deposit provided by the Purchaser on May 1, 2015.
54. Attached as **Exhibit "D"**, is a copy of the Receiver's Interim Statements of Receipts and Disbursements, as at April 30, 2015, for the first three (3) trust accounts noted above.
 55. To date, the Receiver has received \$1,550,000 in funding from Frontenac. These funds are reflected in the Receiver's Interim Statement of Receipts and Disbursements for its General Account. In accordance with the Appointment Order, these funds form a first charge on the Property, subordinate only to the Receiver's Charge.
 56. The Receiver prepared, and filed with the Office of the Superintendent of Bankruptcy, its statutory Interim Report and Statement of Accounts (pursuant to subsection 246(2) of the Bankruptcy and Insolvency Act) on February 20, 2015. A copy is attached as **Exhibit "E"** and has been posted to the Receiver's website.

Funding Required for Receivership

57. As noted in the Second Report, the Receiver had anticipated that a sale of the Property would be completed by May 31, 2015. This has proven incorrect. If the due diligence condition in the current APS can be satisfied within the next week (before the scheduled Court hearing date on June 4, 2015), the Receiver believes that the sale could potentially close in early July. Otherwise, it would not probably not close until sometime in August (assuming Court approval).
58. The Receiver estimates that ongoing professional fees (including legal services) will be approximately \$39,000 per month, and that operating costs (to preserve, protect, and insure the unfinished buildings) will be approximately \$35,000 per month until a sale of the Property can be completed. Based on the above noted Interim Statement of Receipts and Disbursements for the Receiver's General Account (**Exhibit "D"**), and on the additional funding requirements of the Receiver, detailed in **Exhibit "F"**, the Receiver requires the ability to borrow up to an additional \$185,000 in order to continue to the receivership to August 31, 2015 (if necessary). Frontenac has agreed to provide this funding on the same basis as earlier funds provided to the Receiver.

Requests to the Court

59. For the reasons set out above, the Receiver requests that the Court make an Order:
- a) Approving the activities of the Receiver as described in the Third Report;
 - b) Approving the Receiver to continue pursuing completion of the conditional purchase offer 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.
 - d) Approving the Receiver's proposed minutes of settlement with the City (attached as **Exhibit "A"**), 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.

All of which is respectfully submitted, this 28th day of May 2015.

DELOITTE RESTRUCTURING INC.,

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

Per:



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

Exhibit “A”

Receiver’s proposed minutes of settlement with the City of Ottawa

D

Court File No. 14-59998

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

FRONTENAC MORTGAGE INVESTMENT CORPORATION

Applicant

and

R

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.

A

MINUTES OF SETTLEMENT

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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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 (a “Performance Deposit”);

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 the 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;

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;

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 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;

Events of 2014 and 2015

AND WHEREAS on or about March 4, 2014, the City of Ottawa, after Deloitte was appointed Receiver and Manager of the Property, added the amount then owed by Hyde Park to the City of Ottawa for Deferred Development Charges for Apartment A and Immanuel House to the municipal tax rolls of some or all of the Lands;

AND WHEREAS a dispute thereafter arose between Deloitte, in its role as Receiver and Manager of the Property, and the City of Ottawa about whether the City of Ottawa could add the Deferred Development Charges to the municipal tax rolls of some or all of the Lands after the Ontario Superior Court of Justice made its order dated February 20, 2014 appointing Deloitte as Receiver and Manager of the Property;

AND WHEREAS Deloitte and the City of Ottawa have also disputed the interest rate that the City of Ottawa could charge on the Deferred Development Charges, as well as the interest rate that the City of Ottawa would charge on unpaid municipal property taxes assessed as owing in respect of the Lands in 2014 and 2015;

AND WHEREAS Deloitte and the City of Ottawa wish to settle the issues in dispute between them involving:

- (a) the addition of the Deferred Development Charges to the municipal tax rolls of some or all of the Lands on March 4, 2014;
- (b) the interest rate that is charged by the City of Ottawa – and the interest payment that Deloitte, Hyde Park and/or a future owner of the Lands will be required to pay – on the Deferred Development Charges; and
- (c) the amount or percentage of interest that the City of Ottawa is charging Deloitte, Hyde Park and/or a future owner of the Lands on the municipal property taxes owing in respect of the Lands in 2014 and 2015.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. The City of Ottawa will charge interest on any unpaid municipal property taxes owing as of the date of these Minutes of Settlement in respect of the Lands at an effective rate of four (4) percent per annum.
2. In order to arrive at an effective interest rate of four (4) percent per annum on any unpaid municipal property taxes owing in respect of the Lands as of the date of these Minutes of Settlement, the City of Ottawa will reduce the amount owing for Deferred Development Charges by an amount equal to any amount of interest

the City of Ottawa claims is owing on any unpaid municipal property taxes in respect of the Lands as of the date of these Minutes of Settlement in excess of four (4) percent per annum.

3. Deloitte will pay to the City of Ottawa, upon closing of an agreement of purchase and sale for all or substantially all of the Property, all municipal property taxes assessed and owing in respect of the Lands, subject to the adjustment made to the effective interest rate noted in paragraphs 1 and 2 of these Minutes of Settlement. The City of Ottawa and Deloitte agree that the net amount of municipal property taxes owing in respect of the Lands as of May 13, 2015 was \$158,018.30 minus \$13,300.88 [the adjustment to the Deferred Development Charges referred to in paragraph 2 of these Minutes of Settlement] for a total of \$144,717.42.
4. The City of Ottawa will charge interest on the Deferred Development Charges at a rate of ten (10) percent per annum from the date the City of Ottawa was entitled to charge and collect interest on the Deferred Development Charges.
5. The City of Ottawa will apply the Performance Deposit against the Deferred Development Charges with the effect being that the Performance Deposit will become \$0.00 and the amount owing for Deferred Development Charges, including applicable interest at a rate of ten (10) percent per annum, will be reduced by an amount equal to the Performance Deposit, namely \$647,000.
6. Upon closing of an agreement of purchase and sale for all or substantially all of the Property, Deloitte will pay the City of Ottawa the amount in Deferred Development Charges outstanding after the adjustments to the Deferred Development Charges, noted in paragraphs 2, 4 and 5 of these Minutes of Settlement, are made. The City of Ottawa and Deloitte agree that, as of May 13, 2015, the net amount of Deferred Development Charges owing in respect of the Lands was \$102,315.28.

