



LOT PURCHASE AGREEMENT

1. The undersigned _____ (the "Purchaser") hereby agrees to purchase from BARRETT CHUTE INC. (the "Vendor") Lot ____ (the "Real Property"), on Plan 49M-91 (the "Plan" or "Subdivision"), in the Township of Greater Madawaska (the "Township"), in the County of Renfrew, at and for a purchase price of \$_____, payable as to a deposit upon signing this Agreement in the amount of \$_____ to the Vendor's solicitor in trust (the "Deposit"), and the balance by certified cheque or bank draft, subject to the adjustments herein set forth, on closing.
2. This transaction of purchase and sale is to be completed on _____, 201____ (the "Closing Date"). On the Closing Date, vacant possession of the Real Property shall be given to the Purchaser, subject to the other provisions of this Agreement. If the Closing Date falls on a weekend or holiday, then the Closing Date shall be extended to the next day that does not fall on a weekend or holiday.
3. The Purchaser agrees to accept the Real Property subject to the building and other restrictions set out in Schedules "A" and "B" hereto and those registered on title, including subdivision agreements, provided there is no breach of such restrictions as of the Closing Date. The Purchaser shall pay the registration costs associated with the registration of such covenants.
4. The conveyance of the Real Property to the Purchaser on closing shall be together with:
 - a. a right-of-way in common with others over Block 34, Plan 49M86, as more particularly set out in Schedule "C" hereto (the "Phase 1 Waterfront Right-of-Way");
 - b. a licence in common with others over a trail on the Vendor's land, as more particularly set out in Schedule "D" hereto;
 - c. a licence in common with others over a trail on the Vendor's land, as more particularly set out in Schedule "E" hereto; and
 - d. a right-of-way in common with others over Block 22 on the Plan, as more particularly set out in Schedule "F" hereto (the "Phase 2 Waterfront Right-of-Way").
5. Realty taxes, local improvements and assessment rates shall be apportioned and allowed to the Closing Date, with the Closing Date to be for the account of the Purchaser.
6. This Agreement is subject to compliance by the Vendor with the subdivision control provisions of the *Planning Act* (Ontario) as amended.
7. This Agreement, when executed by the Purchaser and by the Vendor, shall constitute a binding contract of Purchase and Sale, and time shall in all respects be of the essence hereof. The Real Property is to be sold to the Purchaser on an "as is" basis as at the Closing Date, which, except as specifically provided in this Agreement, shall be the "as is" condition of the Real Property as at the date of this Agreement. The Purchaser declares that, in making this offer to purchase, the Purchaser has either inspected and investigated the Real Property or that, not having so inspected, the Purchaser is willing to assume and does assume all risk of conditions existing on the Real Property. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement or the Real Property or supported hereby other than as expressed herein in writing.
8. The Purchaser shall have until the fifteenth (15th) day prior to the Closing Date to examine the title to the Real Property at his own expense. If within that time any valid objection to title is made in writing to the Vendor which the Vendor shall be unable or unwilling to remove and which the Purchaser will not waive, this Agreement shall, notwithstanding any intermediate acts or negotiations in respect of such objections, be null and void and the Deposit shall be returned by the Vendor without interest and the Vendor shall not be liable for any costs or damages. Save as to any valid objection made within the time limit aforesaid, the Purchaser shall be conclusively deemed to have accepted the title of the Vendor to the Real Property.

9. If a discharge of any mortgage or charge held by a Chartered Bank, Trust Company, Credit Union or Insurance Company is not registered prior to closing, the Purchaser agrees that he will close the transaction upon production to him of a signed statement from such mortgagee as to the amount required to obtain a discharge of the mortgage on the Closing Date, together with a direction executed by the Vendor authorizing the Purchaser to pay that amount to the mortgagee out of the balance on the Closing Date, and a direction executed by the Vendor authorizing the Purchaser to pay that amount to the mortgagee out of the balance on closing, and together also with a personal undertaking from the Vendor's solicitor to obtain and register a discharge or cessation of the charge as it affects the Real Property within a reasonable time after closing.
10. The Purchaser shall be responsible for and shall pay all land transfer tax, excise taxes, harmonized sales taxes, goods and services taxes and other like rates and taxes arising from and pertaining to this transaction ("Taxes") and the Purchaser covenants and agrees to indemnify and save the Vendor harmless therefrom. If the Vendor is not required by law to collect the Taxes and the Purchaser is registered for Taxes, the Purchaser shall directly pay the Taxes related to this transaction and shall indemnify the Vendor therefor. If the Purchaser is registered for Taxes, then the Purchaser will provide the Vendor on closing with the Purchaser's Registration Number for Taxes, together with evidence that such registration is in good standing.
11. The Purchaser covenants that he will not directly or indirectly assign, convey or transfer his rights in this Agreement to any other person or corporation without the consent in writing of the Vendor and further that he will not register this Agreement on title by way of a Caution, Deposit, Assignment or otherwise. In the event of a breach of this provision, the Vendor shall, at its option in addition to its other remedies available at law, have the right to terminate this Agreement and forfeit the Deposit to the Vendor as liquidated damages.
12. The Electronic Transfer shall be prepared by the Vendor's solicitor and at a cost to the Purchaser of \$200.00 plus HST, payable on closing. The Vendor and Purchaser agree that this transaction will be closed in accordance with the terms of the Document Registration Agreement ("DRA") approved by the Law Society of Upper Canada as at the Closing Date and that the solicitors for each of the Vendor and Purchaser, by agreeing to represent their client in this transaction, shall be deemed to have entered into such DRA, which shall be effective without requirement of formal execution thereof and provide for the Purchaser's solicitor to be responsible for the registration of the Electronic Documents. The closing time for the purposes of paragraph 4(b) of the DRA shall be 3:00 p.m. on the Closing Date. The Purchaser agrees to provide to the Vendor's solicitor any information, including the transferee's(s') full name(s) and birth date(s), no later than thirty (30) days prior to closing.
13. The Vendor hereby states that it is not, and shall not be on the Closing Date, a non-resident company as defined by Section 116 of the *Income Tax Act (Canada)*.
14. This Agreement shall be read with all changes of gender and number required by context. The words "herein", "hereto", "hereunder", "heretofore", "herewith", and similar expressions, refer to this Agreement and not to any clause, section or portion thereof, unless the context or subject matter otherwise so requires.
15. Any notice herein provided, permitted or required to be given by the Purchaser or the Vendor to the other, including this offer and acceptance hereof or of any counter offer, shall be sufficiently given if delivered personally or if sent by facsimile or email transmission, or if sent by registered mail in one of Her Majesty's Post Office Boxes in Ontario, in the case of the Vendor, care of its solicitor as set out below, or in the case of the Purchaser, to the Purchaser's address or facsimile number or email address set out below or, if a Purchaser's solicitor is named below or subsequently provided by the Purchaser, then care of the Purchaser's solicitor. Any such notice shall be conclusively deemed to have been given on the day of delivery or transmission, or if mailed as aforesaid shall be conclusively deemed to have been received on the third business day (Monday to Friday, excluding statutory holidays) following the day on which such notice is mailed as aforesaid (except during a postal strike in which case such notice shall be delivered personally or by facsimile or email transmission). Either party may, at any time, give written notice to the other of any change of address of the party giving such notice and from and after the giving of such notice, the address therein specified shall be deemed to be the address of such party for the giving of notices thereafter.
16. Except as herein expressly provided, this Agreement shall extend to and be binding upon and enure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns and obligations of the Purchaser and all rights of the parties shall remain in full force and effect and shall in no way merge in the transfer or deed on completion of this transaction.

