

OPERATOR AGREEMENT

THIS AGREEMENT dated for reference and made as of the # day of Month 2025

BETWEEN

CAPITAL REGIONAL DISTRICT

625 Fisgard Street, PO Box 1000
Victoria, BC V8W 2S6

(“CRD”)

AND

CAPITAL REGION HOUSING CORPORATION

631 Fisgard Street
Victoria, BC V8W 1R7

(“CRHC”)

With respect to the development at

Forest Homes
280 Georgeson Bay Road
Galiano Island, BC

(the “Development”)

AGREEMENT SUMMARY

PART 1 – SUMMARY

1. CRD has acquired the Development lands under the BC BUILDS RENTAL SUPPLY PROGRAM (“BC Builds”) (the “**Funding Program**”).
2. The Development, when completed, will comprise a 20-unit housing project across four separate structures consisting of stacked townhome units (the “**Residential Units**”) with a separate 750 square foot indoor space for communal laundry, mechanical equipment, and tenant storage. The development, construction and operation of the Development is the specific subject matter of this agreement (the “**Agreement**”).
3. CRD has leased the Development to CRHC by way of prepaid lease (the “**Lease**”) of all the lands and improvements which will comprise the Development.
4. CRHC has agreed to mortgage its leasehold interest under the Lease to secure funding for development and construction of the Development (the “**Project Financing**”), and CRHC will remain responsible for all payment and other covenants and obligations (the “**CRHC Obligations**”) arising under the Project Financing for so long as any amount of Project Financing remains repayable.
5. The Development, when complete, will be operated by CRHC on behalf of CRD, in accordance with the terms of the Funding Program.
6. The parties acknowledge that CRHC will contract with Galiano Affordable Living Initiative Society (BC Society No. S0072896) (the “**Housing Society**”) to carry out all of CRHC’s obligations relating to the operation of the Development, under an operator and property management agreement, entitled Property Management Agreement - Thuthiqut Hulelum’ “Forest Homes” (referred to as the “**GALI Property Management Agreement**”). A copy of the GALI Property Management Agreement is attached hereto as an exhibit.

PART 2 – SERVICE DESCRIPTION

1. CRD and CRHC have agreed that the Housing Society, subject to the terms and conditions of the GALI Property Management Agreement, will lease the Residential Units and operate the Development, and collect Rent from the Residents for the Residential Units, all on behalf of the CRHC.
2. The common goal of the parties in making this Agreement is to provide housing for households who, at the date of commencement of the residency, have household incomes in compliance with the Funding Program, as same may be updated from time to time.

PART 3 – AGREEMENT

1. The Term of the Agreement shall be 35 years from the Commencement Date, unless earlier terminated in accordance with the provisions of this Agreement.
2. All of the Schedules attached to this Agreement are an integral part of this Agreement.
3. This Agreement contains the entire agreement between the parties and supersedes all previous expectations, understandings, communications, representations and agreements, whether verbal or written, between the parties with respect to the subject matter hereof.

4. No amendment or modification to this Agreement will be effective unless it is in writing and duly executed by the parties, except where this Agreement allows for otherwise.

IN WITNESS of which the duly authorized signatories of each of the Provider and Capital Regional District have executed this Agreement effective as of the Commencement Date of this Agreement:

<p>SIGNED on the ____ day of _____, 20__ on behalf of the Capital Regional District by its duly authorized representative:</p> <p>_____</p> <p>Signature</p> <p>_____</p> <p>Print Name</p> <p>_____</p> <p>Print Title</p>	<p>SIGNED on the ____ day of _____, 20__ by the Capital Region Housing Corporation by its authorized signatory or signatories:</p> <p>_____</p> <p>Signature(s)</p> <p>_____</p> <p>Print Name(s)</p> <p>_____</p> <p>Print Title(s)</p>
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SCHEDULE A – GENERAL PROVISIONS

A. DEFINITIONS

1. All terms not expressly defined herein will have the meaning ascribed to them in the GALI Property Management Agreement.
 - a. **"Commencement Date"** means the day on which both the Occupancy Permit is issued for the Development and the Lease has taken effect.
 - b. **"Lease"** means the lease of the Development by CRD as landlord in favour of CRHC as tenant for a term of 60 years.
 - c. **"CRD"** means Capital Regional District, and is incorporated under the *Business Corporations Act* (British Columbia). CRD, through its Land Banking and Housing Service buys, holds and disposes of properties, and leases residential properties to not-for-profit societies and co-operatives.