Signed on the _____ day of June, 2015.

D

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

Per:

I have authority to bind the corporation.

R

Signed on the _____ day of June, 2015.

CITY OF OTTAWA

Per:

Name: _____

A

F

T

Exhibit “B”

Amendments to Life Lease Occupancy Agreement proposed by the Purchaser

AMENDED AND RESTATED LIFE LEASE OCCUPANCY AGREEMENT

~~*HYDE PARK*~~ RESIDENCES ~~*(Phase*~~
~~*1c)*~~

Sponsored
by:

**COURTYARD DEVELOPMENTS
INC.**

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

AMENDED & RESTATED LIFE LEASE OCCUPANCY AGREEMENT

This Agreement is made on the _____ day of _____, 200____.

B E T W E E N :

HYDE PARK RESIDENCES INC., _____
(~~“Corporation”~~) Landlord)

- and -

(*“Resident”*)

~~-and-~~

(*“Purchaser”*)

WHEREAS:

- ~~1. the Corporation is a corporation without share capital incorporated under the laws of Ontario;~~
- ~~2. the Corporation intends to develop its lands in the City of Ottawa, formerly in *the Township of Goulbourn, fronting on Perth Street* in the former Village of Richmond, being Part of Unit 96, Plan 4D-22, designated as Part 1, Plan 4R-2141 and Part 1, Plan 4R-21530 and Part of Unit 94, Plan 4D-22, designated as Parts 1 and 2, Plan 4R-21531 together with all adjacent lands thereto which may now or hereafter be owned by the Corporation (the "Lands") by constructing thereon in phases, a complex to be known as "Hyde Park Residences" which is intended to include townhomes, assisted living/retirement and care units and facilities, special needs housing and apartments, for occupancy by individuals at least one of whom in each unit is aged 55 years or over, as well as other related uses and facilities, the first phase of which is comprised of forty four (44) townhomes known as "Hyde Park Residences (Phase I), the second Phase of which is comprised of eight (8) townhomes known as "Hyde Park Residences (Phase Ib)" and the third phase of which is to be comprised of 40 townhomes to be known as "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".~~

~~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 120th day aforesaid, the Completion Date will be extended until the Unit is substantially completed, but not more than a further 120 days.~~

- A. Hyde Park Residence Inc. ("HPRI") and Courtyard Development Inc. ("CDI") have developed and completed Phases I, Ib and Ic of the "Life Lease Residences" development scheme on the Lands *fronting on Perth Street* in the City of Ottawa (formerly in the Village of Richmond and *the Township of Goulbourn*);
- B. By a Life Lease Occupancy Agreement between and the Resident dated _____ (the "**Original Lease**"), the Resident acquired an interest in the Unit as described in, and on the terms and conditions set out in, the Original Lease;
- C. HPRI and CDI have become insolvent, have been forced to abandoned continued development of the Life Lease Residences development scheme on the Lands, and by Orders of the Ontario Supreme Court of Justice (the "**Court**") dated February 14, 2014 (the "**Receivership Order**") and February 20, 2014 (the "**Appointment Order**", and together with the Receivership Order, collectively, the "**Orders**"), Deloitte Restructuring Inc. (the "**Receiver**") was appointed receiver and manager of all of the assets, undertaking and property of HPRI (the "**HRPI Property**"), including, without limitation, the interests of HPRI in the Original Lease;

- D. ~~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.~~ By an Order of the Court dated _____, 2015 (the “**Approval and Vesting Order**”), certain parts of the HRPI Property, including without limitation, the interests of HRPI in the Original Lease, have been assigned to and become vested in the name of the Landlord described herein;
- E. It is a condition of the Landlord’s acquisition of the HRPI Property and of the Approval and Vesting Order that the Original Lease be amended and restated to, among other things, delete any reference to the Resident’s current or future interest in the Lands, the buildings or appurtenances therein and thereon, 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;
- F. The Resident has agreed to amend the Original Lease to reflect such changes in the Life Lease Residences development and ownership scheme on the terms as hereinafter set out.

NOW THEREFORE WITNESS, that in consideration of these presents, the sum of Two Dollars (\$2) and other good and valuable consideration now paid by each party to the other, the receipt and sufficiency of which is hereby acknowledged, the parties have agreed to amend and restate the Original Lease on the following terms and conditions (such amendment and restatement being hereinafter referred to as “the (or this) **Lease**”) with effect as of and from the Effective Date.

MEANING OF WORDS

1. **Definitions:** In this Lease:
- 1.1 “all of us” means the Landlord and the Resident collectively;
- 1.2 “you” and “your” means both the Resident its legal or personal representative(s);
- 1.3 “our architect” means whatever architect we retain, from time to time, in our sole discretion, to provide architectural services to us relating to the Life Lease Residences;
- 1.4 “we”, “us” or “our” means the Landlord.
- ~~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.~~ 5 “Unit” means unit # in block of the Life Lease Residences.

1.6 “Effective Date” means _____.

~~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:~~ 7
“Lands” means the lands more particularly described in Schedule “A” attached to this Lease, and, for greater certainty include the Life Lease Lands and the Future Development Lands.

1.8 “Life Lease Residences” means the 92 bungalow town homes developed on the Lands as identified on the Site Plan attached as Schedule “B” to this Lease, of which the Unit forms a part, and for greater certainty, excludes any part of the Future Developments.

~~13.1 — \$5,000.00 which has been paid by you as a deposit pursuant to a Life Lease Reservation Agreement;~~ 9 “Life Lease Lands” means those parts of the Lands upon which the Life Lease Residents are situate, as depicted in red on the Site Plan attached as Schedule “B” to this Lease.

~~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”;~~ 10 “Future Development Lands” means those parts of the Lands upon which the Future Developments are intended to be developed, as depicted in green on the Site Plan attached as Schedule “B” to this Lease.