17. In the event of this Agreement being executed by the Vendor or Purchaser prior to execution by the other and until executed by the other, this Agreement shall constitute an irrevocable offer to sell by the Vendor or to purchase by the Purchaser as the case may be until 11:59 p.m. on the fifth (5th) day following the date of execution by the first party, after which time, if not executed and delivered by the other, such offer shall be null and void and all deposit monies shall be returned without interest.

THE SCHEDULES ATTACHED HERETO FORM INTEGRAL PARTS OF THIS AGREEMENT.

Dated at _____ this _____ day of _____, 201__.

Witness

Purchaser

Witness

Purchaser

Purchaser's Address:

Purchaser's Solicitor:

Email: _____

Email: _____

Tel: _____ Fax: _____

Tel: _____ Fax: _____

THE VENDOR HEREBY ACCEPTS THE ABOVE OFFER.

Dated at _____ this _____ day of _____, 201__.

Vendor's Solicitor:

BARRETT CHUTE INC.

Martin Z. Black
Suite 102, 1770 Courtwood Crescent
Ottawa, Ontario K2C 2B5
mzblack@blacklaw.ca
Tel: 613-722-0015 Fax: 613-722-5932

Per: _____

I have authority to bind the corporation.

SCHEDULE "A" - PURCHASER ACKNOWLEDGEMENTS

1. The Purchaser acknowledges and agrees to accept title to the Real Property subject to whatever rights and easements (including both rights of way and easements that are specific to a portion of the Real Property and rights of way and easements that apply generally to the Real Property as a whole) shall be required for any of the following services: namely by the Township for drainage, by Bell Canada for telephone services; by the corporation or commission supplying electricity; by the gas company or other fuel supplier; by any person or corporation that supplies cable television or internet service or any other services and that the transfer will reserve such rights and easements, provided such rights and easements do not materially affect the use, value, or enjoyment of the Real Property. The Purchaser further covenants and agrees to execute and deliver such additional rights-of-way or easements as may be required by the Township or the persons or corporations supplying a service described above, provided such rights and easements do not materially affect the use, value, or enjoyment of the Real Property and this covenant shall not merge on closing of this transaction.
2. The Purchaser hereby acknowledges the following:
 - a. that school accommodation pressures exist in the school board schools designated to serve the lots on this Subdivision, which pressures are currently being addressed by the utilization of portable classrooms and/or by directing students to schools outside their community;
 - b. that postal service may be delivered by way of community mailboxes, which shall be located to the satisfaction of Canada Post;
 - c. that he has received the following information from the Vendor:
 - i. an approved general plan of services for the Real Property;
 - ii. the proposed location for the community mailboxes within the Subdivision;
 - iii. the proposed grading and landscaping for the Real Property;
 - iv. the proposed driveway location;
 - v. the proposed location of any streetlights, hydro transformers and utility pedestals abutting the Real Property;
 - vi. the approved zoning map for the Subdivision;
 - vii. that ground water source heat pump systems should not be utilized unless a study prepared by a qualified hydrogeologist indicates that their use will not interfere with local water supplies;
 - viii. that all septic systems within the Subdivision be constructed in accordance with 1997 Ontario Building Code (OBC) and Code and Guide for Sewage Systems;
 - ix. in instances where the Purchaser wishes to deviate from the Preliminary Lot Development Plan, a tertiary septic system may be considered on some of the smaller lots in order to meet required setback distances from property boundary lines and surface water sources;
 - x. that occasional forest management operations may take place on the Crown lands adjacent to the Subdivision;
 - xi. that a waterfront licence is required from Ontario Power Generation Inc. in order to gain access across the Real Property to the river; and
 - xii. the Township requires all locations of construction and sales offices to be approved in advance of their installation so as to ensure the locations will not conflict with the traffic on the roadway and that adequate parking facilities are provided to the satisfaction of the Township.

The Purchaser acknowledges that the information he has received and been advised of in clauses 2.c. (i) to (vi) above is subject to change through the Township's approval process.

SCHEDULE "B" - RESTRICTIONS AND COVENANTS

1. The Purchaser / Transferee acknowledges and consents to sign a transfer of the Real Property containing the following covenants and that all subsequent transfers shall contain the same covenants or in the alternative that the said covenants will have been registered against title to the Real Property, and shall run with and benefit the Vendor's / Transferor's lands legally described as part of Lot 15 and part of Lot 14, Concession 4, in the Township, being PIN 57638-0056, (or such other lands to which the benefit of these covenants shall be assigned by the Vendor), so that all persons hereafter holding or claiming unto the parties hereto or any of them shall be bound to observe the said stipulations, restrictions and provisions; and it is hereby declared and agreed that any person so holding or claiming shall have the right to enforce observance of the said stipulations, restrictions and provisions by any other person so holding or claiming so that the said stipulations, restrictions and provisions shall enure to and be for the mutual benefit of all persons so holding or claiming. This covenant is not to be held binding upon any person except in respect of breaches committed or continued during their, his, her, or its joint or sole seisin of or title to the Real Property upon or in respect of which such breaches shall have been committed.
 - a. No structure or building of any sort shall be erected, placed or constructed on the Real Property until the architectural drawings or building plans, including a list of exterior materials and a plan showing the location and finish grade elevation of the proposed structure or building, have been approved in writing by the Transferor or its designated representative or agent, such approval not to be unreasonably withheld or delayed. It is understood that the Transferor or its designated representative or agent's review shall relate to the exterior appearance of the proposed building(s) or structure(s) only.
 - b. All dwellings and other buildings must be planned and stamped by an architect, certified technician, engineer or other qualified person approved by the Transferor.
 - c. The Real Property shall not be used or maintained as a dumping ground for rubbish, trash, garbage or other waste, including landscaped trimmings. There shall be no burying of any trash or garbage on the Real Property.
 - d. No privy or other outside toilet facilities shall be erected or installed on the Real Property.
 - e. No trailer with living, sleeping, or eating accommodations shall be placed, located, kept or maintained on the Real Property or any part thereof, save and except if the owner of the Real Property has obtained a building permit for the construction of a permanent residence within the previous year, and such permit is valid and subsisting. Construction trailers are permitted only during the period when the permanent dwelling is under construction, and this period shall not exceed 18 months.
 - f. No horses, cattle, hogs, sheep, poultry or other stock of animals other than household pets normally permitted in private or rural residential areas shall be kept upon the Real Property. No breeding of pets for sale, dog kennels or dog runs shall be permitted upon the Real Property.
 - g. Some waterfront tree clearing for view creation shall be permitted, but must not exceed 50% of the lot shoreline without the prior written approval of the Transferor. Excluding the primary dwelling building footprint, standing trees must be retained on at least 50% of the overall lot area, and no tree within 3 metres of the side lot lines shall be cut, unless written permission is granted by the Transferor. A tree is defined as being over 10 centimetres in diameter, 1 metre from the ground, and at least 7 metres tall.
 - h. The design and construction of all dwellings shall respect the following covenants:
 - i. the minimum gross ground floor area of the dwelling, excluding any non-residential areas, such as a garage, shall be 1,200 square feet on the non-waterfront lots, and 1,500 square feet on the waterfront lots. For the purposes of this instrument, "gross ground floor area" shall mean the total area of the ground floor exclusive of basements, cellars, attic, garages, sunrooms, unenclosed verandas or porches. Only that floor area having a clear height to the ceiling of at least two and one-quarter metres (2.25 metres) may be used to calculate such gross ground floor area;
 - ii. all main dwellings must have a concrete foundation;
 - iii. the following exterior finishes only shall be permitted, namely, real wood and wood composite siding products, stone and stone veneer. Other building products that follow the theme of these products may be approved by the Transferor;