B. RESPONSIBILITY OF CRHC

1. **Role of CRHC.** CRHC:
 - a. will fulfill its obligations under this Agreement in a proper, efficient and timely manner, as would a prudent provider of similar services, and in accordance with this Agreement;
 - b. ensure that the Housing Society complies with all of its obligations under the GALI Property Management Agreement; and the BC Builds Contribution Agreement, the CMHC Operating Agreement and any other legislation, regulation, or agreements as may be applicable.
 - c. agrees and understands that, except as expressly set out herein, it is solely responsible for all its obligations under this Agreement, including but not limited to its obligations arising as a result of any relationships between CRHC and the Housing Society, or arising indirectly with respect to applicants, Residents and other occupants of the Development, and any and all relationships with third parties, volunteers, or other invitees.
2. **Corporate Organization.** CRHC will maintain a well-organized corporate structure and in particular will:
 - a. operate as a not-for-profit entity;
 - b. remain in good standing with the appropriate registry;
 - c. have a purpose that includes the provision of affordable housing and is consistent with the Specific Purpose; and
 - d. maintain written policies and procedures regarding CRHC's operations, including safety and security, human resource management and resident management.
3. **Compliance.** CRHC will remain in compliance with all applicable laws, bylaws, regulations, codes and corporate or contractual obligations and is responsible for obtaining and complying with all necessary approvals, licenses and permits relating to CRHC's obligations under this Agreement.
4. **Conflict of Interest.** CRHC will conduct its operations in accordance with CRHC's articles and in a manner such that no part of the operations, finances and other assets or resources of CRHC under this Agreement, are used directly or indirectly for the provision of any gain or benefit to any officer, director, employee, or member of CRHC, or any entity or individual associated with, or related to them, without the prior written approval of CRD.

CRHC will not, during the Term, enter into a contractual relationship with a third party, conduct business with, perform or receive a service for, or provide advice to or receive advice from any entity or individual where such activity may, directly or indirectly, cause an actual or perceived conflict of interest, without the prior written approval of CRD. Any

actual or perceived conflict of interest will be disclosed to CRHC and CRD in advance and all such disclosure and any prior written approval from CRD will be recorded in the minutes of the meetings of the directors and/or the relevant committee of CRHC.

5. **Communication.** CRHC will notify CRD as soon as possible of any significant changes or incidents that could impact CRHC's obligations under this Agreement.
6. **Agency.** This Agreement will not be construed as creating any partnership or agency between CRD and CRHC and neither party will be deemed to be the legal representative of any other party for the purposes of this Agreement. Neither CRD nor CRHC will have, and will not represent itself as having, any authority to act for, to undertake any obligation on behalf of the other party, except as expressly provided in this Agreement.
7. **Restrictions on Disposition and Encumbrance.** CRHC will not transfer, encumber or sell or agree to transfer, encumber or sell or otherwise change or agree to change the legal or beneficial interests of the Development or any part of the Development without the prior written approval of CRD, in its sole discretion.
8. **Restrictions on Authority.** CRHC will not commit or otherwise bind CRD to any agreements in any manner whatsoever, except to the extent specifically provided in this Agreement and, in particular, without limiting the generality of the foregoing, CRHC will not take any action, expend any sum, make any decision, give any consent, approval or authorization or incur any obligation with respect to any lease or any other arrangement involving the rental, use or occupancy of all or part of the Development other than a Residency Agreement in accordance with this Agreement, except with the prior written approval of CRD, in its sole discretion.
9. **Maintenance.** CRHC will ensure that the Development and all Development-related equipment is maintained in a state of safe and good repair for the benefit of the Residents and the community in which the Development is located by carrying out, or arranging for the carrying out, of tasks that include, but are not limited to, the following:
 - a. all routine maintenance and repair work;
 - b. routine inspections to ensure safety hazards are identified and corrected;
 - c. regular fire inspection, drills, testing, maintenance, training and maintaining records in respect of the same; and
 - d. routine waste management services.
10. **Inspection.** CRHC will permit CRD to inspect the Development upon the reasonable request of CRD from time to time.
11. **Responsibility for Housing Society Compliance with Property Management Agreement.** For certainty, any specific CRHC obligation contained in this Agreement regarding the Development does not abrogate its overall obligation to ensure Housing Society compliance with the GALI Property Management Agreement as contained in section B.1(b) of this Agreement.
12. **Capital Funds.** CRHC will not approve any payment under section C.1(b) of Schedule B of the GALI Property Management Agreement without the CRD's prior written approval, which the CRD may withhold in its absolute discretion.

