EXECUTION VERSION

C.R.A.F.T. DEVELOPMENT CORPORATION

– and –

URBANCORP (LESLIEVILLE) DEVELOPMENTS INC.,
by Alvarez & Marsal Canada Inc.,
solely in its capacity as Court Appointed Receiver and Manager
and Construction Lien Trustee
of Urbancorp (Leslieville) Developments Inc.,
and not in its personal or corporate capacity

DEVELOPMENT CONTRACT

April 18, 2017

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THIS DEVELOPMENT CONTRACT (the "**Development Contract**") is made as of the 18th day of April, 2017

AMONG:

C.R.A.F.T. DEVELOPMENT CORPORATION,
a corporation incorporated under the laws of the Province of Ontario

(the "**Developer**")

– and –

URBANCORP (LESLIEVILLE) DEVELOPMENTS INC., by Alvarez & Marsal Canada Inc., solely in its capacity as Court Appointed Receiver and Manager and Construction Lien Trustee of Urbancorp (Leslieville) Developments Inc., and not in its personal or corporate capacity

(the "**Owner**")

RECITALS:

A. Urbancorp (Leslieville) Developments Inc. ("**UC Leslieville**") is the legal and beneficial owner of certain lands and premises located at 50 Curzon Street, Toronto, Ontario, as more particularly described in Schedule 2 (Legal Description of the Project) (the "**Lands**").

B. UC Leslieville undertook to develop the Project.

C. The Syndicate provided a construction loan (the "**Original Construction Loan**") to UC Leslieville to finance, among other things, the Project, which Original Construction Loan is guaranteed by Urbancorp (The Beach) Developments Inc. ("**UC Beach**") and Urbancorp (Riverdale) Developments Inc. ("**UC Riverdale**"). UC Leslieville subsequently defaulted on the Original Construction Loan, and UC Beach and UC Riverdale subsequently defaulted on their guarantees and together UC Leslieville, UC Beach and UC Riverdale are indebted to the Syndicate and to other creditors.

D. By order of the Court dated May 31, 2016, Alvarez & Marsal Canada Inc. was appointed as receiver and manager pursuant to section 243 of the *Bankruptcy and Insolvency Act* (Canada), and section 101 of the *Courts of Justice Act* (Ontario), and as construction lien trustee pursuant to section 68 of the *Construction Lien Act* (Ontario), of all of the assets, undertakings, and property acquired for, or used in relation to the business including all proceeds thereof of UC Leslieville, UC Riverdale and UC Beach (collectively, the "**Construction Receiver**").

E. As part of a settlement regarding the outstanding debt owed under the Original Construction Loan and other debts of UC Leslieville and certain of its Affiliates, the Developer has agreed to perform or cause to be performed all of the work and services required to complete the Project, including all development, permitting, construction, construction management, supply, finishing work, landscaping, marketing, selling and closing of the sales of condominium units and excess parking units, and establishing and registering the condominium corporation, for which UC Leslieville shall be the declarant, all in accordance with and subject to the terms of this Development Contract, the Construction Contract and the Settlement Approval Order.

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions and Interpretation

This Development Contract shall be interpreted in accordance with Schedule 1 (Definitions and Interpretation).

1.2 Schedules

This Development Contract is comprised of this executed Development Contract and the following schedules and exhibits, all of which are hereby incorporated by reference into and form part of this Development Contract:

Schedule	Title
Schedule 1	Definitions and Interpretation
Schedule 2	Description of the Project
Schedule 3-1	Initial Development Budget
Schedule 4	Legal Description of Vacant Lot
Schedule 5	Insurance Requirements
Schedule 6	Legal Description of Beach Remaining Lands

ARTICLE 2
COMPLETION OF THE PROJECT

2.1 Overall Obligations under this Development Contract

(a) The Developer shall:

(i) provide the Development Services in accordance with Section 2.2 of this Development Contract;

(ii) complete the marketing, selling and closing of Units, Extra Parking Spaces and Extra Storage Spaces in accordance with Section 2.4 of this Development Contract and each New APS;

(iii) provide for the financing and security required of the Developer in accordance with Article 6 this Development Contract; and

(iv) comply with its other obligations as set out herein.

(b) In consideration for the provision of the services described in this Development Contract, the Developer shall be entitled to receive the compensation and reimbursements provided for under Section 5.1 of this Development Contract, and shall be reimbursed for the Development Costs incurred by it in accordance with this Development Contract.

(c) At all times the Developer shall act on a basis which is fair and reasonable and exercise its powers and discharge its duties hereunder honestly and in good faith and in the best interests of the estate of UC Leslieville and the Construction Receiver. Notwithstanding anything to the contrary contained in this Development Contract, the Owner acknowledges that in respect of the Development Services (which, for clarity, do not include the Construction Work), the Developer need only exercise that degree of care, diligence and skill that a professional, qualified and prudent development manager would exercise in comparable circumstances.

(d) Notwithstanding anything to the contrary contained in this Development Contract, Developer acknowledges and agrees that it and its Subcontractors are not agents of the Owner or the Construction Receiver and have no power to bind the Owner or the Construction Receiver to any obligation or agreement with any Person. The Developer shall not hold itself out, and shall ensure that its Subcontractors do not hold themselves out, to any Person as an agent of the Owner or the Construction Receiver and Developer shall not, and shall ensure that its Subcontractors do not, enter into any obligation or agreement on behalf of the Owner or the Construction Receiver.

(e) The Parties agree to perform their respective obligations under this Contract honestly and in good faith and will use commercially reasonable efforts to fulfill their respective obligations to provide any approvals, consents or determination of, or satisfaction with, matters without undue delay (taking into account all of the circumstances). The Parties recognize and agree that time is of the essence in this Contract.

2.2 Development Services

(a) The Developer shall perform or cause to be performed all of the work and services necessary to complete the development of the Project, including approval and registration of the Condominium and the Condominium Corporation (for which UC Leslieville shall be the declarant), in accordance with the requirements of applicable Law, all Development Approvals, the Tarion Home Warranty Plan and each New APS, and shall market and sell the Unsold Units, the Extra Parking Spaces and the Extra Storage Spaces, complete the transfer of all Units which are sold to Unit Owners, complete the transfer of the Extra Parking Spaces and Extra Storage Spaces which are sold and provide the services described in Section 2.4(g) with respect to UC Riverdale and UC Beach (the foregoing, other than any such work and services to be performed or provided under the Construction Contract, being herein collectively, the "**Development Services**"), including:

(i) taking (or causing to be taken) all steps, and preparing and submitting (or causing to be prepared and submitted) all applications and documents, required to process the development of the Lands, including the submission of any and all necessary site plan and condominium applications, plan of subdivision applications, applications for part lot control exemption by-laws and the negotiation of development, servicing, site plan, and other similar agreements (and/or amendments thereto or variations thereof) to be entered into by the Owner with Governmental Authorities, in each case, to the extent required or desirable to complete the Project;

(ii) obtaining all Development Approvals that are necessary to complete the Project and fulfilling the conditions thereunder (either as part of the Development Services or through the Construction Work under the Construction Contract);

(iii) communicating with all Government Authorities and community stakeholders;

(iv) with respect to the establishment of the Project as a Condominium, the Developer shall, among other things:

(A) make all applications, obtain all approvals and create or obtain all surveys, Consultant's reports or certifications and other documents as are necessary to obtain the approval and registration of the Project as a condominium under the Condominium Act;

(B) be responsible for, and pay for as Development Costs, the establishment, organization and registration of the Condominium Corporation with UC Leslieville as declarant, and assist the Owner or Construction Receiver in the calling of the turn over meeting if such meeting occurs before the Marketing End Date; provided that the initial directors of the Condominium Corporation shall be such individuals as are designated by, or acceptable to, the Construction Receiver;

(C) to register (or cause to be registered) the applicable condominium agreement (including the condominium declaration and description and by-laws), on title to the Lands;

(D) perform all of the work and services contemplated to be performed by the Developer in the Business Plan approved in accordance with this Development Contract; and

(E) to perform (or cause to be performed) all such other land title and registration work required in order to complete the transfer of Units to Unit Owners and the transfer of the Extra Parking Spaces and Extra Storage Spaces in accordance with Section 2.4;

(v) the marketing and sale of the Unsold Units, the Extra Parking Spaces and Extra Storage Spaces in accordance with Section 2.4, it being acknowledged and agreed that the Developer does not warrant that all unsold Units, Extra Parking Spaces and Extra Storage Spaces will be sold for the prices established in accordance with this Development Contract;

(vi) the management and administration of all New APS including interim occupancy of each Unit (but excluding property management to the extent set out in Section 2.4(e)) and the closing of the sales of the Units, the Extra Parking Spaces and Extra Storage Spaces in accordance with Section 2.4; and

(vii) be responsible for, and pay, the utilities and other operating costs (including the utilities and maintenance costs for the common elements):

(A) of each Unit until Unit Completion for such Unit; and

(B) for all other parts of the Project until the earlier of (1) all Units having been sold and transferred to the Unit Owner; and (2) the Marketing End Date;

provided however that the Developer agrees to pay, in the first instance, the utilities and other operating costs (including the utilities and maintenance costs for the common elements) of each Unit until the earlier of (1) Unit Occupancy of such Unit, (2) the sale and transfer of such Unit to the Unit Owner, and (3) the Marketing End Date. The Owner agrees to reimburse the Developer for all such costs for such Unit from interim

occupancy payments received from the Unit Owner (if any) as provided in Section 2.2(a)(viii) and/or from the proceeds of sale of the Units in the same priority and at the same time as payment of the Craft Construction Loan under the Waterfall. The parties agree to use their commercially reasonable efforts to reconcile these costs once a Property Manager has been appointed and the Units are occupied.

For certainty, (A) except as aforesaid, the cost of the utilities and other operating costs of the Project are included in the Fixed Price with respect to Units that have not achieved Unit Completion; (B) the real property taxes for the Lands shall not be the responsibility of the Developer, but shall be paid by the Owner as a Development Cost or otherwise; and (C) the cost of the property and builders all risk insurance shall be the responsibility of the Owner as a Development Cost or otherwise. The cost of general liability insurance required to be carried by the Developer under the Construction Contract or this Development Contract shall be the responsibility of the Developer and shall not be a Development Cost for which the Owner is liable.

(viii) with respect to interim occupancy payments made by Unit Owners from to time:

(A) the Owner (or, at the direction of the Owner, the Property Manager) shall directly receive all interim occupancy payments made by Unit Owners from time to time; and

(B) with respect to each Unit that has achieved Unit Completion, the Developer shall be entitled to receive monthly reimbursement from such interim occupancy payments of the monthly cost of utilities for all such Units that have been separately metered and the proportionate Unit share of the monthly cost of utilities for and maintenance of the common elements for all such Units (the "**Monthly Unit Costs**");

provided however that after payment to the Developer of the Monthly Unit Costs for the Units that have achieved Unit Completion from interim occupancy payments as required, the balance (if any) of such payments received by the Owner shall constitute revenue of the estate of UC Leslieville that the Construction Receiver is entitled to hold and use in its discretion in connection with the payment of its costs, expenses and other obligations;

(b) All Consultants, including the Project Architect and the Project Engineer, required in connection with the Construction Work or the Development Services shall be retained directly by the Developer on terms satisfactory to the Owner but not on behalf of the Owner or the Construction Receiver; provided however that each such Consultant retained by the Developer that was not an existing consultant or advisor to UC Leslieville in connection with the Project shall require the prior written approval of the Owner and the Project Monitor. The fees and disbursements of the Consultants shall constitute Development Costs. The Developer shall not be responsible to the Owner for acts and omissions of any Consultant, or of any persons directly or indirectly employed by the Consultant to the extent that the Developer obtains the agreement of each Consultant that:

(i) each Consultant's services are being provided for the benefit of the Developer and the Construction Receiver and the Construction Receiver and Owner will be added as additional insureds under each such Consultant's professional liability insurance (which liability insurance will be in scope and with limits which are satisfactory to the Owner); and

(ii) the Developer has assigned (and does hereby assign) its rights, interests and benefits under the Consultant's contract to the Owner.

The parties agree to co-operate in prosecuting any claim against a Consultant with respect to the services provided in connection with the Work or the Development Services.

(c) All applications to, and agreements with, Governmental Authorities negotiated by the Developer as part of the Development Services and required to be signed to the Owner will be provided to the Owner with a brief description of any material terms the Developer wishes to bring to the attention of the Owner including any material liabilities or changes to existing drafts or executed versions of such applications and agreement, and the Developer's recommendation to the Owner. The Owner will deal with all such requests in a timely fashion.

2.3 Completion of Construction

(a) With respect to the completion of the Construction Work of the Project, the Developer and the Owner shall concurrently enter into a construction contract in form and substance satisfactory to the Developer, the Owner and the Stakeholders (the "**Construction Contract**"), and that will include the Fixed Price for the Construction Work other than the Construction Work required for Change Orders, including Change Orders for Latent Defects Repair Work and Geo-Thermal System Work, and other than any soft costs that constitute Development Costs hereunder.

(b) All Subcontracts shall be assignable by the Developer to the Owner or its designee without the consent of the counterparties to such Subcontracts.

(c) The Developer shall obtain and maintain, or cause to be obtained and maintained, all Development Approvals and comply with all conditions under the Development Approvals for the Project and other applicable requirements of Governmental Authorities, and in connection therewith take such action as is necessary or desirable to obtain the return (or maximum reduction) of all letters of credit provided by UC Leslieville to Governmental Authorities in connection with the Project as soon as practicable. Any costs incurred to obtain additional Development Approvals, including fees and disbursements of Consultants and fees charged by Governmental Authorities, shall constitute Development Costs.

2.4 Marketing and Sales of Unsold Units and Administration and Closing of All Units

(a) As soon as practicable following the granting of the Settlement Approval Order, the Developer shall market for sale the Unsold Units, Extra Parking Spaces and Extra Storage Spaces pursuant to a marketing and sales plan to be agreed between the Developer and the Owner and approved by the Syndicate and Terra Firma or as otherwise ordered by the Court in the UC Receivership Proceedings (the "**Marketing Plan**"). The Marketing Plan shall include (i) if applicable, a listing broker (the "**Leslieville Broker**") and the maximum commission payable to such broker; provided that all commission payable shall be paid from the proceeds of sale of the applicable Unsold Unit, Extra Parking Space or Extra Storage Space, as the case may be, and the Owner shall provide a direction to that effect; and (ii) a minimum sales price for each Unsold Unit ("**Minimum Unit Price**"), Extra Parking Space ("**Minimum Parking Space Price**") and Extra Storage Space ("**Minimum Storage Space Price**"), (collectively, the "**Minimum Price**"). Unless otherwise agreed by the Developer, the Owner, the Administrative Agent and Terra Firma, the Leslieville Broker shall have the discretion to determine the list or offering price for each Unsold Unit ("**List Price**") from time to time; provided that:

(i) such List Price is greater than or equal to the Minimum Unit Price for such Unsold Unit; and

(ii) if no bona fide qualified offers are received for any Unsold Unit within any two (2) week period at the then current List Price determined by the Leslieville Broker, any of the Developer, Owner, Terra Firma or the Administrative Agent may request a meeting or conference call with the Leslieville Broker (to which representatives of all of the foregoing parties are also invited) to discuss the appropriateness of such List Price for such Unsold Unit.

(b) The Developer may entertain any offer for an Unsold Unit that is greater than its List Price or Minimum Unit Price. Any other amendment to the Marketing Plan requires the prior approval of the Owner and the Developer; provided that, the following shall require the prior approval of the Owner, Terra Firma and the Syndicate or shall otherwise be approved by the Court in the UC Receivership Proceedings:

(i) Any reduction of the Minimum Unit Price for an Unsold Unit or any sale of an Unsold Unit for a price below its Minimum Unit Price; and

(ii) any other material amendment to the Marketing Plan.