- iv. the exterior finish shall be installed and completed within a period of two years from the date of issuance of the building permit for the dwelling; and
- v. suitable colours will match the natural background. These include more neutral tones such as beige, taupe, brown, rust, grey, green and natural wood shades. Roofing materials are not restricted, but colours must conform to the same natural tones.
- i. Garages and storage sheds must be built to harmonize with the main dwelling and may not be constructed of plastic, fabric or tarpaulin material.
- j. Boats, RVs, and other outdoor equipment on the Real Property may not be visible from the public road and must be stored in buildings on the Real Property. Parking or storage of buses, commercial vehicles, industrial equipment, unlicensed or inoperable vehicles or equipment, scrap materials, etc. is prohibited.
- k. Propane, fuel and other tanks and storage containers on the Real Property must be shielded from view and may not be visible from the public road.
- l. Antennae and other towers greater than 6 metres in height, and satellite dishes greater than 1 metre in diameter, require the prior written approval of the Transferor.
- m. Renewable wind and solar installations are permitted, subject to the prior design review and written approval by the Transferor.
- n. Fences are permitted only for safety purposes around pools, decks and hazardous areas, and as otherwise approved by the Transferor.
- o. The power supply from the electric utility at the public road to the dwelling must be buried unless above ground service is approved in writing by the Transferor.
- p. To protect both the health of the wild animal population and the appearance of the Real Property, all garbage must be managed in wildlife resistant containers.
- q. Small, discreet home office-based professional services and childcare services are permitted. Manufacturing, contracting or other businesses are not permitted.
- r. Signage is permitted for (i) the sale of the Real Property only during the period of sale, (ii) the business services allowed above and (iii) home builder marketing only during the period when the permanent dwelling is under construction. No other marketing, advertising or signage is permitted, unless approved in writing by the Transferor. Business signage must comply with the finishes, products and colour standards described in the dwelling covenants above.
- s. The Transferor retains the right to alter the covenants set out in subparagraphs 1(a) to (r) above in response to changing market conditions or unforeseen developments, at its discretion.
- t. The Transferee acknowledges the following:
 - i. that noise and vibration may be transmitted from the hydroelectric operations at the Barrett Chute Generation Station and that the Township of Greater Madawaska and Ontario Power Generation Inc. accept no responsibility for any such effects on any building and/or occupants;
 - ii. that building permits for dwellings may incorporate, if applicable, the recommendations, if any, contained in the Noise and Vibration Feasibility Study, prepared by HGC Engineering (Howe Gastmeier Chapnik Limited) dated January 15th, 2014 and posted online at www.barrettchute.com/developmentdocuments. The said Noise and Vibration Feasibility Study did not contain any recommendations and concluded that:
 - a. "No significant vibration sources were found at the subject facility, and no perceptible vibrations were observed at the proposed development site."

- b. "The acoustical environment surrounding the site is rural, composed primarily of natural sounds. There were no other significant sources of noise noted in the area."
 - c. "...no special noise control measures are required."
 - iii. that water treatment equipment may be required to reduce concentrations of a number of aesthetic parameters in the water supply and there is potential for some colour in the water that may not be completely treatable. Conventional water softeners may be desired by homeowners to treat minor aesthetic objectives and operational guideline exceedances of the Ontario Drinking Water Standards, such as hardness, iron and manganese. The use of sodium chloride in conventional water softeners may increase the concentration of sodium in water from the water softener and sodium concentration in the raw water supply may exceed the Ontario Drinking Water Standards warning level for persons on sodium-restricted diets;
 - iv. that the development setback from the shoreline shall not be less than 30 metres for Lots 1 to 13 on the Plan. The Transferee of each of Lots 1 to 13 on the Plan acknowledges having received from the Transferor a copy of the final lot grade and drainage plan and an information package, prepared by a qualified environmental consultant, providing information on the significance and function of the 30-metre buffer, as well as recommendations that can be implemented on a lot-by-lot basis to ensure that the buffer functions as intended over the long term both from a water quality and ecological perspective;
 - v. that future additional phases of the Barrett Chute development are planned for lands adjacent to and near the Real Property. These lands are shown on the Barrett Chute development web site at www.barrettchute.com.
- 2. The Transferee, for himself, his heirs, executors, administrators, successors and assigns, covenants and agrees that:
 - a. should damage be caused to any of the Works in this Subdivision by any action or lack of any action whatsoever on his part, the Chief Administrative Official of the Township or his/her designate (the "C.A.O.") may serve notice to the Transferee to have the damage repaired and if such notification be without effect for a period of two clear days after such notice, the C.A.O. may cause the damage to be repaired and shall recover the cost of the repair plus thirty (30%) percent of the cost for supervision and thirty (30%) percent of the cost for administration under the *Municipal Act, 2001*, S.O. 2001, c.25 as amended in like manner as municipal taxes;
 - b. he will not request nor will the Township be required to issue a building permit(s) until all requirements with respect to underground Works, road base course and granular "A" on which such land fronts have been carried out and have received Approval of the C.A.O.; such road has been connected by roads which are, at least, at a similar stage of completion, to the overall Township road network and until the whole or such portion of the mass earth moving or general grading as the C.A.O. deems necessary has been completed and approved. However, building permits may be issued if, in the sole opinion of the C.A.O., the aforementioned Works are proceeding satisfactorily, in which case, the Transferee shall not occupy nor permit the building(s) to be occupied except with the written consent of the C.A.O. on being satisfied that the aforementioned Works are being carried out and Acceptance has been given to the aforementioned Works;
 - c. he will not alter the slope of the Real Property nor interfere with any drains established on the said lands, except in accordance with the established final Drainage and Grading Plan, no anything which will affect drainage to or from adjoining lands, without the written consent from the Transferor or its designated representative and of the C.A.O., and further the Transferee will maintain any such alterations approved by the Transferor, its designated representative and the C.A.O; and
 - d. he will not plant poplar, alder, aspen, willow, elms which are subject to Dutch Elm disease, or maple trees of the fast growing variety (i.e. Silver and Manitoba) or other species as may be determined by the C.A.O. within the lands to which this Agreement applies nor adjacent lands in its ownership.

