## EXCERPTS FROM LEASE AND REGULATION

## PROVISIONS OF LEASE REQUIRING USE OF HOUSE AS PRINCIPAL RESIDENCE

**Note: These are excerpts from the Lease. Other provisions of the Lease are also relevant to such things as leasing, having guests, roomers, etc. living in the house with the Owner, among other things. Owners should consult the Lease on these matters.**

### 7.1 PRINCIPAL RESIDENCE

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|---|---|---|
| Use as principal residence | (a) | The Owner will use the house as the Owner's principal residence. |
| Designation on income tax return | (b) | The Owner will designate the house as the Owner's principal residence for federal income tax purposes. |
| More than one Owner | (c) | If more than one person is Owner under this Lease, (a), (b) and (e) apply to each of them separately. |
| Won't abandon | (d) | The Owner will not abandon the house. |
| Statutory declaration | (e) | Each Owner must sign a statutory declaration stating that he or she will occupy the house as his or her principal residence and that he or she has read the provisions of the lease requiring the use of the house as a principal residence. |
| When declaration signed | (f) | The statutory declaration must be signed prior to closing the purchase of this Lease. It must be signed by the original purchaser from the Trust and the purchaser on any resale. It must be signed prior to or within a reasonable time after a transfer or devise under Section 21 of the *Act* and prior to registration of the transfer or devise by the Trust under Section 26 of the *Act*. It doesn't have to be signed on a transfer by one joint tenant to another where the transferee has already signed a statutory declaration. |

### 7.2 TERMS AND CONDITIONS FOR LEASING

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|---|---|---|
| Responsibility of Owner when leasing | (j) | The Owner is solely responsible for a tenant while the house and land are leased. That person is the tenant of the Owner, not the tenant of the Trust. The Owner must ensure that all obligations to the Trust under this Lease are performed. |

**7.4 MINIMUM OCCUPANCY**

(a) Except as provided in 7.2, an owner shall occupy the house for a minimum of 220 days in each calendar year after the year of purchase.

(b) At times when the house is vacant, the Owner will have to keep the house and grounds in a reasonable state of repair and in compliance with 6.2 of this Lease. See Appendix F, 1.6(a) for insurance requirements when a house is vacant or unoccupied.

**7.7 RESIDENTIAL USE**

Use of house as private residence

The Owner will use the house and land as a private residence. The Owner may also use the house and land for any incidental or ancillary purposes that are permitted by applicable laws, regulations and by-laws.

## PROVISIONS OF *TORONTO ISLANDS RESIDENTIAL COMMUNITY STEWARDSHIP ACT* REGARDING USE OF HOUSE AS PRINCIPAL RESIDENCE

**Conditions of land lease**

**20.** Every land lease of land on which a house is situate and every vacant land lease shall contain the following conditions:

5. The owner shall use the house as his or her principal residence and shall designate the house as his or her principal residence for federal income tax purposes.

## PROVISIONS OF ONTARIO REGULATION 800/94 REGARDING USE OF HOUSE AS PRINCIPAL RESIDENCE

**16.2** Every land lease of land on which a house is situate and every vacant land lease shall contain the following additional conditions:

1. Except as provided in paragraph 2, an owner shall occupy the house for a minimum of 220 days in each calendar year after the year of purchase.
2. A house may be subleased for no more than two years in any five-year period without permission of the Trust and the Trust may extend the sublease for up to one additional year to a total maximum of three years.
3. Each owner must sign a statutory declaration stating that he or she will occupy the house as his or her principal residence and that he or she has read the provisions of the lease requiring the use of the house as a principal residence.
4. The owner may not mortgage or charge the house and land lease without first notifying the Trust.