B I L L

No. 72

An Act respecting Life Lease and making consequential amendments to other Acts

TABLE OF CONTENTS

PART 1
Preliminary Matters
1-1 Short title
1-2 Definitions and interpretation
1-3 Application of Act
1-4 Act binds the Crown
1-5 Non-application of Act
1-6 Conflict
1-7 Conflict between Act and agreements
1-8 Requirements for written life lease
1-9 Prescribed terms and conditions

PART 2
Prohibition—Leased Land
2-1 Residential complex on leased land prohibited

PART 3
Payments and Disclosure
3-1 Payments permitted
3-2 Pre-lease payment
3-3 Entrance fee
3-4 Receipt for payment
3-5 Pre-lease payment—trust
3-6 Entrance fee—trust
3-7 Assumption of lease operator's interest
3-8 Application and processing fees prohibited

PART 4
Cancellation, Assignment, Possession Date and Termination

DIVISION 1
Cancellation and Assignment
4-1 Disclosure of cancellation rights
4-2 Assignment of life lease
4-3 Cancellation rights of assignee
4-4 Cancellation of life lease—rental unit under development

DIVISION 2
Possession Date
4-5 Notice of possession date

DIVISION 3
Termination
4-6 Frustrated contracts
4-7 Termination of life lease
4-8 Termination due to lease holder default—rent
4-9 Termination—other cases
4-10 Disputing termination notice

DIVISION 4
Victims of Interpersonal Violence or Sexual Violence
4-11 Definitions for Division
4-12 Terminating life lease for interpersonal violence or sexual violence
4-13 Requirement for confidentiality

PART 5
Reserve Fund, Insurance, Meetings and Financial Statements

DIVISION 1
Reserve Fund
5-1 Reserve fund
5-2 Contributions to reserve fund
5-3 Reserve fund study
5-4 Annual report on reserve fund
5-5 Late payment of contributions to reserve fund
5-6 Investment of funds

DIVISION 2
Insurance
5-7 Insurance requirements

DIVISION 3
Meetings
5-8 Meetings of the lease holders of a residential complex
5-9 Attendance by lease holders at lease operator meetings

DIVISION 4
Financial Statements for Residential Complex
5-10 Financial statements for residential complex

PART 6
Trustees Appointed for Developments
6-1 Application of Part
6-2 Appointment of trustee
6-3 Qualifications of trustee
6-4 Entrance fee paid to trustee
6-5 Separate trust funds

PART 7
Refundable Entrance Fees and the Refund Fund
7-1 Application of Part
7-2 Refund fund—refundable entrance fees

7-3 Refund fund—residential complex under development
7-4 Payment from refund fund to lease holders
7-5 Limitation on use
7-6 Refund fund—other matters
7-7 Requirement for security
7-8 Request for refund
7-9 Investment of refund fund

PART 8
Offences and Penalties
8-1 Offences and penalties

PART 9
Miscellaneous Matters
9-1 Registration of interest
9-2 Rent increase due to shortfall
9-3 Notice of rent increase
9-4 Future rent
9-5 Acceleration clause prohibited
9-6 Assignees cannot take assignments of refundable amounts
9-7 Dispute resolution
9-8 Court actions
9-9 Oppression remedy
9-10 Appeal
9-11 Other remedies
9-12 Notice and service requirements
9-13 Order respecting service
9-14 Substituted or sufficient service
9-15 Substantial compliance
9-16 Immunity
9-17 Regulations

PART 10
Transitional
10-1 Transitional—pre-lease payments, entrance fees and assignments
10-2 Transitional—agreements entered into before coming into force
10-3 Transitional—disclosure when entrance fee paid
10-4 Transitional—cancellation rights
10-5 Transitional—assumption of lease operator's interest
10-6 Transitional—requirement for reserve fund
10-7 Transitional—requirement for insurance
10-8 Transitional—annual meeting and financial statements
10-9 Transitional—requirement for trustee
10-10 Transitional—requirement for refund fund
10-11 Transitional—notice of life lease filed against the land

PART 11
Consequential Amendments
11-1 SS 2006, c R-22.0001, section 5 amended
11-2 SS 1994, c V-6.02 amended

PART 12
Coming into Force
12-1 Coming into force

(Assented to)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

PART 1
Preliminary Matters

Short title

1-1 This Act may be cited as *The Life Leases Act*.

Definitions and interpretation

1-2(1) In this Act:

"business day" means a day other than a Saturday, Sunday or a holiday;

"common area" means any part of a residential complex the use of which is shared by:

(a) one or more life lease holders;

(b) a lease operator and one or more life lease holders; or

(c) one or more life lease holders and one or more tenants;

"court" means the Court of Queen's Bench, unless the context requires otherwise;

"decision maker" means a prescribed person appointed for the purposes of section 9-7 to resolve disputes under a life lease in accordance with the regulations;

"development" means, subject to subsection (4):

(a) the purchase, construction, rehabilitation or purchase and rehabilitation of residential premises to form a residential complex; or

(b) the conversion, or purchase and conversion, of non-residential premises into a residential complex;

"entrance fee" means an amount, other than a deposit or rent payable on an annual or more frequent periodic basis, paid or payable with respect to the rental unit to the lease operator or a trustee;

"housing program" means a program offered pursuant to an Act or an Act of the Parliament of Canada that provides rental living accommodation to individuals during their participation in the program;

"initial lease holder" means the first life lease holder to enter into a life lease with respect to a rental unit;

"land titles registry" means the land titles registry established pursuant to section 4 of *The Land Titles Act, 2000*;

"lease holder" means a lessee under a life lease or assignment of a life lease and includes, when the context requires:

(a) a prospective lease holder; and

(b) the estate of a deceased lease holder;

"lease holder's alteration or improvement" means an alteration or improvement that is agreed to by the lease operator and the lease holder before the rental unit is first occupied by the lease holder or agreed to during the lease holder's occupancy of the rental unit under a life lease and:

(a) in the case of an initial lease holder, means an alteration or improvement to the lease operator's standard specifications respecting the lease holder's rental unit; and

(b) in the case of a lease holder other than an initial lease holder, means an alteration or improvement to the lease holder's rental unit;

"lease operator" means a person who grants to a lease holder the exclusive right of possession of a rental unit in a residential complex and includes, with respect to a residential complex or proposed residential complex, a person who:

(a) is or will be the lessor of rental units in the residential complex;

(b) alone or together with other lease operators, initiators or sponsors:

(i) establishes the organization, development or marketing of the residential complex; or

(ii) founds or constitutes the lease operator; or

(c) the heirs, assigns, personal representatives and successors in title to a person mentioned in clause (a) or (b);

"life lease" means, subject to subsection (5), a written lease agreement pursuant to or with respect to which:

(a) an entrance fee has been paid or is payable with respect to a rental unit; and

(b) the initial lease holder is granted a right of occupancy for life or for a fixed term of not less than 20 years;

"minister" means the member of the Executive Council to whom for the time being the administration of this Act is assigned;

"occupancy date", with respect to a residential complex, means, subject to subsection (6), the first day of the month after the month in which an occupancy permit for the residential complex is issued by an authority having jurisdiction to issue the occupancy permit;

"offer to lease" means an offer by a lease operator or prospective lease holder to enter into a life lease with respect to a rental unit;

"personal information" means personal information within the meaning of *The Freedom of Information and Protection of Privacy Act*;

"possession date" means the date on which a lease holder is entitled to occupy a rental unit under a life lease and the lease operator is entitled to payment of rent under the life lease;

"pre-lease payment" means an amount paid by a prospective lease holder to a lease operator as an expression of interest in entering into a life lease with respect to a rental unit in a residential complex that is under development or proposed to be developed;

"prescribed" means prescribed in the regulations;

"projected completion date" means the date disclosed to a lease holder by a lease operator as the latest date on which a rental unit is to be available for occupancy by the lease holder;

"public housing authority" means:

(a) the Saskatchewan Housing Corporation continued pursuant to section 3 of *The Saskatchewan Housing Corporation Act*;

(b) a public housing authority incorporated pursuant to section 18 of *The Saskatchewan Housing Corporation Act*; and

(c) any other prescribed person;

"refund fund" means one or more funds established and maintained pursuant to Part 7;

"rent" means money paid or agreed to be paid, or value or a right given or agreed to be given, periodically by a lease holder to a lease operator pursuant to a life lease and includes monthly fees;

"rental unit" means a living accommodation leased or intended to be leased to a lease holder pursuant to a life lease;

"reserve fund" means a reserve fund established and maintained in accordance with Division 1 of Part 5;

"residential complex" means:

(a) a building, or related group of buildings, in which one or more rental units or common areas are located;

(b) the parcel or parcels of land on which the building, related group of buildings or common areas mentioned in clause (a) are located;

(c) the rental unit and common areas;

(d) any other structure located on the parcel or parcels of land mentioned in clause (b); and

(e) any other prescribed structure;

"tenant" means a tenant within the meaning of *The Residential Tenancies Act, 2006*;

"trustee" means a trustee who is qualified in accordance with subsection 6-3(1) and appointed by a lease operator in accordance with this Act and the regulations to receive and administer any of the following:

(a) pre-lease payments;

(b) entrance fees;

(c) a reserve fund;

(d) a refund fund.

(2) For the purposes of this Act, an entrance fee with respect to a rental unit is considered to be refundable if, when the lease holder takes possession of the rental unit, the lease operator is obligated, absolutely or contingently, to effect any undertaking pursuant to which the lease holder is or may be entitled to be paid an amount, other than a refund of a deposit, on or after the termination of the life lease.

(3) In this Act, if a rental unit not yet in existence is the subject of a life lease:

"rental unit" means the proposed rental unit; and

"residential complex" means the residential complex or proposed residential complex in which the proposed rental unit is to be located.

(4) For the purposes of the definition of "development", a development includes the acquisition of land and all activities ancillary to the development of the residential complex, but does not include the construction or provision of a lease holder's alteration or improvement.

(5) For the purposes of the definition of "life lease":

(a) a life lease includes any separate agreement pursuant to which an entrance fee has been paid or is payable; and

(b) if an entrance fee has been paid or is payable under a separate agreement from the written lease agreement, that separate agreement is deemed to be part of the life lease.

(6) For the purposes of the definition of "occupancy date", if the development of a residential complex occurs in stages, the residential complex is deemed to be the part that contains the lease holder's rental unit.

Application of Act

1-3(1) Except as otherwise provided in this Act or the regulations, this Act applies to:

(a) every life lease;

(b) every lease holder and lease operator under a life lease;

(c) every rental unit that is the subject of a life lease;

(d) every residential complex that contains a rental unit that is the subject of a life lease; and

(e) any other prescribed circumstance.

(2) Subsection (1) applies whether the life lease is entered into or the rental unit or residential complex comes into existence before or after this Act comes into force.

Act binds the Crown

1-4 This Act binds the Crown.

Non-application of Act

1-5 This Act does not apply to:

(a) any premises occupied as living accommodations pursuant to clauses 5(a) to (f) and (h) of *The Residential Tenancies Act, 2006*;

(b) any prescribed rental unit or any prescribed class of rental units;

(c) any prescribed residential complex or prescribed class of residential complexes;

(d) any prescribed person or any prescribed class of persons; or

(e) any other prescribed circumstance.

Conflict

1-6(1) The provisions of this Act and the regulations are in addition to, and not in derogation of, the provisions of any other Act, regulations made pursuant to any other Act or municipal bylaws that deal with life leases.

(2) If there is a conflict between this Act or the regulations and any other Act, regulations made pursuant to any other Act or a municipal bylaw, this Act and the regulations prevail.

(3) If there is a conflict between a provision of an agreement respecting a matter governed by this Act or the regulations and a provision of this Act or the regulations, the provision of this Act or the regulations prevails.