SCHEDULE "C" - PHASE 1 WATERFRONT RIGHT-OF-WAY

1. On the Closing Date, Barrett Chute Inc. (the "Transferor") shall grant to the Purchaser (the "Transferee") the following rights, referred to collectively in this Schedule as the "Waterfront Right-of-Way", subject to the terms and conditions hereinafter set forth, namely:
 - a. a non-exclusive right-of-way for access and egress to and from and over Block 34, Plan 49M86, by and for persons, motor vehicles and boats; and
 - b. a non-exclusive sub-licence of the waterfront licence which may be obtained and renewed from time to time by the Transferor from Ontario Power Generation Inc. ("OPG") in order to gain access to the river from said Block 34 over the land owned by OPG between said Block 34 and the river (the "OPG Land").
2. The Waterfront Right-of-Way shall be subject to the following restrictions and regulations:
 - a. any vehicular traffic over the Waterfront Right-of-Way shall be restricted to the roadway, parking lot and boat launch on the Waterfront Right-of-Way as designated for such purposes by the Transferor and its successors and assigns, and shall be on a short-term (daily), non-exclusive, "first come-first served" basis;
 - b. no overnight storage of any boat, vehicle or trailer shall be permitted; and
 - c. no open fires, meal-cooking, parties or other gatherings shall be permitted.
3. The Transferor may install one or more docks within the Waterfront Right-of-Way in the future and may charge fees for the use of such dock(s).
4. The rights granted in paragraph 1 hereof shall be enjoyed and utilised subject to the burden of and the performance of the covenants set forth herein, which covenants shall run with the lands described in paragraph 1 above and the Real Property described in this Agreement as well as all of the lots on Plan 49M86, this Subdivision and any future *Barrett Chute* subdivisions, whether or not contiguous to Plan 49M86 or this Subdivision (collectively referred to herein as the "Burdened Lands"), and be annexed to the whole and to each and every part of the Burdened Lands.
5. The rights set forth in paragraph 1 hereof shall extend to the members of the Transferee's immediate family (which shall be defined to include only the Transferee's spouse, parents, parents-in-law, children, children-in-law and grandchildren) and to the Transferee's friends and guests (all of such immediate family members as aforementioned, and such friends and guests being hereinafter collectively referred to as the "Guests"); provided such rights shall also extend to any lessee or lessees of any such Burdened Lands and such lessee's Guests. In cases where Burdened Lands are owned by a corporation or other form of business organization or entity, the persons entitled to the rights set forth in paragraph 1 hereof shall be the person that controls such corporation or other form of business organization or entity and such controlling person's Guests; subject, in each case, to the limitations imposed by paragraph 2.
6. The rights set forth in paragraph 1 hereof shall be appurtenant to each of the Burdened Lands and such rights shall only be transferable with the registered sale, conveyance or transfer (but not the mortgage) of the Burdened Lands. No person may exercise the rights specified in paragraph 1 hereof unless they are the registered owner of the Burdened Lands, the controlling person of a corporation or other form of business organization or entity which is the registered owner of the Burdened Lands, a lessee of the Burdened Lands from such registered owner or any of such person's Guests; subject, in each case, to the limitations imposed by paragraph 2.
7. The Transferee and his Guests acknowledge and confirm that the Transferor and its successors and assigns shall have the right to enact, alter and enforce reasonable rules and regulations relating to the use and occupation of the Waterfront Right-of-Way or any other parts of the lands described herein, including, in cases of overcrowding, the right to limit the aggregate number of persons entitled to use the Waterfront Right-of-Way. To ensure fairness to all persons entitled to use the Waterfront Right-of-Way, any rules and regulations limiting the aggregate number of people entitled to use the Waterfront Right-of-Way shall give first priority of use to the immediate family (as above described) of such persons and second priority shall be given to such persons' Guests. The foregoing rules and regulations, if enacted, shall in all cases be equally applicable to all persons entitled to use the Waterfront Right-of-Way.

8. The Transferee shall not, and will ensure that his activities and the activities of any person or entity permitted by the Transferee to enter upon the Waterfront Right-of-Way will not, interfere in any way with or cause damage to the Land or the operations of, or any works of, the Transferor or OPG now existing or hereafter constructed on or near the Waterfront Right-of-Way.
9. The Transferee and his Guests will comply at all times with all applicable federal, provincial and municipal laws, codes, by-laws, rules and regulations and all instructions and orders of the Transferor, as well as orders, directives and instructions of every governmental or other competent authority having jurisdiction with respect to the use of the Waterfront Right-of-Way and occupation of the Waterfront Right-of-Way, and upon request, proof of such compliance will be provided to the Transferor and to OPG. The Transferee shall not commit or suffer any nuisance, waste or injury to the Waterfront Right-of-Way or any part thereof, and shall not use or permit to be used any part of the Waterfront Right-of-Way in any dangerous, noxious or offensive manner, and shall not cause or permit any nuisance in, at, or on the Waterfront Right-of-Way which is offensive or an annoyance to the Transferor or to OPG or other adjoining owners, or the community.
10. The Transferee shall assume all liability and obligation for any and all loss, damage or injury (including death), by reason of fire, accident or otherwise, to all persons or property, howsoever arising, as a result of or connected in any way with the Transferee's use and occupation of the Waterfront Right-of-Way or that would not have occurred but for the granting of this Right-of-Way; and in consideration of the rights and privileges granted herein, the Transferee does hereby release and forever discharge the Transferor and OPG, their subsidiaries and affiliated corporations, successors and assigns and all persons acting on their behalf, from all claims, actions, demands or other proceedings in respect thereof; and in further consideration of the same, the Transferee hereby agrees to indemnify the Transferor and OPG, their subsidiaries, successors and assigns and all persons acting on their behalf, from and against all such claims, actions, demands or other proceedings and all expenses and costs occasioned thereby, including all claims occasioned by the negligence of the Transferor, OPG, their successors and assigns and/or all persons acting on their behalf.
11. The Transferee shall obtain and maintain throughout the term of this Agreement, general liability insurance which shall include coverage for bodily injury (including death) and property damage, including loss of use thereof, with respect to the use and occupation of the Waterfront Right-of-Way by the Transferee, its Guests, employees (if applicable), representatives and invitees permitted by the Transferee to use the Waterfront Right-of-Way, with a limit for any one occurrence or claim of not less than CDN\$1,000,000. The Transferee shall provide evidence of such insurance to the Transferor and OPG upon request.
12. Any notices required to be given to the Transferor, the Transferee, or any of their respective successors or assigns shall be in writing and shall be mailed by prepaid ordinary post with return address thereon, to them as follows:
 - a. The Transferee at the address shown on the Agreement to which this Schedule is attached;
 - b. To the registered owners of the Burdened Lands at their addresses as recorded on the tax records of the Township of Greater Madawaska from time to time;
 - c. The Transferor at P.O. Box 335, Renfrew, ON K7V 4A4.

Notices shall be deemed received the fourth day after they are postmarked.

13. The Transferor, the Transferee and each of their respective successors and assigns agree to arbitrate any and all claims, controversies or disputes arising out of the rights granted hereby or the covenants and obligations contained herein. All such claims, controversies or disputes shall be submitted to arbitration in the Province of Ontario in accordance with and subject to the provisions of the *Arbitration Act, 1991*. It is further agreed that such arbitration shall be a condition precedent to the commencement of any action at law. The award of any arbitrator or arbitrators shall be final and binding. Judgment upon the award rendered by the arbitrator or arbitrators may be entered in any Court having jurisdiction thereof.
14. Pursuant to the provisions hereof, the burden of the aforesaid covenants of the Transferee in respect of the Burdened Lands shall be binding upon the Transferee and his Guests, and each of their heirs, executors, administrators, successors and assigns, and such covenants shall enure to the benefit of the Transferor, and its successors and assigns. Notwithstanding anything contained herein to the contrary, the Transferee acknowledges that this Waterfront Right-of-Way does not create an interest in the OPG Land nor does the Transferee claim any past or present interest, howsoever arising, as a result of or connected in any way with the use and occupation of the OPG Land. The Transferee acknowledges that the security and safety of the OPG Land, and compliance with all applicable laws, are of paramount importance.

SCHEDULE "D" - HIKING LICENCE

On the Closing Date, Barrett Chute Inc. (the "Licensor"), shall grant to the Purchaser (the "Licensee"), a non-exclusive licence (the "Hiking Licence"), for the Licensee and his invitees to enter upon and to pass and repass over the trail that connects the Licensor's land to Crown land shown on the sketch attached hereto as Schedule "D-1" (the "Hiking Trail"), subject to the terms and conditions of this license agreement ("License").