1.11 “Future Developments” means all residential, commercial, retail or recreational buildings, facilities and appurtenances thereto as may be developed on the Future Development Lands by the Landlord from time to time.

~~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 1e). Subject only to paragraphs 6, 11 and 30, the Deposit will not be refunded to you.~~¹²
"Common Areas and Facilities" has the meaning set out in paragraph 4 hereof.

1.13 "Rules and Regulations" has the meaning set out in paragraph 4 hereof.

~~13.4 the balance of the Total Cost will be paid by you on the Completion Date.~~¹⁴
"Occupancy Charge" has the meaning set out in paragraph 7 hereof.

1.15 "Unit Proportionate Share" means a fraction which has as its numerator, the number one, and as its denominator, the total number of units, including the Unit, in the Life Lease Residences.

~~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.~~¹⁶ "Life Lease Component Share" means the allocated shared of costs to the Life Lease Residences of the entire costs of servicing, operating and maintaining the Life Lease Residences, all Future Developments, all Common Areas and facilities on the entire Lands which we determine, in our sole discretion in a *fair and reasonable manner, to be attributable to each particular* development on a per unit basis. As each component of development on the Lands is completed, *the denominator of the fraction* used to allocate shared costs shall be amended to reflect the number of units added by the new component. *For greater certainty, for the purpose of determining the total number of* units in a particular component the following shall apply:

~~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.~~

- (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.*

~~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.~~

1.17 ~~"Reserve Fund"~~ has the meaning in paragraph 8.1(b) hereof.

1.18 ~~"Property Taxes"~~ has the meaning set out in paragraph 10.1 hereof.

~~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.~~

1.19 ~~"Default"~~ has the meaning set out in paragraph 17.1 hereof.

2. ~~**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~~paragraph 17, or transfer thereof under paragraph ~~35~~18.

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.

3. ~~**15.—Parking :**~~ In the event your Unit does not have a garage, ~~the~~is 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~~Landlord in writing from time to time, ~~according to by-law or directors' resolution which will also~~in its discretion. We shall also have the right to enact rules governing the use of visitor parking spaces. ~~We, and we~~ may, from time to time, by ~~by-law or directors' resolution~~notice in writing and in our discretion 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~~Landlord 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.

4. ~~**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~~the Life Lease 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~~the Life Lease Lands, with the exception of (i) individual Unit patios and other areas delineated or designated by the ~~Corporation~~Landlord from time to time for use by the occupants of particular units, and (ii) the Future Developments (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~~C. 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~~or occupants of the Lands from time to time, including residents or occupants of the Future Developments. 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~~may proceed with Future Developments, including without limitation 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~~the Life Lease Residences ~~(Phase 1e)~~ 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~~purchasers, occupants or residents in the Future Development might not benefit from membership in such community centre (eg. ~~residents of extended-care~~retail or commercial 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.

5. ~~17.~~ **Quiet enjoyment:** If you are not in default, you will have quiet enjoyment of the Unit and associated parking rights.

6. ~~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.

7. ~~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.

8. ~~20.~~ **Components of Occupancy Charge and Reserve Fund:**

~~20~~8.1 The Occupancy Charge includes the Unit Proportionate Share and Life Lease Component 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~~the Life Lease Residences;
 - (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~~20 hereof;
 - (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 forming part of or in the 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.~~ [NTD-what about debt service under the mortgage being arranged to acquire the assets?]
- (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; and.
- (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 1c) prior to the completion of any future phase of Hyde Park~~ the Life Lease Residences and the reduced amount of such calculation and allocation which ~~will~~ may occur following the construction of future phases of Hyde Park Residences, as such phases will then the Future Developments, provided that such Future Developments are also required to 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~~ Resident or the ~~Corporation~~ Landlord 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) capital replacement reserve costs (the "Reserve Fund") calculated as set out in paragraph ~~20~~ 8.2, 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~~the Life Lease 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~~Life Lease Residences ~~(Phase 1c)~~.

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.~~

~~208.2~~ 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~~Landlord 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~~determined by ~~a majority of the Purchasers prior to taking effect (having one vote per Unit)~~the Landlord, in its sole discretion. 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~~in the sole discretion of the ~~Corporation~~Landlord. ~~The Landlord~~ shall determine, from time to time, in ~~their~~its sole discretion, the manner in which the contributions to the Reserve Fund shall be allocated to each of the segregated accounts mentioned in paragraph ~~208.1~~208.1(b) above.

~~208.3~~ For the purposes of paragraph ~~208.1~~208.1 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~~Life Lease Residences in such manner as we determine, in our sole discretion, to be fair and reasonable.

~~208.4~~ The Occupancy Charge shall be determined at least annually or more frequently by the ~~Corporation~~Landlord 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.

- ~~208.5~~ Extraordinary expenditures not contemplated in the foregoing budgets ~~and for which the Corporation shall not have sufficient funds~~ may be assessed by the ~~Corporation~~Landlord, at any time during the year, in addition to the assessment for the Occupancy Charge, by the ~~Board of Directors of the Corporation~~Landlord serving notices of such further assessment on the ~~Purchaser~~Resident, 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~~Landlord may determine, as set out in such notice.
9. ~~21.~~ **Other charges:** ~~Except as may be included in the cost of the Level 1 Smart Community Service you~~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~~Resident 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 "~~BC~~", Rule 32.
10. ~~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~~Life Lease Residences ~~or as allocated by us in respect of the Life Lease Component Share~~, as the case may be or any part or parts thereof by any authority having jurisdiction; We shall pay the Property Taxes attributable to the Unit subject to receipt of the Occupancy Charges.
- ~~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.~~

11. ~~23.~~ **Attorney:** You appoint us as your attorney for the purpose of disputing any assessment of any Property Taxes.

12. ~~24.~~ **Condition of Unit:** The Unit and all fixtures in it must be kept by you in good working order at your expense.

13. ~~25.~~ **Notification of defects:** You will notify us immediately upon becoming aware of any damage to, defect or deficiency in ~~Hyde park~~the Life Lease Residences, including the Unit, and the Common Areas and Facilities.