For certainty, the Developer and Owner may agree upon any reduction in the Minimum Price of any Extra Parking Space or Extra Storage Space and upon any sale of any Extra Parking Space or Extra Storage Space for any amount below its Minimum Price.

(c) All New APS and offers to purchase or commitments to a Unit Owner for a Unit (and associated parking space) shall be entered into by the Owner and all deposits and other moneys (whether for interim occupancy payments or otherwise) paid by a Unit Owner under or in connection with a New APS shall be paid to, and held by, the Owner or as it may direct.

(d) With respect to the marketing and sales of the Unsold Units, the Extra Parking Spaces and Extra Storage Spaces, the Developer shall:

(i) perform or cause to be performed all work and services required to implement the Marketing Plan and sell the Unsold Units, Extra Parking Spaces and Extra Storage Spaces;

(ii) confirm the actual number of Extra Parking Spaces and Extra Storage Spaces and that the Extra Parking Spaces and Extra Storage Spaces are permitted to be sold pursuant to the Development Approvals including any site plan agreement with the City;

(iii) if the Extra Parking Spaces are permitted to be sold, provide the Opt-In Leslieville Purchasers with the first opportunity to purchase such Extra Parking Spaces, the process for which shall be set out in the Marketing Plan;

(iv) be responsible for**,** and pay for**,** all marketing and advertising of the Unsold Units, the Extra Parking Spaces and the Extra Storage Spaces and be entitled to reimbursement for such Development Costs which shall be provided for under the Initial Development Budget (and any subsequently approved Development Budget) as provided in Section 5.4;

(v) negotiate and finalize all New APS for Units with Unit Owners substantially in the Standard Form Sales Agreement and provide such finalized New APS to the Owner for approval and execution on behalf of the Owner pursuant to a process to be agreed between the Developer and the Owner which is designed to ensure the timely execution of each New APS; and

(vi) negotiate and finalize all agreements for the purchase and sale of the Extra Parking Spaces and Extra Storage Spaces, each in a form and substance satisfactory to the Owner, and provide such finalized agreement to the Owner for approval and execution on behalf of the Owner pursuant to a process to be agreed between the Developer and the Owner which is designed to ensure the timely execution of each New APS.

(e) With respect to the management, administration and closing of the sales of the Units, Extra Parking Spaces and Extra Storage Spaces, the Developer shall:

(i) perform all of the work and services required in connection with the interim occupancy of each Unit by the relevant Unit Owner; provided that:

(A) no interim occupancy of any Unit will be permitted prior to Total Performance of the Work without the prior written approval of the Owner, which approval shall be in the Owner's sole discretion;

(B) subject to Section 2.4(e)(i)(A), the "Final Tentative Occupancy Date" and "Firm Occupancy Date" for the purposes of and as defined in the Standard Form Sales Agreement shall be as agreed between the Developer and the Owner, and any extension of either of those dates shall only be made with the agreement of the Developer and the Owner;

(C) the Owner agrees to retain the Property Manager prior to the interim occupancy of any Unit and that the Property Manager shall manage all Units that are occupied. The fees of the Property Manager shall be included in the Approved Operating Budget;

(D) the Property Manager with the assistance of the Owner (or its counsel) shall be responsible for calculating the interim occupancy fees and amounts payable by each Unit Owner; and

(E) the Property Manager shall be responsible for preparing and providing to the Owner and the Developer for approval a draft operating budget for the Project for the interim occupancy period (together with reasonably detailed back-up) at least 10 Business Days prior to the commencement of interim occupancy by any of the Unit Owners. The operating budget approved by the Owner and the Developer shall constitute the operating budget for the Project for the interim occupancy period (as such budget may be amended from time to time by the Owner, the "**Approved Operating Budget**") and the Property Manager and/or the Developer shall provide monthly accounting to the Owner against such Approved Operating Budget;

(ii) except as provided in Section 2.4(e)(i), maintain, preserve and protect the Project until Substantial Performance of the Work;

(iii) subject to Sections 2.4(e)(iv) and 2.4(e)(v), perform all of the work and services required to administer, complete and close the sale of each Unit to the relevant Unit Owner and close the sale of each Extra Parking Space and Extra Storage Space; provided that:

(A) the Developer shall consult with the Owner from time to time as to, and provide at least 10 Business Days' prior written notice of, the date that should be

designated by the Owner under each New APS as the "Title Transfer Date" (as defined under the New APS); and

(B) subject to the terms of the New APS, the Developer and the Owner shall agree as to the date to be designated by the Owner as the "Title Transfer Date" under each New APS prior to any extensions or notifications of such date being given by the Owner under each New APS.

(iv) use legal counsel acceptable to the Construction Receiver and the Administrative Agent(in their respective discretion) to deal with legal disputes or claims of Unit Owners against the Owner arising under or in connection with any New APS or agreement for the sale of any Extra Parking Space or Extra Storage Space entered into by the Owner; provided that:

(A) the Owner shall be consulted with respect to all material disputes and claims;

(B) the Developer shall have no authority to settle any legal dispute or claim or to take or assert any legal action or exercise any of the rights of the Owner under any New APS or agreement for the sale of any Extra Parking Space or Extra Storage Space except for the settlement of any such dispute or claim which satisfies the following conditions:

(1) the settlement is a settlement in full of such dispute and does not impose any additional liability or obligation on the Owner;

(2) the settlement is effected through a reduction in (or credit against) the purchase price payable under such New APS or agreement for sale which results in the purchase price (before customary closing adjustments) being at least equal to the applicable Minimum Price;

(3) such reduction in (or credit against) the purchase price payable under such New APS or agreement of sale is no more than $20,000; and

(4) the Unit Owner or purchaser, as the case may be, continues to be bound to close under such New APS or agreement of sale; and

(C) for certainty, the legal costs incurred in connection with such disputes or claims shall constitute Development Costs.

(v) use legal counsel acceptable to the Construction Receiver, the Administrative Agent and Terra Firma (in their respective discretion) for the closing of the sale of each Unit under a New APS and to close the sale of each Extra Parking Space and Extra Storage Space; provided that:

(A) for certainty, the costs of such legal counsel are to be paid from the closing proceeds from the sale of each Unit, Extra Parking Space and Extra Storage Space, as the case may be, and the Owner shall provide a direction to that effect; and

(B) if any such sale is not completed for any reason other than a default of the Developer, the costs of the legal counsel in respect of such incomplete transaction shall be Development Costs.

(f) The Developer shall perform all of the work and services contemplated to be performed by the Developer under and in accordance with the Business Plan.

(g) With respect to UC Riverdale and UC Beach, the Developer agrees to use reasonable efforts (which shall be in the reasonable discretion of the Developer) to assist the Owner to obtain, and facilitate, the return or reduction in the amount of all letters of credit provided by any of UC Riverdale and/or UC Beach to the City or Toronto Hydro in connection with the development of the projects located at 55 Howie Street, Toronto, Ontario and 42 Edgewood Avenue, Toronto, Ontario, respectively. For certainty, the foregoing services provided by the Developer under this Development Contract do not extend to any construction work at either such project or any financial obligation, that may be required to obtain such return or reduction of any letter of credit. The services described in this Section 2.4(g) shall be collectively referred to as the "**Additional LC Services**" in this Development Contract.

(h) The parties agree that the Developer shall perform the Development Services described under this Section 2.4 until the earlier of (i) the sale and closing of all of the Units, Extra Parking Spaces and Extra Storage Spaces, and (ii) 6 months following establishment of the Condominium under the Condominium Act (the last day of such 6-month period, the **"Marketing End Date").**

2.5 Sale of Geo-Thermal System

(a) Pursuant to the Construction Contract, the Developer will be responsible for ensuring that the Project has an appropriate and functioning heating and cooling system that complies with all applicable Law, all Development Approvals and each New APS.

(b) Pursuant to the Settlement Approval Order, the Developer has been granted a first priority Court ordered charge against the proceeds of sale from the existing Geo-thermal System if repaired and commissioned by the Developer pursuant to the Construction Contract (the "**Craft Collateral**"), as security for the payment of the documented Geo-thermal System Costs and/or any Craft Loan advanced to fund Geo-thermal System Costs ("**Geo-thermal Loan**").

(c) Craft will market and sell the right to operate and, if legally possible and available, own the Geo-thermal System through a marketing process and upon terms and conditions satisfactory to the Construction Receiver and the Developer or as otherwise approved by the Court in the UC Receivership Proceedings ("**Geo-thermal System Marketing Process**"). The proceeds from any sale of the right to operate or own the Craft Collateral (the "**Geo-thermal System Proceeds**") shall be applied as follows:

(i) first, to be credited against (without duplication) the documented Geo-thermal System Costs and/or any Geo-thermal Loan; and

(ii) the balance, if any, to payment of costs and claims in accordance with the priorities set out in the Waterfall.

(d) The Owner and Construction Receiver acknowledge that the Developer does not represent or warrant that the right to operate and/or own the Geo-thermal System will be saleable. If the right to operate and/or own the Geo-thermal System is not sold through the Geo-thermal Marketing Process:

(i) the Construction Receiver shall be entitled to dispose of the Geo-thermal System as it may determine in its discretion (or as may be approved by the Court in the UC Receivership Proceedings) including by conveying to the Condominium Corporation the

Geo-thermal System for an approximate purchase price of $800,000 as contemplated in the draft form of declaration establishing the Condominium proposed to be approved by the Purchaser Package Approval Order; and

(ii) the full amount of the documented Geo-thermal System Costs and/or any Geo-thermal Loan shall be payable to the Developer in accordance with the priorities set out in the Waterfall.

ARTICLE 3
DECISIONS AND APPROVALS

3.1 Day-to-Day Management

(a) Subject to the terms of this Development Contract and the Construction Contract, the day-to-day operations, management, administration and the provision of the Development Services in respect of the Project will be the responsibility of, and at the expense of, the Developer.

(b) For certainty, the Developer shall be solely responsible for all debts and liabilities that it incurs in connection with the Development Services and shall not incur (or permit any of its Sub-Contractors, Consultants, employees, officers, or agents, to incur) any debts or liabilities in the name of, or on behalf of, the Owner or the Construction Receiver and, subject to receipt by the Developer of payments when due in accordance with the Craft C&D Contracts, shall not create or permit to exist any Liens against any of the property and assets of UC Leslieville in connection with any of the Developer's or Builder's debts and liabilities.

3.2 Decisions

(a) In addition to any other approval requirements set out under this Development Contract, the written approval of the Owner shall be required for the following decisions, documents, actions or the implementation of any of the following matters:

(i) if the start date for the re-commencement of Construction Work is later than 10 Business Days after issuance of the Settlement Approval Order and such order having become final and non-appealable;

(ii) the expenditure of, or the making of any commitment for, any Development Costs in excess of the amounts budgeted in the then current Development Budget unless the amount of such excess has been pre-funded to the Construction Receiver by a Change Funder as required or permitted under the TF Cost Overrun Guarantee;

(iii) if the start date for the commencement of the marketing of the Unsold Units, the Extra Parking Spaces and the Extra Storage Spaces is not within 10 Business Days of the re-commencement of Construction Work;

(iv) the merger or consolidation of the Developer with any other entity at any time prior to Substantial Performance of the Work; and

(v) any change in the effective control of the Developer at any time prior to Substantial Performance of the Work.

(b) The Developer shall provide to the Owner at least 5 Business Days' prior written notice of:

(i) the start date for the re-commencement of Construction Work; and

(ii) the start date for the commencement of the marketing of the Unsold Units, the Extra Parking Spaces and the Extras Storage Spaces.

(c) In connection with any decisions under any of the Project Agreements, the Owner will be entitled to consult with the Project Monitor, Project Architect, Project Engineer and such other advisors or consultants as the Owner considers necessary or appropriate in the circumstances, or to seek the advice and directions of the Court in the UC Receivership Proceedings.

3.3 Reporting by Developer

The Developer shall prepare and provide to the Owner, the Project Monitor and the Administrative Agent a monthly progress report on the status and progress of the Development Services, including the following information:

(a) updates to, and any known or anticipated material changes to, the Development Budget;

(b) the sales of Unsold Units, Extra Parking Spaces and Extra Storage Spaces and the implementation of the Marketing Plan;

(c) the sale of the Geo-thermal System and the implementation of the Geo-thermal System Marketing Process;

(d) any material issues arising under any New APS;

(e) notice of any material health and safety incidences or injuries arising in connection with the Project;

(f) any material changes to the Business Plan and status of meeting the material milestones set out therein; and

(g) such other information as may reasonably be requested by the Owner or Project Monitor from time to time with respect to the Work or the Development Services.

The monthly report of the Developer shall be provided by the 20th day of each month with respect to the previous month. In addition, the Developer's books and records relating to the Project shall be made available for review by the Owner and/or the Project Monitor, from time to time upon request, at mutually convenient times.

3.4 Information from Owner/Construction Receiver

(a) The Owner or Construction Receiver shall prepare and provide to the Developer the following information on a monthly basis (by the 20th day of each month with respect to, or as of the end of, the previous month):

(i) Statement of receipts and disbursements;

(ii) Summary of estimated accrued commitments;

(iii) The Construction Receiver's estimated projected costs to be incurred through to completion of the receivership of UC Riverdale, UC Leslieville and UC Beach and discharge of the Construction Receiver by the Court (excluding the costs to be incurred under each of the Craft C&D Contracts), which estimated projected costs will be prepared based on the facts and circumstances then known to the Construction

Receiver and the exercise in good faith of its reasonable commercial judgement. For certainty, the Construction Receiver is not representing or warranting any such projections and all such projections are expressly subject to the assumptions, limitations and disclaimers contained therein. Forward looking information and estimates are being provided for discussion and illustration purposes only as actual results will vary and those variations may be material."

(b) The Construction Receiver will also:

(i) request monthly from each of the Administrative Agent, Terra Firma and Travelers and, to the extent received, provide to the Developer, a statement of account from each of the Syndicate, Terra Firma and Travelers with respect to their respective outstanding loans and indebtedness; and

(ii) use its commercially reasonable efforts to provide to the Developer, as soon as practicable following receipt by the Construction Receiver:

(A) copies of all written notices and correspondence received by the Construction Receiver from the City relating to the development of the Project;

(B) copies of all written notices of expropriation with respect to any portion of the Lands with the exception of the park dedication required by the site plan agreement for the Project; and

(C) copies of all written notices from any Governmental Authority of non-compliance in any material respect with any environmental Law relating to the Project and of any written notice of any investigation, non-routine inspection by any Governmental Authority, or any written material inquiry by any Governmental Authority, in connection with any environmental Law relating to the Project.

ARTICLE 4
BUSINESS PLANS, BUDGETS

4.1 Business Plan

(a) The Developer will prepare a business plan for the Project (the "**Business Plan**") in form and substance satisfactory to the Owner which incorporates and is based upon, the criteria set out in Section 4.1(b). The initial Business Plan will be provided to the Owner for approval within 60 days following the conditions precedent to this Development Contract having been satisfied or waived by the parties.

(b) The Business Plan for the Project shall incorporate, *inter alia*, the following information:

(i) the Marketing Plan;

(ii) projected timing for Unit Completion of the Units by Building and occupancy of each Unit and Building;

(iii) projected occupancy fees and revenue and projected operating costs of the Project;

(iv) the process and estimated timing for all required approvals from Governmental Authorities (if any) and the estimated timing for the fulfillment of each of the conditions thereunder;

(v) the process for obtaining all approvals from Governmental Authorities for, and registration of, the Condominium and Condominium Corporation;

(vi) the estimated timing of final closings for the sale of the Units, Extra Parking Spaces and Extra Storage Spaces; and

(vii) such other information as may be reasonably requested by the Owner or the Project Monitor from time to time.