Conflict between Act and agreements

1-7 A provision of an agreement respecting a matter governed by this Act or the regulations, including a life lease or offer to lease is void if it restricts or waives or purports to restrict or waive:

(a) the application of this Act or the regulations; or

(b) a person's rights or obligations pursuant to this Act or the regulations.

Requirements for written life lease

1-8 Every life lease, offer to lease or assignment of a life lease must be made in writing.

Prescribed terms and conditions

1-9 Every life lease is deemed to include the prescribed terms and conditions.

PART 2
Prohibition—Leased Land

Residential complex on leased land prohibited

2-1(1) No lease operator shall enter into a life lease with respect to a rental unit in a residential complex located on leased land.

(2) Notwithstanding subsection (1), if before the coming into force of this Act, the lease operator entered into a life lease with respect to a rental unit in a residential complex located on leased land, the lease operator shall comply with any prescribed requirements respecting the residential complex.

(3) If subsection (2) applies, the lease operator shall not enter into any new life leases with respect to rental units in a residential complex located on leased land after the coming into force of this section.

PART 3
Payments and Disclosure

Payments permitted

3-1(1) A lease operator may receive, or permit a trustee to receive, a pre-lease payment or an entrance fee with respect to a life lease or offer to lease from a lease holder.

(2) A lease operator who receives or permits a trustee to receive a payment pursuant to subsection (1) shall comply with the requirements of sections 3-2 to 3-6.

Pre-lease payment

3-2(1) A lease operator shall not receive, or permit a trustee to receive, a pre-lease payment from a prospective lease holder of a residential complex on or after the lease holder's occupancy date.

(2) Before receiving, or permitting a trustee to receive, a pre-lease payment, a lease operator shall disclose to the lease holder, in the prescribed manner:

(a) either:

(i) the amount of the entrance fee; or

(ii) the potential entrance fees that will be payable by the lease holder with respect to each type of rental unit in the residential complex or each type in which the lease holder has expressed an interest;

(b) the projected completion date; and

(c) any additional prescribed information.

(3) A lease operator shall not receive, or permit a trustee to receive, a pre-lease payment that exceeds a prescribed amount or an amount to be determined in the prescribed manner.

Entrance fee

3-3 A lease operator may receive, or permit a trustee to receive, an entrance fee from a lease holder if:

(a) the lease holder has signed a life lease or an offer to lease and has provided it to the lease operator;

(b) the lease operator has disclosed to the lease holder in the prescribed manner:

(i) if the entrance fee is refundable in whole or in part, the minimum amount that will be contributed to the refund fund; and

(ii) any additional prescribed information;

(c) the lease operator has given the lease holder a written statement of the lease holder's cancellation rights pursuant to section 4-1;

(d) if the rental unit is under development, the lease operator has appointed a trustee pursuant to section 6-2 to receive and administer entrance fees and pre-lease payments; and

(e) if the entrance fee is refundable in whole or in part, the lease operator has established a refund fund.

Receipt for payment

3-4(1) In this section, **"payor"** includes a lease holder, an assignee or any other person making a payment on behalf of a lease holder or assignee.

(2) A lease operator or trustee who receives a pre-lease payment or entrance fee shall give the payor a written receipt.

(3) The receipt mentioned in subsection (2) must set out the following:

(a) the amount received;

(b) the date payment was received;

(c) the purpose of the payment;

(d) if available, the address or location of the rental unit and residential complex with respect to which the payment was made;

(e) the names of the parties to the life lease, offer to lease or assignment of the lease;

(f) any additional prescribed information.

Pre-lease payment—trust

3-5(1) A lease operator or trustee who receives a pre-lease payment from a prospective lease holder shall hold the amount in trust for the benefit of the lease holder until it is paid out in accordance with this section or is otherwise refunded by the lease operator or trustee.

(2) If a lease operator and lease holder enter into a life lease or offer to lease with respect to which the lease holder has paid a pre-lease payment, the lease operator shall pay the pre-lease payment:

(a) to the trustee appointed pursuant to section 6-2 to be credited to the entrance fee payable by the lease holder; or

(b) to the lease holder, if the entrance fee has been paid in full.

(3) If a prospective lease holder has made a pre-lease payment and the lease holder and lease operator have not entered into a life lease by the occupancy date, the lease operator or trustee who received the pre-lease payment shall pay the pre-lease payment:

(a) to the lease holder, if by the occupancy date, the lease operator has not offered a life lease to the lease holder on terms and conditions comparable to those contained in a life lease of a rental unit in the same residential complex comparable to the rental unit in which the lease holder expressed an interest; or

(b) to the trustee in any other circumstance.

(4) If an amount becomes payable pursuant to subsection (2) or (3), the lease operator or trustee shall, within 5 business days after the amount becomes payable, refund all amounts to the lease holder or pay the amounts to the trustee, as the case may be.

Entrance fee—trust

3-6(1) A lease operator or a trustee who receives an entrance fee from a lease holder shall hold it in trust for the benefit of the lease holder until the cancellation period mentioned in subsection 4-1(2) has expired.

(2) Except as otherwise provided in this Act or the regulations and subject to section 7-5, entrance fees, and any income or gains earned or realized by the lease operator or a trustee directly or indirectly by means of a trust or any other means from the investment of entrance fees, may only be used for the following purposes:

(a) subject to the requirements of this Act and the regulations, to pay for the development of the residential complex with respect to which the entrance fees were received;

(b) to pay for the operations of the residential complex with respect to which the entrance fees were received;

(c) to refund any refundable entrance fees of the residential complex with respect to which the entrance fees were received;

(d) to contribute to the refund fund of the residential complex with respect to which the entrance fees were received;

(e) to carry out any other prescribed purpose.

(3) The lease operator shall refund the full entrance fee or require a trustee to refund the full entrance fee to a lease holder within 5 business days after either:

(a) the lease holder's withdrawal of an offer to lease that has not yet been accepted by the lease operator; or

(b) the lease operator's rejection of the lease holder's offer to lease or failure to accept the lease holder's offer to lease within the time permitted for acceptance.

Assumption of lease operator's interest

3-7(1) Subject to the regulations, a person who acquires a lease operator's interest in a residential complex or a rental unit is deemed to be the lease operator under each affected life lease, including with respect to:

(a) any outstanding obligations under the life lease owing to the lease holder's benefit; and

(b) any payments, including any refundable entrance fees and refundable pre-lease payments that are or that may become payable by the lease operator pursuant to this Act, the regulations or the life lease.

(2) Subsection (1) applies notwithstanding that the person who acquired a lease operator's interest in a residential complex or a rental unit does so pursuant to a judicial sale, foreclosure order, tax sale or any other order made by a court of competent jurisdiction.

(3) If a person acquires a lease operator's interest in a residential complex or a rental unit pursuant to subsection (1):

(a) a lease holder has a right to remain in possession of that lease holder's rental unit in accordance with the terms and conditions of the life lease; and

(b) the person acquiring a lease operator's interest may only enter into or upon a rental unit of a lease holder on the terms and conditions provided for under the life lease.

Application and processing fees prohibited

3-8 A lease operator shall not charge a person, including a lease holder or prospective lease holder, for any of the following:

(a) the lease operator's acceptance of:

(i) an application for a life lease, offer to lease or assignment; or

(ii) a life lease, offer to lease or assignment;

(b) the lease operator's processing of an application for a life lease, offer to lease or assignment;

(c) the lease operator's investigation into a prospective lease holder's suitability with respect to a life lease, offer to lease or assignment;

(d) any other prescribed circumstance.

PART 4

Cancellation, Assignment, Possession Date and Termination

DIVISION 1

Cancellation and Assignment

Disclosure of cancellation rights

4-1(1) A lease operator shall include, in accordance with the regulations, a prescribed statement of cancellation rights in every life lease and offer to lease that the lease operator gives to a lease holder other than an assignee.

(2) Subject to subsection (3), before taking possession of a rental unit, a lease holder other than an assignee may, by giving notice to the lease operator, cancel:

(a) a life lease within 10 days after the day on which the life lease signed by the lease holder is given to the lease operator; or

(b) an offer to lease within 10 days after the day on which the offer to lease signed by the prospective lease holder is given to the lease operator.

(3) If the statement of cancellation rights mentioned in subsection (1) is not included in the life lease or offer to lease or is not in the prescribed form, the 10-day period mentioned in subsection (2) does not begin until the day on which the lease operator gives the lease holder the prescribed statement of cancellation rights.

(4) A notice of cancellation pursuant to subsection (2) must:

(a) be in writing;

(b) be dated and identified as originating from the lease holder giving the notice;

(c) be given to the lease operator before the lease holder takes possession of a rental unit; and

(d) include a statement that the intention of the lease holder is to cancel the life lease or offer to lease.

(5) If a lease holder cancels a life lease or offer to lease pursuant to this section, the lease operator shall, within 5 business days after notice is given to the lease operator, either:

(a) refund all amounts paid to the lease operator by the lease holder under the life lease or offer to lease; or

(b) if the amounts mentioned in clause (a) are held by a trustee, cause all amounts to be refunded to the lease holder by the trustee.

Assignment of life lease

4-2(1) A lease holder may assign a life lease unless the life lease prohibits assignment.

(2) A lease operator shall include, in accordance with the regulations, a provision in a life lease to address whether or not a lease holder may assign the life lease and, if so, any other prescribed information that may apply to an assignment of the life lease.

(3) A lease holder who assigns a life lease may receive consideration for the assignment from the assignee.

(4) No lease holder shall assign a life lease and no lease operator shall provide its consent to the assignment of a life lease unless the assignee has been given all of the following information by the lease operator, set out in the prescribed manner:

(a) the prescribed information respecting the life lease and the residential complex, including a copy of the life lease being assigned; and

(b) the prescribed statement of the assignee's cancellation rights.

(5) On the assignment of a life lease the term of which is for the life of the lease holder, unless the lease operator, lease holder and assignee amend the life lease to provide for a term that is for a fixed number of years or for the life of the assignee, the life lease is deemed to be amended to provide for a term that is for the life of the assignee.

(6) If an interest in the life lease has been registered by the lease holder in the land titles registry, indicating that the rental unit or residential complex is subject to a life lease, and that life lease is assigned, the assignee may:

(a) after the cancellation period mentioned in subsection 4-3(1) has passed, register the assignment of the life lease interest pursuant to *The Land Titles Act, 2000*; and

(b) if the term of the life lease is amended by the assignment agreement, after the cancellation period mentioned in subsection 4-3(1) has passed, register the amendment pursuant to *The Land Titles Act, 2000*.

Cancellation rights of assignee

4-3(1) An assignee of a life lease may cancel an assignment within 10 days after the latest of the following:

(a) the day on which the assignor signs the assignment agreement;

(b) the day on which the assignee signs the assignment agreement;

(c) if the lease operator is required to provide written consent to an assignment of the life lease pursuant to the life lease to be assigned, the day on which the lease operator provides written consent to the assignment;

(d) if the statement of cancellation rights is not given to the assignee before the assignee signs the assignment as required by clause 4-2(4)(b), or is not set out in the prescribed form, the day on which the lease operator gives the assignee the prescribed statement of cancellation rights.

(2) A notice of cancellation pursuant to subsection (1) must:

(a) be in writing;

(b) be dated and identified as originating from the assignee giving the notice;

(c) be given to the assignor and the lease operator before the assignee takes possession of the rental unit pursuant to the assignment; and

(d) include a statement that the intention of the assignee is to cancel the assignment of the life lease.

(3) An assignee who cancels an assignment pursuant to this section is entitled to a refund, within 5 business days after giving the notice of the cancellation, of any amount paid by the assignee with respect to the assignment.

Cancellation of life lease—rental unit under development

4-4(1) This section applies if a rental unit that is subject to a life lease or offer to lease is under development.