14. ~~26.~~ **Emergency:** In case of an emergency,

~~26~~14.1 **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~~the Life Lease Residences or the Unit. We or our agent may determine in our discretion whether an emergency exists, and our decision binds everyone affected by it.

~~26~~14.2 **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~~14.3 **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~~14.4 **No liability:** The rights and authority given by paragraphs ~~26~~14.1 and ~~26~~14.2 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~~is Lease.

~~26~~14.5 **Compensation:** You will, at your expense, compensate us for any damage, loss or injury to ~~Hyde Park~~the Life Lease 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

15. ~~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~~15.1 **Age:** that at least one of the occupants of the Unit will be at least 55 years of age at the ~~Completion~~Effective 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~~15.2 **Completion of transaction with obligations:** 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 1c). 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;~~

15.3 **Sign documents:** you will sign and return to us within a reasonable time, all documents reasonably required by us;

~~28.15.4~~ **No assignment:** you will not assign this Lease without our prior written consent;

~~28.15.6~~ **No interference:** you will not interfere with the installation of services to the Unit or ~~Hyde Park Life Lease~~ Residences, or with the completion of the ~~Unit or Hyde Park Residences~~ Future Developments;

~~28.15.7~~ **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~~ the Life Lease Residences or part ~~of it~~ thereof;

~~28.15.8~~ **Signs:** you will not place any signs or notices on the Unit without our prior written consent;

~~28.15.9~~ **No hindrance:** you will not hinder other ~~Residents and Purchasers~~ residents and occupants of the Life Lease Residences from carrying out their obligations under their respective ~~Leases~~ leases, or residents and occupants of the Future Developments;

~~28.10~~ ~~5.9~~ **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;

~~28.15.1~~ ~~10~~ **No holdback:** you will not retain or hold back any part of the ~~Total Cost~~; Occupancy Charges;

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

15.11 **No Encumbrances:** you will not charge, encumber, mortgage or create a security interest in your interest in the Unit without our prior written consent;

~~28.13~~ ~~5.12~~ **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. [NTD-this clause is not in the existing Frontenac mortgage, and should be included in the new mortgage being arranged] 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~~request thereof.

(b) You also agree to subordinate the Lease to all easements with service providers to ~~Hyde Park~~Life Lease 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~~Life Lease 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 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~~ the residents and occupants of the Lands 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 (~~ec~~). Subject to the exception set out above in this subparagraph (~~ec~~), every mortgagee of your ~~u~~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~~15.~~14~~3 **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~~.~~14~~ **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~~the Life Lease Residences.

~~28~~15.~~16~~5 **Access:** you will provide access to us and persons authorized by us, at all reasonable hours, following the ~~Completion~~Effective Date in order to make inspections and do any work or repairs to your Unit or the Life Lease Lands, which we may deem necessary.

16. **29.—Covenants of the ~~Corporation~~Landlord:** 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~~Effective Date:

~~29~~16.1 **Compliance:** ~~to comply by~~from and after the ~~Completion~~Effective Date, to comply to the extent possible, and thereafter as soon as reasonably practical, with all obligations of the ~~Corporation~~Landlord under:

- (i) subdivision, development, site plan, fence and boundary, or other agreements with any municipalities, utilities or other authorities having jurisdiction over ~~Hyde Park~~the Life Lease 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~~the Life Lease Residences.

(iii) building and zoning by-laws; and,

(iv) the Landlord's obligations under this Lease, it being confirmed by the Resident that the 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.

~~29~~16.2 **UFFI:** not to include urea formaldehyde foam insulation in the Unit; and

~~29~~16.3 **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 incapacity; 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~~

17. Termination on Default

~~32~~17.1 **First notice:** If, during the ~~†~~Term of this Lease:

~~32.1~~ (a) you fail to pay the Occupancy Charge when due, or

~~32.2~~ (b) you do not perform any of your covenants in the Lease, or

~~32.3~~ (c) the Unit is ordinarily resided in by anyone other than those entitled to use it under the Lease, or

~~32.4~~ (d) 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~~the Life Lease Residences, the Common Area and Facilities, or the Unit, and
- (iv) pay to us the costs of discharging any lien, execution or encumbrance referred to in subparagraph ~~32.4~~17.41(d).

If you comply with the terms of the Notice of Termination and cure the Default, you will thereafter not be considered in Default. If you fail to comply with the Notice of Termination, then you will be considered in Default and in addition to all other remedies available to us in law, we in our discretion may apply immediately to a Court for a writ of possession.

~~33~~ 17.2. **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.

~~17.34~~. **Termination:** If the Lease is terminated under paragraphs ~~32 and 33~~17.1 or 17.2, 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~~Resident 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~~Life Lease 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

18. Transfers:

~~35~~18.1 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~~18.2 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.~~[the Landlord] 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.~~[the Landlord] or a successor exercises such right of first refusal on or before 4:59 p.m. on the day of _____ (which is the 16th 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.~~[the Landlord] and its successors and cannot be waived.

~~35~~18.3 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 15th day after we receive a copy of the accepted agreement of purchase and sale

~~35~~18.4 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 of the amount set out below.

~~35~~18.5 **Completion Effective 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~~paragraph ~~35~~18.4, the purchaser shall pay you the transfer price less three percent (3%) plus all applicable taxes, including GST/HST, as applicable.
- (b) Where a transfer is made as set out in ~~Section 35.4~~paragraph 18.4 the purchaser, on behalf of you or your personal representative, shall pay us three percent (3%) plus all applicable taxes, including GST/HST, 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~~the Life Lease 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~~18.6 Until the transfer of the Unit is completed pursuant to subparagraph ~~35~~18.5, you shall remain responsible for the Occupancy Charge described herein~~;~~ after ~~which~~the completion of the transfer as aforesaid, you shall have no further liability, with respect to the Occupancy Charge only.

- ~~35~~18.7 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~~18.8 In the event of termination of this Lease or transfer, the ~~Corporation~~Landlord 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~~18.9 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~~18.10 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~~18.9. 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~~18.9 shall follow the procedure prescribed in subparagraphs ~~35~~18.1 through ~~35~~18.8, inclusive. The transfer of the Unit pursuant to this subparagraph shall be completed, in accordance with subparagraph ~~35~~18.5, no later than six months after your death or the date of the physician's certificate as to incapability.