(c) The initial Business Plan as approved by the Owner shall be amended by the Developer as necessary from time to time, provided that the Developer shall not amend the Business Plan without the approval of the Owner if such amendment would result in a Change Order, Development Cost Overrun or result in a default by the Developer under either of the Craft C&D Contracts.

4.2 Initial Development Budget and Agreed Financial Matters

(a) The initial budget for the Development Costs is attached hereto as Schedule 3 (the "**Initial Development Budget**"). Developer acknowledges that:

(i) the Development Costs represent amounts payable to third parties for services provided in connection with the Project;

(ii) the Owner and the Construction Receiver have no liability or obligation to pay the amount of any Development Costs in excess of the amount provided for in the Initial Development Budget and all such excess amounts constitute Development Cost Overruns that are required to be pre-funded by Terra Firma or the Developer under the TF Cost Overrun Guarantee (or permitted to be pre-funded by the Syndicate as provided under the TF Cost Overrun Guarantee).

(b) All amendments or variations to the Development Budget that do not involve a Development Cost Overrun shall be as agreed between the Developer and the Project Monitor. Any amendments or variations to the Development Budget that involve a Development Cost Overrun ("**Budget Increase Request**") shall require:

(i) the prior written approval of the Project Monitor, the Owner and the Change Funder; and

(ii) the full amount of such Development Cost Overrun to be pre-funded by a Change Funder to the Owner prior to any such amendment or variation becoming effective.

(c) The Developer shall submit its proposal for each Budget Increase Request in writing to each of the Project Monitor, the Owner and the Change Funder, which proposal shall include reasonably detailed back-up detail for the Development Cost Overrun.

(d) The Project Monitor shall review each Budget Increase Request proposed by the Developer and provide a recommendation to the Owner and Change Funder as soon as practicable as to whether all or any part of the Budget Increase Request should be approved or rejected by the Owner and any Change Funder, together with any amendments thereto that would result in the Budget Increase Request being acceptable ("**Budget Increase Recommendation**"). If the Project Monitor recommends rejection of all or any part of the Budget Increase Request and/or the amendment of the Budget Increase Request, the Project Monitor shall provide a copy of that recommendation to the Developer. The Developer shall be entitled to amend the Budget

Increase Request and submit a replacement Budget Increase Request to the Project Monitor, Owner and Change Funder taking into account the Project Monitor's recommendations within 5 Business Days of receipt of the Project Monitor's recommendations (any such replacement Budget Increase Request shall also be referred to herein as a "Budget Increase Request"). In such case, the replacement Budget Increase Request shall be treated as a new Budget Increase Request and the provisions of this Section 4.2(d) shall apply once again. If a replacement Budget Increase Request is not submitted within the period required, the original Budget Increase Request and original Budget Increase Recommendation will be considered by the Owner and the Change Funder. The Project Monitor shall be entitled to consult with such of the Consultants, the Owner's legal advisors and/or any other expert advisors as it determines is necessary or desirable to provide its Budget Increase Recommendations.

(e) The Parties agree that the recommendations set out in the Budget Increase Recommendation by the Project Monitor shall be final and binding on the Parties and each Change Funder with respect to a Budget Increase Request (other than the Closing Budget Increase Request) if the amount of the Budget Increase Request is less than or equal to $100,000 (for certainty, exclusive of HST). For certainty, the Parties and the Change Funder shall be entitled to dispute any other Budget Increase Request notwithstanding the recommendations set out in the applicable Budget Increase Recommendation by the Project Monitor.

(f) The Owner confirms that its approval of a Budget Increase Request will be provided upon (i) receipt by the Owner of a Budget Increase Recommendation from the Project Monitor recommending approval of such Budget Increase Request and the written approval of the Change Funder of such Budget Increase Request, and (ii) the full amount of the Development Cost Overrun requested in such Budget Increase Request having been pre-funded to the Owner by the Change Funder.

(g) If the Change Funder or the Owner dispute or reject all or any part of a Budget Increase Request that it is permitted to dispute or reject, the Change Funder shall have the right to participate as a party to any mediations or arbitrations relating to any disputes in respect of such Budget Increase Request.

(h) If a dispute arises with respect to an approval of a Budget Increase Request for any reason, or a Budget Increase Request which has been recommended for approval by the Project Monitor has not been approved within 5 Business Days after its receipt by the Owner and the Change Funder ("**Delayed Approval**"), the Developer shall provide or cause to be provided the Development Services contemplated under, and incur the costs requested in, such Budget Increase Request and:

(i) (1) in the case of a rejection of the Budget Increase Request, the Developer shall forthwith dispute the rejection of the Budget Increase Request and forthwith commence and diligently pursue the mediation proceedings in accordance with Section 13.3 or (2) in the case of a Delayed Approval, the Developer provides a notice in writing to the Owner, the Project Monitor and the Change Funder;

(ii) the Developer shall be responsible for the costs requested in such Budget Increase Request, in the first instance, until the final agreement, determination, settlement or approval of all disputes or delays in respect of such Budget Increase Request and hereby releases the Owner from any claims related to such Budget Increase Request if, in the case of a Delayed Approval, the Budget Increase Request is not approved by the Owner and the Change Funder (subject to the Developer's right to dispute) or, in the case of a disputed Budget Increase Request, any final determination or settlement of the dispute in respect of the Budget Increase Request is in the Owner's or Change

Funder's favour. The Developer agrees to provide such monthly reporting and certifications (including copies of invoices) as to the Development Services provided and costs incurred under or in connection with such Budget Increase Request as the Owner and the Project Monitor may reasonably request; and

(iii) Terra Firma shall advance to the Owner an amount equal to the Development Cost Overrun requested in the Budget Increase Request ("**Disputed Amount**"), which amount will be held by the Owner in accordance with Section 2.3(c) of the TF Cost Overrun Guarantee until the final determination or settlement of such disputed Budget Increase Request, or in the case of a Delayed Approval, the final disposition of such Budget Increase Request; provided that, if Terra Firm fails to advance the Disputed Amount, then the Disputed Amounts paid by the Contractor as required pursuant to Section 4.2(h)(ii): (a) if the Contractor is not successful in the dispute under this paragraph, shall be the sole responsibility of the Contractor, and it shall not be entitled to any reimbursement from the Owner of any of the Disputed Amount, or (b) if the Contractor is successful in the dispute, the Disputed Amounts actually paid by the Contractor for such Development Cost Overrun as of such time (and the balance of the Disputed Amount actually paid by the Contractor thereafter for the balance of such Development Cost Overrun) will be added to the amount of the Craft Loan to the Construction Receiver.

(i) If such dispute or Delayed Approval is finally resolved or the parties agree, then

(i) if the Developer is entitled to the Development Cost Overrun requested in such Budget Increase Request, the Development Budget shall be amended as requested;

(ii) if the Developer is not entitled to the Development Cost Overrun requested in such Budget Increase Request, the Development Budget shall not be amended and the Developer shall not be entitled to claim payment of any of such costs from the Owner; and

(iii) the amounts advanced by the Change Funder in accordance with Section 4.2(h)(iii) will be (1) if the Developer is not entitled to the requested increase in the Development Budget, returned to the Change Funder, and the Developer shall be solely responsible for payment of all of such costs that it has incurred, or (2) if the Developer is entitled to the requested increase in the Development Budget, used by the Owner to reimburse the Developer for all such costs that it has incurred and to fund all such remaining costs as may have been requested in the Budget Increase Request.

ARTICLE 5
COMPENSATION AND PAYMENT

5.1 Compensation

(a) The Developer's entire compensation (including all reimbursement of Development Costs) under this Development Contract consists of:

(i) the amount of Development Costs set out in the Initial Development Budget and any subsequently approved Development Budget;

(ii) without duplication, the amount of Development Cost Overruns funded by a Change Funder as required or permitted under the TF Cost Overrun Guarantee;

(iii) the Earned Management Fee in accordance with Section 5.2(a)(i)(A);

(iv) the Deferred Management Fee and other Deferred Compensation in accordance with Sections 5.2(a)(i)(B) and 5.2(a)(ii); and

(v) the Vacant Lot in accordance with Sections 5.2(a)(iii) and 5.3.

(b) The Owner shall be responsible for all applicable HST with respect to such compensation (other than in connection with the transfer of the Vacant Lot, which shall be the responsibility of the Developer).

(c) The Developer represents and warrants that it is registered as required under applicable Law for HST purposes and its HST registration number is 895497353 RT0001.

5.2 Management Fees and other Deferred Compensation

(a) In consideration for the Developer's services under this Development Contract, but subject to the other terms and conditions of the Craft C&D Contracts, the Developer shall be entitled to receive the following fees:

(i) a management fee equal to $1,500,000, of which:

(A) $375,000 will be paid on the date of Total Performance of the Work (the "**Earned Management Fee**"), provided there is no Major Event of Default hereunder or "Major Event of Default" as defined under the Construction Contract at such time; and

(B) $1,125,000 will be deferred and paid from the proceeds of disposition of the Units and other property and assets of UC Leslieville and the Beach Remaining Lands in accordance with the payment priorities set out in the Waterfall (the "**Deferred Management Fee**"), which Deferred Management Fee is subject to satisfaction of the Performance Conditions and the provisions of Section 5.2(b) and is to be secured by a Court ordered charge with the priority set out in the Waterfall as provided in the Settlement Approval Order;

(ii) subject to the provisions of Section 5.2(b), a success fee equal to $1,000,000 for attaining Total Performance of the Work (the "**Success Fee**" and together with the Deferred Management Fee, the "**Deferred Compensation**"), the payment of which will only become due upon attaining Total Performance of the Work and completion of the Development Services, excluding the Additional LC Services (collectively, the "**Performance Conditions**") and be deferred and paid from the proceeds of disposition of the Units and other property and assets of UC Leslieville and the Beach Remaining Lands in accordance with the payment priorities set out in the Waterfall as provided in the Settlement Approval Order; for certainty, the completion of the Additional LC Services does not form part of the Total Performance of the Work and are not a condition to the Success Fee becoming due and payable to the Developer pursuant to this Section 5.2(a)(ii); and

(iii) subject to the provisions of Section 5.2(b), transfer of the Vacant Lot to the Developer free and clear of mortgages, charges and other encumbrances as provided in the Settlement Approval Order, subject to satisfaction of the Vacant Lot Conditions.

(b) The Developer acknowledges and agrees:

(i) that its entitlement to the Deferred Compensation and the transfer of the Vacant Lot are contingent upon the generation of sufficient proceeds from the disposition of the Units, Extra Parking Spaces, Extra Storage Spaces and other property and assets of UC Leslieville and the Beach Remaining Lands to pay such amounts after payment of all claims ranking in priority of payment to the Deferred Compensation under the Waterfall, and as such, the Developer's entitlement to the payment of the Deferred Compensation and transfer of the Vacant Lot is limited to the availability of such proceeds; and

(ii) that its entitlement to the Deferred Compensation and the transfer of the Vacant Lot are subject to satisfaction of the Performance Conditions; provided that if proceeds of disposition of the Units and other property and assets of UC Leslieville and the Beach Remaining Lands become available to pay the Deferred Compensation or permit the transfer of the Vacant Lot in accordance with the payment priorities set out in the Waterfall as provided in the Settlement Approval Order at a time when the Performance Conditions have been completely satisfied except for the sale of any remaining Unsold Units, Extra Parking Spaces and/or Extra Storage Spaces, the parties agree that the Developer shall be entitled to receive (1) all of the Deferred Compensation except for an amount equal to $15,000 for each calendar month (or part thereof) in the period from the date of payment of the Deferred Compensation to the Marketing End Date (the "**Remaining Period**"), which amount shall be withheld by the Owner, and (2) the transfer of the Vacant Lot. Thereafter, $15,000 of the Deferred Compensation withheld by the Owner shall be paid to the Developer at the end of each calendar month in the Remaining Period unless an Event of Default has occurred and is continuing and the balance shall be due and payable in full to the Developer upon the earlier to occur of (1) sale and closing of all of the remaining Unsold Units, Extra Parking Spaces and Extra Storage Spaces, and (2) the Marketing End Date.

5.3 Vacant Lot

The Disposition by the Owner of the right, title, and interest of the Owner in the Vacant Lot to the Developer (or nominee or designee of the Developer) pursuant to Section 5.2(a)(iii) is subject to the satisfaction of the following conditions (the "**Vacant Lot Conditions**"):

(a) satisfaction of the Performance Conditions;

(b) payment in full of all claims as outlined in the Waterfall which rank in priority of payment to the transfer of the Vacant Lot as set out in the Waterfall; the Developer acknowledges that it will not be entitled to a transfer of the Vacant Lot if the Construction Receiver requires the proceeds of sale from such Vacant Lot to pay in full all or any part of any of such prior ranking claims;

(c) payment by the Developer of the amount of all applicable land transfer Taxes and HST in respect of the transfer of the Vacant Lot to the Developer; and

(d) compliance with the Planning Act (Ontario).

5.4 Payment of Development Costs

(a) As a condition to the payment of the Development Costs by the Owner:

(i) the Developer shall provide to the Project Monitor and the Owner, for approval, an application for payment that includes all of the following:

(A) copies of all underlying third party invoices;

(B) if the application for payment is for the release of any holdback amount, a copy of the certificate of Substantial Performance of the Work indicating that the applicable lien period under the Lien Act has expired, certification by the Project Monitor that all applicable lien periods under the Lien Act have expired and a subsearch of the Lands as required pursuant to Section 5.4(f);

(C) evidence satisfactory to the Owner and Project Monitor that all Development Costs that were the subject of any prior application for payment have been paid in full;

(D) certification by the Developer that the Development Costs requested to be paid are Budgeted Development Costs plus HST; and

(E) such other information as may be reasonably requested by the Project Monitor from time to time; and

(ii) The Project Monitor shall review such application for approval and provide its report to the Owner with respect thereto including as to satisfaction of the foregoing conditions, in form and scope satisfactory to the Owner.

(b) If the application for payment is incomplete or deficient, or the report of the Project Monitor does not recommend the payment requested, the Owner may reject all or any part of it. If the Developer disagrees with the decision of the Owner, the matter may be referred for resolution pursuant to Section 13.3.

(c) If the application for payment includes Development Cost Overruns, then the Owner will only be required to pay the amount of such Development Cost Overrun requested to the extent such Development Cost Overrun has been fully pre-funded by a Change Funder in accordance with, or as permitted under, the TF Cost Overrun Guarantee.

(d) Subject to Section 5.4(e), upon receipt by the Owner of a fully completed application for payment in proper form and report from the Project Monitor confirming the Development Costs requested thereunder and recommending the payment thereof, the Owner will make payment within 7 days.

(e) The parties agree that the submission of the application for payment of Development Costs by the Developer and provision of a report thereon by the Project Monitor shall be co-ordinated with the progress payment process outlined in GC 5.3 of the Construction Contract such that the verifications and reports from the Project Monitor under the Construction Contract and this Development Contract are provided at the same time and the monthly payments due under the Construction Contract and under this Development Contract are due from the Owner on the same date.

(f) If a requested payment includes Development Costs to which the Lien Act applies, the Owner will comply with the provisions of the Lien Act (including with respect to construction lien holdbacks) with respect to each such payment or portion thereof requested by the Developer and shall have received a sub-search from its counsel confirming that no Liens have been registered on title to the Lands other than Permitted Encumbrances.

(g) If the Owner fails to make payments as they become due under the terms of this Development Contract or in an award by arbitration or in an order of a court, interest at the rate of 5.5% per

annum above the prime rate from time to time shall also become payable on such unpaid amounts until payment in full. The prime rate shall be the fluctuating annual interest rate equal at all times to the reference rate of interest (however designated) of Canadian Imperial Bank of Commerce for determining interest chargeable by it on loans in Canadian dollars made in Canada.