(2) A lease holder or prospective lease holder of a rental unit who has not been given vacant possession of the rental unit 60 days after the projected completion date may cancel the lease holder's life lease or prospective lease holder's offer to lease.

(3) A notice of cancellation pursuant to subsection (2) must:

(a) be in writing;

(b) be dated and identified as originating from the lease holder or prospective lease holder giving the notice;

(c) be given to the lease operator before the lease holder or prospective lease holder is given vacant possession of the rental unit; and

(d) include a statement that the intention of the lease holder or prospective lease holder is to cancel the life lease or offer to lease.

(4) A lease holder or prospective lease holder of a rental unit who has not been given vacant possession of the rental unit 60 days after the projected completion date may negotiate and agree to an extension to the projected completion date.

(5) If a lease holder or prospective lease holder and a lease operator have agreed to an extension pursuant to subsection (4) and the lease holder or prospective lease holder has not been given vacant possession of the rental unit within 14 days after the agreed upon extension date, the lease holder or the prospective lease holder may cancel the life lease or offer to lease by giving notice of cancellation to the lease operator in accordance with subsection (3).

(6) During the 60-day period after the projected completion date, a lease holder or prospective lease holder may give the lease operator early notice of cancellation.

(7) A cancellation pursuant to subsection (6) is effective at the end of the 60-day period mentioned in that subsection if, by the end of that period, the lease operator has not offered the lease holder or prospective lease holder immediate and vacant possession of the rental unit.

(8) A lease holder or prospective lease holder who cancels a life lease or offer to lease pursuant to this section is entitled to a refund of any amounts paid with respect to the life lease or offer to lease, including any entrance fees and any pre-lease payments paid by the lease holder or prospective lease holder.

(9) If a lease holder or prospective lease holder cancels a life lease or offer to lease pursuant to this section, the lease operator shall, within 5 business days after the cancellation becomes effective, either:

(a) refund all amounts mentioned in subsection (8) paid to the lease operator by the lease holder or prospective lease holder; or

(b) if the amounts mentioned in subsection (8) are held by a trustee, cause all amounts to be refunded to the lease holder or prospective lease holder by the trustee.

DIVISION 2
Possession Date

Notice of possession date

4-5(1) A lease operator shall give an initial lease holder written notice of the possession date at least 60 days before that date.

(2) A lease holder who receives notice pursuant to subsection (1) may agree to an earlier possession date.

DIVISION 3
Termination

Frustrated contracts

4-6(1) A life lease is terminated if, due to unforeseen circumstances that prevent achievement of its objectives or render its performance illegal, it becomes practically impossible to complete.

(2) *The Frustrated Contracts Act* applies to life leases.

Termination of life lease

4-7(1) Notwithstanding the terms of the life lease, a life lease may be terminated if:

(a) the lease holder or lease operator gives written notice to terminate the life lease in accordance with this Act or the regulations;

(b) the lease operator and lease holder agree in writing to terminate the life lease before the end of the life tease term;

(c) the lease holder vacates or abandons the rental unit for more than 90 days without providing prior notice to the lease operator;

(d) the life lease is frustrated; or

(e) the court or a decision maker makes an order or decision that the life lease is terminated.

(2) A lease holder may terminate a life lease and is not liable to pay the lease operator for any future obligations under the life lease if a lease operator:

(a) breaches a material provision of the life lease or breaches this Act or the regulations; and

(b) fails to rectify the breach within 30 days after the lease holder gives written notice of the breach to the lease operator.

(3) Written notice of a breach given pursuant to clause (2)(b) is effective on the day after the day on which the lease operator receives the notice.

Termination due to lease holder default—rent

4-8(1) This section applies if a life lease does not contain terms or conditions that address when a lease operator or lease holder may terminate a lease.

(2) If rent due under the life lease is unpaid by a lease holder for a period of 60 days or more after the date on which the rent became due, the lease operator may terminate the life lease by giving written notice to terminate the life lease to the lease holder.

(3) Before the written notice is given pursuant to subsection (2), the lease operator shall provide the lease holder with a written notice that includes all of the following information:

(a) the amount of rent outstanding;

(b) the payment due date;

(c) a statement that if payment of rent outstanding is not received by the lease operator within the period mentioned in subsection (4), the lease operator may terminate the life lease;

(d) information on how payment may be made to the lease operator.

(4) The notice mentioned in subsection (3) must be provided to the lease holder:

(a) at least 15 days before the 60-day period mentioned in subsection (2) expires; or

(b) if provided after the expiration of the 60-day period, at least 15 days before a termination notice mentioned in subsection (2) is provided to the lease holder.

Termination—other cases

4-9(1) This section applies if a life lease does not contain terms or conditions that address when a lease operator or lease holder may terminate a life lease.

(2) Subject to subsection (5), a lease operator may terminate a life lease by giving written notice to terminate the life lease to the lease holder if one or more of the following apply:

(a) the lease holder does not pay the entrance fee, security deposit or other amounts provided for in the life lease within 30 days after the date on which any of those amounts becomes payable pursuant to the life lease;

(b) the lease holder is repeatedly late paying rent due under the life lease and the rent remains unpaid by the lease holder for a period of 60 days or more after the date on which the rent became due;

(c) there is an unreasonable number of occupants in a rental unit;

(d) the lease holder or a person permitted to be at a rental unit or on the residential complex by the lease holder has:

(i) significantly interfered with or unreasonably disturbed another lease holder or another occupant of the residential complex, the lease operator or any persons in an adjacent property;

(ii) seriously jeopardized the health or safety or a lawful right or interest of another lease holder or another occupant of the residential complex, the lease operator or any persons in an adjacent property; or

(iii) put the lease operator's property at significant risk of extraordinary damage;

(e) the lease holder or a person permitted to be at a rental unit or on the residential complex by the lease holder has engaged in a noxious, offensive or illegal activity that:

(i) has caused or is likely to cause damage to the lease operator's property;

(ii) has adversely affected or is likely to adversely affect the quiet enjoyment, security, safety or physical well-being of another lease holder or another occupant of the residential complex, the lease operator or any persons in an adjacent property; or

(iii) has jeopardized or is likely to jeopardize a lawful right or interest of another lease holder or another occupant of the residential complex, the lease operator or any persons in an adjacent property;

(f) the lease holder or a person permitted to be at the rental unit or residential complex by the lease holder has caused extraordinary damage to the residential complex or the rental unit;

(g) the lease holder does not repair significant damage to the rental unit that the lease holder is obligated to repair under the terms of the life lease within a reasonable amount of time after receiving a request to repair from the lease operator;

(h) the lease holder:

(i) has breached a material provision of the life lease, this Act or the regulations; and

(ii) has not remedied the breach within a reasonable amount of time after receiving a written notice from the lease operator to do so;

(i) the lease holder or a person permitted to be at the rental unit or the residential complex by the lease holder has repeatedly violated the lease operator's rules, bylaws or other governing documents with respect to the residential complex;

(j) the lease holder purports to assign the life lease or sublet the rental unit in either of the following circumstances:

(i) the lease holder has not obtained the lease operator's written consent to the assignment as required pursuant to the terms and conditions of the life lease, if applicable; or

(ii) the life lease prohibits the assignment of the life lease with respect to the rental unit;

(k) the lease holder knowingly gives false or misleading information about the residential complex or rental unit to a prospective lease holder viewing the residential complex;

(l) the rental unit must be vacated to comply with an order of an authority appointed pursuant to an Act, an Act of the Parliament of Canada or a municipal bylaw;

(m) in the case of a lease operator that is a public housing authority or that provides a housing program with respect to a life lease, the lease holder has breached a provision of the life lease with which the lease operator reasonably requires the lease holder to comply;

(n) the lease holder has not complied with an order or decision made pursuant to this Act or the regulations within 30 days after the later of the following dates:

(i) the date the lease holder is served with the decision or order;

(ii) the date specified in the decision or order for the lease holder to comply with the decision or order;

(o) a decision maker or the court determines that, for any other reason, the lease operator has reasonable grounds to terminate the life lease;

(p) the lease holder's circumstances change resulting in the lease holder no longer being eligible for residence at the residential complex under the life lease or under the lease operator's eligibility requirements for the residential complex;

(q) the lease operator discovers that the lease holder made a material misrepresentation in the lease holder's application for the life lease, including with respect to the lease holder's eligibility to enter into the life lease with respect to the lease operator's eligibility requirements for the residential complex.

(3) Subject to subsection (4), if a lease holder's breach of a municipal bylaw or failure to pay municipal charges results or may result in an assessment being added to the lease operator's property taxes for the residential complex or the rental unit, the lease operator may terminate the life lease by giving written notice to terminate the life lease to the lease holder.

(4) If a lease holder's alteration or improvement has resulted in an assessment being added to the lease operator's property taxes for the rental unit or residential complex, the lease operator is not permitted to terminate the lease holder's life lease pursuant to subsection (3) on the basis of the increased property taxes for the rental unit or residential complex.

(5) Before terminating a life lease pursuant to clauses (2)(a) to (q) or subsection (3), a lease operator shall give the lease holder a reasonable amount of time to remedy any of the circumstances mentioned in those provisions that are capable of being remedied.

Disputing termination notice

4-10(1) A lease holder or lease operator may dispute a notice of termination given pursuant to this Division by giving written notice of that fact to the other affected party within the prescribed period after the date on which the lease holder or lease operator receives the notice of termination.

(2) Subject to the regulations, if a lease holder who has received a notice of termination pursuant to this Division does not give written notice to the lease operator in accordance with subsection (1), the lease holder:

(a) is deemed to have accepted that the life lease ends on the effective date of the notice; and

(b) must vacate the rental unit by that date.

(3) A lease holder or lease operator that receives a notice of termination pursuant to this Division may make an application for relief to a prescribed person in the prescribed manner and in accordance with this Act or the regulations.

(4) Subsection (2) does not apply if the lease operator has made an application pursuant to subsection (3), or has provided the lease holder with written notice of the lease operator's intention to make such an application, before the period mentioned in subsection (1) has elapsed.

DIVISION 4

Victims of Interpersonal Violence or Sexual Violence

Definitions for Division

4-11 In this Division:

"authorized person" means the authorized person as defined in section 12.1 of *The Victims of Interpersonal Violence Act*;

"interpersonal violence" means interpersonal violence as defined in clause 2(e.1) of *The Victims of Interpersonal Violence Act*.

Terminating life lease for interpersonal violence or sexual violence

4-12(1) A lease holder may terminate a life lease on grounds of interpersonal violence or sexual violence by giving notice in accordance with subsection (2).

(2) To terminate a life lease pursuant to subsection (1), the lease holder shall serve the lease operator with:

(a) a notice of termination at least 28 days before the day on which the life lease is to be terminated; and

(b) a certificate in the prescribed form issued by the authorized person.

(3) A notice to terminate a life lease pursuant to this section must:

(a) be in writing;

(b) be dated and identified as originating from the lease holder giving the notice;

(c) state the effective date of the termination of the life lease;

(d) state that the ground for terminating the life lease is interpersonal violence or sexual violence; and

(e) be served no later than 90 days after the date on which the certificate mentioned in clause (2)(b) is issued.

(4) If notice to terminate a life lease is served pursuant to this section:

(a) the lease holder is responsible for payment of rent only until the end of the period of notice mentioned in clause (2)(a) and the rent payable during the notice period shall be prorated if necessary;

(b) the lease holder shall not be subject to any liquidated damages or penalty pursuant to the life lease that would be due only because of the early ending of the life lease; and

(c) on the written request of the lease holder, the lease operator shall apply any refundable entrance fees or other refundable amounts paid with respect to the rental unit or residential complex in payment of the rent payable during the notice period mentioned in clause (2)(a).

(5) If a life lease is terminated pursuant to this section, the life lease is terminated for all of the lease holders in the same rental unit.

(6) If a life lease is held by more than one lease holder, the lease operator must notify the other lease holders that the life lease is being terminated.