C. RESPONSIBILITY OF CRD

1. **Role of CRD.** CRD's role is to support CRHC in meeting their common goal of operating the Development so as to provide affordable housing to Residents under the Funding Program, including such financial support provided to CRHC as provided herein under Schedule B, Part A.
2. **Provide Information.** CRD will provide the information required by CRHC to enable CRHC to carry out its responsibilities under this Agreement and will provide that information in a timely manner.

D. OPERATIONAL REVIEW

1. From time to time, CRD may conduct an onsite operational review to determine compliance with the terms of this Agreement and any other agreements between CRHC and CRD.
2. CRD will provide CRHC with 30 days' written notice of an operational review.

E. RECORDS

1. **Information Management.** CRHC will comply with all applicable privacy legislation and will maintain accurate and complete operational Records, policies and practices necessary for its obligations under this Agreement.
2. **Procedures and Processes.** CRHC will:
 - a. notify CRD in writing immediately upon becoming aware of any breach of privacy or security involving the unauthorized collection, use, disclosure or destruction of information relating to its obligations under this Agreement;
 - b. if the *Information Management Act* applies to the destruction of Records, notify CRD for consultation prior to the destruction; and
 - c. cooperate with CRD when CRD has a request under the *Freedom of Information and Protection of Privacy Act* (British Columbia) to which Records in CRHC's custody apply, by locating and disclosing the relevant Records as directed by CRD upon notice and without delay.
3. **Record Retention.** CRHC will retain all Records that pertain to its obligations under this Agreement for the retention period required under applicable provincial and federal laws, but for not less than seven years following the date of receipt or production of those Records.
4. **Audits.** CRD and its agents have the right to inspect all Records related to, arising from, or maintained by CRHC to deliver CRHC's obligations, including the right of CRD and its agents to enter any premises used by CRHC to deliver CRHC's obligations, or used to keep or store Records pertaining to CRHC's obligations under this Agreement, at any time after the delivery of notice to CRHC, and have the immediate right to make extracts from, and take copies of, those Records. CRHC acknowledges that disclosure to CRD and its agents, without consent from the individual the Record is about, for audit purposes, is permitted under information and privacy legislation.

F. LIABILITY

1. **Indemnity.** CRHC will indemnify and save harmless CRD, CRD directors, officers, employees, contractors, and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from all claims and costs arising directly or indirectly under this Agreement which they or any of them may be liable for or incur, whether before or after this Agreement ends, arising out of any act or omission of CRHC or its officers, directors, employees, agents, contractors or other persons for whom at law CRHC is responsible, related to CRHC's operation and management under this Agreement, including with respect to any Residency Agreement, except to the extent that such claims or costs are caused solely by the negligence of CRD or its employees, agents or contractors.
2. **Release.** CRHC releases CRD and its officers, directors, employees, contractors and agents, and their heirs, executors, administrators, personal representatives, successors and assigns, from all claims arising out of the advice or direction respecting the ownership, lease, operation or management given to CRHC, as the case may be, by any of them, except to the extent that such advice or direction is determined by a court of competent jurisdiction to have been negligent.
3. **Survival.** The obligations set out in *Schedule A, Part F, Clauses 1 and 2* survive termination of this Agreement.

G. DISPUTE RESOLUTION

1. If a dispute arises between the parties out of or in connection with this Agreement the parties agree that the following dispute resolution process will be used:
 - a. A meeting will be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.
 - b. If, within 14 days after such meeting or such further period agreed to by the parties in writing, the parties have not succeeded in negotiating a resolution of the dispute, the parties agree to try to resolve the dispute by participating in a structured negotiation conference with a mediator agreed upon by the parties or, failing agreement, under the Mediation Rules of Procedure of the British Columbia International Commercial Arbitration Centre, in which case the appointing authority is the British Columbia International Commercial Arbitration Centre.
 - c. After dispute resolution attempts have been made under *Schedule A, Part G, Clauses 1.a-b*, any remaining issues in dispute will be determined by arbitration.
 - d. Under the *Arbitration Act* (British Columbia), and the decision of the Arbitrator will be final and binding and will not be subject to appeal on a question of fact, law, or mixed fact and law.