(h) Any amount of interest payable by the Owner to the Developer shall not become due and payable until proceeds from the sale of the Units have been received by the Owner or the Construction Receiver, and shall only be paid to the extent of, and in accordance with, the Waterfall at the same time and priority as the payment to the Developer of the Craft Loan.

ARTICLE 6
SECURITY AND FINANCING OF THE PROJECT

6.1 Security for Completion

(a) The Developer will provide the Construction Receiver with cash collateral in the amount of $535,000 ("**Craft Cash Collateral**") on the latest of the date of execution of this Development Contract and the Construction Contract and the date that the Settlement Approval Order is granted. The Construction Receiver shall hold such Craft Cash Collateral in a segregated, interest-bearing, account in the name of the Construction Receiver at Canadian Imperial Bank of Commerce (the "**Account**"), the same to stand as security for the Developer's indebtedness, liabilities and obligations to the Owner and/or the Construction Receiver including without limitation the Developer's performance obligations under the Craft C&D Contracts, and for all costs, expenses, and other damages suffered by the Construction Receiver and/or the estate of UC Leslieville if the Developer defaults thereunder and does not cure such default as required under the applicable Craft C&D Contract (collectively, the "**Obligations**"). In furtherance thereof, the Developer hereby creates a security interest in favour of the Construction Receiver in the Account, the Craft Cash Collateral and in any and all investments, income and proceeds thereof or derived therefrom, all as security for the Obligations. The Craft Cash Collateral and any interest earned thereon (less any amount properly applied by the Owner or the Construction Receiver in accordance with the terms of the Craft C&D Contracts) will be returned to the Developer as soon as practicable after the date upon which all the following conditions have been satisfied (the date of return of the Craft Cash Collateral being, the "**Cash Collateral Release Date**"):

(i) at the time of release of the Craft Cash Collateral, there is no default by the Developer under the Craft C&D Contracts (following expiry of all applicable cure periods thereunder);

(ii) the Project attained Total Performance of the Work in accordance with, and as certified under, the Construction Contract;

(iii) all of the Development Services have been completed except for the sale of any remaining Unsold Units, Extra Parking Spaces and/or Extra Storage Spaces at the time the other conditions set out in Sections 6.1(a)(i), 6.1(a)(ii), 6.1(a)(iv) and 6.1(a)(v) have been satisfied;

(iv) all applicable Lien periods have expired without any Liens in respect of the Construction Work having been filed or all Liens filed have been satisfied in full, discharged or vacated (other than any Liens arising solely as a result of a default of the Owner in the performance of its payment obligations under the Craft C&D Contracts); and

(v) the Developer, the Consultant and the Project Monitor have certified that the costs of all work and services provided by third party trades, suppliers and consultants have been paid in full.

The Construction Receiver and the Owner shall be entitled to set-off against the Craft Cash Collateral otherwise returnable to the Developer any amount due and owing to the Construction Receiver or the Owner in respect of the Obligations and/or to set aside therefrom an appropriate reserve for application thereto, including during the pendency of any claim made by the Construction Receiver or the Owner against the Developer in respect of the Obligations.

(b) If the Craft Cash Collateral is returned to the Developer on the Cash Collateral Release Date, then the Developer shall also be entitled receive interest on the Craft Cash Collateral from the date it was deposited with the Construction Receiver to the Cash Collateral Release Date at a rate of 7% per annum; provided that such interest shall only be payable to the extent of, and from, proceeds from the disposition of the Units, Extra Parking Spaces, Extra Storage Spaces and other property and assets of UC Leslieville and the Beach Remaining Lands in the same priority as payment of the Deferred Compensation under the Waterfall and shall be due on the later of the Cash Collateral Release Date and the distribution of such proceeds by the Construction Receiver.

(c) The Construction Receiver, the Owner and the Developer agree that value has been given for the granting of the security interest contemplated in this Section 6.1 and that the Parties have not agreed to postpone the time for attachment of the security interest.

6.2 <u>Assignment and Security Interest in Subcontracts</u>

(a) As general and continuing collateral security for the faithful performance by the Developer of its covenants and obligations under each of the Craft C&D Contracts, and the discharge of all of the Obligations, the Developer hereby assigns and transfers to the Construction Receiver, and grants to the Construction Receiver a security interest in, all of the Developer's right, title, estate and interest in and to all Subcontracts and all benefits, powers and advantages of the Developer to be derived therefrom, and all covenants, obligations, undertakings and agreements of the Subcontractors and Suppliers thereunder (whether arising pursuant thereto or available to the Developer at law or in equity) including the right of the Developer to enforce the Subcontracts and the obligations of the Subcontractors and Suppliers thereunder and to give or withhold any and all consents, requests, directions, instructions, approvals, extensions or waivers thereunder in accordance with the terms thereof and to exercise options, make elections, declare defaults and participate in arbitration or other legal proceedings thereunder.

(b) To the extent that any Subcontract is not assignable to the Owner at law, the Developer shall hold its interest in such Subcontract in trust for the Construction Receiver and said interest and all benefits derived under such Subcontract shall be for the account of the Owner.

(c) Upon the Construction Receiver exercising its rights under the Subcontracts in accordance with Section 6.1, in order that the full benefit of every Subcontract not assigned to the Owner but held for it in trust in accordance with Section 6.2(b) may be realized for the benefit of the Owner and/or the Construction Receiver, the Developer shall, at the request and expense and under the direction of the Construction Receiver, in the name of the Developer, take all such action or do or cause to be done all such things as are necessary or desirable in order that the Developer's rights under such Subcontracts may be preserved for the benefit of the Owner and/or Construction Receiver and that the obligations of the Subcontractor or Supplier under such Subcontracts may be enforced.

(d) The Owner and the Developer agree that value has been given for the granting of the security interest contemplated in this Section 6.2 and that the Parties have not agreed to postpone the time for attachment except for Subcontracts which are entered into after the date of this Development Contract, the attachment to which will occur forthwith upon the Developer acquiring rights thereto or therein.

6.3 Craft Loan

(a) The Developer agrees to provide a loan to the Construction Receiver in the initial principal amount of $2,000,000.00 (which amount is exclusive of the Craft Cash Collateral) upon the terms and conditions set out in the Craft Loan Agreement for the purpose of funding the costs of Construction Work and/or Development Services (the "**Craft Loan**"). The Craft Loan will be secured by a charge against all of the property and assets of UC Leslieville granted under, and with the priority provided under, the Settlement Approval Order.

(b) The Developer further agrees that:

(i) the Craft Loan will be funded in full by one advance to the Construction Receiver on the effective date of each of the Craft C&D Contracts, other than the advances after such initial advance which are deemed to be Craft Loans under the provisions of either of the Craft C&D Contracts;

(ii) none of the Syndicate Construction Loan will be advanced until all of the Craft Loan has been disbursed by the Construction Receiver; and

(iii) to the extent permitted under each of the Craft C&D Contracts, the Construction Receiver will be entitled to apply all or any of the undisbursed portion of the Craft Loan to satisfy all or any of the Obligations or all or any of the unpaid amounts due to subcontractors of the Developer, all as determined in the sole discretion of the Construction Receiver.

ARTICLE 7
DEFAULTS

7.1 Default by the Developer

(a) For the purposes of this Development Contract, a "**Major Event of Default**" means the occurrence of any of the following:

(i) a Major Development Breach;

(ii) a lien is registered on title to the Project Site that arises out of or is attributable to the Construction Work or Development Services by a person other than the Developer (other than any such lien arising solely as a result of a default by the Owner in the performance of its payment obligations under either of the Craft C&D Contracts) and is not discharged, vacated or otherwise removed by the Developer within ten (10) days of the Developer becoming aware of such lien;

(iii) a "Major Event of Default" (as defined under the Construction Contract) occurs under the Construction Contract;

(iv) an Event of Insolvency with respect to the Developer or the Builder occurs; or

(v) the Developer commits any fraud, willful misconduct, willful default (including intentional non-performance of any Development Service) or misappropriation of funds related to the Project. For certainty, willful default does not include any circumstance involving a default by the Developer where it has been and is making good faith efforts to cure such default.

(b) If a Major Event of Default occurs under Section 7.1(a), then in addition to any rights and remedies it may have under this Development Contract, the Owner shall have all of the following rights so long as the Major Event of Default remains uncured (all or any of which may be exercised by the Owner from time to time in its discretion):

(i) enforce any of the remedies available to the Owner pursuant to the terms of this Development Contract or applicable Law for a default hereunder including by applying all or any part of the Craft Cash Collateral or undisbursed portion of the Craft Loan against Obligations;

(ii) withhold payment to the Developer of any portion of any payment due to the Developer under this Development Contract;

(iii) set-off all or any portion of the Obligations against all or any amounts owing from time to time by the Owner or the Construction Receiver to the Developer (including the Craft Loan) howsoever and whenever arising;

(iv) on its own or by engaging another contractor or developer, remedy such Major Event of Default, in which case the Owner shall be entitled, upon demand, to be reimbursed by the Developer for any monies reasonably expended to remedy such Major Event of Default (including any expense incurred in connection therewith) and/or to deduct the cost thereof from any payment then or thereafter due the Developer, provided that the Project Monitor has verified such costs as properly relating to the Development Contract and to be reimbursed by the Developer as monies reasonably expended to remedy such Major Event of Default (including any expense incurred in connection therewith);

(v) take possession of the Construction Work and Products at the Project Site; subject to the rights of third parties, utilize the Construction Equipment (as defined in the Construction Contract) at the Project Site; finish the Construction Work and the Development Services by whatever method the Owner may consider expedient, all at the cost and expense of the Developer and without prejudice to any claim that the Owner may have for damages incurred by it; provided that the amount of such costs, expenses and damages shall be reduced by the amount that would have otherwise been payable by the Owner to the Developer under the applicable Craft C&D Contract for completion of the Construction Work and Development Services, as the case may be, as of the date of the taking of such possession;

(vi) exercise and enforce all or any of the Owner's Security and/or take an assignment of the Subcontracts in accordance with Section 6.2;

(vii) suspend the Development Contract, the Construction Contract, and/or any other Project Agreement by issuing a notice to the Developer;

(viii) terminate this Development Contract, the Construction Contract, and/or any other Project Agreement by issuing a Termination Notice to the Developer, in which event,

the Developer shall not be entitled to recover any Losses whatsoever from the Owner or the Construction Receiver and in which case Section 7.1(d) will apply; and/or

(ix) do such other acts and things as the Owner or Construction Receiver may be authorized or entitled to do under this Development Contract, the Development Contract, the TF Cost Overrun Guarantee or the Settlement Approval Order.

(c) If a Minor Development Breach occurs, then in addition to any rights and remedies it may have under this Development Contract in connection with any Minor Development Breach (which, for greater certainty, excludes the remedies in paragraph 7.1(b) for a Major Event of Default), the Owner shall have all of the following rights so long as the Minor Development Breach remains uncured (all or any of which may be exercised by the Owner from time to time in its discretion):

(i) enforce any of the remedies available to the Owner pursuant to the terms of this Development Contract for a Minor Development Breach hereunder (which, for greater certainty, excludes the remedies in paragraph 7.1(b) for a Major Event of Default); and

(ii) on its own or by engaging another contractor or developer, remedy all or any of the then outstanding Development Breaches, in which case the Owner shall be entitled, upon demand, to be reimbursed by the Developer for any monies reasonably expended to remedy such outstanding Development Breaches (including any expense incurred in connection therewith) and/or to deduct the cost thereof from the Craft Cash Collateral, the undisbursed portion of the Craft Loan or any payment then or thereafter due the Developer, provided that the Project Monitor has verified such costs as properly relating to the Development Contract and to be reimbursed by the Developer as monies reasonably expended to remedy such Development Breaches (including any expense incurred in connection therewith); for the purposes of the foregoing the Developer will co-operate with, and provide such reasonable assistance as may be requested by, the Owner's other contractors or developers (including providing access to the Project Site and the Project) as may be necessary to permit such other contractor(s) or developer(s) to properly remedy such outstanding Development Breaches.

(d) If a Major Event of Default has occurred and is continuing at the time of termination of this Development Contract:

(i) the effective date of the termination will be the date set out in the Termination Notice;

(ii) the Developer shall have no right or claim whatsoever to, and is forever barred from claiming, any payments that might otherwise be due or become due under this Development Contract except for (without duplication) Development Costs that have been incurred by the Developer prior to such termination but only to the extent that (x) the Developer is entitled to be paid such Development Costs pursuant to Section 5.4, or (y) such Development Costs are reasonable and verifiable, and, in each case, the Construction Receiver has funding available for such purpose. To the extent sufficient proceeds are available under the Waterfall, the Developer shall be entitled to payment of such Development Costs in the same priority of payment as the Craft Loan and Geo-thermal System Costs (as subordinated pursuant to Section 7.1(d)(iii)) of any of the Losses of the Developer described in this Section 7.1(d)(ii) for which the Construction Receiver did not have sufficient funding to pay.

(iii) the priority of payment of the Craft Construction Loan and the Geo-thermal System Costs (together with the Court ordered charge securing such loans and costs) shall automatically be further subordinated such that they rank after the repayment of the

indebtedness owing to Terra Firma described in the Waterfall set out in the Settlement Approval Order;

(iv) the Developer shall have no claim against the Owner, the Construction Receiver or any of the property and assets of UC Leslieville or UC Beach for any Losses arising from such termination by the Owner;

(v) the Construction Receiver shall be entitled to retain the full amount of the Craft Cash Collateral and the full amount of the undisbursed portion of the Craft Loan (if any) for application against the losses suffered or incurred by the Owner or the Construction Receiver under either of the Craft C&D Contracts; provided that any excess over such losses shall be returned to the Developer; and

(vi) each of the Owner and the Construction Receiver shall be entitled to all other rights and remedies it may have against the Developer under either of the Craft C&D Contracts or applicable Law.

(e) Notwithstanding the provisions of this Section 7.1, if the Developer *bona fide* and in good faith disputes that a Development Breach has occurred, the Owner will not be entitled to exercise its rights and remedies with respect to such Development Breach for so long as the following conditions are satisfied, and the Developer agrees as follows:

(i) the Developer will forthwith commence and diligently pursue a resolution of such dispute pursuant to GC Part 8 – DISPUTE RESOLUTION of the Construction Contract;

(ii) the Developer shall forthwith commence and diligently perform the services which are the subject of the Development Breach ("**Breach Services**") at the Developer's own cost and expense (in the first instance) until final agreement, determination or settlement of such dispute between the Parties, and agrees that the Owner is hereby released from any claims related to such Breach Services if any final determination or settlement of the dispute in respect of the Development Breach is in the Owner's favour. The Developer agrees to provide such monthly reporting and certifications (including copies of invoices) as to the Breach Services provided and costs incurred under or in connection with such disputed Development Breach as the Owner and the Project Monitor may reasonably request; and

(iii) Terra Firma shall forthwith advance to the Owner an amount equal to the cost of the Breach Services as determined by the Project Monitor (the "**Breach Services Amount**"), which Breach Services Amount will be held by the Owner in accordance with Section 7.1(f) of this Development Contract until the final determination or settlement of the disputed Development Breach; provided that, if Terra Firm fails to advance the Breach Services Amount, then the Breach Services Amounts paid or payable by the Contractor as required pursuant to Section 7.1(e)(ii): (a) if the Developer is not successful in the dispute under this Section, shall be the sole responsibility of the Developer, and it shall not be entitled to any reimbursement from the Owner of any of the Breach Services Amount, or (b) if the Developer is successful in the dispute, the Breach Service Amount actually paid by the Developer for all direct, reasonable and verifiable costs of performing the Breach Services as of such time (and such further Breach Services Amount (if any) thereafter paid by the Developer for all direct, reasonable and verifiable costs of completing the Breach Services) will be added to the amount of the Craft Loan to the Construction Receiver.