(7) Nothing in subsection (5) or (6) prevents the other lease holders and the lease operator from entering into a new life lease.

(8) Notwithstanding section 9-13, if the notice to terminate the life lease pursuant to this section and the certificate mentioned in clause (2)(b) are not properly served on the lease operator, the effective date of the termination of the life lease is the later of:

(a) 28 days from the date on which the lease operator received the notice and certificate; and

(b) the effective date set out in the notice.

(9) Neither the lease operator nor any other lease holder mentioned in subsection (5) may apply to the court or a decision maker for an order or decision to set aside a notice given pursuant to this section.

Requirement for confidentiality

4-13 A lease operator shall ensure that any information received pursuant to this Division from or about a lease holder is kept confidential unless the lease operator is authorized by this Act or the regulations to disclose that information.

PART 5
Reserve Fund, Insurance, Meetings and Financial Statements

DIVISION 1
Reserve Fund

Reserve fund

5-1(1) Subject to and in accordance with the regulations, a lease operator shall establish and, at all times after the occupancy date of the residential complex, maintain a reserve fund to pay for any unforeseen major repairs to or replacement of assets of the residential complex, including roofs, exteriors, buildings, roads, sidewalks, sewers, heating, electrical or plumbing systems, elevators and laundry, recreational and parking facilities.

(2) In addition to being used for the purposes set out in subsection (1), funds maintained in the reserve fund may be used:

(a) to cover any unforeseen cost of the residential complex or shortfall in the revenue of the residential complex with respect to which the fund was constituted;

(b) as required by an order or decision of the court or a decision maker; or

(c) to fulfil any other prescribed purpose.

(3) The funds contained in a reserve fund must not be used for any purpose other than the purposes set out in subsections (1) and (2).

(4) If a lease operator operates more than one residential complex, the lease operator shall:

(a) establish and maintain a reserve fund with respect to each residential complex operated by the lease operator; and

(b) ensure the funds received and held in the reserve fund with respect to a residential complex are only used for the benefit of that residential complex.

(5) A lease operator may appoint a trustee to administer the reserve fund.

Contributions to reserve fund

5-2(1) The lease operator shall levy on the lease holders of the rental units of a residential complex fees that consist of contributions to the reserve fund in amounts determined in accordance with this section.

(2) The lease operator shall, from time to time and in accordance with the prescribed procedure:

(a) determine the amounts required for the reserve fund for the purposes of subsections 5-1(1) and (2); and

(b) determine the amounts of the lease holders' contributions to the reserve fund by apportioning the amounts determined pursuant to clause (a) among the lease holders, subject to any minimum or maximum contribution amounts.

(3) The fee levied pursuant to subsection (1):

(a) is due and payable on the earlier of:

(i) the date the lease operator resolves to levy the fee; and

(ii) any other prescribed date;

(b) may be recovered as a debt due to the lease operator from a person who was a lease holder when the default occurred; and

(c) may be enforced by a lease operator against a lease holder in the prescribed manner in the event of non-payment.

(4) The fee levied pursuant to subsection (1) must not be levied against or recovered from a lease holder if, before the fee is levied by the lease operator:

(a) the lease holder has served a notice of termination of the life lease on the lease operator;

(b) the lease holder has received a notice of termination of the life lease from the lease operator; or

(c) the life lease has otherwise been terminated or cancelled on any other grounds pursuant to this Act, the regulations or the life lease.

Reserve fund study

5-3(1) In this section, **"study"** means a reserve fund study.

(2) A lease operator shall ensure that a study is conducted:

(a) if the lease operator existed before the coming into force of this section, either:

(i) within 3 years after the coming into force of this section if the lease operator has not had a study conducted that substantially complies with subsections (3) and (4) before the coming into force of this section; or

(ii) within the prescribed period if the lease operator has had a study that substantially complies with subsections (3) and (4) conducted before the coming into force of this section; or

(b) if the lease operator did not exist before the coming into force of this section, within the prescribed period.

(3) Every study must be conducted in the prescribed manner.

(4) A written report of every study conducted pursuant to this section must be prepared in the prescribed manner and prescribed form.

(5) The reasonable costs of conducting a study are expenses that a lease operator may charge to the reserve fund.

(6) A lease operator shall ensure that every written report of a study prepared pursuant to this section is made available to the lease holders at the next annual meeting of the lease holders in the prescribed manner.

(7) If a residential complex or the lease operator of the residential complex meets the prescribed criteria, that lease operator or that residential complex is exempt from the requirements of this section subject to the lease operator's compliance with the prescribed terms and conditions.

(8) No lease operator of a residential complex that is exempt from the requirements of this section in accordance with subsection (7) shall fail to comply with the prescribed terms and conditions.

(9) A lease operator shall, at minimum, collect or direct the trustee to collect the prescribed amount or prescribed percentage of amounts identified in a study as being required within the prescribed period.

(10) If a lease operator intends to convert a pre-existing complex or unit, neither of which are subject to a life lease, into a residential complex or rental unit, the lease operator shall ensure that a study is conducted and made available to all potential lease holders before life leases are executed by those potential lease holders.

Annual report on reserve fund

5-4(1) A lease operator shall ensure that an annual report is prepared with respect to the reserve fund that sets out:

(a) the amount of the reserve fund as of the last day of the preceding fiscal year; and

(b) all payments made into and out of the reserve fund for that year and the sources and uses of those payments.

(2) The lease operator shall ensure that every annual report prepared pursuant to this section is made available to the lease holders at the next annual meeting of the lease holders in the prescribed manner.

Late payment of contributions to reserve fund

5-5(1) A contribution that is required to be made by a lease holder to a reserve fund and that remains unpaid on its due date is to bear interest, calculated for the period commencing on the due date and ending on the date of payment, at the rate established by the lease operator or the rate set out in the life lease.

(2) The interest rate fixed pursuant to subsection (1) must not exceed the prescribed rate or an amount calculated using the prescribed formula.

(3) The interest mentioned in subsection (1):

(a) is a debt due and owing by the lease holder to the lease operator; and

(b) must be added to the reserve fund and forms part of the reserve fund.

Investment of funds

5-6(1) A lease operator or trustee may invest any portion of the reserve fund that is not immediately required by the residential complex, but only in those investments in which a trustee may invest pursuant to *The Trustee Act, 2009*.

(2) Interest earned on the investment of a reserve fund is to be added to the fund and forms part of the reserve fund.

DIVISION 2

Insurance

Insurance requirements

5-7(1) A lease operator shall maintain one or more prescribed insurance policies with respect to a residential complex, including a residential complex that is under development.

(2) The lease operator shall give at least 30 days' prior written notice of any cancellation, lapsing or reduction of any insurance policies obtained with respect to the residential complex, including any insurance policies mentioned in subsection (1) or (3), to all lease holders of the residential complex.

(3) A life lease must include a description of the nature and type of insurance coverage held by the lease operator at the residential complex, including the policy limits and any other prescribed information.

(4) If the life lease or the lease operator's rules, bylaws or other governing documents with respect to the residential complex require a lease holder to maintain any insurance with respect to the lease holder's rental unit, the lease operator shall notify the lease holder of any insurance requirements, including any mandatory minimum coverage amounts and other prescribed information.

(5) The notice mentioned in subsection (4) must be:

(a) in writing; and

(b) provided to a lease holder by the lease operator either:

(i) before the execution of the life lease by the lease holder; or

(ii) if the insurance requirements are modified after the execution of the life lease, to the lease holder at least 30 days before the new insurance requirement comes into effect.

DIVISION 3
Meetings

Meetings of the lease holders of a residential complex

5-8(1) For the purposes of this section and section 5-9:

"corporation" means a body corporate incorporated by or pursuant to an Act and includes a non-profit corporation;

"owner" means:

(a) a partner or a person who has control or management of the partnership if the lease operator is a partnership;

(b) the general partner or person who has control or management of the partnership if the lease operator is a limited liability partnership;

(c) the sole proprietor if the lease operator is a sole proprietorship;

(d) if the lease operator is not a corporation or a person or entity mentioned in clause (a), (b) or (c), an authorized representative appointed by those persons or entities that hold a majority interest in the residential complex; or

(e) any other prescribed person or entity.

(2) For the purposes of this section, unless prohibited by the rules, bylaws or other governing documents of the lease operator, a meeting pursuant to this section may be convened by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

(3) A lease operator shall convene a first annual meeting of the lease holders of a residential complex not later than 16 months after the occupancy date of the residential complex.

(4) After the first annual meeting, the lease operator shall convene an annual meeting of the lease holders not later than 6 months after the end of each fiscal year of the lease operator.

(5) In a meeting pursuant to subsection (3) or (4), the lease operator shall:

(a) present the financial statements mentioned in section 5-10; and

(b) hear representations by lease holders or any individual lease holder respecting the following:

(i) the financial statements mentioned in section 5-10;

(ii) the audited financial statements, if any, requested pursuant to subsection 5-10(4);

(iii) the statements, reports, and other prescribed documents mentioned in subsection (7);

(iv) the operation of the residential complex.

(6) The lease operator shall give each lease holder of the residential complex written notice of the time and place of the meeting at least 30 days and not more than 50 days before the meeting date.

(7) The lease operator shall include, in or with the notice given pursuant to subsection (6), the following information in the prescribed manner:

(a) if the lease operator has established a refund fund, a statement setting out:

(i) the amounts contributed to, and the amounts paid out of, the refund fund during the preceding fiscal year, showing separately the amounts paid out to lease holders and the amounts paid out to the lease operator, if any;

(ii) the balance in the refund fund at the end of that fiscal year; and

(iii) the amounts, if any, owing to former lease holders of the residential complex;

(b) with respect to a reserve fund established by the lease operator, a statement setting out:

(i) the amounts contributed to, and the amounts paid out of, the reserve fund during the preceding fiscal year;

(ii) the balance in the reserve fund at the end of that fiscal year;

(iii) an estimate of the amounts to be contributed to, and the amounts to be paid out of, the reserve fund during the current fiscal year; and

(iv) the annual report on the reserve fund mentioned in section 5-4;

(c) if the life lease specifies that the rent charged by the lease operator under the life lease is a share of the costs of the residential complex, including a contribution to a reserve fund or refund fund:

(i) a statement of the revenues and expenditures of the residential complex for the preceding fiscal year; and

(ii) a detailed budget for the current fiscal year;

(d) any additional prescribed information.

(8) If a lease operator is a corporation, at least one director of the lease operator's board of directors shall attend the lease holders' annual meeting and report to the lease operator's board of directors on any concerns or issues raised by lease holders.

(9) If a lease operator is not a corporation, an owner shall attend the annual meeting of the lease holders and report on concerns or issues raised by lease holders to any other owners of the lease operator.

(10) If a trustee has been appointed to administer the amounts mentioned in subsection (7) or any of those funds, the trustee may prepare the statements mentioned in that subsection that relate to the amounts or funds that are subject to the trustee's appointment.

Attendance by lease holders at lease operator meetings

5-9(1) For the purposes of this section and section 5-10, **"staff of the lease operator"** includes individuals employed by a lease operator or individuals retained under a contract to perform services for the lease operator.

(2) The lease holders of a residential complex may, in accordance with the regulations, select one or two lease holders, or a greater number if provided for in their life leases or the lease operator's rules, bylaws or other governing documents, and alternates to represent them at:

(a) meetings of the lease operator's board of directors if the residential complex is owned by a corporation; or

(b) any other meetings of the owners if the residential complex is not owned by a corporation.

(3) The lease operator shall provide to each lease holder representative and alternate selected pursuant to subsection (2):

(a) a copy of the lease operator's rules, bylaws or other governing documents; and

(b) notice of the time and place of each meeting and each meeting's agenda at the same time and by the same method that notices and agendas are given to the lease operator's board of directors or owners.