H. DEFAULT AND TERMINATION

1. **Event of Default.** Any of the following events will constitute an event of default by CRHC under this Agreement:
 - a. CRHC fails to comply with any provision of this Agreement;
 - b. CRHC fails to remain in good standing with the appropriate registry;
 - c. CRHC is in breach of, or fails to comply with, any applicable law, regulation, license or permit;
 - d. any representation or warranty made by CRHC under this Agreement is found to be untrue or incorrect; or
 - e. if CRHC knew or ought to have known any information, statement, certificate, report or other document furnished or submitted by, or on behalf of, CRHC pursuant to, or as a result of, this Agreement is untrue or incorrect.
2. **Default.** Upon the occurrence of any event of default set out in *Schedule A, Part H, Clause 1*, CRD will provide written notice to the CRHC which sets out the breach and the date by which the breach must be rectified. The CRHC will be given 30 days to rectify the breach or such longer period as determined solely by CRD.
3. **Termination on Continued Default.** If the CRHC fails to comply with a written notice given in accordance with this Agreement within the specified period of time, CRD, in its sole discretion, may immediately terminate this Agreement or appoint a receiver.
4. **Additional Remedies.** Upon the occurrence of any event of default set out in *Schedule A, Part H, Clause 1*, CRD may, in addition to and without prejudice to CRD obtaining any other remedy, reduce or suspend any payment that would otherwise be payable by CRD to CRHC pursuant to this Agreement.
5. **Appointment of Receiver.** As an alternative to exercising any right of termination provided under this Agreement, CRD may elect to appoint, or request a court of competent jurisdiction to appoint, a receiver, with or without bond as CRD or the court may determine and, from time to time, may remove any receiver so appointed and appoint another in its place, or request the court to do so. A receiver so appointed is not an officer or agent of CRD, and has all the necessary and exclusive power to deal with the obligations of this Agreement including the power to:
 - a. take control, possession and direction of the Development and CRHC's assets in connection with this Agreement, and carry on the business of CRHC in operating, managing and maintaining the assets in accordance with this Agreement;
 - b. demand and recover all the income of the Development by direct action, distress or otherwise, in the name of either CRHC or CRD;
 - c. observe or perform, on behalf of CRHC, all CRHC's obligations under this Agreement

- and any other contracts pertaining to the Development;
 - d. give receipts, on behalf of CRHC, for any money received; and
 - e. carry out such other powers as the court may order.
6. **Application of Revenue.** CRHC acknowledges that the receiver will apply the gross revenue from the Development, which it recovers or receives from time to time, as follows:
- a. firstly, in payment of all costs, charges and expenses of, or incidental to, the appointment of the receiver and the exercise by it of all or any of its powers, including the reasonable remuneration of the receiver which is to be approved by CRD, and all outgoings properly payable by the receiver, together with all legal costs in respect thereof on a solicitor and client basis;
 - b. secondly, in payment of all operating expenses for the Development;
 - c. thirdly, if required by CRD, in repayment of any applicable subsidies and accumulated funds; and
 - d. lastly, to pay any balance to CRD.
7. **No Liability.** CRHC acknowledges and agrees that:
- a. CRD will be under no liability to CRHC for any act or omission of the receiver; and
 - b. the receiver will be under no liability to CRHC for any act or omission of the receiver.
8. **Early Termination.** Notwithstanding anything stated to the contrary in this Agreement, the parties agree that CRD, at its sole determination, will have the right at any time, by giving 24 hours' written notice to CRHC, to terminate this Agreement in any of the following events:
- a. CRHC is in default under the Project Financing or otherwise fails to comply with any of the provisions of the Project Financing documentation;
 - b. upon the bankruptcy of CRHC or the appointment of a receiver in respect of CRHC;
 - c. upon CRHC ceasing to operate on a not-for-profit basis; and
 - d. upon the dissolution of CRHC.
9. **Adjustments on Termination.** Upon the termination of this Agreement, however effected, the parties will forthwith complete all necessary accounting and adjustments between them to effectively reconcile and finalize their obligations pursuant to this Agreement.