- 1) **Permitted Uses.** The Hiking Trail may only be used for passive recreational pedestrian hiking, snowshoeing, cross-country skiing and non-motorized pedal biking. The following are strictly prohibited:
 - a) the dumping or burying of rubbish, trash, garbage or other waste, including landscaped trimmings;
 - b) all-terrain vehicles, Snowmobiles, motorcycles, dirt bikes, gators, vehicles or other motorized equipment or machinery;
 - c) open fires, meal-cooking, parties, gatherings and equipment storage;
 - d) tree or brush clearing;
 - e) fences and fencing; and
 - f) alterations, modifications, disturbance or changes to the licensed land or the Hiking Trail.
- 2) **Term of License.** The term of this Licence is 5 years commencing from the Closing Date of the Licensee's purchase of a lot in the Barrett Chute subdivision (the "Term"), unless terminated at an earlier date in accordance with the terms of this Licence or otherwise extended by mutual agreement in writing by the parties.
- 3) **Location of Hiking Trail.** The Licensee reserves the right, from time to time, to relocate the Hiking Trail to any other location on its *Barrett Chute* development lands shown online at www.barrettchute.com. During the Term, the Licensor will develop a long-term hiking trail for all current and future lot owners in the *Barrett Chute* subdivisions. This process will involve re-locating the Hiking Trail to a new location that has a trailhead that will be served by a public road and that provides all *Barrett Chute* subdivisions lot owners access to Crown land. After the new Hiking Trail is established, the parties will replace this Hiking Licence with a new licence for the new Hiking Trail that the Licensor will issue to all existing and future lot owners, from time to time, in the *Barrett Chute* subdivisions.
- 4) **License Fee & Charges.** The Licensee will pay the Licensor a fee of \$2.00 on the Closing Date and on each renewal of the Hiking Licence.
- 5) **Guests.** The Licensee's rights under this Licenses shall extend to the members of the Licensee's immediate family (which shall be defined to include only the Licensee's spouse, parents, parents-in-law, children, children-in-law and grandchildren) and to the Licensee's friends and guests (all of such immediate family members as aforementioned, and such friends and guests being hereinafter collectively referred to as the "Guests"). In cases where the Licensee is a corporation or other form of business organization or entity, the persons entitled to the Licensee's rights shall be the person that controls such corporation or other form of business organization or entity and such controlling person's Guests.
- 6) **Rules & Regulations.** The Licensee and his Guests acknowledge and confirm that the Licensor and its successors and assigns shall have the right to enact, alter and enforce reasonable rules and regulations relating to the use of the Hiking License or the Hiking Trail, including the right to limit the aggregate number of persons entitled to use the Hiking Trail. To ensure fairness to all Licensees, any rules and regulations limiting the aggregate number of people entitled to use the Hiking Trail shall give first priority of use to the immediate family (as above described) of such persons and second priority shall be given to such persons' Guests. The foregoing rules and regulations, if enacted, shall in all cases be equally applicable to all persons entitled to use the License.
- 7) **Compliance.** The Licensee will comply at all times with all applicable federal, provincial and municipal laws, codes, by-laws, rules and regulations and all instructions and orders of the Licensor, as well as orders, directives and instructions of every governmental or other competent authority having jurisdiction with respect to the use of the Hiking Trail, and upon request, proof of such compliance will be provided to the Licensor.

- 8) **Waste & Nuisance.** The Licensee shall not commit or suffer any nuisance, waste or injury to the Hiking Trail, and shall not use or permit to be used any part of the Hiking Trail in any dangerous, noxious or offensive manner and shall not cause or permit any nuisance in, at, or on the Hiking Trail which is offensive or an annoyance to the Licensor, other adjoining owners, or the community.
- 9) **Termination.** The parties agree that this Licence shall automatically, without further action of either party, terminate upon the transfer or sale of the Licensee's lot in the *Barrett Chute* subdivisions. In the event that the Licensee is in default of any of the terms and conditions of this Licence, the Licensor may provide the Licensee with written notice of the default. If the Licensee fails to cure such default within a period of fifteen (15) calendar days of receipt of the notice, the Licensor may, without further notice and without prejudice to any other rights and remedies it may have, forthwith terminate this Licence. If the Licensor, at its sole discretion, deems that additional time is required to cure such default, a reasonable amount of time may be extended to the Licensee to cure such default as determined by the Licensor. The Licensor will have the right, without invalidating this Agreement, to suspend this Licence for such reasonable period of time as the Licensor may require for safety, security or emergency operational purposes, by giving the Licensee twenty-four (24) hours' notice in writing if practicable. The Licensor will not be liable to the Licensee for any damages or loss occasioned thereby. This Licence may be cancelled by either party at any time, by giving thirty (30) calendar days' notice in writing.
- 10) **Notice.** Every notice required or permitted under this Licence must be in writing and may be delivered in person, by courier or by e-mail to the applicable party, at their addresses listed in the signature block below. The parties agree to inform each other of any changes to such addresses. Any notice under this Licence, if delivered personally or by courier, will be deemed to have been given when actually received and if delivered by e mail, on the day of transmission.
- 11) **Release & Indemnity.** The Licensee shall assume all liability and obligation for any and all loss, damage or injury (including death), by reason of fire, accident or otherwise, to all persons or property, howsoever arising, as a result of or connected in any way with the Licensee's use of this license and the use and occupation of the Hiking Trail or that would not have occurred but for the granting of this Licence; and in consideration of the rights and privileges granted herein, the Licensee does hereby release and forever discharge the Licensor, its subsidiary and affiliated corporations, successors and assigns and all persons acting on its or their behalf, from all claims, actions, demands or other proceedings in respect thereof; and in further consideration of the same, the Licensee hereby agrees to indemnify the Licensor, its subsidiaries, its successors and assigns and all persons acting on its or their behalf, from and against all such claims, actions, demands or other proceedings and all expenses and costs occasioned thereby, including all claims occasioned by the negligence of the Licensor, its successors and assigns and/or all persons acting on its behalf. The Licensee agrees that the Licensee's obligation to comply with the terms of this Release & Indemnity clause, shall survive the termination of this Licence notwithstanding any provisions of this Licence to the contrary.
- 12) **Insurance.** The Licensee shall obtain and maintain throughout the term of this Agreement, general liability insurance which shall include coverage for bodily injury (including death) and property damage, including loss of use thereof, with respect to the use of this license and the use and occupation of the Hiking Trail by the Licensee and its Guests, with a limit for any one occurrence or claim of not less than \$1,000,000. The Licensee shall provide evidence of such insurance to the Licensor upon request. The Licensee may increase the amount of insurance required from time to time; acting reasonably.
- 13) **Entire Licence.** This Licence, including the schedule attached hereto, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, negotiations, discussions, representations, warranties and understandings, whether written or verbal.
- 14) **Non-Assignment.** This Licence is personal to the Licensee and may not be assigned or transferred by the Licensee, in whole or in part without the express written consent of the Licensor and such consent may be unreasonably or arbitrarily withheld. This Licence will enure to the benefit of the Licensor's successors and assigns.
- 15) **Licensee's Acknowledgements.** The Licensee acknowledges that this Licence does not create an interest in the Licensor's land and nor does the Licensee claim any past or present interest, howsoever arising, as a result of or connected in any way with the use and occupation of the Licensor's land. In consideration of the rights and privileges granted herein, the Licensee does hereby release and revoke any claim against the Licensor's land and against the Licensor, its affiliated and subsidiary corporations, successors and assigns. The Licensee acknowledges that the security and safety of the Hiking Trail, and compliance with all applicable laws, are of paramount importance and therefore any decisions to be made or consents to be granted by the Licensor pursuant to this Licence are subordinate to these considerations.