(4) Subject to subsection (5), a lease holder representative or the lease holder representative's alternate is:

(a) with respect to at least one meeting mentioned in subsection (2) per year, entitled to place matters on the agenda for the meeting; and

(b) entitled to attend and speak at the meeting.

(5) A lease operator may restrict the rights of a lease holder representative or alternate mentioned in subsection (4) to matters that do not involve personal information pertaining to:

(a) individual lease holders; and

(b) staff of the lease operator.

(6) After each meeting mentioned in subsection (2), the lease operator shall give each lease holder representative and alternate a copy of the minutes of the meeting.

(7) The copy of the minutes of the meeting mentioned in subsection (6) must not include any part of the minutes that contains personal information about a lease holder or staff of the lease operator unless that lease holder or staff member consents to having that personal information contained in the minutes as provided to each lease holder representative or alternate.

(8) A lease holder representative or alternate may give other lease holders access to the minutes mentioned in subsection (6).

(9) This section does not give a lease holder representative or alternate the right to vote at a lease operator meeting.

DIVISION 4

Financial Statements for Residential Complex

Financial statements for residential complex

5-10(1) For the purposes of this section, **"majority of lease holders"** means a majority of the lease holders in occupied rental units in a residential complex.

(2) In calculating the majority of lease holders as mentioned in subsection (1):

(a) multiple lease holders of one rental unit count as one lease holder; and

(b) a lease holder who has served or received a notice of termination or notice of cancellation of the life lease does not count as a lease holder.

(3) A lease operator shall prepare financial statements for the following periods:

(a) if a lease operator has not completed a fiscal year, the period that:

(i) began on the date on which the lease operator began acting as lease operator with respect to the residential complex; and

(ii) ended on a date not more than 6 months before the first annual meeting pursuant to section 5-8;

(b) if a lease operator has completed a fiscal year, the preceding fiscal year.

(4) If a lease operator has not obtained audited financial statements for the residential complex for the preceding fiscal year, the lease operator shall:

(a) cause the financial statements to be audited by a prescribed person as soon as is practicable, if:

(i) requested to do so in writing by a majority of lease holders; or

(ii) the majority of lease holders vote to require audited financial statements at the annual meeting pursuant to section 5-8; and

(b) subject to subsection (5), continue to obtain audited financial statements for each succeeding fiscal year.

(5) The obligation to prepare audited financial statements mentioned in clause (4)(b) may be withdrawn by written notice given to the lease operator and signed by a majority of lease holders or by subsequent vote of the majority of lease holders at the annual meeting mentioned in section 5-8.

(6) A lease operator shall provide the financial statements mentioned in subsection (3) or (4) to the lease holders of a residential complex at least 30 days before the annual meeting mentioned in section 5-8 and otherwise on the reasonable request of a lease holder.

(7) For the purposes of this section, the lease operator shall take reasonable steps to avoid disclosing personal information about lease holders or staff of the lease operator in the financial statements.

PART 6
Trustees Appointed for Developments

Application of Part

6-1 This Part applies if a residential complex or rental unit is under development at the time pre-lease payments or entrance fees are paid by a lease holder to the lease operator.

Appointment of trustee

6-2 If a residential complex or rental unit is under development, a lease operator who enters into a life lease with an initial lease holder shall appoint a trustee to receive and administer pre-lease payments or entrance fees paid by that lease holder in accordance with this Act and the regulations.

Qualifications of trustee

6-3(1) A trustee appointed with respect to a residential complex is qualified to act pursuant to this Act or the regulations if the trustee:

(a) is either:

(i) incorporated under the laws of Canada or of a province of Canada, authorized to carry on business pursuant to the laws in Saskatchewan and meets the prescribed requirements respecting corporate trustees; or

(ii) any other prescribed person; and

(b) meets the prescribed requirements.

(2) A trustee shall not act pursuant to this Act or the regulations unless the trustee is qualified pursuant to subsection (1).

(3) A lease operator or a lease holder for whose benefit a trustee administers funds may apply to the court for an order replacing the trustee on the ground that the trustee does not meet the qualifications set out in subsection (1) or that the trustee should be replaced for any other reason.

(4) On application pursuant to subsection (3), the court may make an order on any terms that the court considers appropriate.

(5) A lease operator shall immediately appoint a replacement trustee if a trustee ceases to hold office with respect to a residential complex and the trustee had, immediately before leaving office, obligations that were continuing or obligations that the trustee had not fulfilled towards the lease operator or the lease holders unless the court has made an order pursuant to subsection (4).

(6) A lease operator shall notify the lease holders or prospective lease holders in writing and with the prescribed information in the event of a change of trustee.

(7) Subject to this Act and the regulations, *The Trustee Act, 2009* applies with any necessary modification to matters that arise with respect to a trust or a trustee contemplated by this Act and the regulations, but not expressly provided for by this Act or the regulations.

Entrance fee paid to trustee

6-4(1) For the purposes of this section, **"unleased rental unit"** means a rental unit that, before the first amount is paid pursuant to this section, is not leased to an initial lease holder whose lease has not been and can no longer be cancelled pursuant to section 4-1.

(2) With respect to a residential complex under development, within 10 business days after the expiry of the cancellation period set out in subsection 4-1(2), the lease operator shall pay all of the entrance fees of each initial lease holder, including interest accrued on those fees, to the trustee appointed pursuant to section 6-2 unless the lease operator has refunded these amounts to the lease holder.

(3) Pre-lease payments and entrance fees received by a trustee, other than entrance fees that must be reimbursed or paid to a lease holder pursuant to this Act, the regulations or an order or decision of the court or a decision maker, must be held by the trustee for the benefit of lease holders until the lease operator meets the requirements of subsection (4).

(4) A trustee appointed pursuant to section 6-2 shall not pay to the lease operator, or for the benefit of the lease operator, any amounts held pursuant to subsection (3) until the lease operator has provided the trustee with:

(a) the prescribed evidence with respect to:

(i) the legal interest of the lease operator in the land on which the residential complex is or will be located;

(ii) the projected costs of the development;

(iii) the availability of funds necessary for the completion of the development;

(iv) the registration of any mortgage required by a lender to finance the development;

(v) any contracts concluded with a view to the development and the security or guarantee, if applicable, given to secure the execution or performance of those contracts;

(vi) the obtaining of the regulatory approvals necessary to carry out the development;

(vii) the insurance coverage as required by section 5-7;

(viii) a certificate of expenses incurred or work completed as part of the development; and

(ix) any other prescribed matters; and

(b) an irrevocable letter of credit, equivalent guarantee or other equivalent security in an amount that is at least the total of the first year's rent that would be payable with respect to all unleased rental units under development if:

(i) those rental units had been leased pursuant to life leases; and

(ii) the minimum entrance fees with respect to those rental units had been paid.

(5) The amount guaranteed pursuant to clause (4)(b) may be reduced by the amount of rent that would be payable under a life lease with respect to a rental unit in the residential complex, if before the end of the first year after the occupancy date of the residential complex:

(a) a rental unit with respect to which security has been provided pursuant to clause (4)(b) is leased to an initial lease holder in good faith; and

(b) the lease holder has paid at least the minimum entrance fee as required by the lease operator for the period beginning on the possession date of the rental unit and ending at the end of the first year after the occupancy date of the residential complex.

(6) If an irrevocable letter of credit, equivalent guarantee or other equivalent security is provided pursuant to clause (4)(b), any funds that the trustee has obtained pursuant to the letter of credit or the realization of the guarantee or other security must be applied monthly to the operating costs of the residential complex during the first year following the occupancy date, to the extent of the difference between:

(a) the total rent that would be payable for the month for the rental units mentioned in clause (4)(b) if they had been rented under life leases with respect to which the minimum entrance fees required by the lease operator have been paid; and

(b) the total rent payable for the month by lease holders for those rental units.

Separate trust funds

6-5(1) If a lease operator operates more than one residential complex that is under development, the lease operator shall:

(a) appoint a trustee and cause the trustee to establish and maintain a trust fund pursuant to this Part with respect to each of the residential complexes under development; and

(b) ensure the funds received by the trustee and held in the trust fund pursuant to this Part with respect to a residential complex are only used for the benefit of that residential complex.

(2) At any time within one year after the occupancy date of the residential complex, the trustee may:

(a) transfer the trust funds to the lease operator for the lease operator to apply those amounts to the reserve fund, refund fund or as otherwise allowed by this Act or the regulations; or

(b) if the trustee is appointed to manage a reserve fund pursuant to subsection 5-1(5) or a refund fund pursuant to subsection 7-2(3), apply those amounts to the reserve fund, refund fund or as otherwise allowed by this Act or the regulations.

(3) After the trustee transfers the amounts:

(a) in accordance with clause (2)(a), the trustee is deemed to be discharged pursuant to this Act; or

(b) in accordance with clause (2)(b), the trustee is deemed to be discharged for the purposes of this Part.

PART 7
Refundable Entrance Fees and the Refund Fund

Application of Part

7-1 This Part applies if a life lease provides that an entrance fee, or any portion of an entrance fee, is refundable or may be refundable to a lease holder following the termination of the life lease or the end of the term of the life lease.

Refund fund—refundable entrance fees

7-2(1) Subject to the regulations, if the entrance fee paid with respect to a rental unit is refundable, in whole or in part, the lease operator shall, before the occupancy date of the rental unit:

(a) establish and maintain a refund fund; and

(b) comply with the prescribed requirements.

(2) If a lease operator operates more than one residential complex, the lease operator shall:

(a) establish and maintain a refund fund mentioned in subsection (1) with respect to each residential complex operated by the lease operator; and

(b) ensure the funds received and held in the refund fund with respect to a residential complex are only used for the benefit of that residential complex.

(3) A lease operator may appoint a trustee to administer the refund fund.

Refund fund—residential complex under development

7-3 The lease operator shall pay into the refund fund an amount that is not less than the sum of the minimum amounts communicated to lease holders of a residential complex pursuant to subclause 3-3(b)(i) before the occupancy date of the residential complex if:

(a) the residential complex or a rental unit is under development; and

(b) the entrance fee paid or payable with respect to a residential complex is refundable under the terms of a life lease, in whole or in part.

Payment from refund fund to lease holders

7-4(1) In this section:

"effective date of the cancellation" means the date on which notice of cancellation is given to the lease operator, assignor or assignee, as the case may be, in accordance with section 4-1, 4-3 or 4-4;

"lease holder's priority date" means:

(a) 5 business days after the effective date of the cancellation; or

(b) in any other case, 30 days after the earliest of:

(i) the day on which the life lease terminates due to the lease term as set out in the life lease ending;

(ii) the day on which this Act or the regulations provide that the life lease is terminated;

(iii) the day on which the court or a decision maker determines the life lease is terminated; and

(iv) any other prescribed date.

(2) For the purposes of clause (a) of the definition of "lease holder's priority date", if two or more life lease cancellations take effect during the same calendar month, the effective date of those cancellations is deemed be the last day of the month.

(3) A lease holder who is entitled to a refund of all or part of the entrance fee pursuant to the life lease or this Act and the regulations, and who has not been paid in full, is entitled to be paid out of the funds available in the refund fund for the balance owing by the lease operator to the lease holder as follows:

(a) by the lease holder's priority date; or

(b) on any earlier date provided for in the life lease.

(4) Subject to subsection (5), a lease operator shall not deduct any amount from a lease holder's entitlement to a refund of an entrance fee for:

(a) damage caused to the rental unit or to the residential complex;

(b) rent arrears; or

(c) any other compensation the lease operator claims from the lease holder.

(5) A lease operator may deduct from a lease holder's entitlement to a refund of an entrance fee an amount to satisfy a final order or decision made by the court or a decision maker in favour of the lease operator.