I. TERMINATION OF GALI PROPERTY MANAGEMENT AGREEMENT.

1. **Notice of Termination.** If the CRHC or the Housing Society provides notice of termination of the GALI Property Management Agreement, CRHC shall provide the CRD with written notice of the impending termination as soon as reasonably possible.
2. **Parties' Responsibilities Upon Termination of GALI Property Management Agreement.** Upon CRHC giving or receiving notice of termination of the GALI Property Management Agreement (the date of such notice referred to as the "**Notice Date**"):
- a. CRD will, subject to applicable procurement policies, undertake a search for an agreed replacement Provider (the "**New Provider**"). Should a New Provider be agreed upon, CRHC shall, subject to its applicable procurement policies, enter into a new Property Management Agreement with the New Provider on terms acceptable to the CRD (the "**New Property Management Agreement**"). Once the New Property Management Agreement has been entered into, all references to the GALI Property Management Agreement in this Agreement shall be deemed to be references to the New Property Management Agreement; and
 - b. The Parties shall make reasonable efforts to manage the Development in the interim using staff and resources available to them.
3. **New Provider Not Found.** In the event that within [**] days from the Notice Date, or such other period as agreed to by the Parties, a New Provider is not found or cannot be agreed upon, CRD will manage the Development, either using its own staff and resources, or through third party property management, at its expense and on terms mutually acceptable to the Parties, for so long as required until a New Property

Management Agreement can be entered into by CRHC with a New Provider.

J. GENERAL PROVISIONS AND INTERPRETATION

1. **Headings.** The headings in this Agreement form no part of the Agreement and will be deemed to have been inserted for convenience only.
2. **Notices.** All notices, demands or requests of any kind, which CRHC or CRD may be required or permitted to serve on the other in connection with this Agreement, will be in writing and may be served on the parties by registered mail, personal fax or other electronic transmission, to the addresses set out on the cover page. Any notice, demand or request made to CRD, to be effective, will be addressed to CRD representative assigned to this matter by CRD.
3. **Change of Address.** Either party from time to time, by notice in writing served upon the other party, may designate a different address or different or additional personnel to which all those notices, demands or requests are thereafter to be addressed.
4. **Time.** Time is of the essence of this Agreement. If either party expressly waives this requirement, that party may reinstate it by delivering notice to the other party. Any time specified pursuant to this Agreement for observing or performing an obligation is local time in Victoria, British Columbia.
5. **Governing Law.** This Agreement is to be governed by and construed and enforced in accordance with the laws of the Province of British Columbia, which will be deemed to be the proper law hereof and the courts of British Columbia will have the non-exclusive jurisdiction to determine all claims and disputes arising out of this Agreement and the validity, existence and enforceability hereof.
6. **Validity of Provisions.** If a court of competent jurisdiction finds that any part of this Agreement is invalid, illegal or unenforceable, that invalidity, illegality or unenforceability does not affect any other provisions of this Agreement. The balance of the Agreement is to be construed as if that invalid, illegal or unenforceable provision had never been included and is enforceable to the fullest extent permitted at law or at equity.
7. **Waiver.** No consent or waiver, expressed or implied, by a party of any default by the other party in observing or performing its obligations under this Agreement is effective unless given in writing, nor is it a consent or waiver of any other default. Failure on the part of either party to complain of any act or failure to act by the other party, or to declare the other party in default, irrespective of how long that failure continues, is not a waiver by that party of its rights under this Agreement or at law or at equity.
8. **Extent of Obligations and Costs.** Every obligation of each party in this Agreement extends throughout the Term. To the extent an obligation ought to have been observed or performed before or upon the expiry or earlier termination of the Term, that obligation, including any indemnity, survives the expiry or earlier termination of the Term until it has been observed or performed.
9. **Statutes.** Any reference in this Agreement to a provincial or federal statute includes the statute as it exists on the reference date of this Agreement and any subsequent amendments or replacements.
10. **Binding Effect.** This Agreement will enure to the benefit of, and be binding upon, the successors and permitted assigns of the parties, as applicable.
11. **Counterparts.** This Agreement may be validly executed and delivered by the parties hereto in any number of counterparts, and all counterparts, when executed and delivered, will together constitute one and the same instrument. Executed copies of the signature pages of this Agreement sent electronically will be treated as originals, fully binding and with full legal force and effect, and the parties hereto waive any rights they may have to object to such

treatment, provided that this treatment will be without prejudice to the obligation of the parties hereto to exchange original signatures as soon as is reasonably practicable after execution of this Agreement, but failure to do so will not affect the validity, enforceability or binding effect of this Agreement.