(f) If such disputed Development Breach is finally resolved or the Parties agree, then:

(i) if the resolution or agreement of the Parties is that there was no Development Breach, then the Owner will use the funds advanced by the Change Funder in connection with such Development Breach to reimburse the Developer for all direct, reasonable and verifiable costs of performing the Breach Services which have been paid for by the Developer and to pay for any remaining direct, reasonable and verifiable costs incurred by the Developer to complete the Breach Services;

(ii) if the resolution or agreement of the Parties is that there was a Development Breach, then:

(1) if the Breach Services have not yet been performed, the Developer will be entitled to the applicable cure period within which to perform the Breach Services;

(2) if the Breach Services have been performed by the Developer, then the funds advanced by the Change Funder in connection with such Development Breach shall be returned to the Change Funder, and the Developer shall be solely responsible for payment of all costs related to the Breach Services.

7.2 Funding Failure and Catastrophic Event

(a) For the purposes of this Development Contract, a "**Funding Failure**" means the occurrence of any of the following:

(i) if, at any time and for whatever reason (including by reason of default by the Developer or the repair or replacement of any damage or destruction to all or any part of the Project), the estimated cost to complete the Work (including rectifying all known Latent Defects and completing all warranty work) and the Development Services, as determined by the Project Monitor, acting reasonably, is greater than the aggregate amount of all funding available for the Project pursuant to the Craft Loan Agreement, the Syndicate Construction Loan Agreement and, to the extent available, the Craft Cash Collateral, and Terra Firma (or to the extent permitted (or required) under the TF Cost Overrun Guarantee, the Developer and the Syndicate) declines (or fails) to fund the difference pursuant to the TF Cost Overrun Guarantee; or

(ii) if, at any time, a Cost Overrun as defined under the TF Cost Overrun Guarantee is not funded by Terra Firma as required under the TF Cost Overrun Guarantee (or by the Developer or the Syndicate as required or permitted under the TF Cost Overrun Guarantee).

(b) The Owner shall be entitled to terminate the Development Contract upon the occurrence of a Funding Failure or a Catastrophic Event upon issuance to the Developer of a Termination Notice. If the Development Contract is terminated solely as a result of the Funding Failure or a Catastrophic Event, then:

(i) the effective date of the termination will be the date set out in the Termination Notice;

(ii) the Developer shall have no right or claim whatsoever to, and is forever barred from claiming, any payments that might otherwise be due or become due under this Development Contract except for (without duplication):

(A) Development Costs that have been incurred by the Developer prior to such termination but only to the extent that (x) the Developer is entitled to be paid

such Development Costs pursuant to Section 5.4, or (y) such Development Costs are reasonable and verifiable;

(B) provided that no Event of Default hereunder or "Event of Default" as defined under the Construction Contract has occurred and is then existing, interest calculated in accordance with Sections 5.4(f) and (g) on the amounts due and payable under the Development Contract but not paid;

(C) provided that no Event of Default hereunder or "Event of Default" as defined under the Construction Contract has occurred and is then existing, the return of any undisbursed portion of the Craft Loan and Craft Cash Collateral (after payment of outstanding costs under each of the Craft C&D Contracts and correction of any deficiencies in the Work performed by the Developer prior to such termination); and

(6) provided that no Event of Default hereunder or "Event of Default" as defined under the Construction Contract has occurred and is then existing, any termination costs that the Developer may owe to arms' length third parties in connection with the Development Services as a direct result of such termination and that are unrecoverable or unavoidable;

provided that, in each case, the Construction Receiver has funding available for such purpose.

(iii) provided that no Event of Default hereunder or "Event of Default" as defined under the Construction Contract has occurred and is then existing, the Owner and the Construction Receiver shall have no claim whatsoever against the Developer for any Losses except for deficiencies in any of the Development Services provided prior to such termination; and

(iv) to the extent sufficient proceeds are available under the Waterfall, payment in the same priority of payment as the Craft Loan and Geo-thermal System Costs of any of the Losses of the Developer described in Section 7.2(b)(ii) for which the Construction Receiver did not have sufficient funding to pay.

7.3 Claims and Priority of Payments after Default

The Developer agrees that upon the occurrence of a Major Event of Default and written notice being given by the Owner to the Developer while such Major Event of Default is continuing that the provisions of this Section 7.3 are being invoked (whether or not the Owner has terminated either or both of the Craft C&D Contracts or exercised any of its other rights or remedies):

(f) The Developer shall have no right or claim whatsoever to, and is forever barred from claiming, any payments that might otherwise be due or become due under any of the Craft C&D Contracts described in Section 5.2(a) and the Developer hereby releases all and any of its right and claim thereto in such circumstances; and

(g) The priority of payment of the Craft Loan and the Geo-thermal System Costs (together with the Court ordered charge securing such loans and costs) shall automatically be further subordinated such that they rank after the repayment of the indebtedness owing to Terra Firma described in the Waterfall set out in the Settlement Approval Order.

7.4 Acknowledgement

The Developer acknowledges and agrees that the consequences of an occurrence of a default under the Craft C&D Contracts and/or arising in connection with the termination or suspension of each of the Craft C&D Contracts do not constitute a penalty and are equitable and reasonable in the circumstances.

7.5 Further Assurances

If the Owner terminates this Development Contract, the Developer shall, upon request and (save in the case of termination by reason of Developer's default) at the expense of the Owner, execute and deliver such papers and take such action, including the legal assignment of the Developer's contractual rights under all such contracts entered into by the Developer pursuant hereto, for the purpose of fully vesting in the Owner the rights and benefits of the Developer thereunder, and the Owner shall assume any obligations or commitments of the Developer thereunder.

ARTICLE 8
INTENTIONALLY DELETED

ARTICLE 9
CONDITIONS PRECEDENT

9.1 Conditions Precedent

The execution and delivery of this Development Contract by the Construction Receiver and its obligations hereunder are subject to and conditional upon the granting of the Settlement Approval Order, the "Effective Date" (as defined therein) having occurred and such order becoming final and non-appealable and if such order is appealed, such appeal is withdrawn or determined in favour of the Construction Receiver.

The obligations of the Parties under this Development Agreement are subject to the satisfaction or waiver of the following conditions precedent:

(a) the Construction Contract shall have been executed and delivered by the Parties thereto and be in full force and effect;

(b) the schedule of values for progress payments under the Construction Contract shall have been approved by the Project Monitor, the Syndicate and Terra Firma;

(c) the Developer shall have delivered to the Owner the Craft Cash Collateral as required under this Development Contract and the same shall have been deposited in the name of the Owner in an account maintained with the Administrative Agent and the Owner shall have a first ranking security interest in the Craft Cash Collateral;

(d) the TF Cost Overrun Guarantee shall have been executed and delivered by the parties thereto and be in full force and effect;

(e) the Craft Loan Agreement shall have been executed and delivered by the parties thereto and be in full force and effect, all conditions precedent to the loan advance shall have been satisfied or shall have been waived by the Developer and the full amount of the Craft Loan shall have been advanced to the Construction Receiver;

(f) the Syndicate Construction Loan Agreement shall have been executed and delivered by the parties thereto and be in full force and effect;

(g) each of the Purchaser Package Approval Order, the Settlement Approval Order, the Beach Sales Process Order and the Receivership Administration Order shall have been granted, the "Effective Date" (as defined in the Settlement Approval Order) shall have occurred and each such order shall be final and non-appealable and if any such orders are appealed, such appeal is withdrawn or determined in favour of the Construction Receiver;

(h) none of the Receivership Order, the Purchaser Package Approval Order, the Settlement Approval Order, the Beach Sales Process Order or the Receivership Administration Order or any provision of any of them shall have been stayed, varied or vacated without the prior written consent of the Owner, the Developer, the Syndicate and Terra Firma and there shall not be any pending motion to do so;

(i) Tarion and Travelers shall have provided the Tarion/Travelers Settlement Acknowledgements in form and substance satisfactory to the Parties, the Syndicate and Terra Firma (including pursuant to the Settlement Approval Order);

(j) the Standard Form Sales Agreement to be entered into with each Curzon Purchaser and the disclosure statement required to be delivered to each Curzon Purchaser under the Condominium Act shall have been approved by the Court pursuant to the Purchaser Package Approval Order and the Court shall have confirmed the last date upon which an Opt-In Leslieville Purchaser may rescind its New APS to purchase a Unit in the Project pursuant to Section 73(2) of the *Condominium Act*;

(k) Terra Firma shall have funded to the Construction Receiver

(i) the full cost of rectifying all Latent Defects discovered by the Developer, the Construction Receiver or any other Person relating to the Project prior to the other conditions precedent hereto having been satisfied as required under the TF Cost Overrun Guarantee; and

(ii) the amount of all Development Cost Overruns in excess of the amount of the Initial Development Budget identified prior to the other conditions precedent hereto having been satisfied as required under the TF Cost Overrun Guarantee; and

(l) Each of UC Riverdale, UC Leslieville and UC Beach shall have been adjudged bankrupt under the *Bankruptcy and Insolvency Act* (Canada).

9.2 Waiver

The conditions set forth in Sections 9.1(a) to 9.1(l), inclusive, are inserted for the benefit of both Parties and may only be waived by agreement of both Parties, whether in whole or in part (with or without terms or conditions).

9.3 CP Outside Date

If the conditions set forth in Sections 9.1(a) to 9.1(l), inclusive are not satisfied (or waived by the Parties) on or before the CP Outside Date, then this Development Contract shall be automatically terminated and of no force and effect. For certainty, none of the Parties has any obligation to appeal, or defend any appeal of, the Purchaser Package Approval Order, the Settlement Approval Order, the Beach Sales Process Order or the Receivership Administration Order or any provision of any of them.

ARTICLE 10
INDEMNIFICATION

10.1 Indemnification by Developer

The Developer (in this Section 10.1, the "**Indemnifying Party**") hereby irrevocably and unconditionally undertakes and agrees to indemnify and save harmless, the Owner and the Construction Receiver and each director, officer, employee, agent and representative of the Construction Receiver (in this Section 10.1, collectively, the "**Indemnified Parties**") from and against any and all Losses which the Indemnified Parties may suffer, incur or sustain, directly or indirectly, as a result of, or which arise from or are connected with:

(a) any breach or default by the Indemnifying Party of any of the provisions of this Development Contract;

(b) any willful act, omission or negligence of the Indemnifying Party or any of its respective agents, directors, officers, servants, contractors or employees in the performance of its obligations under this Development Contract; and/or

(c) any action taken by the Indemnifying Party outside the scope of this Development Contract.

This indemnity shall expire with respect to any claim that has not been made by the Owner or Construction Receiver against the Developer prior to the Discharge Date; provided that such expiry shall in no way derogate from, affect, release or limit any right, remedy, cause of action or claim that the Owner or Construction Receiver may have against the Developer under applicable Law at any time prior or subsequent to the expiry of this indemnity as aforesaid provided.

"**Discharge Date**" means for the purposes of this Section 10.1, the date of discharge of the Construction Receiver by a final and non-appealable order of the Court in the UC Receivership Proceedings as the receiver and manager and construction lien trustee of the property and assets of each of UC Riverdale, UC Leslieville and UC Beach in form, scope and substance satisfactory to the Construction Receiver, which order shall include a release of all claims of any nature or kind of all persons against Alvarez & Marsal Canada Inc. personally and in its capacity as the Construction Receiver.

10.2 Indirect Losses

Neither Party shall be liable to the other Party for any Indirect Losses.

ARTICLE 11
INSURANCE

11.1 Construction Phase Requirements

The Owner will obtain and maintain the insurance policies required in accordance with the Construction Contract. The Developer will obtain and maintain the general liability insurance policy required in accordance with the Construction Contract at its own cost and expense.

11.2 Occupancy Insurance

The Developer shall ensure that all Unit Owners who occupy any Unit prior to the closing of the sale of such Unit will obtain and maintain the insurance policies required in accordance with the applicable New APS.

11.3 Post-Construction Requirements

The Developer will maintain general liability insurance for a period of 6 years after Total Performance of the Work and will provide the Construction Receiver with certificates of insurance verifying such policy on the anniversary of the date of Total Performance of the Work or upon request by the Construction Receiver.

ARTICLE 12
CONFIDENTIALITY

12.1 Confidential Information

(a) The Parties shall keep confidential all matters respecting technical, commercial and legal information, documents and agreements relating to or arising out of the Project, the Construction Work, and provision of the Development Services ("**Confidential Information**"), and shall not disclose such matters, without the prior written consent of the Owner, with respect to Confidential Information of the Owner and the Construction Receiver, and of the Developer, with respect to Confidential Information of the Developer.

(b) Notwithstanding Section 12.1(a), a Party may disclose Confidential Information: (i) that is required to be disclosed in accordance with applicable Laws (provided that to the extent practicable, the Party whose Confidential Information is to be disclosed is provided five (5) Business Days' written notice of such requirement prior to the disclosure); (ii) to its professional advisors (including Consultants) and representatives (provided such parties agree to be bound by confidentiality obligations at least as onerous as set out in this Section 12.1), (iii) to the Project Monitor, the Syndicate, and Terra Firma and their respective professional advisors and representatives (provided such parties agree to be bound by confidentiality obligations at least as onerous as set out in this Section 12.1); (iv) to the City and other Governmental Authorities; (v) in the case of the Owner or the Construction Receiver, to any Person (including Curzon Purchasers and prospective purchasers of Units) that it may deem necessary to fulfill its duties and obligations as the Court appointed receiver and manager and construction lien trustee of the property and assets of UC Leslieville, or as it may deem to be necessary in connection with the UC Receivership Proceedings, and (vi) that has become public or available to the public (other than as a result of the breach of this Section 12.1 by such Party).

ARTICLE 13
GENERAL CONTRACT PROVISIONS

13.1 Limitation of Recourse against Construction Receiver

All obligations of the Construction Receiver, whether on behalf of the Owner or its own behalf, under or in connection with this Development Contract are undertaken by Alvarez & Marsal Canada Inc. solely in its capacity as the Court Appointed Receiver and Manager and Construction Lien Trustee of UC Leslieville and, save and except in the case of gross negligence or wilful misconduct of the Construction Receiver, as determined by a Court of competent jurisdiction, Alvarez & Marsal Canada Inc., shall have no personal or corporate liability under this Development Contract. The sole recourse of the Developer against the Owner or the Construction Receiver in connection with such obligations shall be limited solely to a claim against the proceeds of the property and assets of UC Leslieville.

13.2 Project Monitor

(a) The Project Monitor shall have no liability in connection with this Development Contract to the Developer, and the Developer hereby releases the Project Monitor from all costs, damages,

losses or other amounts or claims of whatsoever nature or kind that may be suffered or incurred by either Party as a result of the actions, inaction, decisions, approvals and reports of, and other activities undertaken by, the Project Monitor in connection with this Development Contract.

(b) Neither Party nor the Change Funder may bring a claim against the Project Monitor for any decision, recommendation, finding or determination of the Project Monitor made in relation to or as contemplated by Section 4.2 or 7.1(e) .

(c) For greater certainty, nothing in this Section 13.2 is intended to limit the liability of the estate of Urbancorp (Leslieville) Developments Inc. for any breach by the Owner under this Development Contract. Other than claims against the Construction Receiver for its gross negligence or wilful misconduct, all claims against the Owner or the Construction Receiver may only be brought against the estate of Urbancorp (Leslieville) Developments Inc.

(d) The provisions of this Section 13.2 are intended for the benefit of the Construction Receiver and the Project Monitor, as the case may be, as a third party beneficiary and may be relied upon by the Construction Receiver and the Project Monitor, as the case may be, notwithstanding that it is not a party to this Development Contract.

13.3 Dispute Resolution

(a) Any dispute or disagreement between the Parties under this Development Contract will be resolved in accordance with the dispute resolution procedures for mediation and arbitration as set out in GC 8.2 and Schedule “O” of the Construction Contract.