(6) If the amount available in the refund fund is less than the total amount payable pursuant to this section with respect to two or more life leases, the lease operator or trustee, as the case may be, shall pay the available funds to the lease holders in order of the lease holders' priority dates.

(7) For payments made pursuant to subsection (6), if the funds available are less than the amounts owed to two or more lease holders with the same lease holder's priority date, the available funds are to be paid to them in proportion to the amounts payable to them.

Limitation on use

7-5 If an entrance fee paid with respect to a residential complex is wholly or partially refundable under a life lease, the lease operator shall not use the entrance fee received after the occupancy date of the residential complex for a purpose other than to refund an entrance fee unless:

(a) immediately after it is used, the balance of the refund fund equals or exceeds the sum mentioned in subsection 7-6(1);

(b) the lease operator obtains security in accordance with section 7-7; or

(c) the lease operator or residential complex meets the prescribed requirements and the lease operator complies with the prescribed terms and conditions.

Refund fund—other matters

7-6(1) For the purposes of this section and section 7-7, a refund fund with respect to a residential complex is fully funded when, after the occupancy date of the residential complex, the amount in the fund is equal to or greater than the sum of:

(a) the total amount payable by the lease operator to the former lease holders of the residential complex whose entrance fees have not yet been refunded; and

(b) the total amount that would be payable to the current lease holders of the residential complex from the refund fund if all the life leases were terminated or cancelled.

(2) Subject to this Act and the regulations, current lease holders of the residential complex are entitled to reimbursement of the refundable portion of their entrance fees by the lease operator in accordance with the terms of the life lease.

(3) The lease operator shall advise each lease holder of the right mentioned in subsection (2) in each life lease.

(4) Subject to section 7-7, after the lease operator has fully funded the refund fund:

(a) the lease operator may pay the reasonable expenses of the lease operator or trustee in connection with the administration of the refund fund out of the income and, if necessary, out of the capital of the refund fund; and

(b) the lease operator or trustee shall accumulate the remaining income and capital of the refund fund and may use these amounts for any prescribed purpose.

(5) Except as allowed by this Act or the regulations, a trustee appointed by a lease operator pursuant to subsection 7-2(3) shall not pay any part of the refund fund to or for the benefit of a lease operator.

(6) Except as allowed by this Act or the regulations, a lease operator shall not pay any part of the refund fund to the lease operator or otherwise use any part of the refund fund for the lease operator's own benefit.

Requirement for security

7-7(1) Subject to subsection (2), the lease operator, or a trustee at the lease operator's direction, may use some or all of a refund fund even if this results in the refund fund not being fully funded in accordance with section 7-6.

(2) Before a lease operator or trustee may draw on a refund fund in a manner that renders the fund not fully funded, the lease operator shall meet and maintain the prescribed security requirements.

(3) A prescribed person must be designated as a beneficiary to the security mentioned in subsection (2).

Request for refund

7-8(1) In this section:

"beneficiary" means a prescribed person as mentioned in subsection 7-7(3);

"period of non-application" means the period:

(a) commencing on the day on which the notice in subsection (2) is served; and

(b) ending on the day that is:

(i) the last day of the prescribed period;

(ii) if the prescribed period is waived, the day after the date on which the prescribed period was waived by the lease operator pursuant to clause (4)(a) or by the court pursuant to clause (4)(c);

(iii) if the prescribed period is extended, the last day of an extension of the prescribed period pursuant to clause (4)(b) or (c); or

(iv) if the prescribed period is abridged, the last day of an abridgment of the prescribed period pursuant to clause (4)(c).

(2) If, at the end of the applicable period mentioned in subsection 7-4(3), the refundable part of the entrance fees of a former lease holder has not been fully repaid, the former lease holder may request by service of the prescribed notice that the lease operator pay the unreimbursed portion within 30 days after the request.

(3) Subject to the regulations, if the lease operator fails to comply with the formal request made pursuant to subsection (2), the former lease holder may direct the beneficiary to:

(a) initiate proceedings authorized by law to enforce the unreimbursed portion of the refundable entrance fees against the security mentioned in section 7-7 after the expiration of the prescribed period; and

(b) expedite the proceedings so far as it is within the ability of the beneficiary to do so.

(4) For the purposes of subsection (3), the prescribed period may be:

(a) waived by the lease operator in writing;

(b) extended if each of the former lease holders who have not been fully repaid consents to the extension in writing; or

(c) extended, waived, or abridged by order of the court.

(5) The period of non-application is not to be included in calculating the time, pursuant to *The Limitations Act* or pursuant to any other law or rule of court, for:

(a) commencing or continuing any action with respect to the security mentioned in subsection 7-7(2); or

(b) commencing or continuing any action or making any application for the enforcement or recovery of any sum of money secured by the security mentioned in subsection 7-7(2).

Investment of refund fund

7-9(1) A lease operator or trustee may invest any portion of the refund fund that is not immediately required by the residential complex, but only in those investments in which a trustee may invest in accordance with *The Trustee Act, 2009*.

(2) Interest earned on the investment of a refund fund is to be added to the fund and forms part of the refund fund.

PART 8
Offences and Penalties

Offences and penalties

8-1(1) No person shall:

(a) if engaged for consideration in the marketing or development of a residential complex, knowingly make a statement that is false or misleading with respect to any material fact or omit to state any material fact the omission of which makes the statement false or misleading:

(i) to a prospective lease holder if that statement or omission may induce or induces the lease holder to enter into a life lease or offer to lease; or

(ii) in a life lease, an offer to lease, an advertisement offering or soliciting interest in one or more life leases or in any information required by this Act or the regulations to be disclosed to a lease holder; or

(b) contravene any provision of this Act or the regulations.

(2) Every individual who contravenes subsection (1) is guilty of an offence and liable on summary conviction:

(a) in the case of an offence mentioned in clause (1)(a):

(i) for a first offence, to a fine of not more than $20,000; and

(ii) for a subsequent offence, to a fine of not more than $30,000; or

(b) in the case of an offence mentioned in clause (1)(b):

(i) for a first offence, to a fine of not more than $3,000; and

(ii) for a subsequent offence, to a fine of not more than $10,000.

(3) Every corporation that contravenes subsection (1) is guilty of an offence and liable on summary conviction:

(a) in the case of an offence mentioned in clause (1)(a):

(i) for a first offence, to a fine of not more than $50,000; and

(ii) for a subsequent offence, to a fine of not more than $60,000; or

(b) in the case of an offence mentioned in clause (1)(b):

(i) for a first offence, to a fine of not more than $10,000; and

(ii) for a subsequent offence, to a fine of not more than $25,000.

(4) If a corporation commits an offence pursuant to this Act, any officer or director of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is guilty of the offence and liable on summary conviction to the penalties provided for the offence whether or not the corporation has been prosecuted or convicted.

(5) The conviction of a lease operator or other person, or a director or officer of a corporation mentioned in subsection (4), does not relieve that lease operator, other person or director or officer of the corporation from the duty of carrying out and continuing to carry out or complying with the provisions of this Act or the regulations respecting which the conviction was made.

(6) In addition to any other penalty, the court may order the person to pay compensation or restitution with respect to the offence.

PART 9
Miscellaneous Matters

Registration of interest

9-1 A lease holder may register the lease holder's life lease as an interest in the land titles registry pursuant to *The Land Titles Act, 2000* against the residential complex.

Rent increase due to shortfall

9-2(1) For the purposes of this section and section 9-3, **"shortfall"** means the circumstances in which the sum of the current fiscal year's operating costs and amounts paid into the reserve fund and any refund fund exceeds the income and revenue for the residential complex for the preceding fiscal year.

(2) Subject to section 9-3, a lease operator may require a lease holder to pay to the lease operator all or part of the lease holder's portion of a shortfall as a rent increase through a minimum of 12 equal monthly payments if the life lease:

(a) provides that a lease holder's rent payable to the lease operator corresponds to the lease holder's portion of the budgeted operating costs and the budgeted sums paid into the reserve fund and any refund fund; and

(b) obliges a lease holder to pay the lease holder's portion of a shortfall by means of one or more instalments.

(3) Subsection (2) applies whether or not a rent increase has been imposed in the previous 12-month period.

(4) If the lease operator and the lease holder agree and the lease holder has received the notice mentioned in subsection 9-3(1) with respect to a rent increase due to a shortfall, rather than paying the lease holder's portion of the shortfall in accordance with subsection (2):

(a) the lease holder may pay the lease holder's portion of the shortfall by way of one or more lump sum payments; and

(b) the lease operator may accept the payments mentioned in clause (a) at any time after the notice in subsection 9-3(1) is given.

Notice of rent increase

9-3(1) A lease operator shall give a lease holder at least 3 months' written notice of a rent increase, whether that increase arises due to a shortfall or otherwise.

(2) If the life lease provides for a fixed rent payable, the lease operator may not increase the rent payable under the life lease unless:

(a) increases to the fixed rent payable were contemplated by the terms of the life lease at the time the life lease was entered into; or

(b) the lease holder agrees to an increase to the rent payable under the life lease.

Future rent

9-4 No lease operator shall demand, receive or collect from a lease holder or from any person on behalf of a lease holder an amount of money to be used by the lease operator to pay rent that becomes due in the future.

Acceleration clause prohibited

9-5 A lease operator shall not include in a life lease a provision that all or part of the rent payable for the remainder of the term of the life lease becomes due and payable if a provision of the life lease is breached.

Assignees cannot take assignments of refundable amounts

9-6(1) Any pre-lease payments and entrance fees, including any amounts held in a trust or refund fund pursuant to this Act or the regulations, that are paid by a lease holder pursuant to this Act or the regulations and that are refundable in whole or in part may not be subject to an assignment of rents made pursuant to section 144 of *The Land Titles Act, 2000* to the extent that these amounts may be refunded.

(2) Nothing in subsection (1) prevents an assignee as defined in subsection 144(1) of *The Land Titles Act, 2000* from taking an assignment of rents with respect to any non-refundable amounts payable pursuant to this Act or the regulations pursuant to section 144 of *The Land Titles Act, 2000*.

Dispute resolution

9-7 Every life lease is deemed to include a term setting out the prescribed dispute resolution process pursuant to which a prescribed decision maker shall hear and determine disputes respecting the meaning of a provision in a life lease, its application or an alleged contravention or breach of a life lease or a provision of this Act or the regulations between the lease operator and a lease holder or between lease holders of the residential complex.

Court actions

9-8(1) In this section and section 9-9, **"interested person"** includes:

(a) a prospective lease holder, lease holder or former lease holder;

(b) a lease operator or former lease operator;

(c) a trustee;

(d) a beneficiary designated pursuant to subsection 7-7(3); or

(e) any other person designated as an interested person by an order of the court.

(2) Notwithstanding section 9-7, in addition to any other remedy pursuant to this Act or the regulations, any interested person may commence or maintain an action in the court against a person if the interested person is of the opinion that another person has contravened this Act, the regulations or a life lease.

(3) In an action brought pursuant to subsection (2), the court may do any of the following:

(a) declare that this Act, the regulations or a life lease have been contravened or that a person has failed to comply with this Act, the regulations or a life lease and require the person to stop that contravention and to so comply;

(b) make an order requiring the person in contravention of this Act, the regulations or a life lease to provide any redress the court considers appropriate to those persons who suffered damage or loss arising from the contravention of this Act, the regulations or a life lease;

(c) make an order in the nature of an injunction restraining the person from engaging in the practice that gave rise to the contravention of this Act, the regulations or a life lease;

(d) make an order for the restitution of property or funds;

(e) award punitive or exemplary damages;

(f) make an order appointing or removing an administrator who:

(i) has the powers and duties of the lease operator or any of those powers and duties that the court orders and, while powers are vested in the administrator, the lease operator may not exercise those powers or perform those duties; and

(ii) is subject to any terms and conditions with respect to the period of appointment or remuneration or otherwise that the court considers appropriate;

(g) make an order authorizing an interested person to remedy a contravention or breach of this Act, the regulations or a life lease and order the person in contravention to pay the reasonable expenses associated with the remedy;

(h) if termination or cancellation of the life lease is at issue, make an order:

(i) terminating or cancelling the life lease on a specified date; or

(ii) giving possession of the rental unit to the lease operator or other person, if applicable;

(i) make an order for the repayment of all or part of a pre-lease payment or entrance fee to a lease holder;

(j) make an order for the payment of compensation to a lease holder with respect to a lease holder's right to assign a life lease;

(k) order that amounts be paid into the court;

(l) make any order for which provision is made in this Act or the regulations;

(m) grant any other relief the court considers appropriate to rectify the contravention of this Act, the regulations or a life lease.