12. Assignment and Subcontracting.

- a. CRHC will not, without the prior written consent of CRD:
 - i. assign, either directly or indirectly, this Agreement or any right of CRHC under this Agreement; or
 - ii. except as regards the GALI Property Management Agreement, which is expressly consented to by CRD, subcontract any obligation of CRHC under this Agreement.
- b. No subcontract entered by CRHC will relieve CRHC of any of its obligations under this Agreement or impose upon CRD any obligation or liability arising from any such subcontract. CRHC must ensure that any subcontractor fully complies with this Agreement in performing the subcontracted services.

SCHEDULE B – FINANCIAL

A. FUNDING ASSISTANCE FROM CAPITAL REGIONAL DISTRICT

1. **CRD Indemnity.** CRD hereby indemnifies and covenants to pay and make whole CRHC in respect of any budget shortfall or cost overrun that results in a financial liability for CRHC (a “**CRHC Shortfall**”) arising from:
 - a. one or more shortfalls in payment of Monthly CRHC Remittances by the Housing Society to CRHC;
 - b. the inadequacy of the Capital Fund established by the Housing Society to meet costs for the maintenance, repair and replacement of Improvements, as these arise; and
 - c. expenditures for administrative costs, including but not limited to staffing, incurred by the CRHC in the operational handover to GALI of the Development except for such CHRC Shortfalls caused solely by the negligence of the CRHC, its directors, officers, employees, agents, or contractors, or by CHRC’s breach of this Agreement, including but not limited to a breach of the requirement to ensure the Housing Society complies with the GALI Property Management Agreement.
2. Excepting as provided in Part A, Section 1, CRD is not committed or obliged to make any other financial contribution to CRHC or to subsidize the ongoing operation of the Development.

B. REVENUES AND EXPENSES

1. **Rent.** The Rent for the Residents of the Development will be set as provided in the GALI Property Management Agreement.
2. **Revenues.** CRHC shall cause all Rents and other revenue for the Development to be collected, and cause all costs associated with the operation of the Development to be paid out of such revenues.
3. **Deficit.** CRHC is expressly not responsible to CRD for any operating shortfalls or extraordinary expenses, other than those caused by its own negligence or breach of this Agreement, and in the event of shortfalls, the provisions of Schedule B, Part A will apply.

C. CAPITAL FUND

1. **Capital Fund.** CRHC shall cause the Capital Fund, Routine Capital Plan and Depreciation Report to be created by the Housing Society to manage and fund capital repairs and replacements to the Improvements within the Development in accordance with the GALI Property Management Agreement.
2. **Capital Fund Expenditure.** CRHC shall ensure that Capital Funds are expended in accordance with the GALI Property Management Agreement.

D. ACCUMULATED OPERATING REVENUE

1. **Accumulated Operating Revenue.** CRHC shall ensure that Accumulated Operating Revenue is managed by the Housing Society in accordance with the GALI Property Management Agreement.

E. FINANCIAL MANAGEMENT AND ADMINISTRATION

1. **GALI Property Management Agreement to be Relied Upon.** The parties agree that Part E of Schedule B of the GALI Property Management Agreement will govern the obligations and expectations of the parties with respect to the financial management and administration of the Development by CRHC. For certainty, and without limiting any other provision of this Agreement, reference to the “Provider” will be read as “CRHC”, and reference to “CRHC” being read as “CRD”, it being acknowledged that CRHC will cause the Housing Society to fulfill the obligations of “Provider” set out in Part E of Schedule B of the GALI Property Management Agreement.

SCHEDULE C – RESIDENT SELECTION AND RESIDENCY AGREEMENTS

A. RESIDENT SELECTION AND RESIDENCY AGREEMENTS

1. CRD acknowledges that CRHC will manage and operate the Development with respect to resident selection and residency agreements under contract with the Housing Society in accordance with the GALI Property Management Agreement and shall ensure that resident selection and residency agreements are administered in accordance with that Agreement.

SCHEDULE D – INSURANCE

Intentionally omitted – covered by Lease