(b) Notwithstanding anything in this Contract to the contrary, any dispute or claim of a party relating to the conduct of the Construction Receiver will only be determined by the Superior Court of Justice of Ontario (Commercial List), and not under this Part 8 – DISPUTE RESOLUTION.

(c) If the Parties under this Development Contract cannot agree on any matter under any provision hereof which contemplates that such matter is to be agreed upon between the Parties after the date of this Development Contract, either or both of the Parties shall be entitled to bring such matter before the Court in the UC Receivership Proceedings to seek the Court’s determination, advice and/or directions.

13.4 Notices

All notices, requests, demands, approvals or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile or electronic transmission to the other parties to the following addresses:

(a) to the Developer at:

C.R.A.F.T. Development Corporation
2-10 Queen Elizabeth Blvd.
Etobicoke, Ontario M8Z 1L8

Attention: Carmine Nigro
Fax No.: 416-979-0593
Email: cnigro@craftgrp.com

and to

Attention: Robert Sabato
Fax No.: 416-979-0593
Email: rsabato@craftgrp.com

(b) to the Owner at:

Urbancorp (Leslieville) Developments Inc., by Alvarez & Marsal Canada Inc. in its capacity as Court Appointed Receiver and Manager and Construction Lien Trustee of Urbancorp (Leslieville) Developments Inc.. and not its personal or corporate capacity

Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, Ontario M5J 2J1

Attention: Gruneir, Ryan
Fax No.: 416-847-5201
Email: rgruneir@alvarezandmarsal.com

and to

Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
Toronto, Ontario M5J 2J1

Attention: Zaspalis, Tony
Fax No: 416-847-5201
E-mail: tzaspalis@alvarezandmarsal.com

(c) to the Project Monitor, if applicable at:

Altus Group Limited

33 Yonge Street, Suite 500
Toronto, Ontario, M5E 1G4

Attention: Colin Duran, Senior Director, Cost Consulting & Project Management
Fax No: 416-641-9501
E-mail: colin.doran@altusgroup.com

(d) to the Administrative Agent, if applicable at:

Canadian Imperial Bank of Commerce,
in its capacity as Administrative Agent under the Loan Agreement

25 King Street West,
Commerce Court North - 16th Floor,
Toronto, Ontario, M5L 1A2

Attention: Paul Montgomery, Senior Director, Special Loans
Fax No: 416-214-8749
E-mail: paul.montgomery@cibc.com

With a copy to:

Attention: Mauricio Echeverri, Senior Account Manager, Special Loans
E-mail: mauricio.echeverri@cibc.com

(e) to Terra Firma, if applicable at:

Terra Firma Capital Corporation

22 St. Clair Avenue East, Suite # 200
Toronto, ON M4T 2S3

Attention: Glenn Watchorn
Fax No: (416) 792-4711
Email: gwatchorn@tfcc.ca

or at such other address as may be given by any of them to the others in writing from time to time. Any such notices, requests, demands or other communications shall be deemed to have been received, if sent by personal delivery, when delivered, or if sent by facsimile or electronic transmission, on the Day of the transmittal if sent during normal business hours, and otherwise on the next following Business Day.

13.5 Further Assurances

Each of the Parties shall from time to time and at all times do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Development Contract, including the delivery of any documents or information in the Developer's possession or control relating to any of the Work or Development Services, any occupancy or operating costs of the Units or Common Elements, or relating to the establishment, organization, registration or operation of the Condominium Corporation requested by the Owner at any time before or after any termination of this Development Contract or completion of the performance of the Development Services or the Construction Work.

13.6 Entire Agreement

This Development Contract (including the Schedules and Exhibits hereto), the Construction Contract, the TF Cost Overrun Guarantee, the Craft Loan Agreement and the Settlement Approval Order constitute the whole agreement and understanding of the parties as to the subject matter hereof and there are no prior or contemporaneous agreements between the Parties with respect thereto.

13.7 Waiver

Failure by any Party at any time to enforce any provision of this Development Contract or to require performance by any other Party of any of the provisions of this Development Contract will not be construed as a waiver of any such provision and will not affect the validity of this Development

Contract or any part thereof or the right of any Party to enforce any provision in accordance with its terms.

13.8 Amendments

No amendment to this Development Contract will be binding unless it is in writing and signed by the duly authorized representative(s) of each of the Parties.

13.9 Law

This Development Contract will be governed by and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

13.10 Time

Time shall be of the essence in this Development Contract. In the event of any extension of time by a Party for the performance of an obligation by the other Party under this Development Contract, time shall continue to remain of the essence hereof notwithstanding such extension.

13.11 Binding Effect

This Development Contract and all covenants and conditions herein contained shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, executors, administrators, successors, permitted transferees and permitted assigns. The Developer shall not be entitled to assign this Development Contract or any portion thereof without the prior written consent of the Owner, which consent may be unreasonably withheld.

13.12 Conflicts

(a) In the event of any ambiguity, conflict or inconsistency between the provisions of this Development Contract and the provisions of any Schedules and Exhibits, the provisions of this Development Contract shall prevail and govern to the extent of such ambiguity, conflict or inconsistency.

(b) In the event of any ambiguity, conflict or inconsistency between the provisions of this Development Contract and the Construction Contract with respect to the Construction Work or any of the obligations of the Developer under the Construction Contract, the provisions of the Construction Contract shall prevail and govern to the extent of such ambiguity, conflict or inconsistency.

13.13 Counterparts

This Development Contract may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement. Counterparts may be executed either in original or electronic or faxed form (each of which shall be deemed to constitute an original form).

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IN WITNESS WHEREOF this Development Contract has been duly executed by the Parties hereto on the date first written above for signature by:

C.R.A.F.T. DEVELOPMENT CORPORATION

Per: 

Name: Robert Sabato

Title: Director and authorized signing officer

I have the authority to bind the Corporation

Per: _____

Name:

Title:

I have the authority to bind the Corporation

URBANCORP (LESLIEVILLE) DEVELOPMENTS INC. by Alvarez & Marsal Canada Inc., solely in its capacity as Court Appointed Receiver and Manager and Construction Lien Trustee of Urbancorp (Leslieville) Developments Inc. and not in its personal or corporate capacity

Per: _____

Name: Douglas R. McIntosh

Title: President, Alvarez & Marsal Canada Inc.

SCHEDULE 1
DEFINITIONS AND INTERPRETATION

1. **Definitions**

For the purposes of this Development Contract and all Schedules hereto, the following terms when capitalized shall have the following meanings:

"**Account"** has the meaning given to such term in Section 6.1(a).

"**Additional LC Services**" has the meaning given to such term in Section 2.4(g).

"**Administrative Agent**" means Canadian Imperial Bank of Commerce in its capacity as administrative agent for the Syndicate under the Syndicate Construction Loan.

"**Affiliate**" of a Party hereto means:

(a) any corporation which beneficially owns, directly or indirectly, the majority of the issued and outstanding voting and non-voting securities, interests and units (including any warrants, options or other rights to purchase such securities, interests and units, and securities or obligations convertible into or exchangeable for such securities, interests or units) of such party;

(b) any corporation of which such party or such party's Affiliate (within the meaning of this definition) beneficially owns, directly or indirectly, the majority of the issued and outstanding voting and non-voting securities, interests and units (including any warrants, options or other rights to purchase such securities, interests and units, and securities or obligations convertible into or exchangeable for such securities, interests or units); and

(c) any combination of Affiliates which alone or together satisfy the requirements in subsections (a) or (b) of this definition, as the case may be.

In the case of the Developer, Affiliate also means an Affiliate of a shareholder of the Developer.

"**Approved Operating Budget**" has the meaning given to such term in Section 2.4(e)(i)(E).

"**Beach Remaining Lands**" means the remaining lands and premises owned by UC Leslieville and/or UC Beach located at 42 Edgewood Avenue, Toronto, Ontario and more particularly described in Schedule 6 hereto under the heading "Beach Remaining Lands".

"**Beach Sale Process Order**" means the sale process order to be granted in the UC Receivership Proceedings which will approve, among other things, a sale process for the Beach Remaining Lands, as it may be amended, restated or supplemented from time to time, in each case in form and substance satisfactory to the Construction Receiver, Terra Firma, the Developer and the Syndicate.

"**Breach Services**" has the meaning given to such term in Section 7.1(e)(ii).

"**Breach Services Amount**" has the meaning given to such term in Section7.1(e(iii).

"**Budget Increase Recommendation** has the meaning given to such term in Section 4.2(d).

"**Budget Increase Request**" has the meaning given to such term in Section 4.2(b)

"**Budgeted Development Costs**" means, at any time, all budgeted costs described as a line item in the then current Development Budget, including any contingency amount of budgeted costs.

"**Builder**" has the meaning given to such term in the Construction Contract.

"**Buildings**" means the building or buildings to be developed for the purpose of Units on the Lands, together with associated Common Elements and, in each case, including any and all related improvements and structures appurtenant thereto.

"**Building Blocks**" means, collectively, the Building blocks referred to as Building Block 100 (14 Units), Building Block 200 (8 Units), Building Block 300 (14 Units) and Building Block 500 (19 Units).

"**Business Day**" means any Day other than a Saturday, Sunday or statutory holiday in the Province of Ontario.

"**Business Plan**" has the meaning given to such term in Section 4.1(a).

"**Cash Collateral Release Date**" has the meaning given to such term in Section 6.1(a).

"**Catastrophic Event**" has the meaning given to such term in the Construction Contract.

"**Change Funder**" has the meaning given to such term in the Construction Contract.

"**Change Order**" has the meaning given to such term in Construction Contract but for certainty means only a Change Order under the Construction Contract in respect of which its Change Price has been fully pre-funded to the Construction Receiver by a Change Funder.

"**Change Price**" has the meaning given to such term in Construction Contract.

"**City**" means the Corporation of the City of Toronto.

"**Claims**" means all damages, losses, liabilities, claims, actions, costs, expenses (including the cost of legal and/or professional services, with legal costs on a full indemnity scale), proceedings, demands and charges.

"**Closing Budget Increase Request**" means the Budget Increase Request dated as of the date of this Development Contract which was approved by the Project Monitor and Terra Firma as the Change Funder.

"**Common Elements**" has the meaning given to that term in the Condominium Act.

"**Condominium**" means the Buildings, Units and Common Elements after they are established as a condominium under the Condominium Act.

"**Condominium Act**" means the *Condominium Act* (Ontario).

"**Condominium Corporation**" means the "condominium corporation" as defined in the Condominium Act established for the Condominium.

"**Confidential Information**" has the meaning given to such term in Section 12.1(a).

"**Construction**" means the provision of labour, the provision and incorporation of materials and equipment into the Project, and the provision of services and documents, all as required by the Construction Contract.

"**Construction Contract**" has the meaning given to such term in Section 2.3(a).

"**Construction Receiver**" has the meaning give to such term in the recitals to this Development Contract.

"**Construction Schedule**" means the Construction Schedule under the Construction Contract.

"**Construction Work**" means the "Work" as defined under the Construction Contract.

"**Consultant**" means Kasian Architecture Inc., or such other architect, mechanical, electrical, civil, geotechnical, environmental or other engineer and other consultants as the Developer retains in connection with the Construction Work and licensed to practice in Ontario if required to be licensed under applicable Law and in the case of an architect, engineer or other consultant that had not been previously retained by UC Leslieville in connection with the Project, has been approved by the Owner. A reference in this Contract to the Consultant means the Consultant or the Consultants jointly with the relevant responsibility and professional oversight for the applicable task, work or services. The term Consultant means the applicable Consultant and the Consultant's authorized representative.

"**Cost Overrun**" has the meaning set forth in the TF Cost Overrun Guarantee.

"**CP Outside Date**" means July 31, 2017 or such later date as may be agreed among the Construction Receiver, the Developer, the Administrative Agent and Terra Firma.

"**Craft C&D Contracts**" means, collectively, this Development Contract and the Construction Contract.

"**Craft Cash Collateral**" has the meaning given to such term in Section 6.1(a).

"**Craft Cash Collateral Amount**" means, at any time, an amount equal to $535,000 less the amount of the Craft Cash Collateral expended by the Owner to cure Construction Breaches, Development Breaches or Funding Breaches prior to or at such time.

"**Craft Collateral**" has the meaning given to such term in Section 2.5(b).

"**Craft Loan**" has the meaning given to such term in Section 6.3(a).

"**Craft Loan Agreement**" means the loan agreement dated as of the date hereof made between the Construction Receiver (as borrower) and the Developer (as lender) in the initial principal amount of $2,000,000 for the purpose of funding the cost of the Construction Work and Development Costs.

"**Day**" means a calendar day of 24 hours measured from midnight to the next midnight. When any period of time is referred to in this Development Contract by Days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or statutory holiday in the Province of Ontario, such day will be omitted from the computation.

"**Deferred Compensation**" has the meaning given to such term in Section 5.2(a)(ii).

"**Deferred Management Fee**" has the meaning given to such term in Section 5.2(a)(i)(B).

"**Delayed Approval**" has the meaning given to such term in Section 4.2(h).

"**Developer**" has the meaning give to such term in the preamble of this Development Contract.

"**Development Approvals**" has the meaning given such term in the Construction Contract.

"**Development Breach**" means if (a) the Developer fails to perform the Development Services properly or otherwise fails to comply with its covenants or obligations under this Development Contract, or (b) in the case of a disputed Budget Increase Request or a disputed Development Breach, the Developer fails to perform any of its obligations described in Section 4.2(h) or 7.1(e) in connection with such disputed Budget Increase Request or disputed Development Breach, as the case may be.

"**Development Budget**" means, at any time, the then current budget of the Development Costs, which budget has a line by line itemization of the Development Costs, as prepared by the Developer and agreed by the Owner, the Project Monitor and, if there have been Development Cost Overruns from the Initial Development Budget, the Change Funder from time to time, including as the context permits or requires, the Initial Development Budget, and "current Development Budget" means the then current Development Budget prepared and approved as aforesaid.

"**Development Contract**" means this Development Contract between the Owner and the Developer.

"**Development Cost Overrun**" means, at any time, a cost overrun under the Initial Development Budget or any subsequent Development Budget as determined by the Project Monitor. A cost overrun under the Development Budget shall not be determined on a line by line basis but on the basis of the overall Development Budget after taking into account committed costs and reasonable estimates of costs yet to be incurred.

"**Development Costs**" means the third party costs (including HST thereon) incurred by the Developer in connection with the provision of the Development Services which the Owner has agreed to reimburse pursuant to the terms of this Development Contract, including without limitation fees payable to the municipality, costs related to registration of the Condominium, fees and disbursements of Consultants (including without limitation architects, surveyors, engineers and lawyers), costs of a reserve fund study, amounts paid into a reserve fund, costs of the Developer's technical audit and all other soft costs related to providing the Development Services, but, for certainty, excludes all costs related to the Construction Work included in the Fixed Price and Change Prices under Change Orders (including the costs of Subcontractors under the Construction Contract).

"**Development Services**" has the meaning given to such term in Section 2.1(e).

"**Direct Losses**" means all costs, liabilities, losses and other damages that are not Indirect Losses.

"**Discharge Date**" has the meaning given to such term in Section 10.1.

"**Disposition**" means the sale, transfer, assignment, disposition or encumbrance, or agreement to sell, transfer, assign, dispose of or encumber any of the Lands (or any part thereof) or this Development Contract (or any interest herein).

"**Disputed Amount**" has the meaning given to such term in Section 4.2(h)(iii).

"**Earned Management Fee**" has the meaning given to such term in Section 5.2(a)(i)(A).

"**Environmental Laws**" means all Laws relating to the protection of the environment, environmental assessment, plant, animal or human health, including occupational health, management of waste and safety and transportation of dangerous goods.

"**Event of Default**" means the occurrence of a Minor Development Breach or a Major Event of Default.