Oppression remedy

9-9(1) Notwithstanding section 9-7 and any other remedy pursuant to this Act or the regulations, an interested person may apply to the court for an order if the applicant alleges that the conduct of a lease operator, a lease holder, a developer, a mortgagee of a residential complex or any other interested person is or threatens to be oppressive or unfairly prejudicial to the applicant or unfairly disregards the interests of the applicant.

(2) On an application pursuant to subsection (1), if the court determines that the conduct of a lease operator, a lease holder, a developer, a mortgagee of a residential complex or any other interested person is or threatens to be oppressive or unfairly prejudicial to the applicant or unfairly disregards the interests of the applicant, the court may make any order the court considers appropriate, including:

(a) an order prohibiting the conduct alleged in the application; and

(b) an order requiring the payment of compensation.

Appeal

9-10(1) Subject to the regulations, any person who is aggrieved by a decision or order of a decision maker made pursuant to this Act may appeal the decision or order on a question of law or of jurisdiction to the court within 30 days after the later of the following:

(a) the date on which the decision or order is signed and dated by the decision maker; and

(b) the date on which the proposed appellant establishes they received notice of the decision or order.

(2) An appeal pursuant to subsection (1) shall be made at the judicial centre nearest the location of the rental unit or residential complex with respect to which the decision or order was made.

(3) Subject to the regulations and with leave of a judge of the Court of Appeal, any person who is aggrieved by a decision or order of the court made pursuant to this Act, including a decision or order made pursuant to subsection (1), may appeal the decision or order within 30 days after the date of the decision or order.

Other remedies

9-11 Unless this Act specifically provides to the contrary, nothing in this Act restricts the remedies otherwise available to a person for the failure of another to perform a duty imposed by this Act.

Notice and service requirements

9-12(1) In this section, a reference to the service of a notice or other document pursuant to this Act or the regulations includes the giving of that notice or other document and a reference to the giving of a notice or other document pursuant to this Act or the regulations includes the serving of that notice or other document.

(2) Subject to subsections (3) to (5), unless otherwise specified in this Act or the regulations, any notice or other document that is required to be served pursuant to this Act or the regulations may be served:

(a) in the case of service on a lease holder other than a former lease holder:

(i) by personal service on the lease holder; or

(ii) by posting the notice or document on the front door of the lease holder's rental unit and by serving the notice or document by ordinary mail or in electronic form;

(b) in the case of service on a former lease holder:

(i) by personal service on the former lease holder; or

(ii) in electronic form;

(c) in the case of service on a lease operator:

(i) by personal service on the lease operator or the designated agent of the lease operator;

(ii) by ordinary mail addressed to the address of the lease operator designated for this purpose; or

(iii) in electronic form; or

(d) by any other prescribed means.

(3) Subject to sections 9-13 and 9-14, a lease operator shall serve a lease holder, prospective lease holder or assignee, as the case may be, by personal service if the lease operator is providing:

(a) the statement of cancellation rights pursuant to subsection 4-1(1) to a lease holder; or

(b) either:

(i) the statement of cancellation rights pursuant to clause 4-2(4)(b) to an assignee; or

(ii) the written consent pursuant to clause 4-3(1)(c) to a lease holder or assignee.

(4) Subject to sections 9-13 and 9-14, a lease holder or assignee, as the case may be, shall serve a notice of cancellation pursuant to subsection 4-1(2), 4-3(1), 4-4(2) or 4-4(5):

(a) by personal service on the lease operator or designated agent of the lease operator;

(b) by delivering notice to the address designated for this purpose by the lease operator; or

(c) by any other prescribed means.

(5) Unless otherwise specified in this Act or the regulations, notices required by this Act or the regulations to be served must be in writing or, if provided in electronic form, must be:

(a) provided in the same or substantially the same form as the written notice or document required by this Act or the regulations;

(b) accessible by the other person; and

(c) capable of being retained by the other person so as to be usable for subsequent reference.

(6) A notice or document served by ordinary mail is deemed to have been served on the third business day following the date of its mailing unless the person to whom it was mailed establishes that, through no fault of the person, the person did not receive the notice or document or received it at a later date.

(7) A notice or document that is given in electronic form is deemed to have been given on the first business day following the date on which it was sent unless the person to whom it was sent establishes that, through no fault of the person, the person did not receive the notice or document or received it on a later date.

(8) A notice or document sent by a prescribed means is deemed to have been received on the prescribed number of business days from the date the notice or document was sent.

Order respecting service

9-13(1) Notwithstanding that service of a notice or other document does not comply with this Act or the regulations, the court or a decision maker may order that the service is sufficient if the notice or other document came to the attention of the person to be served.

(2) Notwithstanding that the court or a decision maker has ordered that a person has been sufficiently served pursuant to subsection (1), that person may bring evidence to prove that service was not effected or that the person was served on a later date.

(3) For the purposes of subsection (2), the person mentioned in that subsection may request:

(a) an adjournment;

(b) an extension of time; or

(c) a rehearing of an application.

Substituted or sufficient service

9-14(1) Any person who is required to serve a document or notice pursuant to this Act or the regulations may apply to the court or a decision maker:

(a) for an order for substituted service or for an order dispensing with service; or

(b) for an order that a person has been sufficiently served.

(2) On an application pursuant to subsection (1), the court or decision maker may make an order for substituted service by any means that the court or decision maker considers appropriate or an order dispensing with service, if the court or decision maker is satisfied that:

(a) prompt service of the document or notice cannot be effected;

(b) the whereabouts of the person to be served cannot be determined; or

(c) the person to be served is evading service.

Substantial compliance

9-15 Substantial compliance with requirements respecting the content of forms, notices or documents is sufficient unless the court or a decision maker is of the opinion that it would result in unfairness to any person.

Immunity

9-16 No action or proceeding lies or shall be commenced against the Crown, the minister, a delegate of the minister, any employee, agent or officer of the minister or a decision maker for anything in good faith done, caused, permitted or authorized to be done, attempted to be done or omitted to be done by that person or by any of those persons pursuant to or in the exercise or supposed exercise of any power conferred by this Act or the regulations or in the carrying out or supposed carrying out of any order or direction made pursuant to this Act or the regulations or any duty imposed by this Act or the regulations or in the carrying out or supposed carrying out of any order.

Regulations

9-17 The Lieutenant Governor in Council may make regulations:

(a) defining, enlarging or restricting the meaning of any word or expression used in this Act but not defined in this Act;

(b) for the purposes of section 1-2, prescribing:

(i) persons as public housing authorities for the purposes of the definition of "public housing authority"; and

(ii) structures as residential complexes for the purposes of the definition of "residential complex";

(c) prescribing the circumstances with respect to which the Act applies or does not apply, including:

(i) exempting residential complexes, rental units, persons or any class of residential complexes, rental units or persons from this Act or the regulations or a provision of this Act or the regulations; and

(ii) prescribing terms and conditions that apply to exemptions;

(d) prescribing terms and conditions that must be included in every life lease;

(e) prescribing requirements relating to residential complexes located on leased land;

(f) for the purposes of section 3-2 and clause 3-3(b), prescribing information that must be disclosed to lease holders and the manner of disclosure;

(g) prescribing the maximum amount or the manner of determining the maximum amount of a pre-lease payment for the purposes of subsection 3-2(3);

(h) prescribing information that must be included in a receipt;

(i) respecting the use of entrance fees, pre-lease payments or any other payments made under a life lease, and any income or gains earned or realized from the investment of those amounts, including prescribing qualifications, restrictions, terms or conditions or other requirements on:

(i) any lease operators, classes of lease operators, residential complexes or classes of residential complexes before using those funds;

(ii) the investments that a lease operator or a trustee may make with funds received and income earned on those funds; and

(iii) the purposes for which those funds may be used or limitations on the use of funds;

(j) respecting the acquisition of a lease operator's interest in a residential complex or rental unit;

(k) for the purposes of section 3-8, prescribing prohibited payments or charges;

(l) respecting the cancellation of a life lease, offer to lease or assignment of a life lease, including prescribing the content and form of statements of cancellation rights and the manner in which these documents are to be provided;

(m) for the purposes of section 4-2, respecting the assignment of a life lease, including prescribing the information relating to assignments that must be included in a life lease and information that must be provided to an assignee and the manner in which this information is to be provided;

(n) for the purposes of section 4-10, respecting notices of termination, including prescribing:

(i) the period within which written notice to dispute a notice of termination may be given; and

(ii) the persons who may hear and determine applications respecting termination of the life lease and the manner in which an application for relief may be determined;

(o) prescribing the form of the certificate of the authorized person for the purposes of clause 4-12(2)(b);

(p) establishing circumstances in which a lease operator is authorized to disclose information in relation to the termination of a life lease due to interpersonal or sexual violence;

(q) for the purposes of section 5-1, respecting reserve funds, including the establishment and maintenance of a reserve fund and prescribing other purposes for which reserve funds may be used for the purposes of clause (2)(c);

(r) for the purposes of section 5-2, respecting fees levied by a lease operator for the reserve fund, including the procedure for levying fees and prescribing:

(i) a procedure for determining the amounts required for a reserve fund;

(ii) a procedure for apportioning the amounts required for a reserve fund among lease holders;

(iii) a minimum or maximum contribution to the reserve fund;

(iv) the period within which contributions to the reserve fund must be paid; and

(v) prescribing the manner in which payment of fees may be enforced;

(s) for the purposes of section 5-3, respecting the reserve fund study, including prescribing:

(i) the periods within which a reserve fund study must be conducted by a lease operator;

(ii) the persons or classes of persons who may conduct a reserve fund study and prepare a written report;

(iii) the manner in which a reserve fund study must be conducted, including the nature and scope of the reserve fund study;

(iv) the information to be contained in a written report and the manner in which the report is to be prepared and made available to lease holders;

(v) the criteria and terms and conditions for an exemption for the purposes of subsection (7) and any terms and conditions that apply to an exemption; and

(vi) the amount or percentage of amounts that must be collected and the period within which those amounts must be collected for the purposes of subsection (9);

(t) for the purposes of section 5-4, respecting the manner in which an annual report must be made available to lease holders;

(u) for the purposes of section 5-5, prescribing the interest rate or formula for calculating interest;

(v) for the purposes of section 5-7, respecting the insurance to be maintained by a lease operator or lease holder, including information with respect to insurance coverage that must be included in a life lease or otherwise disclosed to a lease holder;

(w) for the purposes of section 5-8, respecting annual meetings, including:

(i) prescribing other persons or entities as owners for the purposes of the definition of "owner"; and

(ii) respecting any information or documents that must be provided to lease holders before annual meetings and the manner in which such information or documents must be provided;

(x) for the purposes of section 5-9, respecting the selection of lease holder representatives and alternates;

(y) prescribing persons who may audit the financial statements of a residential complex;

(z) for the purposes of section 6-3, respecting trustees and trusts, including:

(i) prescribing requirements that must be met to be eligible for appointment as a trustee, including a corporate trustee;

(ii) prescribing other persons eligible for appointment as a trustee; and

(iii) prescribing information that must be provided to lease holders if a change of trustee is effected;