DAMAGE

19. Damage:

- 3619.1 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~~Resident 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 ~~3417~~, 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.
- 3619.2 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~~Effective 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 shall make reasonable efforts to reconstruct the Unit to the same specifications as set out in Schedule D attached hereto (representing the specifications applicable at the time of the sale of the Unit to the Resident), but may use plans, specifications and working drawings other than those used in the original construction of the Unit. For greater certainty, we will have no obligation to replace damaged appliances, furniture, chattels, equipment of the Resident or changes to the Unit made by the Resident.
- 3619.3 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~~Effective 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.
- 3619.4 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.
- 3619.5 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

20. Insurance

3720.1 By the ~~Corporation~~Landlord: We shall obtain and maintain to the extent obtainable the following insurance in respect of the Life Lease Residences:

- 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~~the Units and Common Areas and Facilities of the Life Lease Residences, but exclude improvements and betterments made or acquired by you;
- ii) all assets of the ~~Corporation~~, Landlord relating to the Life Lease Residences, 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~~Landlord and the residents of the Life Lease Residences 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 Life Lease Lands (including the Common Areas and Facilities) insuring

the liability of the ~~Corporation, the Residents and Purchasers~~ Landlord and the residents of the Life Lease Residences 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~~ Landlord'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 by our secured creditors and the City of Ottawa, including pursuant to the Communal Well Responsibility Agreement with the City of Ottawa.

3720.2 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~~ Landlord against loss, cost, damage or injury caused to the Unit, the other units in the Life Lease Residences and 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~~ Resident as determined in accordance with the terms of this Lease.
- g) Prior to obtaining any policy or policies of insurance under clauses 3720.1(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.

3720.3 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~~the Lands, 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~~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.

3720.4 There is no obligation by the ~~Corporation~~Landlord 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 ~~3617.1~~3617.1, we shall hold and pay all proceeds for you up to the maximum payment provided in paragraph ~~3617.1~~3617.1. 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 1c) 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 1c) 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 — 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 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.~~

~~39.2 — 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. — Disclosure Statement:~~

~~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.~~

21. ~~41.4 Registration of Lease: On the Completion Date you will~~ With our prior approval in writing, you may 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~~ your 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 Ie)~~ the Life Lease Lands, 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~~ Effective 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 ~~L~~ Lands such that the Lease or Notice of Lease remains registered only against the separate title to the ~~Hyde Park Residences (Phase Ie)~~ Life Lease Lands. 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 ~~L~~ Lands, other than the title to ~~Hyde Park Residences (Phase Ie)~~ the Life Lease Lands, 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.~~

22. ~~42.~~ **Phasing and Management:** You acknowledge and agree that we propose to develop ~~Hyde Park Residences in four~~ the Future Developments in one 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 1c), such phase shall be represented by the representatives of Hyde Park Residences (Phase 1) 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.~~

23. ~~43.—~~ **Corporate Funds:** You acknowledge and agree that the ~~T~~T~~total~~ ~~C~~C~~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,~~ and developments on the entire Lands are funds in which you and all other ~~Purchasers in the project~~residents 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.~~

24. ~~43.2~~ **Occupancy Charges:** All Occupancy Charges shall be deposited into an account of the ~~Corporation~~Landlord 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~~Life Lease Residences 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.~~ Life Lease Residences [NTD-need to confirm that this reserve and trust regime continues to apply].

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

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

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

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

28. ~~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~~ Effective 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.

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

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

31. ~~50.~~ **Exceptions and Non-waiver:** The ~~Board of the Corporation~~ Landlord 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.*

32. **Time of the Essence:** *Time is of the essence of this Lease.*

33. ~~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: e/o Courtyard Developments Inc.
1 Neely
Street, R.R.
#1
Dunrobin, ON K0A 1T0~~

Landlord: _____

With a copy to our solicitors as follows:

Solicitors for ~~Corporation: Merovitz • Potechin LLP~~ Landlord:
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:~~ _____

34. ~~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.

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

~~53.1~~ ~~— Except as set out hereafter, title to the Lands shall be good and free from all encumbrances.~~ 35.1 You acknowledge and agree that title to the Lands shall be subject to the mortgages set out in ~~Paragraph 28.13~~ this Lease, leases of other Units in ~~Hyde Park~~ the Life Lease 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.~~

535.2 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.

353.3 (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~~ the overall development of the Lands 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.

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

37. ~~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.

38. ~~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.

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

40. ~~58.~~ **Private Common Water Supply.**

~~58~~40.1 You acknowledge and agree that ~~Hyde Park~~the Life Lease 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,~~total cost of your Unit is an amount (the “City Security”) attributable to the well or wells from which water will be supplied to ~~Hyde Park Residences (Phase Ie)~~the Life Lease Residences [NTD-what about future developments-the communal well will also serve these buildings?]. 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)~~40.2 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)~~40.3 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~~Life Lease Residences as is being maintained for the purposes of ensuring the continued maintenance, operation and repair of the well or wells. *[NTD-need to understand what is to happen with this]*

~~58~~40.2-4 (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.

41. ~~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~~Landlord 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 _____
 Date of Signing _____
 Witness)

)
)
) ~~PURCHASER~~ _____
 Date of Signing _____
 Witness _____)

)
)
) ~~PURCHASER~~ _____
 Date of Signing _____
 Witness _____)

) ~~HYDE PARK RESIDENCES INC.~~ LANDLORD.
)
) Per: _____
) Authorized Signing _____ Date of Signing _____
) Officer
) I have authority to bind the ~~Corporation~~ Landlord.

SCHEDULE "A"

Basic Cost _____ \$

Extras * _____ \$



Sub Total _____ \$

GST @6% _____ \$

Credit GST New Housing Rebate _____ \$ (_____)

Price of Unit



(Basic Cost + Extras net of GST) \$

City Security (for Water Supply System) \$ 940.00

Lands Description



TOTAL COST _____ \$

~~* 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"

Site Plan

~~FORMING PART OF THE ATTACHED LEASE~~

SCHEDULE "C"**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~~Life Lease 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~~Life Lease 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~~Landlord. 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~~Life Lease 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~~Life Lease Residences. You also agree not to have any hazardous, toxic or other types of pollutants or substances in ~~Hyde Park~~Life Lease 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~~Life Lease 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 ~~P~~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~~Life Lease 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.