"**Event of Insolvency**" means, with respect to any Party, the occurrence of any one of more of the following events:

(a) if such Party shall:

(i) be wound-up, dissolved or liquidated, or become subject to the provisions of the *Winding-up and Restructuring Act* (Canada) or any successor legislation thereto or have its existence terminated or have any resolution passed therefor;

(ii) make a general assignment for the benefit of its creditors or a proposal or file a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) or any successor legislation thereto or be adjudged by a court of competent jurisdiction to be bankrupt or insolvent or acknowledge its insolvency in writing; or

(iii) apply for protection or propose a compromise or arrangement under the *Companies' Creditors Arrangement Act* (Canada) or any successor legislation thereto or shall file any petition, application or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or similar relief for itself under any present or future Laws relating to bankruptcy, insolvency, or other relief for debtors or for the benefit of creditors or under any applicable federal or provincial legislation relating to, *inter alia*, the incorporation or constitution of corporations; or

(b) if a court of competent jurisdiction enters an order, judgment or decree approving a petition or application filed against such Party, seeking any reorganization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency or similar relief under any present or future Laws relating to bankruptcy, insolvency or other relief for or against debtors generally or under any applicable federal or provincial legislation relating to, inter alia, the incorporation or constitution of corporations and (i) such Party shall acquiesce in the entering of such order, judgment or decree, or (ii) if there is no such acquiescence, the order, judgment or decree remains unvacated or unstayed for an aggregate of forty-five (45) Days (whether or not consecutive) from the date of entry thereof; or

(c) if any trustee in bankruptcy, receiver, receiver and manager, liquidator or any other officer with similar powers is appointed for such Party.

"**Existing Curzon Purchasers**" means the purchasers of Units in the Project pursuant to agreements of purchase and sale with UC Leslieville existing as of the commencement of the UC Receivership Proceedings.

"**Extra Parking Spaces**" means the estimated 11 currently unallocated parking spaces in the Condominium.

"**Extra Storage Spaces**" means the estimated 33 bicycle storage spaces in the Condominium.

"**Fixed Price**" has the meaning given to such term in the Construction Contract.

"**Force Majeure**" means:

(a) in the case of the Construction Work, an event giving rise to a delay as set out in paragraph 6.5.4 of GC 6.5 – DELAYS of the Construction Contract; and

(b) in the case of the Development Services, undue delays (being material delays beyond the then current practice) on the part of any Governmental Authorities in settling any agreements, processing any applications or granting any approvals (including actions required to effect registration of the Condominium); provided that such delays are not caused by any acts or omissions of the Developer.

For greater certainty, lack of funds, the state of the market or any wilful or negligent act or omission on the part of the Developer does not constitute Force Majeure.

"**Funding Breach**" means the failure of the Developer to fund (a) any Cost Overrun as required under the TF Cost Overrun Guarantee, (b) the Geo-thermal System Costs, or (c) all amounts required under Sections 4.2(h) and 7.1(e) of this Development Contract or GC paragraph 6.2.8 of GC 6.2 – CHANGE ORDER, paragraphs 7.1.6 or 7.1.7 of GC 7.1 – SUSPENSION AND TERMINATION BY OWNER under the Construction Contract.

"**Geo-thermal System Costs**" has the meaning given to such term in the Construction Contract.

"**Geo-thermal System Marketing Process**" has the meaning given to that term in Section 2.5(c).

"**Geo-thermal Loan**" has the meaning given to that term in Section 2.5(b).

"**Geo-thermal System**" has the meaning given to such term in the Construction Contract.

"**Geo-thermal System Marketing Process**" has the meaning given to such term in 2.5(c).

"**Geo-thermal System Proceeds**" has the meaning given to such term in Section 2.5(c).

"**Geo-thermal System Work**" has the meaning given to such term in the Construction Contract.

"**Governmental Authority**" means any federal, provincial, territorial, regional, municipal or local governmental authority, quasi-governmental authority, court, government or self-regulatory organization, commission, board, tribunal, or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing, having jurisdiction in any way over or in respect of any aspect of the performance of either of the Craft C&D Contracts or any Schedule thereto.

"**HST**" means the harmonized sales tax, as described in the *Excise Tax Act* (Canada).

"**Indemnified Parties**" has the meaning given to such term in Article 10.

"**Indemnifying Party**" has the meaning given to such term in Article 10.

"**Indirect Losses**" means, collectively, (a) punitive, exemplary or aggravated damages; or (b) indirect, consequential, incidental, reliance or special damages, including loss of profits, business interruption losses, loss of contract, loss of use, loss of production, loss of business, cost of capital, loss of business opportunity, loss of goodwill or any economic loss of any other kind.

"**Initial Development Budget**" has the meaning given to such term in Section 4.2(a).

"**Lands**" has the meaning set out in Recital A.

"**Lands Planning Documents**" means, collectively, the City approved site-specific official plan amendment, site specific zoning by-law, plans of subdivision (including draft plans), plans of condominium (including draft plans), site plan agreements for individual Building Blocks, if applicable,

and urban design guidelines and all other by-laws, building and other restrictions regulating or restricting the development, construction and use of all or any part of the Lands, tree preservation, grading, drainage, erosion, sedimentation control and other matters relevant to the development, construction and use of all or any part of the Lands, as the same may be amended, extended, consolidated or replaced from time to time.

"**Latent Defects**" has the meaning given to such term in the Construction Contract.

"**Latent Defects Pre-Testing**" has the meaning given to such term in the Construction Contract.

"**Laws**" means any and all requirements under or prescribed by the common law and the law of equity and any enactments, statutes, regulations, laws, court orders or judgments, decrees, writs, administrative interpretations, ordinances, orders in council, by-laws, codes (including design and construction codes), orders, injunctions, directives, guidelines, rules or policies of any Governmental Authority affecting, applicable to or otherwise relating to any of the parties to this Development Contract, the Lands, any Building or any part thereof or the use thereof and includes, for greater certainty, all Environmental Laws, the Lands Planning Documents and the *Ontario New Home Warranties Plan Act*.

"**Leslieville Broker**" has the meaning given such term in Section 2.4(a).

"**Lien**" means a mortgage, charge, security interest, pledge, lien, tax lien, statutory lien, construction lien or encumbrance of any kind.

"**Lien Act**" means the *Construction Lien Act* (Ontario).

"**List Price**" has the meaning given to such term in Section 2.4(a).

"**Losses**" means, collectively, all Direct Losses and Indirect Losses.

"**Major Development Breach**" means if:

.1 a Development Breach occurs; and

.2 except in the case of a Development Breach relating to Section 4.2(h) or 7.1(e), the Developer has failed to cure such Development Breach within ten (10) Days after receipt of a notice of such breach from the Owner, or, provided that such breach is capable of being cured, but not within such ten (10) Day period, the Developer has failed to cure such Development Breach within such longer period of time as has been determined by the Project Monitor in its reasonable discretion based on the nature of the breach, or the Developer has failed to make bona fide and diligent attempts to cure such breach within such longer period of time; and

.3 the cost of remedying such Development Breach is individually greater than the Craft Cash Collateral Amount at such time, or the aggregate amount of the cost of remedying such Development Breach plus (a) the cost of remedying all other outstanding Development Breaches at such time that have not been remedied or cured, plus (b) the cost of remedying all outstanding Construction Breaches at such time that have not been remedied or cured, plus (c) the amount of all outstanding Funding Breaches, is greater than the Craft Cash Collateral Amount at such time; provided that the cost of remedying Development Breaches and Construction Breaches shall be as determined by the Project Monitor, acting reasonably.

"**Major Event of Default**" has the meaning set out in Section 7.1(a).

"**Marketing End Date**" has the meaning given to such term in Section 2.4(h) .

"**Marketing Plan**" has the meaning given to such term in Section 2.4(a).

"**Monthly Unit Costs"** has the meaning given to such term in Section 2.2(a)(viii)(B).

"**Minimum Parking Space Price**" has the meaning given to such term in Section 2.4(a).

"**Minimum Price**" has the meaning given to such term in Section 2.4(a).

"**Minimum Storage Price**" has the meaning given to such term in Section 2.4(a).

"**Minimum Unit Price**" has the meaning given to such term in Section 2.4(a).

"**Minor Development Breach**" means if:

.1 a Development Breach occurs; and

.2 except in the case of a Development Breach relating to Section 4.2(h) or 7.1(e), the Developer has failed to cure such Development Breach within ten (10) Days after receipt of a notice of such breach from the Owner, or, provided that such breach is capable of being cured, but not within such ten (10) Day period, the Developer has failed to cure such Development Breach within such longer period of time as has been determined by the Project Monitor in its reasonable discretion based on the nature of the breach, or the Developer has failed to make bona fide and diligent attempts to cure such breach within such longer period of time; and

.3 the cost of remedying such Development Breach is individually equal to or less than the Craft Cash Collateral Amount at such time, or the aggregate amount of the cost of remedying such Development Breach plus (a) the cost of remedying all other outstanding Development Breaches at such time that have not been remedied or cured, plus (b) the cost of remedying all outstanding Construction Breaches at such time that have not been remedied or cured, plus (c) the amount of all outstanding Funding Breaches, is equal to or less than the Craft Cash Collateral Amount at such time; provided that the cost of remedying Development Breaches and Construction Breaches shall be as determined by the Project Monitor, acting reasonably.

"**New APS**" means each purchase and sale agreement for a Unit entered into and outstanding between the Owner and a Unit Owner substantially in the form of the Standard Form Sales Agreement.

"**New Curzon Purchasers**" means the Unit Owners other than the Opt-In Leslieville Purchasers.

"**Obligations**" has the meaning given to such term in Section 6.1(a).

"**Opt-In Leslieville Purchasers**" has the meaning set out in the Settlement Approval Order as of the date it was granted.

"**Original Construction Loan**" has the meaning given to such term in Recital C.

"**Outside Date**" has the meaning given to such term in the Construction Contract.

"**Owner**" has the meaning give to such term in the preamble of this Development Contract.

"**Owner's Security**" means, collectively, the security interest granted in the Craft Cash Collateral pursuant to Section 6.1 and the security interest in the Subcontracts pursuant to Section 6.2.

"**Parties**" means the Owner and the Developer, and "**Party**" means either one of them.

"**Person**" includes an individual, corporation, partnership, joint venture, association, trust, pension fund, union, government, governmental body, governmental agency, authority, board, tribunal, commission or department and the heirs, beneficiaries, executors, personal or other legal representatives or administrators of an individual, and the receivers and administrators of a corporation.

"**Planning Act**" means the *Planning Act* (Ontario).

"**Product**" has the meaning given to such term in the Construction Contract.

"**Project**" has the meaning given to such term in the Construction Contract.

"**Project Agreements**" means this Development Contract, the Construction Contract, and the TF Cost Overrun Guarantee.

"**Project Architect**" means Kasian Architecture Inc., or such other architect as the Developer shall retain in connection with the Construction Work which has been approved by the Owner.

"**Project Engineer**" means, as applicable, the mechanical, electrical, civil, geotechnical, environmental or other engineer retained by the Developer shall retain in connection with the Construction Work and in the case of an engineer that had not been previously retained by UC Leslieville in connection with the Project, has been approved by the Owner.

"**Project Monitor**" means Altus Group Limited or such other cost consultant as may be chosen by the Owner and acceptable to the Syndicate and Terra Firma.

"**Project Site**" means the location of the Construction on the Lands.

"**Property Manager**" means FirstService Residential or such other property manager as may be designated by the Owner.

"**Purchaser Package Approval Order**" means the order to be granted in the UC Receivership Proceedings which will approve, among other things, the Standard Forms of Sales Agreement for sale of Units by the Owner to the Existing Curzon Purchasers and the disclosure statement required under the Condominium Act to be provided by the Owner to the Existing Curzon Purchaser, as it may be amended, restated or supplemented from time to time, in each case in form and substance satisfactory to the Construction Receiver and the Syndicate.

"**Receivership Administration Order**" means the receivership administration order to be granted in the UC Receivership Proceedings which will approve, among other things, an increase of borrowings by the Construction Receiver required in connection with the arrangements among UC Leslieville and the Stakeholders to be approved by the Settlement Approval Order, as it may be amended, restated or supplemented from time to time, in each case in form and substance satisfactory to the Construction Receiver and the Stakeholders;

"**Remaining Period**" has the meaning set forth in Section 5.2(b)(ii).

"**Settlement Approval Order**" means the order to be granted by the Ontario Court of Justice (Commercial List) in the UC Receivership Proceedings which will approve the arrangements among UC Leslieville and the Stakeholders with respect with the Leslieville Project, as it may be amended, restated or supplemented from time to time, in each case in form and substance satisfactory to those parties.

Stakeholders" means the Construction Receiver, the Developer, Terra Firma, the Syndicate and the Existing Curzon Purchasers represented by Dickinson Wright LLP.

"**Standard Form Sales Agreement**" means the standard form agreement of purchase and sale to be utilized in respect of the sale of the Units to the Unit Owners, in each case as approved pursuant to the Purchaser Package Approval Order or the Settlement Approval Order, as applicable.

"**Subcontract**" means a contract between the Developer and a Subcontractor.

"**Subcontractor**" is a Person having a direct contract with the Developer to perform a part or parts of the Development Services.

"**Substantial Performance of the Work**" has the meaning given to such term in the Construction Contract.

"**Success Fee**" has the meaning given to such term in Section 5.2(a)(ii).

"**Supplier**" means a manufacturer, fabricator, supplier, distributor, materialman or vendor having a direct contract with the Developer or with any Subcontractor, to furnish materials and equipment to be incorporated in the Work by the Developer or any Subcontractor.

"**Syndicate**" means Canadian Imperial Bank of Commerce, Canadian Western Bank and Laurentian Bank, or their assignees, as represented by the Administrative Agent.

"**Syndicate Construction Loan Agreement**" means the credit agreement made as of the date hereof between the Construction Receiver (as borrower), the Syndicate (as lenders), and the Administrative Agent (as the administrative agent for the Syndicate), in the initial principal amount of $4,500,000, as such agreement may be amended and supplemented from time to time.

"**Syndicate Construction Loan**" means, at any time, the loans outstanding under the Syndicate Construction Loan Agreement at such time.

"**Tarion**" means Tarion Warranty Corporation.

"**Tarion Home Warranty Plan**" has the meaning given to such term in the Construction Contract.

"**Tarion/Travelers Settlement Acknowledgements**" means acknowledgements and agreements provided by each of Tarion and Travelers with respect to warranty and deposit insurance coverage for the Existing Curzon Purchasers and Unit Owners in form and substance satisfactory to the Stakeholders.

"**Taxes**" means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, unemployment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties imposed by any Governmental Authority (including federal, state, provincial, municipal and foreign Governmental Authorities), and whether disputed or not.

"**Termination Notice**" means a notice in writing providing notice of termination delivered by the Owner to the Developer under Section7.1(b)(viii) or 7.2(b).

"**Terra Firma**" means Terra Firma Capital Corporation.

"**TF Cost Overrun Guarantee**" means the cost overrun funding and performance guarantee dated as of the date hereof made among Terra Firma, the Construction Receiver, the Administrative Agent and the Developer.

"**Total Performance of the Work**" has the meaning given to such term in the Construction Contract.

"**Travelers**" means Travelers Guarantee Company of Canada.

"**UC Beach**" means Urbancorp (The Beach) Developments Inc.

"**UC Leslieville**" means Urbancorp (Leslieville) Developments Inc.

"**UC Receivership Proceedings**" means the receivership proceedings commenced in the Ontario Superior Court of Justice [Commercial List] under Court File No. CV-16-11409-00CL pursuant to which Alvarez & Marsal Canada Inc. was appointed as receiver and manager and as construction lien trustee of all of the assets, undertakings, and property acquired for, or used in relation to the business of UC Leslieville, UC Riverdale and UC Beach.

"**UC Riverdale**" means Urbancorp (Riverdale) Developments Inc.