SCHEDULE "D-1" - HIKING TRAIL SKETCH

HIKING TRAIL
(LOCATION APPROXIMATE)

10 WORKIN DOCUMENT 01 13 CON 7

SCHEDULE C - FINANCIAL STATEMENTS

| LINE | DESCRIPTION | LENGTH | AREA |
|------|-------------|--------|------|
| 1 | ... | ... | ... |
| 2 | ... | ... | ... |
| 3 | ... | ... | ... |
| 4 | ... | ... | ... |
| 5 | ... | ... | ... |
| 6 | ... | ... | ... |
| 7 | ... | ... | ... |
| 8 | ... | ... | ... |
| 9 | ... | ... | ... |
| 10 | ... | ... | ... |
| 11 | ... | ... | ... |
| 12 | ... | ... | ... |
| 13 | ... | ... | ... |
| 14 | ... | ... | ... |
| 15 | ... | ... | ... |
| 16 | ... | ... | ... |
| 17 | ... | ... | ... |
| 18 | ... | ... | ... |
| 19 | ... | ... | ... |
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| 26 | ... | ... | ... |
| 27 | ... | ... | ... |
| 28 | ... | ... | ... |
| 29 | ... | ... | ... |
| 30 | ... | ... | ... |
| 31 | ... | ... | ... |
| 32 | ... | ... | ... |
| 33 | ... | ... | ... |

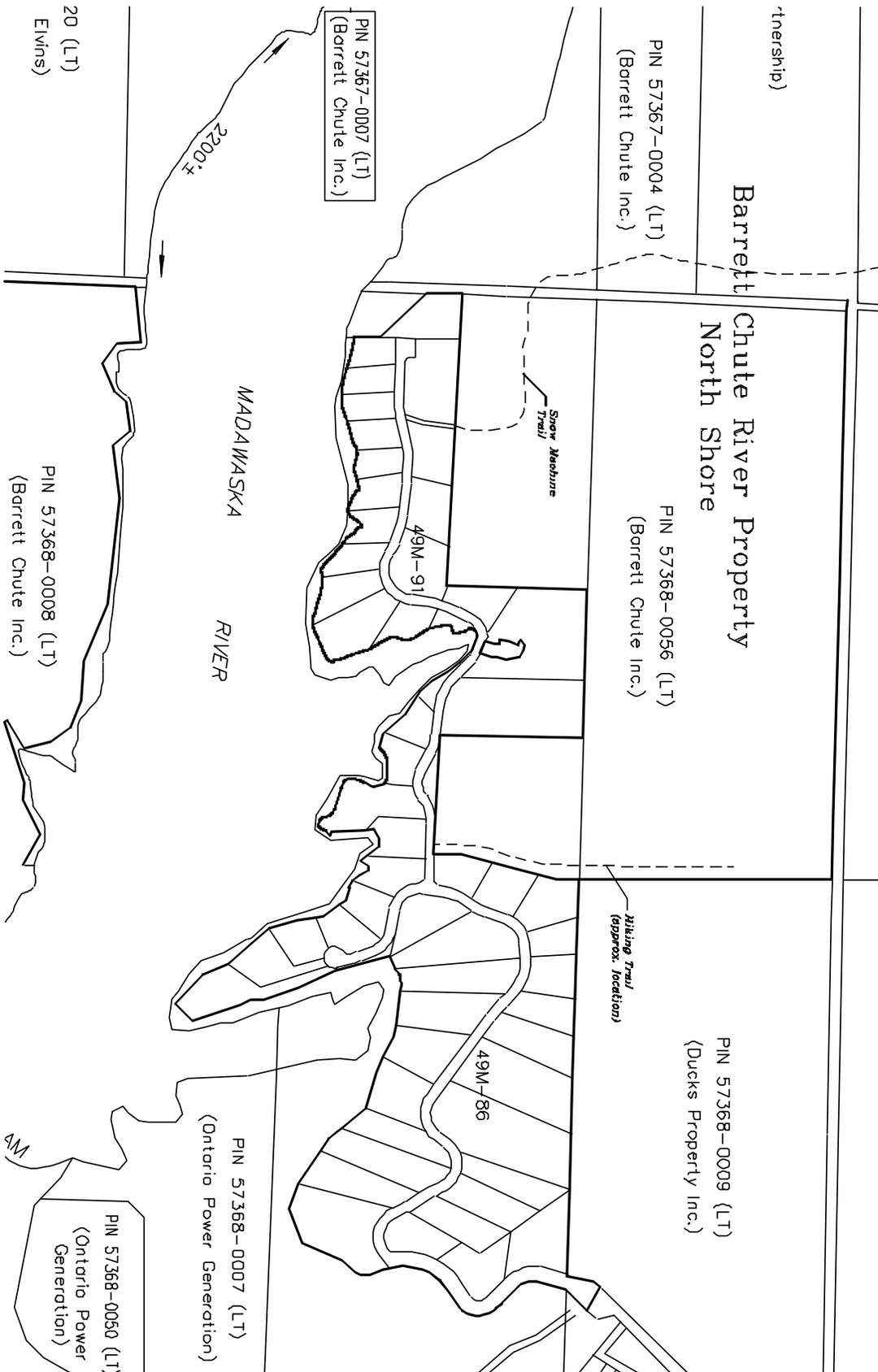
SCHEDULE "E" - SNOWMOBILE LICENCE

On the Closing Date, Barrett Chute Inc. (the "Licensor"), shall grant to the Purchaser (the "Licensee"), a non-exclusive licence (the "Snowmobile Licence"), for the Licensee and his invitees to enter upon and to pass and repass over the trail that connects the Licensor's land to Crown land over Block 25 on Plan 49M-91 and the trail as shown on the sketch attached hereto as Schedule "E-1" (the "Snowmobile Trail"), subject to the terms and conditions of this license agreement ("License").