(aa) for the purposes of section 6-4, prescribing any requirements that must be satisfied or evidence or information that must be provided before a trustee releases funds to a lease operator, including any matters for the purposes of subclause (4)(a)(ix);

(bb) for the purposes of section 7-2, respecting refund funds, including the establishment and maintenance of a refund fund and prescribing requirements for the purposes of clause (1)(b);

(cc) prescribing any other date for the purposes of the definition of "lease holder's priority date" in subsection 7-4(1);

(dd) for the purposes of section 7-6, respecting refund funds, including:

(i) prescribing requirements relating to the refund fund and the purposes for which income and capital of a refund fund may be used;

(ii) prescribing any minimum or maximum amounts that will be refunded with respect to any lease holder, lease operator, or class of lease holders or lease operators;

(iii) respecting the use or payment of refund fund amounts, including when amounts may be paid for the benefit of the lease operator; and

(iv) respecting when lease holders or others may be entitled to reimbursement from the refund fund;

(ee) for the purposes of section 7-7, prescribing security requirements and persons who may be designated as a beneficiary;

(ff) for the purposes of section 7-8, respecting requests for refunds, including:

(i) prescribing the period for the purposes of the definition of "period of non-application";

(ii) prescribing the content and form of the notice to be served pursuant to subsection (2); and

(iii) respecting enforcement against a security as mentioned in subsection (3);

(gg) authorizing the Registrar of Titles appointed pursuant to *The Land Titles Act, 2000* to take any steps deemed necessary with respect to a registration of a life lease, assignment of life lease or other interest arising pursuant to this Act or the regulations in the land titles registry;

(hh) for the purposes of section 9-7, respecting dispute resolution, including prescribing:

(i) the manner or process pursuant to which a dispute resolution is to be conducted;

(ii) persons or classes of persons who can be appointed as a decision maker; and

(iii) any terms and conditions with respect to when a dispute resolution process is to apply;

(ii) respecting appeals pursuant to section 9-10, including prescribing:

(i) the persons who must be served with notice of an appeal;

(ii) the documents that constitute the record of appeal; and

(iii) the powers of the court or Court of Appeal on appeal;

(jj) respecting any transitional matters related to the coming into force of this Act, including prescribing additional provisions that do not apply before the coming into force of this Act for the purposes of section 10-2;

(kk) prescribing any fees or charges payable to decision makers, trustees, or others with respect to the administration of this Act;

(ll) prescribing rules and forms required for the proper administration of this Act;

(mm) prescribing the form, format or contents of any notice or other document sent to or by a lease holder, lease operator, trustee or other person pursuant to this Act;

(nn) prescribing manners or methods for the service, sending, filing or posting of notices or other documents, including by fax or other method of electronic transmission;

(oo) with respect to any matter regulated pursuant to this Act:

(i) adopting, as amended from time to time or otherwise, all or any part of any relevant code or standard;

(ii) amending for the purposes of this Act or the regulations a code or standard adopted pursuant to subclause (i); and

(iii) requiring compliance with a code or standard adopted pursuant to subclause (i);

(pp) prescribing any matter or thing required or authorized by this Act to be prescribed in the regulations;

(qq) respecting any other matter or thing the Lieutenant Governor in Council considers necessary or advisable to carry out the intent and purposes of this Act.

PART 10
Transitional

Transitional—pre-lease payments, entrance fees and assignments

10-1(1) Sections 3-2 and 3-5 do not apply to pre-lease payments received by a lease operator or trustee before the coming into force of this Act.

(2) Section 3-3 and subsections 3-6(1) and (3) do not apply to entrance fees received by a lease operator or trustee before the coming into force of this Act.

(3) Section 3-4 does not apply to any payments received by a lease operator or trustee before the coming into force of this Act.

Transitional—agreements entered into before coming into force

10-2(1) If, before the coming into force of this Act, a lease holder, lease operator or assignee, as the case may be, has entered into an offer to lease, life lease or assignment of life lease with respect to a residential complex, the provisions set out in sections 4-1 to 4-5 and any other prescribed provision do not apply to the residential complex or the lease operator.

(2) If, before the coming into force of this Act, a lease holder, lease operator, assignee or other person has made any payments with respect to the residential complex or a rental unit, section 3-8 and any other prescribed provisions do not apply to the payments made or payments applied by a lease operator before the coming into force of this Act.

(3) If, before the coming into force of this Act, a lease operator has applied payments received with respect to a life lease, offer to lease or assignment, as the case may be, subsection 3-6(2), section 7-5 and any other prescribed provisions do not apply to payments applied by a lease operator before the coming into force of this Act.

(4) Subject to section 10-4, a person who receives, after this Act comes into force, an entrance fee with respect to a residential complex to which subsection (1) applies shall hold the amount in trust for the benefit of the lease holder or assignee, as the case may be, until the cancellation period set out in subsection 4-1(2) or 4-3(1) or section 4-4 has expired.

Transitional—disclosure when entrance fee paid

10-3 Within 3 months after this Act comes into force, a lease operator shall disclose, to any lease holder or assignee under a subsisting life lease that is in effect, any information required by this Act or the regulations to be disclosed to the lease holder or assignee with respect to the life lease or the residential complex if, before the coming into force of this Act, the lease operator:

(a) has received an entrance fee or pre-lease payment from a lease holder or consented to an assignment of a life lease; and

(b) has not disclosed to the lease holder or the assignee substantially all of the information that it would, if the entrance fee or pre-lease payment had been received or the assignment had been made after the coming into force of this Act, be required pursuant to subsection 3-2(2), clause 3-3(b) or (c) or subsection 4-1(1), 4-2(4) or 4-5(1) to disclose to the lease holder or assignee.

Transitional—cancellation rights

10-4(1) Notwithstanding section 10-2, subsections 4-1(2) and 4-3(1) do not apply to a life lease if the lease holder or assignee has signed the life lease, offer to lease, or assignment of life lease before the coming into force of this Act.

(2) In the case of an assignment of a life lease, subsection (1) only applies if the assignment was fully executed by the lease holder, assignee and lease operator, if applicable, before the coming into force of this Act.

(3) Section 4-4 does not apply to a rental unit if the lease holder or prospective lease holder has been given or has been offered vacant possession of the rental unit by the lease operator before the coming into force of this Act.

Transitional—assumption of lease operator's interest

10-5 A person who acquires a lease operator's interest in a residential complex or rental unit pursuant to a judicial sale, foreclosure order, tax sale, or other order made by a court of competent jurisdiction mentioned in subsection 3-7(2) before the coming into force of this Act shall only be subject to section 3-7 if the judicial sale, foreclosure order, tax sale, or other order made by a court of competent jurisdiction does not identify the rights and obligations assumed by the person acquiring the lease operator's interest from the lease operator.

Transitional—requirement for reserve fund

10-6 A lease operator of a residential complex whose occupancy date was before the coming into force of this Act shall:

(a) establish and maintain a reserve fund in accordance with section 5-1 within one year after the coming into force of this Act; and

(b) ensure that a reserve fund study is conducted in accordance with section 5-3 within 3 years after the coming into force of this Act.

Transitional—requirement for insurance

10-7 A lease operator of a residential complex whose occupancy date was before the coming into force of this Act shall establish and maintain insurance in accordance with subsection 5-7(1) within 3 months after this Act comes into force.

Transitional—annual meeting and financial statements

10-8 If the occupancy date of a residential complex is before the day on which this Act comes into force, sections 5-8, 5-9 and 5-10 apply with any necessary modification to the lease operator as if the occupancy date was the day on which this Act comes into force.

Transitional—requirement for trustee

10-9 A lease operator of a residential complex who began development of a residential complex or rental unit that is not completed before the coming into force of this Act shall appoint a trustee in accordance with section 6-2 within 3 months after this Act comes into force and thereafter Part 6 applies, with any necessary modification, to the development.

Transitional—requirement for refund fund

10-10 A lease operator of a residential complex whose occupancy date was before the coming into force of this Act and who meets the criteria to establish a refund fund pursuant to section 7-1 shall establish and maintain a refund fund in accordance with subsection 7-2(1) within one year after this Act comes into force.

Transitional—notice of life lease filed against the land

10-11(1) If the occupancy date of a rental unit is before the coming into force of this Act, the lease holder may register the life lease as mentioned in section 9-1 after the coming into force of this Act.

(2) If an assignment of a rental unit was fully executed by the lease holder, assignee and lease operator, if applicable, before the coming into force of this Act, then the assignee may register the assignment as mentioned in subsection 4-2(6) after the coming into force of this Act.

PART 11
Consequential Amendments

SS 2006, c R-22.0001, section 5 amended

11-1 Clause 5(g) of *The Residential Tenancies Act, 2006* is repealed and the following substituted:

"(g) a life lease within the meaning of *The Life Leases Act***".**

SS 1994, c V-6.02 amended

11-2(1) *The Victims of Interpersonal Violence Act* is amended in the manner set out in this section.

(2) The following clauses are added after clause 2(e.1):

"(e.2) **'lease holder'** means a lease holder as defined in *The Life Leases Act*;

"(e.3) **'life lease'** means a life lease as defined in *The Life Leases Act***".**

(3) Section 12.3 is repealed and the following substituted:

"Form of certificate

12.3 A certificate issued by the authorized person must be in a form:

(a) approved by the Director of Residential Tenancies pursuant to section 16 of *The Residential Tenancies Act, 2006*; or

(b) prescribed for the purposes of clause 4-12(2)(b) of *The Life Leases Act***".**

(4) Section 12.4 is amended:

(a) by repealing subsections (1) and (2) and substituting the following:

"(1) A tenant, lease holder, or a person who is acting on behalf of the tenant or lease holder and with the tenant's or lease holder's consent may apply to the authorized person, in the manner and including the information required by the authorized person, for a certificate pursuant to subsection (2).

"(2) The authorized person may issue a certificate to a tenant for the purposes of section 64.2 of *The Residential Tenancies Act, 2006* or to a lease holder for the purposes of section 4-12 of *The Life Leases Act* if:

(a) the authorized person has received from the tenant or lease holder:

(i) a copy of an emergency intervention order, a victim's assistance order, a restraining order, a peace bond or any other court order that is in place to prevent a cohabitant of the tenant or lease holder from contacting or communicating with the tenant, with the lease holder or with a cohabitant of the tenant or lease holder; or

(ii) a statement from a person described in subsection (4) acting in that person's professional capacity indicating that person's opinion that the tenant, the lease holder or a cohabitant of the tenant or lease holder has been the subject of interpersonal violence or sexual violence; and

(b) the authorized person is satisfied that if the tenancy or life lease continues there is a risk to the safety of the tenant, the lease holder or a cohabitant of the tenant or lease holder**"; and**

(b) by repealing clause (3)(b) and substituting the following:

"(b) advise the tenant, the lease holder or the person who applied on behalf of the tenant or lease holder that the certificate will not be issued**".**

(5) Section 12.5 is amended:

(a) in the portion preceding clause (a) by adding "or a dispute resolution proceeding pursuant to section 9-7 of *The Life Leases Act* and regulations made pursuant to that Act**" after "***The Residential Tenancies Act, 2006***"; and**

(b) in clause (b) by adding "or Division 4 of Part 4 of *The Life Leases Act***" after "***The Residential Tenancies Act, 2006***"**.

PART 12

Coming into Force

Coming into force

12-1 This Act comes into force by order of the Lieutenant Governor in Council.

SECOND SESSION

Twenty-ninth Legislature

SASKATCHEWAN

B I L L

No. 72

An Act respecting Life Lease and making consequential amendments to other Acts

---

Received and read the

First time

Second time

Third time

And passed

Honourable Gordon Wyant

Printed under the authority of
The Speaker of the Legislative Assembly
of Saskatchewan
2021