"**Unit**" means a residential condominiums unit within or comprising, as applicable, a Building or to be situated upon a portion of the Lands, in each case, that is intended to be sold, leased to, or occupied by the occupants thereof for residential use, and includes a townhouse unit, a condominium unit, and any superintendent and guest suites and any parking space associated therewith and to the extent the context permits includes the Extra Parking Spaces and the Extra Storage Units.

"**Unit Completion**" has the meaning set forth in the Construction Contract.

"**Unit Owner**" means the residential owner or purchaser of a Unit.

"**Unsold Units**" means, at any time, the Units that have not been sold pursuant to a New APS entered into by the Owner at such time.

"**Vacant Lot**" means the lands and premises described in Schedule 4 (Legal Description of Vacant Lot).

"**Vacant Lot Conditions**" has the meaning given to such term in Section 5.3.

"**Warranty Work**" means the warranty work and services as described in the Construction Contract, including all Tarion warranties (including all work required in connection with each PDI Inspection Form, each Tarion 60 Day Report and each Tarion Bulletin 19 Report and the Technical Audit (as such terms are defined in the Construction Contract) and all other warranties for work done under the Construction Contract giving rise to any Tarion claims by Unit Owners or the Condominium Corporation to the extent related to the work performed by the Developer under the Craft C&D Contracts.

"**Waterfall**" means scheme of distribution and allocation of proceeds from the sale of Units and other property of UC Leslieville and UC Beach as set out in the Settlement Approval Order.

2. Interpretation

The Development Contract and all Schedules and Exhibits thereto will be interpreted according to the following provisions, save to the extent that the context or the express provisions of the Development Contract or any Schedules thereto otherwise requires:

(a) The table of contents, headings and sub-headings, marginal notes and references to them in the Development Contract are for convenience of reference only, do not constitute a part of the Development Contract, and shall not be taken into consideration in the interpretation or construction of, or affect the meaning of, the Development Contract.

(b) All references to Articles, Sections, Schedules and Exhibits are references to Articles and Sections of and Schedules and Exhibits to the Development Contract and all references to parts, paragraphs or appendices are references to parts and paragraphs contained in and appendices to the Schedules or Exhibits.

(c) The Schedules and Exhibits to the Development Contract (including any appendices thereto) are an integral part of the Development Contract and reference to the Development Contract includes reference thereto and reference to any Schedule or Exhibit includes reference to any appendix thereto.

(d) All references to any agreement, document, standard, principle or other instrument include (subject to all relevant approvals and any other provision of the Development Contract expressly concerning such agreement, document, standard, principle or other instrument) a reference to that agreement, document, standard, principle or instrument as amended, supplemented, substituted, novated or assigned.

(e) All references to any statute or statutory provision (including any subordinate legislation) include any statute or statutory provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same and include any orders, regulations, by-laws, ordinances, codes of practice, instruments or other subordinate legislation made under the relevant statute.

(f) All references to time of Day and Business Day are references to Eastern Standard time or Eastern Daylight Saving time, as the case may be.

(g) The words “herein”, “hereto”, “hereof” and “hereunder” and other words of like import refer to the Development Contract as a whole and not to the particular Section, Schedule, part, paragraph or appendix in which such word may be used.

(h) Words importing the singular include the plural and vice versa.

(i) Words importing a particular gender include all genders.

(j) Any reference to a public organization shall be deemed to include a reference to any successor(s) to such public organization or any organization or entity or organizations or entities which has or have taken over the functions or responsibilities of such public organization.

(k) All monetary amounts are expressed in Canadian Dollars.

(l) Any requirement for anything or action to be “in accordance with” or “in compliance with” or “pursuant to” any standard, code, specification, guideline or other requirement or stipulation means that such thing or action is to exceed or at least equal that standard, code, specification, guideline or other requirement or stipulation.

(m) Any reference to anything being “in”, “on”, “under” or “over” any other thing shall, where the context permits, include the others.

(n) Whenever the terms “will” or “shall” are used in the Development Contract they are to be construed and interpreted as synonymous and are to be read as “shall”.

(o) The words “includes” or “including” are to be construed as meaning “includes without limitation” or “including without limitation”, respectively.

(p) The expression “all reasonable efforts” and expressions of like import, when used in connection with an obligation of either party, means taking in good faith and with due diligence all reasonable steps to achieve the objective and to perform the obligation, including doing all that can reasonably be done in the circumstances, and in any event taking no less steps and efforts than those that would be taken by a reasonable and prudent person in comparable circumstances, including, where appropriate and applicable, taking into consideration, good development industry practice and good construction industry practice, but where the whole of the benefit of the obligation and where all the results of taking such steps and efforts accrue solely to that person’s own benefit.

(q) All capitalized terms used in a Schedule or Exhibit have the meanings given to such terms in this Development Contract, unless stated otherwise in a particular Schedule or Exhibit, in which case such term will have the meaning given to it in that Schedule or Exhibit solely for the purposes of that Schedule or Exhibit.

(r) All accounting and financial terms used herein are, unless otherwise indicated, to be interpreted and applied in accordance with Canadian generally accepted accounting principles, consistently applied.

(s) The words of the Development Contract are to be given their natural meaning. The parties have had the opportunity to take legal advice on the Development Contract and no term is, therefore, to be construed contra proferentem.

(t) A reference to any right, power, obligation or responsibility of any department, ministry, agency, board, commission, corporation or other entity of any Governmental Authority is to the department, ministry, agency, board, commission, corporation or other entity of the Governmental Authority which, pursuant to Laws, has such right, power, obligation or responsibility at the relevant time.

(u) A reference to persons for whom a party is in law responsible includes that party’s employees, agents, contractors and subcontractors of any tier, advisors and any other persons for whom that party is in law responsible or over whom that party could reasonably be expected to exercise control.

(v) If the time for doing an act falls or expires on a Day that is not a Business Day, the time for doing such act will be extended to the next following Business Day.

(w) Each provision of the Development Contract will be valid and enforceable to the fullest extent permitted by law. If any provision of the Development Contract is held to be invalid, unenforceable or illegal to any extent, such provision may be severed and such invalidity, unenforceability or illegality will not prejudice or affect the validity, enforceability and legality of the remaining provisions of the Development Contract. If any such provision of the Development Contract is held to be invalid, unenforceable or

illegal, the parties will promptly endeavour in good faith to negotiate new provisions to eliminate such invalidity, unenforceability or illegality and to restore this Development Contract as nearly as possible to its original intent and effect.

SCHEDULE 2
LEGAL DESCRIPTION OF THE PROJECT

Leslieville Project Lands - 50 Curzon Street, Toronto, Ontario

PIN 21051-0408 (LT)

Owner: Urbancorp (Leslieville) Developments Inc.

Firstly: Part Lot 11, Plan 61E Toronto; Part Lot 11, Concession 1 FTB, designated as Part 2, Plan 66R-25636; Secondly: Part Lot 11, Concession 1 FTB designated as Part 1, Plan 66R-25636; Thirdly: Part Lot 11, Concession 1 FTB commencing at an iron bar in the western limit of Curzon Street, distant 595.81 feet measured northerly therealong from the northern limit of Queen Street East; Thence north 16 degrees 00 minutes west along the said western limit of Curzon Street a distance of 65.70 feet to an iron bar; thence south 74 degrees 22 minutes 20 seconds west a distance of 252.43 feet to an iron pipe in the eastern limit of Lot 8, according to a Plan filed in the said Registry Office as number 61E; thence south 17 degrees 06 minutes east along the eastern limits of Lots 8 and 9 according to said Plan 61E a distance of 66.00 feet to a spike in a stump; Thence north 74 degrees 18 minutes 20 seconds east a distance of 251.17 feet to the point of commencement; subject to an easement as in AT2958528; subject to an easement as in AT3708202, subject to an easement as in AT3728135, City of Toronto

SCHEDULE 3
INITIAL DEVELOPMENT BUDGET

[SEE ATTACHED]

Initial Development Budget

Initial Development Budget per Development Agreement	Amount
Craft Management Fee - 25% of $1.5 million	375,000
Consultant and Architect fees (see note 1 below)	330,500
Potential marketing costs for non-Opt-ins	200,000
Legal/Closing/Financing costs to Settlement	40,000
Total	945,500

Note 1.

Summary of Consultant and Architect Fees			
Type	Supplier	Estimate	Basis
Engineering Service re: Geothermal	R. Mancini	80,000	Supplier Quote
Architectural	Kasian Architecture	68,300	Supplier Quote
Surveyor	R. Avis Surveying	34,500	Supplier Quote
Technical Audit	To be determined	30,000	Craft Projection
Bulletin 19 & Code Consultant	To be determined	20,000	Craft Projection
Mechanical/Electrical	United Engineering	18,500	Supplier Quote
Environmental (Park if required)	EXP Services	15,000	Craft Projection
Water Testing	To be determined	7,500	Craft Projection
Civil Engineering	GHD	6,200	Supplier Quote
Structural	Leonard Kalishenko	5,600	Supplier Quote
Landscaping Consulting	Terraplan Landscape	5,200	Supplier Quote
Fire Safety Report	To be determined	5,000	Craft Projection
Environmental	EXP Services	4,750	Supplier Quote
Arborist	To be determined	2,500	Craft Projection
Contingency		27,450	
Sub-total		330,500	

SCHEDULE 4
LEGAL DESCRIPTION OF VACANT LOT

Part 10 as shown on the draft reference plan attached hereto as prepared by R. Avis Surveying Inc. and dated January 28, 2015.

SCHEDULE 5
INSURANCE REQUIREMENTS

Intentionally Deleted.

SCHEDULE 6
LEGAL DESCRIPTION OF BEACH REMAINING LANDS

Beach Remaining Lands - 42 Edgewood Avenue, Toronto, Ontario

Formerly PIN 21024-0422 (LT)

Lots 5, 6, 7, 8 and 9, Plan 504 (Midway); Lots 66, 67, 68 and 69, Plan 481E, designated as Parts 1 and 2, Plan 66R-25512; s/t an easement over Part Lot 69, Plan 481E, designated as Part 2, Plan 66R-25512 in favour of Part Lot 70, Plan 481E as in ET127629; t/w an easement over Part Lot 70, Plan 481E, designated as Parts 3, Plan 66R-25512 as in ET127629; City of Toronto

Now

(1) PIN 21024−0455 (LT)

Owner: Urbancorp (Leslieville) Developments Inc.

PART OF LOT 66 & 67 PLAN 481E DESIGNATED AS PART 1 PLAN 66R27603; TOGETHER WITH AN EASEMENT OVER PART OF LOTS 7 AND 8 PL 504 (MIDWAY) AND PART OF LOTS 67 AND 68, PLAN 481E, TORONTO DESIGNATED AS PART 3 ON PLAN 66R26973 UNTIL SUCH TIME AS SAID PART 3 IS DEDICATED AS PUBLIC HIGHWAY AS IN AT3535638; CITY OF TORONTO

(2) PIN 21024−0456 (LT)

Owner: Urbancorp (Leslieville) Developments Inc.

PART OF LOTS 8 & 9 PLAN 504 (MIDWAY) DESIGNATED AS PART 2 PLAN 66R27603; TOGETHER WITH AN EASEMENT OVER PART OF LOTS 7 AND 8 PL 504 (MIDWAY) AND PART OF LOTS 67 AND 68, PLAN 481E, TORONTO DESIGNATED AS PART 3 ON PLAN 66R26973 UNTIL SUCH TIME AS SAID PART 3 IS DEDICATED AS PUBLIC HIGHWAY AS IN AT3535638; CITY OF TORONTO

(3) PIN 21024−0457 (LT)

Owner: Urbancorp (Leslieville) Developments Inc. and Urbancorp (The Beach) Developments Inc.

PART OF LOTS 8 & 9 PLAN 504 (MIDWAY) DESIGNATED AS PART 3 PLAN 66R27603 TOGETHER WITH AN EASEMENT OVER PART OF LOTS 7 AND 8 PL 504 (MIDWAY) AND PART OF LOTS 67 AND 68, PLAN 481E, TORONTO, DESIGNATED AS PART 3 ON PLAN 66R26973 UNTIL SUCH TIME AS SAID PART 3 IS DEDICATED AS PUBLIC HIGHWAY AS IN AT3535638; CITY OF TORONTO

(4) PIN 21024−0469 (LT)

Owner: Urbancorp (Leslieville) Developments Inc. and Urbancorp (The Beach) Developments Inc.

PART OF LOT 66 PLAN 481E DESIGNATED AS PART 15 PLAN 66R27603; TOGETHER WITH AN EASEMENT OVER PART OF LOTS 7 AND 8 PL 504 (MIDWAY) AND PART OF LOTS 67 AND 68, PLAN 481E, TORONTO, DESIGNATED AS PART 3 ON PLAN 66R26973 UNTIL SUCH TIME AS SAID PART 3 IS DEDICATED AS PUBLIC HIGHWAY AS IN AT3535638; CITY OF TORONTO

(5) PIN 21024−0491 (LT)

Owner: Urbancorp (Leslieville) Developments Inc. and Urbancorp (The Beach) Developments Inc.

PT LTS 5, 6 & 7 PLAN 504 BEING PT 36 PL 66R27603 AND PT LT 5 PLAN 504 BEING PT 1 PL 66R27625; TOGETHER WITH AN EASEMENT OVER PT LTS 7 & 8 PL 504 & PT LT 67 & 68 PL 481E PT 3 PL 66R26973 AS IN AT3535638; TOGETHER WITH AN EASEMENT OVER PT LT 70 PL 481E PT 3 PL 66R25512 AS IN ET127629; SUBJECT TO AN EASEMENT OVER PT 1 PL 66R27625 IN FAVOUR OF PT LT 4 PL 504 AS IN AT3690147; CITY OF TORONTO

(6) PIN 21024−0492 (LT)

Owner: Urbancorp (Leslieville) Developments Inc.

PT LTS 5, 6 & 7 PLAN 504 BEING PT 35 PL 66R27603 AND PT LT 5 PL 504 BEING PT 2 PL 66R27625; TOGETHER WITH AN EASEMENT OVER PT LTS 7 & 8 PL 504 & PT LT 67 & 68 PL 481E PT 3 PL 66R26973 AS IN AT3535638; TOGETHER WITH AN EASEMENT OVER PT LT 70 PL 481E PT 3 PL 66R25512 AS IN ET127629; SUBJECT TO AN EASEMENT OVER PT 2 PL 66R27625 IN FAVOUR OF PT LT 4 PL 504 AS IN AT3690147; CITY OF TORONTO

(7) PIN 21024−0493 (LT)

Owner: Urbancorp (Leslieville) Developments Inc. and Urbancorp (The Beach) Developments Inc.

PT LTS 68 & 69 PL 481E BEING PT 17 PL 66R27603; TOGETHER WITH AN EASEMENT OVER PT LTS 7 & 8 PL 504, PT LTS 67 & 68 PL 481E PT 3 PL 66R26973 AS IN AT3535638; TOGETHER WITH AN EASEMENT OVER PT LT 70 PL 481E PT 3 PL 66R25512 AS IN ET127629; CITY OF TORONTO

(8) PIN 21024−0494 (LT)

Owner: Urbancorp (Leslieville) Developments Inc.

PT LT 69 PL 481E BEING PTS 16 & 18 PL 66R27603; TOGETHER WITH AN EASEMENT OVER PT LTS 7 & 8 PL 504, PT LTS 67 & 68 PL 481E PT 3 PL 66R26973 AS IN AT3535638; TOGETHER WITH AN EASEMENT OVER PT LT 70 PL 481E PT 3 PL 66R25512 AS IN ET127629; SUBJECT TO AN EASEMENT OVER PT 18 PL 66R27603 IN FAVOUR OF PT LT 70 PL 481E AS IN ET127629; CITY OF TORONTO