48
SCHEDULE
"C"D

STANDARD PROJECT UNIT FEATURES & SPECIFICATIONS

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.
- ☐ 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~~ "E"**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
- 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.~~

SCCHEDULE

"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.~~

Exhibit “C”

E-mail from Residents’ lawyer, dated May 28, 2015

From: Keith A. MacLaren [<mailto:KMacLaren@perlaw.ca>]
Sent: May-28-15 2:07 PM
To: Douglas, Gordon
Cc: BERNADETTE NAGLE; Timothy J. Thomas; Josh Sprague; Owen Bourns
Subject: Hyde Park

Gordon,

I confirm our telephone conversation of this morning, wherein we advised you that Mr. Thomas was told by the purchasers lawyer, that they expected to have the final agreement of purchase and sale approved by Justice Beaudoin on June 4th.

We only received a black-lined version of a draft offer late on Tuesday. The changes which are proposed to our clients leases are far more expansive than expected.

We have approximately 180 clients. We will need time to review the final version of the agreement, compare it to the existing agreement, report to the Hyde Park executive committee, and then attend a special meeting of all residents.

We have no doubt that there will be some push back on the proposed terms. The agreement sent to us is a draft with several uncompleted issues.

Under the circumstances, we cannot possibly deal with the approval of the agreement on the 4th, and we will be asking that the matter be adjourned to allow a proper response. In the event that we cannot come to an agreement with the purchaser, we expect that the parties will file motion materials, as the matter, if opposed, cannot simply proceed based on a report by the Receiver. Furthermore, there will have to be a supplementary report which discloses the final agreement, and a recommendation of the Receiver. This should disclose the terms of any financing being provided by the mortgagee to the purchaser, if any. The purchaser did advise our clients that the mortgagee was providing construction financing, but at the present time we have absolutely no idea what the purchasers intentions are regarding the completion of the project.

We are in the process of preparing a letter which sets out in some detail, a comparison of the existing terms of the leases to the proposed changes, which we will be circulating to our clients, in anticipation of a meeting with them. We do hope that the final version does not differ materially from the one sent to us on Tuesday.

We are asking you to confirm that the receiver will not oppose an adjournment of the hearing on June 4th, at least insofar as it relates to the approval of an agreement. If you cannot provide such confirmation, we will write to Justice Beaudoin outlining our concerns and letting him know we will be asking for an adjournment.

We will also be asking for some direction as to the delivery of motion materials, if the receiver or the mortgagee try to strip our clients vested rights in a sale of the property.

I hasten to add that we will be seeking a negotiated resolution which is in everyone's best interest, but our clients do not like the idea that the purchaser does not appear to respect their rights. They were most upset that he did not attend the general meeting of owners as promised.

We look forward to hearing from you. You may forward a copy of this email to the purchasers lawyers if you deem it appropriate. I will be communicating directly with them once I have a report from our real estate specialist.

Regards



Keith A. MacLaren, Lawyer

Perley-Robertson, Hill & McDougall LLP/s.r.l.
1400-340 rue Albert Street, Ottawa, ON K1R 0A5
Phone: +1.613.566.2271 Fax: +1.613.238.8775
kmaclaren@perlaw.ca / www.perlaw.ca

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Ce courriel est confidentiel et peut être protégé par le secret professionnel. Il est l'usage exclusif du destinataire. Si le destinataire ne peut être joint ou vous est inconnu, veuillez informer l'expéditeur immédiatement et détruire ce message ainsi que toutes copies.

Exhibit “D”

Receiver’s Interim Statements of Receipts and Disbursements

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver and Manager's Interim Statement of Receipts and Disbursements

As at April 30, 2015

Property Management Account

Receipts

Cash in bank (as at April 15, 2014)	\$	8	
Interest Income		171	
Monthly occupancy charges received from residents		517,442	<i>Note 1</i>

		\$ 517,621	
--	--	------------	--

Disbursements

Insurance (Townhome and Water Plant)		49,918	
Landscaping services		25,357	
Property taxes		103,731	
Residents Association expenses		346	
Repair and maintenance		11,958	
Security		593	
Snow removal		57,738	
Sump pump repair and maintenance services		7,674	
Telephone		4,210	
Office expenses		108	
Utilities		6,948	
Wages and benefits of temporary employees		67,411	<i>Note 2</i>
Water system operator		24,019	
		\$ 360,010	

Transfer to Receiver's Reserve Account		23,841	<i>Note 3</i>
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		\$ 383,851	<i>Note 4</i>
--	--	------------	---------------

Net receipts over disbursements		\$ 133,770	
--	--	------------	--

Notes

- 1 Occupancy charges represent amounts collected from residents of the townhomes for the period from February 21, 2014 to April 30, 2015.
- 2 The Receiver retained, as temporary employees, the Project's previous maintenance technician and the Project's previous client service manager to respond to all resident inquiries and property management issues. The maintenance technician also inspects and helps to monitor the Water Plant daily. The cost of the related payroll and benefits have been paid out of the Receiver's Property Management Account; however, wages of the maintenance technician that directly relate to the upkeep and maintenance of Apartment A and Immanuel House are reimbursed from the Receiver's General Account.
- 3 The amount represents of 5% of occupancy charges transferred from the Receiver's Property Management Account to its Reserve Account in accordance with the life lease occupancy agreements.
- 4 Professional fees related to the Receiver have been charged to the Receiver's General Account.