- 1) **Permitted Uses.** The Snowmobile Trail may only be used for recreational snow machining in winter months. The following are strictly prohibited:
 - a) the dumping or burying of rubbish, trash, garbage or other waste, including landscaped trimmings;
 - b) all-terrain vehicles, motorcycles, dirt bikes, gators, vehicles and, except for Snowmobiles, all other motorized equipment or machinery;
 - c) open fires, meal-cooking, parties, gatherings and equipment storage;
 - d) tree or brush clearing;
 - e) fences and fencing; and
 - f) alterations, modifications, disturbance or changes to the licensed land or the Snowmobile Trail.
- 2) **Term of License.** The term of this Licence is 5 years commencing from the Closing Date of the Licensee's purchase of a lot in the Barrett Chute subdivision (the "Term"), unless terminated at an earlier date in accordance with the terms of this Licence or otherwise extended by mutual agreement in writing by the parties.
- 3) **Location of Snowmobile Trail.** The Licensee reserves the right, from time to time, to relocate the Snowmobile Trail to any other location on its *Barrett Chute* development lands shown online at www.barrettchute.com. During the Term, the Licensor will develop a long-term Snowmobile Trail for all current and future lot owners in the *Barrett Chute* subdivisions. This process will involve re-locating the Snowmobile Trail to a new location that has a trailhead that will be served by a public road and that provides all *Barrett Chute* subdivisions lot owners access to Crown land. After the new Snowmobile Trail is established, the parties will replace this Snowmobile Licence with a new licence for the new Snowmobile Trail that the Licensor will issue to all existing and future lot owners, from time to time, in the *Barrett Chute* subdivisions.
- 4) **License Fee & Charges.** The Licensee will pay the Licensor a fee of \$2.00 on the Closing Date and on each renewal of the Snowmobile Licence.
- 5) **Guests.** The Licensee's rights under this Licenses shall extend to the members of the Licensee's immediate family (which shall be defined to include only the Licensee's spouse, parents, parents-in-law, children, children-in-law and grandchildren) and to the Licensee's friends and guests (all of such immediate family members as aforementioned, and such friends and guests being hereinafter collectively referred to as the "Guests"). In cases where the Licensee is a corporation or other form of business organization or entity, the persons entitled to the Licensee's rights shall be the person that controls such corporation or other form of business organization or entity and such controlling person's Guests.
- 6) **Rules & Regulations.** The Licensee and his Guests acknowledge and confirm that the Licensor and its successors and assigns shall have the right to enact, alter and enforce reasonable rules and regulations relating to the use of the Snowmobile License or the Snowmobile Trail, including the right to limit the aggregate number of persons entitled to use the Snowmobile Trail. To ensure fairness to all Licensees, any rules and regulations limiting the aggregate number of people entitled to use the Snowmobile Trail shall give first priority of use to the immediate family (as above described) of such persons and second priority shall be given to such persons' Guests. The foregoing rules and regulations, if enacted, shall in all cases be equally applicable to all persons entitled to use the License.
- 7) **Compliance.** The Licensee will comply at all times with all applicable federal, provincial and municipal laws, codes, by-laws, rules and regulations and all instructions and orders of the Licensor, as well as orders, directives and instructions of every governmental or other competent authority having jurisdiction with respect to the use of the Snowmobile Trail, and upon request, proof of such compliance will be provided to the Licensor.

- 8) **Waste & Nuisance.** The Licensee shall not commit or suffer any nuisance, waste or injury to the Snowmobile Trail, and shall not use or permit to be used any part of the Snowmobile Trail in any dangerous, noxious or offensive manner and shall not cause or permit any nuisance in, at, or on the Snowmobile Trail which is offensive or an annoyance to the Licensor, other adjoining owners, or the community.
- 9) **Termination.** The parties agree that this Licence shall automatically, without further action of either party, terminate upon the transfer or sale of the Licensee's lot in the *Barrett Chute* subdivisions. In the event that the Licensee is in default of any of the terms and conditions of this Licence, the Licensor may provide the Licensee with written notice of the default. If the Licensee fails to cure such default within a period of fifteen (15) calendar days of receipt of the notice, the Licensor may, without further notice and without prejudice to any other rights and remedies it may have, forthwith terminate this Licence. If the Licensor, at its sole discretion, deems that additional time is required to cure such default, a reasonable amount of time may be extended to the Licensee to cure such default as determined by the Licensor. The Licensor will have the right, without invalidating this Agreement, to suspend this Licence for such reasonable period of time as the Licensor may require for safety, security or emergency operational purposes, by giving the Licensee twenty-four (24) hours' notice in writing if practicable. The Licensor will not be liable to the Licensee for any damages or loss occasioned thereby. This Licence may be cancelled by either party at any time, by giving thirty (30) calendar days' notice in writing.
- 10) **Notice.** Every notice required or permitted under this Licence must be in writing and may be delivered in person, by courier or by e-mail to the applicable party, at their addresses listed in the signature block below. The parties agree to inform each other of any changes to such addresses. Any notice under this Licence, if delivered personally or by courier, will be deemed to have been given when actually received and if delivered by e mail, on the day of transmission.
- 11) **Release & Indemnity.** The Licensee shall assume all liability and obligation for any and all loss, damage or injury (including death), by reason of fire, accident or otherwise, to all persons or property, howsoever arising, as a result of or connected in any way with the Licensee's use of this license and the use and occupation of the Snowmobile Trail or that would not have occurred but for the granting of this Licence; and in consideration of the rights and privileges granted herein, the Licensee does hereby release and forever discharge the Licensor, its subsidiary and affiliated corporations, successors and assigns and all persons acting on its or their behalf, from all claims, actions, demands or other proceedings in respect thereof; and in further consideration of the same, the Licensee hereby agrees to indemnify the Licensor, its subsidiaries, its successors and assigns and all persons acting on its or their behalf, from and against all such claims, actions, demands or other proceedings and all expenses and costs occasioned thereby, including all claims occasioned by the negligence of the Licensor, its successors and assigns and/or all persons acting on its behalf. The Licensee agrees that the Licensee's obligation to comply with the terms of this Release & Indemnity clause, shall survive the termination of this Licence notwithstanding any provisions of this Licence to the contrary.
- 12) **Insurance.** The Licensee shall obtain and maintain throughout the term of this Agreement, general liability insurance which shall include coverage for bodily injury (including death) and property damage, including loss of use thereof, with respect to the use of this license and the use and occupation of the Snowmobile Trail by the Licensee and its Guests, with a limit for any one occurrence or claim of not less than \$1,000,000. The Licensee shall provide evidence of such insurance to the Licensor upon request. The Licensee may increase the amount of insurance required from time to time; acting reasonably.
- 13) **Entire Licence.** This Licence, including the schedule attached hereto, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, negotiations, discussions, representations, warranties and understandings, whether written or verbal.
- 14) **Non-Assignment.** This Licence is personal to the Licensee and may not be assigned or transferred by the Licensee, in whole or in part without the express written consent of the Licensor and such consent may be unreasonably or arbitrarily withheld. This Licence will enure to the benefit of the Licensor's successors and assigns.
- 15) **Licensee's Acknowledgements.** The Licensee acknowledges that this Licence does not create an interest in the Licensor's land and nor does the Licensee claim any past or present interest, howsoever arising, as a result of or connected in any way with the use and occupation of the Licensor's land. In consideration of the rights and privileges granted herein, the Licensee does hereby release and revoke any claim against the Licensor's land and against the Licensor, its affiliated and subsidiary corporations, successors and assigns. The Licensee acknowledges that the security and safety of the Snowmobile Trail, and compliance with all applicable laws, are of paramount importance and therefore any decisions to be made or consents to be granted by the Licensor pursuant to this Licence are subordinate to these considerations.