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver and Manager's Interim Statement of Receipts and Disbursements

As at April 30, 2015

Reserve Account

Receipts

Cash in bank (as at April 15, 2014)	\$	30,979	
Advances from Receiver's Property Management Account		23,841	Note 1
Special Assessment		46,000	Note 2
Interest Income		97	
		<hr/>	
Total Receipts	\$	100,917	Note 3

Disbursements

Roof replacement - Block of 5 units		35,282	Note 4
Foundation repair at 304 Chestnut Green Private		2,625	Note 4
		<hr/>	
Total Disbursements		37,907	

Net receipts over disbursements

\$ 63,010

Notes

- 1 Amount represents of 5% of monthly occupancy charges transferred to the Receiver's Reserve Account from the Receiver's Property Management Account in accordance with the life lease occupancy agreements.
- 2 The Receiver requested that all 92 of the life lease holders provide a special assessment payment of \$500 each in 2014 to increase the balance of the reserve fund.
- 3 Receipts do not include an additional reserve fund of \$112,869.79 (May 13, 2015) that is currently being held in a trust account with BMO. The Trustee for these funds is BMO Trust Company pursuant to a Trust Agreement with Hyde Park Residences Inc. dated July 10, 2003. This trust represents the capital reserve fund for the Water Plant as required by the City pursuant to the Private Communal Water System and Private Communal Wastewater System Responsibility Agreement dated July 9, 2010. The Receiver requested BMO to freeze this account but is not able to have these funds transferred to the Receiver's trust account without approval from the Ontario Ministry of the Environment and/or the City.
- 4 Disbursements from the reserve fund were paid in accordance with the Life Lease Occupancy Agreements.

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver and Manager's Interim Statement of Receipts and Disbursements

As at April 30, 2015

General Account

Receipts

Cash in bank (as at April 15, 2014)	\$	13	
Interest Income		380	
Loan Advance: Frontenac Management Investment Corporation		1,550,000	<i>Note 1</i>
HST refund		125,918	

Total Receipts \$1,676,311

Disbursements

Advertising	\$	2,962	
Appraisal fee		17,850	
Change locks		275	
Consulting and related services		7,036	
Engineering services		2,500	
Equipment rental		703	
Insurance		98,281	
Insurance consulting services		1,500	
Official Receiver fees		70	
Propane (for heating)		10,211	
Scaffolding rental (to hold up part of building)		243,956	
Security		1,445	
Snow removal		3,784	
Telephone		4,344	
Utilities (Hydro Ottawa & Enbridge)		7,763	
Repairs and maintenance expenses		3,198	
Wages and benefits of temporary employee		41,430	<i>Note 2</i>
Receiver's fees and out-of-pocket costs		696,642	
Legal fees		226,678	
HST paid for all disbursements		167,199	
Miscellaneous expenses		-	<i>Note 3</i>

Total Disbursements \$1,537,826

Net receipts over disbursements

\$ 138,485

Notes

- 1 Loan advances are from Frontenac and bear an interest rate of 9.5% per annum. The amounts advanced are in accordance with the Appointment Order dated February 20, 2014 and shall be secured by the applicant's security. The Court has permitted the Receiver to obtain a loan of up to \$1,550,000.
- 2 The amount represents the Maintenance Technician's wages that relate directly to the maintenance and monitoring of Apartment A and Immanuel House. These wages were originally paid through the Receiver's Property Management Account. The General Account reimburses the Property Management Account for these costs.
- 3 The amount previously reported as miscellaneous expenses was reallocated to consulting services.

Exhibit “E”

Receiver’s Statutory Interim Report and Statement of Accounts

Court No.: 33-165410

Estate No.: 33-165410

**IN THE MATTER OF THE RECEIVERSHIP OF
HYDE PARK RESIDENCES INC
Of the City of Ottawa, In the Province of Ontario**

**RECEIVER'S INTERIM REPORT AND STATEMENT OF ACCOUNTS
(Subsection 246(2) of the Act)**

The Receiver gives notice and declares that:

1. Deloitte Restructuring Inc. was appointed Receiver and Manager ("Receiver") of the property and undertaking of Hyde Park Residences Inc. ("Hyde Park") pursuant to an Order of the Ontario Superior Court of Justice dated February 20, 2014. Hyde Park was the owner and developer of a partially completed retirement housing community in the village of Richmond, Ontario (the "Project")
2. The Receiver took possession and control of the Project on February 21, 2014, which included the following assets (as described in the books and records of Hyde Park at that time):

<u>Asset</u>	<u>Book Value</u>
Cash and investments:	
Reserve account	\$ 40,148
General account	148,061
Property Management account	20,941
BMO Harris Private Banking account – Reserve	112,861
Deposits with City of Ottawa	635,420
Accounts Receivable	76,726
Work in Process	28,722,536
Fixed Assets:	
Building	13,415,161
Pump house	396,917
Infrastructure, Roads, and Utilities	3,136,693
Real Property	899,529

3. Further information on the above noted assets was provided in the Receiver's reports to the Court dated April 7, 2014 and January 26, 2015.
4. The Receiver realized \$31,000 from Hyde Park's bank accounts; however, \$30,979 of this amount represents a reserve for major repairs and capital replacement for ninety-two (92) townhouses and their common areas and facilities.
5. The Receiver is still in the process of realizing on the other assets noted above, as described in the Receiver's second report to the Court dated January 26, 2015. It is not yet know when a sale of the assets will be complete.
6. Enclosed, as Appendices A to C, are the Receiver's Interim Statements of Receipts and Disbursements, for the period from February 21, 2014 to January 31, 2015, for the following three (3) trust accounts it is operating for this receivership:
 - a) A 'Property Management Account' to record all receipts and disbursements relating to the ninety-two (92) townhouses and the water plant (which provides clean water for the residents);
 - b) A 'Reserve Account' to record all receipts and disbursements relating to reserve funds; and
 - c) A 'General Account' to record all receipts and disbursements relating to all other receivership matters excluding those that relate to property management or reserve funds.
7. The contact person for the Receiver is:

Melissa Brown
100 Queen Street, Suite 1600
Ottawa, Ontario K1P 5T8
Phone No.: (613) 751-5232
Facsimile No.: (613) 563-2244

Dated at Ottawa, Ontario this 20th day of February, 2015.

DELOITTE RESTRUCTURING INC.