SCHEDULE "E-1" - SNOWMOBILE TRAIL SKETCH



SCHEDULE "F" - PHASE 2 WATERFRONT RIGHT-OF-WAY

- 1) On the Closing Date, Barrett Chute Inc. (the "Transferor") shall grant to the Purchaser (the "Transferee") the following rights, referred to collectively in this Schedule as the "Waterfront Right-of-Way", subject to the terms and conditions hereinafter set forth, namely:
 - a) a non-exclusive right-of-way for access and egress to and from and over Block 22 on the Plan, by and for persons, motor vehicles and non-motorized watercrafts; and
 - b) a non-exclusive sub-licence of the waterfront licence which may be obtained and renewed from time to time by the Transferor from Ontario Power Generation Inc. ("OPG") in order to gain access to the river from said Block 22 over the land owned by OPG between said Block 22 and the river (the "OPG Land").
- 2) The Waterfront Right-of-Way shall be subject to the following restrictions and regulations:
 - a) any vehicular traffic over the Waterfront Right-of-Way shall be restricted to the roadway, parking lot and boat launch on the Waterfront Right-of-Way as designated for such purposes by the Transferor and its successors and assigns, and shall be on a short-term (daily), non-exclusive, "first come-first served" basis;
 - b) no motorized boats or other motorized watercrafts of any kind shall be permitted;
 - c) no overnight storage of any boat, vehicle or trailer shall be permitted; and
 - d) no open fires, meal-cooking, parties or other gatherings shall be permitted.
- 3) The Transferor may install one or more docks within the Waterfront Right-of-Way in the future and may charge fees for the use of such dock(s).
- 4) The rights granted in paragraph 1 hereof shall be enjoyed and utilised subject to the burden of and the performance of the covenants set forth herein, which covenants shall run with the lands described in paragraph 1 above and the Real Property described in this Agreement as well as all of the lots on Plan 49M86, this Subdivision and any future *Barrett Chute* subdivisions, whether or not contiguous to Plan 49M86 or this Subdivision (collectively referred to herein as the "Burdened Lands"), and be annexed to the whole and to each and every part of the Burdened Lands.
- 5) The rights set forth in paragraph 1 hereof shall extend to the members of the Transferee's immediate family (which shall be defined to include only the Transferee's spouse, parents, parents-in-law, children, children-in-law and grandchildren) and to the Transferee's friends and guests (all of such immediate family members as aforementioned, and such friends and guests being hereinafter collectively referred to as the "Guests"); provided such rights shall also extend to any lessee or lessees of any such Burdened Lands and such lessee's Guests. In cases where Burdened Lands are owned by a corporation or other form of business organization or entity, the persons entitled to the rights set forth in paragraph 1 hereof shall be the person that controls such corporation or other form of business organization or entity and such controlling person's Guests; subject, in each case, to the limitations imposed by paragraph 2.
- 6) The rights set forth in paragraph 1 hereof shall be appurtenant to each of the Burdened Lands and such rights shall only be transferable with the registered sale, conveyance or transfer (but not the mortgage) of the Burdened Lands. No person may exercise the rights specified in paragraph 1 hereof unless they are the registered owner of the Burdened Lands, the controlling person of a corporation or other form of business organization or entity which is the registered owner of the Burdened Lands, a lessee of the Burdened Lands from such registered owner or any of such person's Guests; subject, in each case, to the limitations imposed by paragraph 2.
- 7) The Transferee and his Guests acknowledge and confirm that the Transferor and its successors and assigns shall have the right to enact, alter and enforce reasonable rules and regulations relating to the use and occupation of the Waterfront Right-of-Way or any other parts of the lands described herein, including, in cases of overcrowding, the right to limit the aggregate number of persons entitled to use the Waterfront Right-of-Way. To ensure fairness to all persons entitled to use the Waterfront Right-of-Way, any rules and regulations limiting the aggregate number of people entitled to use the Waterfront Right-of-Way shall give first priority of use to the immediate family (as above described) of such persons and second priority shall be given to such persons' Guests. The foregoing rules and regulations, if enacted, shall in all cases be equally applicable to all persons entitled to use the Waterfront Right-of-Way.

- 8) The Transferee shall not, and will ensure that his activities and the activities of any person or entity permitted by the Transferee to enter upon the Waterfront Right-of-Way will not, interfere in any way with or cause damage to the Land or the operations of, or any works of, the Transferor or OPG now existing or hereafter constructed on or near the Waterfront Right-of-Way.
- 9) The Transferee and his Guests will comply at all times with all applicable federal, provincial and municipal laws, codes, by-laws, rules and regulations and all instructions and orders of the Transferor, as well as orders, directives and instructions of every governmental or other competent authority having jurisdiction with respect to the use of the Waterfront Right-of-Way and occupation of the Waterfront Right-of-Way, and upon request, proof of such compliance will be provided to the Transferor and to OPG. The Transferee shall not commit or suffer any nuisance, waste or injury to the Waterfront Right-of-Way or any part thereof, and shall not use or permit to be used any part of the Waterfront Right-of-Way in any dangerous, noxious or offensive manner, and shall not cause or permit any nuisance in, at, or on the Waterfront Right-of-Way which is offensive or an annoyance to the Transferor or to OPG or other adjoining owners, or the community.
- 10) The Transferee shall assume all liability and obligation for any and all loss, damage or injury (including death), by reason of fire, accident or otherwise, to all persons or property, howsoever arising, as a result of or connected in any way with the Transferee's use and occupation of the Waterfront Right-of-Way or that would not have occurred but for the granting of this Right-of-Way; and in consideration of the rights and privileges granted herein, the Transferee does hereby release and forever discharge the Transferor and OPG, their subsidiaries and affiliated corporations, successors and assigns and all persons acting on their behalf, from all claims, actions, demands or other proceedings in respect thereof; and in further consideration of the same, the Transferee hereby agrees to indemnify the Transferor and OPG, their subsidiaries, successors and assigns and all persons acting on their behalf, from and against all such claims, actions, demands or other proceedings and all expenses and costs occasioned thereby, including all claims occasioned by the negligence of the Transferor, OPG, their successors and assigns and/or all persons acting on their behalf.
- 11) The Transferee shall obtain and maintain throughout the term of this Agreement, general liability insurance which shall include coverage for bodily injury (including death) and property damage, including loss of use thereof, with respect to the use and occupation of the Waterfront Right-of-Way by the Transferee, its Guests, employees (if applicable), representatives and invitees permitted by the Transferee to use the Waterfront Right-of-Way, with a limit for any one occurrence or claim of not less than CDN\$1,000,000. The Transferee shall provide evidence of such insurance to the Transferor and OPG upon request.
- 12) Any notices required to be given to the Transferor, the Transferee, or any of their respective successors or assigns shall be in writing and shall be mailed by prepaid ordinary post with return address thereon, to them as follows:
 - a) The Transferee at the address shown on the Agreement to which this Schedule is attached;
 - b) To the registered owners of the Burdened Lands at their addresses as recorded on the tax records of the Township of Greater Madawaska from time to time;
 - c) The Transferor at P.O. Box 335, Renfrew, ON K7V 4A4.

Notices shall be deemed received the fourth day after they are postmarked.

- 13) The Transferor, the Transferee and each of their respective successors and assigns agree to arbitrate any and all claims, controversies or disputes arising out of the rights granted hereby or the covenants and obligations contained herein. All such claims, controversies or disputes shall be submitted to arbitration in the Province of Ontario in accordance with and subject to the provisions of the *Arbitration Act, 1991*. It is further agreed that such arbitration shall be a condition precedent to the commencement of any action at law. The award of any arbitrator or arbitrators shall be final and binding. Judgment upon the award rendered by the arbitrator or arbitrators may be entered in any Court having jurisdiction thereof.
- 14) Pursuant to the provisions hereof, the burden of the aforesaid covenants of the Transferee in respect of the Burdened Lands shall be binding upon the Transferee and his Guests, and each of their heirs, executors, administrators, successors and assigns, and such covenants shall enure to the benefit of the Transferor, and its successors and assigns. Notwithstanding anything contained herein to the contrary, the Transferee acknowledges that this Waterfront Right-of-Way does not create an interest in the OPG Land nor does the Transferee claim any past or present interest, howsoever arising, as a result of or connected in any way with the use and occupation of the OPG Land. The Transferee acknowledges that the security and safety of the OPG Land, and compliance with all applicable laws, are of paramount importance.