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

Per:



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

Appendix "A"

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver and Manager's Interim Statement of Receipts and Disbursements

As at January 31, 2015

Property Management Account

Receipts

Cash in bank (as at April 15, 2014)	\$	8	
Interest Income		140	
Monthly occupancy charges received from residents		400,591	Note 1

	Total Receipts	\$ 400,739	
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Disbursements

Insurance (Townhouses and Pump house)	\$	49,136	
Landscaping services		23,207	
Property taxes		66,685	
Residents Association expenses		329	
Repair and maintenance		11,742	
Security		430	
Snow removal		35,000	
Sump pump services		7,264	
Telephone		3,028	
Office expenses		60	
Utilities		5,040	
Wages and benefits of temporary employees		56,863	Note 2
Water system operator		18,018	
		\$ 276,802	

Total HST paid		7,620	
		\$ 284,421	

Transfer to Receiver's Reserve Account		18,145	Note 3
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	Total Disbursements	\$ 302,566	Note 4
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Net receipts over disbursements	\$	98,173	
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Notes

- 1 Occupancy charges represents amounts collected from residents of Property for the period from February 21, 2014 to January 31, 2015.
- 2 The Receiver retained, as temporary employees, the Project's previous maintenance technician and the Project's previous client service manager to respond to all resident inquiries and property management issues. The maintenance technician also inspects and helps to monitor the Water Plant every day. The cost of the related payroll and benefits have been paid out of the Receiver's Property Management Account; however, wages of the maintenance technician that directly relate to the upkeep and maintenance of Apartment A and Immanuel House are reimbursed from the Receiver's General Account.
- 3 This amount represents of 5% of occupancy charges transferred from the Receiver's Property Management Account to its Reserve Account in accordance with the life lease occupancy agreements.
- 4 All professional fees of the Receiver have been charged to the Receiver's General Account at this time.

Appendix "B"

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver and Manager's Interim Statement of Receipts and Disbursements

As at January 31, 2015

Reserve Account

Receipts

Cash in bank (as at April 15, 2014)	\$	30,979	
Advances from Receiver's Property Management Account		18,145	<i>Note 1</i>
Special Assessment		45,500	
Interest Income		81	
		<hr/>	
Total Receipts	\$	94,705	<i>Note 2</i>

Disbursements

Roof replacement - Block of 5 units	\$	35,282	
		<hr/>	
Total Disbursements	\$	35,282	

Net receipts over disbursements \$ 59,423

Notes

- 1 This amount represents of 5% of monthly occupancy charges transferred to the Receiver's Reserve Account from the Receiver's Property Management Account in accordance with the life lease occupancy agreements.
- 2 These receipts do not include an additional reserve fund of \$112,863.43 (as at September 26, 2014) that is currently being held in a trust account with BMO. The Trustee for these funds is BMO Trust Company pursuant to a Trust Agreement with Hyde Park Residences Inc. dated July 10, 2003. This trust represents the capital reserve fund for the Water Plant as required by the City pursuant to the Water System Agreement. The Receiver requested BMO to freeze this account but is not able to have these funds transferred to the Receiver's trust account without approval from the Ontario Ministry of the Environment and/or the City.

Appendix "C"

In the Matter of the Receivership of Hyde Park Residences Inc.
Of the Town of Dunrobin, in the City of Ottawa, in the Province of Ontario
Receiver and Manager's Interim Statement of Receipts and Disbursements

As at January 31, 2015

General Account

Receipts

Cash in bank (as at April 15, 2014)	\$	13	
Interest Income		352	
Loan Advance: Frontenac Management Investment Corporation		750,000	Note 1
HST refund		77,901	

Total Receipts \$ 828,267

Disbursements

Advertising	\$	2,962	
Appraisal fees		17,850	
Change locks		275	
Consulting services		2,451	
Engineering services		2,500	
Equipment rental		703	
Insurance		72,032	
Insurance consulting services		1,500	
Legal fees		64,103	
Official Receiver fees		70	
Propane (for heating)		7,209	
Scaffolding rental (to hold up part of building)		173,498	
Security		1,107	
Snow removal		2,074	
Telephone		3,123	
Utilities		5,100	
Wages and benefits of temporary employee		33,104	Note 2
Receiver's fees and costs		304,883	
HST paid for all disbursements		79,154	
Repairs and maintenance expenses		2,438	
Miscellaneous expenses		3,555	

Total Disbursements \$ 779,691

Net receipts over disbursements

\$ 48,576

Notes

- 1 Loan advances are from Frontenac and bear an interest rate of 9.5% per annum. The amounts advanced are in accordance with the Appointment Order dated February 20, 2014 and shall be secured by the applicant's security. This Order permitted the Receiver to obtain a loan to an amount not to exceed \$750,000 without court approval.
- 2 This amount represents the wages of the Project's maintenance technician that relate directly to the maintenance and monitoring of Apartment A and Immanuel House. These wages were originally paid through the Property Management Account. The General Account reimburses the Property Management Account for these costs.

Exhibit “F”

Receiver’s Estimated Borrowing Requirements to August 31, 2015

Hyde Park Receivership
Estimate of Additional Borrowing Required by the Receiver to Fund Activities to August 31, 2015

Description	Amount	Comments
Opening Balance as at May 1, 2015	\$ 138,485	Balance of funds in trust account as at April 30, 2015
Less:		
Monthly expenses related to construction site (excluding insurance)	\$ 76,500	Monthly expenses related to the construction site are estimated at \$25,500 per month.
Insurance:		
Outstanding	17,900	Amount billed to June 30, 2015, but not yet paid (excluding HST which is recoverable)
Estimate to August 31, 2015	17,900	We estimate that renewing insurance for 2 additional months will cost \$9,075 per month (excluding HST which is recoverable)
Legal fees:		
Outstanding	35,000	Fees to May 24, 2015 (not yet billed)
Estimate to August 31, 2015	35,000	Estimate provided by Gowlings
Receiver's fees:		
Outstanding	25,000	Fees to May 26, 2015 (not yet billed)
Estimate to August 31, 2015	85,000	Estimate based on previous fees per month
Total estimated costs to May 31, 2015	\$ 292,300	
Plus Contingency (10% of total costs)	29,230	
Total estimated costs plus contingency	\$ 321,530	
Shortfall in funds at August 31, 2015	\$ (183,045)	Proposed amount to be borrowed by the Receiver
Round to	\$ 185,000	